

Annual Report of the President

American Chamber of Commerce of the Philippines

IN what has been largely a year of business frustration and regression,—a year marked as never before by many burdensome restrictions and vexatious demands laid upon business by the Government, involving large direct loss and great cost in time and labor, yet with little of a constructive nature achieved and indeed much harm done to business and the nation, the American Chamber of Commerce of the Philippines has been strengthened, because of these very conditions, in membership and in organization and even in spirit. Disappointed in the course of events, vexed, angered, we may be; but we are neither daunted nor dismayed. We believe in the great potentialities of this country and we believe in the fundamental good sense of the people, with whose good or bad fortune our own long has been and remains so closely joined.

Active memberships in the Chamber increased by 21 and associate memberships by 18 during the past year, as against only 7 new active and 10 new associate memberships during 1948. And the strengthening of the membership is continuing; so far this year we have already listed one new active member and three new associate members.*

The financial position of the Chamber is satisfactory, although we have made no progress in securing recognition by the three banks concerned, of any obligation toward us with respect to our pre-war bank deposits amounting to some, ₱30,000.

After moving no less than five times from one place to another since the Liberation because of the housing-shortage, the Chamber, early during the year under review, moved into its present quarters where now we are holding our annual meeting for the first time. I think we may consider this the Chamber's settled home for some years to come.

The quarters are fairly commodious, and this has made it possible for us to open a coffee-room for members which is managed by the Chamber itself. It has become a favorite place for business conversations as well as for relaxation. The coffee and rest-rooms are open to the families of members, too, and we hope that during the coming year more ladies will take advantage of this. Recently the Chamber has begun to build up a small library, mostly Filipiniana and various reference works, for the use of members.

*New Active Members for Year 1949:

C. F. Sharp & Company, Inc.
James Trajaner
American Foreign Insurance Association
The Ault-Wiborg Company (Far East)
Donald A. Ireton (Basilan Lumber Company)
Bireley's California Orange, Ltd.
Cadwallader Pacific Company
Caltes (Philippines) Inc.
Pepsi-Cola Bottling Company of the Philippine Islands, Inc.
Philippine Electronic Industries, Inc.
United States Lines Company
Commonwealth Sales Company, Inc.
Lepanto Consolidated Mining Company
Otis Elevator Company
Burroughs, Ltd.
E. R. Squibb & Sons, International Corporation
Maydon Motors, Inc.
Varas & Company
H. E. Castle (Capital Insurance & Surety Co.)
Dodge & Seymour, Manila, Inc.
W. Sycip & Company, Inc.

New Associate Members for Year 1949:

Walter H. Olmstead
Robert R. Trent
Andrew P. Gruber
Leon Beasie
Frank S. Tenny
Olendon B. Loveles
Thos. J. Weeks
Joseph Abelow
James D. Burn
Andrew McKelvie
J. A. Connor
C. N. Edwards
James M. Faulkner II
Charles F. Gebhart
Arthur G. Harner, Jr.
K. E. Robinson
F. P. McMahon
E. E. Christensen (Non-Resident Associate)

The *Journal*, our monthly organ, continued to be faithfully supported by the thirty or so businessmen who give of their valuable time in writing for it regularly each month. Thanks to this assistance and the able editing, the *Journal* has continued to grow in prestige and influence. I want again to emphasize to our members the absolute necessity of increasing the advertising in the *Journal*; the money could not be better spent.

While the *Journal*, as a monthly periodical with second-class mail privileges, goes out not only to our members but to subscribers, here and abroad, the mimeographed *A.C.C. Bulletins*, of which we got out 149 separate numbers during the year, is sent generally only to active members, and some of the more important issues to both active and associate members. Edited by our Executive Vice-President, Mrs. Willimont, they carry Chamber announcements, business news, including the comings and goings of members, business opportunities, employment notices, titles of new publications available, and digests or the full texts of bills newly introduced, approved acts and ordinances, executive orders, and, lately, the numerous orders issued by the Import Control Board and the Central Bank. The *Bulletins* have proved very useful to members both as news and for reference.

Probably the greater part of the Chamber's activities during the year has been devoted to the numerous problems which came up in connection with the import and, later, the credit and exchange controls.

In principle the Chamber has opposed the government control policies, and in practice it has protested against their scope and severity, though once the various controls were instituted, we have cooperated with the authorities in their implementation to the best of our ability.

I wish to make it clear that we can no longer and do no longer question that certain controls have become necessary. At the present time we are only fighting to keep them down to a minimum and to have them well administered. We have continued, however, to call attention to the point of why these controls have become necessary. We believe that they would not have become necessary if the proper basic policies had been followed with respect to bringing in outside capital to develop our local production and export trade more rapidly so that our imports and exports would naturally have come into better balance.

The officials in the Government who put their faith in the control policies are having their way; yet, I believe that the representations we have made have not and are not being made in vain. We have continued to express, openly and forcefully, what we believe to be sound thought along these lines and this has at least made the Government move more cautiously than it otherwise might have done, has alerted the Government to the untoward effects that are to be expected, and has led a number of high officials to declare that these measures are only temporary. And I want to make it of record here that in my own contacts with Secretary Balmaceda and Governor Cuaderno in regard to import and exchange control matters, I have always been most courteously received and was always given opportunity to discuss them freely, though, plainly, we differed.

Our relations with the American Embassy have been friendly, though there also, as to certain policies, we have not seen eye to eye.

On a number of occasions, joint action by this Chamber and other chambers of commerce in Manila,—the Philippine, Spanish, Chinese, Manila, and French chambers, following joint consultations of the officers, has proved effective, recently especially in securing clarification, and in some cases, modification, of the import and credit control measures.

Cooperation between this Chamber and the Chamber of Commerce of the United States (Washington, D.C.), with which we are affiliated, with the Philippine-American Chamber of Commerce (New York), and with the Foreign Trade Council (New York), has been valuable all around, and, on our part, we are especially obliged to Colonel Daye of the Philippine-American Chamber and to Mr. Merle D. Thompson, Chairman of the Philippine Committee of the Foreign Trade Council.

As to the various members of our Board and of our different committees, so many of them have done important work for the Chamber during the year that I shall not attempt to name them individually. The list would be long, and even so I might inadvertently leave out names of men to whom we are all indebted.

In my opinion, one of the most important statements issued by the Chamber during the year was that entitled "Recommendations re American Investment", prepared by the Chamber at the request of President Quirino who was then on the point of leaving for the United States and wanted to take such a memorandum with him for study. It was published in the September issue of the *Journal*. Another important statement of the Chamber was that on the import-control issue which was released to the press and which was printed in the October *Journal*.

Some progress has been made during the past year with respect to obtaining relief for American enterprise in this country from the present double taxation. Associated organizations in the United States are now solidly behind securing an amendment to Section 251 of the U.S. Internal Revenue Code, and there is hope also that the Treaty of Commerce and Navigation being negotiated between the United States and the Philippines will contain a provision removing this presently so serious a handicap.

The Chamber has cooperated with government authorities and others in work directed toward securing an increase from the United States Congress in the funds provided for the payment of war-damage claims here, and also in facilitating the implementation of the War Claims Act of 1948 (relief to former internees and prisoners-of-war).

As to the interests of the many Americans who had pre-war deposits in the Manila banks already referred to in connection with the Chamber funds, a well-attended meeting was held on these premises in September at which this matter was discussed. An exhaustive article on the subject by Attorney F. J. Gibbs was published in the October *Journal*. Though all the other banks in Manila have met their obligations to their pre-war depositors in full, the Philippine Supreme Court has upheld the policy of the banks which refused to do so on the grounds that they had been compelled to transfer these assets to the

Bank of Taiwan during the war. Whether this transfer was merely a bookkeeping transaction and not a transfer of actual assets, has not yet been clarified to our satisfaction, or whether these banks suffered any actual loss. Anyway, as I have said, other banks which suffered greater general loss have paid off as a matter of equity and good business practice. The forfeiture of their savings falls especially heavily on many old-time American veterans and civil-service people, and we are not content to allow the matter to rest as it stands at present.

A number of our members did outstanding work in connection with the import control in an advisory capacity to the Import Control Board,—on invitation from the Government itself. Others took part in meetings held in the office of Secretary of Commerce and Industry Balmaceda in connection with trade-mark infringements and other unfair trade practices. Later President Quirino issued an executive order creating a Fair Trade Board. An article on this subject by Mr. L. G. Wagner was published in the November *Journal*.

Considerable work was done by the Chamber in connection with efforts to secure a modification of the Philippine Flag Law. Work was done in connection with proposed labor legislation. The Chamber also arranged for the compilation of a digest of past decisions of the Court of Industrial Relations which is being kept up-to-date by quarterly additions. It was issued in mimeographed form in June. A new "High Cost of Living Survey" was prepared and sent out to members in May. The Chamber took an active part in the establishment here of the Community Chest organization and in many other forms of community work. The Chamber has given aid to numerous Americans and others who were seeking employment.

A number of luncheons were given during the year in honor of various persons, including the American Ambassador, Mr. James J. O'Brien, Secretary of Public Works, New York City ("Father Knickerbocker"), Mrs. Mildred Hughes, Executive Vice-President of the Far Eastern Council of Commerce and Industry, New York, and the officers and directors of other chambers of commerce in Manila.

In closing, I wish to inform you that some weeks ago I wrote a letter to our Board of Directors asking that my name be taken off the list of nominees drawn up by the nominating committee for the election to be held here today, as it would not be possible for me to serve as director this coming year. I have been President for three years and want to see someone else in a position which, I am frank to say, I have felt no small gratification in holding and which I consider a high honor for anyone to hold. It is a position which I feel is one of great responsibility, not only to our membership or even to business as a whole, but to this country and to our own country.

And so I thank you for the honor you have thrice conferred on me and for the opportunity you thus gave me to be of service and for the support you have all given me these past three years. I bespeak that same fine support for my successor.

FREDERIC H. STEVENS

EXTRACTS from the Minutes of the meeting of the Board of Directors of the American Chamber of Commerce of the Philippines on January 12:

"It was moved and seconded that Mr. Stevens' letter be published in the American Chamber of Commerce *Journal* and that the Board draw up a letter of appreciation for the services rendered by Mr. Stevens, which letter would be published at the same time. The motion was carried."

Letter of Mr. Frederic H. Stevens, President of the American Chamber of Commerce of the Philip-

ines, addressed to the Board of Directors under date of January 10:

"Gentlemen:

"For three years I have served the American Chamber of Commerce as a member of the Board of Directors and as President. It will not be possible for me to serve this coming year, and I therefore respectfully ask that you eliminate my name from the list of nominees presented by the Nominating Committee.

"In retiring as President, I want to express my great appreciation of the able assistance rendered by the several Boards of Directors with which I have worked, and also of the loyal service rendered by the