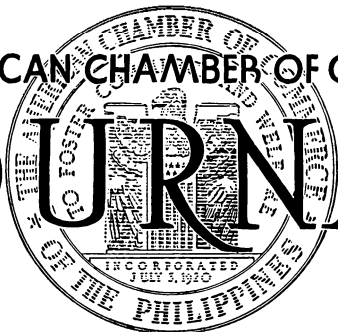


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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A. V. H. Hartendorp

Editor and Manager

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February, 1953

No. 2

Contents

Editorials—		
The Eisenhower Inauguration		43
President Eisenhower on "Economic Strength"		44
The Hardie and McMillan Reports		46
New Chamber Officers and Board Members		48
Annual Report of the President of the American Chamber of Commerce of the Philippines	J. H. CARPENTER	48
Short History of Industry and Trade in the Philippines—Period of the Japanese Occupation	A. V. H. HARTENDORP	53
The Central Bank of the Philippines	R. J. IRVINE	60
Foreign Relations,—and Imports and Exports	JOHN S. COLEMAN	61
The Business View—		
The Government	Official Sources	62
Banking and Finance	W. M. SIMMONS	64
Manila Stock Market	A. C. HALL	64
Credit	C. W. MULLENBURG	65
Electric Power Production	R. J. BAKER	65
Real Estate	A. VARIAS	66
Building Construction	J. J. CARLOS	66
Port of Manila	L. R. WENTHOLT	66
Ocean Shipping and Exports (Annual Figures)	B. B. TUNOLD	66
Freight Car Loadings (Semi-annual Figures)	J. B. LIBUNAO	67
Mining	H. A. BRIMO	68
Base Metal and Gold and Silver Production, 1952 (table)	Bureau of Mines	69
Lumber	P. DE OCAMPO	69
Copra and Coconut Oil	D. C. KELLER	71
Desiccated Coconut	H. R. HICK	73
Sugar	J. H. D'AUTHREAU	74
Manila Hemp	D. R. SOCARRAS	75
Tobacco	L. A. PUJALTE	76
Imports (Annual Figures)	S. SCHMELKES	76
Food Products	C. G. HERDMAN	78
Textiles	W. V. SAUSSOTTE	78
Legislation, Executive Orders, Court Decisions	E. E. SELPH	79
Philippine Safety Council	F. S. TENNY	80
Money and Real Wages of Selected Industrial Workers in Manila, 1941, 1945-52 (table)	Bureau of the Census and Statistics	81
Trend of Money and Real Wages of Selected Industrial Workers in Manila by Occupation, 1941, 1945-1951 (table)	Bureau of the Census and Statistics	82
Cost of Living Price Index, 1948-1953 (table)	Bureau of the Census and Statistics	83
The "Let Your Hair Down" Column		84

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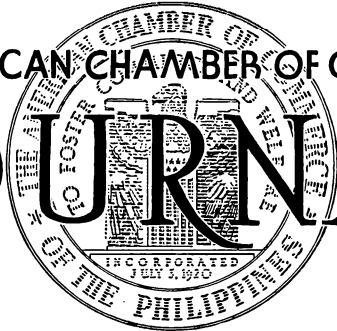


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PHILIPPINES

THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

"... to promote the general welfare"

"Inauguration Day will be a great demonstration of our democratic process. I am glad to be a part of it—glad to wish General Eisenhower all possible success as he begins his term—glad the whole world will have a chance to see how simply and how peacefully our American system transfers the vast power of the presidency from my hands to his. It is a good object lesson in democracy. I am very proud of it. I know you are, too."—From President Truman's Farewell Address January 15.

No man not a downright enemy of the American people can have read the newspaper descriptions of the inauguration of President Eisenhower on

The Eisenhower Inauguration

January 20 in Washington without an uplifting of the heart. The overwhelming impression of it all was that the Americans are a fortunate and happy people, beyond those of any great nation that ever was.

The "garlanded, star-spangled old city"; the "festive, good-natured crowds" which lined the streets; the "warm meeting" at the White House between the outgoing President and the new, despite the difference in party; the ride to the capitol of the two men and their wives, and also of former President Hoover; Truman, after the oath-taking, "bounding forward" to again shake Eisenhower by the hand; "Mamie", the new President's wife, crying and receiving a comforting embrace from her husband as his "second official act of office after shaking hands with his predecessor"; Eisenhower's noble inaugural address; and, finally, Mr. and Mrs. Truman, on the rear platform of the train as they departed from Washington, standing together, "smiling and waving as the train pulled out."

Contrast this with the unheralded appearance in the totalitarian capitals of some sinister new despot replacing the old, always with the gruesome preliminaries of "purges", unwitnessed "executions", mysterious and fatal "illnesses", or entirely unexplained "disappearances",—and the staged and false demonstrations then of popular joy, while the beaten and helpless masses look on.

It was a festive occasion in Washington as all new beginnings traditionally are; for a time the people were not looking outward, but thinking of themselves and their government and they had reason to be happy. And let no one say that the American people are just "lucky". Their tremendous achievement is the product of land and people

and leaders, of their character and intelligence, their now well-tried institutions, their science. American greatness has been earned.

Yet the occasion was infinitely tragic, for all that achievement and glory is most dangerously threatened; perils face the nation which, with the advent of atomic power, are the most desperate in all of human history.

The new President himself alluded to this fact when he stated:

"This trial comes at a moment when man's power to achieve good or to inflict evil surpasses the brightest hopes and the sharpest fears of all ages... The promise of this life is imperiled by the very genius that has made it possible... Science seems ready to confer upon us, as its final gift, the power to erase human life from the earth..."

"So help me God!" was the formal conclusion of Eisenhower's oath of office, but he had departed from the prepared text by including the prayer: "Give us, we pray, the power to discern right from wrong."

He did not have to ask for power as such,—for America now has a physical power that is still unimaginable, including the power to bring punishment on its enemies a thousand times exceeding what was possible in even the recent past.

But a great and evil counter-power exists, described by him as the enemy who know no God but force and no devotion but the use of force; who tutor men in treason; who feed upon the hunger of others; who torture whatever defies them, especially the truth.

The question in every free and humane mind is, "What to do? What to do?"

President Eisenhower made partial answer in his address:

"We wish our friends, the world over to know this above all: We face the threat—not with dread and confusion—but with confidence and conviction."

"We feel this moral strength because we know that we are not helpless prisoners of history. We are free men. We shall remain free, never to be proved guilty of the one capital offense against freedom,—a lack of staunch faith..."

"Abhorring war as a chosen way to balk the purposes of those who threaten us, we hold it to be the first task of statesmanship to develop the strength that will deter the forces of aggression and promote the conditions of peace. For, as it must be the supreme purpose of all free men, so it must be the dedication of their leaders, to save humanity from preying on itself."

"In the light of this principle, we stand ready to engage with any and all others in joint effort to remove the causes of mutual fear and distrust among nations, and so to make possible drastic reduction of armaments. The sole requisites for undertaking such effort are that—in their purpose—they be aimed logically and honestly toward secure peace for all; and that—in their result—they provide methods by which every participating nation will prove good faith in carrying out its pledges.

"Realizing that common sense and common decency alike dictate the futility of appeasement, we shall never try to placate an aggressor by the false and wicked bargain of trading honor for security. . . .

"Respecting the United Nations as the living sign of all people's hope for peace, we shall strive to make it not merely an eloquent symbol, but an effective force. And in our quest of honorable peace, we shall neither compromise, nor tire, nor ever cease. . . ."

Eisenhower spoke, necessarily, also of our having "to dare all for our country" as "history does not long entrust the care of freedom to the weak or the timid." "We must be willing," he said, "individually and as a nation, to accept whatever sacrifices may be required of us. A people that values its privileges above its principles, soon loses both."

However, he obviously has not in mind the establishment of an imperial *pax Americana*. Besides his reference to the United Nations, he said:

"Honoring the identity and heritage of each nation of the world, we shall never use our strength to try to impress upon another people our own cherished political and economic institutions. . . . Assessing realistically the needs and capacities of proved friends of freedom, we shall strive to help them to achieve their own security and well-being. Likewise, we shall count upon them to assume, within the limits of their resources, the full and just burden in the common defense of freedom. . . ."

And in connection with this aim, he spoke of "regional groupings of free peoples", as follows:

"Appreciating that economic need, military security, and political wisdom combine to suggest regional groupings of free peoples, we hope, within the framework of the United Nations, to help strengthen such special bonds the world over. The nature of these ties must vary with the different problems of different areas."

Near the end of his address, he said:

"No person, no home, no community can be beyond the reach of this call. We are summoned to act in wisdom and in conscience; to work with industry, to teach with persuasion, to preach with conviction, to weigh our every deed with care and compassion. . . ."

The use of the word "compassion", within the context, renders this statement one of supreme nobility. It indicates a full realization on the President's part of the prodigious and dreadful power which America has at its command.

But compare with this the following press dispatch which was received just as these lines were being written (January 26):

"Intensification of the Communist propaganda against the United States highlighted the week's opening developments. Radio Pyongyang charged that United States planes had dropped germ-infected insects in North Korea. Radio Peking alleged that United States planes had also dropped *toy-shaped bombs with the intention of killing children.*"

Contrasting this statement with the substance and spirit of the Eisenhower address, one again faces the question whether minds capable of exuding so puerile yet so monstrously brutal an invention, can ever be brought to grasp what is in the minds of men like President Eisenhower. Yet such sub-human intelligences, which in the past were to be found only in the wildest jungles or in a few criminal dens in the cities, today are in control over large parts of the world and menace all of civilization.

Their destruction would involve countless innocents; hence the thought of compassion. Truman faced that issue, and his resolution ended the war with the criminal Japanese aggressors. Eisenhower faces a similar issue, but far more terrible in scope, since the destructive punishments which now would be loosed could involve not a few cities merely, but the whole world, friend and foe alike, including our own people.

Mankind has entered into new dimensions of power, and never before was there more desperate need for its controlled limitation, both scientifically and politically. And the ethical problems involved in the exercise of man's present enormous physical power become ever greater and more acute.

And so President Eisenhower prayed for the power to discern right from wrong. This is a very old form of prayer, but the question of what is right and what is wrong still defies answering, and now more than ever.

Especially for those of us interested in the vital necessity of Philippine economic development, there is a lesson in that section of President Eisenhower's State of the Union Message, delivered before the Congress on the 2nd of this month, which deals with the development of the already great economic strength of the United States, regarding which his leading declaration was:

"The great economic strength of our democracy has developed in an atmosphere of freedom. The character of our people resists artificial and arbitrary controls of any kind. Direct controls, except those on credit, deal not with the real causes of inflation but only with its symptoms. In time of national emergency, this kind of control has a role to play. Our whole system, however, is based upon the assumption that, normally, we should combat wide fluctuations in our price structure by relying largely on the effective use of sound fiscal and monetary policy and upon the natural workings of economic law."

He went on to say:

"In all our current discussions of these and related facts, the weight of evidence is clearly against the use of controls in their present forms. They have proved largely unsatisfactory or unworkable. They have not prevented inflation; they have not kept down the cost of living. Dissatisfaction with them is wholly justified. I am convinced that now—as well as in the long run—free and competitive prices will best serve the interests of all the people and best meet the growing needs of our economy. . . ."

"I believe also that material and product controls should be ended except with respect to defense priorities and scarce and critical items essential for our defense. . . ."

In closing this section of his message, the President stated with great emphasis:

"In facing all these problems—wages, prices, production, tax rates, fiscal policy, deficits—everywhere we remain constantly mindful that the time for sacrifice has not ended. *But we are concerned with the encouragement of competitive enterprise and individual initiative precisely because we know them to be our nation's abiding source of strength.*"

It is not surprising that even before President Eisenhower's inauguration and before he had delivered his noble inaugural address and his message on the state of the Union, the development of events after the election was "heartening to business."

As the authoritative "Monthly Letter on Economic Conditions and Government Finance" (National City Bank of New York) stated:

"A strengthening of confidence is evident not only in general comment, but in rising stock prices and a leveling out of the earlier commodity price decline."

A similar strengthening of confidence could easily take place here,—if the same reasons for it became apparent.

Note:—On February 7, President Eisenhower issued two executive orders, one ending wage and salary controls, and the other, directed to the Office of Price Stabilization, directing the removal of price controls on thousands of items, including meat, restaurant meals, drinks, clothing and household textiles, household appliances, furniture, etc. The items decontrolled representing 12% of the goods included in the Government's cost-of-living index, heretofore about 35% of these items bought by the American family being under control. Many foods, however, still remain under price control, as do post-1946 automobiles and a variety of machinery and various products entering into the national defense effort.

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It is to be hoped that action on two recent government reports of great value will not be made a party issue. This is threatened, although neither report actually offers any material that could be legitimately used by either one of the leading political parties against the other, for the conditions described are not only of many years' standing, but all of the administrations which have been in office during the past four or five decades have in various ways sought to deal with them, sincerely enough,—if more or less effectually.

The Hardie and McMillan Reports

The general facts have long been known, and a study of the legislation of the country over the years will show that the problems presented have never been ignored but have been treated with concern by every chief executive and by every legislative body over half a century.

We refer, of course, to the reports "Philippine Land Tenure Reform—Analysis and Recommendations" and "The Rural Philippines",—the first generally spoken of as the Hardie report and submitted by the Special Technical Mission of the Mutual Security Agency through the American Embassy, and the second, the Rivera-McMillan report, which was a cooperative project of the MSA and PHILCUSA (Philippine Council for United States Aid).

This is not the place for an exhaustive review or criticism of these two reports, but we do wish to point out one general misconception with respect to Philippine land problems which these reports touch upon, and that is that the conditions revealed are "centuries old". It is granted that many large landed estates, some of which still exist, were originally created in Spanish times, but the Philippine Government, first through Civil Governor Taft, early began the attack on this problem through government purchase and redistribution of these lands, which problem is therefore no longer extremely serious.

What is serious is the general problem of tenantry, debt, and absentee landownership, and these are, relatively speaking, fairly new problems.

It is true that even in the early American days the average farm was small, far too small, around 3-1/2 hectares (approximately 8-1/2 acres), but the great majority of the farmers (80.8%) owned the land they tilled.

The following quotations are from the "Census of the Philippine Islands: 1903", Vol. IV:

"The average size of all farms is only 346.8 ares, equivalent to 8.57 acres. In the United States the average size of all farms is shown by the Census of 1900 to have been 146.6 acres, making a ratio as to size of about 17:1" (p. 181).

"In the archipelago as a whole, by far the largest proportion of the 815,453 Christian farmers own the land they cultivate, while tenants who pay a share of products as rental come next in order numerically. . . . A comparison of the Philippine statistics relating to tenure with those given in the U. S. Census reports for 1900 shows that the percentage of owners is much larger in the islands than in the United States." (p. 189).

"The two salient facts that stand out clearly in these tables are, first, that more than four-fifths (80.8%) of Philippine farms are cultivated by their owners; and, second, that the great majority of individual holdings regardless of tenure are of small areas,—86.9% containing less than 5 hectares; 70.4% less than 2; 49.8% less than 1; and 21.7% less than 0.35 of a hectare." (p. 193).

The total population on March 2, 1903, was only 7,635,426, and the American administrators had every reason to believe that as peace and order was established, roads built, ports opened, transportation and communication developed, education brought to the masses, and new lands opened, that the people would move from the more densely populated areas to the undeveloped regions where new land was available.

But they failed to reckon with the very human propensity of the Filipino people to cling to their homes and families; there was emigration to the open areas,—as from the Ilocos regions to the Cagayan Valley, but the relief this afforded was largely cancelled by the rapid growth of the population. There has recently been a large emigration to Mindanao, but according to the Hardie report, the national average of the tillable land area per farm has now

fallen to 3 hectares, while tenancy frequency (less than 20% in 1903) now averages about 35% for the nation as a whole and soars to more than 70% in those areas where agrarian unrest is greatest.

The 1948 Census reported that 37% of all farmers were tenants and the Rivera-McMillan report states that among the farmers surveyed, 46% were tenants, and it points out that the difference in the figures is possibly due to an increase in tenancy since 1948, to under-reporting, or to differences in interpretation of instructions by enumerators. We might point out another possible explanation and that is that the Rivera-McMillan report, being largely based on a study of 13 barrios in different parts of the country, is not fully representative in its sampling. An even more impressive statement made in this report is that "more than two-thirds of all persons working in agriculture own no farm land."

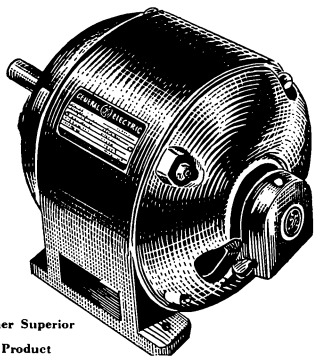
However, the report also shows that "three-tenths of families who rented land rented it from kinsmen", and this, of course, is a fact that tends greatly to mitigate the hardships of tenantry. It is also a fact the full importance of which is likely to be overlooked by outside investigators. Both the Hardie and the Rivera-McMillan reports produce the impression that the problems treated are approached largely from the point of view of the tenants for whom the authors evince deep sympathy. The same problems approached from the point of view of the landowners, especially the smaller landowners, would present a somewhat different view—of the difficulties of the landowner in his relations with his tenants, kin and others, of their dependence and shiftlessness and lack of a sense of responsibility, of the burdens thrown on him, of the virtual impossibility of collecting for debt, of getting rid of any of his tenants, and of finding anyone who will buy the "farm" and take it off his hands.

We are dealing here with a very deep-rooted economic and social system for which no one class or any governmental administration can be held responsible. But it remains a fact that today the general tenantry problem effects every other Philippine interest, because a country's true prosperity must start at the "grass-roots". As long as the majority of the farmers till plots not even large enough for subsistence farming, the country can never get very far along the road to prosperity. Industrialization is not the answer to that problem,—not the complete answer. The general agriculture of the country must be made a profitable industry, especially in a country like the Philippines. That must be the foundation of all sound economic progress, indeed of all progress, social and political. Food is basic in any economy and if the majority of the farmers do not produce enough food even for themselves, where are we?

Probably basic to all of the various recommendations made in both the Hardie and the Rivera-McMillan reports are those relating to the size of farms and to inheritance, for our present laws with respect to inheritance lead inevitably to a further fragmentation of the farms through succession and to the perpetuation of debt burdens resulting from succession. Under present laws, all the children in a family share equally in the inheritance of the family land, and it is this that more than anything else is responsible not only for the small size of the farms and the debt burden of many of the small farmers, but for absentee landownership and for final landlessness.

Even if the Government provided for a large-scale purchase and re-distribution of the land in larger parcels, this problem would still remain unless our inheritance laws with respect to land are also changed. It would no doubt be possible, through a process of education, to induce the people to accept a system under which a piece of family land would go to some one heir,—not necessarily the oldest son, but that son who showed the greatest interest in remaining on and working the farm. But he should

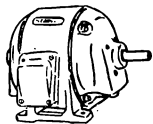
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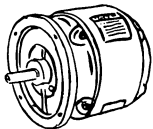
Another Superior



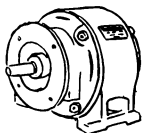
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not be required to buy the shares of the others in the family. Instead, the parents could endeavor, in their lifetime, to give the other children compensation in some form, as in training for a trade or profession, or in help in setting them up in some business of their own.

The two reports which have been the subject of this comment are well worth general reading as well as serious study by our law-makers and administration leaders. Their authors can have had no other motive than to assist the Government in the solution of some very serious problems which should receive priority in attention. Their incisive and rather blunt phrasing produced some misunderstanding and resentment in government quarters but this now appears to be giving way to a realization of their genuine value.

Both government and public opinion is favorable to reform and what remedial action is taken need not necessarily be adverse to the interests of present landowners, whether large or small; under present conditions, they as well as the tenants suffer. The course decided upon could be made advantageous to all the agricultural classes as well as to the country as a whole. Nothing could promote the general welfare of the country so quickly as the establishment of a system of owner-operated family-sized farms. The Hardie Report states this could be done "in within about two years from the date of the enactment of enabling legislation" and at a remarkably small administrative cost, well within the Government's budget capacity.* For the acquisition of the land to be redistributed, the Report recommends an issue of 30-year, non-negotiable, interest-bearing bonds, "payable through the years at a rate approximately in harmony with collections from tenant purchasers"—"without cost to the public and without disruption to the economy."

*Approximately P23,000,000 a year for the two (transfer stage) years, and P4,000,000 a year as a continuing charge.

At the 1953 annual meeting of the American Chamber of Commerce of the Philippines, Inc., held on the Chamber premises on January 30 and very well attended, the election of members of the Board of Directors resulted in the reelection of Messrs. J. H. Carpenter, acting President, and of F. C. Bennett, E. E. Selph, W. M. Simmons, and Paul H. Wood, Directors, and the election of four new members.—Messrs. R. J. Baker, S. W. G. Lehman, W. C. Palmer, and Paul R. Parrette.

At the organization meeting of the Board, held on February 2, Mr. J. H. Carpenter was elected President, Mr. W. C. Palmer, Vice-President, and Mr. R. J. Baker, Treasurer, Mr. I. T. Salmo being reelected Secretary. Mrs. Virginia Gonder remains Executive Vice-President.

The following are the business connections of the officers of the Chamber and the other members of the Board:

- Mr. R. J. Baker, Comptroller, Manila Electric Company.
- Mr. F. C. Bennett, Vice-President and Sales Manager, Atlantic, Gulf & Pacific Company of Manila.
- Mr. J. H. Carpenter, Vice-President and General Manager, Colgate-Palmolive Philippines, Inc.
- Mr. S. W. G. Lehman, General Manager, Standard-Vacuum Oil Company, Philippines.
- Mr. W. C. Palmer, General Manager, Getz Bros. & Company, Philippines.
- Mr. Paul R. Parrette, President and General Manager, Philippine Manufacturing Company.
- Mr. E. E. Selph, Member of the firm, Ross, Selph, Carrascoso & Janda.
- Mr. W. M. Simmons, Manager, National City Bank of New York, Philippines.
- Mr. Paul H. Wood, Vice-President and General Manager, International Harvester Company of Philippines.

Annual Report of the President*

American Chamber of Commerce of the Philippines, Inc.

BEFORE starting this report as Acting President of the Chamber, I should like, on behalf of the absent President, Mr. J. L. Manning, and myself to acknowledge and express our deep appreciation for the outstanding cooperation and assistance we have received throughout the year from other members of the Board, the Chairmen and members of various committees, all the members of the Chamber, Mrs. Gonder, Executive Vice-President and her staff, and Mr. Harendorp, Editor of the *Journal*, in which case we cannot fail to pay special tribute to the twenty or more men, some of whom are not members of the Chamber, who wrote the general business columns every month. Throughout the year the general spirit of cooperation and the effectivity of the common effort has been notable. This spirit has been deeply appreciated by all members of your Board of Directors.

It is unfortunate that Mr. Manning cannot be present to give his annual report, but we will do our best to submit to you an account of the activities of the Chamber as he would have done.

Organization—At the annual meeting held on January 25, 1952, the following members were elected to serve as Directors for the new year:

- F. C. Bennett —Vice President and Sales Manager, Atlantic, Gulf & Pacific Co. of Manila
- J. H. Carpenter —Vice President and General Manager, Colgate-Palmolive Philippines, Inc.
- D. O. Gunn —President and General Manager, H. E. Heacock Co.
- J. T. Hicks —General Manager, Liggett & Myers Tobacco Co.
- J. L. Manning —Vice President and Treasurer, Manila Trading & Supply
- J. A. Parrish —General Manager, Standard-Vacuum Oil Co.
- E. E. Selph —Ross, Selph, Carrascoso & Janda
- H. C. Stevenson—Owner's Representative for the Orient, Pacific Far East Lines, Inc.
- P. H. Wood —Vice President and General Manager, International Harvester Co. of Philippines.

At the organization meeting of the Board held on January 28, 1952, the following officers were chosen:

- President —J. L. Manning
- Vice-President —J. H. Carpenter
- Treasurer —D. O. Gunn
- Executive Vice-President —Virginia Gonder
- Secretary —Isabelo T. Salmo

At the first regular board meeting held on February 11, 1952, further organization of the Chamber produced the following Committees with their respective Chairmen:

- Foreign and Domestic Trade Controls Committee —J. T. Hicks
- Taxes Committee —J. A. Parrish
- Legislative Committee —P. H. Wood
- Industrial Relations Committee —F. C. Bennett
- Civic Affairs Committee —D. O. Gunn
- Legal Affairs Committee —E. E. Selph
- Finance Committee —D. O. Gunn
- Membership Committee —C. Stevenson
- House Committee —J. T. Hicks

Due to resignations from the Board during the year, the following replacements were made:

- (1) On May 12, Mr. Roy Davis, Resident Manager and Director, Goodyear Tire and Rubber Company, replaced Mr. J. A. Parrish.
- (2) On August 11, Mr. W. M. Simmons, Manager, National City Bank of New York, replaced Mr. Roy Davis.
- (3) On July 15, Mr. Dean H. Mellis, Vice-President, Philippine Refining Company, replaced Mr. H. C. Stevenson.

Due to the unfortunate illness of his son, Mr. J. L. Manning left for the United States on November 24 and Mr. J. H. Carpenter acted as President for the remainder of the year. These replacements brought about certain changes in committee chairmen which have all been properly recorded in the Chamber's records and will not be elaborated upon in this report.

*Read at the Annual Meeting held on January 30, 1953.

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).

OFFICERS AND DIRECTORS, 1953

J. H. Carpenter, President; W. C. Palmer, Vice-President; R. J. Baker, Treasurer; F. C. Fennett, S. W. G. Lehman, Paul R. Parrette, E. E. Selph, W. M. Simmons, and Paul H. Wood. Mrs. Virginia Gonder, Executive Vice-President; I. T. Salmo, Secretary

American business houses and individual Americans, not already members, are cordially invited to join the Chamber and to assist in the promotion of its purposes.

PAST PRESIDENTS

- *H. L. Heath
- *C. M. Cotterman
- E. E. Elser
- *R. E. Murphy
- G. H. Fairchild
- *P. A. Meyer
- *H. M. Cavender
- *S. F. Gaches
- W. H. Rennolds
- F. H. Stevens
- P. H. Wood
- J. A. Parrish
- J. L. Manning

*Deceased

Chamber Activities during 1952—During the year your Board of Directors held 12 regular business meetings and 6 special meetings for the purpose of discussing and planning such action as was warranted in all matters pertaining to Chamber business. Standing committees met from time to time to discuss special events and to attend various meetings with different government bodies.

Special meetings were held with Governor Cuaderno to discuss the exchange tax and certain subjects referring to the proposed revisions of the Bell Trade Agreement.

Special meetings were held with the Chairman of the Import Control Commission and with the other commissioners at various times to discuss import control problems.

Every effort was made by your Board through its Executive Secretary to keep all members fully informed of important developments by means of the regular bulletins.

Membership Committee; W. M. Simmons, Chairman—The following figures show the membership of the Chamber on December 31, 1952, and changes made during the year:

Dates	Active	Associate	Non-Resident	Total
January, 1952.....	144	39	6	187
Added 1952.....	2	2	0	4
Withdrawn 1952.....	5	3	1	9
December, 1952.....	147	38	3	188

This represents an increase of 3 active members and a decrease of 1 associate and 1 non-resident member, making a net increase of 1 new member.

Report from Executive Vice-President, Virginia Gonder—

Chamber Bulletins—During 1952, a total of 618 bulletins were issued as compared to 343 in 1951, which shows a substantial increase largely due to the number of releases from the ICC and to the securing of additional trade information from abroad.

Incoming Telephone Calls—The Chamber received 624 incoming calls during December alone, or an average of 24 incoming calls a day.

Visitors—The Chamber, during the month of December, had 598 visitors, 15 of whom were businessmen and tourists from the United States.

This was an average of 22.7 visitors a day.

Records—As a result of new record systems now in use in the Chamber offices, information is being furnished to members more promptly and accurately than was possible in the past.

Library—Library facilities have been expanded with the addition of trade bulletins and journals in an effort to furnish members with more diversified information.

Finance Committee; D. O. Gunn, Chairman—The Annual Financial Report for the year 1952, duly certified by our auditors, has been completed and is available to active members upon receipt of their written requests.

In this report members will find detailed and complete data regarding our operations for the past year,—the highlights of which are as follows:

The cash position of the Chamber at the end of the year 1952 was very sound and showed an increase of ₱8,100.65 as compared to the previous year. There was also an increase in the net assets of the Chamber over that of the previous year, amounting to ₱6,064.24.

Although there was a net loss of ₱4,358.42 from Chamber Operations, this was mainly due to moving expenses to the new location, the open house party, and the loss on the operation of the coffee shop. The total of these three items amounted to ₱5,467.20.

The net income of the Journal amounted to ₱9,224.56 for 1952, as compared to ₱7,156.26 for 1951, an increase of ₱2,068.30.

As will be seen from the above figures, the Chamber has been operated on a sound and economical financial basis; the Chamber is now fully staffed and equipped to render maximum and efficient service to our membership.

House Committee; J. T. Hicks, Chairman—The House Committee had a busy year during 1952 with the moving of the Chamber offices to the new location on March 1 and the formal opening of the offices on June 27.

The coffee shop was closed on July 15 due to the fact that for the last 18 months it had been operated at a loss and the Board felt that continued operation was not justified.

Location of Chamber Offices—On March 1, 1952, the Chamber offices were moved to the present location at 424 San Luis Street. These offices cover a total floor space of 235.19 square meters and are provided with first-class rest rooms for both women and men.

The monthly rent is ₱675 and the present lease expires on March 1, 1953.

On August 28, 1952, a written request was received from a number of members requesting the Board of Directors to consider giving up the present Chamber offices and moving back to a down-town location somewhere north of the Pasig River.

Your Board has made a detailed study of this matter and has arrived at the conclusion that the present location of the Chamber offices and the facilities available are more adequate to the taking care of the Chamber's business than if they were located in a down-town area. With this study in mind, the Board recommends that another

one-year lease be taken on the present offices. Since this subject is one that has been discussed by so many members, your Board feels that the full memberships' expression should be had before the matter is closed. In order not to interrupt this report, the question will be brought up for discussion under the heading of "Open Discussion".

Civic Affairs Committee; H. D. Hellis, Chairman—The Civic Affairs Committee for 1952 has acted whenever necessary, in line with Chamber policy in carrying out our civic activities. Although there have been numerous and sundry requests for aid, the major effort of the committee during the year was concentrated on the Community Chest drive.

Mr. Manning was appointed Chairman for the American community and through him considerable responsibility for soliciting American community contributions in this drive was placed on the Chamber. The Chamber, through its facilities, assisted Mr. Manning in sending out literature concerning the Community Chest activities. Frequent meetings were held and every effort made to gain as large a support as possible, with the final result that a total of ₱104,115 was contributed by the American community.

Industrial Relations Committee; F. C. Bennett, Chairman—The Chairman and all members of the Industrial Relations Committee worked throughout the year with the committees of other chambers of commerce in order to assist in the preparation of laws affecting industrial relations. Special emphasis was given to services and facilities extended to employees without cost, which, in various instances, have not been considered as wages under the new Minimum Wage Law.

As regards the Minimum Wage Law, the full-scale wage became effective on August 4, 1952. The mining industry, as one of the largest employers in the Philippines, petitioned the authorities for some type of relief under this law. No decision has as yet been reached regarding its petition, but it is expected that something definite will be worked out in the very near future.

Legislative, Taxes, and Legal Affairs Committee; E. E. Selph, Chairman—The Chairman and a number of other members of the Chamber attended several meetings of the House Ways and Means Committee during the 1952 session of Congress and made representations for certain amendments to the exchange tax law, which they felt would induce investment of additional American capital in the Philippines. None of these proposals were adopted but the law was modified so that, effective July 1, 1953, the 17% tax rate will be reduced to 12½%. No changes were made in the other emergency tax laws and the new committees should be prepared to stand by for probable public hearings on the extension of these measures during the coming session of Congress.

Your Board continued to investigate the possibility of having U. S. dollars made available through United States agencies operating in the Philippines for meeting United States tax obligations on the part of American citizens residing here. No such plan has yet been worked out by the American Government as to this, but the matter will continue to be investigated by the Chamber.

Foreign and Domestic Trade Controls Committee; J. T. Hicks, Chairman—During the past year this Committee has collaborated extensively with the Mutual Security Administration in an effort to determine the commodities to be included in the program of the allocation of M.S.A. funds for importation of consumer and other goods. Specific recommendations were made to the M.S.A. based on a survey of the membership for the specific purpose.

Concerted efforts were also made by the Committee to induce the M.S.A. to incorporate in its aid program a concentrated effort to improve the coordination of the gathering of statistics by the Philippine Government and devise ways and means of eliminating the annoying practice of numerous different government entities requesting from the business community statistical data on the same or overlapping subjects.

Various conferences and meetings were held with the members of the Import Control Commission, during which suggestions for improvement of I.C.C. functions and policies were stressed. A detailed program for the implementation of Section 13 of the Import Control Law was offered to the Control authorities based on an extensive study of the basic law, and many of the more favorable parts of Executive Order No. 510 ultimately issued by the President to implement Section 13 of the law, were a result of the suggestions put forward during these meetings. It is felt that many of the anticipated objectionable provisions included in the original draft of Executive Order No. 510 were eliminated by the authorities upon the recommendation of this Committee.

Another survey of the membership of the Chamber during the year resulted in specific recommendations to the Import Control authorities on the changing of the classification of many critical and essential items of import from the non-essential categories to categories less restrictive in nature.

Close liaison with the American Embassy on problems confronting Chamber members was maintained, and in several cases satisfactory results were achieved. Representation with the American Ambassador with regard to the practice of the U. S. Army Exchange Service offering consumer items for sale to the general public, in direct competition

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with local business, resulted in the curtailment of this activity and a realization on the part of the authorities concerned of the damaging effects that such practices have had on private business.

Acting on complaints received from several of our members, the Committee took up with the American Ambassador the question of the application of the Philippine Flag Law to bids put out by the PHILCUSA and the M.S.A. for the supply of United States merchandise under the aid program. It was pointed out to the Ambassador that a parallel situation with respect to war damage and rehabilitation funds under the Philippine Rehabilitation Act of 1946 resulted in the passage of regulations exempting American firms from the provisions of the Philippine Flag Law with respect to the expenditure of funds appropriated by the United States Congress and, or expended under joint activity of the American and Philippine Governments. Favorable consideration was given to our representations, and the Committee was advised that recommendations for correcting this situation would be made by the Ambassador to the proper authorities in Washington for immediate attention.

Extensive reorganization on the part of your Committee with the Secretary of Commerce and Industry and with the Price Stabilization Corporation with regard to the consolidation of the various forms required for reporting incoming shipments and their final disposition, resulted in the recently revised and consolidated forms adopted by the PRISCO eliminating the former expensive duplication of effort. Also along these lines, pressure brought by your Committee on the PRISCO authorities and close collaboration with those authorities, resulted in the modification of Executive Order No. 510, whereby importers are now allowed an alternate method of reporting incoming shipments to PRISCO far in advance of their anticipated arrival in order to allow prompt action on the part of PRISCO in connection with release or waiver of their priority over the 50% reservation for Filipino importers. Under this amended Order, an importer is now allowed to report the anticipated arrival of a shipment within five (5) days after opening the letter of credit therefor, and PRISCO has pledged itself to expedite the handling of such reports so that the importer may know at the time of arrival of his shipment what disposition is to be made. This particular plan was originated and fostered by one of your Committee members, Mr. Eugene Davidson, and through his concentrated efforts, resulted in the wholehearted cooperation of the PRISCO authorities, was pushed through in excellent time.

It is felt that valuable relationships were established during the past year with government authorities concerned with the various trade controls and that effective liaison was carried out satisfactorily on the whole. The Committee attempted to carry on where the outgoing Committee left off, and it is expected that continued close liaison with the control authorities in the future will result in progressively successful relationships, beneficial to the Chamber membership as a whole.

Close contact with Philippine government authorities and attendance at numerous meetings have been carried on by a sub-committee headed by Mr. D. O. Gunn relative to the proposed amendments to the Bell Trade Agreement and the substitution of a "selective free trade."

Committee on Bell Trade Act Revision; D. O. Gunn, Chairman—During the past year your Committee has endeavored to follow closely the trend of thought and action of the Philippine Government on this important subject and has attended several hearings which were held during the early part of 1952 in the office of Secretary Montinola to which various groups were invited.

As there seem to be varying trends of thought in Philippine government circles regarding this Agreement, our Committee has been compelled to adopt an attitude of watchful waiting until such time as the question comes before the Philippine Congress for discussion and action and its recommendations have been transmitted to the United States Government.

At the present time the report of the 15-man committee appointed by President Quirino is under discussion by the Philippine Congress and there seems no doubt that a concrete proposal will be submitted in the near future to the United States Government by the Philippine Government recommending revision and change in this Agreement under which, beginning July 4, 1954, progressively increased tariff rates or progressively reduced quotas on Philippine exports to the United States will be applied.

In all probability a commission will be appointed by both Governments to consider proposed changes and it is recommended by our Committee that a strong committee be appointed by the incoming Board to follow closely new developments which would vitally affect the interests of our members. This is of special importance because of the fact that import and exchange controls will be considered together with the revision of the trade legislation.

It is also recommended that the incoming Board that, in addition

to a committee, our members be asked to select and appoint a representative or spokesman for each particular group among them who would be designated with authority to express the views and opinions of each these various groups on the subject. By groups we refer to various associations formed among our members for the purpose of representing the specific interests of industries which are closely allied.

If this procedure would be followed, meetings could be held throughout the year by the Committee to which these representatives would be invited and to which concrete ideas would be presented. These ideas and the recommended action would in turn be presented to the Board of Directors by the Committee which would in due course transmit them to our membership.

American Chamber of Commerce Journal; A. V. H. Hartendorp, Editor—The American Chamber of Commerce Journal, official organ of the Chamber, showed a gross income for the year of \$57,000. This was \$8,000 more than the 1951 income. Under the circumstances, 1952 was considered to have been a good year for the Journal. The greater part of the Journal's income is derived from advertising and your Board wants to express its appreciation to all members for the advertising support they have given this publication.

The cooperation and support given to the Journal by more than 20 businessmen who contribute valuable monthly articles is fully recognized by members of your Board and is greatly appreciated by the readers in general. The Chamber also extends its appreciation to the various government entities for much of the important statistical information carried in the Journal.

One of the most interesting features during the past year was the series of articles on the publication of which still continues, which when completed, will constitute a history of industry and trade in the Philippines. This series has aroused wide and appreciative interest, both in and outside the Chamber membership. We are grateful to the author, Mr. Hartendorp, for the special effort he is making in writing this series of articles and for making much original material available which has not appeared in print in any form, especially the sections dealing with the Japanese occupation.

To publish this series of articles has meant the insertion of a much greater number of pages in each monthly issue than usual, and a special appeal to the members to increase their advertising and pay this additional expense. This appeal met with an excellent response from the membership during the latter part of the year. Your Board hopes that this special support will continue as it is very desirable that this history be brought up to date and this will require at least 3 or 4 more monthly installments.

Editorially, the Journal has continued to offer enlightening contributions to the discussion of such topics as "outside capital investment," "parity," "government controls," "the bringing in of technical men," and new tax, wage, and other legislation affecting business. The Journal has put forth the views of the Chamber on various controversial questions without giving cause for offense.

The Journal is being more and more widely read, both here and abroad, and it represents your Chamber with ability and dignity, serving to establish for the Chamber the personality it could not establish in any other way. All those associated with the Journal and its valuable work deserve our commendation and thanks.

Future Prospects—As we face the new year, we cannot but look forward with a hopeful thought for 1953 and to feel that progress has been made in solving many early-day problems which are so vital to American business in the Philippines.

While no actual statistics are available, we know that there is considerable unemployment; we know that collections are slow and that credit is tight; we know there are scarcities of commodities and high prices and that the living index is still high; but we also know that conditions of peace and order throughout the country have improved greatly and that for this and other reasons, agricultural production has increased; we know that industrial production is also increasing, which should help the unemployment problem; we know that on July 1, the 1% exchange tax will be reduced to 1/2%, which should be reflected in the cost of living index.

It would be improper at this meeting to speak either as Republicans or as Democrats, but we believe that every businessman will agree that the new administration in Washington promises well for the interest of business in general, not excluding the interest of the labor factor. In view of the continued close relationship between the Philippines and the United States, favorable political and economic developments there should be reflected here. It may be that we will see a turning away from the more radical experimentation and the return to a course calculated to conserve those values which the free world has sought so long to establish and which have been, and still are seriously threatened.

"The fulfillment of our destiny depends upon the preservation of our freedom and upon the achievement of the material strength necessary for its defense. . . . The strength we need to defend our freedom can be assured only if private enterprise is given the opportunity to make its maximum contribution to the development of that strength."—From the "Final Declaration of the 39th National Foreign Trade Convention", sponsored by the National Foreign Trade Council, Inc., held in New York, November 17-19, 1952.

Short History of Industry and Trade in the Philippines

Period of the Japanese Occupation (Continued)

By A. V. H. HARTENDORP

THAT the entry of rice into Manila was by no means free, however, was evident from the regulations laid down by the Food Administration which ordered that rice, either for personal consumption or for sale, might be brought into Manila only under three conditions: (1) palay (unhusked rice) might be delivered to BIBA in the provinces, of which 60% would then be bought by BIBA at ₱25 for a sack of 44 kilos and the rest delivered to the owner in Manila free of charge; (2) in the case of rice, 50% would be bought by BIBA at ₱70 a cavan of 56 kilos and the rest delivered to the owner in Manila; or (3) consumers or dealers after obtaining a license might bring the rice to Manila themselves, but would have to sell 20% of it to BIBA at ₱80 a cavan. People were urged to act quickly as the new policy would be "effective for only a short time." However, no person would be allowed to store more than one cavan of rice for each member of his family. These new regulations may have brought some relief, but less than three weeks later, on May 11, the *Tribune* reported that the price of rice was still rising, "government efforts to the contrary notwithstanding." Laurel appealed to city residents who had rice of their own, or who were in a position to buy rice in the "open market" (black market), to withdraw their names from the BIBA ration list "to help remedy the acute rice shortage in Manila."

A few days later, Laurel approved an order of the Food Administrator fixing the price of rice in Manila at ₱200 a cavan and at ₱10 a ganta; the order was not to affect the BIBA ration price which remained at ₱1.20 a kilo. (The price of rice in the provinces ranged from ₱135 to ₱250 a sack.) At the same time, every family head in Manila was ordered to report the quantity of rice in his possession. Another Laurel order directed the Food Administrator to take possession of all stocks of rice and palay held in excess of the permitted amounts. On May 17, BIBA officials were reported to have "located and sealed some 100 storehouses in the city." The Governor of Rizal Province was also authorized to confiscate rice found in the possession of residents in excess of the amounts permitted.

The Japanese Army had generally kept very much in the background in rice matters in so far as the press was concerned, but it now betrayed its interest, though with the usual hypocrisy. Headlines on May 18 read: "Rice Hoarding Made Hostile Act; Rice Speculators will be Punished under Martial Law; Army Fully Behind Philippine Government in New Policy in Present Crisis."

"Determined to give full support to the government in the execution of its rice policy, the Imperial Japanese Army in the Philippines will consider any attempt to speculate in rice as a hostile act punishable under martial law. This stand was announced by the Army in a statement issued Wednesday (yesterday) afternoon. . . The Army's policy is to deal rigorously with these activities in accordance with military law, considering them hostile acts which adversely affect, directly or indirectly, the military operations of the Army, thus to liquidate the sinister groups which disturb national peace and order. . . As reason for the soaring of the rice price, a section of the public is reported to mention that Japanese firms are buying the cereal at high prices in the provinces. We take this opportunity to state that the rice thus purchased is to be supplied to Filipino employees of the firms. Needless to say, the companies have bought at a justifiable price. Hence we regret to hear the report that the chiefs of some municipalities and barrios in the provinces are taking advantage of the purchase by Japanese firms to induce sellers to offer exorbitant prices to the purchasers. . . At the same time, any Japanese firms engaged in unjustifiable purchase without permission by military authorities will be punished strictly. . . As a fundamental measure to bring down the rice price, military authorities plan to import rice in large quantities from abroad. We earnestly desire that, trusting the policy of the Philippine government, the Filipino people will collaborate with it without being utilized by speculators for their selfish purposes."

What appeared to be a last hopeless effort to the Government to meet the situation was to "decree the unrestricted entry of rice into Manila"; this was on July 10. The *Tribune* reported:

"The unrestricted entry of rice into Manila was decreed Saturday by the government which promises all possible assistance to buyers of rice or its substitutes in the provinces to transport their purchases to Manila, the Bureau of Information announced. Due to many difficulties, including the scarcity of the commodity, inadequate transportation facilities, and the reluctance of producers or hoarders of this essential commodity to cooperate with the government, very serious fears are entertained as to whether the government will be able to continue rationing rice to residents of the city. . ."

Community kitchens had again been opened on the 15th of May and by the end of the month some 60 of them were reported to be in operation under various governmental and private agencies. At the end of the month they were all taken over by the Ministry of Health, Labor, and Public Welfare. But the scale of this aid to the starving was to be judged from a published statement that "as a step to facilitate the distribution of rice, fuel, and other necessities [to the community kitchens], the Ministry has been able to get a larger truck for the purpose." Apparently there had been only one smaller truck up to this time!

"Well-to-do" citizens were reported to be forming organizations called *timbulan* or "life-savers" and contributing funds to keep additional community kitchens going in various districts of the city.

Forced Labor.—A more or less voluntary gardening movement had also started. Camotes and various greens such as *kangkong* and *talinum* (also raised in the Santo Tomas Camp), were raised on empty lots, but there was much difficulty about obtaining gardening implements. Labor Day, May 6, was used to publicize the conversion of this movement into a compulsory one. Garden areas were set aside in various districts of the city and everyone between 16 and 60 years of age was required to do a day's work once a week. Neighborhood association officials were instructed to "report immediately any recalcitrants for proper disciplinary action in accordance with law." Exempted were the physically unfit, as duly certified by a government physician; pregnant women or those nursing babies, as duly certified by a government physician; persons who were already cultivating garden plots measuring at least 4 by 10 meters; members of the armed forces and trainees enrolled in training institutions; members of the diplomatic and consular corps and their staffs; officials and employees of the government actually engaged in food-production work; farmers engaged in planting food crops; and district presidents and neighborhood association leaders and their secretaries "who comply with the duties imposed on them." All such exemptions had to be approved by the Mayor. Later, however, it was announced that persons might appoint substitutes to do their work or pay a "fine" of ₱5 for every day of work required and not rendered. Of what produce was actually raised, one-half went to the neighborhood associations engaged in the various garden projects, and the other half went to the Government.

Very often, however, it was not gardening which the workers were turned to. They were "furnished transportation" by the Japanese Army or Navy and worked on the air-fields, dug air-raid shelters, and did other military work. This was apart from the work done by labor drafted by the "Labor Recruitment Agency" established under the Kalibapi. The *Tribune* reported in May:

"A total of 25,789 Filipino laborers have been drafted by the Labor Recruitment Agency from 13 provinces including Manila for the Imperial Japanese Army and Navy and Japanese firms. . . Pablo Manlapit, head of the Agency, said that Rizal, with 7,029 laborers recruited, tops the rest of the provinces; Batangas, with 4,400, is second; and Davao, with 4,000, is third. In Manila alone there were 1,795 laborers drafted. . ."

It will be noted that the actual recruitment, as reported, was not large, especially in Manila. Often the Filipino officials had to call on government employees and laborers to make a showing. In June, for instance, the *Tribune* reported:

"In response to the call issued by Mayor Guinto and Assistant Mayor Figueroa in his capacity as managing director of the labor recruiting in the City, 300 employees of the City Hall Wednesday (yesterday) reported for work on various army and navy projects. These City employees are voluntarily offering their services in order to help bolster the supply of laborers now working for the Japanese armed services. . ."

Later, "a Navy officer" wrote Mayor Guinto a letter which expressed the Navy's "most sincere gratitude" for this "display of cooperation and goodwill."

Speaking of the compulsory "gardening", the *Tribune* said:

"Although the service is compulsory, it is in fact voluntary inasmuch as it is in the capacity of conscientiousness. . . Anything compulsory becomes voluntary to those who are willing to make the necessary contribution."

On Labor Day the *Tribune* had sung:

"When we place labor on the level in which it is truly glorified, as at present, as a legitimate and necessary source of national salvation and continued life, all the artificial social classes bred in the past by artificial restraints and artificial privileges for the benefit of an oligarchy. . . vanish in thin air, and only one class of Filipinos remains with a right to dignity and honor: those in all fields of creative endeavor."

The Japanese wanted only one class: slaves.

The Amnesty and the Guerrillas.—Against the piratical, murderous, enslaving, corrupt and corrupting rule of the enemy, not a public voice could be raised. The political parties were destroyed; the press and radio taken over; the Church was cowed; leading Filipinos were ostensibly collaborating. Who was there to speak?

Yet there was protest,—not from the cities or larger towns; not from the political or religious or the business, farm-, or labor leaders; not from the Army; not from the schools and universities; not from the writers or the radio-speakers. Every political, economic, and social institution was controlled, and every outstanding individual lay prone under the encarnadined cow-hide boots of the conquerors. The protest came from the people themselves, from the country and the barrios, from the USAFFE units which had refused to surrender, from the guerrillas. The protest was not articulate or even vocal. It spoke with the crack of the rifle and the swish of the bolo. It wrote in blood. And soon, in many regions, the Japanese were confined to the larger towns and coastal strips and they did not even dare to send patrols into the interior. Guerrilla bands roamed the whole country and penetrated into Manila itself. Their attacks were swift and deadly. And everywhere they could count on the people for food and information. The "neighborhood associations", designed to make this impossible, did not work. Yet one never read in the papers about the guerrillas and the great difficulties they made for the enemy unless some band of them had allegedly been "annihilated" or had "surrendered."

For several months after Laurel issued his Amnesty Proclamation, the *Tribune* was full of stories about surrendering guerrillas,—thousands of them, and due publicity was given to a guerrilla "leader" in Cavite who had surrendered and asked Laurel in a letter to give him "a chance to serve my fatherland by putting me in the Constabulary in order to help maintain peace and order as well as to defend my country." In February, 1944, it was reported that a total of 102,977 guerrillas throughout the country had taken

advantage of the Amnesty. It was generally the provincial governors who accepted such surrenders and they had been given "discretionary funds" to be used in the "rehabilitation of surrendered guerrillas, most of whom are furnished with food and clothing as well as transportation to their homes." The desire of the governors to make a showing and the distribution of the discretionary funds probably had a great deal to do with the reputed "surrenders". The former servant of a Santo Tomas interneer who had an opportunity to speak to his pre-war mistress, on being asked whether it was true that so many guerrillas were surrendering, said, "Oh, yes, ma'am. I am one of them and I surrendered four times already."

But there were around a million of guerrillas who never surrendered.¹ There were guerrillas under Colonel Thorp, who had a commission from MacArthur to organize the guerrillas in Luzon, and Colonel Straughn, both of whom were captured by the Japanese and executed, and other guerrilla leaders,—among them Col. R. R. Volkman, with 20,000 men in northern Luzon; Capt. Jose L. Llamas, also in northern Luzon; Maj. R. Lapham, with 12,000 men in Nueva Ecija and Pangasinan; Col. E. Ramsey, with 34,000 men in Manila, Bulacan, Bataan, Pampanga, and Pangasinan; Col. D. Barrion, with 6,000 men in Bulacan; and Lt. Col. B. Anderson, with 10,000 men in southern Luzon. There were also the Hunters—R.O.T.C. guerrillas under Col. Terry "Magtanggol" Adevosos, with 16,000 men in Rizal, Cavite, Manila, Laguna, Quezon, Pangasinan, Zambales and Batangas; Marking's Guerrillas under Col. M. V. Agustin, with 10,000 men in Manila, Rizal, Cavite, Laguna, and Tayabas; President Quezon's Own Guerrillas, under Col. V. Umali, with 3,000 men in Cavite, Laguna, and Tayabas; the Blue Eagles, under Col. E. Alabastro, in Laguna, Batangas, Tayabas, and Camarines; the Philippine-Americans, under Col. M. N. Castañeda; and the Hukbalahaps. Other guerrilla leaders in Luzon were Gov. Wenceslao Vinzon and Major Sandiko in the Camarines, and Governor Escudero and Major Lapus in Sorsogon. The guerrillas in Panay, where Tomas Confesor was the civil and resistance governor, were led by Col. M. Peralta; in Cebu by Maj. J. Cushing; in Leyte by Col. R. Kangleon; in Samar by Lt. Col. Charles Smith, Maj. F. Valley, and Maj. Merritt; in Negros, where A. Montelibano was the civil and resistance governor, by Lt. Col. S. Abcede and Capt. Mata. The leader of the guerrillas in Mindanao was Col. Wendell Fertig, who had some 34,000 men. And there were others.

The Huks (short for *Hukbo ng Bayan Laban sa Hapon*, People's Anti-Japanese Army) warrant special mention because of their post-war insurrectory activities. The Huks were organized in March, 1942, even before the fall of Bataan, the organizers including not only labor and peasant leaders, but intellectuals from the League for the Defense of Democracy and other anti-fascist organizations which had gone "underground". The heads were Luis Taruc and Casto Alejandrino, close associates of the Pampanga socialist leader, the aged Pedro Abad Santos, brother of Chief Justice Jose Abad Santos who some months later was murdered by the Japanese for refusing to accept office under them. At the time of the organization of the Huks, Pedro Abad Santos had already been arrested by the Japanese and taken to Fort Santolan, together with the Communist leaders, Crisanto Evangelista and Guillermo Capadocia. (The Socialists and Communists had merged in 1938 and neither of them, particularly the latter, ever constituted a large group.) The three men were held in

¹According to Colonel Adevosos, head of the post-war Philippine Veterans Legion, in a statement made to the author, the U. S. Army officially recognized some 318,000 guerrillas, of whom 120,000 were USAFFE men. In addition there were some 33,000 recognized guerrilla death casualties. Some 30,000 more men, although not recognized by the U. S. Army, are now officially referred to as "deserving guerrillas". Colonel Adevosos expressed the opinion that if those who took part in guerrilla activities only from time to time were counted, the foregoing figures could be increased by some 50%.

Port Santiago for over a year, when Capadocia made certain promises to the Japanese in order to save the lives of the others. He was released and made several speeches urging the Huks to lay down their arms, but was then "kidnapped" by them, after which the Japanese killed Evangelista, whom they still held. Pedro Abad Santos had been released because of serious illness, but, though watched, succeeded in escaping to Huk territory. He died late in 1944. Capadocia was restored to good standing in the organization. The Huks were recruited and operated in Pampanga, Tarlac, Nueva Ecija, Bulacan, Laguna, and parts of Pangasinan and Tayabas. They numbered around 20,000, of whom some 4,000 were armed; their supporters, however, numbered at least 500,000, according to their own claim. Their arms and ammunition originally came from salvage in Bataan, but later from slaughtered Japanese. The Huks claimed to have fought no less than 1,200 separate engagements with the Japanese and units of the Japanese-organized Constabulary which were sent against them, killing over 30,000 Japanese and perhaps 1,000 Constabulary men. To some extent in 1942, and very fully in 1943 and 1944, they played a large part in preventing Japanese seizure of the rice harvests in Central Luzon. By 1944 they controlled large areas and set up a number of local governments. They saved the lives of a number of American air-men forced down in their territory, among them Colonel Atkinson, and the areas they controlled became places of refuge for hunted men from Manila. The later history of this organization belongs to another chapter.

Let it be sufficient to say here about the guerrillas in the Philippines, that the Japanese, largely because of them, never "entered into full possession". And let it also be remembered that they received the support of the people everywhere and of most, if not all, of the officials in the puppet government who pretended "collaboration."

The Makapilis.—There were the guerrillas; there were also the *Makapilis*,—from *Makabayan Filipinos*, "country-loving" (patriotic) Filipinos, a pro-Japanese and anti-American fighting force which, however, was not organized until late in 1944 (November 10, in Quezon City), the reputed organizers being Pio Duran, Benigno Ramos (head of the "Ganap" party) and his son, Marcos P. Ramos, and Generals Artemio Ricarte, Leon Villafuerte, and Andres Villanueva (all three veterans of the Philippine Revolution, but not officially representing the *Veteranos de la Revolución*) Pablo Capa, a Bulacan Ganap leader, and Jose Baluyot, another peasant leader; Aurelio Alvero subsequently joined this group. There was no time to extend the organization to the Visayas or Mindanao. Approximately half of the 6000 cases turned over by C.I.C. (Counter-Intelligence Corps of the U. S. Army) to the Office of Special Prosecutors of the Philippine Republic involved members of the *Makapili* organization, but though the membership was supposed to include all Ganaps, probably not more than 5,000 were ever armed or drilled, mostly in Manila, Rizal, Laguna, Bulacan, and Nueva Ecija. *Makapili* contingents actually fought on the side of the Japanese in Rizal, Laguna, and Bulacan. The Ganap party, which succeeded the former "Sakdal" party, was composed chiefly of poor and ignorant tenant farmers who for some years before the war, through the Ramos propaganda, had come to look to Japan for "liberation" from their bondage. Upon the Japanese occupation, most of these people were quickly disabused and few of them can voluntarily have joined the *Makapilis*. The real *Makapilis* came mostly from the criminal elements in Manila, servants and secret spies of the Japanese, who now came out in uniform.

An older organization, the members of which were called "Yo-ins" by the Japanese, from "U.N.", "United Nippon", were stevedores, carriers, and other workers,

who, however, were unimpressed and given some military drill. There were several thousand of those, but many of them had been pressed into service and were not volunteers.

Not the puppet Government nor the new Constabulary, but only these two miserable organizations,—the *Makapilis* and the *Yo-ins*, were all the Japanese had, in the end, to rely on, and they could not be sure even of them.

The First American Bombing of Manila.—At last came that never-to-be-forgotten autumnal equinoctial day, September 21, when, about 9:30 in the morning, American air-planes suddenly swooped down out of the sky. The writer described the event at the time as follows:

"The people in Santo Tomas Camp suddenly saw a large number of planes, estimated at around 70, coming out of a cloud-bank to the northeast in a beautiful formation, some of them already overhead and flying quite low, and others in tiers above them, in groups of threes, with numbers of smaller planes darting from side to side above and below. In the northwest another large group appeared over the Bay. Almost immediately, the planes overhead broke up into smaller groups, some heading to the north for the Grace Park airfield, the larger number to the east and southwest for the Zablan, Nielson, and Nichol fields. Heavy anti-aircraft fire now broke out, but as if entirely indifferent to it, the planes began diving among the smoke-rings and through the more deadly but invisible shrapnel, apparently both strafing and bombing. As the ground-fire started and the bombs began to fall, people in the Camp ran for shelter. Not until then did the air-raid sirens sound. The Japanese had been taken completely by surprise. The few Japanese planes in the air were either shot down or were seen to make their escape by flying away low over the roof of the houses. A Japanese transport plane which ran into the battle unawares was also said to have been shot down. For 15 minutes the air was full of sound of machine-gunning and the distant thudding of bombs, the puffing of pom-pom guns, and the sharp whine of shells from anti-aircraft cannon. Columns of smoke shot up over the various airfields and over the Port Area and the Bay. . .

"At 2:50 in the afternoon, planes were again heard, and a few minutes later they appeared, in two groups of 60 or more each, one approaching from the northeast and the other from the northwest. The cloud-ceiling was high and the planes were flying higher than that morning, possibly at 20,000 feet. The low-level planes again sounded late, and over the camp loud-speakers people were warned to take cover immediately just before the shooting and bombing started once more. Despite the anti-aircraft fire, the squadrons appeared to move very deliberately, though swiftly, and they were seen to dive headlong over the Manila North Harbor and the Pandacan oil district. The planes went into their dives, one after the other, like a cascade of steel and death, climbing up again rapidly and making giant 'V's' against the horizon to the south. Another group of planes,—around 30 could be counted, came into sight a little after 3 o'clock and worked their havoc. Some of them flew over from the northeast, directly into the camp. Two American planes apparently coming from the water-front area were seen darting northward just over the house-tops as the anti-aircraft fire went over them. There was a loud explosion from the Bay at 4:15; probably some ship, previously set afire, had blown up. What proved to be the last attack came from some 60 or more planes which appeared around 4:30 and split up, some flying in the direction of the Bay and others toward Quezon City and Camp Murphy to the east. At 4:40 large clouds of smoke were rising once more from the Bay and from the North Harbor area. One plane was seen apparently diving into a column of smoke. When it came again, it was on fire, lost speed and altitude, and disappeared from sight. This was the first apparent American casualty seen from the Camp."

The people in Santo Tomas wondered whether the attack was a prelude to landings in Luzon or whether landings had not already been made simultaneously. Some argued that inasmuch as Manila had not been bombed until now, when it might long since have been bombed from time to time, the plan probably was not to attack Manila until just before or at the same time with the main attack, as it was certainly not desirable to encourage any premature uprisings among the people against the Japanese. They could not know that the actual landings in Leyte would not come until nearly a month later, on October 20. Neither did they know that a week before the bombing of Manila, on September 15, landings had been made at Morotai, one of the Moluccas, as an essential prelude to the Leyte invasion. Nor that the Navy's campaign in the Marianas had begun in June and that the First Battle of the Philippine Sea had been fought June 19-20, that fighting on Saipan had been concluded on July 9 and that two weeks later Tinian had been overrun, that the recon-

quest of Guam had been completed by August 10, and that Admiral Halsey's planes had first attacked Mindanao on September 9, and that Southern Palau had been taken in Mid-September.²

The Proclamation of a "State of War."—There was another heavy bombing of Manila during the morning of September 22,³ and both City and Camp were frantic with hope. But copies of the *Tribune* smuggled into Santo Tomas carried the head-line: "PHILIPPINES IN STATE OF WAR WITH UNITED STATES, BRITAIN. President Urges All to Unite in Defense of P. I. Independence." Other headlines in the two-page sheet read: "Nippon Gov't Hails War Declaration," "Japan Offers Every Possible Cooperation, says Ambassador," "Japanese Army, Navy Chiefs in P. I. Urge Faith in Japanese Forces".

The Japanese wept crocodile tears about the killing of five civilians and the wounding of several scores of others during this first American bombing of Manila, but nothing was said about the continuous executions of Filipinos by themselves,—as, on August 30, more than thirty prominent Manilans, including Juan M. Elizalde, brother of the present Secretary of Foreign Affairs, Senator Jose Ozamis, Bureau of Science Librarian Cirilo B. Perez, Enrico Pirovano, Col. Manuel Enriquez, the prominent writers, Manuel E. Arguilla and Rafael R. Roces, also a number of women, Dr. H. Darby, Mrs. Samuel Stagg, Miss Helen Wilkes, Mrs. Blanche Jurika, Miss Ester Belarmino. These unfortunates had been sentenced by court martial in May to various terms of imprisonment, but early on that dreadful morning of August 30, they were all beheaded in the Chinese Cemetery. According to residents in the area, more than 1,800 persons were executed in the Cementerio del Norte in December, 1944, alone; the total number executed there exceeded 4,000.

Now the names of five civilians who had been killed in the air-raid the day before were given and also those of 131 others who had been wounded and taken to hospitals, of whom 53 had been sent home after treatment.

In the introductory *Tribune* paragraph, Laurel was quoted as having stated over the radio that "he had submitted the proclamation to the Cabinet and the Council of State, which bodies had unanimously approved it. The proclamation, he added, is "independent of any action that may be taken by the Legislature in due time."

The more pertinent paragraphs read:

"Whereas, the Filipino people, during the whole period of their subjection to alien rule have unremittently labored for their freedom and independence and to this end fought two wars and countless revolutions;

"Whereas, upon the attainment by the Philippines of this cherished goal of freedom and independence and on the occasion of the inauguration of the Republic of the Philippines on October 14, 1943, the President appealed to all nations and peoples of the world for amity and goodwill and, to the United States of America especially, pleaded that the Philippines be spared the suffering and destruction incident to the resumption of military operations on our soil;

"Whereas, notwithstanding this appeal, the United States of America and Great Britain have attacked from the air certain parts of the Philippines, thereby violating the territorial integrity of the Republic, and causing death, injury to its citizens, and destruction or damage to their property;

"Whereas, the Philippines must safeguard its independence and territorial integrity as every self-respecting sovereign state is in honor bound to do; and

"Whereas, the Republic of the Philippines has entered into a Pact of Alliance with Japan, based upon mutual respect of sovereignty and territories, to safeguard the territorial integrity and independence of the Philippines,

"Now, therefore, I, Jose P. Laurel, President of the Republic of the Philippines, do hereby proclaim that a state of war exists between the Republic of the Philippines and the United States and Great Britain, effective September 23, 1944, at 10 o'clock in the morning.

"Face to face with the grim realities of war, I earnestly call upon every Filipino at this momentous hour to show his unwavering loyalty and to give his support to the Government, so that, regardless of the trials and tribulations we are undergoing and those we shall have to suffer in the near future, we may closely and firmly unite to safeguard the free and independent existence of the Philippines."

Certainly, no national leader ever precipitated his country into a more hopeless war than Laurel was supposed hereby to have done, throwing his country's fate in with that of a nation which had already suffered shattering reverses and which was facing imminent and total defeat; it was, or would have been, a joining in a suicide pact. It was unthinkable that any group of men could have been brought together to voluntarily decide on such a course. If the members of the Cabinet and the Council of State had approved the action, it could only be because they knew that everything possible had been done to escape it and because they could not allow Laurel alone to accept the entire "responsibility".

As a Filipino put it, who was able to speak a few words with an American in Santo Tomas, "The Filipinos in the government were already so wet that they knew they couldn't get any wetter." According to a statement to the writer of a Malacañan secretary after the liberation, Laurel told the Cabinet that he had been under "intense pressure" from General Yamashita himself. He also said that Roxas, who was not present, "had seen" the original draft of the declaration of a "state of war", but that this draft had made no direct reference to the United States or Britain. The Japanese High Command had later "suggested" that they be specified. Laurel told the Cabinet that he "assumed full responsibility", but, nevertheless, the members backed him, finding some relief, like many others, in the fact that the proclamation did not directly declare war upon the United States and Britain but spoke only of a "state of war" as existing between them and the Philippines. It will be noted that the proclamation was definitely not a "call to arms" but chiefly begged "every Filipino" to support the Government.

The Japanese knew well enough that they could expect no help from the Filipinos or even from the puppet government they had established. It was only that, after inflicting on the Filipinos every injury a power can inflict on a weaker people and imposing on them every humiliation save one, they at last forced this also,—an unnatural declaration of war on the mother nation which they looked to save them. It was a final indignity and an act of nothing but hatred. That it was in fact a spurious declaration of war, they did not realize, or, if they did, they did not care.

As for the Constabulary,—the Philippine "Army", the Japanese had in earlier days, perhaps, hoped to use by way of re-enforcement, what of that?

After the "release" of the remnants of the Filipino USAFFE war-prisoners during the last half of 1942, around a hundred of the officers were assigned to the new Japanese-organized Constabulary, together with the more robust enlisted men. The organization then consisted of some 5,000 men, mostly raw recruits, already raised by the Japanese. Though, later, a goal of 40,000 men was set for the total strength, the number never exceeded 15,000. Even before the first bombing of Manila and the declaration of a "state of war", whole companies in Luzon, and ultimately thousands of men, deserted. By the end of 1944, from 75% to 80% of the Constabulary had abandoned service without leave. The Japanese began systematically to disarm the

²In Europe, Rome had fallen on June 4, and the Allied forces under Eisenhower had landed in Normandy on June 6.

³We hit them four times on the 21st and expected to hit them four times more next day, but the approach of fog wether and the dearth of suitable targets influenced Pete (Vice Admiral Marc A.) Mitscher to recommend that I cancel the last two strikes. I did. His score for the six was 405 planes destroyed or damaged, 103 ships sunk or damaged, both airfields gutted, and the harbor littered with wrecks. Our losses were 15 planes and about a dozen men. None of our ships was touched, although we had launched from only 40 miles off the east coast of Luzon, less than 150 miles from Manila itself.—*Fleet Admiral William F. Halsey, USN, and Lieutenant Commander J. Bryan III, USNR. "Admiral Halsey's Story," McGraw Hill Book Co., Inc. 1947.*

Constatulary⁴ shortly after Laurel's proclamation and between October and December a number of ranking officers were arrested and executed, among them Colonel Natividad, First Assistant Director, Colonels Fidel Cruz, Domaol, Monsod, and Luna, Major Villafria, and many others, all charged with underground anti-Japanese activities.

What at least some of the Japanese hoped for was revealed by the Commandant of the Santo Tomas internment camp when he was urging the Camp Executive Committee to dig trenches for protection from air-raids. He said, according to the Committee's minutes, that—

"conditions had now changed owing to the decision of the Philippines to fight to the death with Japan [sic], and that promiscuous bombing and machine-gunning from the air could be expected throughout the city."

RICOA Replaces BIBA.—With Roxas as Chairman of the Board of BIBA, the Japanese met with difficulty in getting rice from this organization; in fact, Mr. Tanco informed the author after the war that BIBA succeeded at one time in obtaining a loan of rice from them which was never returned. As early as October 3, according to Mr. Tanco, the Japanese "suggested" the merging of BIBA and the Beikokubu into a single organization,—the Rice and Corn Administration (RICOA), under the pretext that it was difficult for the Government of the "Republic" to obtain and distribute rice without the "help" of the Japanese Army. On October 11, a joint committee was formed to "study" this matter, and on November 18 (MacArthur had landed on Leyte on October 20 and the fighting was still centered there a month later), Laurel abolished BIBA and created RICOA. Pedro Sabido was appointed Chairman of the Board and Colonel Utunomiya Vice-chairman. Arturo V. Tanco was appointed Managing Director, but it was a Japanese "Alternate Managing Director" who, according to Mr. Tanco, countermanded his every order. All the new departments of RICOA,—administrative, procurement, distribution, and transportation, were headed by Japanese, and Mr. Tanco said that while the Japanese had gotten only a part of the NARIC rice, now they got it all.

Even the wealthier families in Manila could get no more rice in the city. What was done by many was for the men in a family to go singly up the Pasig River by banca, taking along a few articles for barter with the country people, stealing back into the city at night with perhaps half a sack of rice. The river was not so well patrolled as the roads, but even so, the reason why the men went singly was to reduce the chance of being caught.

Prices Become Impossible.—The blackmarket price of rice, which had still been ₱500 a sack in May had risen to ₱3,000 just before the bombing and jumped to ₱5,000 immediately after. Sugar, which had been selling at ₱30 a kilo, jumped to ₱70. It took ₱30 in military notes to buy one old Philippine peso, and an American dollar note was worth ₱70 in military notes. A breakfast in a middle-class restaurant cost ₱20 before the bombing and ₱32 immediately after. One got an egg for that, two small slices of substitute-bread, a cup of weak coffee, and a banana. A meal at a well-known pre-war restaurant, still operating, cost ₱75, and the food served amounted to only around 1/4 of a normal serving. A small loaf of cassava bread cost ₱40. A carromata trip in the city cost from ₱20 to ₱50. The minimum wage for those fortunate enough to be able to obtain work was around ₱200 a month in cash, but the important part of the total remuneration was the food also furnished by the employer, little though this might be.

⁴Among the letters the writer saw after the liberation, was one from Aquino to Laurel, dated November 23, in which he stated:

"It is necessary to confess it, we have advanced but little in gaining the people's confidence, and the worst of it is that the little we have achieved we have lost because of other's mistakes [he meant the 'mistakes' of the Japanese]. We have arrived at a situation so precarious as to have compelled us to tolerate the disarming of our Constatulary."

Over 200,000 people in Manila were on relief, the Government struggling to take care of around half of them and private charity of the rest. But this help was inadequate and people were dying by the hundreds of starvation and malnutrition. One man, a minor employee in the old Bureau of Science, known to the writer, lost five small grandchildren, one after another. They did not appear ill, they were only very thin, but then something seemed to go wrong with their breathing, and they died. People collapsed and died on the streets and were picked up the next morning. Stacks of crude wooden coffins were piled up in front of all the *funerarias*, shoulder-high, each coffin filled with skin and bones to be buried that day.

The Number of Japanese in the Country.—How many Japanese did the country have to feed during those three years and more? That is very difficult to say. The estimates of the number of Japanese in the country made during the enemy occupation were all greatly exaggerated, this exaggeration being, no doubt, encouraged by the Japanese themselves. Post-war U. S. Army studies of designated Japanese infantry units actually engaged indicate that the original invasion force comprised only some 64,000 men, which number was even reduced in February, 1942, when the Japanese thought they had already won, but which was increased by reinforcements in subsequent months to around 85,000 in May, the month when Corregidor fell. These figures do not include those for the Japanese naval and air force personnel in the Philippines at various times, which would be very difficult if not impossible to determine. In October, 1944, the month of MacArthur's Leyte invasion, the studies show that there were some 200,000 Japanese infantry troops in the Philippines; in January, 1945, the month of the landings at Lingayen, the number had increased to 268,000⁵. According to Chief-of-Staff General George C. Marshall's *Annual Report*, Marshal Count Teruchi, from his headquarters in Manila, in April, 1944, controlled 17 Japanese armies in the Philippines, Netherlands Indies, Malaya, Borneo, French Indo-China, the Moluccas, and New Guinea, totalling 925,000 men. In considering the local figures, however, it should be understood that the Philippines was drawn on not only for a large part of the subsistence of the local Japanese forces, but that much Philippine produce was shipped out of the country continuously both to Japan and to the "southern regions".

The number of Japanese civilians in the country was also over-estimated during the occupation,—naturally enough. The number in the country just before the war was 30,000, and during the enemy occupation it is believed now that this number was not much more than doubled.

Rations in Santo Tomas.—In the Santo Tomas Camp, in September, the official ration of dried fish and pork was 50 grams per capita a day, but only 28 grams were supplied; the vegetable ration was 200 grams, but only 161 grams were supplied; with the rice and camotes supplied, the caloric value amounted to only 1229 per capita per day. The amount dropped to 1012 in October, 997 in November, 960 in December, and 500 in January, 1944. A normal diet runs to around 3,000 calories a day. Fortunately, the Internee Food and Supplies Committee was able to supplement these rations through purchases outside, but the caloric value of the food purchasable dropped from 495 in September to 99 in December and to nothing in January. But the fifty or sixty Japanese in the Camp, who had their own kitchens, were still well-fleshed when they were allowed to march out of the Camp on February 5, 1945.

The Liberation.—There is no need in this "Short History", dealing principally with the industry and trade

⁵The writer is indebted for these summary figures to Col. Uldarico S. Bacalgon, G-2, GHQ, Armed Forces of the Philippines, author of the book published recently, "Philippine Campaigns."

of the country, such as it was, within a necessary framework of the political developments, to write at length on the liberation of the Philippines from the years of Japanese misrule.

The landing of MacArthur's forces in Leyte, beginning October 20, 1944, and the landings at Lingayen, Luzon, beginning January 9, 1945; the entry of the first American contingents into Manila early in the evening of Saturday, February 3; the relief of the Santo Tomas Internment Camp and the almost simultaneous seizure of Malacañan Palace, the latter without the firing of a shot,—all these events are well enough known. Nor is it necessary to write on the horrible massacres of tens of thousands of helpless civilians³ by a suicide force composed of some 15,000 to 16,000 Japanese marines and 1,800 Japanese army troops, during the taking of the rest of Manila.⁴

Re-establishment of the Seat of the Commonwealth Government at Malacañan.—The fighting in Manila, particularly in Intramuros, lasted well into the second week of March, but on Tuesday morning, February 27, the "full powers and responsibilities under the Constitution" were "restored to the Commonwealth" and its seat was "re-established" there "as provided by law."

Malacañan looked very much as it had before, except for the unkempt grounds. The reception hall looked rather bare, and did not shine as in the old days. The large room was full of high American and some Filipino army officers, and the newspaper correspondents, photographers, and radiomen were probably the next most numerous. But slowly filing in were former officials of the Commonwealth Government, though many a familiar figure was missing. All the leading officials of the Laurel Government, who included some of the most distinguished Filipinos, were still being held by the Japanese at Baguio. There were nevertheless some happy encounters between old friends, and a number of prominent men appeared who had been reported killed. Confesor and other guerrilla leaders were there, as was also "Chick" Parsons, the intelligence officer whose name was already a legend. Many of the faces showed signs of strain and grief,—faces of men who had suffered shocking bereavement in the late massacres. The great majority of those present were dressed in khaki; the rest looked shabby. It was not what a society writer could have called a "brilliant assembly"; it was subdued and serious.

General MacArthur read a short address, during the delivery of which his firm voice occasionally broke. He said in part:

"Mr. President: More than three years have elapsed,—years of bitterness, struggle, and sacrifice, since I withdrew our forces and installations from this beautiful city that, open and undefended, its churches, monuments, and cultural centers might, in accordance with the rules of warfare, be spared the violence of military salvage. The enemy would not have it so, and much that I sought to preserve has been unnecessarily destroyed by his desperate action at bay, but by these ashes he has wantonly fixed the future pattern of his own doom.

"Then we were but a small force struggling to stem the advance of overwhelming hordes treacherously hurled against us, behind the mask of professed friendship and international goodwill. That struggle was not in vain. God has indeed blessed our arms. The girded and unleashed power of America, supported by our allies, turned the tide of battle in the Pacific and resulted in an unbroken series of crushing defeats upon the enemy, culminating in the redemption of your soil and the liberation of your people. My country has kept the faith.

"Its soldiers come here as an army of freemen dedicated, with your people, to the cause of human liberty and committed to the task

of destroying those evil forces that have sought to suppress it by brutality of the sword. An army of freemen that has brought your people once again under Democracy's banner, to rededicate their churches, long desecrated, to the glory of God and public worship; to reopen their schools to liberal education; to till the soil and reap its harvest without fear of confiscation; to reestablish their industries that they may again enjoy the profit from the sweat of their own toil; and to restore the sanctity and happiness of their homes unafraid of violent intrusion. . . .

"On behalf of my government, I now solemnly declare, Mr. President, the full powers and responsibilities under the Constitution restored to the Commonwealth whose seat is here reestablished as provided by law.

"Your country thus is again at liberty to pursue its destiny to an honored position in the family of free nations. Your capital city, cruelly punished though it be, had regained its rightful place,—Citadel of Democracy in the East."

Osmeña, dressed in plain khaki, responded in an acceptance speech husky with feeling. He stated that the victory of American arms was "not a victory of power, control, or domination, but a victory for freedom, democracy, and independence." He asked for the bowing of heads "in memory of our sacred dead and the dead of our allies whose lives were the forfeit that these, our liberties, might be restored", and he urged the resolve that the fight be continued "with every source of our strength until the enemy shall have been completely vanquished." He stated that in taking over the civil functions of the Commonwealth Government he could not but pause in all humility for guidance and inspiration before the figures of Rizal, Bonifacio, Mabini, and Quezon; he declared that the executive and judicial branches of the Government would be reestablished immediately and called upon "all the duly elected members of our Congress who have remained steadfast in their allegiance to our Government during the period of the enemy occupation to be in readiness to meet in Manila as soon as conditions permit of the reestablishment of the legislative branch."

Laurel and His Cabinet.—A Malacañan secretary informed the writer after the liberation that in the latter half of December, Yamashita had informed Laurel that in view of the decision of the Japanese High Command not to defend Manila,—as the city was indefensible, it was necessary for him and his Cabinet to move to Baguio. The date of the departure was set for December 22, but it was not until early in the morning of the next day that the party started, the Japanese apparently wishing to keep the matter secret. The party, which included the families of the officials, left in three groups at half-hour intervals, each group escorted by a detachment of Japanese military police. Despite what Yamashita had said, the Filipinos noted that the Japanese were building pill-boxes and barbed-wire barricades in the city streets; however, the highway as far as Pangasinan was clogged with Japanese troops, all moving north, the soldiers riding in all sorts of vehicles or afoot and pushing hand-carts full of their gear. Several of the automobiles used by the Filipino party broke down or ran out of fuel, and while the first group reached Baguio that evening, the others did not get there until the next day.

The Laurel government tried to carry on its business in Baguio, but activities were brought to a complete standstill by the American air-raids which began on January 6. Laurel was kept "informed" of events by Murata who had arrived in Baguio ahead of the Filipino officials; contact with the Japanese Military was through the Baguio defense commander. By the 15th of January, Baguio was completely cut off. The Japanese at first supplemented the food supply of the government party, but this soon stopped, and vegetable gardeners in the nearby barrios openly refused to take Japanese war notes for their produce and insisted on old Philippine currency, thus forcing the Filipino officials to resort to barter. As the severity of the

³President Quezon had died at Saranac Lake, New York, on August 1, 1944, some 7 weeks before the American landings in Leyte.

¹Including the wife and three children of President Elpidio Quirino, killed February 9, 1945.

²See the writer's series of articles in the *Manila Chronicle's* Sunday magazine section, *This Week*, for August 5, 12, 19, and 26, 1951. Also his "A few poems and essays," privately printed in December, 1952.

³It was brought out at the trial of Premier Tojo before the International Military Tribunal for the Far East, in Tokyo, that the official U. S. War Department estimate was that 131,028 persons were murdered, starved, and tortured to death in the Philippines. Listed as non-battle-field casualties were 23,039 men from the United States Armed Forces, 595 American civilians, 27,258 men from the Philippine Armed Forces, and 91,184 Filipino civilians.

bombing increased, the officials communicated their desire to leave Baguio to the defense commander, and when they received no reply they took the initiative and evacuated their families to various nearby places. On March 19, Laurel called the officials together and informed them of the "desire" of the Supreme War Council in Tokyo that the "President and his Cabinet" leave immediately for Japan "in order to avoid capture". Most of them, naturally, were unwilling to leave the country, giving as an excuse, that they could not abandon their families, and Laurel informed Murata of this. In the end, it was decided to limit the party to be evacuated to Laurel and Aquino and their respective families, but Osias and his wife, and General Capinpin, *compadre* of Laurel, volunteered to accompany them. They left on March 22.

News of the first Filipino civilian group from Baguio which succeeded in crossing the Japanese and reaching the American lines in La Union, reached the Filipino officials early in April, through returning Igorot guides. The first group of officials to follow this example included Paredes and Sison and their families, and soon the others followed, among them Roxas, Yulo, Alas, Paez, Sabido, and Sanvictores. The last group left on April 16 and included Recto, Alunan, Abello, and General Francisco. The destination was Tubao, La Union, only 65 kilometers away, but the trail was mountainous and difficult and took three days and three nights to cover, the woman and children suffering greatly. Japanese patrols encountered insisted on seeing papers and passes, and avoiding them required long detours. Japanese stragglers and deserters waylaid the travelers and demanded food from them at bayonet-point. At Tubao all the officials were taken into custody by the U. S. Army as they arrived, were questioned, and then sent ahead of their families to Bilibid Prison in Manila,—all except Roxas who was allowed to proceed to Manila with his family on orders from MacArthur's headquarters.

None of these officials knew of the atrocities committed in Manila in February, nor of the terrible destruction there, because their radios had been put out of working order by the bombing of the Baguio powerplant. The Japanese had apparently made no effort to prevent the officials from leaving Baguio, but one of the minor officials who was not detained by the Americans and who later returned to Baguio, learned that a Japanese military police "aide" of Recto had sent a patrol after Recto's party with orders to kill; fortunately, the party escaped.

Baguio itself was not taken by the American forces until April 29,⁸ after heavy fighting. According to later reports, the automobiles in which Laurel and his party went north, broke down, it taking them 22 days to reach Tuguegarao afoot. From there, the trip by air to Japan, by way of Formosa and China, took three months.

The atomic bomb was dropped on Hiroshima, an important quartermaster depot and embarkation base, on August 6, and a second bomb was dropped on Nagasaki, a naval base city, on August 9. On the 15th, Emperor Hirohito read an imperial rescript over the Radio Tokyo announcing Japan's "acceptance of the Potsdam proclamation"—the ultimatum issued by the United States, Britain, and China, on July 26, demanding Japan's surrender.

On August 17, Laurel, who was in Nara, issued a statement declaring that—

"in view of the reoccupation of the Philippines by the United States and the reestablishment therein of the Government of the Commonwealth of the Philippines, the acceptance by Japan of the Potsdam Declaration of July 26, 1945, and the consequent termination of the Greater East Asia War, the Republic of the Philippines [sic] had ceased to exist..."

On the same day that the Japanese surrender was signed on board the battleship *Missouri* in Tokyo Bay, September 2, Yamashita surrendered in Baguio.

Laurel was arrested in Japan by U. S. Army authorities on September 12, together with Vargas and Aquino. Osias was arrested on the 25th. They were imprisoned in the Sugamo Prison for nearly a year, until after the inauguration of the Philippine Republic on July 4, 1946. They reached Manila in a B-17 army plane late in the afternoon of July 23 and were taken to Muntinlupa Prison. Most of the other prominent "collaborators" were either among the 2000 political prisoners held in Muntinlupa or among the 1800 now held in the Iwahig Prison Colony in Palawan. None of these Filipinos were tried by American authorities; they were turned over to the Philippine Republic for trial. Only Roxas had been cleared by the American High Command immediately upon his presenting himself to the U. S. Army authorities after his escape from Baguio. He spoke up in defense of his colleagues, but with no immediate results. But he was now the President of the Republic of the Philippines, the establishment of which will be the subject of the next article in this "Short History."

Senator Recto's Comment

AS in the second instalment of the "Short History..." covering the period of the Japanese occupation, the author is happy to be able to present the following comment from Senator Claro M. Recto who was kind enough to read the draft before publication:

On the surrenders of the guerrillas:

"It was generally known in Laurel's Cabinet that these surrenders under the Amnesty were meaningless. Many of us favored the Amnesty precisely to provide the guerrillas with safeconducts and other necessary papers that would allow them freedom of movement."

On the farmers and their rice:

"In many places the Japanese took, as the story goes, 50% of the harvest, the guerrillas took the other 50%. If the farmer contributed to the guerrillas, he was punished by the Japanese; if he delivered his rice to the Japanese, he was punished by the guerrillas."

On the Declaration of a State of War:

"The original draft of the Declaration, as prepared by the Japanese, specifically named the United States and Great Britain. I proposed the elimination of specified nations, and the substitutions of the general phrase 'allied powers'. I suggested also that, instead of declaring war, which was on its face absurd, Dr. Laurel should merely proclaim the existence of a state of war, which was the factual situation. Our thought was that, the Constitution of the Occupation Government being closely patterned on the Commonwealth Constitution and thereby on that of the United States, at least as far as governmental procedure was concerned, the people and the Americans would understand that there was no declaration of war, there being no concurrence of the Assembly, while to the Japanese we could explain that it was unnecessary to secure the concurrence of the Assembly because it was not required under the Constitution, this being merely a declaration of a state of war. This amended draft was shown to Roxas. Roxas advised Laurel that it would be folly not to give in to the Japanese, who, exasperated, might destroy the fiction of independence completely, restore military government, and massacre the people. Subsequently, the Japanese, while allowing the change in phraseology either through ignorance or misunderstanding, insisted on naming the United States and Great Britain specifically."

On Roxas "speaking up" in defense of his colleagues, or:

"I doubt that Roxas spoke up in defense of his colleagues, or; if he did so, that he spoke up plainly enough to be heard. His margin of victory over Osmeña was undoubtedly due to the vigorous campaign made by us in his behalf (Batangas alone made all the difference), but his subsequent hesitancy alienated many of those who supported him and led to the revitalization of the Nacionalista opposition."

(To be continued)

⁸April 29, 1945, was also the day on which the Germans in Italy surrendered. Mussolini was killed on the 27th and Hitler committed suicide on the 30th. The same notable month included also the death of President Roosevelt on the 12th. Germany surrendered on May 7.

The Central Bank of the Philippines*

BEFORE achieving independence in 1946, the Philippines had not developed a central monetary and banking authority. Broadly speaking, the Philippine peso was based on a 100% U. S. dollar reserve, and the currency was issued principally by the Philippine Treasury. Variations in the size of the issue corresponded with the rise and fall in the country's U. S. dollar reserves, creating great difficulty in cushioning the domestic economy from the deflationary effects of adverse short-term fluctuations in the balance of payments. Such flexibility as existed was provided by the credit operations of the commercial banking system, which in turn were restricted in part by the banks' need to maintain very high reserve ratios in the absence of central bank lending facilities. With the attainment of independence it was recognized that the stability, growth, and development of the domestic economy could be facilitated by the establishment of a more flexible credit and monetary system.

The Central Bank of the Philippines was one of the first of the new Asian central banks. Authorized by the Central Bank Act of June 15, 1948, it commenced operations early in 1949 as an entirely new institution, not a replacement or modification of any existing bank. The new Central Bank is a completely Government-owned and controlled institution with the statutory objective of maintaining monetary stability, preserving the international stability and convertibility of the peso, and promoting the orderly growth of production, employment, and real income. It performs banking operations only for other banks and the Government, and is authorized to deal directly with the public only in the course of its open market operations. In addition to sole responsibility for the note issue, the Bank has broad regulatory authority over the credit and exchange operations of the banking system and has the right to examine all banks periodically. It has responsibility for developing and maintaining a market for Government securities and serves as the Government's general fiscal agent and adviser on financial and economic matters.

Philippine central banking legislation gives considerable attention to the problem of attaining coordination of monetary and fiscal policies. The Secretary of Finance is a member of the seven-man Monetary Board which determines Central Bank policy and is authorized to preside at its meetings. The Governor of the Bank, also a member of the Monetary Board, is an ex-officio member of the National Economic Council. These arrangements derive from the idea that the Monetary Board should be in a position to influence Government policy.

The legal tie between the peso and the U. S. dollar was not entirely removed. Under the Executive Agreement between the United States and the Philippines, pursuant to the Philippine Trade Act of 1946, the approval of the President of the United States is required before the Philippines can alter the exchange rate, suspend convertibility, or restrict the transfer of funds to the United States. Nevertheless, the Philippine international reserve is no longer restricted to dollars, and no minimum ratio between the size of the reserve and the amount of currency in circulation is prescribed by law. The Republic is free to adjust the currency issue independently of balance-of-payments fluctuations.

The Philippines' balance of payments, which had been unfavorable in 1948, deteriorated very rapidly in 1949, despite the imposition of import controls early in the year. This was due to a drop in exports and a large capital outflow. To halt the alarming drain of foreign exchange reserves, the Philippine Congress passed legislation instituting exchange controls in December, 1949. On March 28, 1951, a 17% tax on sales of foreign exchange was put into effect. Both of these measures received the required approval of the President of the United States.

The Bank possesses a number of anti-inflationary weapons, including the power to conduct open market operations, using securities of its own issue for this purpose when necessary. It may vary the discount rate in accordance with the character and terms of the credit requested and the requirements of national monetary policy. It also has broad power to alter reserve requirements on commercial bank deposits. These may be varied within the range of 10 to 50% against demand deposits and 5 to 25% against time deposits. The reserves must ordinarily consist of deposits with the Central Bank, but the Monetary Board may permit part of the reserves to be held in the form of other assets. It has from the beginning permitted up to 518 of the required reserves to be held in the form of Government securities. When the Monetary Board sees fit, it may bar further credit expansion by requiring maintenance of reserves as high as 100% against any further increase of deposits.

The Central Bank may also regulate specific types of credit. It may (a) set maximum rates of interest, commissions, and charges which banks may apply to different types of loans, (b) prescribe minimum cash margins for opening letters of credit, with authority to relate the size of the required margin to the nature of the transaction to be financed, (c) set maximum permissible maturities for bank loans and investments and indicate the type and amount of security to be required, (d) set an upper limit on the total loans or investments a bank may hold, either in the aggregate or by specific categories, or limit the rate of increase of such assets within a specified period of time, and (e) require observance of minimum ratios of capital and surplus to volume of assets or specified categories of assets.

The Central Bank has the usual central bank authority to rediscount and lend against commercial paper. Paper having relatively long maturity may qualify as eligible for these purposes, the limit being 180 days for acceptable paper resulting from commercial transactions, and 270 days for bills related to processing and production. Advances may also be made against gold and securities for periods of 180 days. The maturity for advances secured by acceptable collateral may be extended to a maximum of one year under special circumstances. In periods of grave emergency the Monetary Board is authorized to make advances secured by any collateral approved by at least five of its seven members.

The Bank is permitted to make provisional short-term advances to the Government and its political subdivisions to finance authorized expenditures, but such advances may not exceed 15% of the borrower's average revenues for the three preceding years and must be repaid before the end of the first quarter of the following fiscal year. The Bank is also authorized to make loans to the Rehabilitation Finance Corporation under special circumstances. With these exceptions, the Bank may purchase Government securities only for reasons of monetary policy. However, under authority that expired June 30, 1951, the Bank was permitted to make loans to the Government against the security of Government bonds having a maximum maturity of 15 years. The total of such loans could not exceed ₱200,000,000 and the uses to which the funds could be put were limited to productive and income-producing projects or the amortization of external debt.

The Central Bank has made only moderate use of its anti-inflationary powers. The Bank publishes no discount rate, and it is not known what, if any, variations have been made in the rates it has charged. In general commercial banks have maintained substantial excess reserves, a condition which would operate to reduce the influence of both the discount rate and open market operations on their lending policy. Reserve requirements have remained at the level at which they were first set—18% against demand deposits, 5% against time deposits, and 10% against deposit liabilities in foreign currencies.

In November, 1949, the Bank imposed an 80% margin requirement against letters of credit covering the import of specified nonessential goods, and banks were prohibited from granting credit facilities of any kind for financing such imports. These measures were directed toward strengthening import controls and curbing speculative credit expansion. In 1950 the Bank joined the Rehabilitation Finance Corporation from making further loans for residential construction. The Philippine National Bank, a Government-owned commercial bank, was ordered to halt the extension of credit to Government agencies and to make no loans to the public for speculative purposes. The Central Bank's advances to commercial banks were sharply contracted, but inflation, fed by a large budget deficit, did not abate. In the latter part of the year, a policy of encouraging imports was adopted by the Government and the Central Bank encouraged credit expansion for this purpose. In the last half of 1951 the Bank adopted a more restrictive policy, especially with respect to letters of credit. It required the commercial banks have net foreign exchange holdings, excess reserves, cash in vaults, and securities in an amount equal to at least 70% of their total letters of credit outstanding. Nevertheless, bank credit continued to expand until late in the first half of 1952.

The National Government ran budgetary deficits from 1949 to 1951, financed in part by Central Bank short-term credits. During this period the Central Bank also utilized the special authority described above to grant large long-term credits to both the Government and the Rehabilitation Finance Corporation. As a result, by the end of 1951 the Bank held 43% of the total domestic public debt. In the 1952 fiscal year the budget was in balance and no further demands were made upon Central Bank credit for budgetary purposes. The Bank's holdings of Government obligations have been relatively stable since May, 1951.

*From the *Federal Reserve Bulletin*, December, 1952. The article was written by Reed J. Irvine under the direction of Arthur C. Banca, Chief of the Far East Section of the Board's Division of International Finance.

Foreign Relations,—and Imports and Exports'

By JOHN S. COLEMAN
President, Burroughs Adding Machine Company

THERE was a time when some businessmen were commonly referred to as tycoons—a description derived, I understand, from the Japanese for a great lord. And certainly the tycoons were an impressive band of individuals. Built on the heroic scale they laid down railroads and mined ore and in the process literally moved mountains. In a phenomenally short period they transformed America. When the Civil War broke out, America was a land of handicraft industry; by 1890 we were the premier manufacturing nation in the world. We cannot underestimate their job, and yet it is clear that it was both easy and hard. Hard in the tremendous objective they set before them, but easy in the relatively limited scope of their problems. They planned and carried through an industrial revolution, but they did so in a society whose efforts could be concentrated on a single objective,—economic development. In fact from 1860 until the late 20's our overriding concern was economic growth. Apart from the interruption of the first world war, we could without distraction concentrate on the job of providing an ever better material life for the American people.

But America now faces the facts of maturity. Our youth has run out. When we completed the conquest of the American continent, we met the world beyond our borders. When we reached the first position in industrial power, decisions as to how that power should be used were inevitable. Hard on us. For power is a disturbing element. Its very existence sets up forces of attraction or repulsion, friendship or fear. As a business civilization America has grown strong; but our industrial power now pushes us insistently on to the stage of world politics. A conference in Paris or a decision in the Kremlin may overturn our plans and impose new and unsought tasks on a company. Our business lives may now in the long run be affected more by events overseas than in Detroit.

How different is our situation from that of the tycoon of 1890. Certainly the immediate aim remains the same. More sales, new and better products, better manufacturing methods,—these were the objectives then as they are now. But they can no longer be pursued directly and without interruption, without the intrusion of outside element. Its very existence sets up forces of attraction or repulsion, friendship or fear. As a business civilization America has grown strong; but our industrial power now pushes us insistently on to the stage of world politics. A conference in Paris or a decision in the Kremlin may overturn our plans and impose new and unsought tasks on a company. Our business lives may now in the long run be affected more by events overseas than in Detroit.

As Mr. Roy E. Larsen has put it, "the mid-century business man has had to go to school not only in business administration, but in labor, politics, and social welfare"; and he might have added in international trade and relations. Questions that begin with sales management and production control often end in the broad areas of government and economics,—in the complexities of taxation, inflation, exchange control, and even military strategy. And a business that normally builds accounting machines finds itself in the middle of a defense project, producing rocket sights and fire-control instruments.

At the present time three-fourths of the money spent by the Federal Government goes into foreign affairs activities, into defense, the veterans administration, the foreign service, atomic research, and the like. Foreign affairs are now the most important single function of government and are likely to remain indefinitely the main concern of the nation. If this is true of the nation, if these facts are making a growing impact on business operations, we may expect them to intrude just as decisively into our private lives.

Perhaps all of us still think unconsciously in terms of normalcy. We recognize that crises will arise. We are not unaccustomed to emergencies, but as each crisis arises, even if it is a major world struggle, we still see it as a temporary interruption. The challenge is made, we respond to it, we dispose of it, and we expect all things to be restored as before. We return to normalcy. But the theory is false. We cannot travel the same way twice. The facts which brought us to war and the war itself are new elements in the situation, and they make it certain that things will never be the same again.

Far be it from me to set myself up as an authority on world affairs. To assert the fact that foreign relations are close to our daily lives is not to declare that I have in my mind's eye a foreign-policy map of the world with the appropriate course of action in each area neatly defined. It is true that at Burroughs, international economic conditions have required important decisions in our foreign operations. Foreign relations have thus demanded radical changes in the way we do business abroad. A certain amount of publicity has been given in trade magazines to those new policies. Their application represent. I think, an interesting case-study of the way a company must adapt itself to the facts of international economic life. But I do not wish to go into detail on this subject today. How one company is affected by these facts is interesting. It is certainly important to Burroughs. But I am inclined to think that the small efforts of a medium-sized company have been sufficiently described.

But there are conclusions to be drawn from our experience which it does seem appropriate to discuss. For that experience raises broader issues which affect not only Burroughs, but every business which has a direct or potential interest in world trade. Unfortunately however, the voice of those businesses is not heard as clearly as their case demands. Because this is a subject which closely touches my own daily work and because it is a significant aspect of our foreign relations, I am venturing on it today.

THE most important fact in foreign trade is that whereas the world needs American goods, we have only a moderate demand for goods from overseas. Of course, we know very well that certain important commodities are only to be found abroad; coffee, crude rubber, and such vital industrial materials as chrome, magnesium, and nickel. Others like petroleum, wool, and so on are needed in addition to United States supplies. But though these and other products are individually important, they are of only small importance in dollar-value. On the other hand, lacking the variety and quantity of our resources, the world outside is heavily dependent on foreign trade in order to live at all. And if they have plans for growth, their dependence is increased the more. Brazil and Venezuela depend critically for their prosperity on single products, coffee and petroleum. The British must import large quantities of food. Other countries, like Australia and Mexico, engaged in ambitious programs of development, are building roads, power installations, improving agricultural methods. And they look abroad, usually to the United States, for the tools to do the job.

It might be thought that as development proceeds abroad our export trade would drop off. Apparently things do not work out that way. Goods and services move in greatest quantity between the more advanced countries. The industrialized areas of the world are the most important in world trade. As a country develops, the kind of goods entering the stream of trade will change. Some goods may be produced locally, but, as the standard of living rises, other imports will be demanded. Experience shows that total international trade increases as national economies become more varied and more prosperous.

Moreover, the progress of technology in the United States continually maintains our leadership. Indeed, at times we make things even worse for some countries whose main source of dollar income is a single product. The discovery of rayon and nylon has almost wiped out the once important Japanese silk trade. Synthetic rubber is a serious competitor with crude rubber from Malaya. In the same way business is developing new and better products in every line,—from heavy machines to television and kitchen gadgets, to attract the overseas as well as the domestic customer. Certainly the world in our time will not become less dependent on the United States.

But how serious is that dependence now? It can be brought out by one single fact. Last year American exports of goods and services ran over \$3,000,000,000 ahead of imports. Somehow those exports had to be paid for. How then did the world pay for that surplus? When we at Burroughs send accounting machines to France, France must find dollars with which to pay our bill. Now, there are a number of ways in which she can get her hands on those dollars. She can exchange scarce gold for dollars. She can sell some French product to another country which has gold or dollars. Or she can earn the dollars by selling us some champagne or lace, direct. But what happens if the dollars raised in these or other similar ways are still insufficient to meet the cost of imports? If other countries received to the value of \$3,000,000,000 in excess of what they sold, who footed the bill? The answer is,—we footed the bill ourselves. We lent or we gave them the money. Under our Foreign Aid Program we financed a sizeable amount of our own world trade.

This of course is an absurd situation. France and other countries of the world have goods that Americans have shown themselves eager to buy. It is true that we are not likely to increase our imports to the present high level of exports, but unquestionably we can do something toward closing the gap. We can in short permit other countries to earn more in our market. Instead of supplying our friends with dollars in the form of loans and grants, which of course must be raised by taxation, how much better to allow them to pay their own way by honest trade at no cost to the American taxpayer. But it may be asked, Do we not already permit France or Denmark or Italy to sell all they can in the American market? Certainly we have spent billions of dollars in assisting the countries of Western Europe in rehabilitating themselves. We have urged them to break down the customs barriers which obstruct the free flow of European trade. We have urged them to increase their exports so they can balance their accounts. All these things we have preached in season and out of season. We might expect therefore to find that we had ourselves followed this good advice.

'An address before the Detroit Federation of Women's Clubs, June 6, 1952.

'President, Time Inc.

The Business View

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

The Government

From Official Sources

JANUARY 1, 1953—Governor Dominador Camerino of Cavite is shot inside the Lyric Theater, Manila, while viewing a movie. The assailant, Crispulo Colmaner, wounded by a bodyguard, was caught.

Jan. 2—President Elpidio Quirino calls on Governor Camerino in the Philippine General Hospital, and makes a statement deploring the political rivalry in Cavite which led to the shooting. The Governor received two bullets in the shoulder but is expected to recover.

The President visits the chapel where lie the remains of Mrs. Sofia R. de Veyra, who is to be buried today and issues a tribute to her as a "great Filipino woman... who lived an honorable and noble life... Her death is just like the passing away of some sweet music..."

U. S. Federal Security Administrator Oscar Ewing, who arrived in Manila yesterday in the course of a Far East inspection tour, pays a courtesy call on Secretary of Foreign Affairs E. M. Elizalde.

Jan. 3—Malacañan announces that consultations are being held with members of the Cabinet by Secretary Elizalde regarding the advisability of extending for another 4 months the barter agreement with Japan for the fourth time, as recommended by the Central Bank and the Department of Finance; the present agreement expires at the end of the month and this would be a severe blow to Philippine exporters, especially of iron ore, abaca, and lumber.

Jan. 4—The Department of Foreign Affairs announces that an executive understanding has been reached between the Philippines and the United States concerning the tax exemption of materials and services used exclusively by the United States in the construction of military projects in the Philippines, according to the Military Basis Agreement. Waived are the 3% contractors tax, the 1% exchange tax, documentary stamp tax on negotiable instruments in connection with purchases from abroad, and the 2% import licensing fee, and, with respect to local purchases, the sales tax of 7% and upward. The Philippine Government desires to expedite all such essential construction and takes into consideration, too, that the program does not deplete Philippine dollar reserves but adds to the inflow of dollars, this "contributing immensely to the stability of the country's economy," Secretary Elizalde points out.

In the record of recent months, however, is to be found a sad inconsistency of policy. After five years of debate, Congress still has not passed a customs simplification law to eliminate some of the red tape which discourages the foreign exporter. Unilaterally, we have in recent months slapped quotas on imports of cheese, milk products, and casing, thus as the *New York Times* put it, "at one blow crippling the major dollar-earning industries of Italy, Denmark, the Netherlands, Norway, and New Zealand." Import controls have lately been applied to peanuts and various grades of rice. Duties on furs used in trimming hats have been raised and efforts are being made to persuade the tariff Commission to recommend an increase in duties on motorcycles, bicycles, pottery, tuna fish, pipes, wines, leather goods, wood screws, marble, and olive oil. Small in importance these items may seem to us, but to other countries the dollars earned in the sale of these and other commodities may be vital to their economic stability. At one moment we appropriate billions of dollars to strengthen the economies of Western Europe, but as soon as they are in a position to compete with us in a limited area of business, we ditch the whole policy. We cut off their goods from our market.

Of course we cannot ignore the cold fact that more imports mean greater competition for some American firms. They will lose part of their market. Some of them may even go out of business. In the affected industries there may be a certain amount of unemployment. And the difficulties can only be resolved with time. But the fact remains that the long-term effects will more than compensate for temporary difficulties. Earning increased dollars themselves, countries abroad will be less dependent on American aid and the American taxpayer. Any slack in industries that find it difficult to meet foreign competition will be more than taken up by an expansion of American exports and a consequent rise in other domestic business activities.

Moreover there is a further factor to be considered. Judgments as to the good or bad effects of more imports, must take into account not only the producer, but also that much neglected individual, the consumer, including, let me add, especially the housewife. *Freedom to buy the best product at least cost is certainly a right in our free enterprise system. It must be given as much consideration as the demands for protection so strongly put forward by interested producers.* It is true that some industries must be kept alive in case of war. There are some critical items we must continue to produce. There are some skills we must maintain. But let us remember that a highly significant defense argument can be put forward on

Jan. 5—The President receives Federal Security Administrator Ewing and, later, Bishop Mariano Madriga of Lingayen, Pangasinan, who calls on him in connection with the participation of the Catholic church in the coming Philippine International Fair.

Jan. 6—The President appoints 6 new members and reappoints 3 members of the 15-man National Economic Council: the 6 old members are Secretary of Finance Aurelio Montinola, Chairman, Secretary of Foreign Affairs J. M. Elizalde, Secretary of Commerce and Industry C. Balmeada, Secretary of Labor F. Figueras, Central Bank Governor M. Cuaderno, and Rehabilitation Finance Corporation Chairman P. Mapa; the new members are Secretary of Public Works and Communications P. Lorenzo, Secretary M. J. Cuenco (Office of Economic Coordination), Philippine National Bank President Pio Pedrosa, National Power Corporation Manager F. Rodriguez, Under-Secretary of Agriculture J. Camus, and J. L. Ledesma, sugar planter; the reappointed members are Jose Cojuangco, banker and industrialist, Amado Bautista, General Manager of the Manila Railroad Company, and Salvador Araseta, lawyer and businessman.

Cardinal Thomas Norman Gilroy arrives in Manila from Australia and Cardinal Francis Spellman from the United States, via Korea and Japan, to attend the First Plenary Council of the Philippines, to be held January 7 to 26, which will issue new canonical legislation for the Philippines. A similar meeting was held in 1907 but was called a Provincial Council because there was only one ecclesiastical province in the Philippines at that time while now there are 6.

Jan. 7—The President holds a conference with the MSA (Mutual Security Administration) and PHILCONSIA (Philippine Council for U. S. Aid), attended also by Ambassador R. A. Szuwabe and other U. S. Embassy officials, both in connection with what has been accomplished so far under the terms of the Quirino-Foster Agreement and with the Hardie and Rivera-McMillan reports on land tenancy and other rural problems, which have created some controversy. In a statement to newsmen after the conference, the President states; in part:

"These documents are working tools of the Government and were prepared by long-standing experts whose views and opinions and technical qualifications can not be assailed. So I want to use them as a remedy... they should not be used for issues, political or partisan or otherwise, to defeat the highest purposes of the United States Government in extending its help... We have read in the press claims of the far-reaching effects of failure on our part to comply with our duty to solve the problems of the Philippines... which will belittle the real issue, especially as the pre-electoral period has set in... I have no objection to the Hardie report.

the other side. We cannot logically assert the urgency of strengthening Western Europe, we cannot spend billions in foreign aid, and at the same time contradict our objectives by a restrictive tariff policy.

I have taken but one aspect of our foreign relations. But note the ramifications that grow from it. It controls the freedom of the consumer to choose the best product for his needs, whether produced at home or overseas. It determines whether our customers in South Africa can buy more Burroughs accounting machines. It is significant therefore to the City of Detroit, where so many people are dependent on a prosperous export trade. It affects finally the great issue of the American foreign policy upon which all else ultimately hangs,—the ability of the United States with the free nations of Western Europe to develop military and economic strength sufficient to deter Soviet aggression.

The issues of foreign policy are not always easy. They are in fact exceedingly complex. Yet as a people we have little patience with situations that cannot be quickly resolved. Negotiation and compromise, the tailoring of policies to power, which are the means of diplomacy, savor to us of defeat rather than victory. We are ready to be impressed by those who offer single, unequivocal answers. We like prompt and final decisions. Perhaps here is the source of that impatient attitude which often works so much of the debate on foreign affairs. But what is urgently needed is not a fiery zeal, but an honest search for information, not sudden conclusions, but a cautious and prudent interpretation of facts.

In the last resort we get the policies we deserve. The government is no better than the citizen. The foundations of policy are always in the attitude of our people. Foreign relations affect our daily lives, but we also affect our foreign relations. Ultimately the degree to which the right policies can be implemented depends upon the public support that will be given them. So, then, insofar as the leadership has been thrust upon this nation, it has been thrust upon all of us. And all of us share the responsibility, the press and the radio, the Administration and the Congress, business and the Federation of Women's Clubs. The job of the homemaker, like that of the diplomat, is never finished. The new day comes and with it old tasks to be done again and new chores to add to the schedule. She does not expect to find one all-embracing gadget to wash the clothes, cook the dinner, and sweep the floor. She must be patient, adaptable, and persevering. In these days of difficult and diverse problems, those who speak and write and act in foreign affairs could well apply those essential qualities.

This is a factual analysis of the situation. My only point in this: all these data collected are not secured as my request at the Philippine Government's request in order to serve as the basis in the solution or to remedy the defects in our social and economic system. But these data are not supposed to be utilized as bases for derogatory criticism of the Government because of defects of long standing. We are trying to solve them...

The President also states that while the Government has temporarily stopped buying up the larger landed estates for lack of funds, this will be resumed as soon as funds become available; meanwhile the Government is continuing to open up new lands for settlement.

The President issues Executive Orders Nos. 555 and 556 fixing new ceiling prices on local construction materials (pipes and fittings) and certain foodstuffs (corned beef).

The President gives a state dinner in honor of Cardinals Spellman and Gilroy.

Jan. 8 — The President, in receiving a check from PHILCUSA Chairman Jose Yulo for \$4,000,000 from the MSA counterpart funds for the new Agricultural Credit and Cooperative Financing Administration and the Rural Banks, lashes out at critics of the Government who allege that it is neglecting the welfare of the common man. Dr. Roland R. Renne, MSA Philippine chief, in a brief response to the President's remarks, states that the MSA is pleased with the progress of the Philippines in its social amelioration work.

The directors of the Philippine Chamber of Industries call on the President to suggest the extension of the Import Control Law, which expires on June 30 of this year, and also the striking out of the 1953-54 appropriations bill a provision contained in the 1952-53 Appropriations Act which allegedly nullifies the Flag Law inasmuch as it declares that local products may be purchased for government use if the prices are equal to those of similar imported products, while the Flag Law allows a 15% margin in favor of local products.

The Department of Foreign Affairs, following a conference among Secretary Eizalze, Secretary of Justice Oscar Castelo, and Secretary of Agriculture Ramon Magaysay, after a visit from Chinese Ambassador Chen Chih-ping, states that with respect to the recent move to deport some 2,400 Chinese temporary visitors, the three secretaries will designate a representative each to study the whole matter and to screen each individual case in close cooperation with the Chinese Embassy.

The Department of Foreign Affairs announces that Vice-President Fernando Lopez, concurrently Secretary of Agriculture and Natural Resources, had favorably endorsed the proposal to extend the barter agreement with Japan.

Jan. 10 — The President fixes Tuguegarao, Cagayan, to inaugurate the new capitol there tomorrow and also a bridge in the province. He will then fly to Ilagan, Isabela, to inaugurate the new capitol there and also the Naguilian bridge, the longest in Luzon; from Ilagan he will fly to Bayombong, returning to Manila on the 11th.

Jan. 10 — The Supreme Court, by a vote of 6 to 4, declares the suspension of Manila Mayor Arsenio H. Lacson to be "unwarranted and illegal". The majority ruled that the Chief Executive may suspend an official for any cause provided for by law, but that the mere indictment of Lacson on a charge of his ally having libeled Judge A. P. Montesa, which case is now pending before the Manila Court of first instance, is not a ground for his temporary removal from office.

Jan. 11 — The Court of First Instance of Manila dismisses the libel case brought against Mayor Lacson.

Jan. 12 — The President reinstates Lacson as Mayor of Manila.

Jan. 13 — Secretary of Foreign Affairs Eizalze issues a statement declaring that he "favors the early establishment of a tariff commission to undertake an immediate revision of the Philippine tariff legislation preparatory to the contemplated adjustment of the country's trade with the United States, Japan, and the rest of the world."

Jan. 14 — The President appoints members of the Chinese Nationalist air force goodwill mission which arrived in Manila from Formosa in 8 "Mustangs", a B-25 light bomber, and a C-47.

Jan. 15 — At a meeting of the Council of State, Secretary Eugenio Perez states that any messages with reference to extending various tax laws should be sent to Congress ahead of the submission of the Budget; he points out that the expiring tax laws are Republic Acts 590 and 600 (individual and corporation income taxes), Nos. 588 and 726 (sales percentage tax), Nos. 589, 592, and 724 (specific taxes on distilled and fermented liquors, fire-crackers, and playing cards), Nos. 567 and 725 (documentary stamp tax), and No. 601 as amended by No. 814 (foreign exchange tax).

Jan. 17 — The President issues Executive Order No. 557 reducing the ceiling prices on certain drugs, including aureomycin, chloromycetin, streptomycin, penicillin, and terramycin.

Jan. 18 — The President signs a proclamation fixing the period from February 14 to March 31 for the 6th annual fund campaign of the Philippine National Red Cross.

The Bureau of Plant Industry recommends to the President an advance of \$150,000 for a big-scale planting of kenap to supply fiber for the textile facilities, the Japanese agency of kenap plantation having recently been turned over to the Bureau by the board of liquidators of the NAFCO (National Abaca and Other Fibers Corporation). There are two sack factories in Manila, the Soriano and the Amado Araneta plants, and another one, the Eugenio Lopez factory, in Occidental Negros.

Jan. 19 — Malacanan releases two radiograms of the President, one a message of felicitation sent to President Eisenhower and the other an expression of thanks and good wishes to retiring President Truman.

Jan. 20 — The President confers with Secretary of Finance Financito Montola regarding the action to be taken against 13 Customs officials in connection with anomalies discovered in a recent importation of fire-crackers.

The Department of Foreign Affairs announces that an exchange of notes extending the barter agreement between the Philippines and Japan for the fourth time took place today; the present extension will terminate in 4 months at a time when Congress will be in session in order to give that body the opportunity to consider ratification of the Peace Treaty which would make further such extensions unnecessary.

The Department of Foreign Affairs announces that it has been informed by the Secretary-General of the United Nations that the Philippines has been elected a member of the Special Committee on Admission of New Members which was established by a General Assembly resolution on December 21.

A number of members of the Japan Diet, headed by Chojiro Kuriyama, Chairman of the foreign affairs committee of the Lower House, arrive in Manila on a goodwill mission to various Asian countries. They will call on Secretary Eizalze and other Philippine officials tomorrow and will leave on the 23rd.

Jan. 21 — The President names a 3-man committee to study the problem of marketing Philippine sugar produced in excess of the Philippine quota in the United States, composed of Secretaries Eizalze, Montinola, and Balmaceda.

The President felicitates Senate President Eulogio Rodriguez on the occasion of his 70th birthday anniversary.

Commissioner of the Budget Pio Joven announces the loss of 8 additional Treasury warrants.

Jan. 22 — The President expresses his gratification over the report of Under-Secretary of Agriculture and Natural Resources Jose S. Camus that the locust infestation in some 23 provinces is now almost completely under control; a total of P133,600 was given as "insular advances" to the various provinces for the anti-locust campaign and the Department spent around \$30,000 more for the hire of airplanes and pilots for dusting with insecticides from the air, the Under-Secretary expressing his appreciation of the cooperation of the Philippine Air Force and the Civil Aeronautics Administration.

Jan. 23 — The President nominates Dr. Jose F. Imperial as Chief of the Philippine Mission in Tokyo, and agreement of the Japanese Government is being requested.

Jan. 24 — Notes are formally exchanged between Under-Secretary of Foreign Affairs Felino Neri and Toru Nakagawa, head of the Japanese Mission in the Philippines, on the terms and conditions of the survey of sunken vessels in Philippine waters to be undertaken by the Japanese; a salvage agreement is still to be negotiated.

Jan. 26 — The President sends birthday greetings to General Douglas MacArthur.

The President at noon receives a joint committee from the House and Senate which notified him that the Second Congress of the Republic has opened its fourth and final session. At 5 o'clock, accompanied by members of the Cabinet, he goes to the Legislative Building to deliver his State of the Nation Address.

The Department of Foreign Affairs announces that the Japanese Government has accepted Dr. Imperial as Chief of the Philippine Mission in Tokyo. He was until recently Minister and Charge d'Affaires, a.i., in the Philippine Embassy at Djakarta, Indonesia.

Jan. 27 — President Quirino receives a letter from former President Truman thanking him for his message sent and stating that he was "proud to proclaim the Philippine Republic" and expressing his confidence that the Philippines "will aspire constantly to the great ideal of democracy." "I shall always retain a deep interest in the welfare of your people and will look forward to continued progress on all fronts."

The President confers with Secretary of National Defense Ramon Magaysay and Maj. Gen. Calixto Duque regarding the intensified campaign against the Huks, recently begun.

President and Cabinet discuss the coming 1953 Philippine International Fair which the President will officially open at inaugural ceremonies to be held on the Luneta on Sunday afternoon, February 1. The meeting is held aboard the presidential yacht Apo and a short cruise is taken around the Bay to inspect the sunken ships being surveyed by the Japanese survey group. The Cabinet approves the recommendation of Secretary of Labor Jose Figueras to lift the suspension of the permits of the 23 employment agencies in Manila closed some months ago in connection with an investigation of charges that they were recruiting girls from the provinces for prostitution.

Jan. 28 — The President approves the release of P1,700,000 for the repair, maintenance, and construction of municipal roads and bridges and an allotment of P2,697,571 for the operational expenses of the Civil Aeronautics Administration.

The President issues Proclamation No. 363 making effective, in the provinces of Bataan and Tarlac, the provisions of Republic Act No. 832 which regulated the sale of rice for the purpose of encouraging the consumption of "enriched rice", the Secretary of Health having certified that these provinces are now adequately provided with the necessary facilities.

Jan. 29 — Ryugo Hashimoto, member of the lower house of the Japanese Diet and former member of the Cabinet for welfare, with his

party arrives in Manila from Hongkong on his way to Formosa and pays courtesy calls on Secretary Elzalde, Senate President Rodriguez, and Speaker Perez.

Jan. 29 — The President receives Secretary Magaysay aboard the Apo anchored in the Bay, for another conference, the Secretary apprising him of the progress of the recently intensified campaign against the Hukos and of the arrival of military equipment from the United States, including trucks, weapon-carriers, and jeeps; the President states these arrived in time for the offensive now being carried out.

Jan. 30 — General MacArthur replies to President Quirino's message of felicitation, stating, "I have watched with such gratification the fine results of your administration in the land I know and love so well."

Banking and Finance

By W. M. SIMMONS

Manager

The National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31 1949	As of Oct. 31 1952	As of Nov. 28 1952	As of Dec. 29 1952
(In thousands of pesos)				
Assets				
International Reserve.....	₱460,689	₱472,919	₱472,172	₱454,157
Contribution to International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	—	—	—	—
Loans and Advances.....	113,306	107,570	107,570	106,940
Domestic Securities.....	77,047	48,195	50,180	54,165
Trust Account—Securities Stabilization Fund.....	92,197	231,881	231,857	235,438
Other Assets.....	20,390	—	41,428	42,279
	₱793,629	₱933,349	₱918,207	₱922,979
Liabilities				
Currency — Notes.....	₱555,576	₱530,688	₱546,280	₱579,584
Coins.....	74,324	90,689	90,309	89,945
Demand Deposits — Pesos	117,682	266,977	235,135	205,899
Securities Stabilization Fund.....	2,000	12,233	12,233	12,233
Due to International Monetary Fund.....	22,498	496	496	497
Due to International Bank for Reconstruction and Development.....	2,389	2,383	2,383	2,383
Other Liabilities.....	2,636	2,365	2,811	2,733
Deferred Credits.....	—	3,055	3,652	568
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	7,331	7,776	12,005
Surplus.....	—	7,132	7,132	7,132
	₱793,629	₱933,349	₱918,207	₱922,979

The international reserves as of December 31, 1952, were as follows:

Central Bank international reserves.....	\$227,078,290
Net FX holdings of other banks.....	69,818,891
Japan open account.....	8,979,735
Total.....	\$305,876,916

Comparative figures for the past year follow: (in millions of dollars).

	Central Bank inc.		Total
	Japan Open Account	FX Holdings Other Banks	
December 31, 1951.....	244.42	59.45	303.87
January 31, 1952.....	242.63	44.00	286.63
February 29, 1952.....	238.53	50.45	288.98
March 31, 1952.....	243.51	50.76	294.27
April 30, 1952.....	248.37	48.26	296.63
May 31, 1952.....	246.81	51.92	298.73
June 30, 1952.....	250.27	58.94	309.21
July 31, 1952.....	234.82	71.56	306.38
August 31, 1952.....	245.73	57.95	303.68
September 30, 1952.....	249.89	60.52	310.41
October 31, 1952.....	244.54	62.91	307.45
November 30, 1952.....	235.70	71.66	307.36
December 31, 1952.....	236.06	69.82	305.88

Latest available comparative figures of the money supply are as follows:

	(In millions of pesos)
December, 1949.....	₱ 1,035.4
December, 1950.....	1,229.0
June, 1951.....	1,224.1
December, 1951.....	1,160.4
June, 1952.....	1,134.6
July, 1952.....	1,145.7
August, 1952.....	1,128.5
September, 1952.....	1,142.8
October, 1952.....	1,140.6

Currency and coins in circulation increased to ₱669,529,000 at the end of December, from ₱636,590,000 as of November 30.

It was announced in the local press that the Republic Savings Bank received its charter from the Central Bank on December 24 and will open in a ₱200,000 five-floor building in the Malate-Ermita district on January 19. It is also reported in the press that it will pay interest on a basis of 6% per annum compounded quarterly. The bank was registered with the Securities Exchange Commission on January 3 with an authorized capital of ₱5,000,000 divided into 50,000 shares of ₱100 par value of which ₱1,000,000 has been subscribed and ₱250,000 paid in on incorporation date, principally by D. P. Perez, a brother of Speaker Perez, who has been residing in New York a number of years.

SEVERAL additional rural banks were licensed during the month, and two were inaugurated with a great deal of fanfare in the press. Last year a total of 17 rural banks were licensed by the Central Bank under Republic Act 720 and there are 33 pending applications. Three additional rural banks are opening this month in Kalibo (Capiz), Bacolod City, and Cebu City. These banks, in addition to the newer and aggressive commercial banks, are causing keen competition for deposit money.

FOREIGN trade figures available for the first 10 months of 1952 show an adverse balance of trade of ₱154,000,000, as against an adverse balance of ₱43,000,000 for the same period in 1951. The general impression is that business has slackened considerably. Many importers report that although they had a fair volume of business in 1952, profits were greatly reduced due to narrower margins and increased operating costs.

(NOTE:—The information contained herein has been derived from responsible sources, but the National City Bank of New York assumes no responsibility for its accuracy).

Manila Stock Market

By A. C. HALL

Hall, Picornell, Ortigas & Co.

December 27, 1952, to January 23, 1953

GOLD mining shares have strengthened appreciably in active trading during the period under review, as a result of bullish developments. In reviewing the latter, perhaps the most important is the growing belief that Congressional leaders will sponsor an amendment to the gross production tax during the present session of Congress. Under present conditions, this tax is discriminatory to the gold mining industry, and a strong case exists for its modification. Among other factors aiding the current improvement, is the substantial advance in the local free gold market where the price per fine ounce has advanced from ₱110 to a high of ₱121, closing today at ₱117. Finally, the seasonal expansion in business has made cash easier.

Among base metal issues, chrome and iron equities firmed, but the leading copper producer, Lepanto Consolidated, eased a minimum fluctuation under some switching to Acogje and Philippine Iron Mines.

In the commercial and industrial section of the market, reinvestment demand from year-end dividend payments was responsible for an advance in San Miguel, otherwise trading in this section was quiet and featureless. Fixed interest securities were mixed, but the tone was easier.

Credit

By C. W. MUILENBURG

Manager, Credit and Collection Department
International Harvester Company of Philippines

THE Association of Credit Men, Inc. (P.I.) consolidated a resumé on terms, balances, and bad-debt losses as of December 31, 1952. The majority of members reporting still indicated 30 days as standard terms, with a few firms indicating an attempt to enforce shorter terms. With reference to balances in trade-accounts receivable at December 31, 1952, little change was noted as compared to data as at September 30, 1952. At year-end 1952 in standard-terms accounts, a consolidation showed 67.75% of balances current, as against 70.16% current in September. Balances past due 1 month at the end of the year were 12.55%, and at end of September, 12.17%; past due 2 months 6.08% at year-end, and 6.84% in September; with negligible change in percentages for accounts longer past due. Under installment accounts, balances current were reduced from 86.56% current in September, to 74.74% at year-end, with some increases at year-end for accounts past due 1 month, 2 months, 3 months, and 4 months, but with a reduction to 3.57% at year-end on accounts more than 6 months past due. In September balances on installment accounts over 6 months past due were reported at 8.03%. In general, the above percentage figures would indicate a slowing down of collections.

During 1952 members contributing to the survey reported sales for cash at 23.86%; on standard terms, 62.53%; and on installment, 13.61%. In 1951 sales were 28.45% cash; 61.79% on standard terms; and 9.76% on installment. During the year 1952, 9 firms reported bad-debt losses written off amounting to ₱155,419.41. This was a reduction, since during 1951 a total of 8 firms reported bad-debt losses written off of ₱210,154.92.

The above statistics were taken from figures provided to the Association by members for benefit of members and no effort has been made to confirm specific figures.

IN January, 1953, the Association of Credit Men, Inc. (P.I.) completed two surveys for members. One had to do with levels and details of salaries paid and procedures or plans for increases or changes. The second survey was to determine what incentives members use to encourage prompt payment of trade accounts. This survey sought to bring out experience and opinions of members as to benefits of various kinds of discounts and whether or not penalties were being used or might be used to advantage on past-due accounts.

Electric Power Production

(Manila Electric Company System)

By R. J. BAKER

Comptroller, Manila Electric Company

1941 Average—16,316,000 KWII

	Kilowatt Hours	
	1953	1952
January	50,200,000**	45,152,000
February		42,450,000
March		45,128,000
April		42,798,000
May		45,580,000
June		45,223,000
July		47,542,000
August		47,988,000
September		47,216,000
October		50,073,000
November		47,692,000
December		50,656,000*
Total		557,458,000

*Revised
**Partially estimated

MINING SHARES

1951-52 Range	High	Low	Close	Change	Total Sales
131.53 88.11	M. S. E. Mining Share Average	106.58	99.39	106.58	Up 9.52 8,892,053
0.315 0.155	Accejo Mining Co.	.255	.21	.24	Up .05 675,100
0.0925 0.028	Antero Goldfields	.043	.038	.038	Off .005 70,000
7.80 1.80	Atok Big Wedge Mining Co.	2.75	2.25	2.75	Up .65 10,060
0.14 0.06	Bahito Mining Co.	.07	.06	.06	Off .01 65,000
2.80 1.60	Balato Mining Co.	2.05	1.70	2.05	Up .35 4,300
0.0036 0.0010	Betón L. Busby Gold Mines	.002	.0016	.0016	Up .0001 1,150,000
5.30 3.50	Benguet Consolidated	4.60	3.80	4.60	Up .80 67,730
0.10 0.08	Consolidated Mines, Inc.	.024	.024	.024	Up .004 65,000
0.043 0.011	Enclosed Gold Mining	.043	.04	.042	Up .002 1,509,000
0.29 0.16	Hibao Hibao Mining Co.	.16	.16	.16	— 28,000
0.17 0.0625	Itoyan Mining Co.	.105	.08	.105	Up .035 200,000
0.075 0.031	Josefa L. Muiño Gold Mines	.04	.03	.03	Off .01 411,500
0.06 0.05	Lepanto Consolidated	.84	.80	.83	Off .01 411,500
0.05 0.024	Masbate Consolidated	.043	.036	.044	Up .008 1,565,000
0.43 0.09	Mindanao Mother Lode	.1475	.1225	.14	Up .02 550,000
0.1275 0.06	Paracale Gumaua Co.	.105	.1025	.105	— 20,000
3.26 1.20	Philippine Iron Mines, Inc.	2.75	2.50	2.65	Up .20 80,270
0.32 0.17	San Juanito Mining Co.	.20	.19	.19	— 168,953
0.305 0.185	Surigao Consolidated	.27	.22	.27	Up .055 451,000
0.13 0.04	United Philippine Mining Co.	.0525	.0525	.0525	Up .0125 10,000

COMMERCIAL SHARES

1951-52 Range	High	Low	Close	Change	Total Sales
143.00 105.00	Bank of the Philippine Islands	135.00	135.00	135.00	— 8
22.00 12.00	Binalbagan - Isabel Sugar	—	—	20.00b	—
15.00 15.15	Bonifacio Milling Co.	—	—	15.00a	—
108.00 75.00	Central Azucarera de la Base, Inc.	—	—	70.00b	—
171.00 100.00	Central Azucarera de la Carlota	105.00	100.00	105.00	— 144
111.00 160.00	Central Azucarera de Pinar	—	—	105.00b	—
50.00 30.00	Central Azucarera de Tercero	—	—	40.00a	—
325.00 320.00	China Banking Corporation	—	—	280.00b	—
12.00 10.00	Cia. de Cebu - Filipinas	12.00	12.00	12.00	— 1,900
27.50 25.40	Filipinas Cia. de Seguros	—	—	23.00b	—
12.00 8.30	Industrial Textiles Mfg. Co. P.I.	10.00	9.00	9.00	Off 1.00 2,000
0.36 0.25	Manila Broadcasting Co.	—	—	.25b	—
0.12 0.065	Mayon Metal, class "B"	—	—	.05b	—
0.12 0.085	Mayon Metal, class "A"	—	—	.05b	—
107.00 100.00	Meralco 6 1/2% Metropolitan Insurance Co.	105.00	103.00	103.00	Off 2.50 T 380
23.00 20.50	Paodeco	21.00	21.00	21.00	— 76
7.50 5.00	Philippine Air Lines, Inc.	—	—	5.00b	—
27.50 25.00	Philippine Guaranty Co., Inc.	25.50	25.50	25.50	— 68
0.0925 0.042	Philippine Oil Development Co., Inc.	.0525	.039	.046	Up .007 1,765,000
1.46 0.46	Philippine Racing Club, Inc.	—	—	.90b	—
36.00 22.00	San Miguel Brewery, Com.	31.00	29.50	31.00	Up 1.50 20,887
101.00 93.40	San Miguel Brewery, 7% pref.	100.00	98.00	98.00	Off 1.25 150
108.00 102.00	San Miguel Brewery, 8% pref.	106.50	105.00	106.50	Up 2.50 527
16.00 13.50	United Insurance & Indemnity Co.	—	—	12.00b	—
7.00 6.00	Williams Equipment, com.	—	—	6.50b	—

T—Bond sales reported in units of ₱100.

OVER-THE-COUNTER

Company	High	Low	Close	Total Sales
Demonstration Gold Mines	₱ .02	₱ .02	₱ .02	23,000
Eastern Development Co.	.006	.006	.006	630,000
Mambulo Consolidated Mining	.001	.001	.001	216,812
Miasma Chromite	.01	.01	.01	205,000
North Camarines Gold	.001	.001	.001	541,477
Pampanga Bus Co.	.60	.60	.60	1,010
Philippine Long Distance Telephone Co.	100.00	100.00	100.00	₱ 49,300.00

OUTPUT in January 1952, compared with the record set during December and was 5,048,000 kwh or 11.2% above January, 1952. The second 4,000 kw unit at the Blaisdell Station was put in service on February 2.

Real Estate

By ANTONIO VARIAS

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

REAL ESTATE sales registered in the Greater Manila area during the month of January, 1953, numbered 653, with a total value of ₱7,331,703, as compared with 441, with a total value of ₱5,683,017, registered during the preceding month of December.

Of the January sales, 184, with a total value of ₱1,499,139, represented deals within Manila proper, and 469, with a total value of ₱5,832,564, were sales within the cities of Quezon and Pasay, and in the suburban towns of Calocan, Makati, Mandaluyong, Malabon-Navotas, Parañaque, and San Juan.

A number of the bigger sales registered during the month were:

A tract of 1,339,319 square meters in Makati, sold by Ayala y Cia. to San Lorenzo Co., Inc., for ₱2,800,000;

A tract of 6,500 square meters on the corner of Isaac Peral and Florida streets, Ermita, sold by the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States to the United Service Corporation for ₱487,500;

A parcel of 2,200 square meters on Isaac Peral Street, Ermita, sold by the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States to the Kodak Philippines for ₱165,000;

A property comprising 26 lots in Quezon City, together with various properties in the City of Manila, sold by Rosario Legarda y Rocas to Teresa Realty, Inc., for ₱244,478;

A property comprising 6 parcels of land, with a total area of 10,057.5 square meters, on Dapitan and Py y Margal Streets, Sta. Mesa Heights, Quezon City, sold by J. M. Tuason & Co., Inc. to the Republic Investments Co., Inc. for ₱144,828; and

A 2-story concrete building on a lot of 210 square meters on Misericordia and Acarranga streets, Sta. Cruz, sold by Jose Ma. Grimalt to Aurora S. Tanjanco for ₱140,000.

REAL ESTATE mortgages registered in the Greater Manila area during the month of January numbered 514, with a total value of ₱7,331,720, as compared with 498, with a total value of ₱9,463,181, registered during the preceding month of December.

Of the December total, 190, with a total value of ₱3,691,913, represented deals within Manila proper, while 324, with a total value of ₱3,639,807, were mortgages in Quezon City, Pasay City, and in the suburban towns of Calocan, Makati, Mandaluyong, Malabon-Navotas, Parañaque, and San Juan.

REAL ESTATE SALES, 1953

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January.....	1,499,139	1,477,332	213,490	4,141,742	7,331,703

REAL ESTATE MORTGAGES, 1953

January.....	3,691,913	1,377,690	245,200	2,016,917	7,331,720
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Building Construction

By JUAN J. CARLOS

President, Philippine Contractors' Association

DURING the month of December, the Office of the City Engineer approved building permits for construction work amounting to ₱2,509,385. For the same period in 1951, the volume of work authorized amounted to ₱2,876,860 in comparison with ₱3,770,410 in 1950 and ₱2,716,625 in 1949. For the year 1952, a total

amount of ₱46,318,345 was approved for the city of Manila in comparison with ₱51,706,840 for the year 1951, or a decline of ₱5,388,495.

Some of the big projects that were started during the month of December were:

A 3-story building at 224 Tutuan Street for See Tek, estimated at ₱150,000.

At P. Rada and Santo Cristo Streets, a market building for T. Pascoquin, costing ₱150,000.

A 2-story residential building on Nebraska Street, estimated at ₱75,000.

For the Benipayo Press, a commercial building on Misericordia Street, costing ₱75,000.

THE decline in construction volume during the past year can be attributed to the tight money situation now prevailing in the Philippines and to the fact that most of the buildings damaged during the war have now been rebuilt. An analysis of the permits issued will show that the construction of moviehouses and school buildings accounts for the greater part of the work.

In view of the fact that no permits were issued, the cost of the buildings constructed for the Philippine International Fair is not included in the official tabulations. A conservative estimate of the work done inside the grounds would be about ₱4,000,000.

The supply of lumber in the city continued tight due to the small arrivals of stock from the mills, and prices remained on the upward trend. Local lumber suppliers, however, assure consumers of more stock in the future with the scheduled opening of more mills which were closed after the higher rates of the Minimum Wage Law became effective.

Port of Manila

By L. R. WENTHOLT

Vice-President, Luzon Brokerage Company

DURING the month of January some 85,000 tons of general cargo were discharged on the piers and on lighters.

Due to the action taken by Delgado Brothers and perhaps to the publication of the facts in the newspapers, pilferage of textiles has stopped. Some thieves were apprehended moving textiles at night through the manholes in the pier. It is still doubted that they belong to the original ring, but is noteworthy that this month no textile pilferages have occurred.

Some difficulties were encountered in the deliveries of merchandise for the Philippines International Fair; however, they were quickly solved.

Large shipments have arrived in Manila for the Caltex Refinery in Batangas which were all lightered to Batangas.

As far as pier deliveries were concerned, no congestion was experienced.

Ocean Shipping and Exports

By B. B. TUNLOD

Secretary-Manager

Associated Steamship Lines

TOTAL exports for the year 1952 showed an increase of 676,799 tons over exports for the year 1951.

1331 vessels lifted 4,479,096 tons of exports during 1952, as compared to 3,802,297 tons lifted by 1273 vessels in 1951.

Commodities which have registered sharp increases over the year 1951 figures, are: glycerine from 1,906 to 2,271 tons; logs from 170,468,914 to 202,701,647 bft.; lumber from 23,557,157 to 66,739,465 bft.; copper ore from 105 to 2,888 tons; chrome ore from 287,008 to 503,026 tons and muscovado sugar from 498 to 12,112 tons.

Exports for the year 1952 as compared with exports for the year 1951, were as follows:

Commodity	1952	1951
Alcohol	526 tons	897 tons
Beer	2,790 "	3,307 "
Charcoal	10 "	—
Cigars and cigarettes	185 "	126 "
Coconut, desiccated	60,214 "	75,761 "
Coconut oil	79,563 "	77,117 "
Concentrates, copper	64,914 "	53,404 "
Concentrates, gold	5,745 "	4,725 "
Concentrates, lead	355 "	111 "
Concentrates, zinc	343 "	183 "
Copra	651,764 "	758,186 "
Copra cake and meal	76,916 "	65,114 "
Embroideries	2,785 "	3,662 "
Empty cylinders	5,033 "	7,241 "
Fish, salted	189 "	189 "
Food, canned	172 "	51 "
Fruits, fresh	681 "	1,237 "
Furniture, rattan	11,526 "	10,524 "
Glycerine	2,271 "	1,906 "
Gums, copal	313 "	1,060 "
Gums, elemi	46 "	165 "
Hemp	859,266 bales	1,023,566 bales
Hemp, knotted	177 tons	172 tons
Household goods and personal effects	3,272 "	3,983 "
Junk metals	10,020 "	46,301 "
Kapok	61 "	162 "
Kapok seeds	100 "	100 "
Logs	202,701,647 bft.	170,468,914 bft.
Lumber	66,739,465 "	23,557,157 "
Molasses	207,356 tons	127,362 tons
Mongo beans	25 "	—
Ores, copper	2,888 "	105 "
Ores, chrome	503,026 "	287,008 "
Ores, lead	473 "	339 "
Ores, iron	1,191,471 "	928,285 "
Ores, manganese	27,984 "	22,710 "
Pineapples, canned	77,341 "	54,984 "
Plywood and plywood products	306 "	367 "
Rattan, round (palasan)	4,086 "	3,356 "
Rope	5,105 "	5,460 "
Rubber	1,190 "	1,027 "
Shell, shell waste	650 "	658 "
Shell buttons	88 "	90 "
Skins, hides	535 "	1,240 "
Sugar, centrifugal	764,909 "	623,142 "
Sugar, refined	1,463 "	649 "
Sugar, muscovado	12,112 "	498 "
Tobacco	15,160 "	8,895 "
Vegetable oil	529 "	385 "
Wines and liquors	49 "	—
Transit cargo	2,343 "	10,014 "
Merchandise, general	11,293 "	16,305 "

Freight Car Loadings

By JOSE B. LIBUNAO

Traffic Manager, Manila Railroad Company

LOADINGS of revenue freight in the month of December, 1952, totaled 4,609 cars. This was an increase of 862 cars, or 23% over the carloadings in December, 1951, which was 3,747 cars.

Revenue Carloadings By Classes

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

Commodity	1952	1951
Products of Agriculture	44,002	30,790
Animal Products	355	654
Mineral Products	1,103	274
Forest Products	7,227	9,262
Products of Manufactures	37,773	30,112
Merchandise less than by carload	7,884	7,488
Total	98,344	78,580

Carloadings of commodities for the month of December showed an increase of 19,764 tons over the same month in 1951. Of the 40 items considered in this review, 18 showed increases while 22 items registered decreases. For sugar

cane and sugar alone, an increase of 26,802 tons was noted, and cement, brick and lime, gravel and stone, and iron and steel accounted for an increase of 1,401 tons. To these tonnages may be added those for wood fuel, gasoline, wines, liquors and beer, and less than carload merchandise which contributed another increase of 3,698 tons, or a total increase of 32,678 tons. On the other hand, various items showed decreases in carloadings—rice and palay accounted for 2,130 tons; coconuts, copra, and desiccated coconut, 1,899 tons; logs and lumber, 3,008 tons; fuel oil and petroleum, 658 tons; and miscellaneous manufactures, 2,730 tons. Together with other decreased items, there was a total decrease of 11,206 tons, which offset the increases. Greater tonnages for rice and palay, as well as for lumber, could have been realized were it not for a shortage in cars, which could not be supplied. As a matter of fact, there were 862 more carloads of various items transported during the month of December, 1952, than the same month in 1951.

REVENUE freight carloadings by general classes of commodities for the months of July to December, 1952, are shown below.

Commodity	July - December	
	1951	1952
Products of Agriculture	62,125	74,293
Animal Products	3,834	1,552
Mineral Products	3,612	4,250
Forest Products	74,491	37,590
Products of Manufactures	113,255	118,502
Merchandise less than by carload	45,268	52,117
Total	302,586	288,304

A review of the carloadings for the last 6 months of 1952, compared with the corresponding period in 1951, reveals that there has been an increase of 316 in carloads, but a decrease in tonnage of 14,282 tons. This decrease was principally due to a large decline in the movement by rail of products of the forests, amounting to 36,901 tons; also to decreased transportation by rail of animal products. Movement must have been by vessels, as most of the newly opened lands are in Mindanao and Mindoro. Animals to be used for work in newly opened lands in Luzon have been carried by trucks because of absence of railway facilities in the new areas. The mechanization of farms may also account for the decrease of animals being carried by the rail service.

In the case of forest products, decreased exportation of these items from Luzon is accounted for by the higher total cost of production and transportation, which favors the Mindanao producers in the exportation of logs and lumber. It was noted, however, that the loading of wood fuel was on the upward trend during November and December, 1952.

The decrease in tonnage would have been greater for the half year were it not for the increases in products of agriculture, mines, and miscellaneous manufactured articles. Sugar cane and centrifugal sugar accounted for 35,388 tons, and cement, gasoline, wines, liquors, and beer, coal and coke, desiccated coconuts, other products of agriculture, and miscellaneous less than carload merchandise, with 18,492 tons, helped prevent a greater decline in the carloadings for the 6 months under review. Of course, the paralyzation of the southern lines for almost a month has contributed to this decline in tonnage. Were it not for the two typhoons, the total tonnage would have been greater. This assumption is borne out by the fact that at the present time, the demand for service is greater than the Railroad can provide.

In spite of the decrease during the 6 months under review, it is possible that the first 6 months of this year (1953) will equal the total tonnage of the fiscal year 1951-1952 because of the expected greater crop of sugar cane and the increasing tonnage of mining products. It is also probable that forest products will likewise increase in volume during the coming months.

Mining

By HENRY A. BRIMO

President

Philippine Gold Producers Association, Inc.

It is well-known that gold producers in the Philippines are asking for tax relief and it is conceivable that many of those uninitiated to the conditions and circumstances facing this industry may be asking themselves if the gold producers are sincere in stating their need for such relief. This brief article will attempt to explain the position of the industry and as much as possible it will confine itself to factual statements without attempting to impose conclusions.

Only recently a certain gentleman asked me why the gold producing industry "alone" required aid. I corrected him forthwith with a short statement: "We are not alone. The gold mining industry all over the world requires aid, and many countries have been aiding the industry with emergency legislation enacted as far back as 1948 and continued with increased momentum to date."

The cause of this need for aid is simple. In an age of rampant inflation and consequent increasing prices for products, labor, and supplies, only gold mining, among the industries, has been forced to sell its product in a market that has lagged far behind the general trend of rising prices. This lag in price is, of course, due to the universal restrictions on sales and movements of gold imposed by the policies of the International Monetary Fund. It is safe to predict that the more we experience the current false prosperity based on spiraling wages, prices, and taxes, or to put it in other words, the more the dollar is reduced in purchasing value with the price of gold tied to that shrinking dollar, the more we can expect to see a continuance of the recent experience of our gold producing industry. Unless substantial relief is granted, the gold mining industry will look even sicker than it does today—will soon have difficulty in saving any part of itself.

At present there are only 10 gold producers in the Philippines, namely, Atok-Big Wedge, Baguio Gold, Balatoc, Benguet Consolidated, Coco Grove, Itoigon, Mindanao Mother Lode, San Mauricio, Surigao Consolidated, and United Paracale. Of these 10 companies, it is almost certain that 7 will show losses for operations during 1952 (final figures will be known in a few days) and of these 7 companies, 5 are currently heavily in debt. Notwithstanding this record of financial losses and debts, the 10 gold mining companies paid the Philippine Government approximately ₱9,500,000 in direct and indirect taxes during 1952!

The actual figures for taxes paid during 1952 follow:

	Taxes	Estimated Taxes	
	Directly Paid	Indirectly Paid*	Totals
1. Ad valorem tax.....	₱3,316,204.13	—	₱3,316,204.13
2. 17% Excise tax.....	1,497,433.31	₱1,235,433.54	2,732,866.85
3. 7% Compensating tax.....	804,332.87	539,775.78	1,344,108.65
4. 2% Import license fees.....	147,472.14	128,196.77	275,668.91
5. Income tax (1951 income).....	2,333,545.83	—	2,333,545.83
6. Other general business taxes and licenses.....	497,600.96	—	497,600.96
Grand Totals.....	₱7,596,589.21	₱1,903,406.09	₱9,499,995.33

*Through local purchases of machinery, equipment, and supplies.

Measured against the total 1952 production of approximately 433,360 ounces, taking direct taxes only into consideration, the gold producers in the Philippines paid taxes amounting to ₱17.52 per ounce of gold produced during 1952. This compares very unfavorably with the total tax per ounce of gold produced in Ontario, Canada's leading gold-producing province. Latest figures from Ontario reveal that the gold producers there paid taxes amounting to only \$2.48, or ₱4.96, per ounce of gold produced. The

comparison of ₱17.52 against ₱4.96 reveals that Philippine gold producers are paying 3-1/2 times more taxes than their counterparts in the leading gold producing province in Canada.

This discrepancy assumes tremendous proportions when it is taken into consideration that most of the tax paid in Canada is the income tax, while most of the tax paid in the Philippines is comprised of operational taxes. A comparison of operational taxes alone might reveal (the exact figures are not available from Canada) that Philippine gold mining companies may be paying as much as from 5 to 10 times more in taxes before profit and loss is accounted for.

The meaning of these operational taxes becomes manifest when it is considered that during 1952, 7 Philippine gold mining companies paid a total of ₱3,748,453.58 in taxes while losing an estimated ₱2,500,000.

Readers may ask what other countries are doing to help their respective gold mining industries. The roll call of this aid reads like a Who's Who in gold mining. In brief, here are a few examples of the countries which directly, through legislation, aid their gold producers, and of the type of aid being rendered:

1. Australia : Direct subsidy, tax relief, and premium sales.
2. Belgian Congo : Tax relief.
3. Bolivia : Direct subsidy and premium sales.
4. Canada : Direct subsidy, tax relief, and premium sales.
5. Chile : Multiple exchange rates
6. Colombia : Tax relief, multiple exchange rate, government aid in securing equipment and labor.
7. French Empire : Government aid in securing equipment and labor.
8. French North Africa : Direct subsidy.
9. Gold Coast : Premium sales and tax relief.
10. New Zealand : Tax relief.
11. Nicaragua : Government aid in securing equipment and labor.
12. Peru : Premium sales and multiple exchange rate.
13. Philippines : Premium sales.
14. South Africa : Tax relief, premium sales, and other means.
15. South Rhodesia : Direct subsidies, tax relief, and premium sales.
16. United States : Favorable allowances for depreciation and depletion, or capital recovery.

Australia and Canada, as far back as 1948, passed emergency legislation to aid their respective gold mining industries. In contrast, as late as 1951, the gold mining industry in the Philippines suffered the imposition of sharply higher taxation (2% import license fee, plus 17% exchange tax, plus increased compensating tax). It is a safe bet to say that no other gold industry in any part of the world had its taxes increased as late as 1951. In fact, at that time the trend was the other way around!

As shown above, our Government has recognized the precarious condition of our gold producers and has recently gone to the extent of allowing all gold produced to be sold in the open, which is our local market.* Circumstances are such, however, that this aid has proved insufficient in the face of the huge tax burden still borne by the industry and of the inherent position of the industry itself in the matter of ore reserves and quality of these ore reserves. It is, for instance, unfortunate but true, that Canada's gold mines have far larger ore bodies, and that these ore bodies average at least twice the value per ounce as our Philippine ore.

It is, moreover, also unfortunate but true, that Canada's mining industry has had far more encouragement and aid from a far more patronizing Government. It is too late to cry now, but the lesson remains that had our Government, after the last war, shown the necessary consideration to the gold mining industry, such companies as I.X.L., Masbate, Suyoc Consolidated, Batong Buhay,

*Editor's note:—Central Bank Circular No. 21, October 30, effective August 4, 1952.

and others could have been induced to resume production. And had our Government, at that time, shown such an accommodating attitude, our entire gold industry would now be in far better financial position to weather the current storm.

Philippine natural resources continue to be woefully underdeveloped. Unless excessive tax burdens are relieved, this particular development of the natural resources not only will remain in its present stagnant state, but most of the mining companies in operation will be forced to close.

Under existing conditions the pioneering incentive to search for new gold prospects has been killed.

The importance of the gold mining industry to the Philippines has been questioned by many interested parties. Let it suffice to say that, whenever, in any part of the world, a section of this industry has faced collapse, it has never failed to receive the necessary aid. The wealth and value of mining is that it actually creates wealth by taking minerals of known values from the bowels of the earth and through its sales, contributes importantly toward tax support for the government and provides work for large numbers of laborers and miners. Cynics we will always have with us, but the record speaks for itself. It is a truism, for instance, that mining gives jobs to labor in mountain fastnesses when many of these laborers would otherwise be living a life of bare subsistence.

How the local gold mining industry can be helped is a subject that covers too wide a field for discussion in this article. For the present, substantial tax relief is being sought, and we feel confident that with men at the helm of our Government such as President Quirino, Secretary of Finance Aurelio Montinola, and Governor Miguel Cuaderno of the Central Bank, this help will be forthcoming in the present Congressional session now under way.

BASE METAL PRODUCTION IN THE PHILIPPINES

Calendar Year 1952

Mining Companies	Quantity M. T.	Value in Pesos
Metallurgical Chromite		
Acce Mining Co.	42,608	2,419,697
Luzon Stevedoring Co.	9,756	588,034
	52,364	3,007,731
Refractory Chromite		
Consolidated Mines, Inc.	491,150	₱14,241,350
Copper (Metal)		
Lepanto Consolidated Mining Co.	12,462	18,592,231
Mindanao Mother Lode Mines	290	315,484
San Mauricio Mining Co.	109	103,670
United Paracale Mining Co.	64	66,219
Hixbar Gold Mining Co.	232	199,213
Pan-Philippine Corporation	84	108,784
	13,241	19,385,701
Iron Ore		
Philippine Iron Mines	647,969	12,368,991
Samar Mining Co.	393,129	7,184,260
Marinduque Iron Mines, Inc.	121,286	2,274,434
Gabun Paracale	7,966	155,337
	1,170,350	21,983,022
Lead (Metal)		
Looc Lead-Silver Mines	323	243,358
San Mauricio Mining Co.	894	560,749
Surigao Consolidated Mining Co.	981	735,709
United Paracale Mining Co.	102	67,646
	2,300	1,607,462
Manganese Ore		
Luzon Stevedoring Co.	1,432	120,002
General Base Metals	10,171	532,125
Palawan Manganese Mines	3,000	237,750
Amalgamated Minerals	1,500	52,260
Palawan Mining Corp.	1,651	133,852
Cia Minera de Filipinas	1,912	154,720
Otto Sales Corp.	540	32,400
Fabela Manganese	421	28,721
	20,627	1,291,830

Zinc

San Mauricio Mining Co.	282	140,628
Surigao Consolidated Mining Co.	1,314	983,463
	1,596	1,124,091
GRAND TOTAL	1,751,628	₱62,641,187

PHILIPPINE GOLD AND SILVER PRODUCTION

Calendar Year 1952

Mining Companies	Quantity	At ₱70 Per Ounce
Atok Big Wedge Mining Co.		
Au	38,255 oz.	₱ 2,677,761
Ag	25,007 oz.	37,144
M.O.	158,397 S.T.	2,714,905
Baguio Gold Mining Co.		
Au	20,750 oz.	1,453,027
Ag	11,404 oz.	17,619
M.O.	92,157 S.T.	1,470,646
Balatoc Mining Co.		
Au	96,801 oz.	6,776,024
Ag	75,163 oz.	129,071
M.O.	482,950 S.T.	6,905,095
Benguet Consolidated Mining Co.		
Au	99,426 oz.	6,959,658
Ag	77,081 oz.	131,874
M.O.	465,117 S.T.	7,091,532
Itoyon Mining Co.		
Au	43,796 oz.	3,065,605
Ag	7,648 oz.	12,494
M.O.	173,512 S.T.	3,078,099
Lepanto Consolidated Mining Co.		
Au	36,375 oz.	2,546,180
Ag	177,112 oz.	251,941
M.O.	377,286 S.T.	2,798,121
Looc Lead-Silver Mine		
Au	127,683 oz.	217,693
M.O.	6,254 S.T.	217,693
Mindanao Mother Lode Mines		
Au	41,698 oz.	2,889,727
Ag	60,017 oz.	95,603
M.O.	141,800 S.T.	2,985,330
San Mauricio Mining Co.		
Au	22,051 oz.	1,543,616
Ag	52,320 oz.	82,395
M.O.	70,858 S.T.	1,626,011
Surigao Consolidated Mining Co.		
Au	48,246 oz.	3,377,134
Ag	54,782 oz.	92,016
M.O.	143,645 S.T.	3,469,150
United Paracale Mining Co.		
Au	14,149 oz.	990,416
Ag	22,807 oz.	37,599
M.O.	44,903 S.T.	1,028,015
Pen Philippine Corp.		
Au	56 oz.	3,900
Ag	2,005 oz.	3,530
M.O.	912 S.T.	7,430
Nor Min Ventures		
Au	2,222 oz.	155,531
Ag	348 oz.	586
Cu. Yd.	303,219	156,117
Surigao Placer Mines		
Au	903 oz.	63,182
Cu. Yd.	204,000 oz.	63,182
Coco Grove, Inc.		
Au	4,680 oz.	324,600
Ag	374 oz.	629
Cu. Yd.	1,557,884	324,689
Totals		
Au	469,408 oz.	₱32,825,821
Ag	693,751 oz.	1,110,194
M.O.	2,157,801 S.T.	
Cu. Yd.	2,065,103	33,936,015

—Compiled in the Bureau of Mines

Lumber

BY FACIFICO DE OCAMPO
Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

AFTER a slight increase last November to 30,962,631 bd. ft., the Philippine export trade of logs and lumber dropped to 28,306,717 bd. ft. during the month under review, December, 1952, a decrease of 2,655,914 bd. ft. This decline was due, this time, to decreased shipments to the United States and Canada by 822,637 bd. ft. and by

2,296,236 bd. ft. to other countries, against a slight increase of only 462,959 bd. ft. in log shipments to Japan. By this year-end 1952, however, export shipments still exceeded by 6,209,146 bd. ft. the export shipments for the year 1951.

The following are the figures for logs and lumber inspected for export during December, 1952, as released by the Bureau of Forestry:

Shipper	Destination	Volume in Board Feet	
		Lumber	Logs
Alberto S. Llorente	Japan		677,972
Aguinaldo Development Corp.	Japan		470,764
A. Soriano y Cia.	Japan		240,786
American Rubber Co.	Japan	1,400,125	
American Asiatic Co.	Japan	299,819	
Anakan Lumber Company	U. S. A.	118,287	100,000
	Canada		49,994
	Japan		530,000
Basilan Lumber Company	U. S. A.	884,842	321,931
	Japan		998,319
Bislig Bay Lumber Company, Inc.	Hongkong	120,333	
	U. S. A.	1,003,142	
	Japan		1,949,988
	Hongkong	344,666	
Brigido R. Valencia	Japan		335,420
Dahican Lumber Co.	Japan		300,000
Findlay Millar Timber Company	U. S. A.	268,461	
	Hongkong	155,000	
General Enterprises, Inc.	Japan		2,126,101
	Hongkong	20,000	
General Lumber Co., Inc.	South Africa	11,417	
G. S. Mañalac Enterprise	Japan		1,672,199

Hercules Lumber Company, Inc.	U. S. A.	265,273	
Insular Lumber Company	Japan		600,061
	U. S. A.	535,318	
	Canada	15,735	
	Ireland	82,715	
	South Africa	268,524	
	Hawaii	186,256	
Johnston Lumber Co., Inc.	Japan		1,343,356
Marth Lumber Mill, Inc.	U. S. A.		400,000
	Japan		600,000
Mindoro Planning Mill Company, Inc.	U. S. A.	21,047	
	U. S. A.	863,599	590,000
North Star Lumber Co., Inc.	Japan		3,020,000
Sta. Clara Lumber Co., Inc.	Japan		1,005,818
Taligaman Lumber Co., Inc.	Japan		1,392,757
Valeriano Bueno Western Mindanao Lumber Co., Inc.	Japan		327,230
	Japan		618,111
Woodcraft Works, Ltd.	Japan		1,129,391
	Hongkong	52,543	
Woodworks, Incorporated	U. S. A.	364,418	
	Hongkong	224,999	
TOTALS		5,806,575	22,500,142

Resumé of Exports to:

	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	21,038,217	21,038,217
United States and Canada	4,340,122	1,461,925	5,802,047
Other countries	1,466,453	—	1,466,453
Totals	5,806,575	22,500,142	28,305,717

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

Period	Lumber in Board Feet.					Logs in Board Feet					Grand Total
	Western States	Eastern States	Gulf States	All Other	Total	Western States	Eastern States	Gulf States	All Others	Total	
November, 1952	3,423,027	752,995	136,886	448,612	4,761,520	1,481,626	—	381,538	—	1,863,164	6,624,684
December, 1952	3,703,427	214,548	186,145	220,267	4,324,387	1,911,931	400,000	—	—	1,411,931	5,736,318
Difference (Increase+; Decrease-)	280,400+	538,447-	49,259+	228,345-	437,133-	469,685-	400,000+	381,538-	—	451,233-	888,366-

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

<i>Countries of Destination</i>	<i>Lumber (Bd.Ft.)</i>	<i>Logs (Bd.Ft.)</i>	<i>Total (Bd.Ft.)</i>
Japan.....	—	21,038,217	21,038,217
United States.....	4,324,387	1,411,931	5,736,318
Hongkong.....	917,541	—	917,541
South Africa.....	279,941	—	279,941
Hawaii.....	186,256	—	186,256
Ireland.....	82,715	—	82,715
Canada.....	15,735	49,994	65,729
Totals.....	5,806,575	22,500,142	28,306,717

Trend of Exports to:

	<i>This Month Lumber Logs (Bd.Ft.) (Bd.Ft.)</i>	<i>Month Ago Lumber Logs (Bd.Ft.) (Bd.Ft.)</i>	<i>Year Ago Lumber Logs (Bd.Ft.) (Bd.Ft.)</i>
Japan.....	—	20,575,258	21,740,574
United States and Canada.....	4,761,520	1,863,164	4,970,469
Other countries.....	3,175,918	586,771	1,864,773
Totals.....	7,937,438	23,025,193	23,795,022

Arrivals of logs and lumber in Manila improved again from 9,431,971 bd. ft. in November to 10,614,356 bd. ft. in December, an increase of 1,182,385 bd. ft.

This increase in supply of lumber, however, but slightly arrested the fast-climbing prices of lumber in the local wholesale trade. White lauan, opening at an average price of ₱172.50 per 1000 bd. ft., rose to ₱180.00 in the second and third weeks, and declined at the close to ₱177.50. Apitong, pursuing the same trend as white lauan, started at the same average price of ₱172.50, moved upward for the next two weeks, and dropped at the end of the period to where it started. Red lauan, on the other hand, was quoted at an average price of ₱195.00 at the beginning,

increased to ₱205.00 in the second week, and remained stable thereafter until the close of the month in review.

THE Philippine Lumber Producers' Association has started a campaign to enlist government support, especially in Congress, in bringing about tax reforms intended to eliminate some of the present taxes, particularly, the 17% foreign exchange tax, the 7% compensating tax on total c.i.f. value of imported machinery and equipment, the wharfage fee of ₱0.60 per cubic meter of logs and flitches, when loading is not actually done on government wharves, and the 5% sales tax on log and lumber export under f.o.b. arrangement. It is also advocating the reduction by 50% of the forest and reforestation charges and the inspection and license fees as currently imposed. These reforms are needed to make operations of lumber producers remunerative, which, in turn, would result in the opening of more forest areas, more opportunities for employment, and increased production output. The implementation of the reforms suggested would benefit the country as a whole as it would enable the industry to play a vital role in stabilizing the Philippine economy and in bolstering the country's dollar reserves.

Copra and Coconut Oil

By DOUGLAS C. KELLER

Manager, *Philippine Refining Company, Inc., Cebu*

December 16, 1952—January 15, 1953

THE period now under review saw a steady market at the opening which very soon developed an increasingly firmer tendency caused mainly by continued buying for account of exporters short for early shipment.

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Production continued to be disappointingly low and consequently arrivals at the main export centers of Manila and Cebu were seriously light. Reliable reports from most of the large producing areas indicate that production will remain poor until well into February. This scarcity of supplies aggravated the position of those exporters trying to cover short positions when sellers holding export parcels resisted all inducements to sell except, of course, for a very large margin.

Copra. At the opening of this period we had a nominal market for copra at \$185 per short ton c.i.f. Pacific Coast, but in just over a week trades were reported at \$210 for spot shipment and \$215, f.o.b. The volume of trade, though small, was steady and just after the New Year a fair tonnage changed hands in the Islands at prices up to \$225, f.o.b. At this time Philippine exporters were bidding San Francisco brokers at levels considerably higher than consumer indications from the United States. By the middle of January we had reports of sales at \$220, c.i.f. Pacific Coast and \$230, f.o.b., at which levels the market appeared to be settling down. Europe followed the upward swing and quotations around the middle of December of \$207.50 per long ton, c.i.f. North Continental ports, climbed to \$250 by the middle of January. At times it was noted that Philippine copra was actually being offered at higher prices than those commanded by the Straits Settlements.

In the Philippines the local market climbed from ₱32 per 100 kilos rescada to a high of ₱45, and reports were received of even higher prices being paid for spot copra in places where the squeeze was exceptionally tight.

Coconut Oil. The market for coconut oil followed, in sympathy, the very strong copra advance, but although crushers on the Pacific Coast increased their bids to compete with the larger speculators in the Islands, demand in the United States did not follow. Throughout this

present period, crushers could only sell oil by taking a loss on replacement of stocks. At the opening, tank cars on the Pacific Coast were offered at 14-1/2 cents f.o.b., but buyers were indicating 14-1/4 cents. By the end of the period buyers had increased their ideas to 16-1/4 cents but were still lagging behind the sellers who were asking as high as 16-1/2 for spot oil. A few small sales were recorded at 16-3/8 cents for January shipments. Oil for February shipment was discounted by as much as one-half cent.

The European market was similarly strong and moved from a nominal level of \$300 per ton c.i.f. at the opening of the period to \$350 (£124.9.0.) at the close, at which time Straits Oil was offered at £119.10.0 and Ceylon Oil at £122.5.0.

During this period it is estimated that some 10,000 tons of palm kernel oil had been sold by the British Ministry of Food to New York.

Copra Cake and Meal. This market to a certain extent followed the copra trend, although the demand from the United States was desultory and no heavy buying interest was observed. Prices climbed from a nominal \$75 per short ton c.i.f. at the opening to \$80 at the close, with a moderate volume of business effected steadily throughout the period.

We note that Venezuela's Ministries of Development and Agriculture have established an Allocations Board for the purpose of assuring a market for local copra production. This was done following complaints by local growers regarding imports of copra into Venezuela and the inability of local producers to find a ready market for their production.

The Board's functions will include: (1) to estimate the prospective annual production of copra and determine the percentage of this quantity that must be purchased

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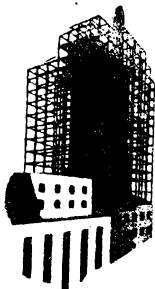
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monthly by each crusher; and (2) to suggest to the Ministry of Development the proportion of offshore copra that may be imported for each ton of local copra purchased in case domestic production is insufficient for the industry.

From Indonesia we have reports that measures are being introduced to reduce the free market prices of copra and coconut oil because of difficulties in the edible oil industry.

Prices on the free copra market will be kept within reasonable bounds—taking into consideration the interests of the producers—by building up large "buffer stocks" of copra in Java. Jajasan Kopra will make use of these stocks to reduce the market prices by making large quantities available at below market prices whenever the free market rises above "reasonable levels".

Oil factories will be able to purchase this copra so that allocations of the commodity will no longer be made to them. Henceforth margarine factories will receive allocations of their requirements from Jajasan at the fixed price of 140 rupiahs per quintal so that the price of margarine will remain unchanged.

COPRA exports during the month of December, 1952, are reported as follows:

To United States Pacific Coast.....	13,101 long tons
United States Atlantic Coast.....	2,115 " "
United States Gulf Ports.....	6,093 " "
Canada, Pacific Coast.....	1,750 " "
Japan.....	3,376 " "
Europe.....	24,450 " "
Israel.....	2,100 " "
Venezuela, South America.....	640 " "
Total.....	53,625 long tons

This compares with 52,866 tons of copra exported during November, 1952, and 53,744 tons shipped during December, 1951. The total exports for the 12 months of 1952 are now 651,005 long tons, as against 760,036 tons during 1951.

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

To United States Atlantic Coast.....	3,564 long tons
Columbia.....	448 " "
Total.....	4,012 long tons

By way of comparison, the November, 1952, exports of coconut oil amounted to 5,525 long tons, while during December, 1951, the total was 7,598 tons. The total for the 12 months of 1952 now amounts to 81,076 long tons, as against 77,117 tons during 1951.

Desiccated Coconut

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

THE following statistics show the shipments of desiccated coconut for the month of December and for the year 1952.

The significant factor is the great decrease in the annual shipments over the peak year 1950, which was 158,000,000 pounds, and the decrease over 1951, which was a low year, with a total of 94,000,000 pounds. For the whole of the year 1952, 84,019,354 pounds.

Shippers	December, 1952	Pounds
Franklin Baker Company.....		3,105,675
Blue Bar Coconut Company.....		846,190
Peter Paul Philippine Corp.....		902,400
Red-V Coconut Products, Ltd.....		2,346,300
Sun Ripe Coconut Products, Inc.....		334,990
Cooperation Coconut Products, Inc.....		—
Tabacalera.....		—
Standard Coconut Products, Inc.....		—
Coconut Products (Phil.) Inc.....		—
		7,535,555



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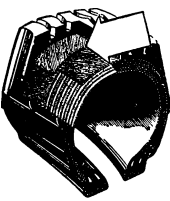
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Shippers	Previous Total	December	Total Year 1953
Franklin Baker Co.	35,379,729 46.26%	3,105,675 41.21%	38,485,404 45.80%
Blue Bar Coconut Co	11,149,920 14.58	846,190 ¹ 11.23	11,996,110 14.28
Peter Paul Philippine Corp.	3,079,200 4.03	902,400 11.98	3,981,600 4.74
Red V Coconut Prod.	19,933,400 26.06	2,346,300 31.17	22,279,700 26.52
Sun Ripe Coconut Prod.	1,806,050 2.36	334,990 4.45	2,141,040 2.55
Cooperative Coconut Products	1,365,000 1.78	—	1,365,000 1.62
Tobacalera	—	—	—
Standard Coconut Prod.	3,770,500 4.93	—	3,770,500 4.49
Coconut Products (Phil.) Inc.	—	—	—
	76,483,799 100%	7,535,555 100%	84,019,354 100%

*Zamboanga Factory production	163,500 lbs.
Lusacan	682,690
Total Blue Bar shipment	846,190 lbs.

Sugar

By J. H. D'AUTHREAU

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

THIS review covers the period January 1 to January 31, 1953.

New York Market. The new settlement basis for Porto Rican sugar between mills and colonos announced by the U. S. Department of Agriculture on January 17 extends the settlement period to March 31 and includes the carry-over production as well as the in-quota production, thereby removing the annually recurring pressure on Porto Rican holders to sell at the turn of the year. This development, together with the delay in commencement of the grinding of the Cuban crop due to unwillingness of the colonos to accept the President's decree reducing wages, introduced an unseasonal firmness in the February and March values of actuals which have been done in these positions at 6.05¢ and 6.10¢. Refiners are reported still not to have covered their February requirements and holders for both these months are firm, with some asking 6.15¢. Despite these developments, the North-Eastern territory refiners on January 19 followed the action initiated by Gulf and Southern refiners a fortnight earlier and lowered the price of refined 15 points to 8.50¢.

Volume of trade for the month was good for the time of year. Reported sales of actuals totalled 98,000 tons, of which approximately 72,000 tons were Philippines. A fair volume thereof was for forward delivery, principally April/May shipment at 6.20/25¢ and May/June shipment at 6.30¢. Exchange operations for the period totalled 338,050 tons, some 100,000 tons more than in December, indicating the growing interest in the forward positions. Refined deliveries for the month approximated 635,000 tons, a more than fair volume for the month and no doubt due in part to the reduction in the price of refined. Opening and closing quotations on the No. 6 New York domestic exchange were as follows:

	March	May	July	Sept.	November
January 2...	5.52¢	5.61¢	5.81¢	5.87¢	5.90¢
January 30...	5.56	5.63	5.81	5.89	5.92

Molasses. The world market in general is a little firmer and values now show some slight improvement on quotations last reported which seem to have been the bottom of the long decline. United States tank car prices on January 13 were 10¢ per gallon at New Orleans and 11¢ per gallon at New York. On the West Coast the price increased from \$17 to \$19 per ton. Demand is generally good. Cuban 1952 production has been completely disposed of.

Local Market. (a) Domestic Sugar. Market unchanged. No large sales are reported and quedans are changing hands for small lots at P14 14.20 per picul ex Negros warehouse.

(b) Export Sugar. Trading has again been heavy during the month due to continuing attractive prices for the time of year. Sellers' ideas are very firm as can only be expected as a consequence of the uninterrupted increase during January from ₱14.00 per picul, ex Negros warehouse, as last reported for January and February delivery, to ₱14.75 for spot delivery, and ₱14.60 for February/March. The month has also witnessed the first interest on the part of exporters this season in futures. Apart, however, from a large transaction in Luzon, not much interest on this basis is displayed by sellers, who are for the most part holding for higher prices later. Total shipments to the United States for the month are estimated at 40,000 tons, making a total for the 1952-53 crop of 160,000 already shipped of an estimated production to date of 486,552 short tons. Bookings for February and March are said to be heavy.

Freight Rate. The Associated Steamship Lines on January 20 announced a freight rate of \$13.50 effective to February 28 and on January 26 extended its effectivity to March 31, 1953. The rate thereafter is subject to negotiation.

1952-53 Milling. Twenty-two Centrals have begun milling operations for the 1952-53 crop and their total production to January 18 was 396,049 short tons. The average of juice purities to date is 83.70.

Manila Hemp

By D. R. DE SOCARRAS
Representative

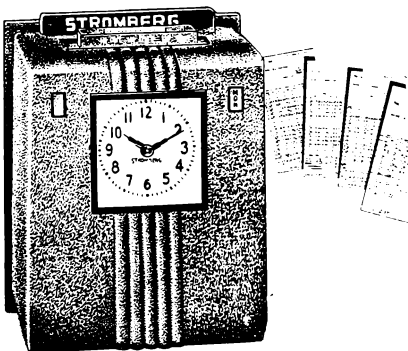
Columbian Rope Company of Philippines, Inc.

DURING the first week of January buyers in both New York and London continued resisting prices at which Davao hemp was being offered, based on J1 ₱49 per picul loose in Davao. This strong resistance resulted in a decline of the buying prices for loose hemp in the Davao market and exporters were able to purchase small quantities at J1 ₱47. Davao dealers were reluctant to sell at this level, however, and the demand which had built up in New York and London due to buyers holding off in anticipation of a decline, finally manifested itself in increased buying which forced the buying prices for loose hemp back up to J1 ₱49 and finally to J1 ₱53 during the third week of the month. Exporters were able to sell at this level in both the Japanese and New York and London markets, but after the most urgent demands of spinners had been filled a strong resistance to the new high prices resulted in the market leveling off to J1 ₱53. In the face of this resistance Davao dealers began selling freely during the last few days of the month. As soon as increased offerings appeared on the market, buyers once again withdraw in anticipation of lower prices. Production in Davao for the month was 34,414 bales, or a decrease of approximately 5,000 bales from December's figure. It was forecast in many quarters that February would show a further decrease in total balings due to less stripping after the usual heavy December activities.

Bicol production during the month remained steady, pressings reaching 31,937, but is expected to decline substantially during February. Prices in the Bicol and other non-Davao areas increased several pesos per picul during the middle of the month in reaction to the firmness in Davao. The month closed with prices steady, but with a weaker undertone due to buyer's resistance. It is expected that Bicol buying-prices will be sustained when the expected drop in production materializes.

Although the Philippines-Japan trade agreement was extended during the latter part of the month until May 31, this action did not have a weakening effect on prices,

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inasmuch as most foreign buyers had anticipated that some arrangement would be concluded prior to its expiration to allow for continued trade.

We list below baling and export figures for the period January/December inclusive from which it can be seen that Japan is firmly entrenched as the second largest market for Philippine hemp. Total balings in the Philippines for the month of January, 1953, were 83,443 bales.

BALINGS—JANUARY-DECEMBER INCLUSIVE

	1952	1951	1950	1949	1948
Davao.....	507,469	502,412	389,151	224,737	206,768
Albay, Camarines and Sorsogon.....	168,958	229,795	167,560	111,234	156,815
Leyte and Samar.....	115,039	154,163	120,683	104,198	105,383
All other non-Davao.....	78,768	92,396	75,539	73,551	108,498
Totals.....	870,234	978,766	752,933	513,720	577,464

EXPORTS—JANUARY-DECEMBER INCLUSIVE

	1952	1951	1950	1949	1948
United States and Canada.....	360,073	554,726	403,513	201,139	267,227
Continental Europe.....	157,736	163,373	121,894	94,830	104,059
United Kingdom.....	96,502	170,028	84,662	41,650	60,395
Japan.....	203,707	130,127	103,890	90,230	133,403
South Africa.....	9,000	15,777	7,200	4,127	3,757
China.....	5,435	7,529	13,587	15,536	12,857
India.....	6,190	5,656	8,130	3,325	2,531
Korea.....	600	—	3,100	—	—
Australia and New Zealand.....	2,215	4,450	1,826	1,914	42
All other countries.....	70	—	947	80	3,353
Totals.....	841,528	1,051,666	748,749	452,831	587,624

Tobacco

By LUIS A. PUJALTE

Secretary-Treasurer

Manila Tobacco Association, Inc.

(Member Tobacco Board)

REPORTS from La Union, Pangasinan, and Ilocos indicate that the tobacco crop is growing well, though it is expected that the crop may be slightly smaller than last year due to late transplanting of seedlings. It is expected that the Virginia-type tobacco crop will be slightly larger this year in La Union.

From Isabela, reports are not very encouraging as it seems that quite a few fields which were damaged by last December's extraordinary rainfall have not been replanted. Yet transplanting in the lower fields continued till the end of January.

In Cagayan Province, reports indicate that the plants are thriving very well and a normal crop is expected.

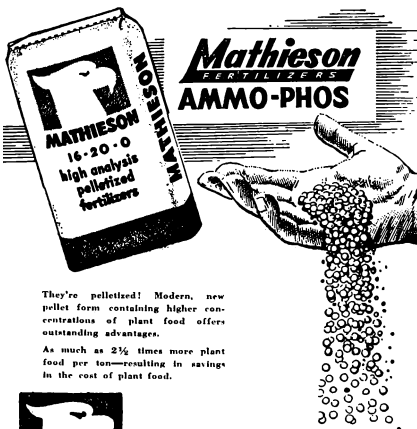
There are no indications as to how the crop is coming through in the Visayan Islands, and since nothing very abnormal in weather conditions has occurred there, a fairly normal crop is expected.

Imports

By S. SCHMELKES

Mercantile, Inc.

THIS month, this column is running annual totals, comparing the years 1949 to 1952, instead of the usual comparison, which this month should have been between December, 1951, and December, 1952. This comparison will be issued in this column next month, however, together with the January, 1952 and 1953 figures.



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In the following figures, all items are in kilos except beverages and foodstuffs, which are shown in number of packaged units:

Commodity:	1949	1950	1951	1952
Automotive (Total)	26,430,637	13,376,391	16,950,891	16,233,719
Automobiles.....	7,295,603	2,322,317	2,568,854	1,992,539
Auto Accessories.....	239,452	26,421	29,683	18,715
Auto Parts.....	4,908,422	2,602,801	2,828,370	2,913,644
Bicycles.....	544,266	125,914	36,307	74,721
Trucks.....	324,377	239,991	431,265	715,096
Truck Chassis.....	5,801,776	3,088,077	2,895,319	3,999,140
Truck Parts.....	406,036	593,470	1,228,487	1,428,337
Building Materials (Total)	186,462,410	96,646,616	63,202,365	59,823,115
Board, Fibre.....	3,576,013	963,036	465,172	542,482
Cement.....	121,899,480	46,776,366	13,910,786	25,229,022
Glass, Window.....	6,210,575	6,955,817	7,006,021	6,120,620
Gypsum.....	1,227,761	4,947,930	3,817,110	3,310,676
Chemicals (Total).....	72,712,711	77,165,782	119,999,589	113,537,299
Caustic Soda.....	4,200,612	10,287,141	9,336,592	4,384,154
Explosives (Total).....	995,634	295,112	793,712	555,159
Firearms (Total).....	317,782	155,964	52,445	95,972
Ammunition.....	135,386	132,296	48,632	43,658
Hardware (Total).....	78,040,228	66,661,854	69,410,518	45,041,762
Household (Total).....	26,495,054	10,563,572	11,572,710	9,371,712
Machinery (Total).....	27,222,375	22,239,744	27,456,404	26,024,646
Metals (Total).....	148,771,945	108,236,653	91,751,163	83,190,222
Petroleum Products (Total)	834,124,458	836,768,308	906,883,776	863,532,703
Radios (Total).....	988,702	356,856	207,067	308,153
Rubber Goods (Total).....	11,574,398	8,632,544	13,126,837	10,011,460
Beverages Misc. Alcoholic	494,777	152,559	84,946	108,879
Foodstuffs (Total Kilos)	543,354,195	271,109,217	442,786,517	338,148,314
Foodstuffs, Fresh (Total)	2,397,507	1,418,636	1,298,610	969,515
Apples.....	487,709	279,353	187,488	182,752
Oranges.....	150,761	154,018	166,463	144,721
Onions.....	478,515	383,415	390,490	242,907
Potatoes.....	235,842	167,369	192,798	101,599
Foodstuffs Dry Pkgd (Total)	979,679	257,255	335,062	333,965
Foodstuffs, Canned (Total)	5,685,923	3,420,744	5,823,192	3,242,812
Sardines.....	1,187,827	834,392	1,173,665	633,902
Milk, Evaporated.....	1,661,503	1,391,813	2,091,526	1,342,336
Milk, Condensed.....	328,285	304,605	624,167	331,919
Foodstuffs, Bulk (Total)	8,815,691	5,005,157	6,847,695	6,925,604
Rice.....	2,304,096	35,762	953,973	703,829
Wheat Flour.....	5,713,301	4,416,383	5,219,644	5,671,806
Foodstuffs, Preserved (Total)	30,506	5,268	10,449	16,409
Bottling, Misc. (Total)	32,473,015	14,963,786	14,047,350	8,234,178
Cleansing & Laundry (Total)	5,287,010	9,783,751	1,416,607	1,034,619
Entertainment Equipment (Total)	183,548	82,079	112,690	163,757
Livestock-bulbs-seeds (Total)	128,822	65,023	129,720	184,930
Medical (Total)	6,409,903	6,089,070	6,540,324	4,106,469
Musical (Total)	1,486,059	557,833	446,896	465,816
Office Equipment (Total)	2,019,270	1,087,870	499,473	887,495
Office Supplies (Total)	728,998	524,323	738,770	904,367
Paper (Total)	59,936,365	65,699,934	71,539,190	58,982,925
Photographic (Total)	596,501	533,384	511,140	546,395
Raw Materials (Total)	4,757,610	11,426,030	13,055,295	15,796,973
Sporting Goods (Total)	533,905	530,647	333,950	393,580
Stationery (Total)	4,943,991	3,607,344	3,959,563	2,513,495
Tobacco (Total)	13,242,677	16,997,837	7,051,946	16,059,378
Chucheria (Total) Clothing Apparel (Total)	1,731,086	1,023,078	970,839	718,800
Cosmetics (Total).....	6,243,986	2,731,485	2,876,308	3,977,893
Fabrics (Total).....	2,613,871	897,703	878,753	331,690
Jewelry (Total).....	9,211,444	10,506,252	12,139,567	10,758,458
Jewelry (Total).....	2,705	1,426	3,306	2,381
Leather (Total).....	2,549,940	2,377,923	1,497,799	1,348,496

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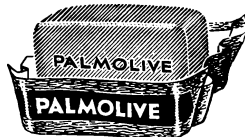


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Textiles (Total).....	45,171,392	22,317,703	29,934,010	29,167,807
Twine (Total).....	899,428	450,918	1,051,015	352,062
Toys (Total).....	1,221,727	295,208	381,567	186,429
General Merchandise (Total).....	10,581,937	4,637,972	5,965,141	9,159,463
Non-Commercial Shipments (Total)	555,663	514,741	802,731	1,087,187
Advertising Mate- rials, Etc. (Total).	683,041	294,463	239,387	260,074

1952 imports in general were lower than in 1951. The effect of local manufacturing is reflected in many cases. Imports of chemicals in 1951 and 1952 were over 50% higher than in 1949 and 1950. General raw materials showed a marked increase. Machinery, however, did not change much, probably due to the fact that machinery now being imported for industrialization replaces former arrivals of machinery for the rehabilitation of pre-war installations. Striking examples of reduced imports of other goods which have been replaced by local production are bottling, which dropped to 1/4 of the 1949 figure, toilet soap, which dropped from 1,459,822 kilos in 1949 to 57,097 kilos in 1952, composition board, from 1,332,359 kilos in 1949 to 106,820 kilos in 1952, tomato catsup, from 131,234 units in 1949 to 46,737 units in 1952, toys from 1,221,727 kilos in 1949 to 186,429 kilos in 1952, and many others. Tobacco, which is higher in 1952 than 1949, breaks down as follows:

	1949 (Kilos)	1952 (Kilos)
Cigarettes.....	12,036,646	1,223,590
Leaf Tobacco.....	322,658	13,937,677
Others.....	883,373	898,111

Many staple items evidently had reached their levels and were being imported in steady amounts, such as petroleum products, wheat flour, and textiles.

Food Products

By C. G. HERDMAN

Vice-President, Marsman & Company, Inc.

THE only development of consequence during January has been the advice from the Import Control Commission that old importers will be permitted a quota of 15% on controlled essentials and 5% on controlled non-essentials for the first semester of 1953, which is slightly in excess of the total licenses granted for such commodities during the second semester of 1952; there is always the possibility that, conditions permitting, an additional allotment may be granted toward the latter part of the semester, as has occurred in previous periods.

Importers in general wait with great interest to see what action is taken by the Congress in the present session with regard to extension or changes in the present Import Control Law which expires on June 30 of this year. There are several bills presented or proposed, and it appears probable that the present control administration will be radically changed.

There has been no change whatsoever in January as to conditions in the Philippines regarding food products except that the shortage of canned fish becomes more acute each week.

Textiles

By W. V. SAUSSOTTE

General Manager

Neuss, Hesslein Co., Inc.

THE New York market continued firm during January. Although there were some slight fractional declines in finished goods, in no case exceeding 2%, the price of raw cotton was materially unchanged in comparison with December's.

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During January the Central Bank allocated to the Import Control Commission \$185,000,000 for imports for the first semester of 1953. This is approximately the same as the basic allocation for the second semester of 1952.

The I.C.C. furthermore announced that it will begin to receive license applications for the current semester on Monday, February 9. The I.C.C. also announced new administrative procedures which are aimed at speeding up the processing of license applications so that an applicant will know the status of his application within 5 days of its filing. Ready-to-wear garment manufacturers who come within the Producers classification, may apply for only 25% of the value of their imported materials consumed during 1952. All other Producers may apply for 50%. Old Importers may apply for 15% of their 1949 imports in the controlled essential category and for 5% in any non-essential category. New Importers, in accordance with their basic quotas which are already established, may utilize their quotas for 75% in the controlled essential category and 25% in the non-essential category.

Arrivals from the United States during January totaled 13,793 packages, which is slightly below the average monthly consumption. Arrivals from the United States included 6,110 packages of cotton piece goods, 2,137 packages of rayon piece goods, 1,292 packages of cotton remnants, and 972 packages of rayon remnants. Included also were 1,817 packages of cotton knitting yarn, 1469 packages of sewing thread, 398 packages of cotton twine, 219 packages of oil cloth, and 130 packages of hosiery.

Arrivals of all types of textiles from countries other than the United States totaled 2,992 packages. Included were 342 packages from Japan, 328 packages from China, both consisting only of cotton piece goods, and 80 packages from Europe, consisting principally of thread. There were also 2,240 packages from India, consisting entirely of jute cloth and jute sugar bags.

Legislation, Executive Orders, and Court Decisions

BY E. E. SELPH

Ross, Selph, Carrascoso & Janda

AMONG the bills now pending in Congress are the following:

Import Control

H. 3288—to abolish the Import Control Commission and to transfer its functions to the Central Bank.

S. 439—introduced by Senator Puyat, which is a more elaborate bill, covering the import control matter in more detail, and provides that the import licenses provided for "shall be issued by the Central Bank through its agent banks."

Taxes

H. 3333—to continue the increased stamp taxes due to expire December 31, 1953, until "Congress shall provide otherwise".

H. 3335—to continue the 17% exchange tax, now due to be reduced to 12-1/2% on July, 1953, to June 30, 1954.

H. 3336—to continue the increased taxes on liquor, cigarettes, playing cards, etc.—"until Congress shall provide otherwise".

H. 3337—to extend the increased rate of corporate income and withholding taxes, now due to expire at end of 1953, "until Congress shall provide otherwise".

Pensions and Compulsory Insurance for Employees

The Department of Labor has drafted a bill applicable to any person or firm carrying on an undertaking, trade,



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or activity of any kind which uses the services of another person except for casual employment or domestic or family service, government service, or service in charitable or educational institutions, etc. The bill provides for compulsory insurance for Filipino citizens between the ages of 18 to 57 years by employers engaged in business for a certain length of time and employing a certain number of employees, and not having any pension plan. 3% of the employees' compensation is to be deducted monthly and 6% is to be contributed by the employer, and both amounts are to be paid monthly into the Pension Fund. This Fund will be administered by a government corporation to be called the National Pension Fund, having 8 directors, appointed by the President with the consent of the Commission on Appointments, and the General Manager and the Actuary of the Government Service Insurance System. Three members shall be representatives of employees, three of employers, and two of the Government.

H. B. 3403—to establish a voluntary insurance system to be operated by the Government and known as the National Insurance System, and financed out of a fund contributed by the individuals themselves.

A DECISION of interest to employers was handed down by the Supreme Court (*Heilbronn v. National Labor Union, L-5121*) on January 31, 1953. It relates to absence while attending labor conferences or court or other hearings involving labor matters. The Court said:

"When in case of strikes, and according to the Court of Industrial Relations even if the strike is legal, strikers may not collect their wages during the day they did not go to work, for the same reasons if not more, laborers who voluntarily absent themselves from work to attend the hearing of a case in which they seek to prove and establish their demands against the company, the legality and propriety of which demands is not yet known, should lose their pay during the period of such absence from work. The age-old rule governing the relation between labor and capital or management and employee is that of a 'fair day's wage for a fair day's labor'. If there is no work performed by the employee there can be no wage or pay, unless of course, the laborer was able, willing, and ready to work but was illegally locked out, dismissed, or suspended. It is hardly fair or just for an employee or laborer to fight or litigate against his employer on the employer's time.

"In a case where a laborer absents himself from work because of a strike or to attend a conference or hearing in a case or incident between him and his employer, he might seek reimbursement of his wages from his union which had declared the strike or filed the case in the industrial court. Or, in the present case, he might have his absence from his work charged against his vacation leave."

Philippine Safety Council

By FRANK S. TENNY

Founder and Executive Director

AS a means of promoting safety education, the Philippine Safety Council has opened a booth at the International Fairgrounds which will enable the showing of movies on safety subjects nightly, the distribution of leaflets to the public, and the display of safety products and exhibits. The public is invited to visit the booth, which is adjacent to the City of Manila building.

A conference aimed at causing better obedience to traffic laws by armed forces and government drivers will be held during the week beginning February 8. Invitations to participate have been accepted by all local United States agencies and units, as well as many Philippine law enforcement officials. The Council will moderate the conference.

The Council staff is judging candidates for the 1952 "Award of Merit" in the safety field, as well as individual records for the "Safety Badge". Announcement of winning firms, agencies, and individuals should be made before February 15.

An arson control plan is being placed before the Manila Fire Insurance Association and the Fire Prevention Board. Two new company-safety programs are beginning under

Council coordination in Earnshaws Docks and Honolulu Irons Works and the Standard-Vacuum Oil Company. New member firms include E. R. Squibb & Sons International Corp., the Manila Yellow Taxicab Company, and H. P. Vibal.

The Council Executive Director has recently been appointed as Chairman of the Public Safety Committee of the Philippines International Fair, and as technical advisor to the Manila Municipal Board on police matters.

In spite of efforts in several quarters, the numbers of traffic accidents, fires, industrial accidents, and breaches of the peace continue to be high. The cooperation of business elements is enjoined in the "national safety movement". This movement has a very direct bearing on the country's economy.

MONEY AND REAL WAGE RATES¹ OF SELECTED INDUSTRIAL WORKERS IN MANILA, 1941, 1945-1952²

By the Bureau of the Census and Statistics

YEAR and Month	Money Wage rates in pesos		Real Wage rates in pesos		Index (1941 = 100)	
	Skilled laborer	Unskilled laborer	Skilled laborer	Unskilled laborer	Skilled laborer	Unskilled laborer
1941.....	2 29	1 24	2 29	1 24	100 0	100 0
1945.....	5 83	3 27	0 84	0 47	254 6	263 7
1946.....	6 73	4 53	1 29	0 87	293 9	365 3
1947.....	7 54	4 66	1 95	1 20	329 3	375 8
1948.....	7 47	4 69	2 06	1 29	326 2	378 2
1949.....	7 61	4 90	2 21	1 43	332 3	395 2
1950.....	7 59	4 29	2 25	1 27	331 4	346 0
1951.....	7 43	4 56	2 06	1 27	324 5	367 7
January.....	7 44	4 51	2 09	1 27	324 9	363 7
February.....	7 46	4 50	2 08	1 26	325 8	362 9
March.....	7 44	4 49	2 11	1 27	324 9	362 1
April.....	7 42	4 55	2 05	1 26	324 0	365 9
May.....	7 43	4 55	2 04	1 25	324 5	366 9
June.....	7 42	4 52	2 02	1 23	324 0	364 5
July.....	7 43	4 50	2 03	1 23	324 5	362 9
August.....	7 47	4 64	2 05	1 27	326 2	374 2
September.....	7 41	4 60	2 04	1 27	323 6	371 0
October.....	7 39	4 59	2 06	1 28	322 7	370 2
November.....	7 38	4 60	2 10	1 31	322 3	371 0
December.....	7 45	4 64	2 13	1 33	325 3	374 2
1952.....	7 44	4 62	2 13	1 32	324 9	372 6
January.....	7 44	4 62	2 14	1 33	325 8	372 6
February.....	7 49	4 60	2 18	1 34	327 1	371 0
March.....	7 50	4 65	2 19	1 36	327 5	375 0
April.....	7 51	4 62	2 19	1 35	327 9	372 6
May.....	7 49	4 61	2 17	1 33	327 1	371 8
June.....	7 41	4 63	2 13	1 33	323 6	373 4
July.....	7 45	4 66	2 14	1 34	325 3	375 8
September.....	7 43	4 63	2 13	1 33	324 5	373 4
October.....	—	—	—	—	—	—
November.....	—	—	—	—	—	—
December.....	—	—	—	—	—	—

¹ Money wage rates are the weighted daily average money wage rates of each group of laborers. When money wage is expressed in terms of goods and services it can purchase, the term *real wage* is used. This is obtained by using the cost of living price indexes (1941 = 100) as deflators.

² Data on wages and number of workers in selected occupations are collected monthly from 44 identical industrial establishments including auto dealers, brokerage and construction firms, cigar and cigarette factories, furniture-makers, lumber dealers, electrical contractors, printing and publishing houses, transportation firms, painting contractors, and machine shops.

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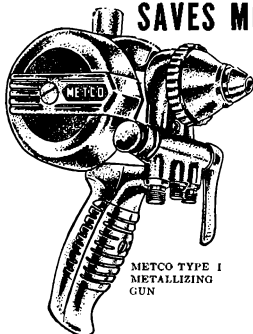
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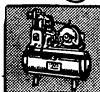
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TREND OF MONEY AND REAL WAGES OF SELECTED INDUSTRIAL WORKERS* IN MANILA, BY OCCUPATION: 1941, 1945-1951¹

By the Bureau of the Census and Statistics

OCCUPATION	AVERAGE DAILY WAGES (PESOS) ²							
	1941	1945	1946	1947	1948	1949	1950	1951
Skilled Laborers.....	2.29	5.83	6.73	7.54	7.47	7.61	7.59	7.43
Blacksmiths.....	2.55	4.25	5.57	6.55	6.57	6.48	6.70	7.44
Boilermen.....	2.82	6.40	5.20	6.12	6.93	7.14	8.47	8.14
Carpenters.....	2.75	6.02	6.66	7.20	7.21	7.09	6.95	6.61
Cigar-makers.....	0.96	2.83	4.87	5.37	5.31	5.30	5.03	5.24
Compositors.....	1.84	6.14	7.29	7.87	7.88	8.47	8.47	6.66
Drivers.....	1.64	4.05	5.78	6.55	6.22	6.65	6.40	6.13
Electricians.....	2.67	5.20	6.82	7.86	7.84	7.63	7.84	7.82
Foremen.....	3.35	7.38	7.96	8.63	8.63	8.63	8.63	8.63
Lathemen.....	2.60	4.88	7.31	8.23	8.14	8.02	8.12	7.58
Linotypists.....	2.64	5.20	6.58	6.98	10.07	10.72	10.85	10.47
Masons.....	1.94	5.90	5.58	6.08	6.08	6.08	6.08	6.08
Mechanics (auto).....	3.00	7.46	6.90	8.08	8.02	8.05	7.61	8.21
Painters.....	1.83	7.07	6.28	7.73	7.11	7.70	7.46	6.93
Plumbers.....	0.00	0.00	0.57	0.77	0.77	0.50	0.49	0.50
Tinmiths.....	1.72	4.23	5.04	6.28	8.20	8.20	7.74	6.77
Common Laborers.....	1.24	3.27	4.53	4.66	4.69	4.90	4.29	4.56

OCCUPATION	WAGE INDEX (1941=100)							
	1945	1946	1947	1948	1949	1950	1951	
Skilled Laborers.....	254.6	293.9	329.3	326.2	332.3	331.4	324.5	
Blacksmiths.....	166.7	218.4	256.9	257.6	254.1	262.7	291.8	
Boilermen.....	227.0	334.4	217.0	245.7	253.2	302.4	288.8	
Carpenters.....	249.8	242.2	261.8	262.2	257.8	251.7	248.4	
Cigar-makers.....	294.8	303.3	359.4	542.7	552.1	524.0	545.8	
Compositors.....	333.7	396.2	427.2	409.8	444.0	460.3	402.7	
Drivers.....	249.7	252.4	399.4	379.3	405.5	390.2	373.8	
Electricians.....	194.8	292.9	295.1	293.6	285.8	293.6	292.9	
Foremen.....	270.3	292.6	257.6	257.6	267.8	276.1	275.5	
Lathemen.....	248.7	230.0	269.3	313.1	308.5	312.3	291.3	
Linotypists.....	387.1	385.2	381.6	381.4	406.4	411.0	396.6	
Masons.....	304.1	339.2	359.8	359.8	333.0	337.0	343.3	
Mechanics (auto).....	187.7	281.2	316.5	316.5	316.5	316.5	316.5	
Painters.....	424.6	343.2	422.4	388.5	420.8	407.7	378.7	
Plumbers.....	240.0	383.5	388.5	386.5	375.0	324.5	344.0	
Tinmiths.....	245.9	293.0	481.4	476.2	476.2	450.0	393.6	
Common Laborers.....	263.7	365.3	375.8	378.7	395.1	346.0	367.7	

OCCUPATION	DAILY REAL WAGES ⁴ (PESOS)							
	1941	1945	1946	1947	1948	1949	1950	1951
Skilled Laborers.....	2.29	0.84	1.29	1.95	2.06	2.21	2.25	2.06
Blacksmiths.....	2.55	0.61	1.07	1.69	1.80	1.87	1.99	2.07
Boilermen.....	2.82	0.93	1.00	1.58	1.90	2.08	2.51	2.26
Carpenters.....	2.75	0.87	1.28	1.86	1.98	2.04	2.06	1.84
Cigar-makers.....	0.96	0.41	0.93	1.39	1.43	1.54	1.49	1.26
Compositors.....	1.84	0.89	1.40	2.03	2.07	2.38	2.51	2.06
Drivers.....	1.64	0.59	1.11	1.69	1.71	1.94	1.90	1.70
Electricians.....	2.67	0.75	1.30	2.04	2.15	2.22	2.32	1.77
Foremen.....	3.35	1.07	1.53	2.23	2.37	2.61	2.74	2.56
Lathemen.....	2.60	0.71	1.40	2.13	2.24	2.33	2.41	2.10
Linotypists.....	2.64	1.48	1.95	2.60	2.77	2.82	2.71	2.91
Masons.....	1.94	0.85	1.26	1.80	1.92	1.88	1.94	1.85
Mechanics (auto).....	3.00	1.08	1.32	2.09	2.20	2.34	2.25	2.28
Painters.....	1.83	1.12	1.20	2.00	1.95	2.24	2.21	1.92
Plumbers.....	2.00	0.69	1.47	2.01	2.12	2.18	1.92	1.91
Tinmiths.....	1.72	0.61	0.97	2.14	2.25	2.39	2.29	1.88
Common Laborers.....	1.24	0.47	0.87	1.20	1.29	1.43	1.27	1.27

1 Data on wages and number of workers in selected occupations are collected monthly from identical industrial establishments including auto dealers, brokerage and construction firms, cigar and cigarette factories, furniture-makers, lumber yards, electrical contractors, printing and publishing houses, transportation firms, painting contractors and machine shops.

2 Revised

3 Weighted

4 Wage in terms of goods and services it can buy. This is obtained by using the cost of living price indexes (1941=100) as deflators.

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**COST OF LIVING PRICE INDEX FOR 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 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	214.9	298.1	253.9	2851
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	370.6	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	343.7	357.9	453.9	198.4	272.9	251.1	2910
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	345.3	358.2	453.9	202.0	276.3	258.5	2896
April	348.7	362.6	453.9	197.6	287.5	257.1	2868
May	348.8	362.8	453.9	197.2	287.5	257.1	2867
June	349.0	362.9	453.9	193.9	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	3004
November	339.6	356.1	453.9	191.1	258.4	239.8	2945
December	329.6	335.9	453.9	202.9	259.5	256.2	3035
1950	337.5	333.7	453.9	270.7	252.0	313.8	2963
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	352.9	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	360.1	361.4	453.9	365.3	248.0	336.5	2777
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	337.7	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	346.4	347.4	453.9	280.6	244.1	317.7	2887
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	2871
Aug.	347.9	349.4	453.9	276.1	243.4	320.4	2874
September	348.3	350.0	453.9	274.8	243.4	320.5	2871
October	344.5	344.6	453.9	276.2	243.4	317.8	2903
November	347.5	349.3	453.9	274.7	243.4	318.3	2878
December	347.9	348.9	453.9	271.5	247.5	321.2	2874
1953							
January	344.3	343.2	453.9	271.0	247.5	321.4	2904

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

SENATOR Recto's covering letter to the comment on the editor's "Short History . . . Japanese period", some of which comment appeared in last month's *Journal* and more in this month's issue, ran, in part, as follows:

"I am enclosing my notes on your Short History. They are purely personal opinions, of course, based on my personal recollections and understanding of the events and policies concerned. . .

"The passage of time should enable us now to look at the events of the enemy occupation in the correct historical and legal perspective, and I am glad that you have decided to share your personal experiences and interpretations with us.

"With my cordial congratulations and best wishes, I remain,

"Very truly yours

"Claro M. Recto."

The Senator's notes with respect to the first instalment, which reached

us too late for use when that went to press, we hope to include if any sort of re-print is decided upon. Some of Mr. Recto's most valuable notes were made in connection with that instalment, particularly with reference to the concept of "suspended sovereignty" and the rights of an occupying power.

With respect to the material on the guerrillas in the "Short History," the editor received a letter from Colonel Terry "Magtangol" Adevos, war-time guerrilla leader and present head of the Philippine Veterans Legion, which read as follows:

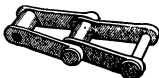
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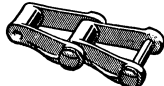
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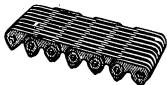
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"I am returning herewith the manuscript which you gave me the privilege of going over, together with some minor corrections. Except for these, I am glad to note that the presentation of the subject on Guerrillas is comprehensive, lucid, and informative. Your article will certainly go a long way in preserving the memory of the heroic exploits of the men in the underground resistance movement..."

Sincerely yours, etc."

THE following letter, received from a reader during the month, raises a point which the editor stated he wanted to comment on:

"I have continued to read your most enlightening 'Short History...', particularly the sections dealing with the Japanese period, with very great interest. There is one question which I should like to ask you. I noted that Senator Recto, in his comment appended to the instalment published in the January *Journal*, states with reference to the 'Confidential Agreements' you described. 'This is the first time I have heard of these agreements.' It seems to me that this may throw some doubt on the record as you present it, although that was probably not the intention of Mr. Recto. But how could it be that he, as the then Foreign Minister, never heard of these agreements, confidential though they must have been? Is there any explanation?"

The editor stated that he himself was somewhat surprised by Senator Recto's statement, and his first thought was, "Well, those agreements must have been 'confidential' indeed!" But, added the editor, "a light was thrown on this matter a little later when I read a mimeographed document sent me by Mr. Recto together with his comment on the 'History'. It is entitled 'Record of Official Acts of Claro M. Recto during the Japanese Occupation', submitted to the People's Court before which charges were brought against him after the war. The case was dismissed, the Judge who wrote the decision concluding that there is 'clear and convincing proof that the accused not only did not make common cause with the enemy but also remained at all times faithful and loyal to his country and to the Allied cause.' That verdict was, of course, to have been expected, and is only brought up here as by the way. What I want to quote as supplying the 'explanation' our correspondent asked for, is this, from page 10 of Annex 'B' of Mr. Recto's 'Record of Official Acts...':

"As may be seen from other papers listed below, the Ministry of Foreign Affairs was never concerned with, or intervened in, matters relating to political, economic, military, naval or other matters of interest to Japan, and the Japanese authorities invariably took these matters up directly with the President or his Executive Secretary."

"Foreign Minister Recto was deliberately by-passed," said the editor. "The Japanese tolerated no 'diplomatic interference' with their basic

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plans of despoilment and enslavement. The 'Confidential Agreements' can, in fact, not have been 'agreements'. They embodied terms which were forcibly, but secretly, imposed, just as was the 'Pact of Alliance', as Senator Recto confirmed."

The following is from Winifred Bissinger's *Evening News* society-page column, "Date Book":

"People are Talking About: Polo—it will be indoor polo played outdoors at the Manila Polo Club tomorrow afternoon... The 'Short History of Industry and Trade in the Philippines during the period of the Japanese Occupation' by A.V.H. Hartendorp—highly recommended reading appearing in instalments in the *American Chamber of Commerce Journal*... The quite smart-looking window displays of new and enlarged dress shops on Mabini and Taft..."

"That what I like about Mrs. Bissinger's column," said the editor. "She has a wide-ranging mind... as her column always shows... Intelligent and sophisticated, but also very human. Her writing, daily and off-hand as it must be... but high, wide and handsome! Now where did I get that phrase?" I think it goes back to my younger days in Colorado. If I am not mistaken it was used to describe a cowboy successfully riding a bucking bronco,—without holding on, of course, whooping, and waving his hat with one hand, and the horse rearing and plunging and 'sun-fishing' all over the field. A very expressive phrase, you'll admit."

"Jeh, but what has all that to do with Mrs. Bissinger? She isn't a horse, is she?"

The old man looked at us pityingly. "Not the horse, but the rider,—

doing a difficult job well and with spirit."

"My, my," we said. "I must say a few nice words about you myself sometime... Scr—"

"Don't say that," he said. "I read her column myself, although I don't go in for 'society', and I really mean what I said about it."

"Heh," we said. "And she didn't say either that she read the *Journal* or your history... She only said that people were talking about it..."

"I ask you," said he, "what nicer thing could she have said? That is an example of the light touch, a mere allusion, perhaps, but it makes a picture. Imagine all those people talking, casually, but with appreciation. I can almost hear them."

"Maybe you didn't notice that she sandwiched in her remark between,—let's see—references to polo, window-displays, dress shops, a mixed-doubles bowling tournament, the Manila Hotel lobby crowd, a Tagaytay picnic. And we have talked for half an hour about a three-line notice you got."

"O dear hair-shirt!" he said.

Young Etymologist

YOUNG child, sitting on his grandfather's knee as he reads the evening newspaper, child pointing to an illustration: "Who is that, grandpa?"

Grandpa: "Oh, you wouldn't know him. Some government official."

Child: "Why? Does he sell fish, grandpa?"

WE should be pleased if *Journal* readers and advertisers would go through this number of the *Journal*,—or any *Journal* issue, for that matter, and ask themselves in what other publication anyone interested in Philippine business could find so much up-to-date and authoritative information conveniently presented for immediate reading and for future reference.

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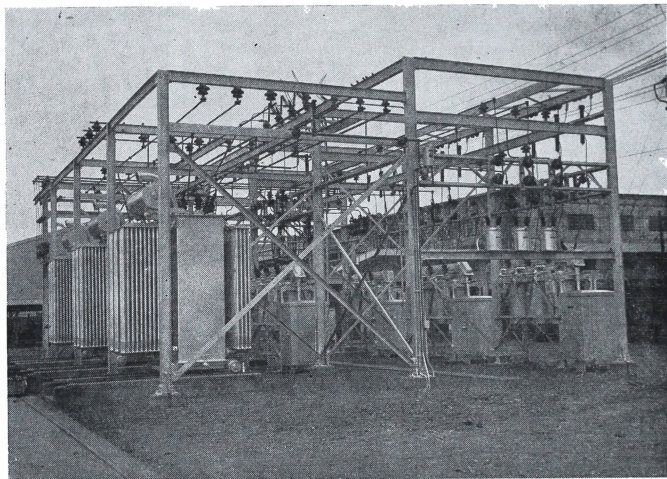


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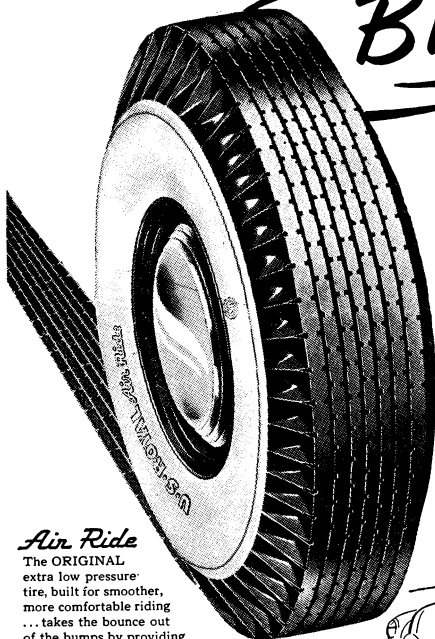
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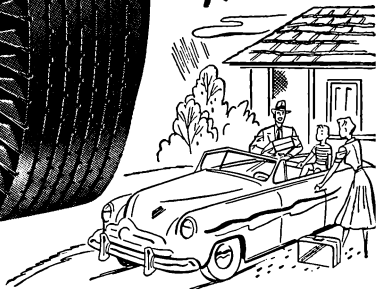
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