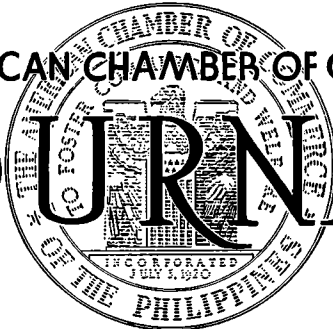


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JOURNAL



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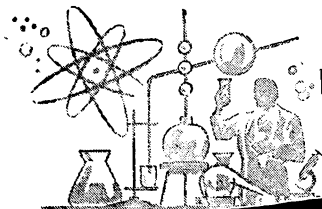
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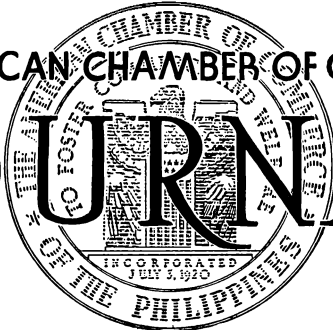
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Editorials

"... to promote the general welfare"

The instruments of ratification of the Mutual Defense Treaty between the Philippines and the United States* were formally exchanged in Manila on the 28th of last month, in the presence of President Quirino and other high American and Filipino officials, by Foreign Secretary Elizalde and Ambassador Spruance, and the Treaty "entered into force" as of that date. The Treaty is independent of the earlier "Bases Agreement" and the "Military Assistance Agreement", both negotiated in 1947.

It is indeed a far cry today from the time when Senator Borah, in a speech delivered in Idaho in 1932 exclaimed: "I wish to God Dewey had never sailed into Manila Bay!" Also from the time (1935) when Hector C. Bywater, a noted British writer on naval affairs, indifferently dismissed the Philippines as follows:

"At the moment of this writing, an American withdrawal from the Philippines seems to be imminent. Cavite, the naval base at Manila, must therefore be deleted from the list of United States fleet war stations. I rather fancy that American strategists will breathe a sigh of relief if this proves to be the case. In a war with Japan, the Philippines would be an unqualified liability, impossible to defend, and destined to fall an easy prey to the enemy."

The Philippines at that time was widely regarded as the "Achilles heel" of the United States, but this view was beginning to change when in 1935 Commonwealth President Quezon and his military adviser, General MacArthur, undertook to organize a Philippine Army with the old Philippine Constabulary and a number of former Philippine Scout officers as a nucleus. It is true that the Philippines, nevertheless, proved a prey, though not such an easy one, to Japan when the war broke out, but this was largely because there had not been sufficient time to build up the Philippine forces and because the sending of military equipment from the United States, as planned, had been delayed. Later the war materiel intended for the Philippines was diverted to Australia. Had the Japanese attack come even three months later, the Philippines might still have fallen but it certainly could have held out much longer and that would have made a considerable difference in the whole story of the war.

The Philippines was ultimately retaken from the Japanese when they had vastly greater forces here than the Americans and Filipinos together ever had before the war; and after the liberation, Luzon immediately became the staging-area for the final attack on Japan itself. In other words, the "Achilles heel" became a great base, such as it always could have been had America followed a wiser strategy and this had been wholeheartedly backed by the Filipinos.

The situation is very different today. As Ambassador Spruance said in a press release issued on August 19,—prompted by a statement of Senator Laurel, in a radio-address questioning the security of the Philippines under the Mutual Defense Treaty, that the United States "did not defend the Philippines adequately during the Pacific war":

"I desire to call attention to the fact that on the outbreak of the war in 1941, the Philippines and Hawaii were separated by a stretch of ocean controlled by the Japanese-held Carolines, Marianas, and Marshall Islands. Many of these islands had been fortified, contrary to the provisions of the Mandate from the League of Nations under which Japan held them.

"It required the better part of three years of hard fighting to clear a way through these enemy-held positions and to commence the campaign which liberated the Philippines.

"In discussing the present strategy of the Western Pacific and the security of the Philippines, it should not be forgotten that there is now no stretch of possibly enemy-held waters lying between the Philippines and the United States,—a vital change in 1952 from the conditions existing in 1941."

Responsibility for the limited defense establishment in the Philippines in 1941 must be shared by the Filipino leaders, especially those of the pre-Commonwealth period, because from the time the Jones Act went into effect in 1916, the Philippines had already become largely autonomous. The fact is that these leaders did not want any sizeable American defense force here; they feared that this would adversely affect the realization of independence, and they dreamed, instead, of "neutralization".

World War II has at least had the good effect of teaching both the United States and the Philippines the lessons that bases and military forces are necessary to security.

It is true that if an attack is again made upon the Philippines it will probably come from another direction but the fact that the waters separating the Philippines

*The text of the Treaty was published in full in the September, 1951, Journal.

from America are now controlled by the United States will make possible the immediate dispatch of such reinforcements as may be necessary. Meanwhile the building up of the Armed Forces of the Republic itself continues.

A storm in a tea-cup was laboriously blown up in Manila over the meeting of Secretary of State Acheson with the Foreign Ministers of Australia and New Zealand in Honolulu early in August under the terms of the Tripartite Security Treaty* signed by the three countries last year. It was averred that the Philippines was deliberately excluded from this "Pacific Council."

Yet the facts of the matter were simple enough for anyone to understand. In commenting on the two mutual defense treaties between the United States and the Philippines and between the United States and Australia and New Zealand, this *Journal* stated editorially in September, 1951, a year ago:

"The establishment of this Council does not imply, as has been suggested by some commentators, discrimination against the Philippines. It is not a 'Pacific Council' which the Philippines might have been invited to join, but only a body composed of the Foreign Ministers or their deputies of the three contracting parties. It was recognized that both Australia and New Zealand, as members of the British Commonwealth of Nations, have military obligations outside the Pacific area, and so has the United States. Between only two parties, the United States and the Philippines, such a Council is not necessary as there is direct contact between their respective Foreign Ministers or their deputies. It is very likely, however, that the present bilateral and trilateral treaties may in time be complemented by a general treaty uniting not only the four nations now concerned more directly, but other Pacific nations, too. Then there would be a 'Pacific Council' of which the Philippines would be a member."

It is a sad fact that certain Manila political leaders still pursue the old game of using the United States as a whipping boy to gain some small local partisan advantage, though this is now likely to do so much more damage to the national interests than in the past.

The following is a letter from Senator Claro M. Recto which corrects an error committed by the editor of the *Journal* in these pages last month

and which we are therefore more than willing to give space here.

Correction of August Editorial on Republic Act 749
The editorial referred to, "Aliens Gagged and Denied Right of Appeal to the Courts", was based on a mimeographed copy of House Bill No. 2056 obtained by the Chamber from the House of Representatives, and though we had read in the newspapers that the provisions of the Bill in question had been attacked on the floor of the Senate, we accepted the copy given us as being the Bill in its final form, in fact as having been already approved by the President, as it bore on its face a pencilled notation, "Rep. No. 749". We learned, after receiving the Senator's letter, that this notation had not been made by a House clerk, as we assumed, but by someone in our own office.

The letter ran:
"My dear Mr. Hartendorp:

"I had some very bad moments when I read through this morning's *Chronicle* your editorial in the August issue of the *American Chamber of Commerce Journal* regarding the latest amendments to the Immigration Act, since precisely I had fought against the amendments to which you make reference, and others equally objectionable, and had secured their disapproval by the Senate and subsequently by the conference committee of both Houses.

"Considerable publicity had been given to this action, and I found it hard to believe that you were not aware of it. I was therefore inclined to suspect that once again I had been made the victim of an unethical and illegal smuggling of statutes, as in the case of the PNB notes redemption bill and the amendment to the Civil Code provision on infanticide.

"I rushed to the Senate this same morning, with my breakfast thoroughly spoiled, and immediately checked up on the records. I am glad to inform you that the amendments to the Immigration Act to

which you expressed your objections never became law, and that Republic Act No. 749 does not contain them and is concerned only with taxes and fees, to which the amendments were limited by the conference committee.

"I presume that you had before you the original House Bill, and that you were misled by its inclusion among the approved bills, without considering that so many provisions were rejected by the Senate that little of the original remained, as you can see by comparing the House Bill with the printed copy of the law which I am enclosing.

"I know that in your case it was an honest mistake, but I am afraid that much of the misunderstanding among Americans here and in the United States regarding events and attitudes affecting the Philippines-American relations are due to malicious and distorted reports by those who have their prejudices to promote.

"Misleading information causes, as you know, erroneous impressions, and corrections, even when made, hardly ever catch up with the error. In this particular case, if your editorial had not been reprinted by Mr. del Rosario, not even a correction would have been made, and the entire Congress would no doubt stand accused now of being xenophobic.

"With best regards, I remain

"Yours truly,
(Sgd) "CLARO M. RECTO."

This letter, in content and tone, does Senator Recto credit. We sincerely regret the error that was committed, and yet some good may come of it,—such as Senator Recto's letter, which may stimulate the development of a less discriminatory attitude in Congress and among a section of the public, to the aliens here. For it must not be overlooked that the Bill was, in its original form, introduced by Representatives Macapagal, Allas, and Lacson, and that the Committee on Foreign Affairs of the House, to which the Bill was referred, reported it back "with the recommendation that said Bill be approved without amendment," and was so approved by the House. Had it not been for Senator Recto and some others, the Bill would have become "law" unless, finally, the President had vetoed it. Both the letter and spirit of much recent legislation in the Philippines has been such that, unfortunately, it was not difficult to believe that House Bill No. 1014 in its original form had become "law".

Recently we read an interesting article on automatic controls of airplanes and other machines in which it was stated that most of such controls are what the writer called "error-actuated". In the case of an automatic pilot, for instance, a plane is set on a certain compass-course and the steering mechanism is actuated whenever the plane deviates from the course set.

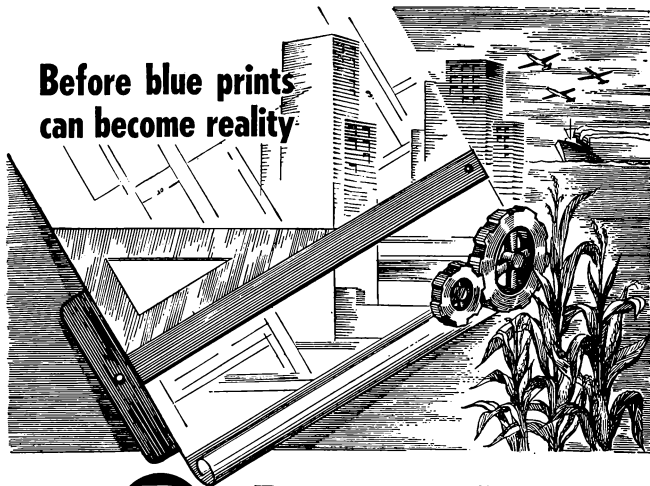
This same sort of deviation and correction, though only in part automatic, is to be noted when an automobile is driven along a white line painted on the road. The car swerves to one side and as this is corrected by the driver, it swerves to the other side and this, in turn, must be corrected by him in the opposite direction.

The same general process takes place in the animal body, too, as in the maintenance of body-temperature. The process is pathologically evident in the tremors of the head and hands in palsy, which are a result of exaggerated involuntary corrections in maintaining a certain position or making a certain movement.

It occurred to us while reading this article that the scientific term, "error-actuated", may also be aptly applied to certain artificial government controls such as those over imports and prices. During the past few years we have had a whole series of laws and orders in these fields, each successive law or order representing an effort to correct errors in the one which preceded it as to the calculated effect.

However, as these controls are not automatic, but are exercised by human "planners" and are being attempted over matters far more complicated in their nature than the piloting of an airplane, we have experienced no mere oscillations in the processes which are sought to be con-

*The text of this Treaty was published in the August, 1951, *Journal*.

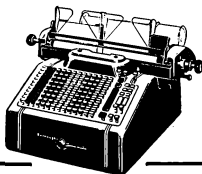


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trolled, but violent zig-zags. Errors can not be quickly enough observed, and the corrections are generally not only too exaggerated but they come too late to prevent damage. With ever new corrections, the damage becomes continuous. Indeed, these artificial controls in the end bring about a general economic palsy,—an economy working only by fits and starts.

The natural economic controls work largely automatically through the basic law of supply and demand,—as, for instance, the mechanism which regulates body-temperature is automatic. A physician will rightly take certain measures to reduce a high fever in a patient, but what physician in his senses would keep at a patient, day after day, month after month, first reducing, then increasing his temperature through various artificial means? What patient in his senses would permit this?

Yet that is what the economic "planners" attempt in their always necessarily error-actuated measures,—which indeed are, from their very beginning, an error and which never can escape remaining an error.

We extend our best wishes to Col. Andres Soriano,—who is a member of the American Chamber of Commerce, for the success of the ITEMCOP (Industrial Textiles Manufacturing Company of the Philippines), organized by him, which, early this month, inaugurated its new ₱7,500,000 plant at Mandaluyong for the manufacture of jute and kenaf sacks for rice, sugar, copra, copra-meal, fertilizer, etc.

Jute must be imported from India and the Company therefore plans to use more and more kenaf as the production of the fiber, which it is promoting in this country, increases.

It is said that the ITEMCOP, at its present capacity, will be able to produce about half the number of sacks needed in the country annually,—which is now around 43,000,000 sacks.

Can Uncle Sam Afford Economic Polygamy?

By A. B. SPARBOE

Vice-President, Pillsbury Mills, Inc., Minneapolis

AT the very outset of this discussion, perhaps I would do well to undertake a brief explanation of what I mean by "Uncle Sam's Economic Polygamy." It is simply this: Rather than living with a single and well-defined basic economic policy, we find Uncle Sam flitting, and actually consorting with numerous conflicting economic philosophies and programs,—some of them of very questionable character, to say nothing of the ultimate consequences to our foreign economic policy. And how has all this come about? I think Mr. Sumner Wells had at least a part of the answer when he said a number of years ago:

"In a democracy such as ours, no government can be far ahead of the prevailing climate of public opinion. There is an absolute necessity for public leadership on the part of responsible citizens in preparing that climate so that statesmen may be assured of public support for progressive policies."

This is just another way of suggesting that, in the absence of strong and unbiased public leadership, politicians are prone to succumb to the demands of various pressure-groups, and enact numerous types of divergent legislation, with little or no regard for the long-term interests of our country. When called upon to justify their actions, they become noticeably confused, having given little thought to the problems in the first place.

It is no longer surprising to find these pressure-groups in all strata of our society: in the government, business, labor, agriculture, and even army veteran organizations. All of them seem to be obsessed with the thought of extracting more and more benefits, more and more so-called security from an already overburdened economy, and with little regard for the ultimate consequences, to say nothing of providing further fuel to the terrible fires of inflation. Surely it is no secret that perhaps the two most aggressive groups that have exerted influence upon government policy in recent years have been labor and agriculture, so let us talk about them a bit.

THE Office of Economic Stabilization has adopted a policy of gearing wages to the cost of living through what we have come to call "escalator clauses." Did they undertake to justify this policy on the grounds of production expediency, merely to avoid strikes? Quite the contrary! Justification of this policy was undertaken on high moral grounds, on grounds of "fairness." The President's Council of Economic Advisors went on record as follows: "Maintenance of real wages during inflation cannot, in fairness, be disallowed."

I submit that such a premise is absolutely false, and it would be more truthful to say, "Maintenance of real wages during inflation cannot, in fairness, be allowed."

A look at the basic nature of the inflationary problem created by defense mobilization, emphasizes the truth of the latter statement. A big share of our national production is going toward defense,—approximately 20% in 1952. Inability to increase our total production fast enough to meet defense needs in addition to civilian needs naturally means a cut in the supply of goods and services available for civilian consumption. Yet the money paid out for production of defense articles

is added to that already available to buy civilian goods. Hence, more money is put into the hands of the people to buy less goods, so prices go up. That is inflation.

One group of people, then, is granted enough additional money to offset the price increases,—and that is the purpose of an "escalator clause", and thus continues to buy as much goods as it has been buying right along, this simply means less goods will be left for other consumers who are not getting this advantage. Who can successfully argue that this affords a fair distribution of the sacrifices necessitated by the defense mobilization program? In fairness, therefore, maintenance of real wages cannot be allowed,—no matter what the device employed.

OF course, organized workers were not the first to get the benefit of an automatic adjustment to take account of the increased cost of living. The farmers got theirs first. The price-parity formula is, to all intents and purposes, an "escalator clause." The Federal Government underwrites increases in the prices of things farmers sell, in order to match increases in the prices of things that farmers buy.


It is not difficult to see that there is one group that is completely without protection against the ravages of inflation. It is that numerically large, but politically unorganized mass of people,—many of them old and relatively helpless, who are trying to live on pensions, annuities, and other fixed incomes derived from their savings. Surely they are at the end of the line when the increased costs of inflation are passed along, because they have no one to whom they can pass the buck. They are being progressively pauperized by the continuing inflation caused by repeated boosting of costs, and hence prices.

The only really fair way to handle inflation is to prevent it, but once it is under way, fairness demands that the burdens be as evenly distributed as practicable.

An "escalator clause"—or a farm-parity provision—is precisely a device to enable the group favored by it to escape the burden of inflation. Whatever concessions we may feel compelled to make to political pressures or production expediency, let us not make ourselves ridiculous by trying to invoke "fairness" as justification for so arbitrary a discrimination in the distribution of the defense burden.

NOW let us examine the so-called farm-parity program. During World War II, a plan of so-called price-supports was devised to protect agriculture against a violent decline in prices for a two-year period following the declaration of peace, in return for inducing farmers to go all out in the production of badly needed food. Admittedly, it was an emergency measure, but it had pretty general support from everyone. Somewhere along the line, however, the plan has developed into something considerably more than temporary insurance against serious decline. Today it has all the earmarks of a guaranteed-income program for certain segments of our agricultural population, which today comprises little more than 15% of our whole population. Admittedly, agriculture has its peculiar problems arising from weather risks, for instance, and other market factors over which farmers have no control. This suggests that to guarantee adequate food for all, a modest price-support program might be justified to guard against violent declines, but how can any segment of our society seriously argue for anything more unless they are willing and able to give the same guarantees to

*An address delivered at the 53rd Annual Meeting of the Rice Millers Association, New Orleans, May 30, 1952.



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all other segments of society? It goes without saying that should such guarantees be possible, it would simply nullify the special benefits now derived by certain favored groups today.

Acknowledging valid programs for at least modest price-support programs for agriculture, I submit that the support-level compared to parity should be low enough to dictate production of what consumers want. In other words, the selling prices at which products would pass in the open market should indicate to farmers the products requiring greater or lesser production to match current consumer demands. Excessively high supports only tend to encourage excess production and unmanageable surpluses of products currently not wanted,—later to be subsidized at heavy tax-payer expense.

WHEN prices don't operate in an open market to control production,—politics steps in! And who should know this better than flour millers and other merchants compelled to operate in recent years under the International Wheat Agreement! Outside of all the confusion and grief suffered under the Export Licensing Programs in the postwar period, never has the wheat and wheat-flour export trade been so upset. Before the I.W.A. was inaugurated, its proponents predicted that it would not cost Uncle Sam \$50,000,000 per annum to subsidize his wheat allotment under the Agreement. You will be interested to know that Uncle Sam, meaning the American tax-payers, will be paying something approaching \$200,000,000 subsidize this year alone, or nearly four times the originally anticipated figure.

One of the most critical features of the International Wheat Agreement is its tendency to destroy the whole concept of private trading. Whenever an artificial shortage is created (and that is precisely what happens when the International Wheat Agreement says a country can have a certain quantity of wheat or flour at a substantial discount in price), there is a mad scramble to do the business, which in turn creates so much confusion and discord as to induce many countries to try to control the importation through import permits. Worse yet, some countries try to control not only what shall import the flour, but also who shall export it from the exporting country. I hardly need remind you of the countless opportunities this affords for political conniving and graft, to the distinct economic disadvantage to the ultimate consumers. There are those who believe that if all the costs and penalties were added up in both the exporting and importing countries attendant to the combined operation of price-support programs and the International Wheat Agreement, it would be seen to be far better all around to pitch our price support programs out of wheat and flour stand on their own feet in the markets of the world.

It is also my suspicion that when the average American consumer finally becomes aware of all the economic shenanigans practiced upon him under the guise of his own welfare, it will be much more difficult to put over some of these economic hinkys, but that is too long a subject to discuss here today.

ONE of the most erroneous notions that we must overcome is the idea that booms are normal and that ever-increasing prices are good for any of us. Anything less than a boom is not bad; in fact, as consumers, we should welcome corrective market reactions from time to time. After all, it is merely the so-called competitive system in operation which brings about fluctuating prices. Price is the device that indicates to producers and consumers what to want and what they will pay for certain products and services. By now, surely, we will have discovered that inflation simply doesn't happen of itself. The conduct of people in the markets of the world makes it happen, and so-called "escalator clauses" and price-support programs surely offer little encouragement towards stopping inflation, but actually tend to increase it.

If there ever was a country that should be concerned over inflation, it is the United States. With only 6% of the world's population, and 7% of its area, we possess over 50% of the industrial capacity of the world. Moreover, we produce 85% of our wheat, 33% of our cotton, and 26% of our tobacco crop. Usually must find their way into foreign markets. Other products needing to find export-outlets are lard—24%, machine tools—30%, agricultural machinery—20%, lubricating oil—27%, and sulphur—30%. I am also given to understand that over 50% of the United States rice crop, handled by people in this room, must go for export. If we hope to cultivate profitable outlets abroad for such production, it has got to be at prices other countries can afford to pay; because who, in a sane mind, would contend that we could go on indefinitely subsidizing our exports? To resort to a real slang expression, this wouldn't make any more sense than "fading ourselves in a crap game."

EVER since we are able and willing to bring inflation under control, we are still faced with the problem of bringing about a much wider exchange of goods and services between our country and the rest of the world. No nation is wealthy enough to continue to consume, export, and dissipate its natural resources without receiving something in return, and this so-called "rich" America is rapidly becoming a "have-not" nation. In 1939 we were net exporters of aluminum, copper, and petroleum; in 1952 we began becoming net importers of all three, and as you know, we are becoming more and more dependent upon foreign sources for iron ore.

If there is one thing that many Americans must still learn, it is that in our new-found position of world leadership, we shall utterly fail to discharge the responsibilities accompanying such leadership unless we quit considering our economic well-being in the light of what our policy was when we were a relatively small and weak nation. Surely,

before a group as well-informed as this one, I need not labor this point, except to say that we must be prepared to import commodities of better goods than we have been disposed to do heretofore, regardless of the consequences to our inefficient industries that may have developed within our boundaries.

What I have never been able to understand is this: we permit and applaud rugged competition within the United States, even to the point where thousands of enterprises are born and die each year. No one is silly enough to argue that these failing enterprises should be subsidized to prevent failure because of the possible consequences to the rest of our economy. We even have the Federal Trade Commission and other federal agencies operating to encourage competition to the death, thus to guard us against monopolies. Yet, directly contradicting that, we discourage free and open competition entirely from other countries by throwing up prohibitive protective tariffs; replacing the Federal Trade Commission is the customs house, standing guard to exact blood money. Isn't that a peculiar way to cultivate sorely needed foreign customers who, in trying to sell to us, are merely trying to earn dollars so they can buy from us? The dollars they acquire come right back to us in payment for our exports. They aren't quite as crazy as we are when we accept gold for much of our goods, and then dig it into the ground in Kentucky. When these other goods send us goods, they want, and need, tangible goods in return,—not just our money. One of the several reasons we should accept goods instead of gold for our exports is because the only sure way to avoid getting gypped in a trade is to barter goods for other goods of equal value. Taking so-called gold rain-checks for much of our exports has actually lost us billions, because much of the gold now buried in Louisville will not buy one-half or even one-third of the amount of goods that it represented when we acquired it. Putting in another way, the goods we exported for that gold were actually sold at half-price through our having failed to convert the gold immediately into goods then and there.

Instead of bewailing the consequences of reducing the protection now afforded some of our industries, why not emphasize the benefits to be derived therefrom? Imports not only contribute to our comfort and wealth, but they are the only offset to the steady drain on our natural resources caused by our exports. Just as important, greater imports will tend to stabilize prices, and provide an effective weapon for resisting the serious inflation now plaguing all of us,—workers, farmers, pensioners, alike. For once in our lives, it has been demonstrated pretty conclusively that over-all inflation does not always accompany spiraling prices, but that, as consumers, we can be seriously hurt by them.

Neither our tariff policy nor our inclination to resort to restrictive import-quotas seem at all consistent with our present creditor-nation position in the world. As you know, there is genuine anxiety on the part of many countries that the United States is reverting again to protectionism through taking advantage of escape clauses and "peril-point" pronouncements to avoid foreign competition. If such devices are to be invoked at will by Uncle Sam, simply to avoid the slightest injury to a marginal fringe of domestic producers, there can be no hope for countries like Italy to develop their shipments to the United States, and, consequently, bring their own dollar-account into balance. It is reported that Canada is on the verge of imposing some rather serious import-quotas on certain American agricultural products as a result of our recent import policy on cheese. It has been said that Canada proposes "to teach the American farm bloc a lesson" as to what complete indifference to the interests of other countries in international trade can entail. Incidentally, one of the most embarrassing incidents in our whole E.C.A. program was the encouragement we gave certain countries to manufacture cheese for our market to earn dollars,—after which Uncle Sam put up the big "Stop" sign. How can we expect foreign countries to trade with us privately when we strive to reach the virtues of the competitive and private enterprise system in our domestic economy, at the same time, he throws up trade barriers in their faces? If we are serious about eliminating various types of trade barriers to enhance a greater flow of goods and services between countries, surely Uncle Sam, with all of his current economic strength, should be disposed to set a better example in this connection than he has of late. There can be no hope for our vast and efficient exporting industries if they are to be sacrificed on the altar of protection for those who must hide behind protection to survive.

Now, just a brief word on the Point IV Program. Just because a certain country gets it into its head that it would like to have a particular industry within its borders that appears to have been successful in the United States, does not mean that there is any economic justification for such an industry there. What I am trying to say is that to justify such a program at all, it must be so directed as to enhance the total prosperity of the whole world by expanding the peculiar resources and talents of each country. Surely there is no point in starting a whole flock of industries in various countries that can be supplied more economically by plants already operating in the United States. It would be a waste of money to start an industry requiring perpetual subsidies for its very existence. If private trade, rather than governments, can be given fair encouragement to make investments and build plants abroad, this would be the best insurance against unbecoming dissipation of our own fiscal strength under the Point IV Program.

A Short History of Business and Commerce in the Philippines*

Prepared by

ROTARIAN VERNE E. MILLER

President, Philippine Education Company, with the co-operation
of the Editor of the Philippine Magazine

The Spaniards Not Pleased.—The Spaniards were not pleased by the manner in which the foreigners were seizing the benefits that followed the development of the Islands' resources, and were inclined to return to their former policy of exclusiveness. They refused to open other ports in the Islands, which necessitated the conveyance of produce from distant parts of the Archipelago to Manila before it could be shipped abroad, at an entirely unnecessary cost, and the Government also retained its tobacco monopoly and the monopoly on the manufacture of spirits. A Chamber of Commerce was founded in 1835 with authority to settle petty disputes between merchants, but the litigant with the most influence usually won the decision.

Business Again Drifts Away.—The foreigners became impatient and began to withdraw their capital from the Philippines. In 1824 England had purchased Singapore, and after the British war with China in 1840 Shanghai, Ningpo, Foochow, Canton, and Amoy were thrown open. Hongkong was ceded to the British in 1844. With such a wide field before it, foreign commerce rapidly drifted away from the Philippines.

New Reforms.—Business Picks Up.—The Spaniards grew alarmed at the resulting stagnation and sought to re-attract the merchants. Don Sinibaldo de Mas was appointed to make an investigation, and recommended other ports beside Manila be opened to foreign trade, the abandonment of the tobacco monopoly, and the encouragement of immigration. No sooner had some of his recommendations begun to be put in effect, than Manila business increased a third, according to a custom's report of the time.

The Americans are Put Out of Business.—The commercial triumph of the British in China and the opening of the Suez Canal in 1869, gave British firms in the Philippines great prestige, and they began to overcome the American lead. Through the introduction of more modern sugar-making machinery, they were soon masters of the trade of the lesser islands of the Archipelago, and through their possession of ports on the Asiatic mainland, the British mastered the import trade as well.

*Continued from last month.

Let us never assume that governments can ever replace private endeavor in the process of economic development. In hard times, private business scratches to make ends meet,—or it dies! But government operations go on losing—tax-payers paying, paying, and paying; thereby causing a double burden on our commercial structure during hard times. Money of itself does not make money, but must be combined with know-how, courage, and risk to produce consumer goods and services economically,—to say nothing of producing extra profits for the tax-collector. Democracy and private enterprise cannot survive by just "playing it safe." It must take risks! It must venture into new fields, be prepared to let improved processes replace the old, because that is the past history of our success. Complacency, satisfaction with status quo, and blind pursuit of ease and security can only lead to stagnation and ultimate decay.

We must recognize that there is no absolute security for free human beings anywhere. The closest thing to it is possibly the protection stemming from maximum economical production, combined with maximum exchange of goods and services with other nations. Convicts and cows have security, but who wishes to be a convict or a cow? It has been said that most of our troubles arise from workers who don't think, and thinkers who don't work. Never before has there been such an acute need for public education and understanding regarding our newly inherited responsibilities for world leadership, because erroneous facts tend to spawn erroneous economic policies.

Whether we like it or not, this is one world that must learn to get along together,—politically, economically, and socially. Our domestic

The English tried to seize an island in the Sulu archipelago for a trade base, but the Spaniards compelled the sultan to expel them. The French tried to raise their flag on the island of Basilan, off Mindanao, but were forced to give up their design. Mr. Moses, an American, obtained a cession of territory from the Sultan of Brunei including practically the whole of northern Borneo, but the American Government would give him no support, and an English syndicate stepped in and North Borneo was changed from American to British territory, which it still is.

The British dealt the death-blow to their American rivals in the Philippines through the medium of two official British banks in the Far East—the Chartered Bank of India, Australia and China, and the Hongkong and Shanghai Banking Corporation, the principal aim of which was to further British influence in the Orient. In 1873 both these banks extended their activities, the first being allowed admittance and the other working through an agent. British firms were thus able to obtain all the financial help they needed. In 1875 Russell, Sturgis & Company was forced into bankruptcy, and in 1887 Pelee, Hubbell & Company had to give up the unequal contest. But although American firms ceased to do business in Manila, actual trade between the Philippines and the United States continued to increase, this trade being conducted through British houses and much of it being carried in British ships.

The Spaniards Again Take Fright and Put up a Tariff—The Revolution and the Spanish-American War.—In the last decade of the 19th century, Spain made one more effort to oust the foreigners from their position as the chief importers to the Archipelago. In 1891 a high protective tariff was made operative, only Spanish goods being permitted to enter duty free. As a result, the Spanish firms were beginning to forge ahead, but at that moment (1896) the rebellion broke out. In 1898 came the Spanish-American War, and, by the Treaty of Paris, the Philippines became a possession of the United States.

Regidor and Mason, in their "Commercial Progress in the Philippine Islands," of which the foregoing is largely a résumé, wrote in 1905: "So dominant, for a considerable part of this period [the forty or fifty years before the

and foreign economic problems are indivisible, so we must not permit long-term interests of our whole society to be obscured by the nearby wishes of a few special groups for greater ease and security than they are capable of earning competitively with the rest of us.

We cannot go on ignoring that over 2,000,000,000 people on this globe are becoming ever restive, as witness what is happening in India, China, Korea, East Indies, South Africa, to say nothing of the hundreds of millions adjacent to, or behind the Iron Curtain. The whole world is on the march toward providing better and more equal opportunities for everyone, and it is my deep conviction that the ability of only about 150,000,000 Americans to maintain any particular type or degree of economic and social order very long, will depend not just on what we would like to have, or may have had in the past, but rather on what the other 2,000,000,000 on this earth will eventually let us earn competitively.

If the consequences of careless world-trade policies could be confined only to those making them, the problem would be less critical, but they are bound to affect unborn generations. There are only two powerful forces remaining in the world, symbolized by Uncle Sam and Joe Stalin. In the race for allies, both are using different weapons, and different bait. Not altruism, but stark realism today suggests that unless Uncle Sam has the courage and the foresight to start a course designed to provide increasing benefits for people in all lands, stemming from maximum production and truly competitive trading, we may be sentencing our children to live tomorrow in the ruins of our economic polygamy of today.

war), was the position of the Americans, that the transfer of the Islands' sovereignty by the Treaty of Paris, seems, in some respects, hardly more than an act of resumption, rather than an initiatory one."

The Americans Not to Exploit.—President McKinley almost immediately announced that "the Philippines are not ours to exploit, but to develop, to civilize, to educate, to train in the science of self-government."

What the Wood-Forbes Report called the Military Period, closed in 1901. The Organization Period, from July 1, 1901, to October 16, 1907, during which the sole legislative body of the country was the Philippine Commission, appointed by the President of the United States, was marked by the creation of a working government—a judicial system was established, a new currency initiated, the health service reorganized, a school system instituted, and public works started on a systematic basis.

Under a franchise from the United States Government, the Commercial Pacific Cable Company laid its first cable between San Francisco and Manila in 1902.

"Big Business" Under Suspicion.—The Philippine Act of 1902 was enacted by Congress at a time when all so-called "Big Business" was under suspicion and political fire. To protect the Filipino people from the type of exploitation mentioned by President McKinley, many restrictive provisions were written into the law—restrictions on the amount of public land that might be held by individuals and corporations, restrictions on stock ownership prohibiting the holding of stock in more than one corporation engaged in agriculture or mining and the organization of holding companies, restrictions limiting mining opportunity to one claim, etc.

The Friar Lands Act.—That same year Congress passed the Friar Lands Act, and the following year the Government purchased 170,000 hectares (420,000 acres) of friar lands for \$7,500,000 for resale to the tenants.

Further Development.—The next period, from 1907 to 1913, called the Constructive Period, during which the elective Assembly was instituted, the Commission becoming the Upper House, saw a broad and practical public-works program carried out, involving the construction of roads, bridges, port improvements, irrigation works, school houses, public markets, etc. Negotiations were entered into for financing railroad construction, interisland transportation was encouraged, lighthouses were built, and a cadastral survey of the Islands was undertaken.

Free Trade Between the Philippines and the United States.—In 1909 Congress passed the Payne-Aldrich Tariff Act. Up to that time, Congress had steadily refused to admit Philippine products to the United States free of duty. Philippine sugar and tobacco had sought markets elsewhere, but without success. Copra had gone chiefly to France. Hemp had been injured by competition with henequen from Yucatan. After years of effort, President Taft at last succeeded in securing practically free admission of Philippine produce, although the amounts of sugar and tobacco that were admitted were limited. In 1913, the Underwood Tariff put sugar on the free list and omitted Philippine limitation. When the free sugar provision was repealed in 1916, the Philippine sugar was excepted and no limitation was imposed. The present* agitation in the United States against the admission of Philippine sugar savors of medieval Spanish ideas of commerce. The effect of the Payne-Aldrich Act was immediate, and trade with America increased rapidly.

"The Government in Business."—During the fourth period, called by the Wood-Forbes Report, the Period of Filipinization (1914-1921), the Filipinos were first given a majority on the Commission, and in 1916, the Congress of the United States enacted the Jones Act, now* the fundamental law of the land, and which among other

things established the Philippine Legislature. The Public Service was Filipinized, great emphasis was laid on education, further progress was made in public works, particularly schools and hospitals, the Philippine National Bank (a Government institution) was established (1916), the Manila Railroad Company and later the Philippine Railway Company were purchased by the Government, and the National Development and the National Coal Companies were organized. The period was marked by rather excessive regulations of public utilities, still largely non-existent, and restrictions on inter-island shipping.

The Laws Made More Liberal.—The last period, from 1921 up to the present*, has not yet received a name. It was made notable by the governorship of Major-General Leonard Wood, and of the present* Governor-General, Henry L. Stimson. Efforts, partially successful, were made to "get the Government out of business," and Governor General Stimson has been able to secure some legislation liberalizing the corporation law.

The Wood-Forbes Commission found among other things that the people of the Philippines were "not organized economically or from the standpoint of national defense to maintain an independent government." The Filipinos themselves have come to realize more and more that the economic development of the country is a prerequisite to further development along other lines. Rapidly as the country has progressed, it is still handicapped by insufficient revenues. Further social and political development is impossible without the increased development of the natural resources of the country.

Ports and Shipping Today.—There are seven open ports today*—Manila, Iloilo, Cebu, Zamboanga, Jolo, Davao, and Legaspi. According to a 1927 report, 34 steamer lines call at Manila, operating some 250 ships. Of the total tonnage of 1,408,000, slightly more than a third is British, a little less than a third is American, and the rest chiefly Japanese, German, and Dutch. The cargo handled annually by vessels engaged in the inter-island trade is valued at \$70,000,000.

There are now* eleven banks in Manila, not counting the Postal Savings Bank—one is American, two are British, one is Japanese, one is a Philippine Government bank, and the rest are local institutions including two banks organized by the Chinese.

The Foreign Trade of the Philippines.—Reports of the Insular Collector of Customs show the average annual value of Philippine exports and imports to have been as follows:

	Exports	Imports
10 yrs. ended Dec. 31, 1894 (last decade recorded in the Spanish regime)	\$20,550,350	\$15,864,326
10 yrs. ended Dec. 31, 1909 (before free trade established with the U.S.)	30,443,282	29,893,620
5 yrs. ended Dec. 31, 1914 (subsequent to free trade established with the U.S.)	47,370,295	52,262,622
5 yrs. ended Dec. 31, 1919 (War era)	93,533,361	75,568,763
5 yrs. ended Dec. 31, 1924 (post-War era)	118,184,026	108,197,029
3 yrs. ended Dec. 31, 1927	147,111,869	118,294,432

During recent years the United States has purchased about 70% of the total exports of the Philippines, and has furnished about 35% of the imports.

Domestic Commerce.—The U.S. Department of Commerce estimates the total value of domestic commerce between \$500,000,000 and \$750,000,000. According to the same authority, "the Chinese constitute the most important factor in the retail distribution of the Philippine Islands and handle the larger part of the jobbing trade. They also are the dominant factor in the rice trade and are large dealers in native products for export, but are less important as importing wholesalers. The import business is

*1929.

handled chiefly by American firms, but the British, Germans, Swiss, Spanish, and French, as well as the Chinese, are also well established in this field."

The Filipinos in Business.—The Filipinos themselves have on the whole taken no great part in the business of the country. The great majority of them are small farmers, and the educated Filipinos are attracted chiefly to the professions when not to politics. But this was to be expected during a period when political interests were dominant and held to be of supreme importance.

A recent survey made by the Philippine Bureau of Education shows that more graduates of the public schools are engaged in business of their own, and working in shops and factories and offices, and employed as salesmen, than was believed. There is now to be noted a definite movement away from clerical work into the better paid fields of skilled labor and technical work. In agricultural and cattle-raising enterprises, in shipping, and especially in modern sugar manufacture, the Filipinos are showing considerable initiative. According to the latest statistical data, of the farm area in the Philippines privately owned, upwards of 95% belongs to Filipinos. It is to be expected that with the leaders all directing popular attention and effort to the economic development of the country—as they are now doing—this development is bound to come.

The Future of the Philippines.—The people of the Philippines are not a weak or degenerating stock, as are some native people who have come in contact with Western civilization. They are vigorous, intelligent, and adaptable, and as they have made their mark in the professions and the arts, and have shown themselves consummate politicians and diplomats, they will also make their mark in science, industry, and commerce.

The Philippines is not a group of "tropical isles" of lassitude and romance. There is a tropical luxuriance, but the climate is oceanic and invigorating. Racially, the inhabitants embody the strongest strain in Asia. Geographically, the Islands are in a similar position to that of the British isles in Europe. With the stimulus of American and foreign presence and example, the future of the people of the Philippines is assured.

History shows that the Philippines can not be kept down. What has been done in the Archipelago under the protection and encouragement of the United States during a short thirty years, has already surprised the world.

BRIEF CHRONOLOGICAL HISTORY OF THE PHILIPPINES AND OTHER COUNTRIES OF THE FAR EAST

B.C.	
3000	Pygmy culture in the Philippines—bow and arrow, stone implements—replaced by Indonesian culture—agriculture, taro, mountain rice, yams, pottery, houses on the ground or in trees.
1000	Mongoloid culture introduced into the Philippines—irrigation, weaving, houses on posts.
A.D.	
1	Establishment of Hindu colonies in Malaysia.
600	Expansion of the Hindu-Malayan Empire of Sri-Vishaya centered in Sumatra.
1100	Empire of Sri-Vishaya at its greatest height; includes the Philippines.
	Chinese vessels trading regularly with the Philippines.
1293	The Brahman Empire of Madjapahit founded in Java.
1377	The downfall of Sri-Vishaya.
1380	Empire of Madjapahit at its greatest height; includes the Philippines.
1478	The Mohammedans convert Java and destroy the Empire of Madjapahit.

1492	Columbus discovers America.
1498	The Portuguese enter the Indian Ocean.
1511	The Portuguese capture Malacca. End of the Mohammedan Empire.
1513	The Portuguese take possession of the Moluccas and possibly visit the Philippines.
1521	Magellan reaches the Philippines, and is killed at Mactan (Cebu)
1542	The Portuguese reach Japan.
1549	Christianity is introduced into Japan.
1557	The Portuguese found Macao.
1565	Legaspi takes Cebu.
1570	Goiti burns the city of Manila.
1571	Legaspi occupies Manila and makes it the capital.
1574	The Chinese pirate Limahong attempts to seize Manila.
1591	The Dutch reach Java.
1630	The Dutch build a fort on Formosa and occupy the island until 1662, stopping intercourse between the Philippines and Japan.
1637	The English attempt to open trade with Canton.
1641	The Dutch take Malacca. End of the Portuguese supremacy.
	Java is closed to all Europeans except the Dutch.
1762-64	The British occupy Manila.
1784	The first American ship reaches Canton.
1811	The British capture Batavia from the Dutch and extend their rule over the entire East Indies.
1813	End of the Manila galleon trade.
1816	The East Indies turned back to the Netherlands.
1819	The British found Singapore.
1820	Mexico achieves independence of Spain, and the Philippines, formerly ruled from Mexico, pass under the direct control of Spain.
1830	Manila is opened to foreign trade.
1840-42	Chinese-British War.
1841	Sir James Brooke becomes the first white rajah of Sarawak.
1844	Hongkong is ceded to the British. Shanghai, Canton, Amoy, Ningpo, and Foochow are made "treaty ports".
1848	Reforms in Dutch colonial rule.
1853	Commodore Perry arrives in the Bay of Yedo.
1854	Perry negotiates a treaty between the United States and Japan.
1862	The French secure Cochinchina.
1863	Educational reforms in the Philippines.
1867	Cambodia becomes a French protectorate. The United States annexes the island of Midway.
1869	The Suez Canal is opened.
1873	Japan repeals the laws against Christianity.
1878	The Sultan of Sulu leases territory in North Borneo to a British Company.
1885	The British conquer Burma.
1888	British North Borneo becomes a British Protectorate.
1889	The Japanese people are granted a constitution.
1894-95	The Chinese-Japanese War. Japan takes Formosa.
1896	Rizal is executed in Manila. The revolt against Spain begins.
1898	The "Battle for Concessions" begins in China.
	The Spanish-American War. Dewey takes Manila. America acquires the Philippines. America acquires Guam. America annexes Hawaii.
1899	The Filipinos revolt against America.
	America acquires some of the Samoan Islands.
	America promulgates the "Open Door" doctrine for China.
1900	The Boxer Rebellion in China.
1901	Civil government is inaugurated in the Philippines.
1904	The Russian-Japanese War.
1907	The popular assembly inaugurated in the Philippines.
1909	The British extend their influence over the entire Malay peninsula.
	Free trade is established between the United States and the Philippines.
1910	Korea becomes a part of the Japanese Empire.
1912	The Chinese Republic is established.
	Death of Emperor Mutsuhito of Japan, the builder of modern Japan.
1914	The Panama Canal is opened.
	The World War begins.
1916	The Jones Law gives the Philippines virtual autonomy.
	Inauguration of the first Philippine Legislature.
	The United States enters the World War.
1917	The World War ends.
1918	ORGANIZATION OF THE MANILA ROTARY CLUB.
1919	China is unified under the Nationalist Government.
1928	Chief nations with exception of Japan sign treaties granting China tariff autonomy, and some give up extraterritorial rights.
1929	

“THE crossroads of trade are the meeting place of ideas, the attrition ground of rival customs and beliefs; diversities beget conflict, comparison, thought; superstitions cancel one another, and reason begins.”—*Will Durant*.

AMERICAN CHAMBER OF COMMERCE OF THE PHILIPPINES

ESTABLISHED 1920

PURPOSES. The promotion and development of American trade, commerce, and industry in the Philippines and the Far East;

The provision of means for the convenient exchange of ideas in this promotion and development;

The cultivation of friendly relations between Americans and Filipinos and other peoples of the Far East;

The enrolment of all American citizens residing in the Philippines with a view to bringing about closer association in the achievement of the purposes set forth.

MEMBERSHIP. *Active membership* is limited to (1) commercial, industrial, and other organizations, partnerships, and corporations organized under the laws of the Philippines or of the United States of America which are controlled by American citizens, the responsibilities and privileges of this class of membership being exercised by individual representatives of the member-entities who must rank among their senior members but need not be American citizens; (2) individual Americans residing in the Philippines, other parts of the Far East, or the United States. *Associate membership* is limited to individual American citizens who may be either Residents (residing within 100 kilometers of Manila), or Non-residents (residing in the Philippines outside this radius or elsewhere in the Far East or in the United States).

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The Business View

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

The Government

From Official Sources

AUGUST 1 — President Elpidio Quirino names Eduardo Quintero, of the Department of Foreign Affairs, Daniel Gomes, of the Philippine Air Lines, and Alejandro Albert, of the Civil Aeronautics Administration, as delegates to negotiate an air agreement between the Philippines and Mexico; they will go to Mexico by way of India to seek modification of the air agreement with that country to allow the Philippine Air Lines more frequent stops.

The President inaugurates the alumni-donated ₱70,000 carillon (bell tower) of the University of the Philippines at Diliman.

Aug. 2 — The President appoints Dr. Joaquin Maranon as ad interim Director of the Institute of Science and Technology, to take the place of Angel S. Arguelles who died on July 10. He also names Cesareo de Leon as Commissioner of Workmen's Compensation, and reappoints Jose Fernandez as ad interim member of the National Development Company board of directors and Jose L. Manzano as ad interim member of the Philippine Sugar Institute board.

Aug. 3 — The President instructs the Director of Lands to subdivide, for distribution to settlers, 3,500 hectares of Davao land, a part of the holdings of the Philippine Abaca Development Company which took over some of the original area assigned to the J. H. Marsman interests which could not be fully developed.

Aug. 4 — The President issues a proclamation declaring August 19, birthday of the late President Manuel L. Quezon, as a special public holiday; the proclamation further designates the 19th of August every year as Citizenship Day.

Aug. 5 — The President at a Cabinet meeting orders the Lasedeo (Land Settlement and Development Corporation) to transfer its main office to Mindanao in order to speed up the settlement of public lands there. The President at the meeting also signs House Bill No. 2884 amending the International Revenue Code to raise the specific tax on Virginia type cigarettes from ₱3.50 per 1000 to ₱6.00 and to decrease the tax on purely native cigarettes from ₱3.50 to ₱2.50. The Cabinet approves the recommendation of the Secretary of Public Works and Communications that the Government import its asphalt directly instead of through local dealers as these dealers can secure import licenses only after a contract award has been made, which entails a loss of time; as

Vast Private Capital Needed For Development Projects

PRIVATE capital totalling \$1,000 million a year is needed for aiding the underdeveloped areas of the world, in the view of Eric Johnston, Chairman of the United States International Development Advisory Board.

Johnston made this estimate some months ago after calling on President Truman to report on the second year since the signing of the Act for International Development.

The Advisory Board was established under the Act to carry out the "bold new program" outlined by President Truman in his inaugural address of January, 1949, as the fourth point of a program for peace and freedom.

In a talk with newsmen after his visit at the White House, Johnston emphasized that the Point Four Program would depend largely upon the investment of domestic and foreign private capital in the underdeveloped nations. He noted that government alone could not contribute all of the financial support required to carry out a large development program.

A newsmen recalled that the former chairman of the International Development Board, Nelson A. Rockefeller, had estimated that \$500 million in private capital would be required each year for development projects. Johnston said that he believed that several times that amount could be used.

In his report to Truman, Johnston stated that during the past two years the Point Four Program has been organized and carried forward into thirty-four of the underdeveloped countries of the world.

Though still developing, Johnston said, the program is safely and soundly on its way.

"Behind it is a record of real achievement," he reported. "Before it is an almost unlimited opportunity to bring new hope to millions and to strengthen immeasurably the defenses and resources of the free world."

Johnston noted that in addition to these world goals, the program has become "a strong and effective instrument of the foreign policy of the United States."

The Board emphasized that the Act authorizing the program put equal reliance upon technical cooperation and private capital investment to carry out development projects.

The Board stated its conviction that "economic development, in the full sense of the term, requires an investment of capital resources far in excess of any amount now or likely in the future to be available from public funds.

"The Board believes," the report continued, "that technical cooperation alone, on any conceivable scale, will be inadequate to give the underdeveloped countries the degree of economic strength and stability that represents the Point Four objective."

Regarding the relationship between the Point Four program and other programs of foreign economic aid, the Board said "the creation of sound economic defenses against political aggression is as necessary as the creation of military defenses against armed aggression."

The Board is composed of leaders in agriculture, business, education, labor and public health, who serve voluntarily at the request of the President as an advisory staff.—*USIS*.

PPRIVATE monopoly is scarcely ever complete and even more rarely of long duration or able to disregard potential competition. But a state monopoly is always a state-protected monopoly—protected against both potential competition and effective criticism... The machinery of monopoly becomes identical with the machinery of the state, and the state itself becomes more and more identified with the interests of those who run things than with the interests of the people in general."—*F. A. Hayek*.

it is "not unusual" that protests are filed against such awards, entailing further delay; the local dealers are "financially not in a position" to keep up sufficient stocks; and as a "sizeable amount" of funds would be saved by waiver of the 17% exchange tax and the 7% sales tax in addition to saving the amount of the dealers' profits.

The President administers the oath of office to Ricardo Ll. Rosal as Mayor of Cavite City.

The President issues a proclamation declaring the period from August 13 to September 12, 1952, as Philippine Tourist Month and calling upon public and private entities to assist in the encouragement of tourism.

Malacañan announces the release of ₱762,000 for the construction, repair, and maintenance of various river-control projects and waterworks, with Pasig River control to receive ₱100,000 of the amount.

Ceremonies held at the Philippine Navy headquarters on Deeds Boulevard, mark the official transfer of the first 4 of 26 patrol boats delivered to the Philippines by the United States Government under the Mutual Defense Treaty; two are assigned to the Navy and the other two to the Bureau of Customs to be used in the measures being taken against smuggling; they are Coast Guard utility-type speedboats and cost the American Government \$100,000 each.

Aug. 6 — Heavy rains and high tides result in the flooding of wide areas in Manila and the President orders the Department of Public Works to rush work on various flood-control projects.

The President directs the Department of Foreign Affairs and the Commissioner of the Budget to study the question of continuing the UNESCO office in Manila; reported that the UNESCO will close its office unless the Philippine Government will finance the salaries of the technical staff to be recruited locally and the office rent and cost of upkeep amounting to ₱21,400.

Malacañan announces that the Government is now operating on a balanced budget and that the national deficit of ₱173,263,065 will be covered in 5 years; basis of the Malacañan statement is the report of Budget Commissioner Pio Joven, submitted to Congress, which shows that last year's income exceeded the total actual expenditures by ₱183,266,389.37.

"The Joven report, which covers the period July 1, 1951, to May 31, 1952, revealed the actual income for the 11-month period at ₱615,126,366.01, 10% more than the expected income for the same period at ₱559,500,000.00. Actual government expenditures for the 11-month period totaled ₱431,869,916.67, much less than the expected expenses for the fiscal year, 1952. The Government's report proved that for the first time since 1948 the Government is operating on a balanced budget. The Commissioner's figures still do not include the income and expenditures during the month of June, 1952. Income estimated at ₱56,000,000.00, or 9% of the total, for the month of June will exceed ₱200,000,000.00 after deducting the expenditures for the same period. Mr. Joven said that the 1952-53 national deficit, only ₱93,136,306 could be liquidated this year."

Aug. 7 — The President signs an Executive Order banning the importation of slide fasteners, mounted zipper chains, and cotton weaving yarns, "pursuant to the authority vested in" him by Section 3 of Republic Act No. 650, entitled "An Act to Regulate Imports and for Other Purposes". The 3 items were among the 23 items the importation of which, in whole or in part, was recommended banned by the Import Control Commission to protect local manufacturers.

The President issues a proclamation declaring all government offices and public and private schools and colleges closed for the day beginning 12 o'clock, because of the flood, many streets in Manila being under water.

Acting Executive Secretary Marciano Roque, in a letter addressed to Dr. W. J. Ellis, resident technical assistance representative of the United Nations in the Philippines, states that as "it seems to be recognized by interested parties that we are not selecting the best material for the United Nations fellowships and scholarships", it is suggested that candidates be required to take a competitive examination to be given by the Bureau of Civil Service—"a brief test which would consist of a short thesis on the fields covered by the applicants", and that they should also be rated on their educational qualifications, experience, and training and "be subjected to a thorough interview with a committee appointed by the President." "It is believed that, if such plan meets with your approval, we shall be able to obtain the very best material available for these scholarships and fellowships in the future."

Aug. 8 — The President at a Cabinet meeting orders the prosecution of persons exporting centrifugal sugar mixed with molasses as *muscovado*; stated that the entire Philippine production of muscovado sugar amounts to only around 500 piculs but that the export of alleged muscovado to Japan has reached 800,000 piculs. The President also orders the reinstatement of Vicente G. Bunuan as Sugar Quota Administrator; Bunuan was suspended some 6 months ago in connection with the "C" sugar exportation. The President creates a 5-man committee, headed by Secretary of Foreign Affairs J. M. Elizalde, to study the proposal of the Manila Shipping Lines to undertake the salvage of sunken ships in Tuazon Bay; the bulk would be taken to Japan and exchanged for passenger ships which would be leased to the Tuazon Lines. Vice-President Fernando Lopez reports that the Department of Agriculture has not been able to obtain planes from the Philippine Air Force for the anti-locust campaign as the planes are needed in Jolo, and the Cabinet discusses an offer of Henderson Trippe, Inc., and Pacific Airways to undertake the work.

The President administers oaths of office to Dr. Joaquin Maranon as an interim Director of the Institute of Science and Technology, Cesario de Leon as Workmen's Compensation Commissioner, and Mrs. Nieves Baensdel Rosario, as Deputy Workmen's Compensation Commissioner.

Aug. 9 — Secretary of Public Works and Communications Pablo Lorenzo proposes to the President a plan for the establishment of 3 micro-wave and television stations (at Manila, Iloilo, and Cebu), at a cost of some ₱3,500,000, to be undertaken with the assistance of the Mutual Security Administration.

A group of faculty members, students, and alumni of the Philippine School of Commerce present the President with a resolution of gratitude for his approval of the Bill raising the school to college-status.

Aug. 10 — Secretary of National Defense Ramon Magaysay reports to the President on the chastate attitude of the Moro outlaw, Kamlon, who "surrendered" a few days ago but failed to carry out his promise to give up the arms in his possession and to comply with summons sent him, and the President instructs him to "go ahead and act, and make those outlaws respect the Government".

Malacañan reveals that Squires Bingham Co., Inc. is seeking authority to engage in the manufacture of rifle, pistol, and revolver barrels and other parts under the supervision of the Philippine Constabulary, and that the request has been favorably endorsed by the Secretary of National Defense and the military authorities.

Aug. 11 — The President receives Randolph W. Burgess, chairman of the executive committee of the National City Bank of New York who is visiting country in the course of an inspection tour of the Bank's branches in Manila; he is accompanied by Malacañan by Messrs. A. D. Calhoun and W. M. Simmons, of the local Bank.

Aug. 12 — The President at a Cabinet meeting signs an executive order requiring all government offices, including the military, all provincial and local governments, and all the government-owned or controlled corporations to buy their requirements for textiles from the Textile Mills of the National Development Company, if available there. The plan for the establishment of micro-wave and television stations is referred by the Cabinet to the Philippine Council for United States Aid. Steps to stop the unauthorized exportation of sugar under the plan of muscovado are discussed. The President reiterates his full support of the operations being taken against Kamlon.

The President receives a delegation of Texas women who are on a goodwill tour of the principal cities in the Far East.

Aug. 15 — At a meeting of the Council of State the President calls attention to his veto of the Public Works Bill, and his reasons therefor. The Council also hears a progress report from Chairman Jose Yulo of the Philippine Committee for United States Aid (Philusa); he states that a total of \$46,991,253 has been allotted for 1951-52 projects for which the Philippines put up a counterpart fund of ₱63,140,396 and that a proposed allocation of \$30,000,000 for 1952-53 is under study for which the Philippines proposes a counterpart fund of ₱67,642,514; he also reports on the great accomplishments in the rehabilitation of the College of Agriculture at Los Baños, which now has an enrollment of 1,000 as compared to 500 last year, and that a survey of the Candaba swamps is now starting for the purpose of draining it. The Council of State also takes up the proposal, submitted to it by the President, of the Westinghouse Company, calling for consolidated bidding on various related phases of the entire Ambuklao hydro-electric project which involve an estimated total of ₱100,000,000. Secretary Magaysay tells the Council that the action of the Armed Forces in Sulu is not affecting the campaign against the Huks and that the Huk situation is well in hand. The Council also discusses the campaign against locust infestation.

Aug. 18 — The President signs the instruments of ratification of the Geneva Convention of 1949 relative to the protection of civilians in war time, the treatment of prisoners of war, and the amelioration of the condition of wounded, sick, and shipwrecked members of armed forces at sea.

The President authorizes the release of ₱7,148,000 for urgent public works projects which amount comes from the 1951-52 Highway Fund.

The President signs the appointment of Dr. Jose M. Barcelona as an interim assistant director of the Philippine General Hospital and the reappointment of Modesto Farolan as a member of the Board of Regents of the University of the Philippines.

Aug. 20 — The President signs the instruments of ratification of two other international covenants,—one for the suppression of the traffic in persons and of the exploitation of the prostitution of others, and the second that on road traffic.

The President issues an executive order directing that the collection of tolls at bridges must be terminated after the cost of the structures has been recovered.

Aug. 22 — The President at a Cabinet meeting directs the heads of departments to make an overall study of the situation in Sulu and to look carefully into the charges of miscarriage of justice in the province, and also the problems of factional rivalries there and the smuggling, stating that the situation must not be looked upon as merely a military one. The President also calls attention to the recent building construction in Intramuros in violation of the specifications

prescribed by the National Planning Commission. Vice-President Lopez reports on the locust situation, stating that four provinces are most affected—namely, Leyte, Masbate, and Zamboanga. The campaign is handicapped by lack of funds and that private operators of planes offered for hire were asking ₱400 a day, which the Department of Agriculture considers excessive.

The President in a meeting with Representatives Ramon Arnaldo and Cipriano Allos, co-chairmen of the House "Watch-dog Committee", states that he welcomes the Committee's intention to make inquiries as to how government funds are spent and how some funds were transferred, but that he does not like the word "investigation" as this creates the impression that "something anomalous has already been done."

Aug. 23—The Cabinet at a meeting today rejects the petition of the Filipino Marble Workers Association for the temporary lifting of the ban on the importation of marble. The Import Control Commission having concurred with the recommendation of the Cebu Portland Cement Company which operates the marble mines in Romblon that the petition be turned down; the Association stated that the price of local marble is seven times as high as marble imported from Italy and that certain varieties of marble are not produced here.

The Department of Foreign Affairs releases an editorial recently published in the *Times of Indonesia*, entitled "Indonesian-Filipino Relations", which states in part that both President Quirino and President Sukarno in their parting speeches stated the genuine desire of both Indonesia and the Philippines for very close cooperation between the two countries and that

"there are indeed many possibilities for very close cooperation... in the cultural field much can be done and in the economic field trade could be developed and as both are agricultural countries producing almost the same crops, sugar, sisal, coconuts, etc., technical experience in this field could be pooled and exchanged for the benefit of both countries... Although tied so closely to the United States, in some matters of foreign policy the Philippines has shown itself to be capable of independent action and has given evidence of solid leadership on the occasion of the Tunisian question... We do not ignore the difference in world-outlook between the two countries, but we are convinced that a very close cooperation in many fields could be worked out."

Aug. 25—After a meeting at Malacañan the President issues the following statement:

"I invited Speaker Eugenio Perez and Vice-President Fernando Lopez and his brother, Mr. Eugenio Lopez, so that they could clarify their differences. After a long conference, they have reached an understanding."

The Speaker and the Vice-President have been making various serious charges against each other and the Manila *Chronicle*, of which the Vice-President's brother is the publisher, has been carrying on a violent attack on the Speaker who accused the Vice-President as being associated with "vested interests" which want to "control" the Congress.

Aug. 26—Consequent on the falling of over 12 inches of rain, Manila suffered another flood; despite the fact that the over-flooding Pasig fluted the lower floor of Malacañan, the President receives a group of ten visiting American congressmen, of the Armed Services Committee, who are visiting American defense establishments in this part of the world: one of the members of the group was indisposed and could not come.

Aug. 27—At impressive ceremonies at Malacañan the instruments of ratification of the Philippine-American Mutual Defense Treaty are exchanged, Secretary Elizalde acting for the Philippines and Ambassador Spruance for the United States. President Quirino states in part:

"... I wish to make assurances through you, Mr. Ambassador, and to the Government of the United States. As President Truman, that we feel happy and gratified to come to this conclusion. The feeling of security of this country, economic as well as military and external, will bolster not only the future of this country but the prestige and honor and dignity of the United States."

Ambassador Spruance said:

"The exchange of ratifications of the Mutual Defense Treaty... which has just taken place completely here today, marks another vital step in weaving the fabric of peace in the Pacific."

"It was originally understood that the Mutual Defense Treaty was to form a part of the peace settlement in the Pacific had as its prerequisite the reestablishment of relations with Japan."

"Despite the strong recommendations of His Excellency, President Quirino, the Philippine Senate has yet to decide whether it will give its concurrence to the Japanese Peace Treaty. However, as the United States does not desire that there be any doubt as to the sincerity of its intention to regard the United States and the Philippines as a menace to its own peace and safety, I have been directed to proceed with this exchange of ratifications today."

The Treaty was signed in Washington on August 30, last year, on which occasion President Truman said: "It is a strong step toward security and peace in the Pacific."

Aug. 28—The President designates Under-Secretary Jose S. Camus as acting Secretary of Agriculture and Natural Resources during the absence of Vice-President Lopez who is leaving tomorrow for a 3-month world tour. He designates Provincial Board member Juan Lozano as acting Governor of Iloilo in the absence of Governor M. Peñaflorida who will accompany the Vice-President abroad.

The President receives U. S. Ambassador to India Chester Bowles, now in Manila in the course of a tour of Southeast Asian countries; the visiting diplomat was accompanied by Ambassador Spruance.

Malacañan releases a letter from the President to Justice Luis P. Torres, Chairman of the Integrity Board, instructing that body to look into the large loans alleged to have been irregularly obtained from the Rehabilitation Finance Corporation and the Philippine National

Bank and to report to him on the matter immediately; the President accompanied his letter with clippings from the newspapers concerning the statements made to the press by Speaker Perez, Eugenio Lopez, and directors of BISCOM (Bisayan Sugar Company).

Aug. 29—The President at a Cabinet meeting administers the oath of office to acting Secretary of Agriculture and Natural Resources Camus. Secretary Camus reporting that his Department has encountered difficulties in the purchase of necessary supplies for the anti-locust campaign because of "red tape", the President announces that he will assume direct control of the campaign himself.

The President receives a delegation from the Manila Imperial Chamber of Commerce, headed by Roberto Villanueva, which called to say goodbye prior to its departure for Melbourne, Australia, to attend the 7th World JCC Congress to be held there from September 5 to 15; the delegation will bring samples of Philippine products to be exhibited there and the President suggests that they be left with the Philippine Legation for permanent exhibit in Sydney.

Aug. 31—Ceremonies in connection with the National Heroes Day celebration are held in the Philippine Normal College auditorium because of the inclement weather; the President delivers an address.

Banking and Finance

By J. BROWNLEY
Sub-Manager

National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31 1949	As of May 30 1952	As of June 30 1952	As of July 31 1952
	(In thousands of Pesos)			
ASSETS				
International Reserve.....	₱460,689	₱487,370	₱491,328	₱456,272
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	24,365	21,365	36,382
Domestic Securities.....	92,197	234,716	234,680	233,908
Trust Account—Securities Stabilization Fund.....	—	12,233	12,233	12,233
Other Assets.....	20,390	33,790	37,343	46,967
	₱793,629	₱930,044	₱934,519	₱923,332
LIABILITIES				
Currency—Notes.....	₱555,576	₱545,411	₱539,281	₱525,454
Coins.....	74,384	91,963	91,787	91,564
Demand Deposits—Pesos	117,682	249,026	252,855	257,701
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	8,734	11,593	12,817
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	2,666	3,129	3,153
Surplus.....	—	7,132	7,132	7,132
	₱793,629	₱930,044	₱934,519	₱923,332

THERE was a drop of ₱35,000,000 in the Central Bank's international reserve which has now reached a level only ₱17,000,000 above the low month-end figure of ₱439,000,000 recorded in July, 1950. Including net foreign exchange assets of other banks, the international reserve was reported to have amounted to about \$300,000,000 at the end of July, 1952, compared with \$304,564,000 the previous month. Unless prices of principal export products, especially copra and hemp, improve, the downward trend of the international reserve is likely to continue. It should also be noted that the dollar-return for export sugar for August is expected to be lower than the previous months as most of the 1951/52 crop has been reportedly disposed of. However, government restrictions both on imports and exchange remittances, in addition to the MSA assistance program, may offset the declining tendency of the international reserve.

Loans and advances increased by P15,000,000 and stood at P36,382,000 as of July 31. Money in circulation dropped from P631,068,000 in June to P617,018,000 in July, but there was an increase in demand-deposits from P252,855,000 to P257,701,000 during the same period.

Merchants report that import licenses are becoming increasingly difficult to procure and are being released in very small volume. Cash positions of banks have been improving steadily as L/C against which 70% reserve must be maintained run off, with few new ones being opened. Money is slightly easier and collections are said to be generally retired on a satisfactory basis.

According to the Bureau of Census and Statistics, imports for the first six months of 1952 (June figures tentative) totalled P482,102,000. Exports were P392,609,000, resulting in an adverse trade balance of P89,493,000. This figure compares with a favorable trade balance of P77,322,000 for the corresponding period last year.

Manila Stock Market

By A. C. HALL

Hall, Picornell, Ortigas & Co.

July 26 to August 22,

EARLY in the month, gold shares moved higher in sympathy with other markets, but the rally was short-lived as investors have been unwilling to enter the market as long as the major problems surrounding the industry remain unsolved. Accentuating the present bearish outlook for this group, is a weaker tendency in the local free gold market where the price has declined from last month's closing level of P104.50 per fine ounce to about P100.

In contrast to the present trend in gold shares, base-metal issues have ruled very steady during the month, and continue to attract investment buying.

In the commercial and industrial section of the market, San Miguel Common has weakened during the past few days on reports that the Company will make a new issue of Common to its shareholders in September at P35 per share. Elsewhere in this section, dealings have been of very small proportions.

Fixed interest securities have ruled steady.

MINING SHARES

1951-52 Range	High	Low	Company	High	Low	Close	Change	Total Sales
131.53	89.11		M. S. E. Mining Share	104.15	100.55	100.55	Off 1.40	8,761,279
0.315	0.155		Acoje Mining Com.	185	18	18	—	447,000
0.0925	0.028		Antarod Goldfields	04	04	04	—	124,584
7.80	2.85		Atok Big Water Mining Co.	3.60	3.20	3.30	Up .15	10,700
0.14	0.0775		Baguio Gold Mining Co.	0775	0775	0775	—	10,000
2.80	2.80		Balato Mining Co.	2.00	2.00	2.00	—	1,000
0.0036	0.002		Batong Buhay Gold Mines	0023	0022	0022	Off 0008	1,250,000
5.30	3.80		Berang Consolidated	4.10	3.80	4.00	—	19,950
0.10	0.026		Coco Grove, Inc.	—	—	035a	—	—
0.04	0.011		Consolidated Mines, Inc.	036	034	036	Off 001	4,725,000
0.29	0.16		Hibax Gold Mining Co.	26	22	22	Off 04	10,000
0.17	0.075		Itoyan Mining Company	095	0825	09	Up 01	58,600
0.06	0.031		I. L. L. Mining Company	038	038	038	Off 002	20,000
0.96	0.59		Lepanto Consolidated	84	81	81	Off 01	187,000
0.05	0.024		Masbate Consolidated	04	035	035	Off 004	490,000
0.43	0.1375		Mindanao Mother Lode	185	14	14	Off 005	371,000
0.1275	0.06		Paracale Gumus Consolidated	—	—	125a	—	—
3.26	1.20		Philippine Iron Mines, Inc.	2.50	2.35	2.40	Off 05	93,800
0.32	0.17		San Mauricio Mining Co.	21	20	21	Up 01	78,000
0.305	0.185		Surigao Consolidated	265	245	245	Off 02	170,000
0.035	0.01		Suyoc Consolidated	01	01	01	Off 002	60,000
0.13	0.05		United Paracale Mining Co.	07	065	07	Up 0075	125,000
			x—Ex-Dividend					

1951-52 Range	High	Low	Company	High	Low	Close	Change	Total Sales
P143.00	105.00		Bank of the Philippine Islands	130.00	130.00	130.00	Up 10.00	65
100.00	75.00		Central Azucarera de Bata, Inc.	—	—	98.00a	—	—
171.00	110.00		Central Azucarera de la Carlota	115.00	110.00	115.00	Up 5.00	51
111.00	100.00		Central Azucarera de Piler	110.00	110.00	110.00	—	15
50.00	30.00		Central Azucarera de Tarlac	—	—	40.00b	—	—
12.00	9.00		Ind. Textiles Mfg. Co., P.I.	10.00	9.00	9.00	Off 1.00	3,050
0.36	0.25		Manila Beer Co., Inc.	26	25	25	Off 02	9,400
5.50	3.20		Manila Wine Merchants	—	—	3.20b	—	—
0.18	0.12		Maraman & Co., com.	—	—	20a	—	—
0.315	0.25		Mesacoma, pref.	—	—	10b	—	—
0.12	0.085		Mayon Metal, class 'B'	—	—	11a	—	—
0.12	0.085		Mayon Metal, class 'A'	—	—	11a	—	—
105.50	100.00		Metropolitan Insurance Co.	103.00	103.00	103.00	Up 1.00	T 60
23.00	20.50		Passive Co.	20.50	20.50	20.50	—	—
7.50	5.00		Philippine Air Lines, Inc.	—	—	5.00b	—	66
0.0925	0.012		Philippine Oil Dev. Co., Inc.	04	038	04	—	445,000
1.46	1.02		Philippine Racing Club, Inc.	—	—	90b	—	—
43.00	26.50		San Miguel Brewery, com.	38.50	35.50	35.50	Off 3.00	12,202
100.00	93.00		San Miguel Brewery, 7% ref.	99.00	98.00	98.00	—	330
108.00	102.00		San Miguel Brewery, 8% pref.	104.50	103.50	103.50	Off 1.00	266
16.00	13.50		Univ. Insurance & Indemnity	—	—	12.00b	—	—
7.00	6.00		Williams Equipment, com.	—	—	6.50a	—	—
			x—Ex-Dividend					
			T—Bond sales reported in units of P100.					

OVER-THE-COUNTER

Company	High	Low	Close	Total Sales
Cia. Colucon de Filipinas	P11.00	P11.00	P11.00	18,200
Manila Jockey Club	2.35	2.35	2.35	200
Philippine Long Distance Tel. Co., 6% bond	99.00	99.00	99.00	P54,000
Victoria Milling Co., Inc.	P148.00x	P148.00	P148.00	23
x—Ex-Dividend				

Credit

By C. W. MUILEBURG

Manager, Credit and Collection Department
International Harvester Company of Philippines

THERE has been no appreciable change in the general credit and collection situation during the past month. Money is still tight and collections are difficult. Excessive rainfall and floods have played their part in slowing business activities with a resultant deleterious effect on collection.

It has been indicated that most banks are holding back on loans and discounts, possibly because of their inability at this time to estimate foreign trade needs, and with funds being held against these needs, money is short for domestic requirements. As a result banks are unwilling to extend large amounts of credit or give long-term accommodations. When foreign requirements can more clearly be determined, a more positive and specific attitude can be established.

It has been reported that many merchants have extensive stocks in inventory, and steps are being taken, in the form of lower prices with the consequent reductions in margins of profit, to reduce this heavy inventory. In some lines of merchandise, prices have reportedly fallen below the actual prices of the same products in the United States. Trade collections in all lines are slow and difficult and many firms are now using sales personnel as well as collection personnel in trying to reduce past-due receivables. However, the improvement from such pressure and concentrated effort is not as marked as in previous similar periods.

Some credit men report the adoption of a cash-discount-policy to alleviate the situation, but other credit executives question the advantage of offering discounts,

pointing out that only their good accounts take advantage of the discount, thus reducing the margin of profit and still leaving the collection problem untouched.

Credit and collection personnel are as usual handicapped and inconvenienced by the increasing number of bad checks which are being accepted in payment of accounts and in exchange for merchandise or services rendered. This problem obviously is aggravated by the general economic conditions mentioned. Each such check imposes a burden on the credit man and his staff as well as on the bank staff. Several credit men have been recently discussing this problem and it is hoped that the banks will be able to take measures toward improving the situation. A credit man usually feels that he is unduly penalized, and that the drawer of the check is not sufficiently penalized. This is a problem on which credit men are quite prepared and willing to cooperate with the banks in working toward a solution.

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	40,117,000
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	47,872,000**	42,817,000
September		41,852,000
October		44,017,000
November		42,628,000
December		45,655,000
Total		497,211,000

Total

**Revised

**Partially estimated

ANOTHER monthly output record was set in August. Output was 5,055,000 kwh, or 11.8%, above August, 1951. A new daily output record of 1,695,000 kwh was set on August 17. The peak-load during the month was 113,800, as compared with 105,500 for August, 1951.

Real Estate

By ANTONIO VARIAS

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

REAL ESTATES SALES in the Greater Manila area registered during the month of August, 1952, numbered 456, with a total value of ₱4,042,092, as compared with 629, with a total value of ₱5,447,207, registered during the preceding month of July.

Of the August sales, 155, with a total value of ₱1,902,420, represented deals within Manila proper, and 301, with a total value of ₱2,139,672, were sales within the cities of Quezon and Pasay, and in the suburban towns of Caloccan, Makati, Malabon, Mandaluyong, Parañaque, and San Juan.

Among the bigger sales registered during the month were:

A residential compound, comprising 7 2-story residential houses with a lot of 3,479.5 square meters, on Santol Street, Quezon City, sold by Paz Angeles de Zapirain to Celso Ledesma, for ₱280,000;

An old 3-story building of sub-standard construction with a lot of 174.3 square meters on Palma Street, Sta. Cruz, adjacent to the Doña Mercedes Building, was purchased by the Heirs of M. Rufino, Inc. from Juitta Olaquevil, for ₱118,000;

A parcel of 2,269.9 square meters at G. Tuason, corner Manrique streets, Sampaloc, sold by Sisinio Medina Cue y Santos to Santal Agricultural Development, Inc., for ₱95,000;

A property with a lot of 836.4 square meters at Pennsylvania, corner Dagonoy streets, Malate, sold by Virginia Gonzales to Andres Caberte, for ₱85,000;

A 3-story building on 428-430 Dasmariñas Street, Binondo, sold by Exequiel Floro to Remedios V. Nazario, for ₱66,900; and

A property with a lot of 625.30 square meters on Lepanto Street, Sampaloc, sold by Mariano S. Ramirez to Manuel Palomo, for ₱50,000.

REAL ESTATE MORTGAGES registered in the Greater Manila area during the month of August numbered 564, with a total value of ₱9,619,956, as compared with 716, with a total value of ₱10,938,748, registered during the month of July.

Of the August total, 228, with a total value of ₱4,061,478, represented deals within Manila proper, while 336, with a total value of ₱5,558,478, represented deals within Quezon City, Pasay City, Makati, Caloccan, Malabon, Mandaluyong, Parañaque, and San Juan.

REAL ESTATE SALES, 1952

	Manila	Quezon	Pasay	Suburban	Total
	City	City	Towns	Towns	
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	7,360,485
April	2,216,532	1,249,898	352,130	1,239,492	5,058,052
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	4,042,092

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	1,989,774	676,481	2,895,044	12,603,056
May	6,976,566	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	9,619,956

Building Construction

By JUAN J. CARLOS

President, Philippine Contractors' Association

DURING the month of July, the Office of the City Engineer approved building permits for construction work amounting to ₱3,478,360. For the same period last year, the volume of work authorized amounted to ₱2,591,570 in comparison with ₱2,487,550 in 1950 and ₱4,601,450 in 1949. Among the big projects that were started during the month under review were:

Remodeling and addition of a 5th floor to the Ayala Building on Plaza Sta. Cruz by the new owners, the Philippine Bank of Commerce, estimated at ₱300,000;

A 3-story commercial building on Rizal Avenue, for Mariano Guison, costing ₱90,000;

A warehouse on Tomas Claudio Street, Pandacan, for Luzon Industrial Corporation, estimated at ₱80,000;

On A. Mabini, Ermita, a 3-story apartment building, costing ₱80,000, for Briccio Henson;

For Mrs. Carmelo L. Prieto, at 135 San Rafael, a residential building, estimated at P90,000.

According to latest reports, the long delayed construction of the Veterans' Hospital project in Quezon City will, in all probability, be started before the end of this year. Due to the disapproval by the United States Congress of the requested additional appropriation of \$5,000,000, the original plans are now being revised by the architects in order to meet the available funds of P15,000,000. As to whether the project will be re-bid, as recommended by the United States Senate and House, or awarded to contractors by negotiation, is yet to be decided by the authorities concerned.

Once again, the local market on essential building materials is booming with activity, and increases in prices are felt. Galvanized-iron roofing sheets, gauge 26, which can be considered as the official barometer of prices of building materials, registered an increase from P6.50-P6.60 per sheet to P8.00. Very limited stocks of this item can be found in the stores. Prices of all hardware items followed suit. It is believed that the reason for this general upward trend is the reduction in the dollar allocations by the Import Control Commission.

Port of Manila

By L. R. WENTHOLT

Vice-President, Luzon Brokerage Company

DURING the month of August, approximately 54,000 tons of general cargo were discharged on the piers.

The pier deliveries were extremely slow due to the heavy rains which even flooded part of the section between Pier 9 and Pier 3. As far as we know, little damage was done to the cargo stored in the warehouses on the piers. Due to the flooded condition of many parts of the City of Manila, deliveries were hampered, but, since not much cargo arrived, no congestion on the piers was experienced.

With the termination of the shipping strike on the United States West Coast, American-flag vessels again appeared in the Harbor of Manila with cargo from the United States.

Generally speaking the overall conditions in the South Harbor are satisfactory.

Ocean Shipping and Exports

By B. B. TUNOLD

Secretary-Manager

Associated Steamship Lines

TOTAL exports during the month of July of this year showed an increase of about 76,000 tons as compared with exports during July of last year.

120 vessels lifted 400,594 tons of exports during the month, as compared to 324,488 tons lifted by 106 vessels during the same month of last year.

Commodities which have registered sharp increases over last year's figures for the same month are: chrome ores from 34,565 to 65,308 tons; manganese ores from 1,800 to 3,842 tons; canned pineapples from 3,839 to 22,157 tons; muscovado sugar from nil to 3,981 tons; tobacco leaf from 10 to 1,056 tons; and general merchandise from 855 to 2,832 tons.

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

Commodity	1952	1951
Beer.....	213 tons	475 tons
Cigar and cigarettes.....	17 "	10 "
Coconut, desiccated.....	6,012 "	5,640 "
Coconut oil.....	8,017 "	6,028 "
Concentrates, copper.....	721 "	"
Concentrates, gold.....	285 "	128 "
Copra.....	42,657 "	58,818 "
Copra cake and meal.....	8,333 "	6,212 "
Embroideries.....	339 "	427 "
Empty cylinders.....	314 "	635 "
Fish, salted.....	17 "	10 "
Foodstuffs.....	62 "	"
Fruits, fresh.....	13 "	30 "
Furniture, rattan.....	1,033 "	907 "
Glycerine.....	347 "	"
Gums copal.....	19 "	97 "
Hemp.....	70,168 bales	91,688 bales
Household goods and personal effects.....	325 tons	498 tons
Junk metals.....	485 "	304 "
Logs.....	12,195,793 bft.	13,623,809 bft.
Lumber, sawn.....	5,486,652 "	4,245,148 "
Molasses.....	12,574 tons	17,629 tons
Ores, copper.....	902 "	"
Ores, chrome.....	65,308 "	34,565 "
Ores, lead.....	102 "	"
Ores, iron.....	109,204 "	94,091 "
Ores, manganese.....	3,842 "	1,800 "
Pineapples, canned.....	22,157 "	3,839 "
Plywood and plywood products.....	24,000 sq.ft.	24,000 sq.ft.
Rattan, palasan.....	298 tons	299 tons
Rope.....	337 "	360 "
Rubber.....	295 "	100 "
Shells, shell waste.....	37 "	58 "
Skins, hides.....	39 "	61 "
Sugar, cent. raw.....	62,746 "	41,357 "
Sugar, muscovado.....	3,981 "	"
Tobacco leaf.....	1,056 "	10 "
Vegetable oil.....	29 "	60 "
Transit cargo.....	115 "	456 "
General merchandise.....	2,832 "	855 "

Lumber

By PACIFICO DE OCAMPO

Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

THE Philippine export trade in logs and lumber during the month under review, July, 1952, amounting to 26,898,076 bd. ft., registered another increase of 4,266,602 bd. ft. over the previous month's export of 22,631,474 bd. ft. and also an increase of 4,607,543 bd. ft. over the same month of last year's export of 22,290,533 bd. ft. This time, the increase was attributed to substantial improvement in exports to United States and Canada—from 2,779,909 bd. ft. in June to 6,144,654 bd. ft. in July, an increase of 3,364,745 bd. ft.; and to other countries—from 1,677,382 bd. ft. to 3,162,290 bd. ft., an increase of 1,484,908 bd. ft. Shipment to Japan, on the other hand, decreased slightly by only 583,051 bd. ft.—from 18,174,183 bd. ft. to 17,591,132 bd. ft.

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

Shipper	Destination	Volume in Board Feet Lumber	Logs
Aguinaldo Development Corp...	Formosa		299,887
Agusan	U. S. A.		929,992
Timber Corp.....	Japan		1,685,822
Anakan	U. S. A.	269,943	549,997
Lumber	Japan		600,499
Co.....	Guam		894,656
Associated Lumber Mfg. Co.			
Inc.....	U. S. A.		75,261
Basilan	U. S. A.	1,138,277	
Lumber	South Africa		88,356
Co.,	Holland		5,371
Inc.....	Hongkong		79,674

	U. S. A.	358,072	967,690	Trend of Exports to:			
				This Month	Month Ago	Year Ago	Year Ago
	Lumber	Logs	Total	Lumber	Logs	Lumber	Logs
	(Bd.Ft.)	(Bd.Ft.)	(Bd.Ft.)	(Bd.Ft.)	(Bd.Ft.)	(Bd.Ft.)	(Bd.Ft.)
Bislig Bay Lumber Co., Inc.	Japan		402,847				
Butuan Sawmill, Inc.	Denmark	1,382	535,328				
Cantilan Lumber Co.	Japan		402,847				
Dee Hong Lue & Sons, Inc.	U. S. A.	10,000					
Findlay Millar Timber Co.	South Africa	26,883					
General Enterprises, Inc.	U. S. A.	153,000					
Guillermo Sanchez	Hongkong	43,546					
Iligan Lumber Co.	U. S. A.	40,169					
In su lar	Japan		812,795				
Lumber Co.	Formosa		448,629				
J. S. Alvarez	Japan		920,006				
Johnston Lumber Co., Inc.	Japan		500,380				
Jose Macabib	U. S. A.	928,242					
L. G. Kameke	Canada	44,109					
Luzon Brokerage Co.	South Africa	580,575					
Marsman Development Co.	Ireland	64,423					
Misamis Lumber Co.	Belgium	35,934					
Nasipit Lumber Co., Inc.	Honolulu	215,460					
Pan Asiatic Commercial Co.	U. S. A.	42,924					
Philippine Lumber Mfg. Co.	U. S. A.	75,138					
Philippine Match Co., Inc.	Japan		2,692,518				
Sta. Clara Lumber Co., Inc.	Hawaii	45,051					
Tagtag Sawmill Co., Inc.	Germany	983					
Taligaman Lumber Co.	Hongkong	504					
Tirador Lumber	U. S. A.	246,940					
Valderrama Lumber Mfrs. Co. Inc.	U. S. A.		1,435,021				
Valeriano Buenco	Japan		1,015,503				
Western Mindanao Lumber Co., Inc.	U. S. A.	746,665					
Woodcraft Works, Ltd.	Canada	41,305					
Zuellich & Company, Inc.	U. S. A.	1,305					
Totals		6,183,700	20,714,376				

RÉSUMÉ OF EXPORTS TO:

	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	17,591,132	17,591,132
United States and Canada	4,664,665	1,479,989	6,144,654
Other countries	1,519,035	1,643,255	3,162,290
Totals	6,183,700	20,714,376	26,898,076

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

Country of Destination	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	17,591,132	17,591,132
United States	4,579,251	1,479,989	6,059,240
Guam	—	894,656	894,656
Formosa	—	748,516	748,516
South Africa	695,814	—	695,814
Honolulu	451,356	—	451,356
Hongkong	218,721	—	218,721
Canada	85,414	—	85,414
Ireland	64,423	—	64,423
Hawaii	45,051	—	45,051
Belgium	35,934	—	35,934
Holland	5,371	—	5,371
Denmark	1,382	—	1,382
Germany	983	—	983
Sweden	—	83	83
Totals	6,183,700	20,714,376	26,898,076

COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF JUNE AND JULY, 1952

Period	Lumber in Board Feet					Logs in Board Feet					Grand Total
	Western States	Eastern States	Gulf States	All Others	Total	Western States	Eastern States	Gulf States	All Others	Total	
June, 1952	1,001,821	691,289	131,250	35,005	1,859,365	—	199,999	250,000	470,545	920,544	2,779,909
July, 1952	3,592,076	737,132	90,409	159,634	4,579,251	649,995	—	499,997	329,997	1,479,989	6,059,240
Difference (Increase +; Decrease -)	2,590,255 +	45,843 +	40,841 -	124,629 +	2,719,886 +	649,995 +	199,999 -	249,997 -	140,548 -	550,445 +	3,279,931 +

Arrivals of logs and lumber in Manila decreased further by 283,179 bd. ft.—from 12,724,040 bd. ft. in June to 12,440,861 bd. ft. in July, 1952.

The weakening condition of the local wholesale lumber market, which continued through the month of June, was arrested during the opening week of the month under review, with slight increases in the prices of white lauan and apitong, while red lauan remained stationary. During the first two weeks of the month, the prevailing prices of white lauan were ₱120-₱127 per 1000 bd. ft., apitong ₱135-₱140, while red lauan was quoted at ₱155-₱160 until the fourth week of the month. As the supply of lumber decreased, these quotations increased further during the next three weeks and closed at the end of the month at ₱130-₱135 per 1000 bd. ft. for white lauan, ₱135-₱145 for apitong, and ₱160-₱165 for red lauan.

A Wage Board for the Lumber Industry was created by the Secretary of Labor to deliberate on the petition filed by the Philippine Lumber Producers' Association, Inc., on behalf of its members, to suspend the application of the minimum wage of ₱4 for a period of six months from August 4, 1952, when the minimum level became effective for laborers and employees in the provinces. The Wage Board conducted hearings, at which both management and labor elements were represented, for three weeks. The Board is presently deliberating on the recommendation it will submit. The lumber producers, on their part, showed as justification for the suspension, the various adverse factors presently affecting the industry, among which are the downward trend of prices, the depression in the local market, the heavy government taxes and charges, and the increased cost of spare parts and machinery, and the possibility of an early severe set-back in the export market, particularly the United States, in case of an unfavorable decision in the "Philippine mahogany" issue. Labor, on the other hand, contended that the minimum wage of ₱3 is not sufficient to afford laborers a decent living. It seems that by the authority conferred by Republic Act 602, otherwise known as the Minimum Wage Law, the Wage Board itself has power only to determine whether the application of the ₱4 wage requirement would "work undue hardship to the industry".

Mining

By NESTORIO N. LIM

Secretary, Chamber of Mines of the Philippines

THE Secretary of Labor, after due consideration of the request of the Chamber of Mines of the Philippines for the postponement of the ₱4 minimum wage law for a 6 months period, created a Wage Board for the Metallic Group of the Mining Industry. Two members, Messrs. Piis and Cabalbag, represented Labor, two members, Messrs. Peterson and Brandt, represented Management, and the fifth member, Mrs. Josefa Jara Martinez, the Chairman, represented the public.

The Wage Board started hearings in Manila and continued them in Baguio where both labor and capital expressed their views. The members of the Board inspected the mines and observed actual conditions in the different mining camps. They also made a trip to the Lepanto Consolidated Mining Company mine.

The hearings ended July 23 and the executive session of the Board ended August 16. The Secretary of Labor will render his decision based on the recommendation of the Board.

The mining industry, whatever the decision may be, is bound to pay the minimum wage of ₱4, or as soon as the 6-month's period ends, even if the petition is granted. In the meantime, the mining industry is exerting all its efforts to meet the burden.

Many of the mining companies, no doubt, will be forced to reduce the number of their employees and to mine only their high-grade ore, to the detriment of the mine and the loss of revenue to the Government.

One important factor, however, is in operation while the decision of the Secretary of Labor is pending. The price of gold has been slowly decreasing from ₱103.50 an ounce on July 31, to ₱98 on August 28. If this trend continues, the Government must do something right away to save the industry.

The Government could assist by (1) cutting down on the production tax, (2) allowing gold producers to sell all their production in the free market, (3) eliminating the dollar exchange tax of 17% on supplies imported by the mining industry, (4) cutting down on corporate income taxes of mining companies, and (5) eliminating the 7% excise tax on machinery and supplies used by the mines. The Government could also peg the price of clean rice at ₱10 a cavan.

GOLD AND SILVER PRODUCTION FOR MAY AND JUNE, 1952

COMPANY		MAY		JUNE	
		Quantity	Value in Pesos	Quantity	Value in Pesos
Atok-Big Wedge	Au	3,489 Oz.	₱244,214	3,587 Oz.	₱251,084
	M.O.	2,252 "	3,964 "	2,156 "	3,062 "
Baguio Gold	Au	1,942 Oz.	135,916	2,120 Oz.	148,405
	M.O.	739 "	1,650 "	180 "	255 "
Balatoc Mining Co.	Au.	8,252 Oz.	577,628	7,836 Oz.	548,483
	M.O.	5,482 "	9,649 "	9,538 "	16,910 "
Benguet Consolidated	Au.	8,011 Oz.	560,762	7,872 Oz.	551,000
	M.O.	5,322 "	9,367 "	9,433 "	16,603 "
Mindanao Mother Lode	Au.	3,628 Oz.	251,561	3,689 Oz.	256,285
	M.O.	12,000 S.T.	260,376	11,700 S.T.	264,091
Surigao Consolidated	Au.	3,679 Oz.	257,536	3,788 Oz.	265,148
	M.O.	4,792 "	8,433 "	5,171 "	10,140 "
Itogon Mining Co.	Au.	3,687 Oz.	258,054	3,691 Oz.	258,334
	M.O.	14,289 S.T.	258,054	15,389 S.T.	258,334
Lepanto Consolidated	Au.	2,646 Oz.	185,220	2,750 Oz.	192,472
	M.O.	31,154 S.T.	185,220	30,738 S.T.	192,472
Looc Lead-Silver Mines	Au.	None	None	19,800 Oz.	34,848
	M.O.	None	None	1,000 S.T.	34,848
Coco Grove, Inc.	Au.	548 Oz.	38,330	475 Oz.	33,210
	Cu.Yd.	143,545	38,330	130,000	33,210
Nor-Min Ventures	Au.	141 Oz.	9,866	None	None
	Cu.Yd.	11,800	9,919	None	None
Tambis Gold	Au.	None	None	None	None
	Cu.Yd.	None	None	None	None
Surigao Placer	Au.	None	None	None	None
	Cu.Yd.	None	None	None	None

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San Mauricio Mining.....	Au. 2,243 Oz.	157,021	2,499 Oz.	174,969
	Ag. 7,522 "	12,336	6,471 "	10,613
	M.O. 8,634 S.T.	169,357	9,312 S.T.	185,572
United Paracale.....	Au. None	None	1,203 Oz.	84,172
	Ag. None	None	3,348 "	5,490
	M.O. None	None	5,413 S.T.	89,562
Totals.....	Au. 38,266 Oz.	2,676,108	39,510 Oz.	2,763,552
	Ag. 31,702 "	53,667	61,512 "	105,727
	M.O. 174,924 S.T.)	2,739,775	100,022 S.T.)	2,869,279
	155,345)		130,000)	

Copra and Coconut Oil

By DOUGLAS C. KELLER

Manager, Philippine Refining Company, Inc., Cebu
July 16 to August 15

MAIN features of the period under review were the settlement of the maritime strike on the United States Pacific Coast, and sharp reductions in freight rates for coconut oil, copra, copra meal, and cake. The highlight of the period (with apologies to Messrs. Ludo) was the fire, on August 13, that gutted the main bodega of the Lu Do & Lu Ym Corporation in its Cebu Mill. We understand that 3,800 tons of copra were totally destroyed in the fire which raged from late afternoon until the following morning. Our congratulations are extended to Lu Do who, despite this very serious loss, was back in production on August 15.

Demand and interest for copra by the Pacific Coast were sloppy; offerings at the opening of \$125, c.i.f., were unsold while buyers' indications were \$2.50 lower. Toward the end of July the market hit a low of \$120, c.i.f., at which level a small volume was traded when the maritime strike was officially ended on July 28.

The market rose slowly to \$127 when, following complaints from both exporters and crushers on the Pacific

Coast, the Conference reduced the freight rate to \$18 per ton, but dropped to \$125 by the middle of August. Interest in Europe was equally desultory at the beginning but, strengthened when, on July 24, the freight rate was reduced to 110 shillings. From the opening of \$110, f.o.b., prices consequently rose to \$125, f.o.b., during the early part of August when the European market enjoyed a further boost following the announcement by the Bank of England that licenses would be approved for dollar purchases of raw materials for resale to E.P.U. countries in sterling at official rates. The immediate reaction here was that practically all dealers and exporters of copra conceived the idea that all the dollars available for "raw materials" would be used for the purchase of Philippine copra. Adjusting their ideas accordingly, they pushed the market to a point, i.e., \$132.50, f.o.b., at which copra was no longer attractive to Europe in comparison with supplies from sterling areas. Interest further slackened when the Conference increased the freight rate by 15 shillings to 125 shillings per ton. Prices therefore dropped and just before the close of the period, considerable tonnage was traded around \$126, f.o.b., after which the market settled around a nominal price of \$125.

The Bank of England announced, on August 14, that the facility introduced by which United Kingdom merchants were to be allowed to buy dollar raw materials for resale to E.P.U. countries for sterling, had been withdrawn for the time being in view of the already large number of applications received. No more approvals of projected deals will be made, nor further applications considered, for a month. By that time the authorities should know exactly how much business is likely to result from the approvals already given. This will enable them to decide whether, and if so in what form, the scheme can be continued.

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Throughout the period, due mainly to shorts covering and partly to speculation, local prices usually ranged slightly higher than the world market. The Cebu market in particular was very strong and persistently showed quotations improving on those of Manila by ₱1 to ₱1.50 per 100 kilos. In general, however, the trend was similar and the nominal price of ₱20 per 100 kilos on July 16, rose to a high of ₱23 at the peak of the period and finally closed at ₱21. Cebu recorded a high of ₱24.50 but closed with a nominal price of ₱22.

Indonesian copra exports in July, 1952, totalled 19,773 metric tons: France, 500; West Germany, 14,529; Denmark, 2,540; Sweden, 1,604; Austria, 600.

THE coconut oil market in the United States during this same period was, if anything, sluggish and from mid-July, when sellers were asking 9-1/4 cents and buyers expressing ideas of 8-1/4 cents, f.o.b. tank cars Pacific Coast, the market showed but little variation until July 28. As previously mentioned, it was on this day that the shipping strike on the Pacific Coast was declared officially settled; whereupon sellers reduced their ideas to 8-1/2 cents for nearby oil and 8-1/8 cents for forward shipment.

Following the announcement of reduced freight rates for copra shipments to Europe, there were indignant, and justified, protests from Philippine crushers who protested that the new rates for copra placed them at an unfair disadvantage with Pacific Coast crushers and demanded, therefore, a reduced rate for oil and copra meal. The agitation continued until August 12, when rates to the United States for both these commodities were reduced by \$5 and made retroactive to August 1. The rate for oil to Europe, however, was reduced by only a niggardly 13/6d and resulted in even more vehement protests from Philippine crushers who had been banking on a much more substantial decrease.

It is to be hoped that the Conference will reconsider its decision and re-adjust the freight in order to place shipments to Europe on a competitive basis with those to New York.

At the close of the period sellers were asking 9 cents f.o.b. tank cars Pacific Coast and 10 cents for bulk oil c.i.f. Atlantic Coast.

Around mid-July European buyers were expressing ideas of \$195, c.i.f., with sellers offering at some \$10 to \$15 higher. Demand during the period was thin although some interest was displayed following the previously mentioned Bank of England announcement when the market moved up to \$215, c.i.f., but with buyers unfollowing at this level, sellers had reduced their prices to \$207 at the close.

The copra meal and cake market during this same period gradually declined from \$83 per short ton c.i.f. Pacific Coast to \$79.25 at the close. This was one market that remained strangely undisturbed by drought reports in the United States, the shipping strike, and reduced freight rates.

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

To United States Pacific Coast.....	13,850 long tons
United States Gulf Ports.....	5,666 " "
Canada, Pacific Coast.....	2,250 " "
Japan.....	2,326 " "
Europe.....	16,565 " "
Israel.....	2,000 " "

Total..... 42,657 long tons

This compares with 49,297 tons of copra exported during June, 1952, and 58,818 tons shipped during July of last year. The total exports for the first 7 months of 1952 are now 341,388 long tons, as against 405,771 tons during the same period last year.

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

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To United States Atlantic Coast.....	6,548 long tons
Formosa.....	142 " "
South Africa.....	505 " "
Holland.....	297 " "
Europe optional.....	525 " "

Total..... 8,017 long tons

By way of comparison, the June, 1952, exports of coconut oil amounted to 6,071 long tons, while during July, 1951, the total was 6,028 tons. The total for the first 7 months of 1952 now amounts to 48,136 long tons, as against 40,030 tons during the same period in 1951.

IN conclusion we wish to remind our readers that it is becoming increasingly evident that trade with the sterling area, either for sterling or on a barter arrangement, is not only desirable but practically necessary. Europe needs our copra and its various by-products as much as we need the trade, and only the lack of dollars prevents her from buying freely in the Philippines. A big demand from Europe for our products would mean that the United States would have to pay higher prices to meet the competition, which, naturally, would reflect favorably on our own dollar income. Contrary, also, to the opinion of many, a sterling balance held by the Philippines would be good for the Islands since there are many European products (apart from Scotch whiskey) which would find a ready market here.

Desiccated Coconut

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

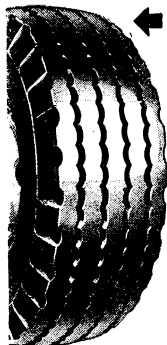
THIS report covers the period from July 15 to August 15, during which time copra and nut prices remained fairly steady at low levels. Speculation on this side of the Pacific resulted in fluctuations which were reflected in the United States market.

The production tempo stepped up appreciably and factories increased production which will be reflected in the August shipments.

Following are the shipping statistics for the month of July:

Shippers	Pounds
Franklin Baker Company.....	5,556,675
Blue Bar Coconut Company.....	937,430
Peter Paul Philippine Corporation.....	—
Red V Coconut Products, Inc.....	1,123,900
Sun Ripe Coconut Products, Inc.....	202,500
Standard Coconut Corporation.....	—
Cooperative Coconut Products, Inc.....	327,600
Tabacalera.....	—
Coconut Products (Philippines) Inc.....	—
	8,148,105

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Sugar

By J. H. D'AUTHREAU
Theo. H. Davies & Co., Far East, Ltd.

THIS review covers the period August 1 to August 31, 1952.

New York Market. Market activity during August was again light with sales to refiners for the preceding month up to August 19 totaling 260,194 short tons, deliveries for the same period totaling 174,445 short tons. The market was dull and entirely without any new feature, albeit firm at previous levels. At the end of July we reported sales of August arrivals at 6.45¢, duty paid, and this price prevails today for prompt raws. There was a brief decline toward the end of the month immediately prior to the close of the September position when on a resale of 2,950 tons prompt Philippines, spot was established at 6.37¢ (August 21) and at 6.39¢ (August 25) on a sale of 2,200 tons of prompt Cubas. After the September position had been closed out, spot and prompt values recovered quickly to the 6.45¢ level. On August 22 a sale was reported of 7,000 short tons Philippines for December/January shipment at 6.00¢, duty paid. Closing quotations on the No. 6 New York Domestic Exchange were as follows:

November	5.98¢
March	5.52
May	5.57
July	5.70
September, 1953	5.74

Distribution for the year up to August 16 totaled 5,228,161 short tons, 221,084 short tons ahead of last year.

Molasses.—Sales were reported during the month of Porto Rican molasses at 9¢ per gallon, f.o.b., loading port. Previous sales of Cuban molasses had been at 11¢. United States tank car prices continued to decline.

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Local Market. (a) Domestic Sugar. Demand was about normal and prices reverted to more realistic levels as a consequence of the Sugar Quota Administration's vigorous campaign against the exportation of converted centrifugal sugar disguised as *muscovado*. If the new restrictions continue to be enforced, stocks and new millings are thought to be sufficient for local needs until new-crop production is available. Prices ruled as follows at the end of the month:

Ordinary centrifugals	— P15.70 to P15.80 per picul, ex mill warehouse
Regular grade washed	— P16.40 to P16.90 " " " "
High grade washed	— P18.30 to P18.40 " " " "

(b) Export Sugar. The market is about dead with only one exporter actively in the market for distant shipment. The current quotation based on March delivery and influenced by the reported sale of 7,000 tons for December/January shipment at 6.00%, is P13.65 per picul, ex Negros warehouse, Victorias basis.

General. 1951-52 Milling. Of the 27 Centrals milling for the 1951-52 crop, 25 have finished milling with a production of 934,820 short tons. The production of the two Centrals still milling is estimated at 131,352 short tons, of which 120,850 short tons have been produced up to August 17, or a total production to date of 1,055,670 short tons, indicating a final production of 1,066,172 short tons, or 12,128 short tons short of the previous official estimate.

1952-53 Domestic Quota. As a result of the successful enforcement during August of the "muscovado" export restrictions, it is now thought that it might be possible to revise the tentative quota downward to the 1951-52 figure of 280,000 short tons. An announcement to this effect is expected shortly.

Manila Hemp

By T. W. JURIKA

Acting General Manager

Columbian Rope Company of Philippines, Inc.

THE month opened with a continuation of the general weakness experienced in the fiber market during the latter part of July. Neither the United States nor Europe displayed any interest in either Davao or Non-Davao hemp except at very low prices and for August or August/September shipment.

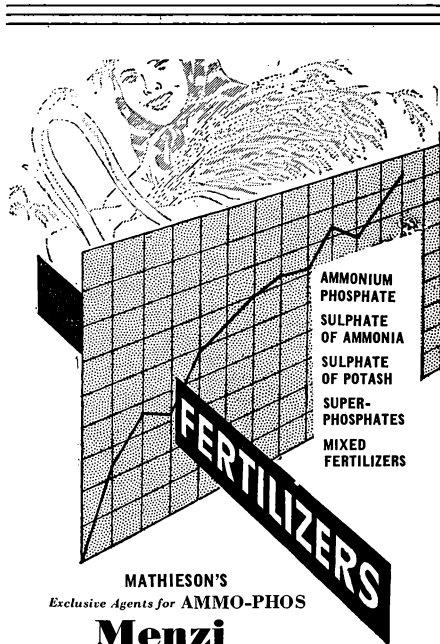
On the other hand, producers had apparently lost interest in stripping even mature fiber at the low prices offered, and devoted most of their time and effort to the production of more profitable food crops. There was a sudden and marked drop in fiber receipts in most sections of the Islands. Supplies virtually dried up. What loose fiber was available was soon bought up by speculative dealers. Several press-warehouses suspended operations at intervals for lack of loose stocks.

This turn of events brought about a period in mid-August when exporters were not offering and spinners overseas, with the possible exception of Japan, were not buying. However, the serious drop in production, by an estimated 15%, and the actual lack of fiber to cover short positions soon brought a firm market into clear focus. Various consumer countries revised their ideas pricewise as much as 3 cents per pound upward, but with few exporters willing to sell even for October delivery.

Japan, as usual, continued to bid for a major portion of Philippine production, showing interest in practically all grades. The impending termination of the Philippine-Japan trade agreement on September 30, prompted Ja-

panese manufacturers to buy early and adequately to cover their requirements in advance of possible last-minute difficulties. In mid-August, however, the Japanese Ministry of International Trade and Industry curtailed the automatic system of licensing fiber imports from the Philippines until such time as the trade balance under the barter agreement was brought more closely into balance. This affected to some extent the volume Japan would otherwise have bought during the second half of August. On the other hand, it is questionable whether all the fiber the Japanese required would have been available.

There seems to be no question that for the first time this year abaca fiber has found a low point beyond which any further drop in the near future is highly improbable. Sisal has recovered from a low point of £78 per ton c.i.f. in early August to a position of steady demand at £100 the end of the month. The forthcoming rice harvest season in the Bicol area during September and October precludes any appreciable amount of fiber coming from that direction. Davao has also come to show marked seasonal fluctuation.



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tuations due to food-crop planting and harvesting, with September one of the harvest months. In all probability, the Japan-Philippine trade agreement will be further extended beyond the end of September, which will continue to lend further support to the market. With demand clearly equaling or slightly in excess of estimated production, it would be safe to expect steady to firm tendencies to prevail the next few weeks.

BALINGS—JANUARY/JULY INCLUSIVE

	1952	1951	1950	1949	1948
Davao	316,719	298,682	200,611	129,123	128,410
Albay, Camarines, and Sorsogon	91,174	168,289	99,917	71,863	122,769
Leyte and Samar	88,080	108,273	66,461	66,793	72,591
All other non-Davao	50,250	63,091	46,019	49,487	77,361
Totals	546,223	638,335	413,008	317,266	401,131

EXPORTS—JANUARY/JULY INCLUSIVE

	1952	1951	1950	1949	1948
United States and Canada	202,187	395,171	194,575	113,663	180,905
Continental Europe	96,726	103,450	71,213	64,498	66,600
United Kingdom	55,835	111,240	44,599	23,207	49,945
Japan	76,582	72,333	55,105	79,735	109,661
South Africa	6,350	11,243	3,675	2,896	1,857
China	5,038	2,845	8,491	8,641	7,436
India	3,300	4,032	3,930	2,800	665
Korea	—	—	3,100	—	—
Australia and New Zealand	950	1,300	625	350	42
All other countries	160	—	—	80	2,853
Totals	447,128	701,614	385,313	295,870	419,964

Shipments to Japan during July were the heaviest of the year, amounting to 17,539 bales, or 26% of the total exports, exceeding by 2,000 bales the total July shipments to the United Kingdom and Continental Europe combined. The United States, however, continued its position as the prime consumer, with 32,170 bales shipped to that destination.

Tobacco

By **LUIS A. PUJALTE**
Secretary-Treasurer

Manila Tobacco Association, Inc.
(Member Tobacco Board)

THE Bureau of Internal Revenue is intensifying its campaign against the illicit manufacture of cigars and cigarettes. The Bureau of Customs and the Philippine Naval Patrol are also very active in the apprehension of smugglers of foreign manufactured cigarettes. These two evils have cost the national coffers millions of pesos in uncollected revenues as well as harmed the legitimate local industry with their unfair competition. It is hoped that this coordinated campaign will not only continue but increase in its proportions till these evils are eradicated.

With the current low prices of leaf tobacco, there are good indications that the dormant United States market for stripped filler and scrap tobacco may be revived. However, there is danger of a repetition of what occurred with Philippine cigars exported to Hawaii during 1947 and 1948, when unscrupulous and inexperienced manufacturers and exporters grabbed the opportunity to make some fast money and shipped bad cigars, to the detriment of the good name of Philippine cigars and to the trade in general.

Cigars have to be manufactured with properly cured and treated leaf-tobacco, and to get a uniform product, good stocks must be kept on hand from various crops for blending. During 1947 and 1948 small manufacturers in general had stocks on hand for only two weeks' manufacture and



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then purchased from different dealers as sales were made or deliveries made to exporters, buying what they could get, often even if it was not appropriate for immediate use.

In the case of stripped scrap, shipments have been made to the United States as early as last June of tobacco harvested during late March and April. How could this tobacco have been properly treated, when drying and proper fermentation (sweating) requires at least from four to five months? In shipping tobacco untreated and uncured, the exporters save money in labor and can naturally under-sell the established exporters who export tobacco only after proper treatment.

There is a danger, therefore, of hurting the reviving market.

Imports

By S. SCHWELKES
Mercantile, Inc.

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

Commodities:	July, 1952	July, 1951
Automotive (Total).....	1,016,943	1,085,897
Automobiles.....	137,125	210,286
Auto Accessories.....	1,671	1,822
Auto Parts.....	220,075	96,440
Bicycles.....	5,083	3,023
Trucks.....	89,785	41,563
Truck Chassis.....	153,547	178,348
Truck Parts.....	164,402	70,018
Building Materials (Total).....	4,284,750	5,180,714
Board, Fibre.....	302	—
Cement.....	77,058	130,292
Glass, Window.....	1,195,900	751,017
Gypsum.....	200,000	45,359
Chemicals (Total).....	12,762,817	6,197,662
Caustic Soda.....	93,504	958,666
Explosives (Total).....	—	—
Firearms (Total).....	1,244	2,971
Ammunition.....	1,117	2,971
Hardware (Total).....	4,393,501	7,149,685
Household (Total).....	763,746	838,889
Machinery (Total).....	2,427,440	2,663,895
Metals (Total).....	7,508,496	13,081,462
Petroleum Products (Total).....	92,934,510	48,962,695
Radics (Total).....	—	7,543
Rubber Goods (Total).....	906,399	1,207,074
Beverages, Misc. Alcoholic.....	5,535	14,028
Foodstuffs (Total Kilos).....	54,061,660	44,472,107
Foodstuffs, Fresh (Total).....	102,814	108,037
Apples.....	—	450
Oranges.....	10,166	15,925
Onions.....	59,324	61,022
Potatoes.....	11,683	7,223
Foodstuffs, Dry Packaged (Total).....	38,398	34,358
Foodstuffs, Canned (Total).....	306,485	706,620
Sardines.....	43,660	30,624
Milk, Evaporated.....	155,243	306,471
Milk, Condensed.....	37,410	103,246
Foodstuffs, Bulk (Total).....	892,048	627,654
Rice.....	294,854	94,999
Wheat Flour.....	533,831	466,755
Foodstuffs, Preserved (Total).....	4,327	192
Bottling, Misc. (Total).....	597,538	1,263,853
Cleaning and Laundry (Total).....	73,444	134,913
Entertainment Equipment (Total).....	12,757	645
Livestock-bulbs-seeds (Total).....	184	1,063
Medical (Total).....	403,817	743,854
Musical (Total).....	42,885	48,380
Office Equipment (Total).....	64,292	20,826
Office Supplies (Total).....	67,538	49,992
Paper (Total).....	3,789,280	7,619,668
Photographic (Total).....	23,192	33,464
Raw Materials (Total).....	458,482	783,648
Sporting Goods (Total).....	69,705	44,304
Stationery (Total).....	250,688	505,445
Tobacco (Total).....	2,206,894	424,654
Chucheria (Total).....	63,405	71,243
Clothing and Apparel (Total).....	269,768	245,564
Cosmetics (Total).....	17,618	7,171
Fabrics (Total).....	1,117,095	1,258,162
Jewelry (Total).....	—	454

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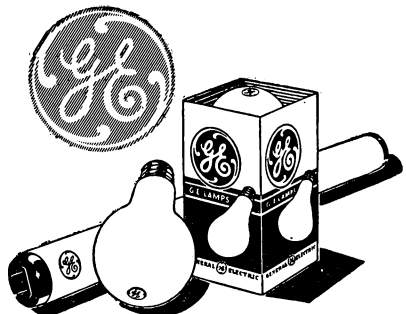
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Leather (Total).....	101,352	144,090
Textiles (Total).....	2,637,904	2,405,981
Twine (Total).....	23,932	148,578
Toys (Total).....	9,171	10,850
General Merchandise (Total).....	548,795	544,403
Non-Commercial Shipments (Total).....	110,684	75,676
Advertising Materials, Etc. (Total).....	16,835	15,052

Food Products

By C. G. HERDMAN
Vice-President, Marsman & Company, Inc.

CONDITIONS in the Philippine markets in foodstuffs remain virtually unchanged from the preceding months.

PRISCO insists on continuing its rationing of wheat flour in spite of its earlier announcements that this rationing would be discontinued as soon as supplies on hand and to arrive were ample. Supplies in stock in Manila today are more than ample for immediate requirements, and in both Cebu and Iloilo stocks on hand are so far in excess of actual requirements that dealers are delaying as much as possible further shipments against pending orders and are selling flour well below ceiling prices. Orders now in transit are estimated to be 600,000 bags and firm orders placed for shipment during the present month also amount to 600,000 bags.

FOR the past two or three months, we have commented on the situation with respect to canned fish. This is a staple item in the diet of the Filipinos and it is of supreme importance, especially during the months from August to November when local fishing is so frequently disturbed by stormy weather. In spite of repeated requests, government authorities have refused to increase the price ceilings on canned fish which are below the actual landed cost to the importers, in consequence of which, naturally, imports dropped off to practically nothing; no one will continue importing an item which could only be sold at a material loss. The anticipated shortage in canned fish stocks in the Philippines, therefore, has developed and is being felt acutely, particularly in provincial districts. The situation is aggravated by the fact that the early run of fish in California (the season for fishing in the Monterey District opened in August) has proved to be a complete failure and it is now almost certain there will be no canned fish in volume available for purchase from the Pacific Coast until the season opens in Southern California in October. Fish from the southern pack cannot arrive here until late November at the earliest, and it still remains to be seen whether the fish will run in quantity in Southern California. Should the catch there this year prove to be light, the situation here will be very serious for a continued period.

CANNED milk stocks continue in ample supply. Prior to 1939, Holland and Norway supplied a very large portion of the unsweetened evaporated milk and most of the sweetened condensed milk imported in the Philippines. These sources were cut off by the German invasion of the Lowlands in 1939 and supplies since that time have been furnished almost exclusively from the United States. During the last few months, however, considerable quantities of sweetened condensed milk have been coming in from Holland and during the last couple of months, considerable volume of the unsweetened evaporated milk has also arrived from that source, and the prices ruling are about P1.00 per case lower in landed cost than the American product.

CANNED fruits and vegetables, canned meats, and miscellaneous groceries are in very short supply and, where available, are generally exorbitantly priced. Potatoes and onions, the imports of which have been banned, have practically disappeared from the market and when available

can only be purchased at prices several times greater than those previously ruling. Philippine production of these essential vegetables is insufficient to satisfy even 5% of the regular demand.

IN August, when the Import Control Commission announced new import quotas for the present semester, the importation of controlled essentials and non-essentials was reduced by 50% to 75% from the quantities authorized for the first 6 months of this year. There seems to be some hope that the quotas for the present semester may be increased in September or October. It is reported the Central Bank has ascertained that import licenses amounting altogether to about \$66,000,000 issued by the I.C.C. during the first 6 months of this year, have never been exercised; that is, letters of credit corresponding to such import licenses have not been established with the local banks. It is said that the Central Bank is urging the I.C.C. to cancel all the licenses which are now outstanding from 60 days to 7 months time, and to increase the allotments on both essentials and non-essentials to regular bona fide importers in a corresponding amount. It is sincerely to be hoped the I.C.C. will take this action which would permit of import quotas being allotted to established importers, in volume at least as great as was allotted the first half of this year.

Textiles

By **W. V. SAUSSOTTE**
General Manager
Neuss, Hesslein Co., Inc.

THE New York market continued firm during the month of August. Prices of all textiles continued with modest but steady advances.

On August 8, the U. S. Department of Agriculture issued its cotton-crop forecast of 14,735,000 bales for 1952. This figure coincided almost exactly with the advance report issued by the U.S. Department of Agriculture in early July.

However, the crop report released on September 8 is 13,889,000 bales, or 2,000,000 bales below the figure called for in the U.S. Department of Agriculture's Spring planting program to achieve 16,000,000 bales. This is a very serious shortage and has created a bullish tendency in the United States cotton market; the prices of all finished textiles have advanced sharply in sympathy. There probably will be a parallel rise in local prices during September but it will be limited by the presently reduced purchasing power in Philippines rural areas.

Local market prices continued firm with slight increases occurring during August.

Arrivals from the United States during the month totaled 9,108 packages, or approximately 4,700 packages less than July. This quantity is approximately 50% below the average monthly consumption.

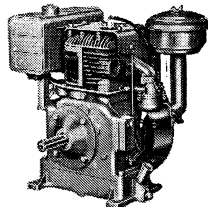
Arrivals from the United States included 4,474 packages of cotton piece goods, 1,304 packages of rayon piece goods, 882 packages of cotton remnants, and 692 packages of rayon remnants. Also included were 188 packages of oil-cloth, 178 packages of sewing thread, 338 packages of hosiery, and 473 packages of cotton knitting yarn.

Arrivals of all types of textiles from countries other than the United States totaled 2,642 packages. Included were 423 packages from China, 637 packages from Japan, the latter including 431 packages of jute sugar bags, 57 packages from Europe, and 1,525 packages from India, the latter consisting entirely of jute cloth and jute sugar bags.



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Legislation, Executive Orders, and Court Decisions

By E. E. SBLPH

Ross, Selph, Carrascoso & Janda

ON July 31, 1952, the Supreme Court rendered a decision reviewing a decision of the Court of Industrial Relations (*Manila Railroad Co. v. CIR et al* No. L-4616) on the matter of what constitutes just cause for dismissal. Four employees were accused of theft and one was dismissed and the others were fined. Later the one dismissed was re-employed and demanded pay for the period he was laid off. The others demanded reimbursement of the fines paid. The Court of Industrial Relations decided in favor of the employees on the ground that the evidence was insufficient because nobody saw them steal the articles in question. The Supreme Court said:

"In support of its finding that Mendoza was not responsible for the loss of the generator, carpenter tools and jeep battery, the CIR said that the Corporate Counsel, convinced of the innocence of Mendoza, did not file any criminal action or any administrative charges. This is hardly correct. The reason said Corporate Counsel did not file any criminal charge against Mendoza was not because he was convinced that Mendoza was innocent but because in his opinion there was not sufficient evidence to support a criminal conviction. This appears in his letter to the General Manager, Exhibit K. As to the filing of administrative charges, it was not he who files administrative charges but the officials of the Company. In fact, said administrative action was taken. Several investigations were conducted resulting in the dismissal of Mendoza and the fining of his companions. To secure conviction in a criminal case, guilt must be established beyond reasonable doubt. In an administrative case, that degree of proof is not necessary. The CIR in exonerating Mendoza and his companions said that no one saw them steal the articles lost. But sometimes, even in criminal cases, circumstantial evidence is competent, even sufficient. This is more so in administrative cases. When a company after due and fair investigation is convinced that an employee is dishonest and disloyal and it has lost confidence in him, said company may not be compelled to retain him in its employ. (*Manila Trading & Supply Co. v. Zueleta et al.*, 69 *Phil.* 485).

"According to Manager Bayan, because of his entreaties, Mendoza was re-employed as a temporary riveter, as an act of generosity on the part of the Company, not because it was convinced that he was innocent or that he deserved to be exonerated. As to Ragas, Salazar and Agoncillo, what we have already said about Mendoza, applies to them and we agree with the result of the administrative action taken by the Company against them. For the foregoing reasons, this part of the decision appealed from ordering the Company to pay Mendoza his salary from October 27, 1947, to August 21, 1948, and to refund the fines of ₱80.00, ₱81.00 and ₱20.00 imposed on Ragas, Salazar and Agoncillo, respectively, is reversed."

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In this decision there is a ruling on the effect of temporary employment. The Company had employed laborers on a temporary basis for rehabilitation of cars and coaches and because the work lasted more than 6 months, the laborers demanded that they be made permanent employees, and the Court of Industrial Relations decided in their favor. That matter had been passed on before and a distinction made between laborers transferred to other jobs of more or less permanent nature and those who continued to work on the specific job of rehabilitation of damaged cars and coaches. The Supreme Court reversed and disposed of the question in the following language:

"As Judge Lanting points out, the previous decision, both original and as clarified, is wholly inconsistent with the present decision on this point in that the first decision which has already become final distinguishes between temporary employees who have been re-assigned to other work more or less permanent in nature and those employees who remained in their original assignment or on projects of a temporary character. In the present decision the distinction is ignored regardless of the kind of work to which the employees were assigned, whether temporary or permanent and despite the fact that in the temporary projects the employees were given to understand that their employment would cease upon completion of the project. The decision in case No. 270-V between the same parties, dated February 10, 1950, clarified by the order of September 8, 1950, besides being more reasonable and fair, has become final and should stand. For this reason, this part of the decision appealed from ordering the Company to give permanent appointment to all temporary employees who rendered at least six months for ordinary laborers and twelve months for skilled laborers is reversed."

THERE is a dissenting opinion in the Ammen Transportation case, reported last month which sets forth some objections to the system of check-off with a suggestion that the law be clarified on that point. The dissent was written by Mr. Justice Montemayor and concurred in by Mr. Justice Padilla, and contains some suggestions for defining the scope and limitations of the system, as follows:

"There is one aspect of this system of check-off which to me besides being of interest, is also relevant, and consequently, it may not be entirely out of place to discuss. That the interests of employer on the one hand and those of the employee and his union on the other, often conflict, we all know. Labor unions are organized to represent the interests of laborers and employees in order to better obtain concessions from the employer through collective bargaining, even through strikes as a last resort. In other words, the labor union is an instrument or agency used by employees and laborers to fight their battles for higher wages and better working conditions against their employer. This traditional struggle between employer and employees representing capital and labor is inevitable. In the United States, specially where there is no compulsory arbitration and where there are no courts of industrial relations like what we have here, the employer and employees fight their battles sometimes to the bitter end, without hindrance or outside help. But they usually fight cleanly and on equal ground. It is all right for the Government to help labor by enacting legislation in the form of minimum wages, maximum hours of work, Workmen's Compensation Act, etc. But to compel the employer to help and strengthen the instrument and agency (the union) used by its adversary (labor) to fight against it (the employer), this without legal or contractual sanction,

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to me is unjust, unfair and unsportsmanlike. It is even illogical. In effect that is what the Court of Industrial Relations and this Court through the majority decision order and enjoin. We are compelling and ordering the management and employer against its will and in the absence of any contract, agreement or stipulations, and in the absence of any law, to practice the system of check-off, so as to strengthen and preserve the labor union by guaranteeing its finances, the employees thereby to better fight their employer. I repeat, I am unable to see the logic or justice, and I fail to recognize any principle of sportsmanship in what we are ordering to be done.

"In conclusion, I believe that the system of check-off is a matter that should be left to the employer and employee and their union to agree upon; that at present, there is no law that compels an employer to practice and observe the system of check-off, and that before we, as it were, rush into compelling the observance and practice of the check-off, we should await the promulgation of a law defining the scope and limitations of the system and providing conditions under which an employee may bind himself and authorize the employer to make deductions from his salary and give such deductions to the union, specially as to the nature of said authority whether revocable or irrevocable, the life or period of the same, etc., all for the protection of the employee, not only from the employer but from the union as well."

Philippine Safety Council

By FRANK S. TENNY
Founder and Executive Director

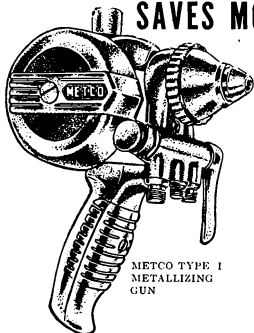
RECENT safety activities include the performance of security functions for three new clients, the Caltex Batangas refinery project, the new American International Underwriters building, and the Inter-Island Gas Service, Inc. This brings to 9 the number of local firms using the P.S.C. as security consultants.

Considerable attention has again been given to the perennial local traffic problem, by request of different outside entities. The Council has recently participated in three radio discussions on the subject, has prepared articles for publication upon request of various media, is pressing the matter with the Mayor's Traffic Committee, with the Manila Taxicabs and Garages Association, and with others, and has volunteered to participate in the new National Traffic Council being formed by the Secretary of Public Works and Communications. The practical effect of all this effort remains to be seen.

Much interest has lately been displayed by different firms and agencies in connection with the showing of safety motion-pictures, and with the distribution of written safety materials. The Council has acted as a sort of coordinator, or clearing house, for these efforts and is gratified to note the increased activity. Additional inquiry is welcome.

In general, to shorten this article, it can be reported that interest in both public and industrial safety matters continues to increase every month. There is a new awareness of the importance of safety, and more and more desire to "do something about it." The Council's fifth anniversary, to be observed next month, will truly mark an epoch in the advance of the "National Safety Movement."

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

Bureau of the Census and Statistics
Manila

1948	All Items (100)	Food (63.43)	House Rent (11.96)	Clothing (2.04)	Fuel, Light and Water (7.73)	Miscellaneous (14.84)	Purchasing Power Index of a Peso
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	262.9	2823
July	356.4	374.2	453.9	201.3	281.6	262.4	2806
August	363.6	385.7	453.9	199.8	281.6	261.7	2751
September	379.6	397.2	453.9	199.2	279.6	260.6	2698
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	277.5	258.9	2909
March	345.8	358.2	453.9	202.0	276.3	255.5	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	287.5	257.2	2865
July	351.7	374.0	453.9	194.2	265.8	240.5	2844
August	337.5	351.2	453.9	196.3	266.6	241.2	2963
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	3000
November	339.0	356.1	453.9	191.1	258.4	238.8	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	2874
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

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

"I SEE by Mr. del Rosario's column in the *Chronicle* this morning that you slipped up, in fact fell flat on your face about that editorial last month," we said to the editor, just to get a rise out of him.

But he only smiled and said, "I can't be right all the time." A little later he came back with the clippings from del Rosario's column in his hand. "Here", he said, "is what

del Rosario said yesterday, when he reprinted that *Journal* editorial,— he said that it 'should be food for thought for both our government and our people' (good man!).

"And what does he say this morning?"

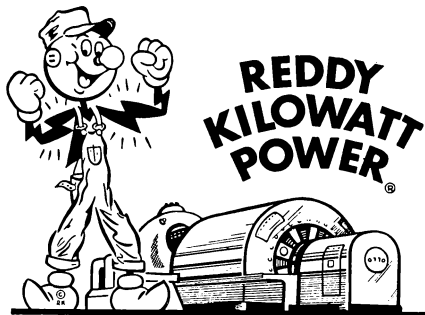
"Arlegui [the Department of Foreign Affairs], Congress, the Immigration Commission, and all parties concerned were thrown into a commotion yesterday by this column. It was all due to a reprint of an editorial in the *American Chamber of*

Commerce Journal, August, 1952, issue, which said we were 'digging our own pit' with the 'unconstitutional provisions' of Republic Act 749 amending the Immigration Law which the *Journal's* editorial described as discriminatory and undemocratic.

"News reporters rushed to the congressional archives first thing in the morning but found Senator Claro M. Recto already there ahead of them. We turn this column over to Justice Recto who sent us the following copy of a letter he addressed to A. V. H. Hartendorp, editor of the *Journal*."

"Then follows," said the editor, "Mr. Recto's letter... And the column ends with this:

"Mr. Hartendorp called up to admit it was an honest mistake.' Now, I ask you, has any real harm been done? I like that 'thrown into a



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commotion'. It is proof, by gad, that the principles of democracy still mean something here.

"If you are going to write something about it in the 'Hair-down' column, suppose you put in this letter I wrote to Mr. Recto in reply to his letter to me. . ."

All right, here it is:

"Dear Senator Recto,

"I am very much obliged to you for your letter of yesterday, and I assure you that correction will be made in the September issue of the *Journal* in the most prominent manner. I was misled by a mimeographed copy of the Bill which came to me with a notation that it was already Republic Act No. 749, although, of course, I had read in the newspapers that the objectionable provisions were attacked in the Senate. I admit that I should have been more careful.

"After receiving your letter, I immediately called up Mr. del Rosario, in whose column in the *Chronicle* you had seen a reprint of the editorial in question, and he told me that he had already received a copy of your letter; I expressed my regret over my error to him.

"I must say, however, that I have been greatly heartened by the fact that Mr. del Rosario reprinted the editorial, in error though it was, and that a man such as yourself has all along taken the issue so seriously.

"May I end by quoting from an address by General Eisenhower before the American Legion convention, as reported in *Time* (September 1): 'In a time when America needs all the skills, all the spiritual strength and dedicated services of its 153 million people, discrimination is criminally stupid?' That, I have felt for a long time now, is even more true for the Philippines.

"Very sincerely yours, etc."

"I AM always a little suspicious when I am very much obliged to you for your letter of yesterday, and I assure you that correction will be made in the September issue of the *Journal* in the most prominent manner. I was misled by a mimeographed copy of the Bill which came to me with a notation that it was already Republic Act No. 749, although, of course, I had read in the newspapers that the objectionable provisions were attacked in the Senate. I admit that I should have been more careful.

"Are you not going a little 'high-brow' with your

hortatory, autochthonous, and eclecticism appearing in your editorial *Journal*, August, 1952, p. 292?"

"I'll gamble a drink that at least 90% of your readers had to look them up in the dictionary.

"This also poses the interesting question: Are editorials for the masses or for the classes? Sincerely, etc."

"What's so bad about people having to look up a word in the dictionary?" asked the editor. "Learning a new word? I am always pleased when a writer introduces me to a good word I didn't know before. But perhaps many readers think

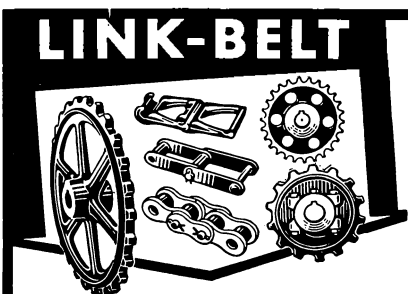
it only a bother to have to look up a word,—supposing they are sufficiently interested in what a writer is saying. Perhaps they don't appreciate it at all being introduced to a new word. Perhaps we ought to adopt basic English for the *Journal* and get along on around 800 words.

"Do you think Mr. Perkins is right about 90% of the *Journal* readers? Perhaps he is about those particular words, but my belief is that,—well, I hate class distinctions, but if I must say it, the great majority of *Journal* readers could be said to belong to the 'classes' rather than the 'masses', at least on the

basis that they have had the advantage of a much better than average education.

"I doubt that a publication devoted to business and commerce could be successfully published with a view to interesting the masses. The *Journal* is frankly addressed to those interested in business and commerce, including, naturally, both businessmen and government officials concerned with business and commerce. That is not to say that consumers, the general public, would not find anything of interest in the *Journal*. I think that the *Journal* often contains matter of interest

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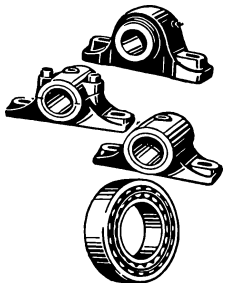


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to the general reader, but that is not the chief objective."

"What about being too 'high-brow'?" we asked.

"Yea, that's the word in Mr. Perkins' note that I don't like. It means to assume an air of intellectual superiority, and that, of course, is insufferable. If the editorials in the *Journal* give that impression, there is something very wrong with them and also with me. . ."

The editor went off, shaking his head; then he turned back.

"Perhaps," he said, "it's hopeless. One of my medical-student sons the other day reported that there was an *occlusion* in the bath-room

floor-drain! But next time I want to use the word *autochthonous*, I'll control myself and make-do with *native* although it does not mean quite the same; when *eclectic* seems to be the word, I'll make a special effort to say *selecting what is thought best*; and if *hortatory* ever pops up again, I'll be damned if I don't use the word *preachy*!

"But friend Perkins had better not come at me with his *quo warrantos*, *mandamuses*, *certioraris*, and *nolle prosequi*, either!"

WE had a note from Mr. J. F. Cotton, of the Manila Electric Company, who has been running the

"Electric Power Production" column in the *Journal* ever since July, 1947, stating:

"I am leaving for a vacation in the States shortly. During my absence, R. J. Baker will prepare the report for the *Journal*.—Regards, etc."

We wish Mr. Cotton a pleasant vacation and are pleased to welcome Mr. Baker to the *Journal* columns. Mr. Baker is the Comptroller of the Company and has lived in the Philippines for some twenty-eight years. Mr. Cotton is expected back in February.

We take this opportunity to congratulate Mr. H. P. L. Jollye who was some time ago elected Chairman of the Board of Directors of the Company, and also Mr. W. R. Snyder who was elected President of the Company to succeed Mr. Jollye in that position. Mr. Jollye succeeded Mr. J. C. Rockwell whose retirement was recently announced in New York City.

Mr. Jollye's services with Meralco began on December 1, 1913, and from 1927 until shortly before World War II, he was the General Manager. He was one of the first businessmen to return to Manila after the liberation and in March, 1945, he started the rehabilitation of Meralco's war-torn system. Following Mr. Rockwell's departure from the Philippines (Mr. Rockwell had been interned in Santo Tomas), Mr. Jollye was elected President on June 1, 1949. Under him, Meralco pushed its ₱50,000,000 rehabilitation and expansion program to completion, which program culminated in the inauguration of the modern 50,000 kilowatt Rockwell (steam electric) Generating Station in November, 1950. Mr. Jollye served the British Government during the War.

Mr. Snyder has spent nearly 30 years in the utility field and joined Meralco in 1930. Like Mr. Rockwell, he was also interned here. Shortly after the war he was appointed Electric Manager, October, 1946, and he was elected Vice-President in June, 1949.

THE editor received a note from our old friend Frederic S. Marquardt, now editor of the Phoenix (Arizona) *Republic and Gazette*, which read:

"Dear H.

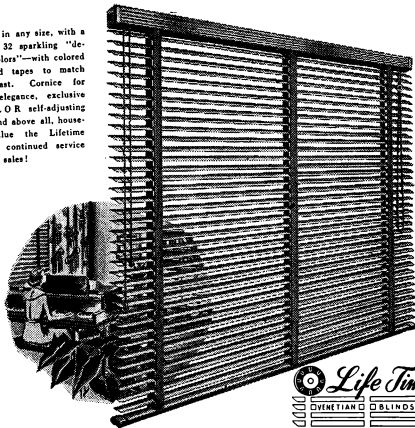
"We occasionally run a bit of verse on our editorial page, and I liked your little piece on the saucers so much that I decided to pick it up without asking permission in advance.

"I enjoy the *Journal* and read it regularly. Regards, etc."

Accompanying the note was the editorial page of the August 11 issue of the paper with the poem, "Space

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Ships", in the upper right-hand corner, taken from the "Hair-Down" column of the June issue of the *Journal*.

The editor said he was pleased to see the poem reprinted and then told us he had himself sent it to *Life International* since an important article in that publication had been mentioned in connection with it. However, he said, he received the following note in acknowledgment:

"Thank you for your letter of June 19 and for sending along the tear-sheet from the *American Chamber of Commerce Journal* in regard to LIFE's article by Messrs. Darsach and Ginna, 'Have We Visitors from Space?' (April 7 issue.) We appreciate your letting us read your poem, 'Space-Ships', but since LIFE rarely uses poetry, we are returning it to you herewith."

"Perhaps they are more interested in 'saucers' in Arizona than in New York," said the editor. "I judge from my reading that there have been more 'sightings' there. I note that Marquardt uses the simple word 'saucers',—not 'flying-saucers', and that he doesn't even put it in quotation marks.

"I noted also that *Newsweek* for August 11, following new sightings reported that Air Force intelligence officers were so besieged by press queries at the Pentagon in Washington that normal schedules and operations were disrupted. *Time*, that same week, reported that 'from all over the country frightened phone calls and irate demands for information rang through the Pentagon.'

"That word 'irate' expresses my own feeling, said the editor. "It is quite obvious that the Air Force Intelligence Section, which has been assigned to the task of investigating this matter, over a period of several years now, has been withholding information and has even issued misleading, if not untrue, statements. It has been assumed by some commentators that this policy was followed for fear of creating, on a much greater scale, a 'panic' such as was caused by the Orson Welles radio-drama of a few years ago on an imaginary invasion from Mars. It is true enough that good judgment should be used in making any official announcement, confirmatory or otherwise, on a topic of such immense significance. But what right has any small group of men to deny the world such exact information as there may be available, on the theory, if the assumption is correct, that what facts they can bear could not be borne by the people as a whole? Do they think they are so much more tough-minded and so much wiser than the rest of us? Certainly it would be better if the people were prepared for possibly the most not-

able event in human history,—communication with extra-terrestrial beings, even a landing of such beings on the earth, than if such amazing and, granted, even frightening developments should take them by a well-nigh shattering surprise.

"Such developments, indeed, might well exceed in importance everything that seems important today; bring us knowledge that, alone, would revolutionize the world's science and industry,—and politics. Also, of course, much of mankind's philosophy and religion. . .

"Let us have what information is available. . . a full report. Governments, especially democratic govern-

ments, including the Government of the United States, publish thousands of reports annually, many of only slight importance. Under what understanding of democratic government can reports on this subject be withheld by a small group of men, even if they are in the military service? It is much more than a military matter."

The editor delivered himself of a strange opinion later in the month. He said:

"It would not surprise me at all, that if it is proved that these 'saucers' are real and we meet or are able to communicate with the beings

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from outer space which operate them, we should find that they are a large and highly-developed type of the living organisms we call insects.

"It would seem that they would have to be rather larger than our insects to allow for the brain-capacity they undoubtedly would have. They could not be functioning solely by instinct, as do our earthly insects. But the reason for my guess is that one advantage the insects have is that they have an exterior skeleton, and this might account for the kind of saucer-navigation which alleged observers have described, involving abrupt changes in direction at terrific speed which no man-like creature could stand.

"Remember that our insects are among the most ancient and successful of living things on earth, and that what we could call the marine insects, the crustaceans, are much more ancient still. It has been estimated that there may be as many as 10,000,000 different species of insects, although we know less than 500,000 of them. About half of these are vegetable feeders and they are capable of maintaining themselves under the most adverse circumstances in almost any kind of habitat.

"The insects have unconsciously fought a fierce and unending war with man, and some scientists have wondered whether in the end the insects will not win out against him. Certainly, long after the earth becomes uninhabitable to us, the insects will survive.

"One thing that has held the insects down is their relatively small size, which was probably determined by the fact that they have no lungs but breathe through a system of tracheae ending in tubes opening along the sides of the body. The hard outer-skeleton probably also serves to restrict growth. And, as I said, their relatively small size made large brain-development, and therefore intelligence, impossible. But imagine an insect developing lungs and achieving a better aeration of the body thereby, so that it could grow to a larger size, acquire a larger head, and achieve a real brain, while retaining some of the other advantages of the insect organism,—the capacity to resist extremes of temperature, aridity, low atmospheric pressure, and small food-intake.

"Such beings would probably find our earth and its atmosphere entirely too rich for them, and that could explain why there have been no landings. . .

"Of course, given a high intelligence, they could not be mere insects in our sense. . . They would be human, indeed superhuman."

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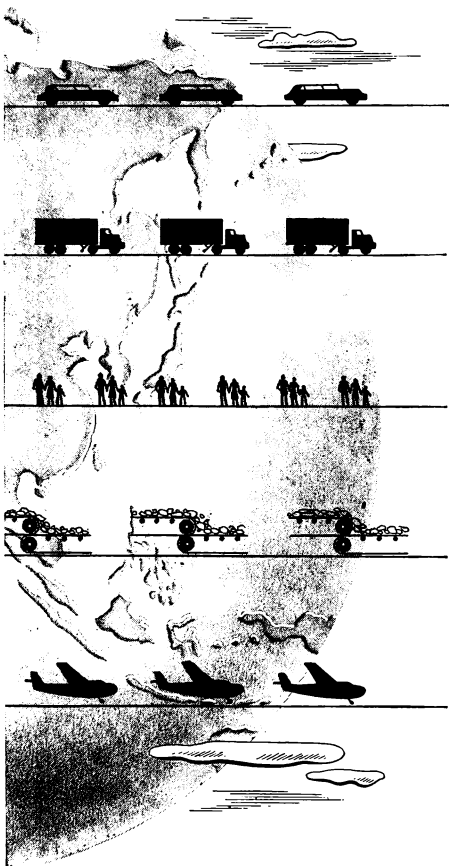
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