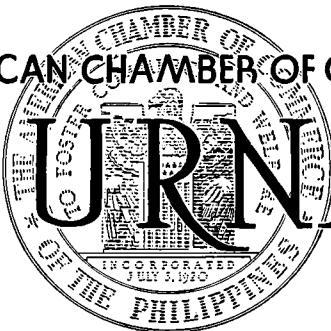


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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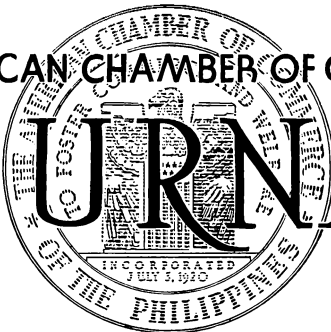


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PHILIPPINES

THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

"... to promote the general welfare"

The American Chamber of Commerce recently received from the Philippine American Chamber in New York, the text of President Truman's statement concerning the extension of the effectivity of the Philippine Exchange Tax to December 31, 1953.

This statement was dated October 20 but has not, in so far as we know, been released in Manila. *Journal* readers will recall that Republic Act 601, known as the Foreign Exchange Tax Law, which imposed a 17% tax on the value in Philippine pesos of foreign exchange sold by the Central Bank, was to be effective for a period of two years from the date it went into effect on March 28, 1951, and would therefore have expired in March, 1953. They will also recall that Republic Act No. 814, passed during this year's session of the Philippine Congress, slightly amended the basic act and extended its effectivity for nine more months up to the end of 1953; it reduced the tax to 12½% during the latter half of 1953.

The original Act required the approval of the President of the United States under Article 5 of the Executive Agreement of July 4, 1946, and the extension of the effectivity of the law for nine more months was approved by President Truman, as stated, on October 20. The President said (italics ours):

"In accordance with Article V of the Executive Agreement of July 4, 1946, between the United States and the Republic of the Philippines, my agreement has been requested by the Secretary of Foreign Affairs of the Republic of the Philippines, to an Act of the Philippine Congress, approved by the President of the Republic of the Philippines on July 14, 1952. This enactment, Republic Act 814, amends and extends for an additional nine months the tax on sales of foreign exchange for certain purposes imposed by Republic Act 601 and thus comes within the purview of Article V of the Executive Agreement. I hereby agree to the adoption of this enactment by the Philippine Government.

"This action on the extension of the exchange tax and my previous action of April 6, 1951, on the initial enactment of the exchange tax legislation evidence the desire of the United States to cooperate in matters affecting the well-being of the Philippines. It is my understanding that the tax was intended from its inception solely as a temporary measure, and it is my sincere hope that the progress which has been made by the Philippines in developing a sound system of taxation and in achieving a greater degree of financial stability will continue and make it unnecessary to extend the tax beyond December 31, 1953, the terminal date of Republic Act 814."

Article V of the Executive Agreement between the President of the Philippines and the President of the United States (authorized by an Act of the 79th United States Congress, Public Law 371, approved April 30, 1946, and accepted by the Philippine Congress through Commonwealth Act No. 733 approved July 3, 1946, the day before the inauguration of the Republic of the Philippines), reads:

"The value of Philippine currency in relation to the United States dollar shall not be changed, the convertibility of Philippine pesos into United States dollars shall not be suspended, and no restrictions shall be imposed on the transfer of funds from the Philippines to the United States, except by agreement with the President of the United States."

In view of the serious nature of the whole matter and the continuing deleterious effects of the exchange tax, it is well to remind ourselves from time to time of the facts in the case and to recall that this type of tax was especially singled out in the Executive Agreement as not to be imposed except under the rather extraordinary procedure specified.

It is often stated in defense of the exchange tax that it was recommended by the Bell Mission, but this is not exactly true. What the Bell Mission recommended was the following:

"To reduce the present excessive demand for imports, which is in part due to the high level of national income and home prices relative to those in the United States, a special emergency import levy of 25% should be imposed on all imports except a limited number of most essential goods. This special levy would be for a period not to exceed two years and would be coordinated with a new trade agreement to be negotiated with the United States. If such a special levy is not possible because of legal limitations, it would be desirable to secure some reduction in the demand for imports by heavy excise taxes on luxury imports, or through a tax on exchange remittances, although such a measure could lead to serious speculation."

It will be noted that the Mission recommended, first, an emergency tax on imports, or, in lieu thereof, heavy taxes on luxuries, or, third, and lastly, a tax on exchange remittances,—but all only as possible emergency measures, and only to reduce imports, not to raise revenue. There was no suggestion that a tax should be levied on virtually all remittances.

The present tax does directly affect the "convertibility of Philippine pesos into United States dollars" and "the transfer of funds from the Philippines to the United

States". The tax greatly increases prices and living costs and discourages outside capital investment.

As the Managing Director of the International Monetary Fund, Mr. Ivar Rooth, said at the annual meeting of the Fund and the International Bank in Mexico City last September:

"One point above all, is clear. The payments problem can not be solved by retreating behind a network of restrictions and discriminations. At best, they are a necessary evil; at worst, that are a costly burden both to the countries that use them and to the world economy. In accordance with the Fund Agreement, we are now consulting with members that retain restrictions under the provisions for a transitional period... Of course, we are not asking members to imperil their payments position by a premature removal of restrictions. We do ask them to shape their policies toward greater freedom in trade and payments."

Let us hope that the nine months' extension provided by the recent act will constitute such a transitional period as Mr. Rooth referred to.

While the President of the United States, with obvious reluctance, has agreed the extension, let us realize just what this tax means with respect to other considerations than convenience in increasing government revenues, and analyze the effects of this on both present and long-run economic programs.

We wish to commend the "Sunday Feature Editorial" of the November 23 *Philippines Herald*, entitled, "The Philippines and the New American Policy in Asia."

The Philippine Role in American Policy

The writer of the editorial, having concluded that certain facts as to the incoming Eisenhower Administration are clearly indicative of a greater emphasis to be placed on the importance of Asia in American global policy, advocated that the Philippines aid in the implementation of the new American policy and at the same time take the fullest advantage of it as an "inevitable beneficiary."

Concretely, he proposed (a) "increased use of the Philippines as a base of operations in the psychological and propaganda war"; (b) "increased attention to the country's economic needs to strengthen it for greater service to the common defense of the free world; encouragement of increased private capital investment, a continuing and possibly an enlarged American market for Philippine produce, and increased economic and financial and technical assistance in the form of MSA aid"; (c) "wider use of Philippine institutions and establishments in the promotion of educational, scientific, and medical training for peoples of Asia as well as more extensive employment of locally available facilities and resources,—human, material, and spiritual, for the job that has to be done in Asia"; (d) "development of bases of supply and possibly production centers for materials such as those that may be needed to facilitate energetic fulfillment of America's commitments"; and (e) stepped-up assistance to the Philippine armed forces and general strengthening of U. S. military bases within Philippine territory to prepare them for any eventuality."

While, frankly, in our opinion, these proposals lean somewhat to the side of the Philippines as a beneficiary, they are all constructive, and practical, too, and stand out in refreshing contrast to the timid neutralist policies advocated in some of the other East Asian countries which are still free.

The *Herald's* proposals would, however, be even more satisfactory if a little more stress were laid on (a) the country's possible economic contributions as well as on its economic needs; (b) on a continuing and possible enlarged Philippine market for American goods as well as on such an American market for Philippine produce; (c)

on the possibility of decreasing MSA aid by seriously providing greater incentives to private American capital, and so on.

But, unquestionably, the *Herald's* thinking is in the right direction of at least some degree of reciprocity.

A brief paragraph of only four lines stands out in the "Third Annual (1951) Report of the Central Bank of the Philippines" which came to hand during the month. It is to be found on page 105 in Chapter IX on the "Balance of Payments". It reads:

Foreign Investments in 1951—Less than the Withdrawals

"New foreign investments during 1951 were small, amounting only to \$891,000, of which \$291,000 came in the form of machinery and \$600,000 in liquid funds. Total amount of foreign investments withdrawn reached \$2,300,000."

This, of course, as stated, refers to foreign investments, new investments,—not to profits made in the Philippines by foreign business entities and then reinvested here.

We do not have the comparable figures for the present year, but it is certainly to be hoped that they are not so bad as for last year, which showed an overall loss of ₱1,409,000. And if it were not for the control being exercised over the transfer of profits and dividends abroad, the loss would no doubt have been greater.

With this fact in mind, take the statement, recently published in the *New York Times* (November 2), that American private investment in less-developed foreign countries "will probably set a new record this year and amounted to almost \$1,000,000,000 in the 18 months ended last June 30."

The subsequent statement of the *Times* is even more biting to a reader in the Philippines:

"This is obviously good news. The volume of private capital investment abroad is clearly one of our most sensitive indices regarding the confidence of Americans in the stability and good faith of countries in which such investment is made. The recent increase in this investment is therefore an important affirmation of confidence, made possible in large part by the actions of various under-developed countries in improving their domestic climates so that foreign investors feel welcome and have greater assurance about the security of their investments. . . Many under-developed countries do realize the importance of encouraging private foreign investment and are receiving the benefits thereof. Those who have been misled by false propaganda that such investment means 'enslavement' and 'loss of national sovereignty' are, in the last analysis, the chief losers from their own illusions."

If there should still be those among us who recognize the general facts in the situation, but are unaware of the underlying causes, we once again refer them to the article by Mr. Parrish, "Deterrents to Foreign Investment", published in the *Journal* just a year ago,—the issue of December, 1951.

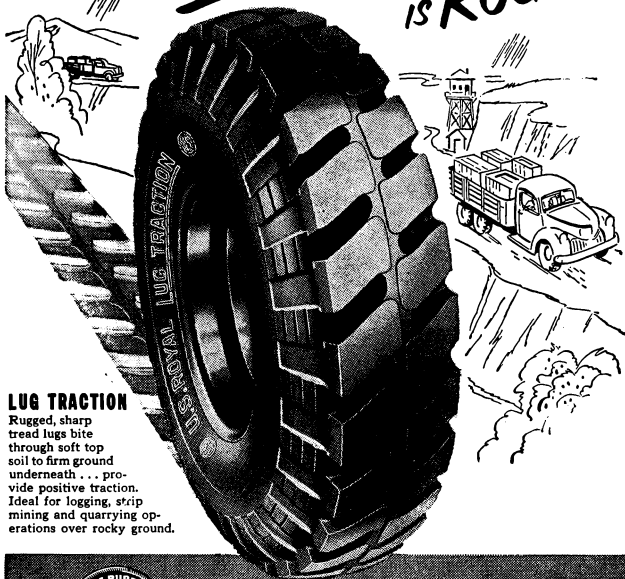
To those political and business leaders who are aware of the facts and also of the causes, we would address the question: Isn't it time that we stop the hopeless task of trying to lift ourselves by our own bootstraps? Both internal and external dangers press the Philippines, and it would seem that we have little time at best for the exertion of every possible and sincere effort to strengthen the economy.

The Chamber had a communication recently from the Philippine Tourist and Travel Association, Inc., the "National Civic Organization and Official Government Agency for the Promotion of Tourism and Travel in the Philippines," which

told of some really constructive measures which have been taken to promote the tourist trade,—and what this can be is suggested by the fact that American tourists spend around \$60,000,000 annually in Hawaii, largely because it has been made a pleasant place to visit.

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According to the Tourist Association's letter, the latest developments are that visa fees have been abolished (on a reciprocal basis), any Philippine consulate abroad may now issue tourist visas, the personal appearance requirement before consuls has been "eased", the tax exemption affidavit is no longer required, police certificates are also no longer required, the head-tax for tourists has been abolished, visa permits have been extended to 59 days, customs procedures have been made "easy", and tourists may travel within the country wherever they please.

The Association was established as a civic organization in 1951 and, by Republic Act No. No. 710, of this year, assumed an official character. The Honorary President is

President Quirino, and the Chairman of the Board is Secretary of Commerce and Industry Balmaceda; the President and Vice-Chairman is Mr. Farolan, publisher of the *Philippines Herald*. The Commissioner of Customs, the Commissioner of Immigration, the Under-Secretary of Foreign Affairs, the Acting Director of the Exchange Control Department of the Central Bank, and a number of other prominent persons, representing steamship companies, air lines, banks, hotels, business and civic organizations, etc., are members. Arno Duchstein, an experienced and hard-working man, is the Executive Secretary. With such a line-up of ability, experience, and authority, the Association should be able to produce results—as it has.

I AM pleased to accept the invitation of Secretary Balmaceda to contribute a few words to the Yearbook* which will mark the Fifth Anniversary of the Department of Commerce and Industry. I was momentarily surprised that it is only its Fifth Anniversary which the Department is celebrating, but then I remembered that what we had before the war, in the days of the Commonwealth, was the Department of Agriculture and Commerce. There was a Bureau of Commerce, as we have today, but departmentally, commerce was associated with agriculture.

Going farther back, commerce was included in the same department with the police! This, however, was not because commerce was considered a police matter! During the earlier part of 1901, the Philippine Commission was composed of only five Americans. Civil Governor Taft himself supervised the Executive Bureau, the Bureau of Audits, and the Bureau of Civil Service. The other bureaus were assigned to only four departments—Interior, Commerce and Police, Finance and Justice, and Public Instruction. Three Filipino members were appointed to the Commission later in the year, but the number of departments was not increased. In 1904, W. Cameron Forbes, member of a famous Boston trading house, became Secretary of Commerce and Police.

In the reorganization which followed the enactment of the Jones Act of 1916, six departments were created, not including the General Executive. They were: Interior, Public Instruction, Finance, Justice, Agriculture and Natural Resources, and Commerce and Communications.

During the Commonwealth period, the number of departments was increased to nine, not including the Office of the President: Interior, Finance, Justice, Agriculture and Commerce, Public Works and Communications, Public Instruction, Labor, National Defense, and Health and Public Welfare.

Under the Republic, the number of departments has been increased to eleven, not including the Office of the President: Foreign Affairs, Finance, Justice, Agriculture and Natural Resources, Public Works and Communications, Education, Labor, National Defense, Health, Commerce and Industry, and Office of Economic Coordination.

THIS mere listing of the different executive departments during various stages in the life of the Government of the Philippines is a history in itself, clearly indicating the

political, economic, and social development of the country. In general, there were bureaus concerned with various affairs before there were departments and there were divisions before there were bureaus. There was, for instance, a Division of Mines before there was a Bureau of Mines; there was a Bureau of Labor before there was a Department of Labor. The introduction of the word *industry* in the designation of an executive department is new and indicates the importance that industry has assumed in the minds of government leaders as well as in the Philippine economy—although the Philippines has had its great industries for a long time.

Historically, official organization is always a little slow; generally the development comes first; then it is officially noticed and divisions, bureaus, and finally departments are organized. They are organized to foster and assist the development.

May I suggest that although modern complexities of economic life and periodic alarms of economic emergency may make some small temporary governmental guidance or control advisable, the tendency, if not kept in close check, is definitely to overdo bureaucratic interference. Let us guard against the trend toward governmental regulation followed by governmental control and finally governmental ownership.

Such controls are wholly foreign to the freedom under which the industry and commerce of the Philippines developed so greatly in the past, even when commercial and police affairs were handled by the same department secretary. Today there is no such association, but the policing is egregiously real.

Industry and commerce thrive in freedom—as everything human thrives in freedom; that is the democratic faith, borne out in history. I think we have a right today to look to the Department of Commerce and Industry, and its various bureaus, for understanding of this fact and for protection against the tendency of all government toward over-governing.

With this in mind, I, in behalf of the American Chamber of Commerce of the Philippines, extend the sincerest good wishes to the Department of Commerce and Industry, its able head, and the entire personnel.

J. L. MANNING
President, American Chamber of
Commerce of the Philippines,
Inc.

*Department of Commerce and Industry Yearbook, published on the occasion of the 5th Anniversary of the Department, October 21, 1952.

"The real job is still ahead, - working for a better America."—President-elect Eisenhower, after his electoral victory.

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A*



*Merry
Christmas!*

*and a
Prosperous
New Year*

MANILA ELECTRIC COMPANY

134 SAN MARCELINO

MANILA

Short History of Industry and Trade in the Philippines

Period of the Japanese Occupation

By A. V. H. HARTENDORP

"The infidel triumphs,—or supposes he triumphs. . .
The cause is asleep,—the strongest throats are still, choked
with their own blood,
The young men droop their eyelashes toward the ground when
they meet. . .
But for all this, liberty has not gone out of the place,
Nor the infidel enter'd into full possession."—*Walt Whitman*

IT might be thought that the Japanese rule in the Philippines for three seemingly endless years was, nevertheless, only an interregnum, a break or pause in the historic pre-war continuity which, though cut off as with an axe by the enemy, was resumed after the thrice-blessed liberation.

The country suffered a traumatic break with the past, agonizing beyond telling, but the Japanese had ever to contend with the matter and spirit of the past and, with all their ruthlessness, were never able to overcome it entirely, or even in large part. The people, both openly and passively, resisted them to the end. But it is equally true that after liberation there could be no mere resumption of the pre-war way of life: those who survived and those who came after the Japanese had to deal with what the enemy left behind them,—the totalitarian debris, the authoritarian stench, which, as few realized at the time, would prove far more difficult to rid the country of than was the mountainous and corpse-strewn material wreckage.

American Sovereignty has "Completely Disappeared".—The Japanese entered Manila early Friday evening, January 2, 1942, and the next morning the red-spot flag of Japan was flying over all the principal edifices; many of the larger buildings were occupied by Japanese troops, and Japanese soldiers, by two, were posted at almost every street corner. The rounding up of Americans and others, now "enemy nationals", began immediately.

On Sunday, January 4, the Manila *Tribune* came out in reduced 4-page form, Japanese edited (all other newspapers in Manila had been immediately suppressed), carrying an announcement by the Japanese Imperial High Command declaring that the sovereignty of the United States over the Philippines had "completely disappeared" and proclaiming the establishment of martial law under the Japanese Military Administration. The Japanese aim, the announcement went on to say, was to "emancipate" the Philippines from the "oppressive domination" of the United States and to establish "the Philippines for the Filipinos as a part of the Co-Prosperity Sphere of Greater East Asia." The announcement warned the people against "rashness" and stated also that "spreading fabulous rumors" would be severely punished; serious offenders would be put to death "according to martial law". The announcement finally stated that third-party foreigners were guaranteed safety of life and property, but that those of them who disturbed the public peace and were not "careful in word and deed" would be put to death. It was not stated what would be done with the nationals of countries at war with Japan.

Filipino Leaders "Put on the Spot".—The enemy, from the first and for their own purposes, blandly ignored the fact that the Filipinos were at war against Japan. The Philippine Commonwealth was not a sovereign nation, foreign relations were under charge of the United States, and the Commonwealth could not have declared formal war on its own account. But on December 12, 1941, the National Assembly had adopted a resolution pledging the

full support of the Philippines to the United States in the war against Japan, and on December 15 this resolution was amended to include Germany and Italy among the enemy nations. That same day the Assembly adopted another resolution declaring a state of total emergency and placing unlimited powers in the hands of President Quezon to meet the emergency. And President Quezon had said:

"The flag of the United States will be defended by American and Filipino soldiers until the last round of ammunition. The Filipino people welcome the opportunity of testing their loyalty to America through blood and fire."

And on December 30, on the occasion of the sad inauguration of his second term of office, which took place on Corregidor, Quezon said:

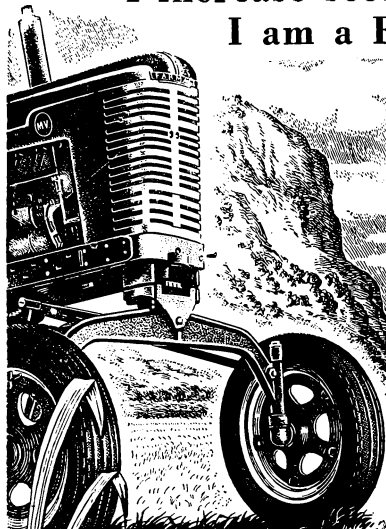
"No matter what sufferings and sacrifices this war may impose upon us, we shall stand by America with undaunted spirit, for we know that upon the outcome of this war depends the happiness, liberty, and security not only of this generation, but of generations to come."

Now in many respects the Filipinos, particularly the political leaders,—and all of them could not have joined the USAFFE¹ or the guerrillas or gone into hiding, were in a far worse position than the Americans in the country or the nationals of other powers at war with Japan. These were interned and, for a time, hapless as was their lot, were otherwise left personally unmolested except for a few against whom the Japanese held a grudge. Prominent Filipinos, however, were "on the spot". The Japanese announced and reiterated over and over again that they had come not to fight their "fellow" Orientals, but to "free" them. They pretended that they came as friends and that, indeed, they were made welcome by the Filipinos as "liberators" despite all evidence to the contrary. But thus they denied them the status of a people in an enemy-occupied region and such protection as there may be in international law for such people. As "friends" the Japanese, as of right, demanded the full "cooperation" of the Filipinos even to the point not only of disloyalty, but treason. Refusal was not recognized as honorable, but made a Filipino a "renegade", an individual enemy and criminal, forthwith subject to nameless abuse, for himself and family, torture, and death. Hundreds of men, and women, too, were executed in Manila for "anti-Japanism" during the first few months with hardly the pretense of trial or even court-martial, and the total ran into tens of thousands before the long nightmare ended. The Japanese policy from the beginning was one of verbal blandishment combined with deliberately terroristic practices.

According to all international law, the military occupation of a country does not of itself transfer sovereignty, and the occupying power is obliged, at least for a time, to recognize the laws of the land and not to disturb the existing governmental organization more than is militarily necessary. The invading forces have no right immediately to set up a government of their own in the occupied territory or to demand the adherence and loyalty of the people, much less to use them against their own forces still in the field. All they have the right to demand is obedience to the necessary military regulations. Nevertheless, the Japanese Commander-in-Chief immediately and falsely declared that the sovereignty of the United States in the Philippines had "completely disappeared" (this being a matter of cession and of international recognition), and

¹United States Armed Forces in the Far East.

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MAIN OFFICE: MANILA

BRANCHES AND DEALERS THROUGHOUT THE PHILIPPINES

immediately exacted the most treasonable services from the Filipinos on pain of death. This was not merely a threat; the policy was mercilessly carried out.

The Philippine Executive Commission.—President Quezon, before leaving for Corregidor, had designated his Executive Secretary, Jorge B. Vargas, as the ranking member of the Cabinet and had commissioned him to represent the Commonwealth Government in the necessary dealings with the enemy. For convenience, he had been additionally named "Mayor of Greater Manila".

Order No. 1 of the Japanese Commander-in-Chief, published in the *Tribune* of January 24, 1942, brought into being a puppet government headed by the so-called Philippine Executive Commission of which Vargas was appointed Chairman. Many more leading Filipinos were appointed to an "advisory body" called the Council of State. The *Tribune* published a declaration signed by the members of the two bodies, addressed to the Commander-in-Chief, which stated:

"Your Excellency:

"In compliance with your advice, and having in mind the great ideals, the freedom, and the happiness of our country, we are ready to obey to the best of our ability and within the means at our disposal the orders issued by the Imperial Japanese Forces for the maintenance of peace and order and the promotion of the wellbeing of our people under the Japanese Military Administration."

This was a clear statement, acceding to as much as the Japanese could rightfully ask,—obedience. There was no reference to any supposed Japanese sovereignty over the Philippines or to any "loyalty" to Japan, but it was already obvious that the Japanese demanded much more.

A week or so later, the Commander-in-Chief¹ (at the beginning this personage was never given a name in the *Tribune*) was reported to have said at a state dinner that a "total reform" of the national life was called for which would—

"sweep away all the exploitation, outrages, insults, and degeneration caused by the Americans for the last 40 years. . . . Escape from the position of captives of the capitalism and imperialism of the United States! Liquidate the unnatural culture borrowed from a far country! Shake off the economic dependence on the United States and reform the national life into simplicity and reorganize your industries so as to make cooperation with your neighbors possible."

He also said (and this was still some months before the surrender in Bataan and the subsequent fall of Corregidor):

"Rumors of the resurrection of American forces in this country are too absurd to deny and we laughingly disregard them."

During the next few weeks, some six executive departments were organized, each department headed by a member of the Executive Commission, and Vargas, "with the approval of the Commander-in-Chief of the Japanese Imperial Army", also appointed a number of bureau heads, but more than 50 government offices were closed and their officials and employees,—those who had not already quietly absented themselves, were "retired". But the Government Insurance System was abolished. Salaries were slashed from 50 to 70% and in addition, a scheme of "forced saving" was instituted which further cut down the actual pay.

The Bureau of Customs and the Bureau of Internal Revenue were "combined" and most of the personnel dismissed. There was going to be nothing for any customs personnel to do, for, as will be shown later, there was and could be no overseas trade under the system of exploitation practiced by the Japanese.

Later in February, Vargas, "with the approval, etc.", appointed eleven provincial governors of Japanese choosing, and as there were 48 provinces, this served as some indication of the limited area which the Japanese controlled at this time.

That month, too, Vargas (always with the "approval, etc."), appointed the members of a newly constituted Supreme Court and also of a newly constituted Court of Appeals, and a week or so later a number of judges to the Manila courts of first instance. One of the first decisions of a lower court was to declare the 8-hour labor law as "inoperative under the present circumstances". There was never much work for the courts during the entire Japanese regime as more summary methods were resorted to, but in September, Jose P. Laurel, who was then Commissioner of Justice, issued an order which confirmed what had been the practice from the beginning of the enemy occupation,—no granting of bail except for the most minor offenses, and Japanese intervention in court cases, so long as this was done in a "formal" manner through the "appropriate officers of the Japanese Military Administration or through the Chief of the Military Police."

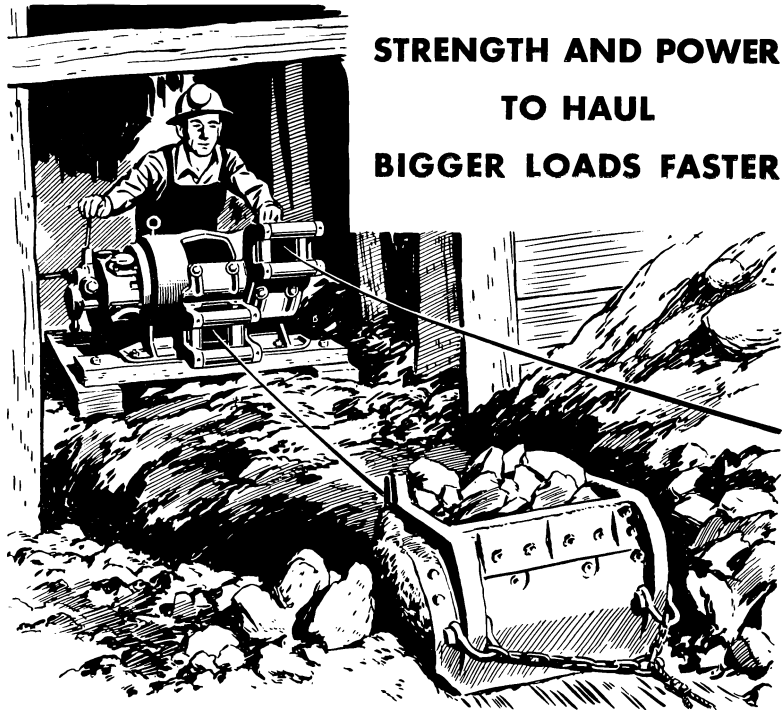
All election cases had been immediately dismissed as the Japanese announced that they would not recognize political party organizations and issued dire warnings against any political activity whatever. But, what was more, no legislative branch of the new "government" was provided for. The National Assembly was suppressed as "unnecessary under the new regime". Order No. 3 gave the Executive Commission limited legislative powers subject to the approval of the Commander-in-Chief.

While various new or radically increased sales and "luxury" taxes and license fees soon went into effect (leather shoes were classed among the luxuries), the puppet government had no money and the Imperial Army, therefore, "benevolently advanced" certain funds from time to time, although never very liberally,—P2,000,000, for instance, in February, in the army paper money to be described later. The Army was at its most generous in providing paper to pay for the road and bridge repair and maintenance work, which was a military necessity. About the middle of June, Vargas issued an order suspending all tax-revenue allotments to the provinces, cities, and towns and requiring that all tax collections "accrue" to the Central Administrative Organization, the amounts to be allotted to them "to be determined later". A month or two earlier, Vargas had issued an executive order fixing the "minimum pay" of provincial, city, and municipal government employees "who were the sole support of their families", at P30 a month.

For "Vargas", of course, a Japanese name should always be read. The so-called Central Administrative Organization, headed by the Philippine Executive Commission, was only a front. The real government was that of the Japanese Army, acting through the Military Administration under a Director-General, the organization of which roughly paralleled the civilian departments and bureaus. Besides this, every Filipino official had a number of Japanese at his elbow, ostensibly experts and advisers, who gave him his orders. Vargas' own keeper was the former Vice-Consul in Manila, J. Kihara, who was installed in Malacañan immediately and who, the writer was told by a Malacañan official after liberation, "ran the place" until the end of the Executive Commission regime toward the latter part of 1943.

In August, Vargas issued two executive orders completely changing the established system of provincial and municipal governments. Governors and mayors, themselves appointed from Manila, were empowered to appoint all subordinate officials and employees and to issue provincial and municipal ordinances; provincial and municipal boards became merely "consultive" bodies. Every act, however, had to have the approval of the Commissioner of the Interior, through the Director of Local Governments. Provincial and municipal budgets were prepared and prescribed by the latter official.

¹General Homma.



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Status of Japanese Nationals.—The position of the Japanese nationals in the Philippines had been quickly attended to. Military Ordinance No. 2 had curiously lifted—"the prohibitions and limitations on the civil rights, benefits, and privileges which the Japanese are denied by the laws, statutes, and administrative orders."

and had declared that the term "alien" in these laws, statutes, and administrative orders did not apply to the Japanese.

"Independence"—and the Military Administration.—Although Premier Tojo in Tokyo said as early as January 21, 1942, that Japan would—

"gladly grant the Philippines its independence so long as it cooperates and recognizes Japan's program in establishing the Greater East Asia Co-Prosperity Sphere."

the Japanese military in the Philippines expressed themselves differently. That the Army did not look upon the Military Administration, set up behind the screen of the Executive Commission composed of Filipinos, as a merely temporary organization, was made clear before the first year was up by a statement issued in December by the Military Administration which ran, in part:

"In 1943, administratively, the foundation which was laid in 1942 will be extended and strengthened with a view to extending it all over the Philippines. . . . Emphasis will be laid on the extension and strengthening of the personnel of the provincial governments with the nationwide development of Military Administration in view."

S. Murata, "highest adviser" to the Japanese military, was quoted as having said earlier that month:

"There are some people in the country who think that the officials of the Japanese Military Administration play too large a part in the affairs of the Islands. They say that the situation might be much better if things were allowed to settle in the hands of the Filipino people. The arguments has its points. It might be justified if things were normal. . . . But unfortunately, it is not so. The Philippines today is not only faced with critical times, but it is at a cross-road and the situation demands decisive action, a radical rejuvenation. . . . Anyone with common sense can see that something like a major operation must be decided upon. . . . Assuming that the Filipinos might have been granted independence in 1946 [by the United States under the terms of the Tydings-McDuffie Act], the country would not have been prepared for it from the standpoint of economic structure. Aside from the sure disaster that was scheduled to happen in 1946, it would seem like excess optimism to believe that the Philippines would have been ready for independence even in 1961. . . . With the first impact of war, the Philippines took the role of a ship, drifting in dreamy seas, suddenly met by a great typhoon. . . . So we find the Commander-in-Chief of the Japanese Imperial Forces as a new captain, making every effort to save the passengers and cargo and at the same time re-charting the course in order that the ship may reach its haven in safety."

The "Neighborhood Associations."—The Japanese did not have everything their own way even after the surrender of Corregidor, for guerrilla forces were making trouble for them in many parts of the country. In a malignant effort to establish a system of general espionage and betrayal, through which the people would be made the direct agents in their own subjection and degradation, the Japanese Military Administration, through Executive Order No. 77, issued by Vargas in August, established the so-called "Neighborhood Associations". These associations composed of around ten families each, with the head of one of them appointed "leader", were organized by the city and municipal mayors, and were combined into larger "District Associations" which operated under the local branches of the Military Administration. The men in the neighborhood associations were called upon not only to patrol their neighborhoods at night and to report regularly on all arrivals and departures from the community, but also to report immediately and to "assist in the capture" of any "bandits or suspicious characters" whose presence was discovered. In case an unreported "felonious criminal" was apprehended by the Japanese anywhere, the neighborhood leader and the heads of each family in the area were to be "fined" (a euphemism for greater punishment). This type of organization was not a Japanese invention, having been used in ancient times both in Europe and Asia. In China, where it had again been resorted to, the Government of Sun Yat-sen abolished it as "unfit for a

free people", but the Japanese re-introduced it in Manchuria and later in China and also brought it into Japan proper. Now it was given to the Philippines. In Manila and other cities and towns the people were forced into forming the associations by tying them in with the food-rationing system and by the middle of 1943 it was claimed that over 1,500,000 families were enrolled in them. Nevertheless, the people continued to extend what aid and support they could to the guerrillas, making only false or delayed "reports" and even using the rations they obtained through their membership to feed the fighters still in the field.

The "Kalibapi"—In December (1942) it was announced that "on their own accord" all existing political parties had dissolved themselves and that, in their stead, to unify the people and to promote the Oriental virtues, an organization was to be formed called the Kalibapi, a shortening of *Kapisanan sa Paglilingkod sa Bagong Filipinas* (Association for Service to the New Philippines). The aim, as officially stated, was—

"to unify the Filipinos, regardless of class, sex, rank, or creed, in order to extend positive cooperation to the Japanese Military Administration in the reconstruction of the country. . . . and to invigorate in the people such Oriental virtues as faith, self-reliance, loyalty, patriotism, bravery, discipline, self-sacrifice, and hard work. . . ."

It was emphasized that "the Kalibapi was not a political party, but a non-political service organization", although "no person can be employed in the government and any of its institutions unless he is a member." All persons 18 years old or older could join, and a little later it was announced that all "civic bodies", such as the Filipino "newsmen", and writers, and nurses associations, the various women's clubs and federations, even the Young Men's Christian Association, were to be "sworn in". There was also a "Kalibapi Labor Institute." Vargas was appointed President *ex-officio* of the Kalibapi and Benigno Aquino, Commissioner of the Interior, was appointed Vice-President and Director-General. In March, 1943, a Junior Kalibapi was organized in two branches,—the *Kabataang Maghahanda*, for children from 7 to 15 years old, and the *Kabataang Katulong* for young people of from 16 to 18. There were separate units for boys and girls. It was through these organizations that the sons of prominent Filipinos were laid hold of for "re-orientation". The Filipinos soon had a song, the first line of which ran:

"I'm a slap-happy Jappy

Since I joined the Kalibapi."

The expression "slap-happy" referred to the state of consciousness engendered by the universal Japanese indulgence in face-slapping. This aroused such resentment, that the Japanese explained that the *binra*, as they called it, was practiced in the Imperial Japanese Army itself as the "slightest possible disciplinary measure" and that it should be "taken in this spirit". The people continued to be slapped right and left and at all times could well consider themselves lucky that they suffered nothing worse.

The first provincial meeting of the Kalibapi was held at Malolos, because, as Aquino said, the "short-lived Philippine Republic of 1898 was born there". The Philippine Veterans Association, headed by General Emilio Aguinaldo, was "dissolved" on Japanese orders; the members were told to join the Kalibapi.

The "Co-Prosperity Sphere" Propaganda.—Had the Japanese had the wisdom to carry out the announced policies of the "Co-Prosperity Sphere" scheme, or had they had only the intention to do so, it would still have been unlikely that they could have won the Filipinos over, in view of the radical differences in character and culture, but they might have won friends in the country. But it was all only a false propaganda. The Japanese military tyrannized over their own people at home and it was inevitable that they would abuse the foreign peoples they conquered. In the Philippines, the Japanese inspired only fear and hatred, always tinged with con-

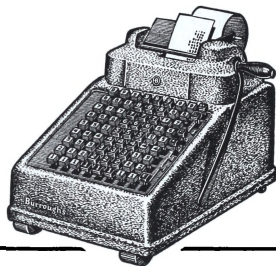
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tempt. From the first it was plain that the actual policy of the Japanese was one of naked imperialism. The invasion of the Philippines immediately turned into a sheerly piratical expedition, and what long-term plans of organization and development were initiated, were obviously calculated to reduce the status of the Philippines to that of a tributary state and to keep it there.

The "Treasure-Ships".—It was not only that the Japanese armed forces lived on the country to the extent that they brought on mass famine, in the course of which hundreds of thousands of people died of starvation, but that vast loot was taken out of the country besides,—"existing stocks, plus what could still be produced, of sugar, hemp, copra, coconut oil, margarine, soap, ores, and machinery and factory equipment of all kinds, automobiles and trucks, even telephones and sewing-machines and antique Philippine furniture. All this pillaging was systematic and official. A Tokyo dispatch of April 7, 1942, published in the *Tribune* quoted Col. K. Okada, Chief of the War-Preparations Section of the War Ministry, as saying exultantly:

"Japanese transport vessels which have carried Japanese troops to the Southwest Pacific war-fronts are returning home as treasure-ships, laden with foodstuffs and raw materials for domestic consumption."

The Japanese War Notes ("Micky Mouse Money").—This "treasure" the Colonel spoke of so gleefully, was all stolen, even if some of it was "paid for" in the Japanese Army's "occupation currency" which was a purely fiat currency of no foreign exchange value even with Japan itself. The Japanese forces landed in the country with bales, tons, of this "money", ready-printed. The amount issued during the three years of the occupation has been variously estimated at between 6,623,000,000 and 11,148,000,000 "pesos". Before the war, the total Philippine money supply, currency and demand deposits, never exceeded ₱300,000,000, less than 1/20 of the amount the Japanese put in circulation at the lowest estimate.

Although, before the Japanese entered Manila, some millions of Philippine peso notes in possession of the Government and the banks were destroyed by the American military authorities, there was still an ample supply in circulation, but this money did not suit the Japanese purpose. Acceptance of the Japanese war notes was immediately made compulsory, and the Philippine notes were soon driven out of sight. People who received the war notes for goods and services and more or less promptly got rid of them in exchange for other goods and services, did not lose much except through the depreciation of the notes which, at first, was slow, but those who had to accept them in larger amounts and who had quantities of them in their possession when the notes began to depreciate rapidly and, in the end, became wholly worthless, stood out as plainly robbed.

The Japanese, in using this paper, had two aims in view.—(1) to seize whatever they could get for nothing, though the ignorant would think they were paying for it, and (2) to depress the living standards of the people to near or below the starvation level, this being of advantage to them in further exhausting the country's supplies. The deliberate nature of this policy was proved by an article, written by a Japanese authority in a self-congratulatory strain, which appeared in a 1942 issue of the *Boeki Toseikai Kaiho* (Trade Control Association Journal), and was entitled, "War Notes Secure Confidence of People of Southern Asia". The author stated, in part,—and the present writer quotes at length, rather than to paraphrase, as he wishes to prove criminal self-conviction:

"In the Japanese-occupied regions in the South, war notes have been in use ever since the commencement of military operations. . .

"Most of the homes of Americans and allied nationals were stripped by the military who occupied them; first a general officer would move in and would take what he wanted; after he moved out, a colonel would move in and take what he wanted of what was left, and so down the line of rank.

The Special War Fund Bill involving ¥27,000,000,000, which was submitted to the 81st session of the Imperial Diet on February 8 this year (1942), included a loan of ¥3,300,000,000 as one source of revenue. This loan has been secured from the Southern Development Treasury and is to finance military expenditures on the front. *This loan is not a burden at home. All future war notes in the South will be handled as Southern Development Treasury Notes, independent of the Extraordinary Military Expenditure Account.*

"Japanese war notes in the South are issued in, and are at par with, the currencies in the countries under occupation, i.e., Straits dollars in Malay and North Borneo, rupees in Burma, guilders in the East Indies, pesos in the Philippines, Australian pounds in New Guinea. This arrangement. . . has had an immense appeal to the native inhabitants. It is merely an expedient to avert chaos, for, obviously, these former enemy currencies are now entirely without backing as the influence of the respective enemy countries has been completely driven away from the domain of East Asia.

There is no exchange rate between yen and war notes or among the regional war notes. This is because Japan pursues the policy of not recognizing, for the time being, at least, free exchange of funds between Japan and the South or among the various zones in the South.

"After having served their usefulness for operational purposes, war notes are now playing a productive role as the monetary medium for the acquisition of materials and for reconstruction and development work. With the native inhabitants reposing implicit confidence in them, war notes are in satisfactory circulation everywhere. . .

The Japanese writer then discussed the currency measures previously adopted in China, revealing that the same policy was followed with equal ruthlessness there.

"With the expansion of the war front, the consequent mounting of military expenditures and the rise in demands on funds for economic reconstruction work in Central China, the issue of war notes swelled of necessity. To cope with this situation, yen funds in the field were put under rigid control, while at home, restrictions on trade and exchange transactions with Central China were strengthened. Eventually, the exclusive use of war notes was decided upon. . . The stage was reached where their value had to be maintained on a stable basis. Various measures were taken toward that end. . . Restrictions were put upon imports from Japan. . . Control over loans to Japanese entrepreneurs was strengthened. . . Commodity traffic was kept down to the extent of the minimum needs in the occupied areas. . ."

It will be understood that under this system of deliberate stripping of the occupied countries of Southeast Asia, as in the case of China, there could be no trade between the Philippines and Japan or among any of the various countries in the "Co-Prosperity Sphere". In so far as the Japanese robber-state was concerned, why should there have been, when, with a rapacity which knew no bounds, the Japanese were getting everything there was to get, for nothing but the paper and ink used in the manufacture of the war notes?

The Banks.—Some of the Manila American and allied foreign bank executives awaited the Japanese in their offices on Saturday morning, January 3, 1942. They were made to turn over the keys and the combinations of the safes and vaults to them, and were informed that an official of the Bank of Taiwan had been appointed liquidator. A. D. Calhoun of the National City Bank of New York and two of his staff were driven around and exhibited down-town in an open truck for an hour or so before being taken to Villamor Hall, the first place of internment. Subsequently, after their internment in the University of Santo Tomas, a number of the bank men were taken out of the Camp to their former offices to complete trial balances and to give other information.

Early in February, the Army ordered the reopening of three Filipino banks in Manila and branches of the Philippine National Bank in Cabanatuan, Tarlac, and Legaspi, were opened in March, but withdrawals were either prohibited or strictly limited. Daily cash reports and weekly statements of the general ledger balances were required to be made direct to the Army. In April, the Philippine Agricultural and Industrial Bank was opened, but "solely for the purpose of accepting payments on loans."

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In June, the Commander-in-Chief issued an order sequestering all payments due to citizens of the United States and allied powers and required that such payments be deposited in the Bank of Taiwan or the Yokohama Specie Bank, subject to withdrawal only under license of the Japanese Military Administration. In July, an order was issued requiring the liquidation of the American, British, Dutch, and Chinese banks, the Bank of Taiwan being appointed liquidator.

In October, 1943, the Japanese Military Administration ordered all local banks, except those under liquidation, to transfer to the Bank of Taiwan all deposits of American and other allied nationals, and also called for the payment of any credits due them in Japanese war notes.

According to the Committee on War Claims, Congress of the Philippines, after the war, the Bank of Taiwan collected from the debtors of these banks (National City Bank of New York, Peoples Bank and Trust Company, Chartered Bank of India, Australia, and China, Hongkong and Shanghai Banking Corporation, Nederlandsch Indische Handelsbank, N. V., China Banking Corporation, and Philippine Bank of Communications), amounts aggregating ₱34,311,330.14 in Japanese military currency, none of the payments being authorized by the banks concerned. The Japanese aim was to destroy the securities of these banks. Some millions of pesos deposited with the China Banking Corporation were forcibly debited to the Chinese depositors and then credited to Chinese "associations" through which credits the Bank of Taiwan made forcible levies on the depositors. Of the total thus paid to the Bank of Taiwan, about ₱6,000,000, or around 18%, was paid in by Filipinos. A large proportion of the payments came from a small number of debtors' whose "buy-and-sell" operations, which will be described later, enabled them to acquire large sums in Japanese military notes which they handed over to the Bank of Taiwan in the hope that such payments would discharge their legitimate obligations to the banks. Payments by years were as follows: 1942, ₱5,595,714.36; 1943, ₱13,467,638.62; 1944, ₱15,208,696.70; 1945, (1), ₱39,290.46. It is to be noted that the "payments" increased as the military notes depreciated in value.

American and other internees who had deposits in "non-enemy" banks were permitted from time to time to make small withdrawals, but in June, 1944, the Santo Tomas Camp Internee Central Committee and individual internees were forced even to deposit what small cash funds they had been able to accumulate in the Bank of Taiwan, the Central Committee and the individual internees being allowed to draw on these deposits only in limited amounts,—in the case of individuals, only ₱50 a month, which at the time could buy very little. This, however, is getting too far ahead of the story.

Land Laws Set Aside and the Compulsory Cotton Growing.—In August it was reported in the *Tribune* that the military authorities had established a "model farm" of 4,000 hectares and placed it under the management of the Ohta Development Company, though the laws of the Commonwealth prohibited foreigners from acquiring agricultural lands in the Philippines and limited the area of public lands which could be acquired by any Philippine corporation to 1024 hectares.

The most ambitious project which the Japanese Military undertook at this time, in the agricultural field, was the forced production of cotton, mainly, for the time being, as a war-material, and, later, for turning the country into a source of supply for the Japanese textile mills. The plan was to convert most of the sugar-producing areas into cotton plantations. Sugar, the Japanese said, was depend-

ent on "artificially created foreign markets". The plan was outlined to the Philippine Executive Commission in August by Maj. Gen. Wati, himself, the Director-General of the Military Administration. He laid down a 5-year plan under which the sugar industry was to be maintained only to meet the local demand in so far as sugar was concerned, but, "in view of the necessity of attaining self-sufficiency in liquid fuel, the surplus capacity of the sugar industry was in part to be diverted to the manufacture of high-octane liquid fuel and alcohol which are products that can be made from sugar-cane."

"The balance of the sugar lands... can be used for the increased production of cotton... For this re-orientation of the basic industries of the Philippines, Japan is ready to give necessary aid and guidance in order that this country may perform her mission as a member of the Greater East Asia Co-Prosperity Sphere and enjoy a rightful share of profit and prosperity."

A Memorandum presented on the subject states that the first step—

"aims at the production of 1,500,000 piculs of ginned cotton by planting 500,000 hectares per year. For the 5-year period from 1942 to 1946, it is planned to plant 12,000 hectares of sugar lands under cultivation to produce an estimated crop of 37,000 piculs of ginned cotton..."

Japanese firms, of course, were to be in charge:

"The Japanese firms in charge of cotton growing (hereafter to be known as Cotton Growers) are: Kansei Bosoki K.K., Daiinichi Bosoki K.K., Toyo Bosoki K.K., Daiwa (Kurasaki) Bosoki K.K., Kureha Bosoki K.K., Toyo Menka Bosoki K.K., Toyo Takusoku K.K., and Taiwan Takushoku K.K."

There was also to be a Philippine Cotton Growers Association, which—

"shall be organized under the supervision of the Army in close cooperation with the Nippon Cotton Growers Association... The officers shall be composed of the officials of the Office of Military Administration, the officials of the Philippine Executive Commission, the Cotton Growers, and the members of the Nippon Cotton Growers Association."

Even in the "Philippine" Association, the Filipinos were to be somewhat in the minority!

The prices to be paid for the cotton (if and when produced) "shall be fixed", stated the Memorandum, "at an advantageous rate",—it was not stated to whom.

There was also, as always, the hardly disguised threat.

The "lease or purchase" of the land needed "must be based on the principle of free contract", said the Memorandum, however,—

"if such measures fail to attain their object, necessary orders shall be promulgated for compulsory adoption. Other installations besides land shall be handled in the same way... In the event land owners fail to cooperate by refusing to comply with the request to improve the cultivation of land, necessary measures shall be adopted so that the Cotton Growers may execute such plans in their place."

An Annex to the Memorandum gave a list of the lands the Cotton Growers were to take up as a "temporary measure" for the year 1942. All eight were each to have a total of 1500 hectares in different areas in Bataan, Batangas, Cavite, Cotabato, La Union, Occidental and Oriental Negros, Pampanga, Pangasinan, and Tarlac. No Filipino agricultural companies were named in the Annex.

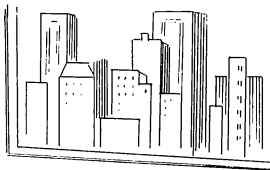
As a matter of fact, cotton had been raised in the Philippines from time immemorial, but never on a large scale. The Commonwealth Government had been experimenting with cotton in Mindanao and elsewhere, there being some question as to the suitability of soil and climate. But for many years, other crops, including sugar, had proved more profitable. What the Japanese were now bent on doing was simply to transfer the "economic dependence" of the Philippines on the United States, which they so vociferously condemned, to dependence on Japan. But what advantage would there ever have been, even under normal conditions, in a Philippine tie-up with the grinding textile monopoly of Japan? The raising of sugar-cane for alcohol was also a most uneconomic thing.

¹Many of them nationals of Axis and neutral nations.

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Time was to show that the Japanese cotton project would end in a colossal failure. According to Dr. Gonzalo Merino, Director of Plant Industry, writing in 1952:

"But this [Japanese] agricultural development program [which also included the growing of Virginia tobacco and Horai rice from Formosa] did not go far because the people were indifferent; instead they raised food crops that were in great demand in the cities and big towns which were coming closer and closer to a state of famine. The people were also cool to the idea of raising cotton which, they knew, was war-material. The cotton project was a colossal failure, not only because of the people's indifference but also because the cotton was planted either in unsuitable places or out of season. Pests, like leaf-hoppers, also caused havoc."

High-Grading of the Mines.—The Japanese immediately took steps to get the copper mines in Lepanto, Mountain Province, and Rapu-Rapu, Camarines Norte, into operation, and the iron mine at Larap, also in Camarines Norte. They took no great interest in the gold mines except to strip them of their machinery and equipment. They seized stocks of mining supplies and food for the mine-workers which were very large because the mining companies, though not expecting a war in the Pacific, had anticipated a shipping shortage and had laid in a two-years' supply of stocks of all kinds, only a fraction of which could be destroyed before the Japanese arrived.

A Japanese businessman, an old resident in Manila, who came into the Santo Tomas Internment Camp on some errand one morning, chanced to meet an American acquaintance of his there who owned shares of stock in a number of mining companies. The Japanese said "Hello", and in great good humor began to tell the American which Japanese companies had taken over the various mining companies he had investments in. Then he asked blandly, with reference to the Lepanto copper mine, what the reserves were and whether they could be "high-graded",—that is, ruined by taking out as quickly and cheaply as possible only the richest ore.

Labor.—All this "development" by the Japanese was accompanied by a deliberate forcing down of wages. Many, if indeed not most of the Japanese firms offered "free instruction" and board in lieu of wages during supposed 6-months' periods of "apprenticeship". Hours, not stated. In July, the *Tribune* carried a Domei story under the heading, "Cavite Navy Yard Rebuilt—Now Bigger and Better", which ran:

"It was a hard task to win over the Filipino workers used to American wages. Japanese engineers and workers did not attempt to force the Filipinos into working the same number of hours they did. Instead they exerted efforts to get the message across to the Filipino workers that they should work for the sheer joy and satisfaction of building things. Their efforts succeeded, and within two months Filipinos were enthusiastically working around the clock, asking no extra pay."

In truth, it was not long before the workers in the cities and towns were glad to work for a bowl of rice or a mess of camotes. Soon after the Japanese entry into Manila, the Military had set the "daily standard wage" at 80 centavos a day for men and at 80% of that (64 centavos) for women, as against the Commonwealth's legal minimum wage of ₱1.00. The fact was, however, that wages paid by the Japanese ran around 30 centavos a day. The constant propaganda was that Filipino living standards were "too high". Later, in August, 1943, the Military Administration fixed the maximum wage for unskilled labor at ₱1.30, workers under 18 years, however, being exempted; "special compensation" up to 10% more was allowed, but only with the permission of the Director-General of the Military Administration.

The Rice and Other Rationing.—The Japanese Army immediately instituted a system of rice-rationing in Manila through the established (Commonwealth) National Rice and Corn Corporation (NARIC), and only those who had secured the new Japanese-issued residence-tax certificate, the fee for which was raised from 50 cen-

tavos to ₱1.00, were permitted to buy, at the beginning, one ganta of rice a day per person at a fixed price. The distribution was inefficient, probably intentionally so, and people had to stand in line for the greater part of the day to get it. The main reason for this rationing was not that there was not enough rice at the time, but that the Japanese were seizing most of the stocks for the Army and wanted it to appear that the difficulty civilians had in obtaining it was chargeable to NARIC. Rice coming into Manila from the provinces was stopped by ruffians in the employ of the Army and "confiscated". Consumers' difficulties were so great that the Japanese caused it to be reported in the *Tribune* of April 8 that "the first shipment of Saigon rice, 300,000 sacks", had "recently" (the Japanese were always very vague about dates) been brought in under the auspices of the Army; on May 20 the paper published pictures of rice being unloaded from Japanese ships at the piers, but American internees permitted to leave Santo Tomas to buy some of the necessary camp supplies, reported that these were pictures of rice being loaded aboard the ships to be taken elsewhere!

Military ordinances issued in July established the Military Administration's control over the "import and export business" and steps were simultaneously taken to organize the "Philippine Export Control Association" and the "Philippine Prime Commodities Distribution Control Association" (PRIMCO), to carry out the policies laid down in the military ordinances. Miguel Unson was appointed President of PRIMCO, but N. Mori, Manager of the Daido Boeki Kaisha, was Chairman of the Board of Directors which was composed of four Japanese, one Filipino, one Spaniard, and one Chinese; there was, furthermore, an Executive Committee composed of two Japanese and one Filipino. PRIMCO was to control the distribution of low-grade cotton fabrics, vegetable-lard, soap, salt, matches, cigarettes and cigars, and paper.

Early the next month, members of the "Federation of Filipino Retailers Association", previously organized, were "invited to invest part of their idle funds and subscribe to one or more shares in PRIMCO". Although the word was "invited", it was emphasized that—

"the buying of these shares, equivalent to assessment, applies to all members of the retailers associations of Manila and the provinces. Under the new plan, only members who have paid their assessment will enjoy the right and privilege of buying controlled commodities from the Federation at the lowest possible prices."

About this time the "Foodstuff Control Association" was organized, with the City of Manila and eight Japanese firms and five Filipino firms as members, which was to purchase foodstuffs in the provinces to supply the Army as well as the public in and around Manila. L. E. Guinto, who had meanwhile been appointed Mayor of Manila, was named Chairman of the Board of Directors. All foodstuffs brought to Manila were to be purchased by the FCA at four purchasing stations established on the outskirts of the city. "Ultimately the control will be applied on all the larger cities and the provinces," said the announcement.

PRIMCO rationing had started in April, each store of the Filipino Retailers Federation serving four neighborhood associations (these early NARIC and PRIMCO neighborhood associations were not those established some months later, to which reference was made earlier in this account). The ration amounted to 200 grams of soap, 10 centavos; 200 grams of vegetable-lard, 15 centavos; and 1 box of matches, 3 centavos; sugar was not rationed until later. Two hundred grams, by the way, is 1/5 of a kilo and a kilo is 2.2 pounds. These were not rations for a day, or even for a week, but for a month. What people were, of course, compelled to do was to buy in the "black market" at prices many times the "fixed" prices.

As to still uncontrolled goods, an order was issued in May that no one would be allowed to buy more than ₱5

worth of goods in one day without the permission of the Military Administration and that in the case of articles costing more than ₱5, only one unit could be bought. This order, it was officially stated, was—

"to conserve supply, prevent hoarding, and encourage and cultivate thrift among the Filipinos. There is need for a radical change in our mode of living and way of thinking, and readjustment to a new scale is made imperative by political and economic changes that have taken place."

Long before the end of the first year it was being admitted that the distribution and price-control system had failed, and in September it was announced that PRIMCO was being reorganized. Among other steps taken to hold the consumption of the people down, for the benefit of the Japanese armed forces, was the organization of the "Economic Police Division" of the Constabulary which for some time made wholesale arrests not only among the smaller store-keepers but among the thousands of little peddlers who were now hawking their goods along the side-walks. New open barbed-wire "profiteers' cages" were installed near the older "looters' cages" where some of those arrested were publicly exposed. Often scores of these unfortunates, all tied together with rope, were marched through the streets. Thus the Japanese attempted to turn public feeling away from themselves to the weakest of their victims.

The "Buy-and-Sell" Business and the Profiteers.

—The "profiteers" thus victimized at this time were mostly among those of the thousands of Manila unemployed, clerks and laborers, and their wives and children, who had turned to the only means they had of earning a little money,—in the home-manufacture of a few simple products, such as sauces, jams, cheap candy, home-made cigarettes and cigars, etc., so long as, by hook or by crook, they could get the materials, which was not very long, and also in what came to be called the "buy-and-sell" business. This was the buying and selling usually through side-walk and house-to-house peddling, of a great variety of small articles,—family treasures sold or offered for sale under the pressure of hunger, second-hand and discarded goods and remnants and scraps of all kinds, and, for a time, some of the wares which had been given away or which had been looted during the two or three days just before the Japanese entered the city. Both the U. S. Army and Navy had thrown open their warehouses, and some of the merchants, the Chinese especially, had invited their customers and others to take whatever they could carry away rather than to see their goods fall into the hands of the enemy. It was a matter of surprise to many that there were such large quantities of miscellaneous wares in Manila; Manila had been a great emporium, and stocks now came surreptitiously out of warehouses where they had lain unregarded as unsaleable for many years. Textile men in Santo Tomas said that fabrics were coming to light which, to judge from the patterns, were as much as 20 years old.

These peddlers were the little people. The real profiteers were the purveyors to the Japanese Army and Navy, the large-scale collectors of military supplies of all kinds, in addition to foodstuffs, and the hidden manipulators of the black markets. These were the men who enjoyed the protection of the enemy, who drank and feasted with grafting Japanese officers, and who made their money in great sheafs of military notes which they used to "settle" their pre-war debts or converted into the lands and houses of people forced to sell, into gold and jewelry, and even, in some cases, into paid-up life-insurance.

The Chinese the Chief Scapegoats.—The Japanese, of course, blamed the Americans for everything they found wrong with the Philippines and the Filipinos, and continuously carried on a vicious campaign of race-hatred, harping over and over again on alleged acts of discrimination by the Americans against the Filipinos even in Bataan,

on the general attitude of Americans toward the Filipinos as a "colored people". At one time they tentatively started a propaganda aimed at the "half-castes" as they called the Filipino *mestizos* in the country. This, for example, appeared in an issue of the *Tribune* in October:

"Murata pointed out that the Filipino racial character is complicated by the conspicuous presence of half-castes, adding that the situation is made more intricate owing to the fact that the majority of the leaders of the government and civilian circles are of mixed blood."

At another time, there was evidence of an attempt to turn popular feeling against the Jews in the community, but this proved abortive as there were not many Jews in Manila and few of them were merchants. It was therefore the Chinese whom they made their principal scapegoats. There were too many of them to be interned, although many of them were imprisoned, among whom the majority were executed, but there were hardly enough of them to exploit. No diplomatic immunity was recognized, and among the Chinese executed were Consul-General Kwangson Young and Vice-Consul Mok, both fine, American-educated men, together with their staff. They were arrested on January 8, later taken to Fort Santiago, and murdered on April 17. It was said among the Chinese that the Consul-General had refused to lend himself to a scheme which was announced early in June,—the formation of a "Chinese Merchants Association" organized for the purpose of "cooperating" with Japan. The *Tribune* published a Domei dispatch from Manila, dated the 9th, which said:

"The Chinese Merchants Association yesterday contributed ₱2,000,000 to the Japanese military authorities in the Philippines as an expression of the full support of the Chinese in the construction of the Greater East Asia Co-Prosperity Sphere. It will be recalled that the Association recently began a campaign to collect ₱20,000,000 for donation to the Japanese military."

The General Totalitarian Economic Organization.

—Not only were the existing stocks of rice rationed; rice-production itself was put under Army control. In November a plan was announced for the organization of "municipal rice-growers cooperative associations", these being called "cooperatives" only because their membership included land-owners, operating owners, and tenants. They were to be organized throughout Central Luzon under the "sponsorship" of the Military Administration and with the cooperation of the "Civil Administration" and NARIC. A few months later these associations were incorporated into a "National Rice-Growers Cooperative Association", the municipal associations now serving as agents of both NARIC and the Foodstuff Control Association previously mentioned. Farmers were compelled to sell at the "NARIC" price of ₱2.50 a cavan. Small growers were permitted to keep 40% of their production to feed themselves, and if that was not enough it was just too bad! The farmers had to sell half of the remaining 60% to the municipal officials as representatives of NARIC, these officials also buying the remaining 30% to be "reserved for the Army". At this time, in Manila, the NARIC ration had dropped to a *chupa*,—about 1-1/2 cup-fulls. Rice was selling in the black market at that time at around ₱30 a cavan.

As the writer has stated, the Military Administration began by rationing, besides rice, vegetable-lard, soap, and matches. Vegetable-lard and soap in the Philippines are both made from coconut oil. The Philippines was a large producer of copra and coconut oil. Why were vegetable-lard and soap immediately rationed and why were the rations so very small? But this rationing was not all.

In July, the organization of the "Philippine Copra Purchasing Union" was reported, which, under the supervision of the Military Administration, was to buy copra direct from the producers; the headquarters of the "Union" were at the offices of the Daido Boeki Kaisha. Toward the end of the year, the Union, stating that the Army was buying copra at "about ₱5 per 100 kilos", urged increased

production. In December it was announced that all coconut oil consignments to Manila from the provinces would be "compulsorily purchased" by the Army at "examination stations" established at the various entrances to the city. In March, 1943, it was announced that soap "smuggled" into Manila would be confiscated and the smugglers punished under martial law. Ordinary laundry soap was selling in Manila at this time at around ₱3 a bar as compared to 3 or 4 centavos before the war. The following month, the "Philippine Coconut Shipper-Dealer Association" was organized to assist the Foodstuff Control Association and the National Coconut Corporation (the latter a Commonwealth organization) in an "intensification of the drive against the smuggling of coconuts into Manila." In June the "Philippine Fats and Oils Association" was organized, the majority of the 17 member firms being Japanese and all the members of the Board of Directors being Japanese. An advertisement published in the *Tribune* informed its readers that the Benno Bussan, Ltd. was "the sole producer and distributor for coconut-shell, coconut-shell charcoal, and allied products,"—"licensed by the Military Administration."

All this, and so soon,—yet the Japanese had started out in confiscating from American and allied nationals large stocks of copra, coconut oil, already manufactured products, and various supplies,—at least some 50,000 tons of copra, valued at ₱5,000,000; 20,000 tons of coconut oil, valued at ₱4,000,000; 2,000 tons of shortening and margarine, valued at ₱600,000; and 2,000 tons of soap, valued at ₱400,000. In addition various soap and toiletry importing firms had large stocks on hand at the beginning of the war and it was estimated that in the warehouses and on merchants' shelves there were between 15,000,000 and 20,000,000 "pieces" of various brands of soap, shaving-creams, toothpastes, and talcum powders. Where had all this gone? A suggestion as to this was supplied by a report which reached the Santo Tomas Camp early in 1943, that there had been a German tanker at one of the piers which had taken on a cargo of 5,000 tons of coconut oil and a large deck-cargo of soap.

The Philippines was a noted tobacco-producing country, yet cigarettes and cigars were almost immediately rationed. The Military Administration at once assumed control over the Manila Tobacco Association, a pre-war organization of manufacturers, which then took over the stocks, or a part of the stocks of several American and allied cigar-manufacturing companies and also the stocks of American cigarette importing companies reportedly valued at over ₱2,000,000. After a few months, American cigarettes were selling in the black market at ₱3 a package. Toward the end of the year, the paper for the manufacture of local cigarettes ran out and the situation was but slightly relieved, for the public, when the Japanese brought in some paper, one of the very few items that kind ever brought into the country by the Japanese, and the reason for that was that they wanted the cigarettes themselves. The Japanese again proved they cared nothing for local needs when home-made cigarettes began to be made by people out of work who peddled them on the streets; such selling was prohibited and the peddlers caught were jailed.

As to matches, which were also immediately rationed, there was a match-factory in Manila, Filipino-owned, which normally supplied from 85% to 90% of the Philippine market, but it was forced to turn over its entire output to one or two Japanese companies which handled the "distribution". After around a year, some of the necessary chemicals for the match-heads, ordinarily imported from Sweden, ran out, and after that matches became practically unobtainable. In the Santo Tomas Camp small coconut-oil lamps were kept lit for people to light their cigarettes by until the oil was no longer obtainable. A few people,

especially among the mining-men in the Camp, had magnifying glasses and on sunny days used them for lighting their smokes. Outside the Camp, people went back to the use of the flint-and-tinder of a by-gone generation.

Sugar was not rationed for the general public until the second year as, indeed, there was, at the beginning of the enemy occupation, an amount of sugar in the country estimated at around 250,000 tons; the milling still done during the first year of the occupation brought the total to around 500,000 tons, worth, at pre-war prices, around ₱50,000,000. Some of this sugar was destroyed, but the Japanese got most of it, in one way or another. What was paid for, was paid for in war notes at around ₱5 a picul. It should have lasted the country a long time, but much of it must have been shipped out and by the beginning of the second year a shortage was already felt. In February, 1943, a new "Philippine Sugar Association" was formed to replace the pre-war organization of the same name. The Articles of Association provided that the Military Administration would designate its officers and a Japanese was appointed to head it. It was authorized to allot all sugar and alcohol quotas and to control all sales. A few months later, the "Sugar Regulation Association" was established to purchase all the sugar produced and to regulate the prices. This "Association" was composed of the Mitsui Bussan Kaisha, the Mitsubishi Shoji Kaisha, Madrigal & Company, and the Tabacalera, but the two latter firms held only minor interests. It operated directly under the Military Administration "in close cooperation", it was announced, with the Philippine Sugar Association. Senator Madrigal was appointed Chairman of the Board of Directors, but the Executive Director was a Japanese and three of the four other directors were Japanese. PRIMCO began rationing sugar in June, 1943, at the rate of 500 grams (1 1/2 kilo) a month, but the August PRIMCO rations were not issued until September, and when they were, sugar was not included.

A little after the cotton-growing scheme was started in connection with cutting down sugar production but increasing the production of alcohol, the "Philippine Wine and Liquor Association" was organized. It was to be "one cooperative and protective union of all distillers, manufacturers, and compounders of alcoholic beverages, duly permitted to operate by the Military Administration". The Association was placed under the direction of K. Osawa, Chief of the "Manila Liquid Fuel Distributing Union" which had been established earlier.

The Japanese were hard up for fuel in the Philippines. In all the bombing of Manila which they carried out in their air assaults during the month of December, 1941, they kept carefully away from the Pandacan oil storage district. The United States Army and Navy, however, worked day and night transporting gasoline and oil from there to Corregidor and Bataan, the oil companies placing their whole personnel at their disposal. On the day before Christmas, the Army officially took over all the installations and at 4 o'clock began dumping all the aviation gasoline left in the tanks by opening the valves and allowing it to run out. About 9:30 the next morning, a workman on an outside barge moored near the premises of the Asiatic Petroleum Company, carelessly lit a cigarette and set fire to the oil floating on the water, and in a flash it seemed that the whole area was a hell of flames. The tremendous conflagration, which from a distance looked like a great volcanic eruption, spread a pall of black smoke over Manila which for several days obscured the sun. Through heroic efforts, however, experienced oil-men succeeded in localizing the fire and by the 28th it had burned itself out. Army and Navy and oil men continued to remove what lubricating and diesel oil they could, regardless of the menace of the flames only a few hundred yards away. Army men also made preparations for ultimately blowing up the

tanks. In the Port Area, too, the Navy started to discharge the fuel oil in the tanks there on the 26th and the bombing of the Quartermaster Compound by the Japanese set this whole place on fire also.

On the last day of 1941, at 5:40 in the afternoon, the United States Army blew up the tanks at Pandacan. There was a tremendous blast heard miles away and again columns of fire and smoke swirled thousands of feet into the air. The first explosions were followed by a cannonade of smaller explosions as thousands of drums and cans of various oil products blew up. At the roar of the first explosions, Assistant Consul Kihara was just entering the High Commissioner's residence under guard for a conference. "What was that?" he exclaimed, and when he was told that the Pandacan oil district was being blown up, his face took on a look of mingled disappointment and anger. The fire again raged for several days, and thus, for the people of Manila, was the New Year, 1942, ushered in. Fires were still burning in many parts of Manila when the Japanese entered the city on the evening of the 2nd, as already recounted. Oil-men in Santo Tomas estimated that some ₱30,000,000 worth of tanks and installations had been destroyed and they thought that the value of gasoline and oil, etc., destroyed amounted to around ₱5,000,000.

As to Manila hemp, since the Japanese had already exercised considerable control over the industry before the war, no bones were made about taking it over completely. Stocks of abaca that fell into Japanese hands at the beginning of the war were estimated at around 100,000 bales, valued at ₱3,000,000. In January, 1943, it was announced that the Tokyo Ministry of Commerce and Industry had decided to take over the control of abaca, jute, and ramie.

And so "associations" and "unions", all under the control of the Military Administration, were established in practically every field of industry. The first heard about was the "Fishermen's Association of Manila", the organization of which was reported in June. That this was not an association of humble fishermen was indicated by the fact that the organization meeting was held in the swank Manila Hotel. In fact, practically all such associations established later were organized in meetings held in the Hotel. The President of the Fishermen's Association was a Japanese. In September it was announced that the sale of fish would be regulated by the Association and that the "Imperial Army would have priority."

There was also a "Philippine Salt Distribution Union" which was later recognized, it was announced, as the "Philippine Salt Control Association". Later there was the "Cattle-Buyers Association" and the "Hog-Buyers Association", organized under the Foodstuff Control Association, and the *Tribune* duly opined that—
"meatless days will make for general improvement in health... they may be considered a true blessing unalloyed."

By the end of the first year, most drugs and medicines of all kinds had become practically unobtainable and the few items of the kind available were selling at 10 times the pre-war prices. Many cases of misbranding and adulteration were reported; red ink was sold for "mercurochrome" and chalk for the sulfa drugs and for quinine. The establishment of the "Manila Drug and Medicine Retailers Association" under the supervision of the Military and the presidency of a Japanese, only made things worse.

The People in Rags.—The people were hungry; they were also in rags. For years before the war, Japan had been flooding the Philippine market with its textiles, but Japan was not exporting anything to the Philippines now except soldiers and pro-consuls and profiteers. Before the year was up a cheap, 80-centavo undershirt was selling for ₱10. "Subtle and wicked merchants" were blamed. In April, 1943, PRIMCO stationed inspectors at all the

highways leading into and out of Manila to stop the "smuggling" of textiles in or out. In May, all sales in the stores were stopped for the taking of inventories, after which a rationing system was inaugurated in clothing, too. Individuals were limited to buying 2 pairs of socks, 2 handkerchiefs, 2 under-shirts, and 500 yards of cotton thread a year. People were given a "100-point" ration-card, against which 100 points a man's suit counted 80 points, a coat 45 points, a pair of pants 35 points, a woman's 2-piece dress 50 points, a 1-piece dress 40 points, a child's 1-piece dress 30 points, a baby-dress 20 points, a towel 30 points. Violators of the control regulations among the merchants were threatened with 5 years' imprisonment plus a ₱50,000 fine and "summary proceedings". Second-hand clothing was included in the rationing-system and orders placed with tailors and dress-makers had to be reported to the Department of Industries of the Military Administration.

The *Tribune*, in a characteristic editorial, stated:

"One way to make our clothing profiteers look sick is for us to wear as little clothing as possible... Anyway, we must bring to a halt the inertia of extravagant fashion and re-start on a new line of clothing simplicity."

Another *Tribune* story was about the suitability of gunny-sacking as a textile for men's suits.

Transportation and the Public Utilities.—For months, all travel and any sailing, even in small boats in Manila Bay, was forbidden. Automobiles, if not confiscated, as most of them were, were not permitted to be used without a license from the Military Administration. No one might travel anywhere without an army pass, and this restriction was not lifted until June. In July, the Military Administration began to permit a restricted use of motor vehicles in the provinces which they controlled, but this was of little meaning as in February all persons in possession of gasoline and lubricating oil had, first, been ordered to report this, and has then been ordered to sell all their stocks to the Army. As early as March, experiments began in converting motor vehicles to the use of charcoal-fuel. In August, the City of Manila inaugurated a bus service comprising 14 trucks fueled by coconut-charcoal; they could hardly get up the bridge-inclines. Automobile men in Santo Tomas estimated that the Japanese had shipped over 16,000 trucks and automobiles out of the country and accessories and spare parts for thousands more.

In October, the "Philippine Shipping Association" was organized under a military ordinance, which was to take charge of the registration of all types of vessels, issue operating permits, determine routes, fix rates, etc. The Chairman of the Association was a Japanese and the Board of Directors was composed of two other Japanese and two Filipinos. It was reported in November that the Siraki Salvage Company had refloated the last of the Philippine inter-island steamers which had been sunk at the mouth of the Pasig River by Japanese bombs or by order of the USAFFE during the last week of December, 1941, but these ships were naturally not used in the public service, nor were the other large ships captured or salvaged by the enemy. The new inter-island "fleet" consisted of "paraws" and "batels", small sailing-ships, which made only special trips. The *Tribune* published advertisements like the following:

JAPANESE SAILBOAT

Sailing to Visayas, etc.

Travel safe with Japanese owner of big sailboat as guide to Iloilo, all points in Negros & Bacolod, Cadiz, Panay, Capiz. Very low rates. Leaving Manila August 16. For reservation see

Mr. K. Tamashiro (Owner)
609 Arlegui (near Quezon Bridge)

A typical provincial bus advertisement read:

TO ISABELA
(Cagayan only)

A dependable INT'L truck leaving TODAY at 10:30 sharp. Barangayan connection for Cagayan Valley is assured. For accommodation apply Now.

The reopening of the railway lines on Luzon was slow work because the USAFFE had destroyed many of the railway bridges as well as much of the rolling-stock before withdrawing into the Bataan peninsula. The line from Manila to Tarlac was not opened until April, and to points farther north and to points south, until July. Travel permits had to be obtained from the Military Administration, which operated the Railroad.

Early in 1943, the "Manila Horse-Owners' Association" was organized, with a Filipino "Honorary President", but the Manager of even this organization was a Japanese. It was financed by a 10-centavo surcharge on every sack of feed. A month later, a "pageant" of horsedrawn vehicles was held on the Luneta, and the *Tribune* sang enthusiastically:

"Manila's former motor-conscious public 'woke up to the realization that the native means of transportation could be both beautiful and practical."

At this time a carromata and two horses were worth around ₱1,000. The time was to come when the price would go up to ₱5,000 and even a pair of wheels was worth ₱2,000.

The Manila Electric Company and the Philippine Long Distance Telephone Company were immediately taken over by the Military Administration. Salaries were reduced from 10% to 60%, with a minimum of ₱30 a month. The streetcar service of the Meralco was uninterrupted, though it was later continued on a much-reduced scale, but the few buses the Company had left,—most of them had been taken over by the USAFFE and were lost in Bataan, were seized by the Japanese. By May, both the coal and oil supply had dwindled to practically nothing and the Japanese ordered the use of coconut oil to fire the boilers, for which the Company paid the Mitsui Bussan Kaisha ₱132 a ton, though raw copra could have been used just as well. The monthly power consumption before the war was around 18,000,000 kwh. and this dropped to around 5,000,000 kwh. in January, 1952. This was stepped up somewhat during the succeeding months, but as early as April the Military Administration ordered the consumption by the public cut in half. In July, it was reported that all electrical utilities had been placed under the management of the Taiwan Denryoku Kabusikiki Kaisha. By the middle of 1943, most of the streets and many of the houses were without electric light. It was explained that this was the fault of the people themselves because they stole the wires; it was stated that such wires would not be replaced and that the "service would be discontinued indefinitely". At this time, electric light-bulbs sold for ₱10 or more each.

The Telephone Company offices were taken over by the Japanese Army at 11 o'clock on the night it entered the city, and after a week of contradictory orders the Company employees were permitted to resume operations, but with "interpreters" and "advisers" in every office. In July, the Japanese Ministry of Communications took over, and somewhat later the Company, together with the cable and radio communications companies in the city, were consolidated under one large bureau called the Densai Kyoku, housed in the Trade and Commerce Building on General Luna Street. The organization was headed by a London-educated Japanese, a Mr. Kozen, whose large Japanese staff was so incompetent that the task of running some semblance of a communication service was still borne by the old staff of the Telephone Company and of the former Bureau of Posts. A large number of telephone instruments, taken out of the Company's warehouses and

from the offices and homes of subscribers, were collected and sent out of the country, together with quantities of cable and wire.

The Manila Gas Company was also taken over by the Military and later by the Taiwan Gas Company, Ltd. The Gas Company had even more trouble about fuel than the Meralco, and it was not long before cooking with gas became impossible.

The Visit of Premier Tojo.—All that has been recounted so far took place during the first year and a-half of the enemy occupation. At about the end of this time, on May 5 and 6, 1943, Premier Tojo unexpectedly visited Manila.

It has been rumored in the Santo Tomas Camp on the night of the 5th that Tojo was in Manila and this was confirmed by a headline in the *Tribune* the next morning: "GEN. TOJO SPEAKS AT LUNETTA TODAY." The radio in the Japanese guardhouse at the main gate was going full-blast and internees stopped to listen. The proceedings on the Luneta were being broadcast. The following excerpt is from the writer's book on Santo Tomas, all but a few lines written immediately afterward:

"They heard savage, snarling military commands and snatches of barbaric music, probably in connection with the arrival of Tojo at the Luneta and the 'national etiquette' which had been forced on the people, in 'homage to the Imperial Palace',—a deep genuflection in the direction of Tokyo by the whole concourse, the one-minute 'silent prayer' for the Japanese war-dead and for a Japanese victory, etc. Then came the fateful minor strains of the *Kimigayo*, the Japanese national anthem, played by the Constabulary Band, with its strange ending, as if interrupted or cut short. These sounds coming over the swathe-hung iron picket-fence of the Camp from the Luneta meant, place several kilometers away, sounded like the very voice not of conquest and tyranny only, but of evil itself; of suppression, cruelty, and terror; of an inconceivable brutality. Perhaps never before had the few listening Americans felt with such an overpowering sense of oppression the presence of the enemy within the gates; the bitter, intestine sickness of the body politic. It was like a corrosive poison in one's bowels.

"Came the opening remarks by Laurel and the 'Thanksgiving Address' by Vargas, both in Tagalog. (The *Tribune* the next day printed translation of these speeches: they were fulsome and extravagant, eloquent in a sense, but they were unconvincing to the ear, whether this was because the speakers themselves spoke without conviction, or because of the response from the audience was lacking.) Was it imaginary that the orators seemed unable to keep out of their voices the intonations of humiliation and woe?

"There were no interruptions or applause or cheers from the multitude. Except for the voices of the speakers as they succeeded each other and of the announcer at the microphone, who spoke in a hushed tone, as if in the usual 'trepidation and awe' demanded by the Japanese on ceremonial occasions, there was only a dead silence.

"Then Tojo spoke in Japanese, in an old man's voice, but high-pitched and exciting. The Filipino translator, it seemed, did not also to arouse the audience, but it remained quiet, the suggestion was of a sullen quiet. Then more music and forced cheers of 'Banzai!' (led by the Chairman of the Executive Committee, said the *Tribune*).

Tojo spoke of the "liberation" of the one billion people of East Asia from bondage, saying that the armed forces of Japan had "completely routed" the enemy. He said that the Japanese Empire was extending to the Filipinos every assistance in their emergence from the "chaos and turmoil of the old regime" into the "glorious national existence of the new". He promised that if the Filipinos would continue to render further evidence of cooperation, Japan would gladly grant the country the "honor of independence" in the briefest possible time. He therefore enjoined them to give Japan and its allies "greater and more tangible evidence of active, unreserved, and spontaneous cooperation in bringing the Greater East Asia war to a victorious finish."

Tojo did not visit the Santo Tomas Camp, but soon after he left the country several hundred American and British internees who had been provisionally released because of old age or serious illness, were re-interred. The Tojo visit was followed also by a change in the Commander-in-Chief, it being announced on May 30 that Lt. Gen. Kuroda had been named successor to Lt. Gen. Tanaka.

Relating the time of this visit to events abroad, it is to be noted that on May 11, the Americans landed on Attu in the Aleutians and that on May 12 the campaign in North Africa ended in the defeat of the Germans. In the Pacific, the Southwest had been cleaned up and the offensive in the Solomons-New Guinea area was gaining momentum. Tojo himself had had a look into the way matters were going there and had not liked it.

A little more than a month after his Manila visit, Tojo, on June 16, in a speech to the Diet, and in the presence of a Filipino "delegation", announced that the Philippines would be granted "independence within the year." It was somewhat sudden, but not wholly unexpected.

Attempted Assassination of Laurel and the Killing of the Tribune Publishers.—Meanwhile, on June 4, Laurel, then Commissioner of Justice and newly named Chairman of a "Pacification Body" which was to take charge of a new drive aimed at curbing guerrilla activity, was shot from ambush while playing golf at the Wack-Wack Club; struck by three bullets, he was severely wounded.

A month later, on July 9, the publisher of the *Tribune*, Alejandro Roces, Jr., and his wife, were both shot and killed by assassins as they were getting into their automobile standing in front of the Roces residence on Vito Cruz that morning. The universally respected elder Roces, who witnessed the shooting down of his son and daughter-in-law from the front door, dropped dead of a heart-attack. This occurrence was all the more tragic because the Rocesses had had nothing to do with the *Tribune* policies, the direction of which had immediately been taken away from them by the Japanese.

"Independence" in a Hurry.—The political steps toward establishing the Philippines as an "independent" nation before the end of the year were taken in great haste. On June 18, "the Highest Commander of the Japanese Imperial Army, on instructions from the Japanese Imperial Government, issued an order to the Kalibapi for the immediate formation of a Preparatory Commission for Philippine independence", and the very next day, which was Rizal's birthday anniversary, that "people's organization" met at the Metropolitan Theatre and, after declaring a quorum present and adopting resolutions of gratitude to, and of cooperation with Japan, formed a group of 20 men to compose the Preparatory Commission. The next day the members were formally inducted by Lt. Gen. Kuroda. The Japanese made a great point of the membership of Manuel Roxas in this Commission, Roxas having up to this time been able to avoid such entanglements by feigning to be more ill than he actually was.³

The Commission immediately set to work on the drafting of a "constitution", and this remarkable document, said to have been drafted principally by Laurel, was signed on September 4 and "unanimously ratified" by a "General Assembly" of 117 Kalibapi "delegates" on the 7th.

The Constitution was the very parody of a constitution, qualifying phrases nullifying every limitation of arbitrary power and every definition of a right. It bestowed practically unlimited "powers" on the "President", which was what the Japanese wanted for their own convenience. However, the Filipinos who took part in the whole mock process believed, too, that, under the circumstances, it would be best to have it so.

The Constitution provided that all the natural resources belonged to the State and that their exploitation, utilization, etc., should be limited to citizens of the Philippines or to corporations at least 60% of the capital of

which was owned by such citizens, but subject to any existing right, grant, lease, or concession "at the time of the inauguration of the government established under the Constitution."

Now, of course, the Japanese had already laid hold of the natural resources in various sectors of enterprise, and, furthermore, like the Constitution of the Commonwealth, there were "Transitory Provisions", Article XI, of which, under Section 7, declared:

"The prohibitions and limitations provided for in this Constitution, notwithstanding, the President of the Republic of the Philippines may enter into an agreement with any foreign nation for the utilization of natural resources and the operation of public utilities, which agreement shall expire upon the termination of the Greater East Asia War."

And Section 8 provided:

"All property rights and privileges acquired by any person, entity, or corporation, since the outbreak of the Greater East Asia War, shall be subject to adjustment and settlement upon the termination of said war."

No one believed, in case of a final victory for Japan, that there would be any real "adjustment" favorable to the country of "rights and privileges acquired" by the Japanese, or any expiration of the "agreements" that already had been and still would be forced upon the Philippines. Past developments in Manchukuo, for example, gave no cause for any such forlorn hope.

The Japanese themselves were not able to disguise their contempt. A Japanese columnist, who wrote daily in the *Tribune*, said:

"Well, now we have the Constitution of the future Republic of the Philippines. We are not quite free yet, but the basis of the Republic we are going to have in only a short while is already ours. Having the Constitution is like having a nice dress for the baby about to be born. . . . Since we are going to be independent, we must have our national flag, and we can rest assured that we shall be getting it soon. We must also have our national anthem, and there is no reason why we can not have that, too. . . ."

Expression of the people's shame and disgust was so open that the *Tribune*, in its issue of September 16, urged "prudence" and "utmost discretion."

There was reason for the warning, for the drag-net was out for guerrillas believed to be hiding in the city and the so-called "zoning", practiced in provincial areas, was threatened in Manila. This consisted in the rounding up of all the men in a community who were then required to file past a group of Japanese officers and a Filipino spy or informer who was masked or had a straw bag over his head provided with eye-slits. This man who himself might previously have been tortured, was forced to point out individuals among those who passed before him as guerrillas or "anti-Japanese". Without further process, such men would be taken away and usually were never heard of again. They might be entirely innocent and unknown to the "secret-eye" who pointed them out only because he thus hoped to save himself. The zoning was a raffle with torture and death and threw whole communities into quaking terror. But after a time, Mayor Quinto was quoted as having said that as long as the residents of Manila followed instructions regarding the voluntary surrender of guerrillas and firearms, the "zoning routine would be dispensed with".

The "National Assembly".—The "Constitution" provided that the "National Assembly" was to be composed of provincial governors and mayors as members *ex-officio* and of delegates to be "elected" from each of the provinces and cities as "prescribed by law". The law turned out to be an executive order issued by Vargas which stated that an "election" was to be held on September 20 in the provincial capitols and municipal buildings and that all the officers and members of the duly organized provincial, municipal, and municipal district committees of the Kalibapi would have the right to vote.

A *Tribune* writer stated:

³Lichauco states that the Japanese included his name without consulting him, and that he suffered from "incipient tuberculosis and an enlarged heart."—M. P. Lichauco, "Roces" (1952).

"While the method of electing the delegates to the Assembly called for in the Executive Order does not provide for popular suffrage, it was said that the Philippine Executive Commission in promulgating the law, was guided by the difficulty of transportation and other circumstances. At any rate, it was pointed out that since the Kalibapi is the people's national service organization, the vote of their officers in various local chapters will sufficiently reflect the popular will."

The Election of Laurel as "President".—On September 25, the members of this National Assembly, thus elected, themselves elected, first, Aquino as "Speaker", and then Laurel as "President" of the projected "Republic". On the 29th, Laurel, Vargas, and Aquino were flown to Tokyo where they were received by the Emperor on October 2. They were flown back to Manila on October 5.

The Japanese had, in fact, themselves selected Laurel rather than Vargas for the position of President because, as the writer was informed after the liberation by a Malacañan official, the Japanese had never been "too sure" of Vargas and because the attempted assassination of Laurel had convinced them that he was "their man".

The new Republic was to be inaugurated on the 14th: On October 10, the *Tribune* published an editorial which contained the following extraordinary sentence:

"Hoots and catcalls from the gallery won't stop the Big Show on October 14."

The Inauguration of the "Republic".—On October 14 Laurel and Vargas rode in an "open-top limousine" from Malacañan Palace to the Legislative Building escorted by two truck-loads of presidential guards and four motor-cycle policemen. Generals Emilio Aguinaldo and Artemio Ricarte hoisted the flag,—publicly displayed for the first time since April, 1942, when the Japanese had prohibited its flying; the pattern was that of the Commonwealth flag, but it had been somewhat lengthened. Jose Yulo, as Chief Justice of the Supreme Court, administered the oath to Laurel. A "Declaration of Independence" was read which was an offensive paraphrase of the American Declaration of Independence. Bishop Guerrero pronounced an "Invocation". Laurel delivered an "Inaugural Address". The internees in Santo Tomas heard a ragged 21-gun salute and about 5 minutes of church-bell ringing. Of the "monster crowd" the *Tribune* and *La Vanguardia* spoke about, not 4,000 were voluntarily present, according to a Malacañan official, after the liberation. It was said that the usual bamboo "triumphal arches" usually built in Manila on festive occasions, this time had all been intentionally built out of square! Except for small bands of people traveling afoot through the streets early that morning and carrying a placard or two, there were few other signs of life. Manila was still the dead city it had been for a year-and-a-half.

* Although a \$500-prize was offered for the best-built arch.

The contrast with the inauguration of the Commonwealth on November 15, 1935, was tragic and pitiful. It was the difference between democracy and fascism, the difference between America and Japan, the difference between life and death for the Filipino people.

As usual, stupid Japanese writers gave the case away in their own propaganda sheet. For instance:

"To be reserved in manifesting our innermost sentiment, is one of our good Oriental traits. . . It is good to be reserved, but to be too inhibitive to your feelings is not healthy. It is liable to destroy our very soul. If we are truly happy, why hide it? The basis of our political independence must be liberation of our soul,—our innermost self. Of late, the news-reels are showing many scenes which our theater-goers should greet with hearty, if not thunderous applause. Surely, the owners of those eyes which were wet at the time of the flag-raising ceremony on Thursday, have hands they can use for clapping in theaters! The scribe is confident that we are happy when we see those historic scenes of our freedom-attainment on the screen. Then why not show our joy by at least clapping our hands? . . . Let's have more hand-clapping in theaters, starting today."

The Filipinos had their "independence" and they also had, as the Japanese columnist had promised, their flag and their national anthem. The latter was a brutal revision of the old anthem, written in Spanish by Jose Palma in 1899, for the enemy had not hesitated to lay foul hands on even that. The new version spoke not of the "adored" but of the "fortunate" land, a country of "inborn courtesy [sic], rich in tradition, now recovered from the foreigner". The second stanza spoke of former "vanquishment" and referred to past "nausea" from the "pain and hardship, the sweat and tears, the torment and curse of an oppression which existed no more". The last stanza called on the "race, so dear to me", to "make celebration" and declared that if the "self-illuminated" banner is perchance again "waylaid", then "our corpses shall serve as barriers." Recognizable in this hedgepodge were all the main elements of the Japanese propaganda cacophony.

Well did the Filipinos understand what the Japanese were driving at through the means of all this travesty and mockery of a people's highest aspirations. The way had been charted by Burma which had (1) "declared itself independent", (2) been recognized by Japan, (3) entered into an offensive and defensive alliance with Japan, and (4) declared war on Great Britain and the United States, all in one day,—August 1, 1943.

The terrible and over-riding fear in the Philippines was that the young men would be conscripted in the war against America.

Premier Tojo, in a radio-address delivered in Tokyo on September 22, had characterized the times as "the present crucial moment" and had said somberly: "The war situation is daily taking on a grimmer aspect." He might well say so. Italy had surrendered on September 3, and in this part of the world also, Nemesis loomed.

(To be continued)

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Foreign Trade of the Philippines: First Half Year, 1952

Bureau of the Census and Statistics

III. IMPORTS AND EXPORTS BY COUNTRIES: FIRST HALF YEAR, 1952

Country	Total Trade	Percent distribution	Imports	Percent distribution	Exports	Percent distribution	Domestic Exports	Re-Exports
Total	865,624,527	100.00	473,015,346	100.00	392,609,181	100.00	390,289,021	2,320,160
United States	618,858,578	71.49	349,674,064	73.92	269,184,514	68.56	268,264,917	919,597
Japan	56,366,636	6.51	21,521,218	4.55	34,845,418	8.88	34,761,731	83,687
Indonesia	24,360,445	2.81	23,651,868	5.00	708,577	.18	633,277	75,300
Canada	19,334,264	2.23	15,511,984	3.28	3,822,330	.97	3,822,330	—
Great Britain	17,453,536	2.02	6,640,604	1.40	10,812,932	2.75	10,799,774	13,158
Belgium	13,310,122	1.54	3,634,968	.77	9,675,154	2.46	9,675,154	—
Italy	13,146,714	1.52	7,095,504	1.50	6,051,210	1.54	6,049,510	1,700
British East Indies	11,961,072	1.38	11,961,072	2.53	—	—	—	—
Netherlands	8,593,285	.99	2,291,832	.48	6,301,453	1.60	6,263,457	37,996
Switzerland	7,586,884	.88	1,710,542	.36	5,876,342	1.50	5,873,410	2,932
Germany	7,550,644	.87	5,252,902	1.11	2,298,142	.58	2,296,096	2,046
Spain	6,611,714	.76	2,199,696	.46	4,412,018	1.12	4,378,585	33,433
Colombia	6,096,908	.70	25,028	.01	6,071,880	1.55	6,071,880	—
Arabia	4,826,038	.56	4,826,038	1.02	—	—	—	—
Hongkong	4,587,135	.53	3,055,348	.65	1,531,787	.39	1,392,968	138,819
Denmark	4,337,467	.50	438,064	.09	3,899,403	.99	3,899,403	—
Sweden	3,816,188	.44	1,473,812	.31	2,342,376	.60	2,342,376	—
India	3,621,745	.42	2,347,132	.50	1,274,613	.32	1,274,417	196
Israel	3,602,228	.42	—	—	3,602,228	.92	3,602,228	—
Venezuela	3,417,565	.39	—	—	3,417,565	.87	3,417,565	—
British Africa	3,409,567	.39	3,028	—	3,406,539	.87	3,406,539	—
France	3,129,398	.36	1,381,752	.29	1,747,646	.44	1,730,846	17,000
China	2,897,536	.33	2,837,132	.60	10,404	—	10,300	104
Norway	2,147,095	.25	78,170	.02	2,068,925	.53	2,068,925	—
Australia	1,815,690	.21	1,365,994	.29	448,696	.11	448,576	120
Hawaii	1,290,343	.15	272,012	.06	1,018,331	.26	1,008,685	9,646
Lebanon	1,287,524	.15	—	—	1,287,524	.33	1,287,524	—
Malaya	1,228,702	.14	266,586	.06	962,116	.24	923,555	38,261
Ceylon	1,105,526	.13	1,087,238	.23	18,288	—	18,288	—
Thailand	852,113	.10	3,338	—	848,775	.22	752,552	96,223
Brazil	769,644	.09	769,644	.16	—	—	—	—
Guam	769,390	.09	3,286	—	766,104	.20	533,414	232,690
British West Indies	701,740	.08	14,806	—	686,934	.17	686,934	—
Taiwan	689,101	.08	956	—	688,145	.18	247,055	441,090
Argentina	519,164	.06	490,842	.10	28,322	.01	24,822	3,500
Korea	468,021	.05	24	—	467,997	.12	467,997	—
French East Indies	434,823	.05	5,014	—	429,809	.11	329,809	100,000
Morocco	324,560	.04	—	—	324,560	.08	324,560	—
Czechoslovakia	280,978	.03	280,978	.06	—	—	—	—
Porto Rico	262,151	.03	—	—	262,151	.07	262,151	—
Panama, Republic of	242,876	.03	198	—	242,678	.06	242,678	—
Portugal	206,591	.02	105,492	.02	101,099	.03	101,099	—
Pakistan	187,262	.02	90,552	.02	96,710	.02	92,880	3,830
Ecuador	149,859	.02	110,806	.02	39,053	.01	39,053	—
Iraq	145,000	.02	—	—	145,000	.04	145,000	—
Austria	118,126	.01	118,126	.02	—	—	—	—
Luxemburg	97,272	.01	97,272	.02	—	—	—	—
Uruguay	90,030	.01	90,030	.02	—	—	—	—
Mexico	83,664	.01	83,664	.02	—	—	—	—
New Guinea	55,651	.01	—	—	55,651	.01	55,651	—
French Africa	53,507	.01	—	—	53,507	.01	53,507	—
El Salvador	44,785	.01	42,526	.01	2,259	—	2,259	—
Ireland	40,535	—	9,430	—	31,105	.01	31,105	—
Paraguay	37,390	—	37,390	.01	—	—	—	—
Portuguese China	36,000	—	—	—	36,000	.01	—	36,000
Egypt	30,520	—	10,720	—	19,800	—	19,800	—
Panama, Canal Zone	30,353	—	—	—	30,353	.01	30,353	—
New Zealand	29,314	—	64	—	29,250	.01	3,000	26,250
Nicaragua	26,444	—	18,000	—	8,444	—	8,444	—
Peru	25,579	—	—	—	25,579	.01	25,579	—
Poland	18,928	—	18,928	—	—	—	—	—
Portuguese Africa	18,075	—	—	—	18,075	—	18,075	—
Iceland	17,506	—	—	—	17,506	—	17,506	—
Dutch West Indies	17,210	—	—	—	17,210	—	17,210	—
Other United States Insular Possessions	13,891	—	—	—	13,891	—	7,309	6,582
Dutch Guiana	9,034	—	—	—	9,034	—	9,034	—
French Oceania	8,981	—	—	—	8,981	—	8,981	—
Finland	4,389	—	1,172	—	3,217	—	3,217	—
Cuba	4,226	—	3,848	—	378	—	378	—
Dominican Republic	3,993	—	—	—	3,993	—	3,993	—
Iran	3,972	—	3,972	—	—	—	—	—
Costa Rica	899	—	—	—	899	—	899	—
Burma	151	—	50	—	101	—	101	—
Palestine	80	—	80	—	—	—	—	—

The Business View

A monthly review of facts, trends, forecasts, by Manila businessmen

The Government

From Official Sources

NOV. 3 — President Elpidio Quirino in a message to Congress which opens a special 5-day session today, proposes a bill appropriating ₱33,880,000 for "urgent and essential public works projects", not itemized in detail.

Nov. 4 — The Cabinet approves the creation of a special committee with Under-Secretary of Public Works and Communications Vicente Orosa as Chairman, to study financing of a drainage plan for Manila and suburbs, estimated to cost ₱67,700,000.

Malacañan announces that Governor Miguel Cuaderno of the Central Bank has been appointed by United Nations Secretary-General Trygve Lie as a member of the U.N. Preparatory Committee to plan the Special Fund for grants and long-term loans to underdeveloped countries; the membership will require Cuaderno's presence in New York for January and February, 1953.

Malacañan announces presidential approval of the release of ₱3,000 from Sweepstakes funds for the Philippine Association for the Advancement of the Deaf, Inc. The Association, is taking care of 364 deaf-mutes, 120 of whom are of Manila and of whom only 40 are employed.

Lewis K. Gough and Edward F. McGinnis, National Commander and National Public Relations Director, respectively, of the American Legion, call on Foreign Secretary J. M. Elizalde, accompanied by Ambassador R. A. Spruance and B. L. Anderson and A. R. McKelvie, of the Philippine Department of the Legion; Gough and McGinnis are on a tour of the Far East.

The Department of Foreign Affairs announces a new Philippine allocation of \$2,000,000 to the U. N. International Children's Emergency Fund (UNICEF), this bringing the total for the Philippines to amount \$1,400,000.

Nov. 5 — The President receives C. Tyler Wood, Associate Deputy Director, and Theodore Tannenwald, Jr., Assistant Director for Mutual Security, of the Mutual Security Agency in Washington, accompanied by Dr. Roland Renne, MSA head in the Philippines; Wood expressed himself as "highly satisfied with the progress of the work being undertaken here jointly by the PHILCUSA and the MSA."

The President authorizes the release of ₱350,000 for the construction and improvement of shore protection works in Rizal, Cavite, Cebu, Davao, Leyte, Quezon, Sorsogon, and Samar.

Nov. 6 — The President instructs Governor Leopoldo A. Diaz of Nueva Ecija, to place all open public agricultural lands in his province at the disposition of the Philippine rural reconstruction movement as the province has been selected as the pilot area for the Administration's social ameliorization program.

The President creates a committee, headed by Secretary of Public Works and Communications Pablo Lorenzo, on the rehabilitation of Fort Santiago.

The President orders the suspension for the second time of Lt. Col. Celestino C. Juan, as Deputy Chief of Police of Manila, in view of new charges brought against him in court.

Secretary of Education Cecilio Putong denies a charge made by Senator Jose P. Laurel that the Administration has "neglected" the interests of the school teachers, stating that the salaries of secondary graduate elementary teachers have been raised from ₱40 in 1941 to ₱120 in 1952, of secondary normal graduate elementary teachers from ₱45 to ₱130, of normal graduate elementary teachers from ₱55 to ₱140, of teacher-nurses from ₱35 to ₱140, of secondary teachers from ₱100 to ₱150, of elementary principals from ₱55 to ₱160 and of B.S.E. graduates to ₱230, of district supervisors from ₱80 to ₱180 and of B.S.E. graduates to ₱230, of critic teachers from ₱55 to ₱200, of instructors in normal and technical schools from ₱100 to ₱200, of secondary principals from ₱130 to ₱230, and of normal school principals from ₱150 to ₱260. He also points to the various laws favorable to teachers, including the Retirement Law.

Nov. 7 — The President submits a relief bill to Congress seeking aid for provinces, cities, and municipalities which suffered damage from typhoons, floods, earthquakes, and droughts in the amount of ₱8,567,600.

Nov. 8 — Following a conference with Speaker Eugenio Perez and other House and Senate leaders, the President decides not to extend

the special session of Congress despite the fact that no action was completed on the appropriation bills submitted by him.

Nov. 10 — The President's eldest brother, Atty. Ernesto Quirino, dies of a heart attack, aged 66.

Secretary of Foreign Affairs Elizalde sends President Quirino's message of sympathy to the Israel Government on the death of President Dr. Chaim Weizmann.

The President reappoints Roberto Guinzon ad interim Under-Secretary of Justice.

Nov. 12 — At the request of the local manufacturers that he establishes a ceiling price, the President fixes the wholesale and retail prices of "Cafe Puro" at ₱1.35 and ₱1.55, respectively, for 1.7 pound and ₱2.60 and ₱2.95, for 1.95 pound. He also fixes the ceiling prices of Hereford brand corn beef at ₱48.45 a case wholesale and the retail price at ₱1.50 a tin.

Nov. 13 — Moro outlaw Kamlon is brought to Muntinlupa Prison where he "formally surrenders" to Secretary of Justice Oscar Castelo, the Secretary telling him that President Quirino has promised to give him a fair trial. The father and wife and young son of Kamlon called on the President in Malacañan.

Nov. 14 — The President receives numerous callers, chiefly provincial and municipal officials who request him to use his emergency powers to make public works and relief funds available.

The President receives Sam Keeny and James E. McCall, Director of the Regional Office in Asia and chief of the Philippine Mission, UNICEF, respectively, accompanied by Secretary Elizalde and Welfare Commissioner Asuncion Perez, who inform him of the accomplishments of the organization in the Philippines in the child feeding program, tuberculosis control, treatment of syphilis in pregnant women, diphtheria immunization, mental health, etc.

Secretary Elizalde and Dr. William J. Ellis sign a Supplemental Agreement between the Government and the U. N. Food and Agriculture Organization (FAO) for the services of experts in rice breeding.

Nov. 15 — The President inaugurates the ₱200,000 Quirino Labor Hospital in Quezon City.

Nov. 17 — The President announces the conclusion of an air transport agreement between the Philippines and Mexico granting the Philippine Air Lines traffic rights at the Mexican capital in both directions; it is the first formal treaty signed by the Philippines with Mexico.

Nov. 18 — The President designates Jose Panganiban as Acting Chairman of the Board of Directors of the National Development Company, replacing Acting Chairman Eduardo Taylor who is leaving for the United States to buy machinery for the new Portland cement plant to be established at Bacnotan, La Union.

Nov. 19 — The President issues Administrative Order No. 202 coordinating the activities of various government relief agencies.

Malacañan announces that Vicente G. Bunuan, Sugar Quota Administrator, is leaving today for London to attend the International Sugar Council meeting scheduled for November 24.

Nov. 20 — Replying to a message of congratulations from President Quirino, American President-elect Dwight D. Eisenhower, said:

"Greatly appreciate your congratulations. As President I shall constantly seek to develop the historic and unique relationship of trust, confidence, and goodwill between our two countries."

The message was forwarded to Poro Point, where President Quirino had gone for a rest.

The President authorizes a release of ₱200,000 for the purchase of supplies for the Alabang Serum and Vaccine Laboratories; also ₱85,763 as aid for health work in a number of provinces, as recommended by Secretary of Health Dr. Juan Salcedo, Jr.

Nov. 21 — The Department of Foreign Affairs announces that Japan has remitted \$3,592,844.38 to the Philippines in part settlement of the difference in favor of the Philippines under the barter trade agreement. As of October 20, 1952, the favorable balance amounted to nearly \$10,440,000 toward the settlement of which Japan has now made two payments totaling \$5,322,561.16.

Nov. 23 — The President receives a report from Maj. Gen. Calixto Duque stating that around 5,000 hectares of public land in Tawi-Tawi is open to settlement, it being planned to re-settle from 200 to 300 Jolo families of the followers of the outlaw Kamlon there. Kamlon

The Journal wishes its readers and advertisers a Merry Christmas and a Happy New Year.

and some of his followers having pled guilty of the charges of rebellion and murder filed against them by the Government and being sentenced to life imprisonment, will be granted a conditional pardon on recommendation of General Duque.

The President, having returned to Manila, confers with Liberal Party leaders who urge him to reject the recent proposal of Senator Jose Laurel that the two of them withdraw as candidates for the presidency in the 1953 elections in favor of Secretary of National Defense Ramon Magaysay; the leaders urge him to run for re-election and also reiterate their endorsement of his exercise of his emergency powers in releasing much-needed public works and relief funds. As to the Laurel proposal, the President states that he "will consider it for what it is worth."

Nov. 25 — The President at a Cabinet meeting signs an administrative order creating the Informational Media Guaranty Program Committee, which is to examine and approve or disapprove all applications for contracts to supply the Philippines with "media materials" under the Informational Media Guaranty program made available to the Philippines under Section 111 (b) (3) of the U. S. Economic Cooperation Act of 1948, such as books, periodicals, newspapers, motion pictures, etc. The committee will be composed of 5 persons representing the Department of Education, the University of the Philippines, the Central Bank, the Import Control Commission, and the Department of Foreign Affairs.

At the Cabinet meeting, the President inquires as to the recent statement of Dr. Roland R. Renne, implying that "politics was delaying MSA releases." Acting Secretary of Agriculture Jose Camus states that in so far as the distribution of irrigation pumps is concerned, mentioned as an instance by Dr. Renne, no politics were involved but that he had had to order surveys of their suitability in various regions.

Austrian officials, Dr. Carl Behleter and E. C. Tomich, make courtesy calls on Secretary Elizalde and other Foreign Department officials; they are the first members of an Austrian trade promotion delegation on the way to the Philippines.

Nov. 26 — The President orders the reactivation of the Barangay Associations with former Under-Secretary of the Interior Nicanor Roxas heading the campaign; the associations were authorized under Executive Order No. 347.

Nov. 27 — Malacañan announces that the President is readying the release of another ₱2,953,000 public works fund chiefly for the rebuilding of schoolhouses destroyed by recent typhoons; the sum would bring the total released for public works to ₱5,345,780. Announced, too, that the President will not issue another executive order for the release of further funds as he will leave it to Congress to appropriate the additional funds needed during the coming regular session; releases will be confined to the amounts specified in his two executive orders,—around ₱37,000,000 for public works and ₱11,000,000 for relief. Recently, Sen. Claro M. Recto, on behalf of Senate President Eulogio Rodriguez and Sen. Lorenzo Tañada, filed with the Supreme Court a petition for a writ of prohibition against the President's use of emergency powers to release funds not duly appropriated by Congress.

Nov. 29 — The President grants executive clemency with parole conditions to Kamlon and 23 his followers recently sentenced to life imprisonment for rebellion with multiple murder, the conditions being that they must report to the nearest Constabulary or Philippine Naval authorities every month, comply with any summons that may be issued for their appearance, accept periodical visits of such authorities at reasonable times, commit no crimes and conduct themselves in an orderly manner, and assist the Government in the surrender of firearms illegally held; should any of these conditions be violated, the sentences imposed would again go into full effect.

Nov. 30 — The Cabinet approves certain projects to be undertaken under the United Nations Expanded Technical Assistance Program to cost a total of ₱255,564.21, part of the ₱500,000 included in the appropriations for the Department of Foreign Affairs for the fiscal year 1953 as a counterpart fund to be used in commitments to be undertaken under the Program. Among the projects are the Bayambang educational center and vocational training institute, a pilot center for the control of schistosomiasis in eastern Leyte, and a statistical training center.

Banking and Finance

By W. M. SIMMONS
Manager

The National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31 1949	As of Aug. 29 1952	As of Sept. 30 1952	As of October 31 1952
(In thousands of Pesos)				
ASSETS				
International Reserve.....	₱460,689	₱472,836	₱476,146	₱472,919
Contribution to International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	113,306	107,570	107,570	107,570
Loans and Advances.....	77,047	45,055	48,055	48,195
Domestic Securities.....	92,197	233,824	231,650	231,882
Trust Account—Securities Stabilization Fund.....	—	—	—	—
Other Assets.....	20,390	44,200	49,566	42,783
	<u>₱793,629</u>	<u>₱933,485</u>	<u>₱942,987</u>	<u>₱933,349</u>
LIABILITIES				
Currency — Notes.....	₱555,576	₱516,495	₱527,147	₱530,688
Coins.....	74,381	91,406	91,073	90,689
Demand Deposits — Pesos.....	117,682	277,126	274,797	266,977
Securities — Stabilization Fund.....	2,000	12,233	12,233	12,233
Due to International Monetary Fund.....	22,498	496	496	496
Due to International Bank for Reconstruction and Development.....	2,389	2,383	2,383	2,383
Other Liabilities.....	2,636	7,345	8,331	2,365
Deferred Credits.....	—	1,852	2,448	3,055
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	7,017	6,947	7,331
Surplus.....	—	7,132	7,132	7,132
	<u>₱793,629</u>	<u>₱933,485</u>	<u>₱942,987</u>	<u>₱933,349</u>

THE Central Bank's international reserve as of October 31, 1952, dropped by ₱3,227,000, thus reversing the upward movement of the previous two months. This is accounted for by the decline in deposits in U. S. Depositories of ₱5,617,000 which failed to offset the in-

crease as a result of the Central Bank's purchase of about ₱2,000,000 worth of U. S. Government Securities during the month under review and additional gold holdings of ₱336,000. Including net foreign exchange holdings of other banks, the country's international reserve was reported to have amounted to \$299,372,000 at the end of the month, compared to \$298,589,000 on September 30, 1952.

Loans and advances continued their upward trend since June 30, 1952, but the increase registered in October was negligible. Currency issued increased from ₱618,220,000 in September to ₱621,377,000 in October, but there was a decrease in demand deposits from ₱274,797,000 to ₱266,977,000 during the same period.

The cash position of banks continues easier and quotations for time money have been correspondingly reduced. In some quarters the best rate is now 1-1/2% for 3 to 6 months without much interest in new money at this rate. Loan rates are unchanged at 5% to 6%.

STATISTICS released by the Central Bank show that foreign exchange transactions of the Philippines during the first 9 months of this year resulted in a net gain of \$6,200,000 caused primarily by heavy receipts from invisible exports. United States government expenditures alone totalled \$100,700,000. Receipts aggregated \$410,300,000 (including \$259,900,000 of visible exports and \$150,400,000 of invisible), against disbursements of \$404,100,000 (for \$335,900,000 of visible imports and \$68,200,000 of invisible). Compared with the corresponding period in 1951, total receipts showed an increase of 1.7%, while disbursements were down by 2.6%.

It is reported that since the Rural Bank Law was approved on June 6, 1952, the Central Bank has received forty applications to open Rural banks. To date certificates of authority to establish such banks have been granted for the following localities: Pasig, Rizal; Novaliches, Rizal; Malolos, Bulacan; Urdaneta, Pangasinan; and Bacolod, Negros Occidental. The majority of applications have been received from Luzon provinces, but several have come from Visayan and Mindanao areas.

(Note: The information contained herein has been derived from responsible sources but the National City Bank assumes no responsibility for its accuracy.)

Manila Stock Market

By A. C. HALL
Hall, Picornell, Ortigas & Co.

October 18 to November 28

EARLY in the period under review, gold shares drifted into new low ground, but recovered partially following the Atok-Big Wedge Mining Company's announcement that it had reached an amicable settlement with its labor union as regards the valuation to be accorded to the company's "give-aways" to labor. This agreement, which is expected to serve as a basis for the industry, will reduce the actual cash disbursement required under the Minimum Wage Law, and will enable the Company to continue its operations. The constructive attitude shown by labor in this matter is encouraging, but, as mentioned in this column last month, gold mining has been reduced to the barest subsistence level, and requires a much greater degree of assistance if it is to survive at all. In the meantime, investors are unlikely to show any interest in this group's securities.

The price of gold in the free market has moved in a narrow range during the past six weeks, but has displayed a firmer tone during the last few days. The approximate price range has been ₱104 to ₱106.50 per fine ounce, closing at the latter figure.

In the base-metal section, little interest has been displayed with the exception of Consolidated Mines which has been sharply higher and active during the past ten days or so. The strength in this issue is principally due to a couple of 20% cash-dividend declarations during the past month.

In the commercial and industrial section, the market has ruled steady in very restricted trading. Fixed-interest securities have firmed, but, at closing levels, the demand is small.

Overall conditions continue unfavorable for equities as a whole. Money is easier at the moment, but this is considered a temporary situation, and not a reversal of the past year's deflationary tendency. The unsatisfactory state of general business retards a more constructive attitude toward securities.

MINING SHARES

1951-52 Range High Low	M. S. E. Mining Share Average	High	Low	Close	Change	Total Sales
131.53 86.11		98.96	92.09	98.33	Off .21	8,817,490
0.315 0.155	Acoje Mining Co.	.18	.16	.175	Off .005	213,900
0.0925 0.028	Antamok Goldfield	.04	.04	.04	—	35,500
7.80 2.15	Atok Big Wedge Mining Co.	2.60	2.15	2.50	Off .20	5,563
0.14 0.06	Bagoio Gold Mining Co.	—	—	0.0625b	—	—
2.80 1.80	Balator Mining Co.	1.75	1.60	1.75	Off .25	3,558
0.0035 0.0015	Batang Buhay Gold Mines	.0017	.0015	.0017	Off .0005	1,400,000
5.30 3.50	Benguet Consolidated x Consolidated Mines, Inc.	3.60	3.50	3.50	Off .30	2,100
0.042 0.011	Benguet Consolidated Mines, Inc.	.024	.024	.042	Up .007	3,304,000
0.29 0.16	Hibzer Gold Mining Co.	—	—	.15b	—	—
0.17 0.0625	Itoyon Mining Co.	.0725	.0625	.065	Off .005	530,000
0.075 0.031	J. L. Mining Co.	.075	.032	.075	Up .037	552,678
0.95 0.59	Lapanto Consolidated	.87	.81	.84	Off .01	185,529
0.05 0.024	Masbate Consolidated	.034	.032	.032	Up .002	260,000
0.43 0.09	Mindanao Mother Lode	.13	.09	.1225	Off .0125	623,500
0.1275 0.06	Paracale Gumauas Consolidated	.105	.105	.105	Off .01	20,000
3.26 1.20	Philippine Iron Mines, Inc.	2.40	2.25	2.40	—	29,542
0.32 0.17	San Mateo Mining Company	.23	.19	.19	Off .045	252,000
0.305 0.185	Surigao Consolidated	.23	.21	.225	Off .005	373,250
0.13 0.05	United Paracale Mining Co.	.06	.0525	.06	—	80,000

x—Ex-Dividend

COMMERCIAL SHARES

1951-52 Range High Low	Bank of the Philippine Islands	High	Low	Close	Change	Total Sales
143.00 105.00		—	—	130.00b	—	—
22.00 12.00	Bisaya-Banabisa Sugar Central	22.00	22.00	22.00	Up .50	133
15.00 15.00	Bogo-Madellin Milling Co.	—	—	15.00a	—	—

100.00 75.00	Central Azucarera de Bais, Inc.	78.00	78.00	78.00	Off 2.00	220
171.00 105.00	Central Azucarera de la Canela	105.00	105.00	105.00	—	10
110.00 100.00	Central Azucarera de Pilar	—	—	100.00	—	—
30.00 30.00	Central Azucarera de Tacurong	38.00	38.00	38.00	—	140
525.00 320.00	Chico Banking Corporation	—	—	282.00b	—	—
12.00 10.00	Cia. de Celulosa de Filipinas	12.00	11.25	12.00	Up .25	5,400
27.50 25.00	Filipinas Cia. de Seguros	25.00	25.00	25.00	—	50
12.00 8.30	Industrias Textiles Mfg. Co. P. I.	9.50	8.30	9.50	Up .20	13,540
0.36 0.25	Manila Broadcasting Co.	—	—	—	—	20b
5.50 3.20	Manila Wine Merchants	3.50	3.50	3.50	—	625
0.12 0.085	Mayon Metal, class "A"	—	—	.11a	—	—
0.12 0.085	Mayon Metal, class "B"	—	—	.11a	—	—
107.00 100.00	Mayon Metal, class "A"	—	—	.11a	—	—
107.00 100.00	Meraleco, 6-1/2%	107.00	107.00	107.00	Up 3.00	T 60
23.00 20.50	Metropolitan Insurance Co.	—	—	15.00b	—	—
7.50 5.00	Paudeco	21.00	21.00	21.00	—	366
27.50 25.00	Philippine Air Lines, Inc.	—	—	5.00b	—	—
0.0925 0.012	Philippine Guaranty Co., Inc.	—	—	24.00b	—	—
1.46 0.96	Philippine Oil Development Co., Inc.	.0525	.043	.045	Off .003	909,068
43.00 26.50	Philippine Racing Club, Inc.	—	—	.90b	—	—
10.00 93.00	San Miguel Brewery Corp.	36.00	33.50	36.00	Up 1.00	17,466
108.00 102.00	San Miguel Brewery 7% pref.	101.00	100.00	101.00	Up 1.00	210
16.00 13.50	San Miguel Brewery 8% pref.	105.00	105.00	108.00b	Up 3.50	77
7.00 6.00	Union Insurance & Indemnity Co.	—	—	12.00b	—	—
	Williams Equipment Corp.	—	—	6.50b	—	—

T Bond sales reported in units of ₱100.

Over-the-Counter

Company	High	Low	Close	Total Sales
Commonwealth Insurance Co.	₱160.00	₱150.00	₱160.00	131
Manila Jockey Club	2.30	2.30	2.30	34
Philippine Long Distance Telephone Co. 6% bonds (1966)	100.00 net	100.00	100.00	₱ 44,000
Pole Coconut Plantation, Inc.	700.00	700.00	700.00	5
Tabacalera, 6% bonds (1962)	100.00	100.00	100.00	₱102,000
Victoria Milling Co., Inc.	130.00	130.00	130.00	170

Credit

By C. W. MULLENBURG

Manager, Credit and Collection Department
International Harvester Company of Philippines

THE Association of Credit Men, Inc. (P.I.) has announced the active participation of three additional members effective December 1, 1952. These three are the Allied Brokerage Corporation, Manila Daily Bulletin Publishing Co., Inc., and Fred Wilson & Company, Inc. Active membership as at December 1, 1952, stands at 76 members. The Association is drawing an increasing amount of interest among business firms and it is anticipated that membership will be further increased in the near future.

Credit executives report little change during the past month. Most of them indicate that collections are as hard and as slow as at any time this year. A few report that collections are somewhat harder and that clients request longer time and larger limits, with the result that the large suppliers are in effect financing smaller clients. A few report collections somewhat better and suggest that money was tighter last month than any month this year, with money somewhat more plentiful at present.

Some sources report that circulation of money has improved slightly in the past month. During August and September, bank deposits were built up at a satisfactory rate, but during October and November deposit build-up was slow and, as is usual, withdrawals in December will probably be heavy. With the releasing of licenses by the Import Control Office for the second semester, import volume will increase and banks are now concerned more with import than domestic business. Sugar is also beginning

to move, with milling to continue until about March, 1953. Sugar will bring in a substantial amount of dollars, which will improve local conditions. Bank receivables are still paid fairly well on time. With the arrival of imports licensed for the second semester, bank funds can begin to be available for other uses. It is expected that government financing might be available in January to provide for construction, which has lagged during the year.

Trade sources report drugs still scarce. Indications are that merchants are not doing as well as was expected at the beginning of the holiday shopping season and textiles are not demanding the level of prices anticipated by textile merchants. It appears that there are ample stocks of textiles, particularly in some specialty lines. Other shipments are expected before Christmas. Conditions prevailing in specific lines naturally affect the general credit and collection situation. Some expect Christmas shopping to get under way at a better level soon to offset the slow beginning.

Electric Power Production

(Manila Electric Company System)

By R. J. BAKER

Comptroller, Manila Electric Company

1941 Average—16,316,000 KWH

	Kilowatt Hours	
	1952	1951
January	45,152,000	40,713,000
February	42,450,000	37,066,000
March	45,128,000	30,117,000
April	42,798,000	39,197,000
May	45,580,000	40,405,000
June	45,223,000	40,712,000
July	47,542,000	42,041,000
August	47,988,353	42,817,000
September	47,216,626*	41,852,000
October	50,072,814**	44,017,000
November	47,590,000**	42,828,000
December		45,655,000
Total		497,211,000

*Revised

**Partially estimated

DUE to November being a 30-day month with 5 Sundays and one holiday, output decreased about 2,500,000 kwh from October. However, the increase over November, 1951, amounted to 4,962,000 kwh, or 11.2%. We expect the two new 4,000 kw units at the Blaisdell Station to be in operation for the holiday season.

Building Construction

By JUAN J. CARLOS

President, Philippine Contractors' Association

DURING the month of October, the Office of the City Engineer approved building permits for construction work amounting to ₱4,040,150. For the same period last year, the volume of work authorized amounted to ₱4,465,040 in comparison with ₱3,380,110 in 1950 and ₱5,035,115 in 1949. Among the big projects that were started during the month under review are:

A 1-story steel factory building for the Philippine Match Co., Ltd. on Posadas Street, Sta. Ana, estimated at ₱400,000;

On Oriente Street, Binondo, a 4-story reinforced-concrete apartment building for Salustiana Dee, costing ₱300,000;

For the Earnshaw Docks & Honolulu Iron Works, at Tacoma and 2nd Streets, Port Area, a 1-story steel building, estimated at ₱150,000;

A 1-story steel building at Mendiola and Pandacan for the San Miguel Brewery, costing ₱200,000;

At 343 Exchange Street, a 4-story reinforced-concrete building for R. de Skawivski, estimated at ₱150,000;

For the rehabilitation of the Philippine Columbian Club Building on Taft Avenue, an estimated ₱80,000.

The building trade is now experiencing a great shortage of lumber for its projects. Lumber yards, which formerly were well stocked with all sizes and kinds of lumber, are now almost empty. Consequently, prices are going up. Form lumber and sawn lumber have increased in price by at least 30% and the tendency is for further increases. This shortage can be attributed to the fact that large quantities of logs are being exported to foreign countries to take advantage of dollar payments. Very small quantities of logs are arriving in Manila. Another factor in the increase of prices is the increase in the minimum wage of forest workers which has increased the cost of production considerably.

Galvanized-iron sheets continued scarce, and gauge 24 is unavailable in the local market. The shipment of gauge 26, which PRISCO received, was distributed to storm-stricken areas in the provinces. With the rainy season over, the demand for this item will increase, and unless more shipments are received soon an acute shortage will be felt by builders and homeowners.

Real Estate

By ANTONIO VARIAS

Vice-President, C. M. Hoskins & Co., Inc., Realtors

REAL ESTATE sales registered in the Greater Manila area during the month of November, 1952, numbered 536, with a total value of ₱6,661,919, as compared with 672, with a total value of ₱7,341,565, registered during the preceding month of October.

Of the November sales, 145, with a total value of ₱3,360,520, represented deals within Manila proper, and 391, with a total value of ₱3,301,399, were sales within the cities of Quezon and Pasay, and in the suburban towns of Calocan, Makati, Malabon, Navotas, Mandaluyong, Parañaque, and San Juan.

Among the bigger sales registered during the month were:

The assignment of several lots in Malabon, Parañaque, Mandaluyong, San Juan, and Muntinlupa by Vicente Madrigal to Susana Realty, Inc. for the sum of ₱773,740;

A property with a lot of 965.8 square meters on M. H. del Pilar Street, Malate, sold by Angela Dizon to Gamboa Estate, Inc. for ₱315,000;

Three 2-story houses with a lot of 1,000 square meters on Misericordia Street, Sta. Cruz, sold by Rosario Mortel to Benito U. Galan for ₱85,000;

A property with a lot of 610 square meters on Pennsylvania Street, Malate, sold by Emiliano J. Valdez to Demetrio Muñoz for ₱76,000;

A property with a lot of 493.4 square meters on Gastambide Street, Sampaloc, sold by Consuelo, Catalina & Delfina Reyes to the University of the East for ₱74,000;

A parcel of 1,742 square meters on Cabildo Street, Intramuros, sold by Francisco Boix to Zacarias M. Aquino for ₱66,190; and

A parcel of 4,587 square meters in Forbes Park Subdivision, Makati, sold by Ayala Securities Corporation to Primo Santos for ₱61,924.

REAL ESTATE mortgages registered in the Greater Manila area during the month of November numbered 614, with a total value of ₱8,961,399, as compared with 739, with a total value of ₱18,034,193, registered during the preceding month of October.

Of the November total, 257, with a total value of ₱4,358,362, represented deals within Quezon City, Pasay City, and in the suburban towns of Calocan, Makati, Malabon, Navotas, Mandaluyong, Parañaque, and San Juan.

REAL ESTATE SALES, 1952

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January	₱6,085,610	₱1,592,939	₱197,596	₱1,285,689	₱9,161,834
February	2,629,939	1,052,519	274,017	2,066,314	6,022,789
March	3,757,283	1,809,583	366,011	1,427,608	7,350,485
April	2,216,532	1,249,988	359,130	1,139,492	5,588,252
May	2,978,391	1,277,309	687,001	1,346,563	6,289,264
June	2,388,796	1,598,090	440,171	2,348,711	6,775,768

July	2,127,614	1,235,423	466,223	1,617,947	5,447,207
August	1,902,420	1,191,815	62,196	2,139,672	4,042,692
September	2,441,728	1,359,775	421,953	2,881,288	5,323,016
October	3,859,547	2,032,776	398,549	2,030,693	7,341,565
November	3,360,520	1,180,509	328,220	1,992,670	6,661,919

REAL ESTATE MORTGAGES, 1952

January	\$6,184,617	\$4,245,805	\$265,740	\$3,933,904	\$14,630,066
February	2,938,398	1,424,431	441,044	2,656,070	7,459,943
March	4,543,653	1,607,573	548,067	1,872,536	8,571,829
April	7,041,757	1,999,774	676,481	2,895,041	12,603,056
May	6,976,556	2,898,379	317,200	4,010,870	14,203,015
June	4,967,085	13,757,050	1,480,500	1,982,733	22,187,368
July	5,446,923	2,107,155	471,600	2,913,070	10,938,748
August	4,061,478	2,506,703	580,950	5,558,478	9,191,956
September	13,215,004	2,183,513	647,150	6,641,864	19,856,868
October	11,761,763	2,794,591	466,200	2,831,499	18,034,193
November	4,358,362	2,180,278	323,600	2,099,159	8,961,399

Freight Car Loadings

By JOSE B. LIBUNAO

Traffic Manager, Manila Railroad Company

LOADINGS of revenue freight in the month of October, 1952, totaled 1,696 cars. This was a decrease of 685 cars, or 28.77% less than in October, 1951, when the total was 2,381 cars.

REVENUE CARLOADINGS BY CLASSES

Revenue freight carloadings by general classes of commodities for the month of October, 1952, are shown below.

Commodity	October	
	1952	1951
Products of Agriculture	2,970	5,198
Animal Products	80	440
Mineral Products	886	838
Forest Products	4,063	14,051
Products of Manufacture	18,667	18,216
Merchandise less than by carload	6,940	7,472
Total	33,606	46,215

The decline of 12,609 tons in October, compared with the same month in 1951, was more than the reduction in September, 1952, of only 7,656 tons. Of the 41 items which entered into this report, only 14 items registered increases, while 27 items showed decreases. The principal items which showed increases were fuel oil, cement, and merchandise shipped in less than carload quantities. These accounted for 3,341 tons. On the other hand, palay, copra, lumber, wood fuel, and petroleum and gasoline registered the decline of 13,320 tons. The main cause of this reduction in tonnage shipped was the paralyzation of the southern lines for a solid month by the typhoon "Trix."

It is interesting to note that in the difference in the comparative decline for September and October, 1952, compared with the same months in 1951, lesser decreases were registered in products of agriculture and merchandise by less than carload loadings; more decreases in animal products and forest products; and definite increases for mineral products, products of manufacture, and miscellaneous items. In spite of the greater amount of decline in carloadings, it may be said with reasonable assurance that definite improvement is in store for the coming month, barring unforeseen events.

Port of Manila

By L. R. WENTHOLT

Vice-President, Luzon Brokerage Company

DURING the month of November approximately 75,000 tons of cargo were discharged on the piers and on lighters.

Ship arrivals this month were about the same as last month; however, incoming tonnage dropped.

This month the Philippine Ports Terminals experienced again some expert pilferage of linen and lace shipments. The pilfering was done in such a careful way that it was not detected until the cases were opened by the consignee who found old newspapers instead of lace and/or linen merchandise. We understand the matter has been passed on to the National Bureau of Investigation, and it is hoped that the culprits will soon be apprehended.

The pier strike on the United States West Coast apparently was averted; such a strike would have entailed a further decline in the importation of merchandise into the Philippines.

The revival of Japanese shipping is very noticeable in the Port of Manila; last week we noted, in one day, 6 Japanese vessels, belonging to different lines.

Because of the small amount of merchandise handled, there was no congestion on any pier and deliveries in general were satisfactory.

Ocean Shipping and Exports

By B. B. TUNLOD

Secretary-Manager

Associated Steamship Lines

TOTAL exports for the month of October of this year were approximately the same as the exports for October last year.

130 vessels lifted 334,512 tons of exports during the months, as compared to 332,377 tons lifted by 115 vessels during the same month last year.

Commodities which have registered a sharp increase over last year's figures for the same month are: beer from 42 to 188 tons; lumber from 3,400,595 to 8,201,097 bft; molasses from 5,440 to 16,739 tons; chrome ores from 24,716 to 50,172 tons, and general merchandise from 513 to 1,468 tons.

Exports during October, 1952, as compared with exports during October, 1951, were as follows:

Commodity	1952	1951
Alcohol	27 tons	67 tons
Beer	188 "	42 "
Cigars and cigarettes	15 "	—
Coconut, desiccated	5,065 "	8,965 "
Coconut oil	7,895 "	8,217 "
Concentrates, copper	10,739 "	8,786 "
Concentrates, gold	233 "	427 "
Copra	64,438 "	85,072 "
Copra cake and meal	6,650 "	6,790 "
Embroideries	256 "	362 "
Empty cylinders	223 "	498 "
Furniture	546 "	990 "
Glycerine	384 "	263 "
Gums, copal	34 "	48 "
Hemp	45,153 bales	62,473 bales
Hemp, knotted	102 tons	—
Household goods and personal effects	280 "	285 tons
Junk metals	414 "	5,004 "
Logs	26,213,908 bft.	19,231,523 bft.
Lumber, sawn	8,201,097 "	3,400,595 "
Molasses	16,739 tons	5,440 tons
Mongo	10 "	—
Ores, copper	991 "	—
Ores, chrome	50,172 "	24,716 "
Ores, iron	80,899 "	108,809 "
Ores, manganese	100 "	—
Pineapples, canned	524 "	215 "
Rattan, round (palasan)	467 "	365 "
Rope	461 "	62 "
Shells, shell waste	39 "	75 "
Skins, hides	47 "	9,500 "
Sugar, raw	6,408 "	148 "
Sugar, muscovado	148 "	831 "
Tobacco, leaf	1,154 "	22 "
Vegetable oil	29 "	513 "
Merchandise, general	1,468 "	—

Mining — By NESTORIO N. LIM, Secretary, Chamber of Mines of the Philippines

GOLD AND SILVER PRODUCTION FOR JULY, AUGUST AND SEPTEMBER

Mining Company		July		August		September	
		Quantity	Value	Quantity	Value	Quantity	Value
Atok-Big Wedge Mining Co...	Au	3,724 oz.	₱260,646	3,560 oz.	₱249,169	2,402 oz.	₱168,144
	Ag	2,098 oz.	2,979	2,120 oz.	3,499	1,653 oz.	2,727
	M.O.	14,027 S.T.	263,625	13,479 S.T.	252,668	12,785 S.T.	170,871
Baguio Gold Mining Co.....	Au	2,226 oz.	155,833	2,083 oz.	145,817	2,039 oz.	142,721
	Ag	629 oz.	1,010	1,052 oz.	1,494	1,082 oz.	1,536
	M.O.	9,366 S.T.	156,843	9,234 S.T.	147,311	8,132 S.T.	144,257
Balatoc Mining Company.....	Au	8,230 oz.	576,093	7,722 oz.	540,522	8,161 oz.	571,241
	Ag	5,741 oz.	10,057	5,439 oz.	8,974	6,048 oz.	9,979
	M.O.	40,525 S.T.	586,150	41,067 S.T.	549,496	42,032 S.T.	581,220
Benguet Cons. Mining Co.....	Au	8,484 oz.	593,851	8,397 oz.	587,768	8,836 oz.	618,505
	Ag	5,890 oz.	10,367	5,914 oz.	9,759	6,548 oz.	10,805
	M.O.	39,352 S.T.	604,218	42,819 S.T.	597,527	42,028 S.T.	629,310
Itogon Mining Company.....	Au	4,029 oz.	282,040	4,273 oz.	299,109	3,382 oz.	229,716
	Ag	192 oz.	317	195 oz.	321	946 oz.	1,561
	M.O.	16,723 S.T.	282,357	16,708 S.T.	299,430	16,741 S.T.	231,277
Lepanto Cons. Mining Co.....	Au	3,307 oz.	212,590	3,712 oz.	259,840	2,880 oz.	201,600
	Ag	13,292 oz.	18,136	14,789 oz.	20,195	—	—
	M.O.	30,854 S.T.	236,726	31,481 S.T.	280,035	30,500 S.T.	—
Looc Lead-Silver Mine.....	Ag	22,572 oz.	37,244	—	—	28,667 oz.	47,300
	M.O.	1,200 S.T.	37,244	—	—	1,524 S.T.	47,300
Mindanao Mother Lode Mines	Au	3,238 oz.	224,831	3,384 oz.	235,115	2,904 oz.	201,692
	Ag	4,289 oz.	6,877	5,085 oz.	8,245	4,942 oz.	7,983
	M.O.	12,100 S.T.	231,708	13,400 S.T.	243,360	13,300 S.T.	209,675
San Mauricio Mining Co.....	Au	3,033 oz.	212,325	3,036 oz.	212,495	2,484 oz.	173,908
	Ag	7,795 oz.	10,420	6,070 oz.	8,669	6,013 oz.	9,921
	M.O.	9,978 S.T.	222,745	9,286 S.T.	221,164	8,316 S.T.	183,829
Surigao Cons. Mining Co.....	Au	4,158 oz.	291,024	4,232 oz.	296,240	4,635 oz.	324,477
	Ag	4,691 oz.	7,692	5,923 oz.	9,228	4,888 oz.	8,064
	M.O.	12,927 S.T.	298,716	12,693 S.T.	305,468	12,765 S.T.	332,541
United Paracale Mining Co...	Au	1,297 oz.	90,790	2,001 oz.	140,070	2,622 oz.	183,559
	Ag	3,755 oz.	6,196	2,976 oz.	4,910	3,785 oz.	6,245
	M.O.	8,198 S.T.	96,986	6,123 S.T.	144,980	6,885 S.T.	180,804
Pan Philippine Corp.....	Au	30 oz.	2,114	—	—	—	—
	Ag	1,087 oz.	1,914	—	—	—	—
	M.O.	494 S.T.	4,028	—	—	—	—
Nor-Min Ventures.....	Au	128 oz.	8,980	275 oz.	19,214	195 oz.	13,621
	Ag	30 oz.	50	31 oz.	51	38 oz.	64
	Cu. Yd.	19,125	9,030	38,250	19,265	22,242	13,685
Surigao Placer Mines.....	Au	—	—	83 oz.	5,821	107 oz.	7,454
	Cu. Yd.	—	—	4,000	5,821	8,000	7,454
Coco Grove, Inc.....	Au	310 oz.	18,233	477 oz.	33,371	386 oz.	26,996
	Cu. Yd.	129,985	18,233	149,493	33,371	145,000	26,996
	(Au)	41,924 oz.	₱ 2,929,350	43,235 oz.	₱ 3,024,551	40,933 oz.	₱ 2,863,634
TOTALS.....	(Ag)	72,034 oz.	113,259	49,593 oz.	75,345	64,610 oz.	106,185
	(M.O.)	195,744 S.T.)		196,290 S.T.)		195,008 S.T.)	
	(Cu. Yd.)	149,110)	₱3,042,609	191,743)	₱3,099,896	175,242)	₱2,969,819

BASE METAL PRODUCTION FOR JULY, AUGUST, AND SEPTEMBER

Mining Companies	July		August		September	
	Quantity M.T.	Value Peso	Quantity M.T.	Value Pesos	Quantity M.T.	Value Peso
REFRACTORY CHROMITE						
Consolidated Mines, Inc.....	46,200	1,339,800	51,800	1,500,200	47,100	1,365,900
METALLURGICAL CHROMITE						
Acoje Mining Company.....	4,141	231,896	3,573	200,086	4,023	224,000
Luzon Stevedoring Company.....	2,000	80,000	940	61,100	—	—
Total.....	6,141	311,896	4,513	261,186	4,023	224,000
COPPER (METAL)						
Lepanto Cons. Mining Co.....	932	1,339,197	1,062	1,524,099	911	1,212,987
Mindanao Mother Lode Mines.....	22	22,183	27	27,974	24	24,373
San Mauricio Mining Co.....	17	9,866	15	11,123	13	13,324
United Paracale Mining Co.....	19	18,818	11	11,031	8	7,829
Hixbar Gold Mining Co.....	99	85,299	—	—	—	—
Pan Philippine Corp.....	29	37,696	—	—	20	26,054
Total.....	1,118	1,513,059	1,115	1,574,227	976	1,284,567

LEAD (METAL)

Looc Lead-Silver Mines	56	39,168			71	49,743
San Mauricio Mining Co.	148	78,734	116	63,163	99	69,792
Surigao Cons. Mining Co.	116	95,565	84	58,782	128	89,643
United Paracale Mining Co.	20	12,975	16	10,394	15	10,837
Total	340	226,442	216	132,339	313	220,015

IRON ORE

Philippine Iron Mines	57,799	1,133,608	48,391	958,175	52,034	1,021,334
Samar Mining Co.	33,331	609,957	34,381	632,832	33,609	615,045
Marinduque Iron Mines, Inc.	9,334	188,746	9,837	186,903	9,318	177,042
Gabun Paracale	—	—	—	—	—	—
Total	101,064	1,932,311	92,812	1,777,910	94,961	1,813,421

MANGANESE ORE

Luzon Stevedoring Co.			123	9,840		
General Base Metals	2,800	148,400				
Palawan Manganese Mines	—	—	1,000	78,000		
Palawan Mining Corp.	—	—	647	51,760		
Cia Minera de Filipinas	—	—	602	48,160		
Total	2,800	148,400	2,372	187,760		

GRAND TOTAL OF BASE METAL PRODUCTION

P5,605,056 **P5,521,040** **P5,006,299**

Lumber

By PACIFIC DE OCAMPO
Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

AFTER having risen during the last 5 consecutive months, the volume of Philippine log and lumber export dropped by 5,446,224 bd. ft. during the month under review, October, 1952—from 36,076,488 bd. ft. in September to 30,630,264 bd. ft. in October. This, however, exceeded by 4,802,805 bd. ft. the 25,433,069 bd. ft. of log and lumber export of the same month, last year. This decrease was the result of a general decline in the shipments of logs to Japan—from 25,240,448 bd. ft. in September to 21,740,574 bd. ft. in October, and of logs and lumber to United States and Canada—from 6,829,487 bd. ft. to 6,404,868 bd. ft., and to all other countries—from 4,008,553 bd. ft. to only 2,484,822 bd. ft.

Hereunder are the figures for the lumber and logs inspected for export during October, 1952, as released by the Bureau of Forestry:

Shippers	Destination	Volume in Bd. Ft.	
		Lumber	Logs
Aguinaldo Development Corp.	U. S. A.	61,474	199,873
Agusan Timber Corp.	Japan		1,298,220
Anakan Lumber Co., Inc.	U. S. A.		199,992
Albert L. Lorente	Japan		999,999
Atlantic, Gulf & Pacific Co.	Japan		200,000
Basilan	U. S. A.	1,436	685,689
Lumber Co.	U. S. A.	1,120,315	20,049
Bislig Bay Lumber Co., Inc.	Hongkong		191,548
Cantilan Lumber Co.	U. S. A.		828,322
Cipriano Luna	Hongkong		366,915
Dahican Lumber Co.	Japan		1,765,473
	Japan		995,213
	Japan		2,378,739
	Formosa		600,000

Findlay Millar Timber Co.	U. S. A.	188,219	
G. S. Mañalac General	Hongkong	124,000	
Enterprises, Inc.	Japan		1,235,475
General Lumber Co.	U. S. A.	29,997	
Hercules Lumber Co., Inc.	Japan		1,845,758
Iligan Lumber Co.	Africa	31,685	
Insular Lumber Co.	Japan		400,147
Jorge J. Tirador, Inc.	U. S. A.	721,803	
Luzon Stevedoring Co., Inc.	Hawaii	288,637	1,678,982
Martha Lumber Mill	Canada	88,454	
Misamis Lumber Co., Inc.	Africa	341,355	
Nasipit Lumber Co., Inc.	Japan		3,255
Pama Incorporated	U. S. A.	1,421,495	1,550,000
Sta. Clara Lumber Co., Inc.	Japan		1,400,000
Sanchez Logging Co.	U. S. A.		50,000
Valeriano C. Bueno	Japan		1,321,437
Widerama Lumber Mfrs. Co., Inc.	U. S. A.		600,000
Western Mindanao Lumber Co., Inc.	U. S. A.	53,943	
Woodcraft Works, Ltd.	U. S. A.	110,000	
Woodworks, Inc.	Japan		630,334
	U. S. A.	219,375	
	Africa	28,000	
	Canada	7,132	
	Israel	31,978	
	Hongkong	394,616	
	U. S. A.	85,000	
	Hongkong	61,348	
Totals		6,835,242	23,795,022

Trend of Exports to:

Country	This Month		Month Ago		Year Ago	
	Lumber (Bd. Ft.)	Logs	Lumber (Bd. Ft.)	Logs	Lumber (Bd. Ft.)	Logs
Japan	21,740,574	—	25,240,448	—	16,423,504	—
United States and Canada	4,970,469	1,434,399	5,087,342	1,740,145	3,070,493	1,838,811
Other Countries	1,864,773	620,049	2,154,170	1,854,383	1,346,595	2,753,666
Totals	6,835,242	23,795,022	7,241,512	28,834,976	4,417,088	21,015,981

COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF SEPTEMBER AND OCTOBER, 1952.

Period	Lumber in Board Feet					Logs in Board Feet					Grand Total
	Western States	Eastern States	Gulf States	All States	Others	Western States	Eastern States	Gulf States	All Others	Total	
September, 1952	3,369,672	1,417,298	105,239	204,133	5,087,342	875,528	400,000	464,617	1,740,145	6,827,487	
October, 1952	3,339,734	1,211,965	254,141	69,043	4,874,883	518,113	466,294	250,000	199,992	6,309,282	
Difference (Increase +; Decrease -)	20,938	205,333	148,992	135,090	212,559	357,415	66,294	214,617	199,992	305,746	

Résumé of Export to:

	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	21,740,574	21,740,574
United States and Canada ..	4,970,469	1,434,399	6,404,868
Other countries	1,864,773	620,049	2,484,822
Totals	6,835,242	23,795,022	30,630,264

SUMMARY OF EXPORTS DURING OCTOBER, 1952, ARRANGED BY COUNTRIES OF DESTINATION IN THE ORDER OF VOLUME OF SHIPMENT TO EACH COUNTRY

Countries of Destination	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	21,740,574	21,740,574
United States	4,874,883	1,434,399	6,309,282
Hongkong	1,138,427	—	1,138,427
Formosa	—	600,000	600,000
Africa	401,040	—	401,040
Hawaii	291,892	—	291,892
Canada	95,586	—	95,586
Israel	31,978	—	31,978
Guam	1,436	20,049	21,485
Totals	6,835,242	23,795,022	30,630,264

Arrivals of logs and lumber in Manila were again substantially reduced—from 11,213,624 bd. ft. in September to 8,636,510 bd. ft. in October, a decrease of 2,577,114 bd. ft.

The opening week of October, 1952, the month under review, quoted white lauan at ₱140 per 1000 bd. ft. in the local wholesale market, apitong at ₱145, and red lauan at ₱165-₱170. Due to the declining supply of logs and lumber arriving in Manila, these price quotations rose steadily during October, closing at the end of the month at ₱145-₱150 per 1000 bd. ft. for white lauan, ₱150 for apitong, and ₱170-₱175 for red lauan.

THE Wage Board for the Lumber Industry, in view of the decision of the Secretary of Labor disregarding its recommendation for the suspension of the application

of the minimum wage of ₱4 in the provinces for a period of 3 months, has now recommended an early evaluation of the facilities given to labor in the lumber industry, deductible from the wage, in accordance with the individual circumstance of each company. It has recommended further that, in the meantime, a temporary unit-evaluation of these facilities be adopted on an industry-basis.

MR. A. de las Alas, President of the Philippine Lumber Producers' Association, Inc., in speaking of the Philippine Mahogany Case now pending before the Federal Trade Commission in Washington, D.C., expressed optimism as to the final outcome. He made due acknowledgment of the representations made by Philippine Embassy officials in Washington toward preserving for Philippine woods the name "Philippine Mahogany".

Copra and Coconut Oil

By DOUGLAS C. KELLER

*Manager, Philippine Refining Company, Inc., Cebu**October 16 - November 15*

DURING the first week of this period now under review, the spectacular gains, mentioned in our previous report, were continued as the market climbed to new and dangerously high levels. The firmness of the market was accentuated by the typhoon "Trix" which roared over Southern Luzon, where considerable damage was reported, particularly in the Bicol provinces. This latter region, a heavy copra-producing area, is one of the chief sources of supplies for the Manila mills. Early reports of extensive damage to plantations, estimated at a 5% decrease in 1953 production, touched off a wave of short-covering which caused the market to soar to new highs for the year.

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Season's Greetings and Thanks from your **CALTEX DEALER**

Before the Philippines had time to draw breath after the visit of "Trix," the market was further strengthened by the visit of another typhoon, "Wilma," which hit the Islands, this time in the region of the Visayas. Copra climbed to a record high, with sellers asking \$215 c.i.f. Pacific Coast and \$240 c.i.f. Europe. Coconut-oil prices lagged but little behind these levels.

At this point, however, both consumers and dealers felt that the advances were unjustified, especially when the later reports on both "Trix" and "Wilma" indicated that the damage was not as serious as originally reported.

At the beginning of this period, seller's ideas were around \$170 c.i.f. Pacific Coast but, as previously outlined, climbed to \$215 c.i.f. just before the end of October. When buyers refused to follow this spectacular rise, quotations were steadily reduced and the period closed with an easy undertone, with sellers offering freely at \$195 and soliciting counters. The European market followed the same trend; prices at the opening of \$190 c.i.f. rose to as high as \$240 around the end of October, whereupon European buyers withdrew from the market, which closed weak at the middle of November around the \$215 mark.

The principal effect on the market at the close, was a rather bold sale, by one of the larger Manila exporters, of 1,000 tons of copra to Europe at \$200 c.i.f. North Continental Ports for January February shipment. This sale, which was effected at approximately \$25 below the market for November, December, had a decided weakening effect and resulted in a dearth of buying-interest at anything over this level.

Local prices in the Philippines were equally high, rising from a nominal ₱31 per 100 kilos at the opening to ₱41 at the peak, and finally closing at ₱36 on the 15th of November.

This same period found a similarly strong, excited market for oil; tank car shipments, quoted at 13 cents per pound f.o.b. Pacific Coast, reached a top of 15-1/4 cents before declining to 14-1/2 cents at the close. On the Atlantic Coast, bulk oil, which was offered at 14 cents per pound c.i.f. New York on October 16, very quickly advanced to 16-1/4 cents before declining to 14-1/2 cents on November 15.

In Europe bulk oil advanced from \$280 per ton to a high of \$330, but finished weak at \$310. In spite of the heavy gains in oil, there was an alarming lack of consumer interest throughout the period.

The market for copra cake and meal displayed a completely opposite trend to that of copra and coconut oil. While quotations were firm around \$81.50 per ton c.i.f. Pacific Coast at the opening, they steadily dwindled to a low of \$75.50 before rallying around the middle of the period, from which point they gradually rose to their opening levels. At the close, crushers were offering at \$81 per ton.

The volume of trade was steady and normal throughout the decline and rise.

Generally speaking, the copra and coconut oil market closed on a very weak note, and it seems safe to predict that the decline of the past two weeks will continue. It is absolutely certain that prices must fall considerably below present levels before any heavy consumer-interest can be aroused. Short covering, always the chief factor in the Philippines, may continue to harass the market for a while, but we have no reason to believe that there are any extensive short positions to be covered. Although both copra and coconut oil climbed to record highs during the past few weeks, we have not received reports of any heavy trading at those levels. On the contrary, the tonnage traded was disappointingly low.

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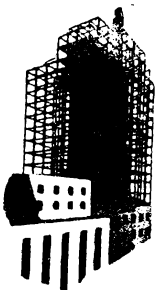
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Copra exports during the month of October, 1952, are reported as follows:

To United States Pacific Coast.....	18,228	long tons
United States Atlantic Coast.....	2,200	" "
United States Gulf Ports.....	5,815	" "
Canada, Pacific Coast.....	3,100	" "
Europe.....	34,603	" "
Japan.....	492	" "
Total.....	64,438	long tons

This compares with 86,804 tons of copra exported during September, 1952, and 85,072 tons shipped during October of last year. The total exports for the first 9 months of 1952 are now 545,273 long tons, as against 650,293 tons during the same period last year.

With regard to shipments of coconut oil, total exports during October, 1952, were as follows:

To United States Atlantic Coast.....	7,041	long tons
South Africa.....	160	" "
West Indies, Central and South America.....	594	" "
Total.....	7,895	long tons

By way of comparison, the September, 1952, exports of coconut oil amounted to 6,823 long tons, while during October, 1951, the total was 8,839 tons. The total for the first 9 months of 1952 now amounts to 70,026 long tons, as against 64,169 tons during the same period in 1951.

As a point of interest, it is reported from Tokyo that the Bank of Japan's Policy Board intends to grant foreign currency loans of 5 to 6 months duration to importers of Indonesian produce. Loans will be extended to a number of commodities including copra and palm oil.

As a footnote to this report we would like to quote Dr. A. Foster D. Shell, head of a New York research organization, who, in an address during the 7th National Chemical Exposition held in Chicago recently, stated that

production of synthetic detergents will reach the 2 billion pound (907,000 metric tons) mark in 1955 and increase to 2-1/2 billion pounds (1,134,000 tons) by about 1960. He also said that synthetic detergents will have over one-half the household market this year and will probably capture over half the total market within the next 10 years.

In concluding he stated that a major part of the raw materials supply of the detergent industry as it shifts from soap to synthetics, is transferred from the fat industry to the heavy chemical and petroleum industries. In consideration of the effect of the change of the fat industry, Dr. Snell remarked that the post-war shortage of fats is over, and that other uses for fats must be found through chemical research.

Desiccated Coconut

By HOWARD R. HICK
President and General Manager
Peter Paul Philippine Corporation

THE following are the shipping statistics for the month of October, 1952:

Shippers	Pounds
Franklin Baker Company.....	4,135,140
Blue Bar Coconut Company.....	1,293,850
Peter Paul Philippine Corporation.....	110,000
Red V Coconut Products, Ltd.....	2,555,900
Sun Ripe Coconut Products, Inc.....	150,000
Cooperative Coconut Products, Inc.....	150,800
Standard Coconut Corporation.....	—
Coconut Products (Phils.), Inc.....	—
Tabacalera.....	—
	8,395,690 pounds

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Manila Hemp

By T. W. JURIKA

Acting General Manager

Columbian Rope Company of Philippines, Inc.

THE market was generally quiet overseas during the entire month of November. Manufacturers in both the United States and Europe seemed content to fall back on reserve stocks of fiber rather than meet prevailing prices asked by some exporters based on Davao producers' reluctance to sell cheaply the reduced available supply. The situation approached the proportions of a major stalemate when mills in Japan also curtailed their buying to a certain extent. Other exporters were reported to have supported the bearish view of consumers by continuing to sell short their November, December position in considerable volume at levels ₱2 to ₱3 per picul lower than they could cover at the time of sale. This was no doubt based on the rather universal misconception of a large amount of raw fiber actually available in provincial dealer's hands.

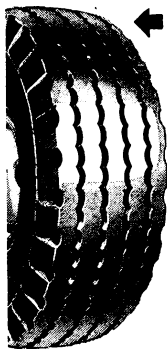
In several instances during early November, certain Davao presses suspended work completely for lack of fiber, while others continued operations at a greatly reduced tempo.

Toward the third week of the month it became increasingly apparent that dealers, resisting low prices, were being more successful in their holding-tactics than had been anticipated, and exporters became increasingly uneasy about being able to fill shipping commitments. Those exporters who found themselves oversold for prompt delivery proceeded to step into the market for whatever supplies they could buy at whatever price it was necessary to pay. Prices in Davao during the last 10 days of November rose from a level of ₱42 to ₱49 per picul for J1-S2, and were still rising at this writing.

No doubt this heavy buying on the part of short sellers has served to renew the holding-capacity of producers and dealers, who are now in a position to resume buying-in all available supplies of raw fiber as soon as it is stripped. It is conceivable that these will be very little "water over the dam" until possibly the second half of December or later. While the advent of the Holiday Season has always brought about a flurry of activity among producers, it remains to be seen whether or not this will result in enough production to permit a normal flow of fiber to market.

In non-Davao areas, Leyte and Samar continue in very low production. Figures for the year so far show 1952 as being only 45% of the 1951 production figure. In the Bicol there has been some improvement due to the artificial

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factor of typhoon-hemp being stripped and pressed. As soon as the typhoon-fiber has been stripped, a short supply is expected to prevail in the Bicol for the next year.

As this goes to press, we have reports that Davao City was the scene of a disastrous fire the night of December 1, wherein Smith, Bell & Company's press warehouse and fiber stocks were completely destroyed. In addition, about 5,000 piculs of raw fiber still in middlemen's hands in outside bodegas were also destroyed.

Exports for October indicate Japan easily maintaining its position as the No. 2 major consumer of Philippine fiber.

We list below baling and export figures for the period January/October inclusive:

BALINGS — JANUARY/OCTOBER INCLUSIVE

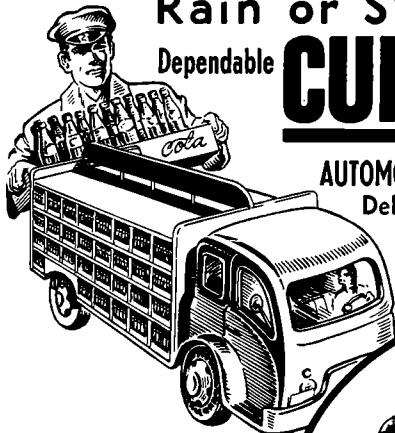
	1952	1951	1950	1949	1948
Davao	430,270	418,688	313,883	179,930	170,693
Albay, Camarines, and Sorsogon	123,015	212,975	147,638	98,243	147,881

Leyte and Samar.....	104,294	143,051	104,459	88,029	93,835
All other non-Davao.....	65,321	81,352	64,614	62,598	98,032
Totals	722,900	856,066	630,594	428,800	510,441

EXPORTS — JANUARY/OCTOBER INCLUSIVE

United States and Canada.....	263,213	501,375	323,319	164,510	230,381
Continental Europe.....	131,370	137,119	109,074	79,544	91,782
United Kingdom.....	76,891	149,826	70,124	31,485	54,870
Japan.....	143,297	112,206	58,245	87,993	115,301
South Africa.....	6,750	14,150	5,550	3,627	3,157
China.....	5,518	6,289	11,767	11,809	10,085
India.....	4,240	5,282	6,730	3,100	1,823
Korea.....	—	—	3,100	—	—
Australia and New Zealand.....	1,550	1,900	1,826	1,601	42
All other countries.....	230	—	747	80	2,853
Totals	632,059	928,147	590,482	383,749	510,294
plus	(x)	81,840	—	—	—
					713,899

(x) Adjustment as made by the Fiber Inspection Service in its Export Report.



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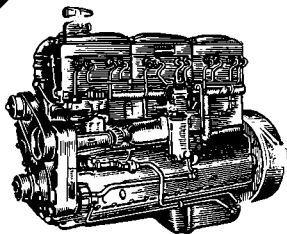
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Sugar

By J. H. D'AUTHREAU

Theo. H. Davies & Co., Far East, Ltd.

THIS review covers the period November 1 to November 30, 1952.

New York Market. Market activity was greatly reduced during the period under end-of-the-year influences. Both refiners and operators were moved to caution pending the quota hearings in Washington and by fear of over-loading the December arrival schedule. This trend was also assisted by re-allocation during the month of the Hawaiian deficit of 70,000 tons and by the increase shortly thereafter of the United States domestic quota by an additional 100,000 tons, bringing the total quota for the year to 7,900,000 tons. Reported sales of actuals to November 24 totalled 24,179 tons, while exchange transactions totalled approximately 141,100 tons. Refined deliveries for the month to November 22 are indicated at 381,258 tons, a good figure for the particular month. Total distribution for the year to November 15 stood at 7,259,373 tons, as compared with 6,907,157 tons at the same date in 1951. North Atlantic refiners' stocks as of November 22 were 54,721 tons.

Small sales of Philippines were reported during the month totalling 25,000 tons, mainly for December and

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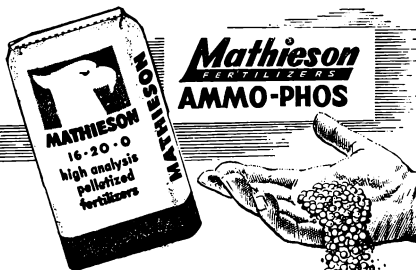
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January arrivals, at 5.95%. Closing quotations on the No. 6 New York Domestic Exchange were as follows, showing advances from last month in all positions except January, which is a purely nominal quotation:

January	5 68¢
March	5 43
May	5 52
July	5 69
September	5 78
November	5 81

Molasses. The decline has continued. United States tank car prices prevailing on November 12 were 9.00% per gallon at New Orleans and 10.00% at New York. A further large sale of Cuban molasses to United States distillers is reported at 4-1/2% per gallon if taken before January 31, 1953. Other considerable quantities are under negotiation and an end-of-the-year carry-over of some 70,000,000 gallons is expected.

Cuba. The Cuban industry will begin grinding on January 15 and the crop will be restricted by decree to 5,000,000 Spanish long tons.

Local Market. (a) Domestic Sugar. The market has been featureless under the influence of the ample quota established for 1953 and the requirement that no less than 25% of all current production is for immediate determination as "Domestic" sugar. Prices are about as last reported with isolated provincial sales of small lots at slightly above the Manila equivalent.

97—P14.00	per picul	ex	Negros Iloilo warehouse
98—P15.00	"	"	"
99—P16.00	"	"	"
97—P14.70	per picul	ex	Manila warehouse
98—P16.30	"	"	"
99—P17.50	"	"	"

(b) Export Sugar. The local market has been very active during November, with prices ranging from P14.00 to P14.30 per picul, ex warehouse, Hawaiian-Philippine basis, for November and first half December delivery. Supplies, however, are short for this delivery period due to low purities and slow rates of milling in certain districts, resulting from poor weather conditions. It is thought some 15,000 tons have been sold at these prices during the period. Shipments to the United States for the month under review are reported at approximately 20,000 long tons.

Freight Rate. Under the influence of declining charter rates, the Associated Steamship Lines on November 22 announced a reduced contract rate of \$12.00 per long ton, n.w.d., for United States Atlantic ports, effective immediately to December 31. The rate in effect for January onward is still \$16.25.

1951-52 Milling. All 28 Centrals have finished milling with a total production of 1,076,392 short tons.

1952-53 Milling. Twelve Centrals have begun milling operations for the 1952-53 crop and their total production to November 23 was 83,859 short tons. Low purities continue for the most part with slight improvements reported in some districts at the end of the month. It is now apparent that initial crop estimates, particularly in Negros, will have to undergo a downward revision.

Tobacco

By LUIS A. PUJALTE
Secretary-Treasurer

Manila Tobacco Association, Inc.
(Member Tobacco Board)

THERE is little to say with regard to the coming crop except that the weather during November has been quite favorable and that new seedlings have been

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CARBORUNDUM COMPANY
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planted to replace those damaged by the excessive rains brought by the typhoons in October.

Local prices for the 1952 crop are quite firm and though the volume for the local market is not very large, or rather, has not increased considerably, yet, there is an upward tendency in prices.

Cigar and cigarette factories are very active and will remain so till Christmas, but will find a dull market in the early part of the coming year.

In the Virginia-cigarette field, competition is very, very keen among the different manufacturers and quite a number of factories have now resorted to manufacturing State-side, established brands by importing blended leaf, prepared by the manufacturers in the United States, and manufacturing them locally, thus paying ₱10 per 1000 cigarettes as specific internal revenue tax instead of ₱22 for imported manufactured cigarettes. This is affecting local brands to a fair extent, but since the dollar allocations for manufacturers are limited, their sales are also limited.

Imports

By S. SCHMELKES
Mercantile, Inc.

ALL figures are in kilos with the exception of those for foodstuff which are given in package units:

Commodities	October, 1952	October, 1951
Automotive (Total).....	875,130	2,428,912
Automobiles.....	131,195	371,241
Auto Accessories.....	281	3,867



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Auto Parts.....	200,675	482,292
Bicycles.....	4,004	7,369
Trucks.....	—	—
Truck Chassis.....	120,052	537,547
Truck Parts.....	30,756	153,487
Building Materials (Total).....	3,069,282	7,726,969
Board Fibre.....	—	6,842
Cement.....	11,987	3,351,457
Glass, Window.....	11,928	641,311
Gypsum.....	2,000,000	22,680
Chemicals (Total).....	11,331,080	9,267,323
Caustic Soda.....	165,871	791,199
Explosives (Total).....	133,860	—
Firearms (Total).....	1,487	5,601
Ammunition.....	952	4,300
Hardware (Total).....	3,428,651	5,262,492
Household (Total).....	465,883	1,167,422
Machinery (Total).....	1,663,497	2,767,112
Metals (Total).....	6,796,578	5,310,486
Petroleum Products (Total).....	53,675,090	73,347,303
Radios (Total).....	17,949	32,306
Rubber Goods (Total).....	558,574	1,207,024

Beverages, Misc. Alcoholic.....	4,001	6,245
Foodstuffs (Total Kilos).....	26,061,146	35,451,483
Foodstuffs, Fresh (Total).....	63,758	135,966
Apples.....	8,577	26,006
Oranges.....	6,288	21,331
Onions.....	18,092	23,388
Potatoes.....	5,069	11,275
Foodstuffs, Dry Packaged (Total).....	18,156	20,363
Foodstuffs, Canned (Total).....	218,786	332,016
Sardines.....	39,274	48,779
Milk, Evaporated.....	80,911	86,285
Milk, Condensed.....	25,000	34,852
Foodstuffs, Bulk (Total).....	505,168	661,514
Rice.....	68,199	81,000
Wheat Flour.....	400,766	538,844
Foodstuffs, Preserved (Total).....	1,341	2,158

Bottling, Misc. (Total).....	963,337	1,612,683
Cleaning and Laundry (Total).....	100,823	209,078
Entertainment Equipment (Total).....	12,339	2,684
Livestock-bulbs-seeds (Total).....	10,018	5,466
Medical (Total).....	225,280	621,011
Musical (Total).....	15,751	42,517
Office Equipment (Total).....	39,700	66,151
Office Supplies (Total).....	56,617	138,635
Paper (Total).....	5,168,011	7,370,462
Photographic (Total).....	13,086	70,605
Raw Materials (Total).....	1,017,257	105,303
Sporting Goods (Total).....	48,882	30,344
Stationery (Total).....	150,475	551,555
Tobacco (Total).....	1,232,814	703,606

Chucheria (Total).....	74,790	104,552
Clothing and Apparel (Total).....	275,036	138,007
Cosmetics (Total).....	19,185	98,306
Fabrics (Total).....	938,094	1,301,407
Jewelry (Total).....	68	257
Leather (Total).....	109,905	148,826
Textiles (Total).....	1,952,677	4,352,350
Twine (Total).....	37,207	48,339
Toys (Total).....	18,690	48,404
General Merchandise (Total).....	871,311	765,849
Non-Commercial Shipments (Total).....	164,607	95,005
Advertising Materials, Etc. (Total).....	7,471	8,035

Food Products

By C. G. HERDMAN

Vice-President, Marsman & Company, Inc.

CONDITIONS in the local market as to food products remain intrinsically the same as at the end of November. There have been no changes of any significance.

The Import Control Commission has announced that during the first week in December licenses will be issued for the import of the total remaining balance of the Philippine import flour allotment under the International Wheat Agreement. In addition to this, importers of I.W.A. flour will be required to import non-I.W.A. flour to the extent of 23-1/3% of the allotment given each one of I.W.A.

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flour. The allotment given each one on I.W.A. flour is to be shipped in 6 equal parcels monthly, January to June, inclusive. Together with each monthly shipment of I.W.A. flour during the months of January to April, inclusive, each importer will also import 20% non-I.W.A. and during May and June will import each month 30% of his monthly I.W.A. allotment.

The total quantity of flour still available under the present crop-year's I.W.A. quota is 2,668,220 bags. Licenses for that entire quantity are being issued. The quantity of non-I.W.A. flour to be licensed is 622,577 bags. Hence, it is expected that total shipments of flour to the Philippines for the 6 months January to June, 1953, inclusive, will be 3,290,777 bags. The shipments from January to April will total 533,000 bags, and for the two months, May and June, 580,000 bags monthly. Taking into consideration that consumption during those 6 months will average at least 600,000 bags and probably more than that, it would appear that supplies available here would be decidedly on the short side; however, as of January 1, it is anticipated that stocks in the Philippines, plus shipments already afloat at that time, will be approximately 1,000,000 bags, so it is evident that stocks on hand up to and including April or May at least, will at all times be well in excess of immediate requirements.

Textiles

By W. V. SAUSSOTTE
General Manager

Neuss, Hesselein Co., Inc.

FOR the fifth consecutive month, the New York market continued firm. During November, prices continued unchanged as regards all types of finished textiles as well as raw cotton and synthetic fibers.

The local market strengthened somewhat during November but the seasonal Christmas demand appears to be somewhat later than usual.

Arrivals from the United States during November totaled 13,439 packages, or slightly less than average monthly consumption.

Arrivals from the United States included 5,452 packages of cotton piece goods, 2,895 packages of rayon piece goods, 1,157 packages of cotton remnants, and 887 packages of rayon remnants. Included also were 1,508 packages of cotton knitting yarn, 402 packages of sewing thread, and 165 packages of hosiery.

Arrivals of all types of textiles from countries other than the United States totaled 1,827 packages. Included were 171 packages from China, 309 packages from Japan, 62 packages from Europe, and 1,285 packages from India, the latter consisting entirely of jute cloth and jute sugar bags.

DURING the latter part of November, the Philippine Textile Importers & Indentors Association was organized. Aside from the Manila Chinese Textiles Importers & Exporters Association, this is the first local organization to be formed embracing textile importers and indentors. The Philippine Textile Importers & Indentors Association lists 44 leading houses as charter members and it is expected that the membership will include over 100 firms of all nationalities before the end of this year.

THE Industrial Textile Manufacturing Company of the Philippines produced its first sacks made from local fiber during the latter part of November. The composition is 70% kenaf and 30% jute, and, from published reports, the product has been well received. It has all the tensile strength properties required by consumers and in addition has a somewhat more attractive appearance than the usual 100% jute sacks.

Legislation, Executive Orders, and Court Decisions

By E. E. SELPH
Ross, Selph, Carrascoso & Janda

THE Supreme Court has granted a reconsideration of its decision referred to in the November issue of this *Journal*, relating to the Baguio tax on sales of gasoline. The point was raised that the tax was passed on to the consumer and therefore was not refundable to the dealers. The Supreme Court remanded the case to the Court of First Instance for presentation of evidence, stating that whether or not the dealers collected the taxes from the public was a question of fact to be decided by the Court of First Instance.

AN interesting phase of the income tax law is covered by the recent decision in the Arnault tax-evasion case. (People vs. Arnault, G.R. No. L-4288, November 20, 1952.) It is impossible to get all the facts from the record, as so many people refused to talk. However, Mr. Arnault pleaded guilty, so we have to assume that the allegations in the complaint have been proved. On this basis Mr. Arnault was a vice-president of and acting for two Philippine corporations which were attorneys-in-fact for General Burt who sold some real estate to the Philippine Government at a profit of ₱1,480,000 which was received by Arnault and on which there was an income tax claimed by the Philippine Government in the sum of ₱1,089,270, no part of which was paid. The Court of First Instance rendered judgment imposing a fine of ₱1,000 and ordered Arnault to indemnify the Philippine Government in the sum of ₱1,089,270, with subsidiary imprisonment in case of insolvency. The section of the income tax law involved is section 55 which provides that the owner of the gains or the person having the receipt, custody, control, or disposal of the same shall pay the tax due. The decision of the Court overruled Arnault's plea that he was acting only for the Philippine corporations and not for Burt and was not personally liable. The Court said that by his plea of guilty he admitted having received the money for Burt and not for the Philippine corporations of which he was vice-president. On the point raised that giving the Collector of Internal Revenue the choice of prosecuting either the owner or the agent was an unlawful delegation of power, the Court said:

"xxx It is the Legislature that declares who is or who are responsible for the payment of the income tax under a given set of facts or circumstances. The Collector of Internal Revenue merely executes the law and under the circumstances, determines which of the two,—the owner or the agent—should and could have paid the income tax because he had the receipt, custody, control or disposal of the income or profit. In the present case, Burt was not in the Philippines. He did not have the receipt, custody, control or disposal of the profit of ₱1,480,000.00. It is not known if he ever received any part of this amount; but the appellant had that amount in his hands and under the law he was charged with the duty of making a return of said income and pay the corresponding income tax for the owner of the income or profit in whose behalf according to the information he received the same. In selecting appellant Arnault as the person criminally responsible, and to be prosecuted, the Collector of Internal Revenue was merely enforcing and carrying out and executing the law on income tax promulgated by the Legislature. xxx"

As to including the indemnity in the judgment in the criminal case with subsidiary imprisonment should the ₱1,089,270 not be paid, the Supreme Court agreed with Arnault and eliminated the indemnity and subsidiary imprisonment in the following language:

"We therefore hold that unless expressly provided by law, conviction for failure or neglect to pay a tax does not include payment of indemnity to the State in the amount of the tax not paid. So, it was error on the part of the trial court to sentence appellant to pay this indemnity; so was that part of the decision imposing subsidiary imprisonment in case of insolvency in the payment of the indemnity. In this connection, and to avoid any doubt, we may say that the Government is free to avail itself of the Civil Remedies provided by the Internal Revenue Code to collect the tax herein involved."

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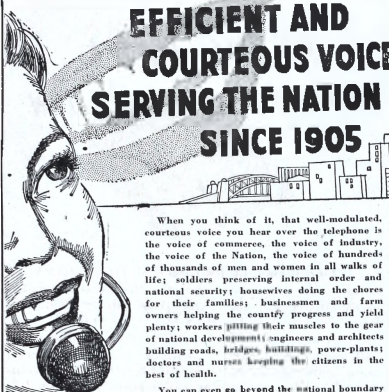
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However, the Supreme Court exercised its prerogative to increase the penalty by adding imprisonment to the fine and used the following language:

"x x x After more or less extensive deliberations the great majority believe that because of the relatively large amount of the tax delinquency, the penalty should be increased as recommended by the Solicitor General. In addition to the fine of ₱1,000.00 with subsidiary imprisonment in case of insolvency, we hereby sentence appellant to three (3) months imprisonment, with the accessories of the law."

Philippine Safety Council

By FRANK S. TENNY
Founder and Executive Director

DECEMBER will be an important month in the national safety movement. Far from taking a holiday at this time, the P.S.C. technical staff will work overtime, as December is the worst month of the year for many kinds of fires and accidents. People being human, they let their guard down during the Holidays, resulting in unusual difficulties arising in traffic, security, production, and fire-prevention factors.

The joint air-ground payroll-delivery and cash-collection service is being incorporated and will be in operation before the first of the year. An armored car and a specially built airplane will be used. Inquiries are invited.

Special efforts are being devoted to the tourism movement and the coming International Fair. The Council is officially advising the Fair management in safety matters, and is working closely with the Travel and Tourist Association. The Manila Taxicabs & Garages Association, assisted by the Taxicab Inspection Service, is vigorously raising standards to meet the influx of expected visitors.

The new National Traffic Commission and the Fire-Prevention Board are both meeting regularly. However, two important government safety units, the Advisory Safety Council to the Secretary of Labor and the Provincial Bus Terminals Board, have not met for months. It would appear that there is much for all of these groups to do.

The "free car-safety check", conducted by the Manila Trading & Supply Company in conjunction with the Council, has proved to be a success and the service will soon be broadened to other firms. It is noteworthy that only about 25% of the vehicles tested are approved from the standpoint of mechanical safety.

Other items receiving special attention now include arson prevention, lectures to professional drivers, showing of safety films, organization of provincial chapters or co-operating committees, and inspection of security units. All members of the American Chamber of Commerce of the Philippines are invited to join the Philippine Safety Council beginning in 1953. Nearly 50 members already belong.

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**COST OF LIVING PRICE INDEX OF WAGE EARNER
FAMILY¹ IN MANILA BY MONTH, 1948 TO 1952*
(1941 = 100)**

Bureau of the Census and Statistics
Manila

1948	All Items (63.43)	Food (100)	House Rent (11.96)	Cloth- ing (2.04)	Fuel, Light, Miscel- laneous (7.73)	Purchas- ing Power (14.84)	Per Fam
January	390.7	427.6	453.9	224.5	304.6	249.9	2560
February	369.8	394.0	453.9	223.8	301.1	254.4	2708
March	349.4	361.0	453.9	214.6	308.1	255.9	2862
April	354.6	374.1	453.9	209.4	289.7	254.8	2820
May	349.8	360.2	453.9	214.2	289.7	271.6	2859
June	354.3	370.4	453.9	205.2	283.2	265.9	2823
July	356.4	374.2	453.9	201.3	281.6	262.4	2906
August	365.6	385.7	453.9	199.8	281.6	261.7	2751
September	370.6	392.2	453.9	199.2	279.6	260.6	2972
October	374.9	404.0	453.9	204.8	283.2	257.9	2668
November	368.7	394.4	453.9	202.0	281.6	258.7	2712
December	365.9	389.9	453.9	202.0	282.4	258.9	2732
1949							
January	363.8	386.8	453.9	202.0	279.0	258.9	2750
February	343.8	355.5	453.9	203.0	275.5	258.9	2909
March	345.3	358.2	453.9	202.0	276.3	258.5	2896
April	348.7	362.6	453.9	197.6	287.5	257.1	2868
May	348.8	362.8	453.9	197.2	287.5	257.1	2867
June	349.0	362.9	453.9	203.9	287.6	257.2	2865
July	351.7	374.0	453.9	192.2	265.8	240.5	2844
August	337.5	351.2	453.9	196.3	266.6	241.2	2953
September	333.6	345.1	453.9	190.3	264.8	243.1	2998
October	332.9	343.3	453.9	199.9	264.8	245.0	3004
November	339.6	356.1	453.9	191.1	258.4	239.8	2945
December	329.6	335.9	453.9	202.9	259.5	256.2	3035
1950							
January	332.3	336.8	453.9	238.0	253.1	269.3	3010
February	336.9	340.2	453.9	233.3	257.8	284.1	2969
March	339.0	341.4	453.9	236.7	257.8	292.6	2950
April	331.8	328.6	453.9	237.7	252.9	301.2	3015
May	320.2	308.6	453.9	244.7	249.7	309.1	3123
June	323.1	310.9	453.9	243.5	249.7	319.1	3095
July	332.0	322.4	453.9	252.6	249.7	328.7	3012
August	334.4	325.9	453.9	258.7	251.1	328.4	2990
September	341.3	335.0	453.9	317.4	252.5	327.5	2930
October	352.8	351.1	453.9	337.3	249.7	334.5	2835
November	354.1	353.2	453.9	322.8	249.7	335.9	2825
December	352.2	350.5	453.9	325.2	249.7	334.8	2839
1951							
January	355.2	355.0	453.9	331.5	249.7	334.6	2816
February	358.4	359.8	453.9	342.8	249.7	334.4	2790
March	352.4	349.3	453.9	379.4	248.8	334.3	2838
April	361.2	362.6	453.9	398.6	247.5	334.7	2769
May	365.0	367.0	453.9	410.4	247.5	339.5	2740
June	367.8	372.0	453.9	399.5	247.5	337.7	2719
July	366.3	370.1	453.9	382.0	247.5	339.0	2730
August	365.1	371.4	453.9	354.0	247.5	329.1	2739
September	363.0	369.0	453.9	356.4	247.5	325.4	2755
October	358.1	361.1	453.9	350.4	247.5	326.7	2793
November	351.1	351.1	453.9	343.8	247.5	323.3	2848
December	349.0	348.9	453.9	335.2	247.5	319.4	2865
1952							
January	355.1	357.8	453.9	323.0	247.5	324.6	2816
February	348.0	349.8	453.9	282.9	243.4	318.3	2873
March	344.3	345.1	453.9	273.7	243.4	315.0	2904
April	342.7	342.7	453.9	276.1	243.4	313.8	2918
May	342.2	341.8	453.9	279.9	243.4	313.8	2922
June	345.4	346.3	453.9	277.1	243.4	316.3	2895
July	347.6	349.5	453.9	273.6	243.4	318.3	2877
Aug.	347.9	349.4	453.9	276.1	243.4	320.4	2874
September	348.3	350.0	453.9	274.8	243.4	320.5	2871
October	344.5	344.6	453.9	276.2	243.4	317.8	2903
November	347.5	349.3	453.9	274.7	243.4	318.3	2878

¹ Average number of persons in a family = 4.9 members.
*For explanatory note, see the August, 1951, Journal.

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The "LET YOUR HAIR DOWN"

Column

MRS. GONDER, Executive Vice-President of the Chamber, has informed us that at her request the Commissioner of Immigration and the Manila City Treasurer have again kindly consented to send men from their offices to the Chamber office at 424 San Luis Street, Ermita, to accept the annual report fees in connection

with the Alien Registration Certificates and to issue Residence Certificates A and B for the year 1953. The dates set for this special service are January 14, 15, and 16, and members of the Chamber and other American citizens are invited to avail themselves of it.

Republic Act 751, enacted this

year, raised the annual report fee of aliens, male and female, from 50 centavos in documentary stamps to P10 cash, regardless of age; parents or guardians of an alien less than 14 years of age have the duty of reporting for such an alien, but whenever he or she attains his 14th birthday he or she must report in person.

The Residence Certificate A which every adult in the Philippines is supposed to pay, is still only fifty centavos. Residence Certificate B (really a small duplicate real property and income tax) calls for the payment of P1.00 for each P5,000 of the assessed value of the real estate owned by the tax-payer, plus P1.00 for each P5,000 of his gross receipts in earnings derived from his business or profession during the past year.

Well, anyway, we believe our members and other American friends will appreciate having the payment of these taxes and fees made as convenient as is possible.

We are very grateful to Mr. C. M.

Hoskins, realtor, for the following memorandum with respect to several items in the "Synoptic List of Government-owned and Controlled Corporations and Business Agencies," published in the November *Journal*.

Of the alternative corrections he suggests, with reference to the various housing and homesite commissions and corporations, we prefer the first, as the two separate entries carry out the chronological nature of the list. As for a number of the other Commissions listed, while they are neither corporations nor business agencies, but "integral arms of the Government, with legislative powers," as Mr. Hoskins states, we included them because of their close relation to business and because they show the ever-broadening scope of Government controls,—which is one of the points the editor wished to bring out by means of the list.

The intricacies of development of many of these entities, and of the care required in tracing them, is well brought out in Mr. Hoskins' memorandum.

"Memo for Mr. Hartendorp:

"Reference to Synoptic List of Government Corporations, p. 421 of *Journal*.

"The item 'National Housing Commission' is in error. It might better read: 'Created by Commonwealth Act No. 648, 1941; not organized until 1945; name changed to Peoples Homesite and Housing Corporation, 1947.'

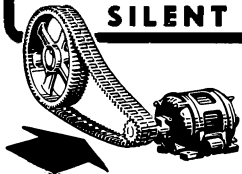
"Then, on page 423, have PHHC read as follows:

"Peoples Homesite and Housing Corporation (established in 1947 by changing name of National Housing Commission, a public corporation, and merging it with Peoples Homesite Corporation, a government-owned private corporation)."

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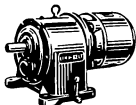
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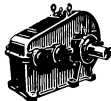
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"Here is the sequence of events. In 1938-1939, President Quezon pressured the Tuason family into selling the Diliman Estate to the Government. Not having any appreciation, he got the National Development Company to organize, as a private corporation, Peoples Homesite, to buy, develop, subdivide, and sell the Estate.

"In June, 1941, Quezon recommended and the National Assembly enacted Commission No. 648 creating a public corporation, i.e., a body politic, to be known as National Housing Corporation, to handle public housing and slum clearance. The war prevented its organization.

"On August 29, 1945, President Osmeña appointed the members of the National Housing Commission, which was formally organized September 29, 1945. He issued instructions that the Commission should absorb the Peoples Homesite Corporation assets and pay back to NDC its cost and the money advanced.

"On October 4, 1947, President Quirino, in Executive Order No. 93, reorganizing the Government, carried out the Osmeña directive, by merging National Housing Commission and Peoples Homesite Corporation and changing the name of National Housing Commission to Peoples Homesite and Housing Corporation, and dissolving Peoples Homesite.

"In my opinion National Housing Commission should not be listed as a government-owned or controlled corporation or business agency. It is an integral part of the Government, exercising political powers the same as a municipal corporation.

"Peoples Homesite was a business corporation formed by NDC to go into the real estate business.

"A more accurate picture might be presented by leaving out altogether reference to National Housing on p. 421 and Peoples Homesite on p. 423, and changing the item re Peoples Homesite on p. 421 to read:

"Peoples Homesite Corporation (organized as NDC subsidiary, 1938; absorbed by Peoples Homesite and Housing Corporation, a public corporation, 1947)."

II

"National Urban Planning Commission, Capitol City Planning Commission, and National Planning Commission were not business agencies, but integral arms of the Government with legislative powers.

"These are not important points, but should you ever reprint your series you might want to consider them."

THE editor received the following much-appreciated letter from Mr. C. H. Davies, General Manager of the Compañía General de Tabacos de Filipinas (Tabacalera):

"Dear Sir:

"We are following with interest your series of articles appearing in the *Journal* entitled 'Short History of Industry and Trade in the Philippines'. In this regard we would be happy to see the series published upon completion in book form and we will be willing to make a contribution to the cost of this publication.

"Hoping for your favorable reaction to this suggestion, we beg to remain
"Yours very truly, etc."

The editor replied:

"Dear Mr. Davies,

"This is to thank you for your letter of December 3 stating that you would be happy to see the series of article now appearing in the *Journal*,—"Short History of Industry and Commerce in the Philippines", published in book form later on and that you would be

willing to make a contribution to the cost of such publication.

"The suggestion that the series be published in book form has been made by a number of others, but a decision has not yet been arrived at as to this either by the Chamber or by myself. As the various instalments are still in process of being written, I do not yet know just how many of them there will be, although I am struggling with the mass of material available, to keep the history 'short'. Neither do I know just how many pages will be available in the *Journal* each month, as this depends largely on the advertising we are able to obtain. For these reasons I could not now make any estimates as to when *Journal* publication will be completed, how long the book would have to be, and how much it would cost to print. Meanwhile, however, I am keeping the *Journal*

type standing, as this would reduce the cost if book publication is decided upon.

"Again thanking you for your interest, I am

"Very truly yours, etc."

As for the continuation of the "Short History...", the following were among the comments received from various persons who saw the first draft:

From the President of the Chamber:

"Excellent!!! Many thanks.

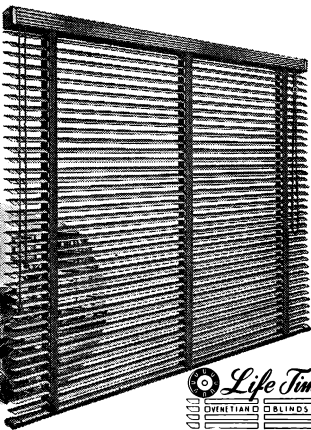
"J. H. MANNING."

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me with your letter of November 14, is most interesting and I found it to be a clear, comprehensive, and memory-stirring account of those fateful days.

"I discussed your recital of events relating to the oil companies with some of our people here, and there are several minor corrections which are suggested:

"(a) The Army actually assumed effective control of the installations on December 12, but the letter announcing official requisitioning of stocks was dated December 25.

"(b) The aviation gasoline was dumped in the afternoon of December 24 and the fire you describe broke out on Christmas morning."

The manager of a Manila bank, who also read the draft, wrote:

"I have read with considerable interest the first installment of your 'Short History of Industry and Trade... Japanese Period,' and it has also been read by Mr. who knows the Philippines very much better than I do and who was interned here during the war. We are both of the opinion that it is most interesting and, as Mr. recalls, your information about the occupation is quite accurate. Unfortunately, we have no way of testing the statistical figures which are incorporated in your description of the take-over of the banks."

From a Manila lawyer:

"I have your note of November 8, which I found on my desk on my return from Baguio, and I have just completed a hurried reading of the enclosed installment of your 'History' covering the first period of the Japanese occupation. I only wish that I might have had more time to give it a more thorough reading, but I will have that pleasure when I see it published in the Journal.

"I am sure that nobody but a Hartendorp could have turned out this work in the splendid form in which it is presented and it will undoubtedly be the most useful reference on the subject to appear in print.

"I have taken the liberty of making two or three typographical corrections indicated with a tick on the right-hand margin. They are all minor.

"Sincerely and cordially yours, etc."

A letter from Mr. J. T. Naylor, General Manager of the Philippine Long Distance Telephone Company, who had been sent a draft of the article, wrote:

"I very much appreciated the opportunity afforded by your transmittal of November 19 to review your draft history of the Japanese occupation. This has indeed been most informative to me and I trust that my taking time to read the entire draft will not have delayed you unduly. In referring the draft to some of our people who actually experienced the occupation events mentioned, I find confirmation of your account and admiration of the lucid way in which it has been expressed. In this connection, Mr. Daza has elaborated somewhat on the references on page 34 to the Telephone Company. I am attaching hereto his paragraph for consideration. It may be somewhat too lengthy for your use, but Mr. Daza felt that it might be helpful to you in having certain of these specific facts in support of whatever you may say regarding the Company.

"Thanking you again, we are returning your draft herewith.

"Very truly yours, etc."

The editor was very glad to incorporate Mr. Daza's additional facts concerning the Telephone Company into the "Short History. . . ."

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From a sugarman:

"It has again given me great pleasure to read the draft of your 'Short History...' which I return herewith with many thanks. The graphic style is well maintained and the past comes vividly to life once again despite the mainly economic emphasis. I congratulate you. As to the correctness of the details on page 28, I prefer to refer you to George Bridgeford who as you may recall was at the particular time in almost daily contact with Tabacalera and Roxas also in his role of Camp Food Purveyor. He made some very successful and courageous sugar deals with both of them.

"Yours sincerely,

"J. H. D'AUTHREAU."

The draft was sent to Mr. Bridgeford, and he wrote:

"I have read your article with great interest and find it in accordance with the facts as I know them.

"There is no doubt that a large quantity of sugar must have been shipped out of the country. Consumption of centrifugal sugar (here) before the war was not much in excess of 100,000 tons, if at all, and after 1942 it must have been very small indeed. Some was made into alcohol and the rest went out. At Del Carmen, I believe, they tried to make ethanol for some experimental aviation fuel of some kind.

"In Negros, I understand, the Japs bought a certain amount of planters' sugar at P4.25 per picul. This was probably paid in Mickey Mouse in the case of 'free' sugar but where there was a crop loan involved, it was of course credited to the planter's account with the PNB or other financier. Then, I understand, a similar sum was simultaneously supposed to have been made available as a new 'crop loan' on condition cotton was planted, and much of what was, was burned by the guerrillas, who did more or less what they pleased everywhere in Negros except in the towns under the coastlines strip.

"In Manila, sugar began to get scarce at the New Year of 1943 and the real squeeze came in March. By that time all stocks were supposed to have been taken over, but by a quiz in the order, only 1940/41 and 1941/42 crops were mentioned. It so happened that Elizalde had some 9,000 piculs of 1939/1940

sugar still in Mindoro, which they brought over by batel. To throw the Japs off the scent, this was stored in the Roxas bodega, from which we took delivery of as much as we safely could. So without attracting too much notice, I think we had about 800 piculs in when the whole thing blew up; the sugar outside was confiscated and Juan and Manolo (Elizalde) taken to Fort Santiago, whence they were released on the technicality that 1939/1940 crop sugar had been excluded from the order, which was then swiftly amended. This happened, I think, on March 28 or 29, 1943. After that, we never got any more sugar at reasonable prices.

"I don't think this incident really belongs in your article, which is complete enough, but if you do insert something about it, I recommend that you consult Manolo Elizalde just to see that there isn't any wire-crossing.

"Yours sincerely, etc."

The editor wrote to Mr. Manuel Elizalde, as Mr. Bridgeford suggested, and he answered that, after reading the account, the only thing that he is not sure of is whether he and his brother Juan were released from Fort Santiago on the technicality mentioned; he expressed the opinion, however, that Mr. Bridgeford's note could be printed as it stands.

A book for good reading at any time and for anyone, but a book especially good reading for the home-and-garden owner, is Mrs. Steiner's privately printed "Philippine Ornamental Plants and Their Care", just off the press (McCullough's), 216 pages, finely illustrated with photographs and drawings by the author. The book is made up chiefly of her inimitable articles published in recent years in the *Manila Daily Bulletin* the *Manila Times*, and other local periodicals, but there is

much additional matter also. Mrs. Steiner is a graduate in botany, but her science rests lightly on her and her writing is both practical and entertaining in style. Chapters cover Planning, Soil and plant food, Propagation and improvement of plants, Plant pests, House plants, Annual and perennial flowering plants, Bulbous plants, Leafy plants, ferns, and palms, Hedges, Shrubs, Flowering vines, Ornamental trees, Orchids, Odd plants, Poisonous and irritating plants, etc.

The editor himself handed us the foregoing about Mrs. Steiner's book and we asked him, "What about your own book of poems and essays?" "Oh," he said, "there are still plenty of them left... at a price reduced to P2.50."

"Mrs. Steiner's book sells for P8.00," said we, "so one could buy three of your books for the price of one of Mrs. Steiner's." "One could," said the editor, "but I doubt if one would."

"Now why?" we insisted.

"Well, you know... poetry..." He shrugged his shoulders. "Poetry or a posy? Who could hesitate for a moment between a roundelay and a bouquet, or even a nosegay?"

"Are you sure you are feeling all right?" we asked.

"Sure," he said. "But seriously: Who would prefer to look at a poem rather than walk in a garden? I myself wouldn't. So what the h—!"

"Why not both?" we asked. "Walk in a garden with a book of poems in one's hand?"

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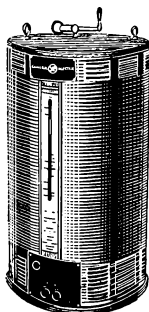
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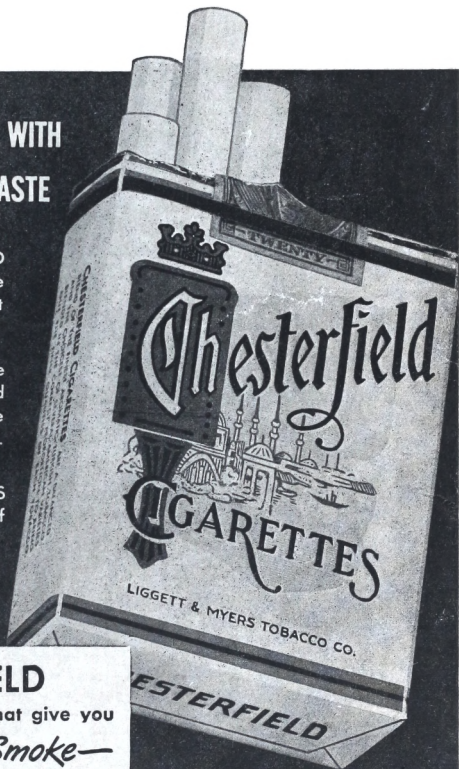
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