

Bulletin, in competition with cities of 500,000 population or more (such as St. Louis, San Francisco, and Rochester), won first prize. In addition to this honor, we received special recognition of our Chamber on a state-side television broadcast. Pictures of our Chamber offices were selected and displayed as representing an ideal office lay-out which might well serve as a model which other Chambers might care to copy.

American Chamber of Commerce Journal—A. V. H. HARTENDORP, Editor

Efforts to increase the advertising were made with some success, an especial appeal being made to our members to assist in making possible the publication of the editor's series of articles on the industry and trade of the Philippines. Had it not been for this special advertising received from a few of our larger firms, the advertising income for the year would have been lower than it was. With this help the *Journal* was able to publish this series and to avoid any great reduction in the number of printed pages, which ran up to 500 for the year, as against 508 the year before.

Although the *Journal* passed through a relatively bad year financially, it was editorially one of the best. The established policy was continued much as in previous years, with all editorials of a controversial nature approved in advance of publication by the President, or, in the more important instances by the entire Board. This has always been done at the request of the editor himself who is well aware of the fact that the *Journal*, as the organ of the Chamber, should represent the views of the Chamber membership insofar as these can be determined.

Perhaps the greatest interest was aroused by the editorials on the cost of living in Manila compared with the living costs in other cities of the world, and on the number of Filipinos in the United States as compared to the number of Americans here.

Special articles appeared in the *Journal* by such business and government leaders as Secretaries Balmaceda and Mapa, Col. Andres Soriano, Mr. Hans Menzi, and Mr. Leonides S. Virata.

The monthly columns published in the "Business View" department of the *Journal*, with monthly personal contributions from leading businessmen in their respective fields, were maintained and continue to constitute one of the most sought-after and important parts of the *Journal*.

Of special and permanent interest was the series of articles, already referred to, written by the editor under the title, "Short History of Industry and Trade of the

Philippines". The series made most interesting reading, the chapters on the Japanese occupation representing new and up to then unpublished work, and otherwise contained so much significant information not generally available, that the Board decided on reprinting the series in book form. Bound in cloth and running to nearly 300 pages, the book was sold at ₱10 a copy but with a complimentary copy sent to each member of the Chamber. Of the edition of 515 copies, only around 100 copies remain. Because of the presidential elections in November, the "Short History of Industry and Trade of the Philippines" was brought to a close with an instalment on the Roxas Administration. The editor has informed us that he is now at work on a final instalment or two on the Quirino Administration which it is planned to publish in the *Journal* during the present year.

We should like to most strongly appeal to all members of the Chamber, to take action now by giving our *Journal* more advertising this year than it has received in the past. We believe you all will agree that the *Journal*, as the official organ of our Chamber, must be supported in a manner which reflects the importance and dignity of the organization.

The *Journal* continues to be more and more widely read, both here and abroad, and it represents your Chamber with both ability and dignity, assists in establishing for our Chamber the personality it could not build in any other way. It is earnestly recommended that our membership expand the use of the *Journal* by making regular monthly copies available to their home offices and/or their associates overseas. All those associated with the *Journal* and its valuable work, deserve our commendation and thanks.

Future Prospects

Upon entering the new year, it is apparent in innumerable ways, that everyone in the Archipelago looks forward with hope and confidence to prosperity and peace for 1954. The recent change in administration has been greatly responsible for this feeling and there appears to be every possibility that great progress will be made toward solving the many problems which are so vital to business in the Philippines. There is a general feeling that the climate for American business will improve.

With continued close relationship between the Philippines and the United States, favorable political and economic developments are to be expected.

W. C. PALMER III
Acting President

Excerpts from the Annual Report of the Board of Directors for 1953

Philippine American Chamber of Commerce, New York*

Exchange Controls

On May 23, Governor Miguel Cuaderno of the Central Bank of the Philippines announced that immediate payment of all unremitted balances of backlog accounts due the United States from the Philippines could be made. The Bank's Monetary Board allotted \$10,500,000 for this purpose, making final disposition of unremitted balances which in 1949 amounted to more than \$43,000,000. This information was circularized in a special bulletin to Chamber members.

One of the regulations issued in 1953 by the Central Bank of the Philippines which caused considerable concern,

was Central Bank Circular No. 42, particularly Section 2 thereof, which makes subject to license, transactions with respect to assets situated abroad belonging to foreign residents in the Philippines. On July 15, in conjunction with the National Foreign Trade Council, several Chamber Directors attended a conference in New York with a representative of the U. S. Treasury Department, for the purpose of discussing this regulation in detail. As a result of the discussion, and after our views had been presented to Central Bank Governor Miguel Cuaderno, we were assured by him that arrangements would be made so that responsible American individuals in the Philippines would be relieved of the inconvenience caused by implementation of this regulation. We believe that it would be to the best

*As presented to the members at the Annual Meeting on January 20, 1954, by Mr. W. E. Murray, President of the Chamber.

interest of Philippine-American relations if this regulation were officially modified, as we do not believe that the Philippine Government has the right to control or regulate assets located abroad belonging to American citizens residing in the Philippines, when these assets are transferred to foreigners residing abroad.

On October 19, the Philippine Government took a decisive step to ease the tight money situation by repealing Central Bank Circular No. 19, known as "Selective Credit Control". Lifting of the selective control on credit meant that importers of luxury or non-essential items no longer are required to deposit 80% cash margin on all letters of credit obtained to pay for such items. Many firms found that requirement rather difficult to meet.

Proposed Revision of the Philippine Trade (Bell) Act

The Philippine Trade Act of 1946, known as the Bell Trade Act, imposes, on July 4, 1954, gradually increasing customs duties on Philippine products entering the United States, and on American goods entering the Philippines. For some time, the Philippine Government has been voicing its desire for a revision of the Act. . .

To ascertain the views of members concerning revision, a questionnaire was sent to all members. Based on their replies, and the many discussions held by your Board of Directors over a period of months, a tentative position was taken, and submitted to the Chairman of the interdepartmental committee, Washington, in the letter quoted below:

"December 29, 1953.

"MR. LEONARD S. TYSON
Provisional Chairman
Interdepartmental Philippine Trade Agreement Committee
Department of State
Washington 25, D. C.

"Dear Mr. Tyson:

"The Board of Directors of The Philippine American Chamber of Commerce has, for many months, had under consideration the views of its members (all of whom are engaged in business in or with the Philippines) concerning any modification in the present provisions of the Philippine Trade Act of 1946 and the Agreement on Trade and Related Matters between the United States and the Philippines which was entered into pursuant to this Act.

"We realize that the concrete proposals submitted by the Philippine Government some months ago may be changed by the completely new incoming administration of the Philippines, and as there seems to be little possibility that a thorough examination of the proposed revision of the Trade Act could be accomplished before July 4, 1954, at which time partial tariffs are to become applicable, we believe that our Congress should be requested to provide the necessary legislation so that the Act could be extended.

"Based on our understanding that the provisions of the Trade Act will continue to be the subject of study by the Interdepartmental Philippine Trade Agreement Committee, our Board, at a meeting on December 9, 1953, decided that the time has come to submit its present views on the proposed changes already submitted by the Philippine Government. These are as follows:

"(1) *Revision*.—We are amenable to a revision since the Philippines requested it but are of the opinion that the revision could not be accomplished before July 4, 1954.

"(2) *Postponement*.—We favor a five-year postponement of the present status as regards the effective date of duties which go into effect, July 4, 1954, as well as a continuation of the present quotas.

"(3) *Selective Free Trade*.—We are opposed to 'selective free trade', in principle, as we believe it is unworkable.

"(4) *Currency Stabilization*.—We have no objection to the elimination of the currency stabilization clause, realizing that the argument for its removal is based on infringement of sovereignty, and recognizing that the Philippine Government is a member of the International Monetary Fund. However, we feel that the maintenance of

the 2 to 1 ratio of the peso to the dollar has been a very stabilizing influence in the economic development of the country, and will remain so for the future. Any devaluation of the peso would produce unfortunate results in the economy of the Philippines.

"(5) *Parity*.—The Parity clause should be retained. We believe that the record will show that the existence of this clause has been of great value to the Philippine economy, and feel its retention is necessary to maintain the confidence of Americans with investments in the Philippines.

"(6) *Immigration*.—Concerning the entry of Americans into the Philippines and Filipinos into the United States, we feel that an arrangement similar to the one contained in the Trade Agreement should be provided for in a revision of the Trade Act. We strongly support any legislation by our Congress whereby Filipinos will have Treaty Merchant Status; any revision of the Trade Act should be reciprocal for Americans in the Philippines, such provisions to remain in effect for the duration of the Trade Act, as amended.

"(7) *Treaty of Friendship, Commerce, and Navigation*.—We are opposed at this time to the conclusion of a Treaty of Friendship, Commerce, and Navigation. New trade relations between the Philippines and the United States should be established by a revision of the Trade Act.

"In submitting the present views of the Chamber, we wish to reserve the right to revise any of our statements should developments warrant such action.

"May we express our appreciation for the cooperation you and your associates have invariably given this Chamber.

Sincerely yours,

(signed) W. E. MURRAY
President.

Bill to Cut Tax on Coconut Oil

It will be recalled that last year the Board of Directors of the Chamber went on record with the Chairman of the House Ways and Means Committee as being in favor of the passage of the Havenner Bill, H. R. 6292 to repeal the 3¢ per pound processing tax on coconut oil. This bill, however, had not been reported out of committee when Congress adjourned. A new bill, H. R. 2915, identical in content with the Havenner bill, was introduced in the 83rd Congress, First Session, on February 12, 1953, by Representative John J. Allen, Jr., and referred to the Committee on Ways and Means. The Board of Directors, on March 20, 1953, went on record as being in complete sympathy with the provision of the Allen bill and in favor of its passage. The Board felt that passage of the bill would materially benefit the economy of the Philippines and improve United States commercial relations with that country.

It is hoped that elimination of this burdensome tax will be accomplished during the current session of the United States Congress.

The Chamber has received letters from various Philippine officials and others expressing appreciation for our interest and cooperation in supporting this measure.

In closing

In closing, your Board of Directors wishes to record its indebtedness to the American Chamber of Commerce, Manila, through its Executive Vice-President, Mrs. Virginia Gonder, and to the Philippine Association, New York. Both have been especially helpful in keeping us currently informed of events and trends in the Philippines. Much of the information so gathered has been passed along to our members in the weekly bulletin. The Board of Directors also wishes to thank the members of the various committees of the Chamber, the Secretary and his staff, and the entire membership for their loyal support during the entire year.

Philippine Languages—(Continued from page 93)

than English or other European languages. It should have the highest priority among Philippine translations, particularly those intended to combat Communism, since the areas of the country most affected by Communist doctrines are those in which Tagalog is spoken.

Material intended to reach the mass of the population must be translated into the six major languages or dialects for fullest comprehension.

THE following data was furnished by the Bureau of the Census and Statistics of the Republic of the Philippines from the Census of 1948:

(Continued at bottom of page 108)