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Contents

Editorials—
- Ambassador Spruance ... 39
- George VI. Elizabeth II. ... 40
- The Proposed Rural Credit Banks ... 40
- The New Chamber Officers and Board Members ... 44

Annual Report of the President, American Chamber of Commerce of the Philippines ... J. A. Parrish ... 46
Ocean Freight Rate Determination ... Associated Steamship Lines ... 49
The Tall Axe-Man (Poem) ... R. P. T. Coffin ... 51

The Business View—
- The Government ... Official Sources ... 53
- **Banking and Finance** ... G. R. Hutchison ... 54
- Manila Stock Market ... A. C. Hall ... 55
- Credit ... C. W. Muilenburg ... 56
- Electric Power Production ... J. F. Cotton ... 56
- Real Estate ... A. Varias ... 56
- **Ocean Shipping and Exports** (Annual figures) ... B. B. Tunold ... 57
- **Lumber** (Annual figures) ... P. de Ocampo ... 57
- **Mining** (Annual figures) ... N. N. Lim ... 58
- **Desiccated Coconut** (Annual figures) ... H. R. Hick ... 60
- **Copra and Coconut Oil** (Annual figures) ... H. D. Hellis ... 60
- Sugar ... S. Jamieson ... 63
- **Manila Hemp** (Annual figures) ... F. Guettinger ... 65
- **Tobacco** (Annual figures) ... L. A. Pujalte ... 66
- Imports ... S. Schmelkes ... 66
- Food Products ... C. G. Herdman ... 67
- **Textiles** (Annual figures) ... W. V. Saussotte ... 68
- Legislation, Executive Orders, Court Decisions ... E. E. Selph ... 70

Cost of Living Price Index (1948-1952) ... Bureau of the Census and Statistics ... 72
Philippine Safety Council ... F. S. Tenny ... 73
American Association of the Philippines ... 73
The "Let Your Hair Down" Column ... 75

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THE AMERICAN CHAMBER OF COMMERCE
JOURNAL

Editorials

". . . to promote the general welfare"

Ambassador Spruance

In the appointment of Admiral Raymond Ames Spruance, retired, as Ambassador to the Philippines, the United States Government gives new emphasis to its long established policy in sending men here who may be counted among the greatest Americans. In this the United States honors itself as well as the Philippines, but also honors such men, because Philippine-American relations have been of high importance for over fifty years and are increasingly so.

Admiral Spruance, born in Baltimore, Maryland, July 3, 1886, is now sixty-six years old, was a "battleship admiral" as distin guished from an "air admiral", and is of five-star rank, standing at the very top of his service with such men as Nimitz, Mitscher, and Halsey. He was always brilliant and at one time was the youngest four-star officer in the Navy. He is known for his skill in various branches of engineering as well as a master of tactics.

Official Photograph, U. S. Navy

This photograph of the new United States Ambassador to the Philippines, ADMIRAL RAYMOND AMES SPRUANCE (U. S. Navy, retired) was taken some years ago when the Admiral was still on active navy duty.

Gilbert Cant, in his book, "The Great Pacific Victory", published in 1945, gave this pen-portrait of him:

> "Spruance is the same height as Nimitz (5 feet 9½ inches), but 20 pounds lighter. Nearing 60, he still does not wear glasses; his brown hair is suffused with gray, but still dark. The face is strong and cold; the chiseled nose is long and slightly hooked; the mouth is thin and straight; the jaw line is truculent; the piercing eyes are bluish gray. Somehow, they give the impression of a man determined to be fair, of one who would neither seek nor show favor. It is a countenance that would look well on a Supreme Court justice . . . Aside from walking, swimming is his only recreation; symphonic music and reading are his only relaxation . . ."

In another paragraph, Cant said of him: ". . . he is an incredibly efficient piece of machinery in human form," and he went on to say:

> "One of the sternest tests of a man's capacity for command is his ability to delegate authority to competent subordinates. Spruance has this ability in a high degree. If an officer assigned to him does not measure up to his standards of competence, the officer is quickly transferred. Consequently, Spruance is surrounded with men in whom he has confidence. He is not known ever to have lost an hour's sleep, even on the eve of battle, through inability to delegate tasks to the proper subordinates."

As a ranking officer of the forces which defeated the Japanese in the great naval battle off Midway Island in the central Pacific, June 4 to 6, which resulted in the defeat of the enemy fleet and heavy enemy losses, Spruance won the U. S. Distinguished Service Medal. That same month he was made Chief-of-Staff of Admiral Chester Nimitz, Commander-in-chief of the Pacific Fleet. Other of his exploits during World War II included the invasion of the Marshall Islands in January-February, 1944; the capture of Saipan, Guam, and Tinian and the first Battle of the Philippine Seas, in June, 1944, and the capture of Iwo Jima (February-March, 1945) and of Okinawa (April-May-June, 1945).

Following the War he was appointed President of the

Naval College and he held this position until his retirement in June, 1948.

As a fighting man, Admiral Spruance played a leading part in winning the "Great Pacific Victory" during the years from 1942 to 1945. Now, in 1952, he is called out of retirement to play a part in conserving the fruits of that victory, through the protection and encouragement of the democratic forces in this part of the world,—in which task, we may add, the maintenance and promotion of American business interests established here must continue to be a factor of the highest importance.

George VI Elizabeth II

Death takes the humble as it takes the great, and there is always loss and grief. But when the great die, greater numbers of people and greater interests are affected and the sense of loss and sorrow is the more widespread.

The death of George VI, King of Great Britain, Ireland, and of the British Dominions beyond the Seas, is an event of world consequence and is felt everywhere.

While it is true that in a limited or constitutional monarchy, such as the British Commonwealth, the King reigns but does not rule, George VI was a brave and good man who, during the fifteen years of his reign, which included some of the most perilous years in British history, is generally regarded as having exercised a profoundly steadying and strengthening influence both in the Government and over his people.

He is succeeded by his elder daughter who will be known as Elizabeth II, she being a namesake of the great Queen Elizabeth who ascended the throne in 1533, also, as the present Queen, at the age of twenty-five.

The first Elizabeth was a shrewd and hard-eyed monarch whose reign was tempestuous but who made England great. She was never married and died the last of her line.

Elizabeth II is a modern-minded young woman, trained for her exalted position by wise counsellors. She was married in 1947 and now has two children. She is probably the loveliest Queen the British people ever had.

Because of the constitutional developments over the centuries, if for no other reason, Elizabeth II will never have the direct personal authority which the first Elizabeth exercised; yet she may still wield perhaps an even stronger influence because she will be so much better known to so many more millions of people the world over, besides her own, than ever knew or felt the power of the Elizabeth who gave her name to her period in history.

May the young Queen's character and charm be auspicious of her reign and the happiness and prosperity of her people.

The Proposed Rural Credit Banks

The *Journal* has just received a thick folder from the Central Bank which is referred to in a letter of transmittal from Mr. R. Marino Corpus, Director of the Department of Loans and Credits, as the "Rural Credit Bank Kit".

This kit contains a proposal for the establishment of rural banks, signed by Governor Miguel Cuaderno, together with a draft of a bill to be submitted to the Congress, and a complete set of samples of documents which would be necessary for the organization of these banks, such as articles of incorporation, by-laws, common and preferred stock certificates, basic rules and regulations for management, and various sample forms covering applications for loans, inspector's reports, real estate and chattel mortgages, mortgage cancellations, deeds of assignment, pledge contracts, and even samples of deposit and loan ledger sheets, "ticklers", cash vouchers, receipts, deposit and withdrawal slips, signature cards, loan summaries, and, lastly, a sample monthly bulletin, entitled *The Rural Banker*. Nothing seems to have been overlooked.

The degree of attention given to detail in the preparation of these sample forms is indicated by the fact that they are all of a size easily mimeographed. In a preface it is stated:

> "Awareness of lack of printing-plant facilities in many localities, dictated the choice of size of these sample forms, which is the legal-size. This size paper can be put out by any mimeograph machine . . . Furthermore, cognizance of the lack of steel filing cabinets in many localities makes the choice of the legal-size paper, as the maximum size for these sample forms, ideal for filing purposes. They can be easily kept in legal-size envelopes (15¢ each) or in legal-size Manila folders (10¢ each), which are readily available at any stationer's."

These sample documents and forms are all as short and simple as possible, and it is stated with reference to this:

> "Appreciation of the 'psychological misgivings' about lengthy and bulky legal forms, arising out of ancient fears due to sad experience with them, has led to the decision to reduce legal forms, such as the mortgage instruments, to size (i. e., legal-size). This means incorporating only the basic provisions."

We make mention of these externalia because they are interesting but chiefly because they are evidence of the very practical approach the Central Bank is taking in proposing, under the Bank's auspices, a bill which, if enacted, will be entitled the "Rural Credit Extension Act".

Certainly, it is high time for an approach of this nature to what has been a pressing problem for many years, during which the Government took various measures which have all come to almost nothing.

The explanatory note to the proposed bill summarizes a history of these measures which were initiated as far back as 1907. The Agricultural Bank of the Philippine Islands was established in 1908, but it met with only limited success and was merged with the Philippine National Bank in 1916. A cooperative credit system had meanwhile been established which was shifted from one government agency to another,—the Bureau of Agriculture, the Bureau of Commerce, the National Trading Corporation, and finally to the National Cooperatives Administration in 1941,—the year war broke out in the Pacific.

> "The records showed 571 associations organized in 43 provinces. Today, in the records of the Cooperatives Administration Office (successor to the NCA), appear 144 of these associations which are being kept alive only as account records of unpaid debts. Actually, in terms of operation, none of these associations are active today."

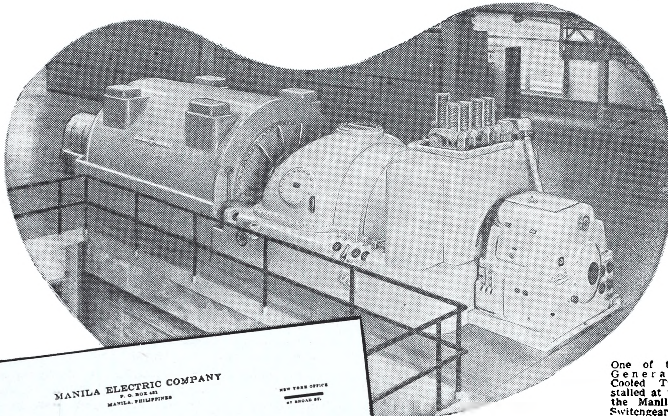
Today, according to the explanatory note accompanying the bill, agricultural credit is dispensed principally by the Philippine National Bank and the Rehabilitation Finance Corporation, but the bulk of the Bank's loans are for commercial purposes and the Finance Corporation loans are mainly ten-year rehabilitation loans and not crop loans, which are what our small farmers need.

The Bell Survey Report, published in October, 1950, under the second of its seven basic recommendations, which dealt generally with the improvement of agricultural production, urged "that rural banks be established to provide production credit for small farmers".

In that part of the Bell Report dealing with "Fiscal, Investment, and Credit Policy", it was stated:

> "Some of the Manila banks have given consideration to the opening of branches in all of the larger cities. Their decision not to open branches where facilities do not now exist may be accepted as an indication that such branches would not be profitable at this time or that other obstacles appear too great. The country is still predominantly one in which business is done by currency rather than check and it may not be possible to attract deposits sufficient to permit a bank to pay its way. But even if the preference for doing business through banks rather than with currency should grow slowly, it will be a very long time before the necessary banking facilities in small communities will be profitable. Nor is the loan business that might be done in rural

More Power To The Philippines



One of the two 20,000 KW General Electric Hydrogen Cooled Turbine-generators installed at the Rockwell Plant of the Manila Electric Company. Switchgear for these units was also supplied by General Electric.

MANILA ELECTRIC COMPANY
P. O. BOX 451
MANILA, PHILIPPINES

NEW YORK OFFICE
67 BROAD ST.

January 2, 1952

General Electric Co. (P.I.) Inc.,
120-13th Street,
Port Area
Manila

Gentlemen:

We take this opportunity to review the performance of General Electric
apparatus now being used by our Company.

The two General Electric Co., turbine-generators installed at Rockwell
Station, each of 20,000 Kw. nominal rating, 25,000 Kw. maximum capabil-
ity, have been in operation for more than a year. During the last 12
months, the two units have delivered up to 55,000 Kilowatts and have op-
erated on a 75% load factor for the twelve months, based on the nominal
rating. The energy generated represents slightly more than fifty percent
of the requirements for the Manila integrated system. The performance
of the machines has been entirely satisfactory.

At our Botocan hydro station there are installed two 8000 Kw. units.
The generators are of your manufacture. The one unit has been in op-
eration since 1930 and the other since 1948. Operation has been to our
satisfaction.

A variety of other products consisting mainly of switchgear, power trans-
formers and distribution transformers, have been furnished through years
past by your Company and are being operated on this system. The perfor-
mance has been good.

Very truly yours,

W. R. SNYDER
Vice President

WRS:as

Day and night these G-E generators hum . . . creating power for Manila.

General Electric is proud to assist in the industrial development of the Philippines. Through the manufacture of electrical apparatus such as the turbine-generator described here, G-E is underscoring its reputation as the world's foremost name in electrical equipment. Your General Electric representative will be glad to help you with every electrical need or problem.

GENERAL ELECTRIC (P.I.), INC.

PORT AREA — MANILA

communities of a type attractive to urban banks accustomed to lend predominantly on the basis of security in the form of land and real property.

"Even if the operation of branch banks supervised by head offices in Manila can not be made profitable, it may be that with sufficient encouragement small independent banks with modest capital provided locally would be able to operate at low cost and pay their way. If rural banks are established to provide agricultural credit, it might be possible to provide credit for moderate sums to small farmers and to other local business enterprises through the same facilities. The banking authorities in the Philippines should give consideration to the steps that should be taken to develop adequate credit facilities in smaller communities to meet the special needs of local enterprise."

In still another place, under the heading, "Agriculture, Fisheries, and Forestry", the Bell Report referred to the Chinese middlemen who have for many years in effect served as the only rural bankers the people had, outside of the landlords and the usurers.

"Commonly, he [the tenant farmer] gets advances from his landlord . . . This is a very old arrangement but suffers from many abuses, one being its use by the landlord to tie the tenant to the land by the overburden of debt. The alternative for the tenant and the only source of credit usually available to the homesteader or other small farmer is the Chinese merchant. The Chinese merchant then becomes the marketing agency for the crops of the farmer who is indebted to him, or for the farmer's share of such crops. That is when the real interest is exacted, in the price paid for the crop. Most small farmers never experience a time when they are out of debt.

"While the credit-marketing system through Chinese merchants is expensive, it should not be too summarily condemned. The Philippine rural economy would collapse in most communities if the Chinese merchant were suddenly removed from the scene. This is true not only because of the credit he extends, but because most farmers are not equipped to store enough rice or corn for their own use. If they attempted to keep and store even part of the crop, a great proportion of the rice and corn would spoil on account of high moisture content or the ravages of insects. The small farmers therefore sell their crops to the Chinese merchants and then later buy back again the grain they require for their current consumption. The Chinese rural merchants perform a service which is not now obtainable elsewhere.

"The only solution to this problem is to provide credit for small farmers on tolerable terms. Such a credit system could be established in the form of small rural banks located at strategic points within easy access of the more important agricultural regions. Responsible owners or tenants would be eligible to borrow for periods related to the needs of crop production. With a farm extension service, the farmer would be made aware of the availability of such credit, and his natural fears in dealing with powerful and distant government agencies could be overcome.

"The rural banks should have associated with them a farm management service which would provide advice on farm management and the proper use of credit for production and marketing . . ."

It will be recalled that the establishment of rural banks was also strongly urged by the Advisory Committee on Large Landed Estates Problems, composed of Manila realtors, which had been invited by Dr. Salvador Araneta, then Administrator of Economic Coordination, to submit its recommendations. Mr. C. M. Hoskins, Chairman of the Committee, wrote in regard to this recommendation (*Journal*, June, 1951):

"Hand in hand with landed estates redistribution, the Committee calls for better enforcement of tenancy laws and better rural-credit facilities. It advocates converting the rural money-lenders into rural bankers by giving them rediscount facilities sufficient to make rural banks highly profitable. The Committee criticizes past attempts to extend credit to farmers as being centralized in Manila or entrusted to municipal employees without sufficient training. It believes that rural banking facilities should be operated at the grass-roots level by capitalists who know local values and local credit reputations. Manila intervention should be largely in the rediscounting of the loans made by the rural banks."

The *Journal's* columns are not the place for a detailed and expert study of the proposed bill, but its inclusive, yet concise, and very clear provisions certainly tend to persuade the reader that this bill would supply the solution to the long-standing problem.

Section 2 of the bill declares it to be the policy of Congress:

"To promote and expand the rural economy in an orderly and effective manner by providing the people of the rural communities with the means of facilitating and improving their productive activities. Toward this end, the Government shall encourage and assist in the establishment of a system of rural credit banks which will place within easy reach and access of the people credit facilities on tolerable terms. The Department of Agriculture and Natural Resources and other appropriate agencies or instrumentalities of the Government shall, in cooperation with the Rural Credit Bank, provide advice on farm management and proper use of credit for production and marketing."

Section 3 provides that the Monetary Board of the Central Bank shall have the power to authorize, guide, and assist in the establishment of rural credit banks in places and localities which, in its judgment, offer no adequate credit facilities to small farmers, and to supervise their operation.

Section 4 provides that at least 60% of the capital stock of any rural credit bank shall be held by Philippine citizens and that all the members of the board of directors shall be Philippine citizens.

Section 5 provides that loans and advances extended shall be primarily for the purpose of meeting the normal credit needs of any small farmer or farm family owning or cultivating, in the aggregate, not more than 24 hectares of land devoted to agricultural production and that preference shall be given to the applications of farmers whose cash requirements are small; the Monetary Board shall prescribe the terms and conditions. Section 6, however, provides that with a view to insuring a balanced rural economic growth, the banks may, within the limits and conditions fixed by the Monetary Board, devote a portion of their funds to meeting the normal credit needs of rural enterprises or industries other than agricultural.

Section 7 provides that to provide supplemental capital to any rural credit bank until it has accumulated enough capital of its own, or to stimulate private investment, the Rehabilitation Finance Corporation may, upon certification of the Monetary Board of the existence of such need, subscribe to the capital stock from time to time in an amount equal to, but not exceeding, the total capital investment of the private share holders. Shares of stock issued to the RFC, however, may at any time be paid off at par and retired in whole or in part if, in the opinion of the Monetary Board, the bank has accumulated enough capital strength to permit such retirement. RFC shares may also be paid off and retired if an offer is received from private sources, acceptable to the Monetary Board, to replace the RFC investment. Stock held by the RFC, under the terms of this section, shall be made preferred only as to assets upon liquidation and shall share in the dividend distribution without preference.

Section 8 provides that the RFC is, in its turn, authorized to obtain from the Counterpart Fund, established under Republic Act No. 604*, such amounts as it may require for the purpose of subscribing to the preferred shares of the rural credit banks.

Section 9 provides that if there are no public investments such as those permitted to the RFC, only one class of stock shall be issued by any rural credit bank, and the powers of the Monetary Board shall extend to prescribing the amount, value, and class of stock issued by any such bank.

Section 10 defines more precisely the power which would be granted to the Monetary Board of the Central Bank to supervise the operation of the rural credit banks, which shall consist—

"in placing limits to the maximum credit allowed any individual borrower; in prescribing the interest rate; in determining the loan period and loan procedures; in indicating the manner in which technical assistance shall be extended the rural credit bank; in imposing a uniform accounting system and manner of keeping the accounts and records . . . ; in undertaking regular credit examination . . ; in instituting periodic surveys of loan and lending procedures, audits, test checks of cash and other transactions . . .; in conducting training courses for personnel . . .; and, in general, in regulating the business operation of the rural credit bank."

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*An Act appropriating ₱50,000,000 to constitute a Counterpart Fund for any assistance which may be received by the Government of the Philippines from the Government of the United States through the Economic Cooperation Administration of the United States.


"My loads supply vital needs...
my goal is security for the nation...
I am an International Truck!"
Hauling food from Baguio
To help build a stronger Philippines, International Harvester provides mechanized farming with McCormick International Farm Equipment; modern transportation with International Motor Trucks; industrial power with International Power Units.
Over 40 years in the Philippines
INTERNATIONAL TRUCKS
INTERNATIONAL
INTERNATIONAL HARVESTER COMPANY OF PHILIPPINES
MAIN OFFICE: MANILA
BRANCHES AND DEALERS THROUGHOUT THE PHILIPPINES

Section 11 provides that with the written permission of the Monetary Board, any rural credit bank may (a) accept savings and time deposits; (b) open current or checking accounts; (c) act as correspondent for other financial institutions; (d) act as collection agent; and (e) rediscount agricultural paper with the Philippine National Bank or the Rehabilitation Finance Corporation or other banks and their branches and agencies. "The Central Bank shall specify the nature of agricultural paper deemed acceptable for rediscount."

A number of the following sections would bestow certain special privileges on the rural credit banks. Section 12 provides that all such rural banks, with assets not exceeding ₱200,000, shall be exempt from all taxes of whatever nature as well as charges and fees required in filing articles of incorporation or filing suit, complaint, or any action with any court. Section 13 provides that the funds and property or any share of stock in any rural credit bank shall be exempt from attachment or execution during its legal existence. Section 14 provides that the technical assistance extended to the rural credit banks by the Monetary Board shall be without cost to them. Section 15 provides that any justice of the peace, in his capacity as notary-ex-officio, shall render free of charge to any person applying for an agricultural or crop loan not exceeding ₱500, either in administering the oath or in acknowledging instruments relative to such loans. Section 16 provides that any register of deeds, also, shall make proper entry in the books and records of his office, free of charge, of any instrument relative to a loan of not over ₱500. Section 17 provides that the rural credit banks would be exempt from the obligation of contributing to the maintenance of the Department of Supervision and Examination (of Banks).

Section 18 provides for the bonding of all officers and employees of the rural credit banks who would have the handling of funds or securities amounting to ₱1,000 in value or more; the amount of the bond would be determined by the Monetary Board.

Section 20 provides for a penalty of a fine of not more than ₱2,000 and imprisonment of not more than one year for certain enumerated wrongful acts committed either by officers, employees, or agents of the rural banks or by applicants for loans and borrowers. These acts include, for the bank personnel, not only embezzlement or misappropriation of funds, but the unauthorized making, issuing, or assignment of instruments, making false entries in any bank report or statement, disclosing confidential information, accepting gifts, fees, or commissions, over-valuing any security, and appearing as guarantor, indorser, or surety for any loan granted by the bank.

It will be noted how this proposed bill incorporates many of the suggestions contained in the Bell Report and perhaps also some of those advanced by the committee of Manila real estate men.

While most of the Orient is plagued by problems of over-population and under-production, and of absentee land-ownership and usury, the Philippines is in a relatively better position because the country as a whole is not over-populated and absentee land-ownership is confined to only a few of the provinces. In the Philippines, landed estates redistribution, while important, is not the chief problem. The chief problem is, as it has been for years, that of a proper extension of rural credit facilities. There is the money, too, if only its use can be properly directed.

Well set-up, well managed, well supervised rural credit banks, largely locally financed, would provide what would seem to be an answer.

We extend our best wishes to this "Suggested plan for rural credit extension, under the auspices of the Central Bank of the Philippines."

The New Chamber Officers and Board Members

At the 1952 annual meeting of the American Chamber of Commerce of the Philippines, held on the Chamber premises on January 25, and very well attended, the election of members of the Board of Directors resulted in the reelection of Messrs. J. H. Carpenter, J. T. Hicks, J. A. Parrish, Harry C. Stevenson, and Paul H. Wood, and the election of four new members, Messrs. F. C. Bennett, D. O. Gunn, J. L. Manning, and E. E. Selph.

At the organization meeting of the Board, held on January 28, Mr. J. L. Manning was elected President, Mr. J. H. Carpenter, Vice-President, Mr. D. O. Gunn, Treasurer, and Mrs. Virginia Gonder, Executive Vice-President; Mr. Isabelo T. Salmo was re-elected Secretary.

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

Mr. J. L. Manning, Vice-President and Treasurer, Manila Trading and Supply Company.

Mr. J. H. Carpenter, Vice-President and General Manager, Colgate-Palmolive Philippines, Inc.

Mr. D. O. Gunn, President and General Manager, H. E. Heacock Company.

Mr. F. C. Bennett, Vice-President and Sales Manager, Atlantic, Gulf & Pacific Company of Manila.

Mr. J. T. Hicks, General Manager, Liggett & Myers Tobacco Company, Philippine Branch.

Mr. J. A. Parrish, General Manager, Standard-Vacuum Oil Company, Philippines.

Mr. E. E. Selph, Member of the firm, Ross, Selph, Carrascoso & Janda.

Mr. Harry C. Stevenson, Owners' Representative for the Orient, Pacific Far East Lines, Inc.

Mr. Paul H. Wood, Vice-President and General Manager, International Harvester Company of Philippines.

"LET us have faith that Right makes Might, and in that faith let us dare to do our duty as we understand it."—LINCOLN

Annual Report of the President

American Chamber of Commerce of the Philippines, Inc.

WITH the exception of one member, Mr. Earl Carroll, your present board of directors is composed of members who were elected at the annual meeting of the Chamber held on January 26, 1951. In the voting for directors at that meeting, Mr. Carroll polled the 10th largest number of votes and consequently, following the resignation of Mr. T. M. Knight in February, was taken into the board at the regular meeting held on March 14.

At the organization meeting of the board held on January 29, 1951, the following directors were selected as officers of the Chamber for the ensuing year.

President	J. A. Parrish
Vice President	C. R. Leaber
Treasurer	F. J. Moore
Secretary	Isabelo T. Salmo
Executive Vice President	Marie Willimont

The first meeting after the new board became organized was a special meeting called to hear from Mr. Merle D. Thompson, then a member of the board of the Philippine American Chamber of Commerce who was visiting in the Philippines as one of the principals in the Insular Lumber Company. Mr. Thompson's message to us was along the line of promoting better cooperation between the Philippine American Chamber of Commerce in New York and the American Chamber in Manila, to the end that being advised of our problems here more completely and promptly, the New York organization might be of greater assistance to us. We believe that meeting inspired new and expanded thinking among your board members with regard to the benefits of a closer tie in with the Chamber functioning in New York and Washington.

Further organization of the Chamber for the year 1951 produced the following committees with their respective chairmen. These men have given unstintingly of their time and attention to the affairs of the Chamber for the year which closes today.

Legislative Committee	Paul H. Wood
Tax Committee	Kenneth B. Day
Industrial Relations Committee	R. J. Baker
House Committee	J. T. Hicks
Civic Affairs Committee	H. C. Stevenson
Membership Committee	Earl Carroll
Foreign and Domestic Trade Committee	J. H. Carpenter

Finances—The attached statement reflects the improvement which has been made in the finances of the Chamber during the past year.

Membership—Additions and withdrawals in membership and totals at the end of 1951 are given in the following figures:

Membership	*Active*	*Associate*	*Non-Resident*	*Total*
January 1, 1951	125	71	4	200
Added in 1951	(+) 23	(+) 3	0	(+) 26
Withdrawn in 1951	(—) 4	(—) 35	0	(—) 39
December 10, 1951	144	39	4	186

The decrease in associate memberships has been due largely to the change from associate to active status of some members and departures for the United States or elsewhere of other associates.

The increase in active members has been due to the above-mentioned change from associate to active status and new applications for membership.

A review during the year of the active memberships revealed that, with a very few exceptions, all of the eligible organizations, acceptable to the Membership Committee, were members of the Chamber.

Meetings—During the year your board held 12 regular and 3 special meetings in the conduct of the Chamber's business.

Foreign and Domestic Trade Committee—By far the most active committee during the year has been the Foreign and Domestic Trade Committee headed by Mr. J. H. Carpenter.

The second year of import control in the Philippines gave little encouragement to economic conditions which had already become chaotic and unpredictable. Difficulties confronting business in general, and particularly business based on imports, increased throughout the year. The extension of the original import control law to carry on through 1951, plus the change in members of the Import Control Commission, the transfer of authority concerning certain commodities from the old Import Control Board to PRISCO and then back to a new Import Control Commission, brought added confusion to business. Complaints and appeals for assistance from local business houses, as well as from exporters and suppliers from abroad, have been endless. These appeals have been channeled through the Trade Committee of the Chamber, carefully studied, and where feasible, they have been taken up with the appropriate agency. In the cases where import problems were common to all nationalities alike, join representation to the Import Control Commission has been made by the Phlippine, Chinese, British, and American chambers.

Conferences have been held at various times at the American Embassy between representatives of the American Chamber of Commerce and officials of the Embassy in an effort to reach a better understanding of problems presenting themselves to American business and nationals. Trade groups in the United States, such as the National Foreign Trade Council, the Philippine American Chamber of Commerce in New York, and the Commerce and Industry Association of New York, have been in constant correspondence with our Chamber and when necessary and expedient, have assisted from that end in the solution of difficulties being experienced by American business here. The office staff of the American Chamber of Commerce has been able to obtain almost immediately the decisions, regulations, revisions, and resolutions of the Import Control Commission. These have been mimeographed and sent promptly to all members of the Chamber as well as to the trade correspondents in the United States and to interested chambers of commerce there. It is in this manner that the entire membership of the Chamber has been kept informed of action taken by the Import Control Commission which affected their business.

The following are some of the principal activities of the Foreign and Domestic Trade Committee during the year with respect to import control.

A meeting was called by the Commission on April 18, 1951, at the Import Control offices for a discussion of the responsibilities transferred from the Import Control to PRISCO. About one hundred business representatives were present. Chairman Alfredo Montelibano gave a graphic report of conditions obtaining in the I.C.A. when he and his new board took over from the outgoing board. Representatives from the American Chamber of Commerce had previously prepared a list of five questions to present to Chairman Montelibano. This list and the answers were circularized immediately to all members of our Chamber and will, therefore, not be commented upon in this report.

About the middle of the year it was suggested by the I.C.C. that the offices of the chambers of commerce be utilized in the processing of applications for licenses. For good reasons this proposal was opposed by the representatives of the American Chamber of Commerce present. The Import Control Commission also asked for donations of office equipment from members of chambers of commerce and the loan of personnel for use of the I.C.C., because funds granted by the Government to staff and equip an office were said to be insufficient to handle the tremendous work of the Import Control Administration.

On April 28, 1951, Chairman Montelibano called representatives of all chambers of commerce to a meeting at the offices of the Import Control Commission for a discussion of the working schedules and the value of import items for quota and non-quota goods that remained with the Import Control Administration, in order to present a more realistic reapportionment by item. A copy of the working papers of the Department of Economic Research of the Central Bank was given to all present at this meeting. Trade representatives agreed that the I.C.A. should use the list as prepared so that it might start functioning immediately—to be followed by a reclassification of the list for the second quarter. Changes of items would be allowed only within the group classification of that item. Commissioner Ceferino de los Santos then presented a report on the working operations of the I.C.A and the new procedures to be followed.

On July 16, 1951, another meeting was called at the offices of the Import Control Commission at which the following subjects were discussed:

1. Release of all licenses then in the hands of PRISCO, with a review of some items the volume of which exceeded immediate requirements.
2. New regulations to be released.
3. Allocations to be given by categories and not by specific items:
   a. Essential
   b. Non-essential
   c. Decontrolled
4. Preference to be given to Filipino and American importers.
5. The intention of the Commission to allocate 10% of the total quota in each category to new Filipino importers.

The Rules and Regulations of the Import Control Commission implementing Republic Act No. 650 were released to chamber members on July 18, 1951. Copies were printed by the *Manila Times* and distributed in unlimited numbers by the Chamber to all who desired them.

The Trade Committee of the American Chamber held a meeting on July 26, 1951, with representatives of the importers' group to discuss these Rules and Regulations. All points were approved with the exception of the following:

1. Preparation of 10 copies of applications.
2. Submission of a summary of letters of credit, or other methods.
3. Summary of sales tax acknowledged by auditors.
4. Submission of financial statements to the Import Control Commission.

In August, 1951, the Import Control Commission issued Resolution No. 24 directing that import licenses be issued on a c & f basis only. This resolution was followed by such a flood of protests, not only in the Philippines but also from United States suppliers, that it was revoked and a new one issued which again permitted license to be issued on a c.i.f. basis.

On September 22, 1951, another meeting was held in the offices of the Import Control Commission to discuss the implementation of the Import Control Law and especially Section No. 13.


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Another meeting was held in the Import Control offices on September 28, 1951, at which the following points were discussed:

1. Definition of a Filipino merchant.
2. Imports to be listed under two categories:
   a. Perishables
   b. Non-perishables
3. Time limits on deterioration.

Numerous protests were received both here and from abroad requesting the Chamber to assist in protecting shipments of goods arriving in the Philippines after the deadline of December 31, 1950. Immediate action taken resulted in an approved extension of time for entry into the Philippines after December 31, 1950, but not later than June 30, 1951. Because heavy demand in the United States for essential goods delayed the arrival of these shipments in the Philippines, another similar request was made to the Import Control Commission for further extension. This was granted on April 24, 1951, and the deadline extended to September 30, 1951. Again a letter written by your President to the Import Control Commission for further extension after December 31, 1951, resulted in Resolution No. 75 (Minutes of I.C.C. at its meeting of October 15, 1951) which stated:

"Extension is granted to March 31, 1952, on shipments covered by licenses duly issued by the ICA from July 1 to December 31, 1950, provided the commodities covered belong to the critical categories, such as machinery, steel products, aluminum, etc."

The Chamber is still endeavoring to have this extension cover all categories instead of essentials only. Trade organizations and chambers of commerce in the United States have been so informed.

In Resolution No. 74, dated October 15, 1951, the Import Control Commission requested chambers of commerce to be responsible for the filing of applications of import licenses by members and authorized all chambers to deliver licenses granted and collect the corresponding 2% license fees. An accounting for such license fees was to be made by the chambers within 48 hours after collection. The Commission further ordered that chambers of commerce be bonded in the amount of ₱50,000 in order to comply with the handling of license fees as given in Resolution No. 74.

Before attempting to take over this responsible and additional work, the Chamber made a canvass of its members on the question. The result was that only six members of the Chamber wished to take advantage of this proposed service. All other members preferred to handle their own license applications. Consequently, no further action was taken on this matter. It is our information that other chambers have not adopted this suggestion.

On November 2, 1951, and at the request of Chairman Montelibano, a memorandum was sent to the Import Control Commission, listing suggestions for the implementation of section 13 of Republic Act No. 650. These recommendations had been worked out by members of your Chamber at a meeting held prior to November 2. Also at this November 2 meeting the qualifications of bonafide Filipino merchants were discussed. The explanation given by the I.C.C. Chairman was that an investigation of a potential buyer as to eligibility should be made by the importer, and that old established customers were exempt. Also, under Section 3, the Chairman explained that if more than 50% of the expected shipment to the importer had been previously allocated to a bonafide Filipino merchant, the importer could immediately notify the Bureau of Commerce to that effect.

Legislative Committee—The work of this committee is reflected in the accomplishments of your board for the year under the headings of taxes, the minimum wage law, and import control. I wish, however, to record here the view of the Chairman of the Legislative Committee, Mr. Paul Wood, that any position which the American Chamber might feel like taking on proposed legislation could be more effectively expressed through the Philippine Association, which by constitution is international in character. For obvious reasons, I agree with Mr. Wood but I do not believe that the Chamber should content itself with or limit its effort to action which the Philippine Association might see fit to take with regard to a question of primary interest to members of the American Chamber.

Tax Committee—Your Tax Committee has been vigilant throughout the year but has made no effort to intrude on the sovereign authority of the country to determine sources and rates of taxation. Members of your board attended public hearings when a graduated corporation tax was under consideration and opposed the proposal because they felt that it discriminated against the owner of an interest in a large enterprise. No opposition was expressed against an increase in rate of corporation tax but your board felt then and still believe that a large corporation should pay no higher rate of tax on behalf of its individual owners than any one of them would pay on the same amount of income he might receive from a totally-owned enterprise. The outcome, as you know, was a substantial moderation of the original proposal, to the end that only one level of graduation was contained in the bill as approved.

Your board also made representations in appropriate congressional circles with regard to the inclusion of profits, dividends, earnings, and other invisible transfers in the provisions of the exchange tax law. Unfortunately, our efforts in that instance met with no success. A résumé of the views held by your board in this regard are reiterated in an article by your President in the January issue of the Chamber *Journal*.

Your board investigated the possibility of having U.S. dollars made available through American agencies operating in the Philippines for meeting in the United States tax obligations on the part of American citizens resident here. This effort also met with no success.

The onerous burden of double taxation for which American citizens resident in the Philippines are liable has been kept before appropriate officials of the Embassy and representatives of the U. S. Treasury Department and has been aired with American congressmen and press representatives visiting Manila. There appears some hope that eventually we may be relieved of this inequity.

Industrial Relations Committee—The past year saw relatively little labor agitation among employers who are members of the American Chamber of Commerce. One reason for this was that wages and other benefits granted by these employers had already been pushed well above the market in any community where they operate. Another explanation is that early in the year the Government began to take a closer interest in the subversive activities of some of the unions and actually caused several union representatives to be detained. With improvement in the position of the military against communists, agitation by the more radical unions showed a definite tendency to subside.

Last year witnessed the approval and implementation of Republic Act No. 602, commonly known as the Minimum Wage Law. The Chamber sent representatives to public hearings on the bill but took no position with regard to it for the reason that wages being paid by most of the members were already above the rates prescribed in the law. The Chamber did interest itself, however, in the question of value to be given to services and facilities which were extended to employees without cost. The Industrial Relations Committee studied Republic Act No. 602 thoroughly and on July 10 sent a memorandum to all members requesting them to submit questions regarding provisions of the law which might affect their relations with employees and with the Government. Replies were received from several members and their problems were discussed with the Wage Administration service, and answered satisfactorily we hope.

House Committee—Activities of the House Committee during the year were routine. An examination of the operations of the Coffee Shop reveals that a loss of ₱445 was sustained on that service for the year. Sales for the year amounted to ₱13,300 with cost of sales running to ₱13,745. It also appears that taxes and license fees amounting to ₱1,110, chargeable to the above volume of business, is excessive. The circumstances are being examined.

Civic Affairs Committee—The Chairman of your Civic Affairs Committee for 1951 simultaneously served as an active member of the Council for the Prevention of Juvenile Delinquency, which has for its primary responsibility the operation and management of the organization known as Boys' Town. He was also a member of the board of directors of the Community Chest for Greater Manila.

Together with representatives from the Rotary Club and from the American Embassy, the Chairman of the Civic Affairs Committee answered for the American community on the board of directors of the Community Chest. Meetings of that agency were held once and sometimes twice a month when problems coincident with the administration of that organization and the 21 charity agencies subordinate to it were discussed. One of the primary responsibilities of the Chairman of this committee has been to provide leadership for the American community in the Red Cross, Anti-Tuberculosis Society, and the Community Chest drives in their fund-raising campaigns.

The question has arisen in your board more than once as to whether direct and active representation by the American Chamber in local civic affairs was a proper activity for a trade body to participate in. It is still the board's opinion that the American community of the Philippines should do all that is appropriate and feasible to maintain good public relations in the country and it is often true that more can be accomplished along this line by taking a sympathetic interest in civic affairs and by assisting in the management of charities and in their campaigns for funds than could be realized in any other way. Former Ambassador Myron Cowen placed particular emphasis on this opportunity, as he regarded it, for American business and American citizens in the Philippines to so conduct themselves that no justifiable course could ever develop here for such demonstrations as have taken place in other parts of the world against a country which was once looked upon as a benefactor and a friend. Your President is convinced that there is substance in this thinking and advises all Chamber members to consider carefully the unfavorable reaction that would almost certainly follow any abandonment of the policy which the Chamber has followed in this respect up to the present.

The Journal—I am pleased to express the personal view that the *Journal* of the American Chamber of Commerce has continued to grow in prestige throughout the year, due to the quality, appropriateness, and usefulness of the material with which its pages have been filled. For two years now, it has been my responsibility to act as liaison between the board and the editor of the *Journal*, A.V.H. Hartendorp. Over that period it has been the board's policy to maintain at a high level the material which went into the *Journal*. We believe the *Journal* should limit itself to the publication of editorials and other articles which deal with interests of Chamber members on a broad basis only.

We feel that extreme caution should be exercised in expressing criticism of laws and government policies or the manner in which controls are administered. The *Journal* now enjoys excellent acceptability among congressmen and government officials and it would be a grave mistake to sacrifice this prestige for the sake of expressing critical views with regard to anything which was not of major importance to the entire American business community.

The *Journal* is the mouthpiece of American business in the Philippines and, to a considerable extent, of the whole American resident community. It is not our mission to reform the Government or the people of the country. But we do want to live and conduct our business here in peace and safety, and in a friendly atmosphere, and as long as discrimination is not practiced against us, we can afford to exercise tolerance toward programs, policies, and procedures which are not exactly to our liking.

Finally, I wish to express my appreciation to other members of the board, to Mr. Hartendorp, and to Mrs. Willimont and Mrs. Gonder for the willing and energetic manner in which their responsibilities have been carried out during the year. Any member of the board could have performed the duties of the President as well as I have, and I assume the position was given to me out of deference to my seniority and consideration for the years I have served on the board. The activities of the Chamber have been of intense interest to me and when I accepted the honor of the presidency, I also accepted the responsibilities that went with it. I had been in that position but a short time, however, when I realized that the work involved and the time necessary to be given to it was more than I had expected. I presume it will always be that way. At this point, I wish to record again my view that the presidency of the Chamber should not be given to the same man for more than one year at a time. We have plenty of capable men in the organization and the presidency should be rotated among them.

Before I conclude, I wish to refer to some comment that has been made, by a few members of the Chamber at least, to the effect that the board of directors is usually composed of representatives of large firms and for that reason the interests of the small firms are neglected. My experience and observation, as a member of your board for the past few years, is that the facts are precisely to the contrary. In the past year at least, I do not recall that any member of the board presented to the Chamber a single problem of particular concern to his line of business, in connection with which assistance on behalf of his firm was sought from the Chamber. When questions have arisen which have a broad base of interest to the membership, non-director members have been urged to lend their advice and assistance in the Chamber's efforts to have such questions resolved. I still feel that the board should be composed of men of the widest possible experience in business and acquaintanceship among government and business leaders, if the overall purpose of the Chamber is to be served. As I see it, there is no escape from measures which will be taken in this country to substitute citizen nationals for aliens in the conduct of business of every nature. Our responsibility is to look ahead and take advantage of every opportunity that may be given us to shape our business into the national pattern which is forming before us.

J. A. PARRISH
President

Ocean Freight Rate Determination

By the Associated Steamship Lines

THE determination of fair and reasonable ocean freight rates for the thousands of different commodities which enter into world trade and which are carried across the seas over longer and shorter distances to the hundreds of ports of the different countries of the world by ships of varying tonnages under different national flags, is probably one of the most complex functions which any world industry is called upon to perform.

Shipping everywhere is affected not only by constantly changing economic conditions in every part of the world,—which determine the production of raw and manufactured products and national surpluses and needs, which, in their turn, affect the volume of foreign trade and hence the shipping tonnages required on the different trade routes, but also by national and international political developments and military situations which are difficult to gauge.

So many factors, national and international, enter into the operation of shipping, and into the freight-rate structure upon which the earnings of the industry depend, that no purely national authority anywhere has ever been successful in regulating the industry very closely, especially with respect to the rates, as, for example, national coastwise shipping or national railways may be regulated.

The industry is not above the law; it is, very properly, under broad government regulation in most countries; but by force of the conditions under which it operates, it has been left largely to regulate itself and to establish its own rate-structure. The industry has accomplished this with conspicuous success through the so-called conference system.

Under this system, which dates from 1875, voluntary associations are formed for every important foreign trade route among the various steamship companies engaged in these trades. The primary purpose is to assign the necessary shipping to each route and to establish and to adjust from time to time the freight rates to be charged by the member companies, thus to avoid the cut-throat competition between the various steamship lines which could end only in the bankruptcy of the weaker companies, the disappearance of the merchant marines of the smaller and poorer nations, and the establishment of gigantic international monopolies.

No central authority exists under the conference system, but the numerous problems which the different conferences must solve demands cooperation among them. The conferences also work in close consultation with shippers and associations of shippers. Changes in rates are invariably preceded by negotiations between the conferences and their principal clients. Their interests are mutual because the success of the shipping industry is dependent on the development of a trade, and not on its ruination by excessive freight charges.

Furthermore, while on all the more important trade routes a majority of the shipping companies are conference members, there are always a sufficient number of non-member companies and tramp ship operators to give the conference members competition and to prevent arbitrary rate fixing at too high a level.

It is an interesting and significant fact that in recent years, with the development of aviation, the air lines of the world, which have to meet problems similar to those of the shipping industry, have also adopted the conference system.

WHILE the determination of fair and reasonable ocean freight rates constitutes a very complex function, the general factors involved are quite obvious to the understanding.

Assuming that there is no shortage of shipping (as there generally is in war-time due to losses resulting especially from submarine activity and the sowing of mines), and that there are enough ships to carry the existing volume of trade, the basic factor in determining fair rates is the cost of the service,—the cost of the ships and the cost of operating them plus a reasonable profit on the investment. In this connection, and in comparing past and present rates, it must be taken into consideration that to build a ship today costs at least three times as much as before the war. Ships, nowadays, are also often built to conform to the specific requirements of a certain trade, which entails additional cost. As the life of a ship is commonly estimated at twenty years, sufficient depreciation must be written off during this period to insure replacement or the return of the capital before the profits can be calculated. And even so, there always are the hazards of the sea,—storm and reef and fire, which may wreck or sink a ship long before the period of her natural life is over.

Fixed charges against ship operation include besides depreciation, interest, insurance, taxes, cost of shore establishments and staffs, and, in some cases, company piers and terminals. The direct cost of operation includes the cost of fuel, water, food, supplies, the crew's wages, maintenance and repair, etc. The distances plied of course affect these costs,—the longer the haul, the greater the costs are for any voyage. All these items together come to probably three or four times what they were before the war.

Then there is the cost of handling cargo,—including receiving and delivery, checking, watching, coopering, sorting, loading and discharging, etc. Port charges and dues, lighthouse and other governmental charges, canal tolls, etc., all enter into the freight rates, and these costs and charges have gone up, too.

The cost of carrying the various categories of cargo varies greatly and hence the differences in the respective rates. Freight rates are usually quoted in terms of short or long tons (2,000 and 2,240 pounds respectively) or of units of 40 cubic feet, and either the weight or the measurement tonnage rate is applied according to which makes for the higher rate.

Some commodities are carried at comparatively low rates, others only at high rates. Explosives rate about the highest. Most "dangerous and hazardous" cargo, such as various acids and other chemicals, rate about halfway. In most of the categories of cargo defined, however, the rates from New York to Manila now run from around $30 to $60 a ton. Obviously, the rates for a voyage one way can not be either much higher or much lower than the rates charged on cargo going the other way. Nor can the rates charged on one trade route differ greatly from the comparable rates charged on other routes, for, otherwise, the shipping would tend to be drawn into the trades which pay the higher rates with an abandonment of the routes where the rates are too low. There is a natural balance, determined in the long run by demand and supply of both shipping and the cargo that must be transported. This again makes it plain why rate-making is a world, and not a local, problem.

The principal factors which enter into the determination of the rates for the various categories of cargo have been listed as being based on the character of the cargo, its volume and availability, its susceptibility to damage and to pilferage, the value of the commodity (goods of higher value add to the carrier's responsibility), the nature of the packing, the relation of the weight of the goods to the cubic measurement, how the goods must be stowed,—

> "Some commodities are desirable as weight or stiffening cargo; some are useful to top off with, others are useful in blocking off or protecting fragile goods; some commodities are of great bulk but little weight and are difficult to stow; some commodities can be quickly handled, others cause delay; some commodities require special stowage because of odor, danger of contamination, as, for example, flour may not be stowed in the same compartment with apples (or onions) because of the danger of flour becoming tainted through the absorption of odors. All of these characteristics must be taken into consideration in establishing a rate."

As to the point of the weight of the goods in relation to the cubic measurement, it should be understood that every ship has a cargo capacity limited to both a certain weight and a certain volume. To operate a ship to the greatest advantage, a balance of "weight" cargo and "measurement" cargo must be attained so that the ship will be loaded to her full dead-weight capacity as well as her full cubic capacity. This often calls for a very skillful selection and stowage of different categories of cargo.

Other factors which enter into the determination of the freight rate is the heaviness of the "lift" required and the length of packages or pieces, which sometimes is extreme. Especially heavy cargo may call for the use of floating derricks or other special harbor equipment as well as for special heavy rigging on the ship. Special rates are charged for items, such as certain pieces of machinery, which weigh in excess of 8,960 pounds each, and for packages or pieces over 35 feet in length. These are the New York limits. Here the heavy-lift charge starts at 4,001 pounds; however, there is no excess charge for logs which may weigh from 3 to 7 tons each. The extreme-length charge starts at 40 feet. These are examples of special accommodation to the requirements of the trade of this country.

More general factors which enter into rate-making are (1) competition with goods from other sources,—conferences endeavor to place their clients on a competitive transportation basis with the exporters of similar commodities from other countries to common destination: (2) competition from other carriers,—conferences must consider the potential competition from other carriers operating either as non-conference carriers or as tramps; they endeavor to maintain rates at reasonable levels so that shippers will not seek other carriers.

Conference lines generally maintain, for each category of commodity, a so-called non-contract rate and a contract rate. The contract rate in the trade out of New York to Pacific countries is on the average around $4 a ton lower than the non-contract rate; the contract rate on cargo going the other way is around $3 a ton lower. The contract rate system is in general use in most of the world's shipping conferences,—in fact, as everyone knows, granting such discounts for steady business is an almost universal practice.

The newspapers, for instance, give their regular advertisers who sign a contract to use a certain amount of space during the year, a discount generally of 10%. The casual advertiser is charged the full "card-rate." This is justifiable because a definite number of column inches of advertising space contracted for ahead of time makes it possible for the publisher to plan ahead; it gives him a "back-log" of revenue he can always count on in the event that casual advertising falls off.

It is the same in the shipping industry,—if steamships are to make regular calls throughout the year, the shipping company must have a more or less regular and dependable flow of cargo to carry. Shipping companies are willing to share the benefits derived from this with the shippers who make them possible by giving them somewhat lower freight rates.

Contract rates are granted to all shippers who sign contracts agreeing to forward all their shipments on the vessels of the companies which are members of the conference. Such contracts are signed sometimes for a limited period, such as a certain season, or they may continue indefinitely. They may be legally terminated by either party at any time by giving due notice, generally 30 days. If the conference members are for any reason unable to supply cargo space with reasonable promptness, the shipper is free to secure space on non-conference vessels,—that is one of the provisions of the usual contract, and he does not break the contract by so doing. If, however, a shipper breaks the contract by shipping his cargo on other ships when conference ships are available, he naturally and automatically ceases to benefit from the agreement.

In our previous article we pointed out that the cost of ocean transportation with respect to many classes of commodities represents only a very small proportion of the ultimate retail price to the consumers, and that this figure, in the case, taken as an example, of a can of evaporated milk is only 1/4 of one centavo (1/8 of one centavo for a small can). The ocean freight rate is a more important factor in the retail prices of some other classes of cargo, such as fresh fruits and vegetables, for instance, which require careful stowage under refrigeration. As to the rates charged for the various categories, further details would serve only to illustrate the application of the principles as to rate-determination which we have outlined.

One way of roughly checking on the justification of increases in ocean freight rates, in addition to comparison of past and present costs and prices generally, is to compare the increases in these rates to the increases in the prices of the commodities shipped.

Take copra. The average price in the Philippines of copra exported to the United States during the year 1939 was $34 a long ton; the average price in 1950 was $196, an increase of 476%. Now compare the ocean freight rates on copra. On September 1, 1939, the rate on copra shipped to the United States Pacific Coast was $6.50 a long ton; at the present time the rate is $23, which is an increase of 253%,—only a little more than half as large an increase as the increase in the price. We tabulate these figures and comparable figures for some of the other Philippine exports as follows:

Commodity	*Price 1939*	*Price 1950*	*%*	*Freight Rate 1939*	*Freight Rate 1950*	*%*	*To*
Copra, L. T....	$ 34.00	$196.00	476	$ 6.50	$ 23.00	253	Pacific Coast
Coconut Oil, L. T.........	55.76	334.00	500	12.00	31.00	158	Atlantic Coast
Manila Hemp, Bale.........	90.54	478.00	428	2.35	5.70	142	Pacific Coast
				3.50	7.20	106	Atlantic Coast
Sawn Lumber, 1000 bft......	38.50	117.00	204	19.20	40.50	112	Pacific Coast
Raw Sugar, L. T.........	56.50	118.25	109	8.20	12.00	142	Atlantic Coast

It would be interesting to look at a similar table for some of our principal imports, but loss of practically all records in Manila in the destruction of war makes it difficult to obtain the necessary figures. Such a table of price increases and freight rate increases as to imports would show the same underlying fact, we may be sure. Percentage-wise, freight rates have increased less than prices.

Finally, we touch briefly on the ocean freight rates charged in Manila and those charged in other nearby countries, but we wish to point out, first, that the United States conference lines charge the same rates from the United States Atlantic and Gulf ports to Manila as they charge from those ports to Yokohama, Kobe, Osaka, and Hongkong, although, for all of these Asiatic ports, the haul to Manila is longer. The United States conferences favor the Philippines rather than otherwise.

Taking the ocean freight rates charged for cargo shipments to the United States from Hongkong, Malaya, Indonesia, and Japan, we find that these rates, for many commodities, are considerably higher than those charged in the Philippines. Rates on copra and allied products, for instance, average from 12% to 40% higher; rates on hemp from 18% to 44% higher; rates for canned pineapple from 12% to 90% higher. This, of course, is in part due to the somewhat longer haul in some of these cases, and the smaller volume of available cargo, but these considerably higher rates also clearly indicate again that the Philippines is not being discriminated against,—rather the contrary.

We close with some interesting and meaningful figures of the cargo exported from the Philippines during the past few years. This cargo was loaded at some twenty different Philippine ports by the ships of some forty-odd steamship companies of nearly twenty different nationalities and by the ships of sundry other non-conference companies.

Year	*Number of Sailings*	*Total Tons Of Export Cargo Carried*	*Tons Carried By Chartered And Non Conference Ships*	*Tons Carried By U. S. Army Ships*
1948.....	1011	1,823,881	224,732	130,846
1949.....	1122	2,239,399	538,110	41,953
1950.....	1122	2,753,573	831,551	—
First Half 1951.....	628	2,022,947	966,000	—

We see from these figures how the Philippine export trade has grown and how the export tonnage for the first half of 1951 almost equalled the total for the whole of the preceding year; we see the increasing number of sailings required to carry this growing volume of trade; and we see that though the great bulk of this cargo was carried on conference company ships, the tonnage carried by sundry chartered and non-conference ships has been increasing from year to year. The table does not support the charge that the conference lines either exercise or threaten to exercise a "monopoly." However, the importance of the conference line carriers in the export trade of the Philippines is clearly brought out. Their importance in the incoming trade is of like magnitude. Very certain it is that the Philippines' trade could hardly even begin to be carried by ships which must be specially chartered or by the casually moving tramp ships. The Philippines needs the scheduled, regular, dependable service provided by the three or four hundred fine ships of the conference lines.

The Tall Axe-Man

By Robert P. Tristam Coffin

An eagle headed to the west
Went to put the sun to rest.

A tall man leaned his tired weight
On his axe-helve like a Fate.

His brows grown thick above his eyes
Gave them the glow of prophecies.

He faced the West, a land but now
First blossoming behind the plow.

Behind him Troy and Tyre lay
And heaped-up skulls of Nineveh.

Behind him tinsel-bearded kings
And bulls with empires for their wings.

On either side of him there stood
A man to build the New World good.

From the past two men sufficed,
Cincinnatus and the Christ.

Cincinnatus to cleave the soil
And crown the men who sweat and toil.

Cincinnatus to build a state
Out of corn ears growing great.

The Christ to show that God above
Is just a neighbor you can love.

Christ to show that pain is holy,
That beauty's feet are bare and lowly.

The woodman's rails were split that day.
What rails tomorrow, who could say?

Rails of races trampling races,
With their heels on brothers' faces.

Rust of pride and blight of power
Cankering this New World flower.

And when the rails were split at last
And the palm boughs waving past,

What end is it the Gospel tells?—
A road up to a place of skulls?

Lincoln bowed. The sunset's red
Showed like blood around his head.

AMERICAN CHAMBER OF COMMERCE
OF THE PHILIPPINES
ESTABLISHED 1920

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

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

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

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

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

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The Business View

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

The Government

From Official Sources

JANUARY 1—President Elpidio Quirino swears into office Gen. Carlos P. Romulo as Ambassador to Washington, Judge Oscar Castelo as Secretary of Justice, and Aurelio Montinola as Secretary of Finance. Later in the day he administers oaths of office to Manila Mayor Arsenio H. Lacson and the members of the City Council, and to Col. Dionisio Ojeda as Chief of Police.

The President renews the suspension of Governor Rafael Lacson and several municipal mayors of Negros Occidental, who were originally suspended on December 21 and who, as claiming reelection, had taken their respective oaths of office. He redesignates Provincial Treasurer Leon C. Miraflores as acting Governor.

Jan. 2 — The President administers the oath of office to former Secretary of Finance Pio Pedrosa as ad interim Chairman of the Board of the Manila Railroad Company, and to outgoing Under Secretary of Justice Ceferino de los Santos as acting Chairman, and Demetrio Santos and Augusto Espiritu as acting members, of the Import Control Commission. Later the President flies to Vigan for the induction of his brother, Eliseo Quirino, as Governor of Ilocos Sur.

Jan. 4 —The President issues Executive Order No. 488 creating the Philippine Maritime Committee and defining its powers and functions. The Committee will be composed of a representative of the Department of Commerce and Industry as Chairman, and of representatives of the departments of Foreign Affairs, Finance, Agriculture and Natural Resources, and Justice, and of the Office of Economic Coordination and the Central Bank, as members. The powers and functions of the Committee will be—

"to serve as advisory body on maritime matters and allied activities; to study and recommend the necessary legislation for the creation of the Philippine Maritime Commission; to investigate and report on all understandings, conferences, and other arrangements of and among shipping lines trading in Philippine ports and/or carrying Philippine cargoes and to recommend appropriate steps for the effective enforcement of Philippine laws applicable thereto; to investigate any and all discriminatory or excessive rates, charges, classifications, and practices prejudicial to Philippine interests and/or the interests of local importers, exporters, and shippers of cargoes originating from, or destined for, the Philippines and to recommend appropriate measures by which such discriminatory or excessive rates, charges, classifications, and practices may be corrected; to serve as liaison between the Government and any entity or organization that may be established by shippers or any other private parties for the purpose of carrying on the business either as carriers or shippers of merchandise in the domestic and foreign commerce of the Philippines; to make surveys of the bottom requirements of the Philippine export trade and to make appropriate arrangements with shipping companies to cover any deficiency; to assist Philippine producers and/or shippers in making arrangements for the shipment of their products or export."

Secretary of National Defense Ramon Magsaysay reports to the President that unless additional funds are released the Department will have to discontinue buying loose firearms and ammunition as of previous releases of ₱3,200,000 and the latest release of ₱500,000, only ₱36,000 remains.

Jan. 5— The President sends a message to Speaker Eugenio Perez, at Johns Hopkins Hospital, in Baltimore, Maryland, who has been successfully operated upon for kidney stones.

The President receives the first large group of tourists to arrive since Liberation (on the S. S. *President Cleveland*) and evinces a strong interest in the promotion of Philippine tourism.

Jan. 6 — With the President as the guest of honor, the Central Luzon Agricultural College is inaugurated and Arcadio G. Matela installed as the first President. The new state institution was the former Central Luzon Agricultural School, established in 1907.

Jan. 7 — The President receives Australian Army Minister Josiah Francis and Frank Sinclair, Secretary of the Australian Army, Malacañan announcing that the call was a purely social one.

The Philippine Council for United States Aid (PHILCUSA) announces that ECA and Philippine counterpart funds have been made available to expand the work of the Bureau of Soil Conservation; of the 52 provinces, the soils of only 29 have so far been surveyed and classified.

Jan. 8 — Francis Cardinal Spellman arrives in the Philippines from a 10-day visit to the Korea front lines, to be the house-guest of the President for two days. The Cardinal will also visit Calcutta, New Delhi, Beirut, and Rome on his return to the United States.

The President appoints Lucas V. Madamba, of the Department of Foreign Affairs, as ad interim Assistant Executive Secretary, replacing Nicanor Roxas who resigned to run for Congress in the last elections.

At a Cabinet meeting, the President directs that circulars be sent to all local governments prohibiting the summary dismissal of civil service employees. He expresses his desire that work on the shipyards at Mariveles and the steel mill of the National Shipyards and Steel Corporation be speeded up as well as the irrigation projects in Zambales and Iloilo. He states also that he would like to see the Maria Cristina hydro-electric and fertilizer plants in Lanao ready for inauguration by the end of this year; reported that the President was able to secure priority for the machinery and equipment of the Lanao projects.

Acting Executive Secretary Marciano Roque issues a statement saying that no special privileges have been given to anyone in connection with the export of "C" sugar to countries other than the United States and lists the names of some 28 individuals and firms which have applied for permit to export such sugar.

Jan. 9 — The President in Proclamations Nos. 301 and 302 makes public the ratification of two treaties with Spain,—the Cultural Treaty and the Treaty on Academic Degrees and the exercise of professions; ratifications were exchanged in Manila on January 5.

The President confers with Jose Yulo, Chairman of PHILCUSA, Salvador Araneta, Economic Coordination Administrator, and members of the board of directors of the LASEDECO on immediate construction of Mindanao highways and a more vigorous execution of the program of land settlement.

A Philippine delegation headed by Secretary of Commerce Cornelio Balmaceda leaves for Rangoon, Burma, to attend the 8th ECAFE session there.

Jan. 10 — The President designates Dr. Marciano Roque as acting Executive Secretary to take the place vacated by former Secretary Teodoro Evangelista.

Announced that the President has made a formal request for the utilization of part of the $10,000,000 grant of the United States Government for military purposes, for the creation of 6 additional combat teams.

The President receives a delegation from the World Council of Christian Churches which requests that the remaining 124 displaced refugees still at Guian, Samar, be permitted to remain there for an indefinite period because of difficulty in finding countries willing to receive them.

PHILCUSA announces that under the joint ECA-Philippines road building project in Mindanao, an outlay of ₱17,000,000 has been set aside for a Davao-Agusan road, the Zamboanga-Pagadian road,

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"EVER since I received the invitation to speak, some weeks ago, I have been trying to think of some really worth-while service that I have performed in the industrial field; but after going back over my career and my experiences, I have come to the conclusion that the greatest—and perhaps the only significant—contribution that I have been able to make to American business in my lifetime is this: That I have believed in it with all my heart and soul. I have believed in the basic rightness of our business system, in the principles upon which it is founded, and in the high general level of integrity which it demands of all those who achieve lasting success in its service. And tonight—after more than fifty years of personal experience in enterprise—I can say to you in all honesty that never has there been a time or an occasion when American business has failed to justify my abiding faith in it... I know of no case where a present-day businessman, in order to gain the legitimate objectives of a lawful enterprise, is obliged to compromise his conscience, or to pursue a course which he believes to be socially, morally, or economically wrong. And that is why no other career that I know of, affords a greater sense of inner satisfaction to those who embrace it successfully."—BENJAMIN F. FAIRLESS, *President, United States Steel Corporation, in an address upon receiving the Annual Gold Medal of Merit Award of the Alumni Society, Wharton School of Finance and Commerce, University of Pennsylvania, November 12, 1951.*

the Cotabato-Mabungan road, and the Malabang-Maranding road, and that these roads will open another 400,000 hectares of arable public lands to settlement.

Jan. 11 — The Department of Foreign Affairs informs President Quirino that President Harry S. Truman has sent to the U. S. Senate the nomination of Admiral Raymond Ames Spruance as U. S. Ambassador to the Philippines. Born in Baltimore, Maryland, July 3, 1886, Admiral Spruance has had a long and distinguished career.

"In 1941 Spruance was assigned to command a division of cruisers in the Pacific under Admiral Nimitz. During the Japanese attack on Midway Island in 1942, Spruance was lauded by Nimitz for doing a 'remarkable job' in routing the enemy. This Midway victory resulted in Spruance's promotion to Vice-Admiral . . . He was named Chief of Staff to Nimitz but later was made Commander of the Central Pacific Area. Spruance thus became responsible for the planning and execution of the attack on the Gilbert Islands in 1943 . . Other exploits include the invasion of the Marshalls in January, 1944, the capture of Saipan, Guam, and Tinian, in the Marianas, which included the Battle of the Philippine Seas in June, 1944, and the capture of Iwo Jima and Okinawa. Following the war, Spruance became President of the Naval War College . . . He was transferred to the retired list of the Navy on July 1, 1948."—*USIS*.

Jan. 12 — The President designates Pablo Lorenzo, presently one of the Governors of the Reconstruction Finance Corporation and a director of the National Rice and Corn Corporation, as his "mobilizer" to follow up and check on the execution of the various development projects of the Government.

Under-Secretary of Foreign Affairs Felino Neri announces that a Japanese Reparations Delegation to the Philippines is scheduled to arrive in Manila on January 25 for the purpose of conducting exploratory conversations with representatives of the Philippine Government on the reparations provisions of the Japanese Peace Treaty; the Chairman is Mr. Juichi Tsushima, adviser, Ministry of Foreign Affairs.

The National Planning Commission recommends the allocation of funds for the implementation of Republic Act No. 33 establishing the Capital Site of the Philippines in Quezon City; also the allocation of funds for the implementation of Republic Act No. 597 providing for the reconstruction of Fort Santiago and other historical places in Intramuros.

Jan. 13. — The Monetary Board, in its annual report submitted to the President, strongly urges the intensification of the tax-collection measures and the continuation of the import and exchange controls.

Jan. 14 — The 3-day convention of provincial governors and city mayors opens in Manila, with the President presiding over the first session. Later sessions are addressed by various department secretaries, today by Secretary of Finance Montinola and Secretary of Justice Castelo. The governors and mayors urge that greater autonomy be granted to the local governments and that they be given a larger share of the internal revenue collections. To a request that more justices of the peace be appointed, Secretary Castelo replies that his Department is powerless in this matter because the positions are created by law.

Joaquin M. Elizalde, former Philippine Ambassador to the United States, arrives in the Philippines and is met at the airport by former Secretary Romulo and Under Secretary Neri; he reports to the President two hours later.

Jan. 15 — The President inducts Mr. Elizalde as Secretary of Foreign Affairs in the presence of the diplomatic corps.

The President designates the period February 15—March 14 for the 5th annual fund campaign of the Philippine National Red Cross.

Vice-President Fernando Lopez, concurrently Secretary of Agriculture and Natural Resources, addresses the governors and city mayors and is followed by Secretary of Public Works and Communications Sotero Baluyot, Under Secretary of Education Cecilio Putong, and Secretary of Labor Jose Figueras. The Vice-President spoke of the Government's economic mobilization program and the ECA aid. The governors and mayors ask for closer supervision of road and bridge construction, more telegraph stations, and a reduction in postage rates. Several governors and mayors protest that too large a burden is being placed on parent-teachers associations in maintaining the primary schools; others state their revenues are not large enough to meet the requirements of the minimum wage law.

The Cabinet approves the request of the National Research Council that the Administration recommend to Congress the appropriation of ₱500,000 as the Government's contribution to the holding of the 8th Pacific Science Congress in 1953, the Philippines being the host country.

Jan. 16 — The President inducts Primitivo Lovina into office as Mayor of Pasay City.

Secretary of National Defense Ramon Magsaysay states before the conference of governors and mayors that the country's peace and order problem must be solved within the year "before the international crisis worsens". He states that force alone is not enough and urges that the local executives combat three evils which contribute to unrest among the people,—usurious demands on the tenants by landlords, failure to carry out the 70-30% crop-sharing law, and unscrupulous labor leadership. Secretary of Commerce Balmaceda states that the alien control of the retail trade continues despite laws seeking to nationalize the trade because of lack of organization among the Filipino merchants and that this should be corrected; he also urges further development of household industries. Pablo Lorenzo, Chairman of the Board of the National Rice and Corn Corporation, states that the present rice production falls short by 4,000,000 cavans to meet the local need.

The Liberal Party majority in the governors and mayors convention elects Gov. Eliseo Quirino, of Ilocos Sur, Chairman of the League of Governors and City Mayors; Gov. Sergio Osmeña, of Cebu, Vice-Chairman; Gov. Lucas Paredes, of Abra, Secretary; and Mayor Primitivo Lovina, of Pasay City, Treasurer. The Nacionalista minority withdraws and elects Gov. Juan Rodriguez, of Pangasinan, Chairman of the Governors and Mayors Freedom League; Gov. Manuel Calleja, of Albay, Vice-Chairman; Gov. Federico Castillo, of Oriental Mindoro, Secretary; Gov. Wenceslao Pascual, of Rizal, Treasurer; and Gov. Fernando Silvosa, of Surigao, Sergeant-at-arms.

Feb. 17 — The President, at a meeting of the governors and mayors at his private house in Novaliches, tells them that in so far as he is concerned they may organize themselves as they like, but that all local executives are "supposed to execute the laws and the policies of the Administration, *the* Administration, and only one Administration". He describes their organization of separate leagues as a "partisan stunt" and states that he is not asking them to abandon their parties, but hopes they will be guided by his "three C's"—concentration, cooperation, and coordination. The meeting is described in the press as a cordial one.

Feb. 18— The President designates Judge Mariano Nable as Chairman of the Board of Tax Appeals, and Judge Jose Querubin and Guillermo Gomez as members.

The President receives Jose P. Marcelo who invites him to attend the inauguration, to be held in March, of his ₱3,000,000 rubber-tire plant in Malabon.

The Cabinet accepts the proposal of the World Council of Churches to take care of the remaining 260 of the original 4,500 stateless refugees brought here from China three years ago, but directs that they must be taken back to camp in Guian, Samar. Since the devastating typhoons last November, the refugees scattered and the Council proposed that they be taken care of in Dumaguete. The Cabinet also takes measures to provide ₱150,000 to be used in fighting plagues of locusts in Mindanao and of rats in Cotabato, Camarines Sur, and Mindoro.

Jan. 19—Following an altercation with Coordinating Administrator Araneta last night concerning the implementation of the Cabinet decision on the disposition of "C" sugar to countries other than the United States, which resulted in Araneta's resignation, the President formally accepts it in a dispatch from the yacht *Apo*, now en route to Cebu. The President designated Pablo Lorenzo to take over the office of the Economic Coordination Administration.

According to a progress report on ECA aid submitted to the Council of State by Jose Yulo, Chairman of the Philippine Council for United States Aid, dollar-commitments amounting to $47,000,000 will be covered by selected and fully considered development projects before the dead-line on June 30. Exclusive of the interim aid of $15,000,000, around $32,000,000 has been authorized for expenditure in the Philippines under the program until that time. Of 43 projects submitted, 28 have been approved and 9 of these are in process of implementation. Of the allocations, $7,550,000 cover projects in agriculture, forestry, and fisheries; $1,480,000 in public health, vocational education, and public welfare; $4,830,000 in transportation, communications, and public works; $788,000 in manufacturing, mining, and other industries (mostly surveys); and $5,710,000 for general commodities.

Jan. 22 — The President, after visiting Cebu and Catbalogan, Samar, tells the people at Tacloban, Leyte, that he is not in favor of creating new taxes.

(Continued on page 74)

Banking and Finance

By G. R. Hutchison
Manager, Port Area Branch
National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

ASSETS	*As of Dec. 31 1949*	*As of Oct. 31 1951*	*As of Nov. 29 1951*	*As of Dec. 28 1951*
	(In thousands of Pesos)			
International Reserve....	₱460,689	₱510,391	₱494,090	₱492,456
Contribution to International Monetary Fund.	30,000	30,000	30,000	30,000
Account to Secure Coinage..................	113,306	107,570	107,570	107,570
Loans and Advances.....	77,047	47,171	44,171	42,323
Domestic Securities......	92,197	230,846	233,844	241,700
Trust Account—Securities Stabilization Fund.	—	6,848	6,848	6,848
Other Assets...........	20,390	91,410	98,861	33,063
	₱793,629	₱1,024,236	₱1,015,384	₱953,960

LIABILITIES

Currency—Notes	₱555,576	₱580,017	₱573,249	₱592,127
Coins	74,384	93,310	93,257	93,128
Demand Deposits—Pesos	117,682	244,705	238,199	226,463
Securities Stabilization Fund	2,000	6,848	6,848	6,848
Due to International Monetary Fund	22,498	496	496	496
Due to International Bank for Reconstruction and Development	2,389	2,383	2,383	2,383
Other Liabilities	2,636	70,833	74,217	5,055
Capital	10,000	10,000	10,000	10,000
Undivided Profits	6,464	11,955	13,046	13,770
Surplus	—	3,689	3,689	3,689
	₱793,629	₱1,024,236	₱1,015,384	₱953,959

THERE was little change in the international reserve at the end of December, 1951, as compared to the previous month, despite heavy import-bill arrivals and liquidations during the month. As reflected above, the reserve at the end of this year was only ₱31,767,000 higher than at December 31, 1949. As compared to December 31, 1950, the present reserve is lower by ₱77,526,000. Currency in circulation increased from ₱666,506,000 as of November 29, 1951, to ₱685,255,000 at the end of December of this year. The large decrease in "Other Assets" and "Other Liabilities" was due to a settlement in the Japan Open Account, ₱67,000,000 being due from Japan and ₱70,000,000 due to Japan.

Money continues extremely tight and requests for extensions of bills are numerous. Collections, however, are still generally satisfactory. For the first time in about two years, silver coins are beginning to trickle back into circulation, a sure sign of the scarcity of money.

FIGURES obtained from the Bureau of Census and Statistics show that there was an unfavorable balance of trade of ₱34,831,000 during October, 1951. Imports totalled ₱96,732,000 against exports of ₱61,901,000.

THE Central Bank has announced a plan, embodied in a proposed bill to be submitted to the present Congress, to establish a Rural Credit System to provide credit facilities to small farmers and tenants. It provides for the Government through the RFC to furnish capital to supplement funds invested by private enterprise. Rural banks established with assets of less than ₱200,000 would be free of taxes, and operations would be closely supervised by the Central Bank without charge.

Manila Stock Market

By A. C. HALL

Hall, Picornell, Ortigas & Co.

December 14 to January 25

THE market was quiet and easier during the last two weeks of December, but following the New Year and cessation of tax-selling, a strong demand for chrome and iron shares developed, and very sharp price increases were registered in these issues. While profit-taking has subsequently reduced extreme gains, closing prices show a large mark-up as compared with opening levels. The strength may be attributed to the improving profit outlook for shares in this group.

Gold mining shares, on the other hand, have continued out of favor, and, with one exception, all listed issues show losses over the period. Local investors have continued to switch out of this group to the promising base-metal equities. At the moment, non-resident purchases are providing the main support for gold shares.

The price of gold in the free market shows a small advance. Since our last review, prices have fluctuated between ₱115 and ₱120 per fine ounce, with the current quotation at ₱118.

In the commercial and industrial section of the market San Miguel common shows a further advance on reinvestment-demand from the recent dividend. Banks and insurance shares were quietly firm, but sugars display an easier trend.

Fixed interest securities were firmer on renewed institutional demand following the year end.

MINING SHARES

1951-52 Range High	*Low*		*High*	*Low*	*Close*	*Change*	*Total Sales*
131.53	88.11	M. S. E. Mining Share Average	131.50	116.97	126.59	Up 6.49	30,811,305
0.37	0.16	Acoje Mining Company**	.37	.27	.35	Up .06	1,371,000
0.0925	0.028	Antamok Goldfields	.06	.055	.055	Off .015	275,000
0.39	0.21	Atok Big Wedge	.255	.225	.235	Off .005	1,740,000
0.14	0.08	Baguio Gold Mining Co.	.13	.125	.13	Off .005	335,000
2.80	2.00	Balatoc Mining Company	2.40	2.30	2.40	Up .10	7,500
0.0036	0.002	Batong Buhay Gold Mines	.0035	.0028	.0035	Up .0003	5,030,000
5.30	4.10	Benguet Consolidated	4.80	4.70	4.60a	Off .10	2,050
0.10	0.026	Coco Grove, Inc.	.07	.06	.065	—	480,000
0.04	0.011	Consolidated Mines, Inc.	.04	.025	.036	Up .009	12,585,000
0.28	0.16	Hixbar Gold Mining Co.	.255	.225	.22a	Off .05	189,000
0.17	0.075	Itogon Mining Company	.155	.13	.15a	Off .005	564,000
0.06	0.031	I.X.L. Mining Company	.06	.045	.0525a	—	92,000
0.96	0.59	Lepanto Consolidated	.95	.85	.90	—	447,000
0.05	0.024	Masbate Consolidated	.044	.04	.04	Off .005	1,570,000
0.43	0.25	Mindanao Mother Lode	.31	.25	.275	Off .035	1,102,000
0.11	0.06	Paracale Gumaus Consolidated	—	—	.10b	—	—
300.00	50.00	Philippine Iron Mines, Inc.	300.00	130.00	244.00	Up 124.00	3,087
0.32	0.17	San Mauricio Mining Co.	.32	.25	.27	—	1,179,000
0.365	0.22	Surigao Consolidated	.335	.315	.315	Off .025	931,697
0.035	0.02	Suyoc Consolidated	.027	.025	.027	—	70,000
0.13	0.05	United Paracale Mining Co.	.12	.105	.11	—	528,000

**—Ex-Rights

COMMERCIAL SHARES

1951-52 Range High	*Low*		*High*	*Low*	*Close*	*Change*	*Total Sales*
143.00	105.00	Bank of the Philippine Islands	140.00	140.00	140.00	Up 2.00	63
—	—	Bogo-Medellin Milling Co.	—	—	25.00a	—	—
171.00	149.00	Central Azucarera de la Carlota	150.00	149.00	150.00	Off 14.00	38
111.00	100.00	Central Azucarera de Pilar	105.00	105.00	105.00	Off 5.00	400
50.00	30.00	Central Azucarera de Tarlac	50.00	50.00	50.00	—	290
325.00	320.00	China Banking Corp.	325.00	325.00	325.00	Up 5.00	318
27.50	27.00	Filipinas Cia. de Seguros	—	—	26.00b	—	—
0.36	0.27	Manila Broadcasting Co.	.33	.30	.30	Off .03	4,000
5.50	3.80	Manila Wine Merchants, Inc.	—	—	5.70a	—	—
0.18	0.12	Marsman & Co., Inc., com.	—	—	.10b	—	—
0.315	0.25	Marsman & Co., Inc., pref.	.30	.30	.30	Up .04	3,500
0.12	0.085	Mayon Metal, Class "B"	—	—	.11a	—	—
0.12	0.085	Mayon Metal, Class "A"	—	—	.11a	—	—
105.50	100.00	Meralco 6-1/2%	104.00	103.00	104.00	Up 4.00	T 1,050
—	—	Metropolitan Insurance Co.	—	—	150.00b	—	—
23.00	20.00	Pasudeco	—	—	25.00a	—	—
27.50	27.50	Philippine Guaranty Co., Inc.	—	—	26.00b	—	—
0.0925	0.012	Philippine Oil Development Co., Inc.	.0925	.055	.08	Up .025	2,285,334
1.46	1.30	Philippine Racing Club	1.36	1.36	1.36	—	1,000
43.00	26.50	San Miguel Brewery, com*	43.00	39.50	42.00	Up 3.50	12,555
100.00	194.00	San Miguel Brewery, 7% pref*	96.00	94.00	97.00b	Up 3.75	1,261
106.00	102.00	San Miguel Brewery, 8% pref.*	106.00	103.00	106.00	Up 3.50	162
7.00	6.50	Williams Equipment Co., com.	—	—	6.00b	—	—

*—Ex-Dividends
T—Bond sales reported in units of ₱100

OVER-THE-COUNTER

Company	*High*	*Low*	*Close*	*Total Sales*
Demonstration Gold Mines	₱0.02	₱0.02	₱0.02	15,000
Eastern Development Co.	0.006	0.006	0.006	30,000
Johnson Pickett Rope Factory	115.00	115.00	115.00	38-1/2
Manila Jockey Club, Inc.	2.35	2.35	2.35	3,035
Philippine American Drug Co.	165.00	165.00	165.00	115
Philippine Bank of Commerce	100.00	100.00	100.00	10
Philippine Electrical Manufacturing Co.	95.00	95.00	95.00	25
Philippine Long Distance Telephone Co., Refunding mortgage & collateral trust 6% Bond, Series A, due January 1, 1966	98.00	97.00	97.00	₱27,550
National Fastener Corp. of the Philippines, com.	100.00	100.00	100.00	250
National Fastener Corp. of the Philippines, pref.	100.00	100.00	100.00	250
Victorias Milling Co., Inc.	175.00	175.00	175.00	311

Credit

By C. W. Muilenburg
Manager, Credit & Collection Department
International Harvester Company of Philippines

A RÉSUMÉ on terms, balances, bad-debt losses, etc., has recently been completed by the Association of Credit Men, Inc. (P.I.) from data received from various members of the Association reflecting the credit situation as of December 31, 1951.

The most interesting deduction obtained from a review of this résumé is that the standard credit terms of a large majority of the members of the Association continue to be 30 days. However, there was a larger percentage of current accounts on standard terms at the end of 1951, than at year-end 1950. At the end of 1951 the majority of all accounts were past due from one to two months, whereas at year-end 1950 the majority of all accounts were more than two months past due. This is interesting in view of the increasing collection difficulties many members had in 1951 and is an indication that conscientious efforts on collections have proved successful in spite of discouraging collection trends noted by some firms.

The résumé shows a wide fluctuation in accounts written off as bad debts during the four quarters of 1951, but this variation is due more to the fact that different firms use different dates for writing off old accounts and the variation therefore does not indicate any seasonal bad-debt-losses experience. The percentages of accounts written off in 1951 were lower than those in 1950.

The percentages of sales on a cash basis increased moderately but not substantially in 1951 over 1950.

The Association of Credit Men received two new applications for membership during January, 1952, and in a regular monthly directors' meeting held on January 29, Parsons Hardware Company and Philippine Oxygen & Acetylene Company were duly admitted to active membership. The Association now has 70 active firm members.

The membership committee of the Association is still soliciting responsible and qualified firms for membership.

The Association continues to provide ledger interchange services, caution notices, court listings, and other routine services to its membership.

Through active cooperation between the Association and one of its members, assistance of the National Bureau of Investigation was obtained early in January and the NBI is actively following now a specific instance of an irregular trade-practice in connection with collections for advertising allegedly requested and for which bills of collection have been presented. It is to be hoped that some progress will be made which will result in wiping out or at least markedly limiting this irregular practice which has been fairly widespread at different times.

Electric Power Production

(Manila Electric Company System)

By J. F. Cotton
Treasurer, Manila Electric Company

1941 Average—16,316,000 KWH

	Kilowatt 1952	Hours 1951
January	45,240,000**	40,713,000
February		37,066,000
March		40,117,000
April		39,197,000
May		40,405,000
June		40,712,000
July		42,041,000
August		42,817,000
September		41,852,000
October		44,017,000
November		42,628,000
December		45,655,000*
Total		497,221,000*

*Revised
**Partially estimated

OUTPUT in January was 4,527,000 kwh or 11.9% above January, 1951. The slight decrease from December is normal. Considerable increases in industrial load are expected in the next few months.

Real Estate

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

REAL estate sales in the Greater Manila area registered during the month of January numbered 688, with a total value of ₱9,161,834, as compared with 549, with a total value of ₱7,871,967, registered during the preceding month of December.

Of the January sales, 205, with a total value of ₱6,085,610, represented deals within Manila, proper, while 483, with a total value of ₱3,076,224, were sales within the cities of Quezon and Pasay, and in the suburban towns of Caloocan, Makati, Malabon, Mandaluyong, Parañaque, and San Juan.

Among the bigger sales registered during the month were:

Several properties in Ermita and a property in Pandacan sold by Harry D. Kneedler to International Construction Corporation for ₱720,000;

A tract of 15,000 square meters on Isaac Peral Street, Paco, sold by Compañia General de Tabacos to the Roman Catholic Archbishop for ₱675,000;

A property with a lot of 811.6 square meters at Ongpin, corner T. Alonzo, streets, Sta. Cruz, sold by Rosario Caballero Monserratt to Ambrosio Padilla for the reported sum of ₱405,800;

A property with a lot of 3,622.5 square meters on Pennsylvania Street, Malate, sold by Oriental Club to Katubusan Theater Corporation for ₱170,000;

A parcel of 1,000 square meters on Governor Forbes Street, Sampaloc, fronting the University of Santo Tomas compound, sold by Luis Atienza Bijis to the Manila Electric Company for ₱110,000;

A property with a lot of 668.3 square meters on Legarda Street, Sampaloc, sold by Rita Legarda, Inc. to Damiana G. Vda. de Nanad for ₱100,000;

A property with a lot of 4,025 square meters on 8th Street, New Manila, sold by Magdalena Estate, Inc. to Fernando Jacinto for ₱92,165;

A tract of 23,454 square meters in Quezon City sold by Philippine National Bank to the Good Shepherd Convent for ₱83,017; and

A property with a lot of 5,027 square meters on Herran Street, Sta. Ana, sold by Isabela Cultural Corporation to Marcial Lichauco for ₱82,500.

REAL estate mortgages registered in the Greater Manila area during the month numbered 425, with a total value of ₱14,630,066, as compared with 463, with a total value of ₱9,201,607, registered during the month of December.

Of the January total, 193, with a total value of ₱6,184,617 represented deals within Manila, proper, while 232, with a total value of ₱8,445,449, were deals within the cities of Quezon and Pasay, and in the suburban towns mentioned above.

REAL ESTATE SALES, 1952

	Manila	*Quezon City*	*Pasay City*	*Suburbs*	*Total*
January	₱6,085,610	₱1,592,939	₱ 197,596	₱1,285,689	₱9,161,834

REAL ESTATE MORTGAGES, 1952

	Manila	*Quezon City*	*Pasay City*	*Suburbs*	*Total*
January	₱6,184,617	₱4,245,805	₱ 265,740	₱3,933,904	₱14,630,066

Building Construction

By Juan J. Carlos

President, United Construction Co., Inc.

DURING the month of December, the Office of the City Engineer approved building permits for construction work amounting to ₱2,876,860. For the same period last year, the volume of work authorized amounted to ₱3,770,410, or a difference in the amount of ₱893,550. Among the big projects that were started during month under review were:

The demolition of the well-known Kneedler Building at the corner of Rizal Avenue and Carriedo Street to give way to a new 6-story structure which will cost ₱700,000. Dr. Fernando Gonzaga is the new owner.

A steel warehouse of F. E. Zuellig, Inc., at Tanque, Pandacan, estimated at ₱250,000.

A 3-story commercial building for Lorenzo Lerma at 2251 Rizal Avenue, costing ₱200,000.

The fourth and fifth story addition to the Rosaria Apartment on Dakota Street for Dr. Manuel Tuason, estimated at ₱100,000.

The decline in volume is probably, as usual, due to the holidays and the fact that corporations are closing their books at the end of the year.

Prices of essential items continued to be steady and firm. However, due to lack of demand, it can be safely stated that prices will ease down during the next 30 days, and dealers will have to sell their stock to take care of accounts and other obligations which will come due for payment.

Ocean Shipping and Exports

By B. B. Tunold

Secretary-Manager

Associated Steamship Lines

TOTAL exports for the year 1951 showed 40% over exports for the year 1950.

1273 vessels lifted 3,802,297 tons of exports during 1951, as compared to 2,753,573 tons lifted by 1122 vessels in 1950.

Commodities which registered a sharp increase over the year 1950 are: alcohol from 249 to 897 tons; logs from 47,268,733 to 170,468,914 bd. ft; molasses from 53,450 to 127,362 tons; and iron ores from 448,496 to 928,285 tons.

Exports for the year 1951 as compared with exports for 1950, were as follows

	1951		*1950*	
Alcohol	897	Tons	249	Tons
Beer	2,307	"	1,241	"
Buntal fiber	23	"	177	"
Cigars and cigarettes	126	"	102	"
Coconut, desiccated	75,761	"	130,815	"
Coconut oil	77,117	"	69,392	"
Concentrates, copper	53,404	"	40,596	"
Concentrates, gold	4,725	"	5,194	"
Concentrates, lead	111	"	—	
Concentrates, zinc	183	"	—	
Copper	105	"	—	
Copra	758,186	"	691,722	"
Copra cake/meal	65,114	"	64,353	"
Embroideries	3,662	"	2,430	"
Empty cylinders	7,241	"	4,744	"
Fish	189	"	180	"
Foods, canned	51	"	30	"
Fruits, fresh	1,237	"	845	"
Furniture, rattan	10,542	"	10,962	"
Glycerine	1,906	"	1,728	"
Gums, copal	1,060	"	885	"
Gums, elemi	165	"	56	"
Hemp	1,023,566	Bales	745,182	Bales
Hemp, knotted	172	Tons	216	Tons
Household goods	3,983	"	6,016	"
Junk metal	46,301	"	29,368	"
Kapok	162	"	187	"
Kapok seeds	100	"	200	"
Logs	170,468,914	bft.	47,268,733	bft.
Lumber	23,557,157	"	79,645,749	"
Molasses	127,362	Tons	53,450	Tons
Plywood and plywood products	367	"	639	"
Ores, chrome	287,008	"	236,257	"
Ores, lead	339	"	532	"
Ores, iron	926,285	"	448,496	"
Ores, manganese	22,710	"	33,022	"
Pineapples, canned	54,984	"	62,532	"
Rattan (palasan)	3,356	"	2,400	"
Rope	5,460	"	3,974	"
Rubber	1,027	"	2,085	"
Shell, shell waste	658	"	597	"
Shell buttons	90	"	64	"
Skins, hides	1,240	"	1,247	"
Soap	33	"	31	"
Sugar cent/raw	623,142	"	435,612	"
Sugar, refined	649	"	5	"
Sugar, muscovado	498	"	—	
Tobacco	8,895	"	4,033	"
Vegetable	385	"	554	"
Transit cargo	10,014	"	7,169	"
Merchandise, general	16,305	"	31,713	"

Lumber

By Pacifico de Ocampo

Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

THE month of December registered a marked decrease of 4,649,885 bd. ft. in the export trade of Philippine logs and lumber as compared with the November export of 22,097,071 bd. ft. While export to United States and Canada increased by 1,062,360 bd. ft., export to Japan and to all other countries decreased by 5,016,432 bd. ft. and 695,813 bd. ft., respectively.

There has been a steady decline in export since October up to the end of December, due mainly to decrease in shipment to Japan. Total log and lumber exports during the year 1951, as compiled by the Bureau of Forestry, are as follows:

EXPORTS OF LOGS AND LUMBER FOR 1951

Month	*Logs in Bd. ft.*	*Lumber in Bd. ft.*	*Total in Bd. ft.*
January	13,871,189	5,017,045	18,888,234
February	17,204,796	5,323,874	22,528,670
March	18,507,870	6,134,308	24,642,178
April	18,186,490	4,249,118	22,435,608
May	26,965,718	6,245,829	33,211,547
June	22,427,689	4,138,323	26,566,012
July	16,357,694	5,932,839	22,290,533
August	18,967,820	3,888,472	22,856,292
September	18,842,037	4,185,564	23,027,601
October	21,015,981	4,417,088	25,433,069
November	18,114,321	3,982,750	22,097,071
December	13,932,380	3,514,806	17,447,186
Totals	224,393,985	57,030,016	281,424,001

Trade difficulties between Philippine exporters and Japanese importers continue to exist, and the presence of several million bd. ft. of poor quality logs in several cities of Japan has considerably slowed down consumer demands in the latter country. Misunderstanding between the two countries as regards "grade", "definition" and "nomenclature" of Philippine woods has resulted in stockpiling of undesirable species. Director Florencio Tamesis of the Bureau of Forestry has recommended measures to remedy the situation through an increase in "grade" and a clear definition thereof, as well as rigid inspection of logs intended for export.

The further decline in log export to Japan is partly attributed to the effect of the discontinuance of England and Australia to buy Japanese-made plywood manufactured from Philippine logs, as these countries have established their own plywood factories fed by imported peeler logs. It was also thought that Japanese log importers have exhausted their dollar- and exchange-quota allocations for the year.

Increase in freight rates to the United States by $2 per thousand bd. ft., to become effective by February 1, 1952, may, unless suspended or modified, affect log and lumber export to that country. It is believed that any increase in price of Philippine woods to absorb the increased freight rate would place them on a non-competitive basis with woods coming from other regions of the world.

As released by the Bureau of Forestry, logs and lumber inspected for export abroad during December, 1951, follow:

SHIPPER	DESTINATION	LUMBER	LOGS
Agusan	U. S. A.		299,992
Timber Corporation	Japan		1,900,000
Anakan Lumber	U. S. A.	129,999	1,424,988
Company	Japan		1,002,027
Basilan Lumber	U. S. A.	469,550	
Company	Hongkong	259,729	
Bislig Bay	U. S. A.	209,371	
Lumber Company	Japan		1,115,936
Cipriano Luna Enterprises	Japan		3,786,636
Dahican Lumber Co., Inc.	U. S. A.		188,467
Dee Cho Lumber Company	Guam	47,003	
In-	Eire	41,746	
su-	U. S. A.	481,033	
lar	Canada	15,720	
Lumber	Hawaii	132,172	
Company	S. Africa	471,746	
Marsman Development	U. S. A.	286,999	
Company	Hongkong	100,000	
Martha Lumber	U. S. A.		500,000
Mill	Japan		1,068,979
Mindoro Planing Mill	U. S. A.	20,000	
Nasipit Lumber Co., Inc.	U. S. A.	205,885	
North Camarines Lumber Co.	Taiwan		787,468
Oriental Sawmill	Hongkong	24,009	
Reynaldo Lumber Company	U. S. A.	40,154	
Sta. Cecilia Sawmills, Inc.	Hawaii	29,606	
Sta. Clara	U. S. A.		400,010
Lumber Co., Inc.	S. Africa	6,002	
Soriano, L.	U. S. A.		43,550
Valderrama Lumber Manufacturing Co.	U. S. A.	73,963	
Western Mindanao Lumber Co.	U. S. A.		400,324
Woodcraft	Hongkong	470,119	
Works, Ltd.	Taiwan		414,103
Wood Mosaic	England		599,900
Totals		3,514,806	13,932,380

RÉSUMÉ of Exports to:	Lumber (Bd. Ft.)	Logs (Bd. Ft.)	Total (Bd. Ft.)
Japan	—	8,873,578	8,873,578
United States and Canada	1,932,674	3,257,331	5,190,005
Other Countries	1,582,132	1,801,471	3,383,603
Totals	3,514,806	13,932,380	17,447,186

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

	Logs (Bd. Ft.)	Lumber (Bd. Ft.)	Total (Bd. Fft.)
Japan	8,873,578	—	8,873,578
United States	3,257,331	1,916,954	5,174,285
Taiwan	1,201,571	—	1,201,571
Hongkong	—	853,857	853,857
England	599,900	—	599,900
South Africa	—	477,748	477,748
Hawaii	—	161,778	161,778
Guam	—	47,003	47,003
Eire	—	41,746	41,746
Canada	—	15,720	15,720
Totals	3,514,806	13,932,380	17,447,186

As was anticipated, the local wholesale market for lumber continued to rule weak during December, 1951, as dealers remained inactive, resulting in further reduction in lumber prices. Thus, during the opening week of the month under review, white lauan was quoted at ₱135-140 per 1000 bd. ft., apitong at ₱145, and red lauan at ₱160-165, gradually decreasing week by week, and closed at ₱120-130 for white lauan, ₱140-145 for apitong, and ₱160 for red lauan.

Mining

By Nestorio N. Lim

Mining Engineer, Secretary-Treasurer
Chamber of Mines of the Philippines

THE gold mining industry, after its complete destruction during the last war, has been encountering a long series of impediments in its rehabilitation. To start with, there was no capital to rebuild the plants and reopen the mines. No new machinery was available. Spare parts for reconditioned power plants and mills were scarce. There was a shortage of common labor, and also of experienced labor and of technical men. There was an attempt to increase the production tax. Execution of the import control regulations interfered with the smooth operation of the mines. There was the 17% dollar exchange tax, the 2% ICC fee, the 7% compensating tax, and the 28% income tax on corporations. Gold buyers in the free market were examined every now and then for allegedly supplying silver to the communists, which made the market scary. The mines were blamed for providing explosives to unscrupulous fishermen. The allocation of serialization DO Number F-O-W4, by the United States Government, to the gold mines in the Philippines, means that the gold mines will only get 50% of their 1950 consumption of supplies, chemicals, machinery, equipment and spare parts for their operation in 1952. If this last ruling of the U. S. State Department is not eased, the gold mines will surely close within the next 6 months.

The prosperity of the Philippines during the last two pre-war decades was partly due to gold and silver production which steadily increased from ₱2,424,606 in 1920 to ₱78,458,708 in 1940. By 1941 the mining industry could have been the premier industry of the Philippines had not the war broken out.

But the war practically demolished all the gold mines' surface plants, with the exception of two which sustained only minor damage. In the early part of 1942, the Japanese dismantled some of the gold-

COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF NOVEMBER AND DECEMBER, 1951

Period	Lumber in Bd. Ft.					Logs in Bd. Ft.					
	Western States	Eastern States	Gulf States	All Others	Total	Western States	Eastern States	Gulf States	All Others	Total	Grand Total
November	729,884	710,523	63,811	70,903	1,580,121	324,991	500,000	1,299,996	400,000	2,524,987	4,105,108
December	1,186,858	390,407	226,551	113,138	1,916,954	925,000	343,542	1,088,465	900,324	3,257,331	5,174,285
Difference (Increase+ Decrease)—	456,974+	320,116—	162,740+	42,235+	336,833+	600,009+	156,458—	211,531—	500,324+	732,344+	1,069,177+

mine power-plant and mill machinery and moved this and other equipment to base-metal mines—iron, chromite, copper, and manganese. The gold-mines remained outposts of Japanese soldiers, for which reason they were heavy bombed in the early part of 1945.

During the war period, there was no regular gold and silver production, but considerable panning and high-grading of rich gold ore did go on. It is roughly estimated that over ₱5,000,000 was produced in this manner.

Immediately after the liberation, some gold mining companies began to rehabilitate their mines and in 1947 the Surigao Consolidated Mining Company went into production. It was followed by the Atok-Big Wedge Mining Company, Inc. in 1948, and the Mindanao Mother Lode Mines, Inc., and Benguet and Balatoc Mining Companies in 1949. At the close of 1951, of the 41 mines that were in gold and silver production before the war, there were 10 major gold-lode producers and 2 placer operations active, with an estimated production of ₱45,000,000 at the end of the year.

The gold and silver mining industry therefore again plays a major part in the Philippine economy. It employs directly over 15,000 workers with dependents numbering around 60,000. Others who indirectly serve the mines, such as lumber men, farmers, traders, transportation operators, bakers, barbers, tailors, machinery and hardware dealers, will run to another 60,000, so that there are at least 135,000 who derive their living from the industry. Added to this number are some 25,000 stockholders, who boost the figure easily to 160,000, dependent on the gold and silver mining group alone.

GOLD and silver mining in the Philippines dated back to the times before the Spanish rule in the Islands. The Chinese merchants bought gold from the natives or exchanged it for the porcelain ware which is today the prized possession of some people. During Spanish times, there was considerable mining activity in the Mountain Province, Mindoro, Paracale, Masbate, and Mindanao. Both lode and placer mines were operated. The Americans began prospecting as early as 1902, but production in small quantity did not begin until 1909. Mainly because of transportation difficulties, gold mining did not prosper greatly until after 1920. Mining operations were greatly intensified by the gold boom in 1933 and 1936. The trend of production rose steadily from 1930 on, as seen by the following figures:

Year	Total Value of Gold and Silver production	Year	Total Value of Gold and Silver Production
1930	₱7,409,598	1940	₱78,458,704
1931	7,524,867	1941 (10 mo.)	64,638,836
1932	10,200,167		
1933	16,190,785		
1934	23,823,365	1946	22,427
1935	31,979,030	1947	4,623,150
1936	44,317,556	1948	14,515,942
1937	51,211,544	1949	23,375,068
1938	64,060,166	1950	33,709,084
1939	74,000,914	1951	45,000,000 (Est.)

Essentially, there are no straight gold or silver mines in the Philippines. The gold ores always carry silver values in the ratio of from .8 up to 5 oz. of silver to 1 oz. of gold, with an average ratio of 1.5:1. Gold veins are found in fractures in andesite, diorite, or as a replacement deposits. Contact deposit is not unknown. The veins vary in width from one inch to over 100 feet. Veins have been followed for over a mile long and over 1,300 feet deep. Early gold production was mostly from rich surface-ores, but later, in 1932, when the gold mines expanded their operations, operators began to mine lower-grade ore. Pre-war gold and silver ore averaged from ₱14 to ₱50 per ton, while one mine in the last months of 1941 averaged over ₱100 per ton in gold and silver. One big low-grade mine of 5,000 tons daily mill capacity, had gold and silver values of only from ₱5.50 to ₱6.20 per ton and was making a fair profit when the war broke out. If its mill and power plant had been saved from destruction, it could have operated profitably during the last three years because of the good price of gold in the free market during that time.

The square-set stoping method is used in most of the mines because of the heavy ground. However, whenever possible, other methods are followed, such as the cut-and-fill, top-slice, shrinkage, umbrella-stull, and stull in narrow veins. In the low-grade mines, the open cut and glory-hole mining is practiced. Pre-war mining costs ran as low as ₱2 a ton, as compared to the present ₱8 to ₱12.

EARLY gold-ore treatment was by cyanidation and amalgamation, from which a bullion was produced. Later, complex ores were mined and milling operation became a problem. Bulk and selective flotation processes are now used to treat these complex ores, producing both concentrates and bullion. Gold concentrate is sent to the smelters in the United States. Most bulk concentrates carry, besides gold and silver, also copper, lead, and zinc. Three gold mines in Baguio are now producing only gold bullion, while the rest of the gold mines produce gold concentrates and bullion. Milling costs at present are from ₱4 to ₱15 per ton, compared to pre-war costs of from ₱1.20 to ₱8.

PRESENT government regulations require that 25% of the refined gold production must go to the Central Bank at ₱70 per ounce, while the rest is sold locally at a free-market price of from ₱108 to ₱112.50. The price gradually rose and spurted up to ₱168 per ounce for a short period in April, 1951.

The gold bullion is refined either in England or in the United States, then it is shipped back to the Philippines to be sold in the local free market less 25% of the refined gold which is retained in the American banks for the account of the Central Bank. The same is true for gold concentrate. However, the base metals are sold to the smelters and the dollar proceeds go to the Central Bank which in turn pays the producers in pesos.

The cost of shipping concentrate to the United States has increased considerably from the ₱8 pre-war rate to ₱18 lately. The cost of transporting concentrates from the mine to the pier varies, depending on the distance; the average cost is 20 centavos per ton-kilometer.

THE Minimum Wage Law which went into effect in August, 1951, has increased the wage of miners to a minimum of ₱3 per day, and will increase it further to ₱4 after a year. Taxes have also gone up rapidly since the liberation. The gold production tax is on a sliding scale and now average over 8% of the gross production of the mine. The taxes paid to the Government by gold and silver mines are as follows: *(See next page)*

GOLD AND SILVER PRODUCTION*

Names		December, 1951 Quantity		Value in Pesos
Atok-Big Wedge Mining Co., Inc.	Au.	3,434	oz.	₱240,371
	Ag.	1,895	"	2,691
	M.O.	13,251	S.T.	243,062
Balatoc Mining Company	Au.	8,943	oz.	625,998
	Ag.	6,246	"	11,242
	M.O.	41,566	S.T.	637,240
Benguet Consolidated Mining Company	Au.	7,783	oz	544,831
	Ag.	5,436	"	9,784
	M.O.	34,477	S.T.	554,615
Lepanto Consolidated Mining Company	Au.	3,413	oz.	238,931
	M.O.	32,218	S.T.	238,931
Mindanao Mother Lode Mines, Inc.	Au.	3,833	oz.	265,229
	Ag.	4,162	"	6,541
	M.O.	9,600	S.T.	271,770
Surigao Consolidated Mining Company	Au.	3,857	oz.	269,961
	Ag.	3,963	"	7,134
	M.O.	11,368	S.T.	277,095
Looc Lead Silver Mines		None		None
Tambis Gold Dredging Co., Inc.		None		
Surigao Placer Syndicate	Au.	254	oz.	17,790
	Cu. Yd.	43,000		17,790
Nor-Min Ventures	Au.	216	oz.	24,980
	Ag.	49	"	83
	Cu. Yd.	20,370		25,063

* Compiled in the Bureau of Mines

BASE METALS EXPORTATION*

Names	December 1951 Quantity M.T.	Value in Pesos
Seleo Manganese	None	None
Otto Sales Corporation	600	₱36,000
Surigao Consolidated Mining Company, Inc.	46	35,505
Hixbar Gold Mining Company	164	213,073
Far East Metals and Ores	None	None
Consolidated Mines, Inc.	30,390	790,140
Lepanto Consolidated Mining Company	1,125	1,712,009
Mindanao Mother Lode Mines, Inc.	18	17,557
Philippine Iron Mines, Inc.	38,621	713,466
Samar Mining Company, Inc.	14,126	258,506
Marinduque Iron Mines	None	None
Acoje Mines	7,000	330,523
Misamis Chromite	None	None
Luzon Stevedoring (chromite)	1,000	25,000
Looc Lead Silver Mines	None	None
Surigao Consolidated Mining Company, Inc.	50	38,456
Luzon Stevedoring (manganese)	1,500	75,000
General Base Metals	None	None
Palawan Manganese Mine	None	None
Amalgamated Minerals, Inc.	None	None

*Compiled in the Bureau of Mines

Real Estate Tax	7/8%
Taxes on buildings, machinery, and other improvements	1-1/4%
Production Tax	8%
Dollar Exchange	17%
ICC Fee	2%
Compensating Tax	7%
Income Tax	28%
Withholding tax on dividends—Cedula B-Tax—₱1 per ₱5,000 value of real estate and improvements.	

GENERALLY, all mining supplies, machinery, and equipment are imported from the United States. Only a few items are imported from European countries and from Japan. Because of the difficulty of getting these mine-needs from the United States at the present time, the mining companies are making all efforts to buy their requirements anywhere they are obtainable.

MINE labor was never been a problem before the war. Mine workers were relatively better paid than those employed in other industries. The Philippine gold miners were achieving high records in shaft-sinking and tunnel-driving.

When the gold mines resumed operations after liberation, there was a shortage of labor until the Army and Navy completed their various projects in the Islands; then there was unemployment problem and men flocked to the mines. Unions were organized, higher wages were demanded, and there were strikes in one mines after another.

However, it is pleasing to note that practically all the labor troubles in the mines are now settled. The workers are happy and work hard to increase their earnings. They have free houses, light, water, fire-wood, free clinics and hospitalization, free schools and gymnasiums for their children, and sick and vacation leave with pay, besides occasional bonuses for efficiency.

PRESENT indications for development of the mines are encouraging, given substantial ore reserves. The average value of ore per ton has dropped, but increased production has offset this. There are expansion programs in progress in most of the operating gold mines today.

New mines still remain to be opened. While two companies have stopped exploration recently, this does not mean that the prospects they explored are hopeless. They only lack funds for further exploration.

There are a few small gold mines with excellent prospects. One is only 23 km. east of Manila and the other two are located in Mindanao. Low-grade deposits of big tonnages have been found. This low-grade ore runs from ₱5 to ₱12 per ton with gold at ₱70 per ounce. The prospects have been partially developed but because of lack of capital they remain dormant.

Desiccated Coconut

By Howard R. Hick

President and General Manager

Peter Paul Philippine Corporation

THIS report covers the period from December 15 to January 15, during which time the desiccated coconut industry has been about 85% idle. The usual or customary shut-down after Christmas for the regular annual repair and maintenance is largely responsible for this condition. However, a dull United States market continues and it appears that it will prevail for at least the first quarter of the new year. It is the writer's belief that the industry will continue at about 50% capacity until early April.

Rumors of production quotas have been heard which would limit the production or shipment of desiccated coconut to the actual marketing possibilities each year. Offhand, such a quota system would seem to be the cure for the present ills of over-expansion and over-production; but it would have to be carefully studied in view of potential competition from other desiccated coconut producers throughout the world.

All in all, it appears that the desiccated coconut industry has reached a point where serious consideration must be given to the future. The early post-war period saw hurried rehabilitation of old businesses and hasty new ventures started; that impetus continued, with over-expansion as the result. Now it seems that more calculated plans should be considered in order to restore the industry to normal.

The Philippine Government has become gravely interested in the industry; formerly a top dollar-producer, it is slipping to a much lower position and it is the Government's intent to restore it, if possible, to former levels. It will be interesting to see what results this interest will bring about.

The shipping statistics for the month of December and for the entire year of 1951 follow:

Shippers	*December* Pounds	*Total for 1951* Pounds
Franklin Baker Company	3,738,700	31,606,070
Blue Bar Coconut Company	1,322,790*	13,676,885
Peter Paul Philippine Corporation	1,456,900	18,717,600
Red V Coconut Products, Ltd.	2,333,200	16,485,700
Sun Ripe Coconut Products, Ltd.	1,055,300	8,534,485
Standard Coconut Corporation	—	1,206,140
Cooperative Coconut Products, Inc.	451,500	2,940,000
Coconut Products (Phil.) Inc.	—	941,800
Tabacalera	—	155,900
Totals	10,358,390 Lbs.	94,264,580 Lbs.

* Zamboanga factory production	191,400 lbs.
Lusacan factory production	1,131,390 "
	1,322,790 lbs.

Copra and Coconut Oil

By H. Dean Hellis

Vice-President, Philippine Refining Company, Inc.

November 16, 1951 to January 15, 1952

BEFORE proceeding into the matter of what has happened in the copra and coconut oil markets since November 15, allow us to apologize to the readers of this column for our failure to write the usual monthly article in time for the last issue of the *Journal*. We believe this was the first time in many years, if ever, that such an omission has occurred, and every effort, therefore, will be made not to allow it to happen again in the future.

For the sake of continuity, this article will endeavor to cover briefly the two months' spread since last reporting, rather than only the usual one month.

IF the period from October 16 to November 15 was a discouraging one, certainly the situation thereafter and until the present has been most depressing in that prices have continued to fall rather sharply all the way down. And to make matters even a good deal worse, it does not appear that the bottom has yet been reached.

At long last, after a period of acute shortages of fats and oils throughout the world in general following the last war, statistics would seem to show that on balance there are now adequate supplies on a per capita basis approximately equal to the pre-war per capita consumption, even when taking into consideration the growth in population everywhere throughout the world since World War II began.

In addition to this, Philippine copra and coconut oil continue to lose ground in the market in the United States due largely to the continued growth of the soapless detergent industry there, an industry which has replaced soap far beyond the expectations of all concerned during the last five or six years. As an indication of just how far this has gone, we give below the annual amounts of coconut oil used by the soap industry in the United States, as reported by the Soap Institute (U. S. A.) as follows:

1947	511,000,000 pounds	
1948	417,000,000 "	
1949	282,000,000 "	
1950	257,000,000 "	
1951	210,000,000 "	(estimated)

As contrasted to this, the annual per capita consumption of soapless detergents in the United States has increased from 1 pound in 1945, 2 pounds in 1946, 3 pounds in 1947, 4 pounds in 1948, 5 pounds in 1949, to as much as 8 pounds in 1950. The corresponding consumption figure for the year 1951 is not yet available, but it is reasonable to assume that it will exceed that for 1950.

Thus we see the law of supply and demand continuing, as it always has done and always will, to regulate prices throughout the world's markets. It is true that there are still some problems and barriers which are no doubt preventing levels from reaching what otherwise might be called normal or stabilized prices based upon present actual supply and demand,—and, of course, we refer to such matters as the world being divided into soft and hard currency areas, which do not allow for as much of a free market as would otherwise be the case, the three-cents per pound excise tax on Philippine coconut oil in the United States, the continued unsettled political situation in various parts of the world, etc. It is hard to say just what current prices might be for both copra and coconut oil were it not for these troublesome conditions, some of which are tending to keep levels somewhat higher, and others lower, than would otherwise be the case.

After an analysis of exports of Philippine copra and coconut oil, particularly those to the United States, one might say that volume-wise the Philippines did not do too badly in 1951. What the average outsider does not realize, however, is the fact that the exports to the United States do not reflect consumer demand. Much of the 1951 exports went into further stock-piling by the United States Government, but a lot more of it is still unsold in the hands of speculative dealers in the United States, as well as elsewhere abroad.

As far as actual prices go during the two months' period under review, the market opened at around $170 c.i.f. on the Pacific Coast, and closed on the easy side with sales at $155 c.i.f. The European market for copra likewise declined from $205 or slightly lower c.i.f. at opening to sales at $190 c.i.f. at close.

Coconut oil declined from 12 cents f.o.b. tank cars on the Pacific Coast to 10-1/2 cents f.o.b., and on the Atlantic Coast the margin of decline was about the same.

Meanwhile, local copra prices here in the Philippines dropped from approximately ₱30 to ₱28 per 100 kilos.

Copra cake and meal prices, however, remained relatively high at around $85 to $87 per short ton c.i.f. Pacific Coast, though there are now some slight indications that the demand is weakening.

Supplies of copra throughout the Philippines have continued very good, and there is every indication that 1952 may well be another heavy crop year, always barring, of course, the unexpected and unforeseen.

Typhoon "Amy", which struck the Visayas severely during the middle of December, did very little overall crop damage. It is true that considerable loss and destruction of trees were experienced in the actual path of the typhoon, but its path was so narrow that it is now thought that the percentage of loss to the total Philippine crop is almost negligible, particularly if we are justified in taking into consideration that there are always a certain number of new trees coming into bearing at all times in other areas. "Amy", however, did do extensive damage to shipping and warehousing facilities, particularly in Cebu, and consequently business was temporarily disrupted until the debris was cleared away and warehouses repaired.

The November and December exports of copra, coconut oil, and copra cake/meal from the Philippines were as follows:

Copra	*November*	*December*
To United States Pacific Coast	22,397 long tons	29,794 long tons
To United States Atlantic Coast	9,582 " "	2,943 " "
To United States Gulf Ports...	2,500 " "	3,987 " "
To Canada-Pacific Coast......	1,750 " "	3,250 " "
To Europe..................	17,770 " "	13,573 " "
To Japan..................	—	197 " "
To West Indies, Central and South America............	2,000 " "	—
	55,999 long tons	53,744 long tons

Coconut Oil		
To United States Atlantic Coast	2,975 long tons	2,057 long tons
To Europe	1,989 " "	4,699 " "
To South Africa	386 " "	—
To India	—	842 " "
	5,350 long tons	7,598 long tons

Copra Cake/Meal		
To United States Pacific Coast	5,188 long tons	4,035 long tons
To United States Atlantic Coast	301 " "	302 " "
To Honolulu	430 " "	—
To Europe	500 " "	—
	6,419 long tons	4,337 long tons

A recapitulation of all copra and coconut oil exports from the Philippines and distribution by countries for the calendar year 1951, in terms of long tons, appears as follows:

	Copra	Coconut Oil
To United States Pacific Coast	280,929	—
To United States Atlantic Coast	53,349	41,706
To United States Gulf Ports	42,170	—
Total United States	376,448	41,706
To Algeria	920	—
To Belgium	62,902	3,486
To Canada	26,300	—
To Columbia	28,629	—
To Denmark	20,100	—
To Formosa	—	1,323
To France	16,724	—
To Germany	5,130	2,396
To India	—	1,741
To Italy	37,230	5,353
To Israel	7,000	—
To Jamaica	2,000	—
To Japan	26,556	—
To Morroco	631	—
To Mozambique	—	288
To Netherlands	94,115	14,381
To Norway	12,000	—
To Peru	1,000	—
To South Africa	3,972	3,956
To Singapore	—	1,263
To Spain	1,329	—
To Sweden	17,000	—
To Switzerland	1,900	—
To Syria	3,400	—
To Venezuela	11,800	448
To Other places in Europe	2,950	776
Total Other	383,588	35,411
Grand Total	760,036	77,117

After converting coconut oil exports in terms of copra at 63% yield, the combined exports of both copra and coconut oil to the United States during 1950 and 1951 were 539,675 and 442,648 long tons respectively; and the corresponding combined exports to all countries in the world were 802,155 and 882,444 long tons respectively.

The percentage of total exports of both copra and coconut oil shipped to the United States to the total exports to all countries was 67.3% in 1950, and only 50.2% in 1951. This, therefore, only confirms further what we have said earlier in this review concerning the decreased demand in the United States for these products.

So, all in all, we are presently faced as we enter 1952 with anticipated good crop conditions in the Philippines on the one hand, while on the other, with a discouraging outlook as to demand from abroad. All of this, of course, could only add up to fairly low prices under normal conditions, but conditions, as we all know, have not been, nor are they now, normal, and therefore we should not like to make any long-range predictions as to market and price probabilities during the coming year. Too many things can and probably will happen to change the picture as it presently appears to us at this particular writing.

Sugar

By S. Jamieson
Secretary-Treasurer
Philippine Sugar Association

THIS review covers the period from January 2 to January 31, 1952.

New York Market. With the new milling season started in Cuba and Porto Rico and the Philippine season already in full swing, the New York market in January came under the seasonal selling pressure from sugar producers there whose storage capacity and financial needs oblige them to ship and sell for arrival during the early months of the year. The sugar demand, although both visible and invisible inventories were conceded to be low, was not sufficient to absorb the pressure, and the general trend of prices for these early arrivals was downward. Operators' interest in Philippine sugar for May, June, July, and August shipment, for which sales were made at a premium over the spot price, perhaps indicates a feeling that, once the pressure is over, the market will respond to the bullish factors of the overall situation and bring sugar prices into closer relationship with the consumers' price-index later in the season.

Trading in Philippine sugar was quite active during the month. On January 2, the first trading day of the year, the market opened firm with spot at 5.95¢ and sales of prompt Cubas and 8,000 tons Philippines for January arrival and January/February shipment at the same price. Next day there were sales of 3,700 tons Cubas, January arrival, at 5.92¢ and 2,000 tons Philippines, January shipment, at P.D.A* Sales on the 4th covered 2,100 tons prompt Cubas at 5.95¢, 6,000 tons Philippines, January/February shipment, at P.D.A., and 5,000 tons, May/June shipment, at 6.10¢. On the 8th, in an easier market, spot fell to 5.90¢, and 5,000 tons Philippines, end January arrival, and 2,000 tons, early February arrival, were sold at 5.92¢ and 5.90¢, respectively. On the 9th, 5,000 tons Philippines, June/July shipment, were sold at 6.15¢. On the 10th, spot fell to 5.85¢ and a cargo of prompt Cubas was sold at the same price. For the next ten days the market was under selling pressure, mainly from Cuban and Porto Rican holders. 4,500 tons Cubas, early February arrival, and 20,000 bags Porto Ricos, early February shipment, were sold on the 11th at 5.82¢ and 5.80¢, respectively, and spot fell to 5.82¢. Operators, however, retained their interest in Philippines for distant shipment, buying 6,000 tons, July/August, at 6.15¢. On the 15th, 14,000 tons Philippines, January/February shipment, were sold at P.D.A. On the 16th spot was 5.78¢ and a cargo of prompt Cubas was sold at 5.77¢. On the 17th spot was 5.75¢ and sales included 40,000 bags Porto Ricos, February arrival, and a cargo of prompt Cubas at 5.75¢ and 5.73¢, respectively. On the 18th spot fell to 5.70¢, and buyers were not interested in offers at that price. A stevedoring strike in Porto Rico gave a steadier tone to the market. On the 21st 6,000 tons Philippines, April/May shipment, and 2,000 tons, May/June shipment, were sold at 6.00¢ and 6.10¢, respectively, but the next day 1,700 tons Philippines in a distressed position were sold at 5.70¢: On the 23rd there were sales of 4,000 tons Philippines, late March arrival, at 5.80¢ and two cargoes of Cubas for prompt arrival at 5.73¢. On the 25th 2,500 tons Phil-

*Price on Day of Arrival—actually, the average of the prices during a 10-day period of which the date of the arrival of the ship carrying the cargo is the middle one.

ippines, February/March shipment, and 9,000 tons, March arrival, were sold at 5.72¢. Spot rose to 5.72¢ on the 28th and to 5.75¢ on the 29th, on which date 2,000 tons Philippines, May/June shipment, were sold at 6.05¢. On the 30th spot was up to 5.77¢ and 3,000 tons Philippines, June/July shipment, and 1,000 tons, May/June shipment, were sold at 6.10¢ and 6.02¢, respectively, and a cargo of prompt Cubas was taken at 5.77¢. On the 31st, with the Porto Rican stevedoring strike still unsettled, the market closed firm. Refiners were buyers for February arrival at 5.80¢ but found no sellers; 4,000 tons Philippines, February/March shipment, were sold at P.D.A.; and spot was 5.80¢. Operators were interested in Philippines for June/July shipment at 6.10¢.

We give below quotations on the New York Sugar Exchange for Contract No. 6 as of January 31, and, for comparison, the peak quotations during the month:

	Closing quotations	*Peak quotations*
March	5.30¢	5.45¢—January 2
May	5.38	5.52 — "
July	5.58	5.65 — "
September	5.69	5.70 — "
November	5.70	—.—

World market Contract No. 4 quotations closed on January 31 as follows:

March	4.43¢
May	4.45
July	4.48
September	4.48
October	4.48

The world market spot price on January 31 was 4.45¢ compared to 4.77¢ on December 28. There were heavy purchases of Cuban sugar in the world market, particularly by the United Kingdom and the Continent. It is estimated that total sales of 1952 Cuban sugar to the world market amounted to about 850,000 tons at the end of January.

Local Market. (a) Domestic Sugar. Large quantities of centrifugal sugar were bought during the month for refining for soft-drink manufacturers' requirements at prices ranging from ₱13.75 to ₱14.25 per picul, ex mill warehouse. Dealers are buyers of centrifugals at from ₱13.75 to ₱14.00 per picul and would probably pay up to ₱14.20 for large parcels. Washed sugar is quoted at ₱16.00 to ₱16.50 for the ordinary grades and ₱17.00 to ₱17.50 for the higher grades.

(b) Export Sugar. The controversial question of sugar exports to countries other than the United States has reached the Court and is also being debated in the House and the Senate which are now in session.

There was moderate trading during the month in prompt sugars for shipment to the United States at prices ranging from ₱13.10 to ₱13.50 per picul, ex-mill warehouse. At the close there were buyers at from ₱13.20 to ₱13.30 per picul for prompt delivery and at ₱13.50 for deliveries during April, May, and June. There was not much prompt sugar offering and sellers were holding off commitments for later delivery in the hope that prices would improve.

General. Sugar Freight Rate. Effective from January 19 to June 30, 1952, the freight rate on raw sugar from the Philippines to United States Atlantic and Gulf ports was reduced from $22 to $20 per long ton, N.W.D. Including the stevedoring differential, the effective rate is $20.42.

The 1951-52 milling is now in full swing. The effects of the December typhoon are still being felt in low juice-purities in the Visayan districts.

The 1951-52 Cuban Crop. It is reported that for quota purposes the Cuban crop has been officially set at 5,900,000 Spanish long tons (6,701,346 short tons), allocated as follows:

	Short Tons
United States Free Quota	2,125,366
United States Reserve Quota	795,075
Cuban Consumption Quota	321,892
World Free Quota	2,044,478
Special Reserve	1,414,535
	6,701,346

United States Sugar Consumption. The *Weekly Statistical Sugar Trade Journal* reports 1951 consumption at 6,360,724 long tons, refined and/or consumption value, compared to 6,783,676 tons in 1950, a decrease of 6.235%. The per capita consumption was 91.45 lbs. compared to 99.64 lbs.

The *Journal* also gives the raw sugar average quotation at New York for 1951 as 6.081¢, including duty, basis 96°, compared to 5.927¢ for 1950.

Manila Hemp

By Fred Guettinger
Vice-President and General Manager
Macleod and Company of Philippines

TOTAL pressings of hand- and machine-stripped abacá for 1951 were 978,766 bales, the highest in the postwar period. Adding to this figure the production of decorticated fiber, a total output of Philippine abacá of 997,593 bales is obtained. Compared with the pressings of the previous year, 1951 shows an increase of 225,833 bales or 30% in hand- and machine-stripped fiber and an increase of 6,506 bales or over 50% in decorticated fiber. Davao pressings were 502,412 bales, or an increase from 1950 of 113,261 bales which represent 50% of the increase in the total pressings. The output in the provinces of Albay, Camarines, and Sorsogon increased 62,235 bales to 229,795 bales; Leyte and Samar show a total production of 154,163 bales against 120,683 bales in 1950, and the pressings in all other districts increased 16,857 bales to 92,396 bales.

The annual baling report prepared by the Fiber Inspection Service shows that in 1951 a total of 18,845 bales of maguey was pressed, up 9,742 bales or 106% from 1950. Other fibers pressed in the Philippines in 1951 amounted to 165 bales of ramie, or 7 bales more than in the previous year, and 3,989 bales of canton against 80 bales in 1950.

December abacá pressings were 64,004 bales, up 5,308 bales from November but down, 8,050 bales from December, 1950. Davao December pressings at 47,058 bales were the highest of any month in the postwar years.

The following are the comparative figures for balings for the years 1947 through 1951:

	Balings—January-December Inclusive				
	1951	*1950*	*1949*	*1948*	*1947*
Davao	502,412	389,151	224,737	206,768	352,822
Albay, Camarines and Sorsogon	229,795	167,560	111,234	156,815	234,718
Leyte and Samar	154,163	120,683	104,198	105,383	104,185
All other non-Davao	92,396	75,539	73,551	108,498	95,040
Total bales	978,766	752,933	513,720	577,464	786,765

Exports in 1951 at 1,051,666 bales exceeded pressings by 72,900 bales. Approximately 53% of the total exports went to the United States and Canada, 16% to the United Kingdom, 15% to Continental Europe, 12% to Japan, and the remaining 4% to various other countries.

The following are the comparative figures for exports for the years 1947 through 1951:

	Exports—January-December Inclusive				
	1951	*1950*	*1949*	*1948*	*1947*
United States and Canada	554,726	403,513	201,139	267,227	531,119
Continental Europe	163,373	121,894	94,830	104,059	113,129
United Kingdom	170,028	84,662	41,650	60,395	66,730
Japan	130,127	103,890	90,230	133,403	9,244
South Africa	15,777	7,200	4,127	3,757	8,480
China	7,529	13,587	15,536	12,857	7,221
India	5,656	8,130	3,325	2,531	7,635
Korea	—	3,100	—	—	—
Australia and New Zealand	4,450	1,826	1,914	42	5,236
All other countries	—	947	80	3,353	2,060
Total bales	1,051,666	748,749	452,831	587,624	750,854

During the period under review—December 16, 1951, to January 15, 1952,—prices in the United States registered further declines of from 1/2 to 1 cent in a quiet market. London was quiet but steady with buyers showing more interest after new dollar allocations were made. The Philippine provincial markets were steady throughout the period.

Tobacco

By Luis A. Pujalte
Secretary-Treasurer
Manila Tobacco Association, Inc.

WITH all the transplanting completed throughout the different tobacco regions in the Philippines, seedlings are growing satisfactorily, and, given occasional showers during March, the growth should be normal.

The acreages planted in Isabela and Cagayan have been greatly reduced this year and a reduction of around 35% is expected in the crop. Other regions are expected to yield about the same as last year.

The approximate figures for last year's crop and for the crop expected this year, by regions, are as follows:

	1951	1952 (expected)
Isabela and Cagayan (*Valle*)	36,000,000 lbs.	22,000,000 lbs.
La Union / Pangasinan (*Igorote*) / Ilocos	12,000,000 " (8% Virginia type)	12,000,000 " (20 to 30% Virginia type)
Visayas and Mindanao (*Visayas*)	8,000,000 lbs.	8,000,000 lbs.
Totals	56,000,000 lbs.	42,000,000 lbs.

Should the expected quantities be harvested, prices are not expected to change as there will be sufficient tobacco for export and local consumption.

Imports

By S. Schmelkes
Mercantile, Inc.

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

Commodities:	*December, 1951*	*December, 1950*
Automotive (Total)	2,926,920	1,123,361
Automobiles	232,801	317,499
Auto Accessories	1,860	694
Auto Parts	363,271	194,008
Bicycles	99	6,051
Trucks	32,243	—
Truck Chassis	519,395	96,117
Truck Parts	103,144	43,816
Building Materials (Total)	3,506,546	3,344,459
Board, Fibre	—	82,278
Cement	389,247	59,739
Glass, Window	191,627	828,690
Gypsum	—	—
Chemicals (Total)	14,081,179	9,010,488
Caustic Soda	885,721	701,958
Explosives (Total)	—	—
Firearms (Total)	9,270	3,246
Ammunition	9,270	1,907
Hardware (Total)	4,461,954	7,334,247
Household (Total)	1,406,755	1,301,246
Machinery (Total)	2,334,086	1,345,826
Metals (Total)	8,487,562	9,073,325

Petroleum Products (Total)	79,879,226	51,908,616
Radios (Total)	13,168	10,802
Rubber Goods (Total)	1,600,525	899,319
Beverages, Misc. Alcoholic	6,045	9,381
Foodstuffs (Total Kilos)	27,506,266	25,287,270
Foodstuffs, Fresh (Total)	150,320	181,247
Apples	28,036	46,763
Oranges	12,608	8,670
Onions	39,132	48,539
Potatoes	22,156	27,392
Foodstuffs, Dry Packaged (Total)	70,724	34,323
Foodstuffs, Canned (Total)	246,887	329,538
Sardines	103,314	50,510
Milk, Evaporated	1,200	156,740
Milk, Condensed	14,149	41,999
Foodstuffs, Bulk (Total)	542,681	350,727
Rice	—	250
Wheat Flour	490,500	288,105
Foodstuffs, Preserved (Total)	1,179	892
Bottling, Misc. (Total)	882,898	899,396
Cleansing and Laundry (Total)	70,647	1,395,650
Entertainment Equipment (Total)	21,996	3,362
Livestock-bulbs-seeds (Total)	13,172	4,517
Medical (Total)	409,562	421,536
Musical (Total)	26,284	21,220
Office Equipment (Total)	25,609	67,469
Office Supplies (Total)	79,335	63,557
Paper (Total)	7,610,556	5,322,485
Photographic (Total)	30,666	36,288
Raw Materials (Total)	801,764	7,311,914
Sporting Goods (Total)	27,063	96,032
Stationery (Total)	288,244	154,815
Tobacco (Total)	792,120	431,776
Chucheria (Total)	79,902	80,444
Clothing and Apparel (Total)	605,895	315,514
Cosmetics (Total)	33,917	90,452
Fabrics (Total)	594,181	725,431
Jewelry (Total)	—	630
Leather (Total)	134,335	189,367
Textiles (Total)	3,729,443	2,313,282
Twine (Total)	46,660	47,158
Toys (Total)	113,490	28,834
General Merchandise (Total)	742,305	349,804
Non-Commercial Shipments (Total)	72,001	62,752
Advertising Materials, Etc. (Total)	38,471	15,046

Food Products

By C. G. Herdman
Director, Trading Division
Marsman & Company, Inc.

MARKET conditions in foodstuffs in the Philippines remain practically unchanged from the previous month.

Flour arrivals continue to be ample in quantity, and there is no prospect of a nearby shortage. Almost as soon as control of flour distribution by PRISCO was discontinued, market prices started to drop. Up until just recently, flour could only be secured by bakers at the government ceiling price. During the past few weeks flour has been selling freely in Manila to bakeries at prices from ₱.30 to ₱.40 per bag below the ceiling; in some instances, even lower.

Evaporated milk stocks in the country are still ample but the serious overstock previously existing has practically disappeared. Since the middle of December wholesale prices on evaporated milk have risen from ₱4 to ₱5 a case, but it is still selling at from ₱1 to ₱1.50 per case less than the landed cost on all except three brands. There is reason to believe that before the end of February evaporated milk prices will be up to the point where importers will be able to realize at least the cost on their stocks and probably a fair profit, and unless further quantities are ordered forward in the near future, there is reason to believe a shortage could develop before the end of March.

The market continues to be heavily overstocked on powdered milk. Stocks of condensed milk are normal or possibly slightly less than normal. There is no sign that any shortage should be anticipated.

On canned fish, the market continues to be heavily loaded on nearly all packs. The California sardine packing season has just ended and the pack was only a fraction of normal. Practically no stocks remain available on the Coast for purchase and the new packing season will not open until August. It is very probable that present stocks in the Philippines will be cleared out about April and that there will be an absolute shortage of canned fish here from then on until the end of August or later.

The market continues overstocked on canned meats of most varieties, but is quite short on fresh frozen meats, hams and bacon, etc. Canned fruits and vegetables are in extremely short supply. This remark applies also to fresh fruits and vegetables.

The Import Control Commission was reorganized during the month of January. As yet, however, there have been no announcements of any substantial change in the established procedure. Established importers were advised they could make applications for import licenses, being permitted to import from 10% to 20%, during the present semester, of their historical record on controlled essentials and from 5% to 10% on controlled non-essentials, with the advice that they might possibly be allotted an additional quota during the second quarter of the year should the I.C.C. have in hand any substantial amount remaining of the dollar exchange allotment given it by the Central Bank. It appears rather doubtful, however, that there will be any such surplus.

Textiles

By W. V. Saussotte
General Manager
Neuss, Hesslein Co., Inc.

IN last month's issue of the *Journal*, we referred to a report that old importers would be allowed 20% of their 1949 imports of critical items under the category of controlled essentials, and, in the instance of other items in the controlled essential category, as well as controlled non-essentials, 10% of 1949 imports. According to an official announcement made by the I.C.C. on January 10, the allocations in respect of textile licenses for old importers for the first 6 months of 1952 are as follows:

(1) In the controlled essentials category, certain textiles will be licensed on the basis of 20% of 1949 imports and others on the basis of 10%. Those falling within the 20% limitation include raw cotton, mercerized cotton yarns, cotton twine, bleached cotton goods for local embroidery for eventual re-export, cotton denims, cotton ducks, cotton threads, colored yarn woven goods, jute sacks, sewing thread, and twine. In the 10% category are woolen yarns, rayon piece goods, and remnants and rayon threads and yarn.

(2) All other cotton piece goods and remnants, as well as domestics which include blankets, towels and tablecloths, and ready-to-wear wearing apparel, remain in the controlled non-essential category and will be licensed on the basis of 5% of 1949 imports.

Although importers were invited to submit applications during the middle of January, no new 1952 licenses for textiles have been issued as of February 1.

No announcements have been made by the I.C.C. in respect of allocations for new importers for 1952. As a matter of fact, the bulk of applications submitted by new importers during the last quarter of 1951 still remain unprocessed by the I.C.C.

With reference to local garment manufacturers who are entitled to licenses as producers, the basic allocation for the first 6 months of 1952 will be 50% of their requirements for one semester.

As regards priorities, the I.C.C. announced on January 10 that licenses will be issued in the following sequence:

(1) Government applications
(2) Producers' applications
(3) Old importers
(4) New importers

LOCAL market prices remained virtually unchanged during January in comparison with December. Prices for rayon piece goods in a few categories, including printed French crepes, actually dropped a few points, but this was offset by slight increases in a few of the cotton piece goods items. Prices in the United States, both as regards raw cotton and grey cloth constructions, remained virtually unchanged.

DURING December, arrivals from the United States totalled 14,025 packages, representing a decrease of about 12,500 packages in comparison with December's arrivals. The arrivals from the United States included 5,516 packages of cotton piece goods, 2,421 packages of rayon piece goods, 2,297 packages of cotton remnants, and 820 packages of rayon remnants. Included also were 594 packages of thread, 901 packages of cotton twine, and 696 packages of yarn.

The December arrivals include the last of the imports against the PRISCO licenses which were issued during the middle of 1951. As over 95% of the imports against these licenses have now arrived and as during the last 6 months of 1951 the I.C.C. issued licenses on the basis of 20% of 1949 imports for rayons and 10% of 1949 imports for cottons, it is expected that February's arrivals will drop below 10,000 packages. January's arrivals of 14,025 packages from the United States represents the smallest arrival since July of last year and is considerably below the annual monthly arrivals of 22,600 packages for 1949. The heavy arrivals during the last 4 months of 1951 are still largely carried in inventory, but due to the certainty that arrivals will be greatly below normal consumption-requirements for the next 6 months, importers are not sacrificing their goods but instead are holding on to them in view of the prospects for improved local prices within the next two or three months.

The following comparison of arrivals for December and January is of interest:

	January, 1952	*December, 1951*
Cotton piece goods	5,516	13,477
Cotton remnants	2,421	4,338
Rayon piece goods	2,297	2,684
Rayon remnants	820	870

The great reduction in cotton goods arrivals and the relatively unchanged status in rayon arrivals is obvious. This is directly attributable to the policy of the I.C.C. in implementing Republic Act 650, whereby the I.C.C. licensed rayons during the last 6 months of 1951 to the extent of 20% of 1949 imports but to the extent of only 10% as regards cottons, despite the fact that the normal consumption habits of the country call for about 1 square yard of rayon for each 4-1/2 square yards of cotton. However, as PRISCO issued almost no licenses for rayon goods but confined its licensing to cotton goods only, and as imports have now been completed against the PRISCO licenses, the future will undoubtedly witness a still greater imbalance in respect of cotton and rayon goods arrivals in relation to the normal requirements of the consuming public.

Arrivals of all textile items, including made-up-goods from countries other than the United States totalled 1,487 packages. Included were 170 packages from China, 326 from Japan, and 187 from Europe. December's arrivals from Europe were 853 packages, and the marked decline is also attributable to the fact that arrivals have now been completed against the old PRISCO licenses.

ARRIVALS for the year of 1951 are included in the following table, together with the corresponding figures for 1949:

	Number of Packages 1949	1950	1951
From all countries	272,142	151,278	200,620
From the United States only	232,036	109,174	169,913

NOTE: Word has been received that Mr. L. W. Wirth, the former editor of this column and former manager here of Neuss, Hesslein Co., Inc. from 1945 to 1950 and assistant manager from 1933 to the outbreak of the war, was elected Vice-President of the Comany in New York early this month.

Legislation, Executive Orders, and Court Decisions

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

THE Philippine Congress is now in session. Many bills have already been introduced. We will mention a few which may be of interest to the business community. These are not yet laws but are pending action in Congress.

House Bill 2183 authorizes the Import Control Commission to spend in its administration ₱2,000,000 instead of the amount authorized in Act 650 which the outgoing ICC said was wholly inadequate.

House Bill 2196 provides for the repeal of the President's emergency powers granted by Commonwealth Act 600 as amended by Commonwealth Act 620, Commonwealth Act 670, and Commonwealth Act 671.

House Bill 2200 seeks to create the office of Labor Commissioner in Honolulu and San Francisco.

House Bill 2203 seeks to empower municipal and city boards to issue script of one, five, ten, twenty, and fifty centavos up to amount appropriated for redemption thereof, which shall be not later than two years from date of issue.

House Bill 2207 proposes creation of Mindanao Development Authority with powers and objectives similar to the TVA in the United States, and to float a ₱100,000,000 bond issue for its operation.

House Bill 2213 proposes to penalize qualified voters who fail to register or having registered fail without justifiable cause to vote at any election. There is such a law in Australia and there has been discussion in the United States on this subject.

House Bill 2215 seeks to exempt piece work or contract work from the provisions of the Minimum Wage Law.

House Bill 2230 seeks to nationalize the retail drug business and provides that no new licenses to engage in retail drug business shall be issued to aliens or to firms more than 40% of the capital of which is controlled by aliens, and no existing licenses issued to such aliens or firms shall be renewable after three years from the approval of the Act. It contains a clause that nothing in the Act shall be construed to alter, modify, or in any manner affect the provisions of the Trade Agreement between the United States and the Republic of the Philippines signed July 4, 1946.

House Bill 2233 proposes to amend the Public Service Law so as to legalize the delegation by the Commission to attorneys or division chiefs to hear and investigate cases filed with the Commission and submit the evidence so received to the Commission for decision.

House Bill 2242 seeks to liberalize the Corporation Law by removing the restrictions now in effect preventing a mining corporation from being interested in any other mining corporation and to remove the 15% limit on individuals and corporations holding stock in other corporations engaged in mining.

Senate Bill 307 introduced by Senator Tañada seeks to revise the law regarding organization and registration of labor unions. It eliminates the power of the Secretary of Labor to cancel such registration and confers this power on the Court of First Instance with appeal to the Court of Appeals and Supreme Court as in ordinary civil actions. One feature is the prohibiting of encouraging or discouraging membership in any labor organization but provides that nothing in the Act shall preclude an employer from making an agreement with a legal labor organization to require as a condition of employment, membership in such labor union. It provides that certain acts shall be considered felonies and punished for the first offense by fine of not more than ₱10,000 and imprisonment of not more than one year or both in the discretion of the Court, and for the second and succeeding offenses, a fine of not less than ₱10,000, nor more than ₱20,000 *and* imprisonment of not less than 1 year but not exceeding 2 years. The felonies listed are briefly as follows:

(a) prevent or hamper a worker from taking advantage of this Act;

(b) dismiss or threaten to dismiss for joining or attempts to join a union conforming to the Act;

(c) dominate or interfere in formation or administration of a labor organization or contribute financial support to it;

(d) discriminate, or make conditions to encourage or discourage labor organization membership, but agreement making membership a condition of employment is permitted;

(e) discourage or discriminate against worker for charges or testimony under the Act;

(f) refuse to bargain collectively with a labor organization which has conformed to Act and represents its members.

House Bill 395* provides for nationalization of labor. It makes unlawful the operation of any "business, occupation, trade, or profession of any kind whatsoever unless at least sixty per centum of the permanent personnel, including officers, employees and/or laborers working for such person, association, or corporation are Filipino citizens."

It requires the submission annually to the Department of Labor, or oftener if required by the Department, of a roster of all employees and laborers showing the names, citizenship, status, nature of the work, salaries or wages, and working hours.

A person or firm seeking to employ an alien must obtain a certificate from the Secretary of Justice that his admission is in accordance with the immigration laws, and a certificate from the Secretary of Labor that his employment will not result in excess of the limit fixed, and this certificate shall only be issued after thorough investigation by the Secretary of Labor as to the need and advisability of the alien's employment. This certificate will cost ₱50. There is an exemption where there are not more than 20 employees or laborers and in case of religious, charitable, educational, artistic, scientific, entertainment, or governmental purposes.

The penalty is imprisonment for not less than 1 nor more than 5 years or a fine of not less than ₱1,000 nor more than ₱10,000, or both. In addition the license of the employer to engage in the business, occupation, trade, or profession shall be withdrawn.

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*NOTE: Since the foregoing was written the House has approved House Bill 395 with the following amendments:

The percentage of Filipino citizens required to be employed has been increased from 60% to 75%.

The report to the Department of Labor has been changed from "annually" to "every six months"; the reference to nature of work, salaries, and working hours has been omitted but "other matters which the Secretary of Labor may deem necessary" has been added.

The clause *re* thorough investigation by the Secretary of Labor as to the need or advisability of the alien's employment before issuance of his certificate has been omitted but the certificate that the employment "will not result in excess of the limit fixed" is retained. The cost of the certificate has been reduced from ₱50 to ₱20. The exemption where there are not more than 20 employees or laborers has been reduced to 4.

There is a new section providing that where more than the required number of aliens are employed at the time of the approval of the Act, the number of Filipino citizens must be increased to 60% within 60 days after approval, to 70% within 120 days, and to 75% within 150 days.

COST OF LIVING PRICE INDEX OF WAGE EARNER'S FAMILY[1] 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	214.6	308.1	255.9	.2862
April	354.6	374.1	453.9	209.4	289.7	254.8	.2820
May	349.8	360.2	453.9	214.2	289.7	271.6	.2859
June	354.3	370.4	453.9	205.2	283.2	262.9	.2823
July	356.4	374.2	453.9	201.3	281.6	262.4	.2806
August	363.6	385.7	453.9	199.8	281.6	261.7	.2751
September	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							
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	203.9	287.5	257.2	.2865
July	351.7	374.0	453.9	194.2	265.8	240.5	.2844
August	337.5	351.2	453.9	196.3	266.6	241.2	.2963
September	333.6	345.1	453.9	190.3	264.8	243.1	.2998
October	332.9	343.3	453.9	199.9	264.8	245.0	.3004
November	339.6	356.1	453.9	191.1	258 4	239.8	.2945
December	329.6	335.9	453.9	202.9	259.5	256.2	.3035
1950							
January	332.3	336.8	453.9	238.0	253.1	269.3	.3010
February	336.9	340.2	453.9	233.3	257.8	284.1	.2969
March	339.0	341.4	453.9	236.7	257.8	292.6	.2950
April	331.8	328.6	453.9	237.7	252.9	301.2	.3015
May	320.2	308.6	453.9	244.7	249.7	309.1	.3123
June	323.1	310.9	453.9	243.5	249.7	319.1	.3095
July	332.0	322.4	453.9	252.6	249.7	328.7	.3012
August	334.4	325.9	453.9	258.7	251.1	328.4	.2990
September	341.3	335.0	453.9	317.4	252.5	327.5	.2930
October	352.8	351.1	453.9	337.3	249.7	334.5	.2835
November	354.1	353.2	453.9	322.8	249.7	335.9	.2825
December	352.2	350.5	453.9	325.2	249.7	334.8	.2839
1951							
January	355.2	355.0	453.9	331.5	249.7	334.6	.2816
February	358.4	359.8	453.9	342.8	249.7	334.4	.2790
March	352.4	349.3	453.9	379.4	248.8	334.3	.2838
April	361.2	362.6	453.9	398.6	247.5	334.7	.2769
May	365.0	367.0	453.9	410.4	247.5	339.5	.2740
June	367.8	372.0	453.9	399.5	247.5	337.7	.2719
July	366.3	370.1	453.9	382.0	247.5	339.0	.2730
August	365.1	371.4	453.9	354.0	247.5	329.1	.2739
September	363.0	369.0	453.9	356.4	247.5	325.4	.2755
October	358.1	361.1	453.9	350.4	247.5	326.7	.2793
November	351.1	351.1	453.9	343.8	247.5	323.3	.2848
December	349.0	348.9	453.9	335.2	247.5	319.4	.2865
1952							
January	355.1	357.8	453.9	323.0	247.5	324.6	.2816

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

Philippine Safety Council

By Frank S. Tenny
Founder and Executive Director

CONSIDERABLE progress was made in the "national safety movement" last month. Plans were finalized for the formation of the P.S.C.'s first provincial chapter in Pangasinan. Headquarters will be in Dagupan City under acting Coordinator Felipe N. Cuison, the city police chief. This will bring the movement closer to several present and potential Council members in that area. Future plans envision the establishment of chapters in Iloilo and Davao. An inquiry along these lines has been received from civic organizations in Caloocan, Rizal.

A plan calculated to awaken an interest in safety among jeepney and bus drivers has begun in conjunction with Caltex, Philippines. 150,000 leaflets depicting both safe and unsafe driving practices are being distributed in a 6-week campaign. Response the first week was already very satisfactory. Another project soon to be started is a "Dim-Your-Lights" campaign. In cooperation with the Manila Trading and Supply Co., drivers will be invited to have their light-lowering switches repaired at no charge.

New Council members are the Manila Taxicabs and Garages Association, representing 9 companies operating over 1,100 units. The Associated Insurance and Surety Co., Inc. also joined last month. A meeting of all P.S.C. insurance company members was held during January to discuss ways of bringing the safety and insurance groups even more closely together. At this time, 14 insurance companies belong to the Council.

Other recent activities include a driver-training program at the Philippine Air Force, oath-taking ceremonies at various firms in connection with the popular Rotary Club traffic booklet and Drivers' Pledge, and progress on the plan to equip a "rescue-squad truck" for presentation to the City of Manila. Considerable work in fire-prevention and security matters is also going on.

American Association of the Philippines

EWALD E. SELPH, President of the American Association of the Philippines during its first and second years, was reelected to the Presidency by the Board of Directors at the first board meeting of 1952 held last month. Joseph A. Thomas, 1951 President, was unanimously chosen as Vice President in view of his record of performance during his term.

Frank S. Tenny, for three terms the A.A.P. Vice-President, was elected as the Recording Secretary, while Harry C. Stevenson, former Secretary, is the Treasurer.

Shortly after the elections, appointments to the chairmanships of standing committee were made, with the following results:

Social Welfare -- Mrs. Esther K. Gibbs.
Patriotic Events and Veterans—Frank S. Tenny
Historical—Joseph A. Thomas
Medical Advisory—Mrs. Margaret Stevenson
Fil-American Matters—Paul R. Verzosa
Procedure—Ewald E. Selph
Finance—M. D. Arnold
Social Events and Ladies—Miss Helen Boyle
Membership—Frank C. Bennett
Public Relations—Frank S. Tenny
Community Center—Roy G. Davis

Two sub-committees were created to handle special assignments, the

Employment under Theo. L. Hall, and the American Community Newsletter group, as part of the Public Relations Committee. The Corporate Secretary is Miss Natividad Y. Ortiz.

ALL 1951 members and new applicants are advised that 1952 dues are now payable and should be remitted to P. O. Box 1495, in Manila. The family-type membership is but ₱10 per year, and covers both the husband and wife. Individual memberships are ₱5.

Although previous membership figures of the Association have been satisfactorily high, it is hoped that this year an even wider coverage of the Community may be achieved, including military, business, and government personnel. All American citizens are eligible to join.

The Government

(*Continued from page 54*)

Jan. 23 — The President, aboard the *Apo*, directs Chief of Staff, Maj.-Gen. Calixto Duque, to start the immediate organization of additional combat teams totaling 6,000 men to intensify the campaign against the Huks, the expenditure of $5,000,000 of the $10,000,000 United States aid to Philippine defense, having been approved for this purpose. The President also instructs General Duque to take measures against the banditry which he discovered was rampant in Leyte.

Jan. 24. — Stopping at Masbate, the President having learned that dynamite fishing is badly depleting the fishing resources in eastern Visayas, instructs provincial officials there to send all persons caught fishing with dynamite to jail.

Counterpart project No. 13 is reported to have been signed providing for the importation of some 450 purebred boars from Australia for breeding purposes

Jan. 25—The President returns to Manila.

Jan. 27 — The President entertains Liberal Party senators and representatives at luncheon and takes up a number of proposed Administration bills with them.

Jan. 28 — The third session of the second Congress opens, and the President, in his State of the Nation address, appeals anew for national unity. Acting Senate President Quintin Paredes presided over the Senate and Speaker Protempore Domingo Veloso over the House.

The Philippine and Japanese reparation delegations hold their first meeting, the Philippine delegation presenting the demands that the Japanese Government recognize the claims of the Philippine Government in the amount of ₱16,159,247,959, "which is based on damages officially recorded by the Philippine Government", that the Japanese Government settle the claims of the Philippine Government within a period of from 10 to not more than 15 years, and that the Japanese Government make partial or interim reparations immediately available to the Philippine Government even before the conclusion of a reparation agreement and the ratification of the Peace Treaty by the Philippine Government. The Japanese Delegation asked for time to consider the demands.

Jan. 29 — The President receives Minister Juichi Tsushima, head of the Japanese reparations delegation, who calls to pay his respects. Earlier in the day the President received Gen. Shigenori Kuroda, former Commander-in-Chief of the Japanese forces in the Philippines, who was recently granted executive clemency after serving 4 years of a life sentence for war-time crimes; General Kuroda leaves on the S.S. *President Wilson*.

The Cabinet approves the sending of a Manila Gas Corporation engineer to the United States for training at the expense of the Corporation; the Government purchased the controlling stock shortly after Liberation through the National Development Company.

PHILCUSA announces that plans for an intensified program of ECA aid to the Philippine cattle industry is under consideration.

Jan. 30 — Announced that the President has named the following Presidential Committee on Reparations to advise him in the formulation of policies: Secretary Elizalde, Chairman, and Secretary of Finance Aurelio Montinola, Senators Eulogio Rodriguez, Vicente Madrigal, Emiliano Tria Tirona, and Manuel Briones, Secretary Cornelio Balmaceda, Secretary Pablo Lorenzo, Representative Diosdado Macapagal, Governor Miguel Cuaderno, Messrs. Ramon Fernandez, Ramon Roces, Vicente Sinco, Antonio de las Alas, Jose P. Marcelo, and Judge Guillermo Guevara.

The President gives a luncheon in honor of former Secretary of Foreign Affairs Carlos

The "LET YOUR HAIR DOWN" Column

SHORTLY after this issue of the *Journal* will reach its readers, the American Chamber of Commerce and the *Journal* offices will be moved from the El Hogar Building in down-town Manila to No. 424 San Luis Street, right off the Luneta. The Chamber will occupy the entire lower floor of the new three-story Zulueta Building there. The premises will be lighter and cooler than the present quarters and will be easier to reach, the streets being wide and there being plenty of parking space for cars. The traffic congestion and the difficulty of parking in the down-town area provided probably the principal reasons why the 1951 Board of Directors decided upon the move as one of its last official actions. The coffee shop will be continued in the new place and there will also be a convenient library and reading room for members, furnished with comfortable chairs, fans, etc. We will have two telephone trunk-lines instead of only one, as in the past. Whether a formal opening will be held, we do not know, but members are cordially invited to come and look the place over. The Executive Vice-President, Mrs. Gonder, emphasizes that the wives of members will also always be welcome; there will be a convenient primping room, we think. The editor will have a small private office of his own, the first quiet place, he says, he will be occupying since the start of the war as a place to work.

———

P. Romulo, who leaves today as Ambassador to the United States.

The President issues Proclamation No. 304 fixing the values of certain foreign currencies for purposes of assessment and collection of customs duties.

The Government concurs in the appointment by the Government of India of Mirza Rashid Ali Baig as Minister to the Philippines. Minister Baig was until recently Deputy Secretary of the Indian Government and succeeds P. R. S. Mani who has been acting as Charge d'Affaires of the Indian Legation in Manila. The Philippines will shortly announce the appointment of a new permanent chief of its diplomatic mission in New Delhi.

Jan. 31—The President vests the Philippine panel headed by Foreign Secretary Elizalde with full powers to negotiate and conclude an agreement with the representatives of the Japanese Government for the settlement of the Philippine reparation claims. The Philippine negotiating body is composed of Secretary Elizalde as Chairman, and of Under Secretary Neri, Central Bank Governor Miguel Cuaderno, Minister Jose P. Melencio, Chief of the Philippine Mission in Tokyo, and Prof. Vicente G. Sinco, minority party representative in the group.

The President inducts Dean Conrado Benitez and Daniel Gomez as members of the Labor-Management Advisory Board, to take the places of Gonzalo Puyat and Daniel Aguinaldo who resigned recently. The other three management representatives on the Board are Angel Elizalde, Rafael Roces, and Jose P. Marcelo; labor is represented by Eulogio Lerum, Aurelio Intertas, Hugo Retaga, Desiderio Dalisay, and Eduardo Jana. Labor Secretary Jose Figueras is Chairman of the Board. The President urges a more strict enforcement of the 8-hour labor law and a study of ways and means to strengthen the nation's labor laws.

Announced at Malacañan that the National Planning Commission has approved the proposed construction of a bus terminal for the city at the old Bilibid Prison compound on Azcarraga Street.

The editor received the following letter from Mr. Fred Guettinger, editor of the *Journal* Hemp Column, as a covering letter for his "copy" in this month's issue:

"Enclosed please find my 'Manila Hemp' report for the period December 16, 1951, to January 15, 1952.

"I have long felt that other hemp exporters who are members of the Chamber should have a go at the Hemp Column, and when I recently made the suggestion to J. Deane Conrad and Merle Robie, both expressed their willingness to undertake the task.

"Accordingly, Merle Robie will write the column for the 1952 issues of the *Journal*, beginning with the March issue, and Deane Conrad will do it during the following year.

"If both these eminent fiber men will write the column as long as I did, it will be in 1956 before it will be my turn again.

"I sincerely trust that the new arrangement will be satisfactory to you. Sincerely, etc."

Again this letter is an excellent illustration of the sense of responsibility of the *Journal's* column editors and of the great personal interest they take in the work. Of course, Messrs. Robie and Conrad will be most acceptable as contributors to "The Business View" pages of the *Journal*. Mr. Conrad is President and General Manager of Conrad & Co., Inc., and Mr. Robie is General Manager of the Columbian Rope Company of Philippines, Inc. Any successor to Mr. Guettinger as a *Journal* column editor, however, will be put to it to perform the work as ably and accurately and regularly as he did it. His column in this issue of the *Journal* is particularly interesting as it contains the annual figures not only for Manila hemp, but for maguey, ramie, and canton. Mr. Guettinger, who succeeded Mr. H. Robertson as editor of the column, has handled it since January, 1950, and the *Journal* and its readers are greatly beholden to him.

We saw a copy of an interesting letter recently addressed to Mr. Alfredo Montelibano, Chairman of the Import Control Commission, concerning Executive Order No. 471, issued upon the recommendation of the Commission, which totally bans the importation of certain foodstuffs,—smoked ham, canned ham, bacon, canned bacon, canned pork, sausage items, poultry, and eggs. The letter was signed by representatives of Armour and Company, Macondray & Co., Inc., Connell Bros. Company, Acme Commercial Company, and P. Austria & Company.

The letter states that the writers had not previously "voiced concern" over this order as they wished to give the subject thorough study and submit an accurate report.

The first point made is that the writers believe that there is ample room, and a necessity, in the Philippine market, for both imported and domestic production of the items named.

Secondly, they are of the opinion that the present freight rates, the import license fees of 2%, the exchange tax of 17%, and customs duties where they apply should serve as more than ample protection for domestic producers and that further restriction by banning "unduly penalizes local consumers with shortages and higher costs of living and only provides opportunity for a few local producers to reap excess profits".

These are basic points, and the third point is also:

"Contrary to recent newspaper reports, local processors, to the best of our knowledge, are not equipped to supply in any commercial quantities, the items of canned ham and canned bacon. Nor do they have any methods of processing that will preserve smoked ham or bacon for any appreciable length of time; consequently, many sections of the Philippines can not obtain these items unless they are conveniently close to the source of manufacture or have refrigeration facilities."

The fourth point brings out the fact that even if the methods of processing referred to could be followed here, there would not be enough of the fresh products which could be so treated.

"Philippine post-war raising of cattle, hogs, poultry, and other meat-producing animals, eggs, etc., is not sufficient to take care of the minimum needs for the health of the people. Nor can an increase develop overnight. In the schedule attached, we give you a report of past production and future estimates obtained from the files of the National Economic Council . . . From 1951 to 1954 inclusive, these products register an annual average increase of about 6-2/3%. . . The Bell Report brings out quite clearly that marked improvement in animal and poultry raising depends upon the Philippines' ability to produce more and cheaper animal feeds. This clearly indicates that considerable time must elapse before adequate and reasonably-priced meat and poultry supplies from local sources can be available to the people."

The writers, computed, fifthly, that annual minimum meat requirements for the Philippines as around 1,638,000,000 pounds or 744,500,000 kilos, and compare this with the 1951 Philippine production which amounted to only 233,283,000 kilos, or less than one-third of the required quantity. The stated minimum is based on the population figure of 20,000,000, of whom 90% are over the infant class, and a stated minimum daily amount of animal protein to be obtained from 4 ounces of meat or meat products, including poultry and eggs. The writers point out that the only other source of protein is fish, but state that official figures show that our fisheries produce around 240,000,000 kilos, which still leaves the Philippines short by a full third of the amount needed to maintain reasonable standards of public health.

The sixth point is made that the need of more meat in the diet is partially recognized by the decontrol of canned corned-beef and Vienna sausage, but it is asked, "Why should the people's diet be restricted to these two meat items?"

The letter goes on to state that frozen beef and veal have been placed in the "Controlled Essential" category of imports, but points out that there is a world-wide scarcity of these meats, with consequent difficulty of procurement and high costs, and concludes that it is necessary, therefore, to rely upon the importation of pork, poultry, and eggs as supplementary sources.

The seventh and eighth points deal with malnutrition as still prevalent, and with the vitamins and minerals in meats, and it is then stated:

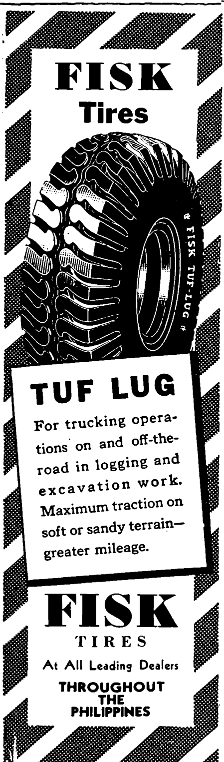
"If we refer again to the attached schedule, we find that the present ability of local production to provide normal requirements to maintain health is far from adequate, if not outright ridiculous. Using 1951 figures we can compute that on an average the following quantities are available as expressed in simple figures—

"For each person—1 egg every 2 weeks . . . and 1 chicken every 4 months. . . . And each group of 16,000 people have the unique privilege of dividing up 1 turkey per year . . . Yet the above items are totally banned."

The letter concludes:

"We do not consider it sound economic principle to foster by legislation, major processing of products unless the supply of raw materials is plentiful and reasonable in cost. To add processing costs to products which are in ready demand in their raw state, does not increase the supply and only adds that much more to the average person's cost of living. As soon as meats are available in satisfactory quantities at reasonable prices, we feel sure processing plants will develop automatically. Encouragement of the raising of feed for animals and of an increase in the number of animals and fowls grown should be the Government's primary concern at this time."

So now we know why, in Manila, a humble order of ham and eggs sandwich, even in the cheaper restaurants costs ₱1.20 and an order of ham and eggs or bacon and eggs in the better restaurants from ₱2.00 to ₱5.50!



THE editor received a letter, written in San Francisco and dated January 11, from the Chamber's former Executive Vice-President; she signed it "Marie Willimont 'Ex' ",—only meant as a joke, we are sure. Certainly, she is the same old Marie Willimont!

"So far a wonderful trip! (No ink, hence pencil.) Smooth, except from Wake to Honolulu, when we were certainly tossed all over the sky. Got up to 20,000 feet once to get over the bumpy clouds. I've never had such super-service. Leaving Manila I was wafted through the air port with no customs inspection or even any look-see by the Bureau of Internal Revenue for my money. The food on the plane was excellent and, leaving Honolulu at 6:30 p. m., for our dinner we had as much champagne as we could stand. Called on Riley Allen in Honolulu (he wishes to be remembered to you), with the resulting news, clipping inclosed, which he personally wrote. Of course, most of the detailed comments are his,— very few were mine. I also had a nice interview with Governor Long at the Palace; he's the same as ever.

"I am also enclosing a few other clippings which I thought might be of interest to you. How is the appointment of Admiral Spruance taken in business circles?

"It is terrible weather here, cold and a damp rain ever since we got in yesterday morning at 6:15. [We ask here whether a rain is not always at least slightly damp?]

"Got my two chests through Customs with no trouble whatsoever,—they arrived on the *Wilson;* no inspection or opening again.

"I telephoned the children in Denver last night and they are fine. Pat has taken a house for all five of us which we shall move into Monday morning,—all furnished, four bedrooms; $80 a month. Isn't that a break? We leave San Francisco tomorrow morning and get home Sunday night.

"I have thought of you all a lot and do certainly miss you. Hope everything is running smoothly at the office. Do let me know the results of the Chamber election on the 25th. I talked to Nate Most over the telephone.

"Sorry this is so short, but time is speeding and I want to get a note off the Stan. Stay well! My best to all the office force.

"Sincerely, etc."

Mrs. Willimont gave her address as 1428 South University Street, Denver, Colorado.

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"TALKING about bottles," said the editor, "I have a three-year old grandson who still likes his bottle,—milk-bottle, of course, and when, by accident, he broke the last one in the house, this was mentioned at the supper table a day or so later and his mother said that she had had to give him a Coco-Cola bottle. His auntie said, "No, it is a Pepsi-Cola bottle". The three-year-old himself spoke up then and said laconically, "Tru-ade". "I was interested enough", said the editor, "to go to the kitchen to check, and, sure enough, the little boy had out-observed both mother and aunt. What discrimination for one so young!"

Listen to the Bing Crosby CHESTERFIELD Show on Thursday and to the Arthur Godfrey CHESTERFIELD Program Saturday through Wednesday, both from 8:30 to 9:00 P. M. over Station DZPI