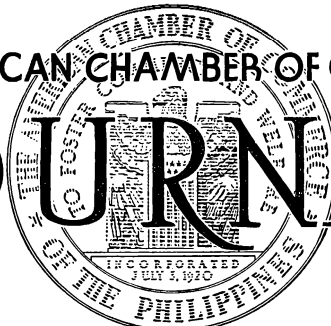


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Published monthly in Manila by the American Chamber of Commerce of the Philippines
Fourth Floor, El Hogar Filipino Building — Telephone No. 2-95-70

A. V. H. Hartendorp

Editor and Manager

Entered as second class matter at the Manila Post Office on May 25, 1921, and on December 10, 1945
Subscription rate: ₱5.00 the year; \$5.00 in the United States and foreign countries

Officers and Members of the Board of Directors of the American Chamber of Commerce of the Philippines

*Paul H. Wood, President; R. J. Newton, Vice-President; C. R. Leaber, Treasurer;
J. H. Carpenter, Roy G. Davis, T. M. Knight, N. Most, J. A. Parrish, and E. E. Selph.
Marie M. Willimont, Executive Vice-President; I. T. Salmo, Secretary*

Vol. XXVI

August, 1950

No. 8

Contents

Editorials—

Secretary Romulo's Economic Policy Speech.....	287
Romulo's Tribute to American Business Pioneers.....	287
Some Elemental Truths from Governor Cuaderno.....	287
Immigration and Registration Fees 10 Times as Much as in the United States.....	287
Moving Away from Democracy.....	288
The World Issue.....	288
New Board of the Philippine Chamber of Commerce.....	290
Letter from the Hon. Ild. Coscolluela and Reply.....	288
Membership of the U. S. Economic Survey Mission for the Philippines.....	290
The Philippine Economic Policy.....	292
Economic Policy in Palestine.....	294
When the Santo Tomas Camp Learned of the Death of President Quezon.....	295
The "New Importer" Reservations on Non-quota Importations.....	296
The Business View—	
Office of the President of the Philippines.....	297
Banking and Finance.....	298
Manila Stock Exchange.....	298
Credit.....	299
Electric Power Production.....	299
Real Estate.....	299
Ocean Shipping and Exports.....	300
Lumber.....	300
Mines.....	301
Copra and Coconut Oil.....	303
Desiccated Coconut.....	305
Sugar.....	305
Manila Hemp.....	307
Tobacco.....	308
Imports.....	308
Automobiles and Trucks.....	309
Food Products.....	310
Textiles.....	312
Legislation, Executive Orders, and Court Decisions.....	313
Philippine Safety Council.....	315
Cost of Living Index, 1946-1950 (Table).....	316
The "Let Your Hair Down" Column.....	317
SECRETARY CARLOS P. ROMULO.....	292
From <i>Fortune</i>	294
A. V. H. HARTENDORP.....	295
Chamber Press Release.....	296
Official Source.....	297
R. E. RUSSELL.....	298
R. EWING.....	298
C. W. MULLENBURG.....	299
J. F. COTTON.....	299
A. VARIAS.....	299
F. M. GISPERT.....	300
L. J. REYES.....	300
C. A. MITKE.....	301
H. D. HELLIS.....	303
H. R. HICK.....	305
G. G. GORDON.....	305
F. GUETTINGER.....	307
L. A. PUJALTE.....	308
S. SCHMELKES.....	308
K. E. GAY.....	309
C. G. HERDMAN.....	310
L. W. WIRTH.....	312
E. E. SELPH.....	313
F. S. TENNY.....	315
Bureau of the Census and Statistics.....	316

KEEP 'EM

ROLLING!



As fewer new cars become available, many motorists will be using the same car for a longer period than in the past. It means you've got to give your car the best protection available.

Call on your friendly Mobilgas dealer and tell him to give your car the finest kind of all 'round protection service - **MOBILUBRICATION!** Full protection of every chassis point with special Mobilgreases - the right amount, correctly applied in accordance with your make and model of car - that's **Mobilubrication!**

PROTECT CHASSIS with MOBILGREASE!

PROTECT GEARS with MOBILUBE!

PROTECT ENGINE with TRIPLE ACTION MOBIL OIL!

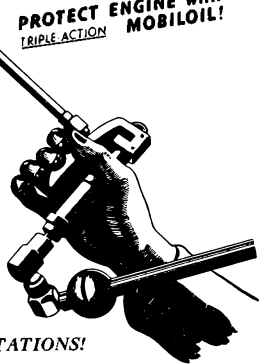
GET Mobilubrication

NOW!

AT MOBILGAS SERVICE STATIONS!

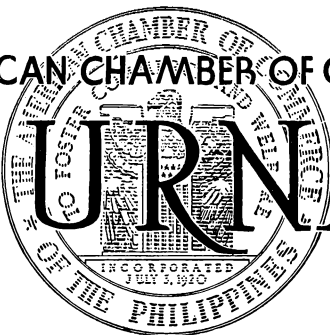
STANDARD-VACUUM OIL COMPANY

PHILIPPINES



THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

“... to promote the general welfare”

We publish elsewhere in this issue of the *Journal* the speech delivered by Secretary of Foreign Affairs Carlos P. Romulo on the occasion of the dinner given in his honor by the American Chamber of Commerce at the Manila Hotel on the evening of July 8.

It is understood that the address, being considered a “policy” speech, was carefully gone over by the Cabinet before its delivery. Secretary Romulo, therefore, spoke as a member of the Government and in his official capacity in exposition, explanation, and/or defense of the present government policies in the economic field, with especial reference to American business interests.

Americans owe Foreign Secretary Romulo thanks for his address, delivered on the occasion of his presentation of the Young Men's Christian Association's highest award to Dr. E. Stanton Turner last month, in the course of which he paid tribute to a long list of Americans, mentioned by name, who pioneered in the fields of government, education, health, science, scholarship, and industry and commerce, “bearers to the Philippines of ‘the goodwill, the protection, and the richest blessings of a liberating rather than a conquering nation.’”

In speaking of the business group, Mr. Romulo said: “Let us conclude our roll with the individual Americans who engaged in private ventures and laid the corner-stone for the material progress of our people. These men,—business and industrial entrepreneurs, pioneered in the mobilization of our natural resources. Through their efforts and by their example they made our people economy-minded. It is because of their past efforts that the acquisition of technical know-how became an ambition among Filipinos. The depth of their impress on our national life may be measured by the elevated standards of living of our people, the rise in our productivity, the broadening of the bases of our national economy, and the increase in our economic potential...”

To all the men who took part in “the great work achieved by America in our country”, said Mr. Romulo, “we owe a debt of gratitude which is America's greatest asset in the Philippines”.

Central Bank Governor Miguel Cuaderno made a number of statements in a speech delivered before the Caloocan Lions Club during the month with which all businessmen fully agree. These statements were not new, not original, but they were

Some Elementar Truths from Governor Cuaderno

well phrased, and it is the source which gives them their importance and significance.

As reported by Mr. Bernardino Ronquillo, of the *Manila Daily Bulletin*, Governor Cuaderno— “warned that there could be no monetary stability in this country without a sound government fiscal policy”, and he pointed out that—

“In an inflationary period such as the present, it should be the responsibility of the Government to keep its expenditures within reasonable bounds in order to permit monetary stability.”

He admitted, however, that the costs of various government functions, such as defense and education, are mounting, “leaving the Government no choice in the matter”, and that “the Philippines should be prepared to meet these mounting costs”.

“The ultimate solution to the Philippines' currency problems, he pointed out, would be to expand the nation's productive capacity. ‘We have the means and the resources’, he said. ‘The remedy is in our hands. It is just a matter of doing instead of talking.’”

These remarks do not cover the whole situation, but they are very true in so far as they go, and it is encouraging to hear them from such a high authority as the head of the Central Bank. They are elemental,—not elementary, truths.

Concerning the recent compulsory re-registration of aliens and the exorbitant fees imposed, the Chamber wrote to the Philippine American Chamber of Commerce, Inc., in New York, asking what the immigration and registration fees are in the United States.

A reply from Colonel John F. Daye, Secretary of the New York Chamber, read in part:

“With regard to your query concerning immigration fees exacted by the United States Government from Filipinos, we telephoned to the Immigration and Naturalization Service of the U. S. Department

of Justice and were informed that the only fee exacted is an \$8.00 head-tax charge made upon entering the country. There is no registration fee for any alien."

On a rough calculation it appears that aliens in the Philippines pay *at least ten times as much* in immigration and registration fees as Filipinos and other aliens pay in the United States!

What constitutes a danger in every democracy, is the swing of the political pendulum over periods of time from the "left" to the "right" and back again,—from socialistic to fascistic trends, this phenomenon being greatly confused, furthermore, in these times, by the fact that communism, supposedly "leftist", is in reality as reactionary as the fascism of the "right".

We should take democracy as the norm toward which all the world would be slowly advancing if there were no forces set upon thwarting this natural development. In a democracy, the people, through their representatives, freely chosen, govern themselves. The supreme power, formally and actually, is vested in the people; there is freedom of the individual and freedom of individual enterprise; and every citizen accepts the individual risks of that freedom along with its great benefits.

To the left is socialism which stresses social over individual values, and under which, though the people are still supposedly sovereign, the government acquires such broad powers, both economically and politically, that freedom must in the end perish.

To the right is fascism under which power is also strongly centralized but in a self-established and self-perpetuating government which openly scorns and deliberately stamps out all individual rights.

Communism differs little from fascism, except that it masquerades as socialism, and while fascism stresses a hyper-nationalism, communism pays lip-service to a false internationalism to cloak its world-embracing tyranny.

The fact that, in a democracy, the shift from the democratic norm toward socialism on the one side or toward fascism on the other side, or yet further toward communism which lies beyond both, is often unconscious, does not affect the reality of this shift and only increases the peril.

We should try to determine at every moment in just what direction we are moving, so that we shall not, suddenly, find ourselves where we had no intention of going.

A system of government with strong centralized powers, controlling all affairs of the nation—the industrial and commercial, as well as the political,—is not a democracy. It is a matter for careful discrimination to determine whether we, here in the Philippines, are moving to the right or to the left. Moving, we certainly are.

Nearly two years ago we published a short editorial in this *Journal* on the great world issue at that time; the point brought out was what the writer believed the issue to be. Today that issue is still unresolved, though it has become sharper. It may therefore be considered worth while, in the interest of clear thought, to repeat the statement. It ran:

The World Issue
As we and all the people of the world tensely watch the great drama unfolding in Europe,—centered for a time in Berlin and now in Paris [today in Korea], it is very necessary for us to understand and to hold ever in mind that the conflict is not basically between any of the following:

- (1) Democratic and communist *ideologies*;
- (2) The capitalist and communist *economic systems*;
- (3) *Russia* and its satellites and *the United States* and its Allies;
- (4) American and Russian *imperialism*.

The conflict is neither basically philosophical nor materialistic; neither geographic nor strategic; neither national nor imperialistic.

Such aspects present themselves, but the conflict is basically *political*.—political in a practical and real sense, very close to all of us; closer, perhaps, than the next elections.

It is a conflict between human *freedom*, its spirit and institutions, and *despotism* and all its iron machinery; between two systems, the one representing democratic *liberty* and the other totalitarian *tyranny*.

As such it is a world conflict,—in which the security and happiness of all mankind is at stake.

We may say in addition, at this time, that American forces and those of some other members of the United Nations in Korea are not fighting for the Koreans, nor are they fighting to maintain the position of the United States and its allies in Japan or in the Pacific. Again, these aspects present themselves and they are real enough. But still the conflict, which has now broken out into open warfare, remains basically political,—freedom versus slavery, not in Korea only, but in all the world.

REPUBLIC OF THE PHILIPPINES
PHILIPPINE RELIEF AND TRADE REHABILITATION
ADMINISTRATION

August 3, 1950

MR. PAUL WOOD
President, American Chamber of Commerce
Manila

SIR:

I have the honor to inform you that in the last meeting of the Philippine Wheat Flour Board, held on August 2, 1950, Americans have been classified under a special group and are given special concessions as to entitle them to the same privileges as Filipino importers. This is to correct the impression created by false newspaper reports to the effect that Americans are treated as aliens when it comes to flour quota allocations.

I shall be grateful to you if you will transmit the contents of this communication to the members of the American Chamber of Commerce.

Sincerely yours,
ILD. COSCOLLUELA,
General Manager.

AMERICAN CHAMBER OF COMMERCE OF THE
PHILIPPINES

August 4, 1950

THE HON. ILDEFONSO COSCOLLUELA
General Manager
Philippine Relief and Trade Rehabilitation Administration
Manila

DEAR MR. COSCOLLUELA:

Please accept the thanks of the members of the American Chamber of Commerce of the Philippines for your letter of August 3, 1950, informing us of the decision of the Philippine Wheat Flour Board to the effect that American importers will be entitled to import wheat flour on the same basis as Filipino importers.

Sincerely yours,
PAUL WOOD,
President.



AMERICAN FOREIGN INSURANCE ASSOCIATION

402 Ayala Bldg.
Manila
Tel. 2-70-39

Victor H. Bello, *Supervisor*

The American Foreign Insurance Association has been transacting business in the Republic of the Philippines through its member insurance companies for 32 years. These companies are amongst the largest, soundest and most experienced insurance companies in the United States and are represented by the following General Agents carefully chosen for their experience and integrity and who are authorized to write practically all forms of property and casualty insurance.

Aetna Insurance Company

Marsman & Company, Inc.
Wise & Company, Inc.

The American Insurance Company

Guttridge & Chambers, Inc.

The Continental Insurance Co.

E. E. Elser, Inc.

Fire Association of Philadelphia

F. E. Zuellig, Inc.

Fireman's Fund Insurance Co.

American Factors (Phil.) Inc.
United Underwriters, Inc.

Great American Indemnity Ins. Co.

J. J. de Guzman
R. C. Staight & Co. Inc.
A. Soriano y Cia.

Great American Insurance Co.

Fidelity & Surety Co. of the Phil.
J. J. de Guzman
R. C. Staight & Co. Inc.

Hartford Accident & Indemnity Co.

American Factors (Phil.) Inc.

Hartford Fire Insurance Co.

American Factors (Phil.) Inc.

The Home Insurance Company

A. Soriano y Cia.

The Phoenix Insurance Company

Manila Underwriters Ins. Co. Inc.
Marsman & Company Inc.
United Underwriters, Inc.

Springfield Fire & Marine Ins. Co.

Kuenzle & Streiff, Inc.

St. Paul Fire & Marine Ins. Co.

Theo. Davies & Co., F. E., Ltd.

Head Office:

80 Maiden Lane
New York 17, N. Y.

L. C. Irvine, *General Manager*

At the annual election of the officers and directors of the Chamber of Commerce of the Philippines, held last month, the Hon. Aurelio Periquet and Dr. Olimpio L. Villacorta were re-elected President and Vice-President, respectively, while Mr. Pedro J. Ocampo was re-elected Secretary-Treasurer.

New Board of the Philippine Chamber of Commerce

Newly elected to the Board of Directors were Mr. Daniel R. Aguinaldo, Col. Amado N. Bautista, Mr. Cipriano S. Gonzalez, and Mr. Enrique J. C. Montilla. The hold-over members of the Board are Mr. Juan J. Carlos, Mr. Francisco Dalupan, Mr. Fermin Francisco, Dr. Eduardo Z. Romualdez, and Mr. Jose M. Valero.

Our congratulations and respects to the new Board and its officers.

Membership of the U. S. Economic Survey Mission for the Philippines

Members

- DANIEL W. BELL**,
American Security and Trust Co., Washington, D. C., Chief of Mission.
- RICHARD J. MARSHALL**,
Virginia Military Institute, Lexington, Virginia, Deputy Chief of Mission.
- EDWARD M. BERNSTEIN**,
International Monetary Fund, Washington, D. C., Chief Economist.
- AUGUST L. STRAND**,
Oregon State College, Corvallis, Oregon.
- FRANCIS MCQUILLIN**,
West Penn Power Co., Pittsburgh, Pa.

Advisers

- ALBIN H. CROSS**,
Bureau of Internal Revenue, Department of the Treasury, Washington, D. C.
- MICHAEL J. DEUTCH**,
1737 H St., N. W., Washington, D. C.
- DAVID I. FERBER**,
American Consul, Cebu, Republic of the Philippines.
- LAWRENCE FLEISHMAN**,
Department of the Treasury, Seattle, Washington.
- JOSEPH B. FRIEDMAN**,
1026 Woodward Bldg., Washington, D. C.
- WILBUR A. GALLAHAN**,
Bureau of Internal Revenue, Department of the Treasury, Washington, D. C.
- WILLIAM T. HEFFELFINGER**,
Department of the Treasury, Washington, D. C.
- RICHARD A. MILLER**,
422 E. 23rd St., New York City.
- AUSTIN NISONGER**,
CAA, Department of Commerce, Washington, D. C.
- JAMESON PARKER**,
2116 Bancroft Pl., N. W., Washington, D. C.
- CLARENCE M. PURVES**,
Department of Agriculture, Washington, D. C.

- LOUIS SHERE**,
University of Indiana, Bloomington, Indiana.
- WILLIAM W. TAMPLIN**,
Bureau of Mines, Department of the Interior, Washington, D. C.
- DONALD THOMPSON**,
Federal Reserve Bank of Cleveland, Cleveland, Ohio.
- CARLTON L. WOOD**,
Office of the International Trade, Department of Commerce, Washington, D. C.

Additional Advisers

- HENRY G. GOMPERTH**,
Assistant Director, Department of the Interior, Labor Affairs.
- EALTON L. NELSON**,
Field Representative, Bureau of Employment Security.
- VINCENT CHECCHI**,
10111 Gardiner Ave., Silver Springs, Md.

Administrative Officer

- ALBERT J. CIAFFONE**,
Division of International Conferences, Department of State, Washington, D. C.

Administrative Assistant

- GOODWIN SHAPIRO**,
Division of Central Services, Department of State, Washington, D. C.

Stenographers

- CECELIA LUCAS**,
Department of State, Washington, D. C.
- MOSS H. PRITCHARD**,
Department of State, Washington, D. C.
- MARGARET L. SPRADLIN**,
Department of State, Washington, D. C.
- MARGUERITE J. TISE**,
Department of State, Washington, D. C.

“WHEN the State achieves mastery it is no longer possible even to identify those in the maze of bureaucracy who actually wield the power of government. If the exercise of power seems less flagrant than in the hands of industrial autocrats, that is only because the processes are more surreptitious and because the cost of inefficiency and corruption is concealed; to be made up later under the whip of the tax collector. To expect the dictatorial State to break a monopoly, and to restore the benefits of competition, is almost the height of human folly. The State from its very nature is, and must be, monopolistic. . . . The State monopoly outlaws competition. The centrifugal tendency is crushed. And every aspect of life becomes centripetal. Indeed, this is apparent even before the stage of State monopoly is reached. For governmental regulation always tends to weigh more heavily on small business than on big business. . . . Since the spiritual urge of liberty demands the physical condition of freedom in order to be effective, contraction of freedom is at best debilitating—and will eventually prove fatal—to liberty itself. The loss of liberty is the more probable because, once the State has assumed a function, the deprivation suffered by Society is likely to be permanent. A relative immortality has been bestowed on the State. So the advantage of this false god over every form of social organization is enormous and devastating.”—Felix Morley in “The Power of the People”.

Faster Posting

OF CUSTOMERS' LEDGER AND
STATEMENT WITH THIS

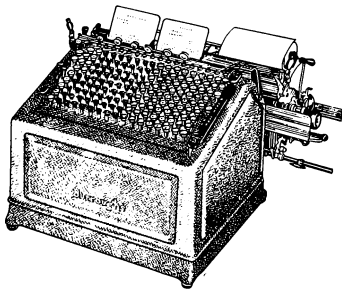
Multiple Total, Multiple Print Burroughs

Ledger, Statement and Journal...

All Original Records In One Fast Operation

This new Burroughs Multiple Printing Machine provides the high speed and automatic operations required for volume production in posting ledger accounts and in preparation of statements. With this machine more work can be produced in less time, and with accuracy that was previously believed impossible.

After you have seen the Burroughs—its speed and ease of operation, its beauty in soft tones of brown and ivory—you, too, will agree that this is the finest machine made for posting accounts receivable records... for Burroughs has set a new standard of performance that is unequalled in this field.



Phone your Burroughs representative today. Let him show you how you can improve your accounting efficiency and at the same time cut costs and increase job satisfaction.

WHEREVER THERE'S BUSINESS THERE'S

Phil. Chamber of Commerce Bldg., Manila
Tel. 3-20-96

Burroughs

BURROUGHS DEALERS

DAVAO CITY — (also for MINDANAO-SULU), Burroughs Sales Office; BAGUIO —
Baguio General Trading; NAGA, LEGASPI, LUCENA — Gabriel & Co.; CEBU —
Valeriano Alonzo; BACOLOD — Warner, Barnes & Co., Ltd.; ILOILO — Warner,
Barnes & Co., Ltd.; DAGUPAN CITY — Villamil Bldg. Tel. 95.



The Philippine Economic Policy*

By CARLOS P. ROMULO
Secretary of Foreign Affairs

YOUR President, Paul Wood, and my very good friend, Joe Parrish, have made the request that I come here this evening equipped, as it were, with a lighted candle and a book entitled, "The Official Policy of the Republic on the Participation by American Citizens in the Economic Development of the Philippines."

The ritual is familiar to me, the book is not abstruse despite the formidable title, I think the candle provides sufficient illumination, and I am sustained by the knowledge that I am with friends and with friends of the Filipino people. I am happy to be with you and I feel sure that we will part tonight in a spirit of better understanding.

I was invited to attend this dinner one month ago, before my last trip to the United States and before the Communist invasion of South Korea. Had I appeared before you prior to the last mentioned event, I would have been compelled to strain my powers of persuasion in speaking to you on the subject that has been assigned to me. Fortunately for me, recent developments have made my task much easier than it might have been otherwise.

On June 25 President Truman issued the historic declaration on the Communist invasion of South Korea which, in effect, establishes American policy towards Asia and, in particular, towards the Philippines on a new basis. He said:

"I have... directed that United States forces in the Philippines be strengthened and that military assistance to the Philippine Government be accelerated."

The next day, President Quirino, speaking on behalf of the Philippine Government, commented on President Truman's statement as follows:

"I am deeply gratified to learn of the acceleration of military assistance not only to our Government but to the area in general. Nothing could have reinforced better Filipinos' confidence to contain Communism and preserve the peace we need to build the Republic and cooperate with our neighbors."

This pledge of assistance and cooperation was limited in the above-mentioned statements to strictly military matters. However, as a part of the over-all program of cooperation between the United States and the Philippines, the texts of the letters recently exchanged between President Truman and President Quirino regarding the United States Economic Survey Mission to the Philippines were released for publication two days later. I quote a significant portion of the letter of President Truman:

"The American Government has continued to take an active interest in the problems of the Philippines... We desire to give help in any feasible and practicable way..."

The reply of President Quirino was equally significant, and I quote his words:

"A proper regard for the abiding interest which you, Mr. President, and your Government, have in the welfare of my country and my people, moves me to express my concurrence in your proposal..."

I am citing from the latest available documents relating to Philippine-American relations. It is not to be thought, however, that these relations are of such recent vintage as the passages I have just cited might seem to imply. The documentation of the relations between the United States and the Republic of the Philippines goes back to the very day of our independence on July 4, 1946. During the inauguration of the Republic, the late President Roxas made the following statement:

"In a troubled world where our alliance with one group of nations or another might help determine the fate of our country, we cannot afford to hesitate or choose capriciously... Our alliances must be firm and unshakable, our loyalties must be strong and enduring."

I judge that our choice has been made... We are committed to the cause and the international program of the United States of America.

"We cannot but place our trust in the good intentions of the nation which has been our friend and protector for the past forty-eight years... Our safest course, and I firmly believe it true for the rest of the world as well, is in the glistering wake of America whose sure advance with mighty prow breaks for smaller craft the waves of fear."

On Dec. 30, 1949, upon his inauguration for a second term, President Quirino declared:

"The United States of America is still our best friend and we look to her to realize increasingly that, in this atomic age, her area of safety, and that of mankind as a whole, have no delimiting frontiers..."

I continue reading from the book.

On the same day there was signed a Trade Agreement between the Philippines and the United States by the terms of which the Government of the Philippines gave the following special concessions to American citizens in this country:

- (1) Parity or equal rights for American nationals and corporations in matters relating to the disposition, exploitation, development, and utilization of natural resources, principally agriculture and mining, and in the operation of public utilities.
- (2) Duty-free entry of United States articles into the Philippines.
- (3) The pegging of the Philippine peso to the American dollar in order to insure the stability of the former and protect the invest-

*Address delivered July 8 at a dinner given in honor of Secretary Romulo by the AMERICAN CHAMBER OF COMMERCE.

ments and properties of American citizens doing business in the Philippines from the possibility of devaluation.

On September 30, 1946, Republic Act No. 35 came into force, authorizing the exemption of new and necessary industries from the payment of internal revenue taxes for a period of four years from date of organization. As you all know, this enactment was intended primarily to attract American capital to this country, thus implementing the grant of parity rights to American citizens and corporations under the Trade Agreement.

The Military Assistance and Military Bases Agreement of 1947 guarantees continued comradeship in arms between the American and the Filipino peoples, and incidentally provides added assurance for the security of American investments in the Philippines.

Insofar as it provides for the gradual nationalization of import quotas, the new Import Control Law reflects a tendency that is quite natural in a newly independent state like the Philippines. It is inspired in part by a spirit of nationalism which, properly directed, constitutes the great motive power in the progress of any people. That this sentiment does sometimes result in abuse is admittedly a matter for regret; that it sometimes requires emphatic expression is in keeping with prevailing practice everywhere in the world, including, I must say, the United States of America. In this particular instance, it amounts to no more than the universally recognized right of a State to treat its own nationals in a manner more favorable than foreigners.

Nevertheless, in approving this Law, the Philippine Congress was careful to recognize the obligations of the Philippine Government under existing agreements. Accordingly, the Congress explicitly included in Section 14 of this law a reservation in favor of American nationals which reads as follows:

"Finally, that nothing in this Section shall in any way impair or abridge the rights granted to citizens and juridical entities of the United States of America under the Agreement signed on July 4, 1946, between that country and the Republic of the Philippines."

The intention was to preserve the spirit of preferential rights previously granted to American citizens under the parity amendment.

Moreover, on the basis of the 1948-1949 import figures, the Import Control Law places luxury and non-essential items valued at P500,000,000 on the control list, while exempting from control essential raw material and capital goods valued at P600,000,000. Since American firms are mainly engaged in importing the latter category of goods, it is obvious that the Import Control Law does not seriously affect existing American investments.

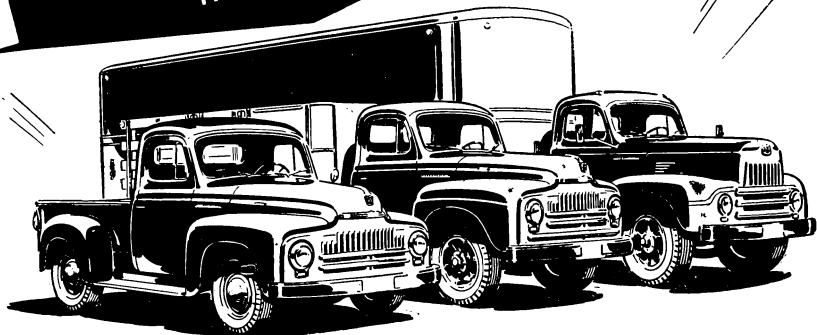
It can thus be seen that economic collaboration with the United States will remain for an indefinite period as the cornerstone of the commercial policy of the Philippines. The United States absorbs from 80 to 85% of the total exports of the Philippines every year, while the Philippines, notwithstanding its small size and limited resources, has consistently figured as one of the first ten overseas customers of American goods. Although no official or body of this Government can commit the Philippines to any irrevocable policy beyond the terms of existing agreements, I believe it reasonable to predict that this policy of economic cooperation between the two countries will remain if for no other reason than by virtue of the tendency to let long established trade channels and commercial relations continue undisturbed.

It should not be necessary to justify the dollar conservation measures that the Philippines has so far adopted by means of import and exchange controls. As businessmen you are familiar with the conditions that have rendered these measures imperative. You know that these measures had to be taken in the interest of the Philippine economy as a whole, and therefore in the interest of all elements, Filipino or non-Filipino, that have a stake in the future of that economy.

The first thing to remember about these control measures is that they are non-discriminatory. They are not directed against the nationals of any particular country. They spring from the earnest desire of the Filipino people and their Government to live within their means and to make provision for the time when dollar receipts from the United States in the form of war damage and other payments completely stop in June 1951, and when the preferential position of Philippine products in the American market will diminish at the rate of 5% a year starting from July 1, 1954. We are trying to remedy a difficult situation which we hope is temporary. The restrictions that have been imposed must therefore be borne by all elements of the community in the knowledge that all will share in the benefits that will accrue as a result of our common sacrifices.

American businessmen have always found ready welcome to the investment opportunities which this country offers. They are still welcome and they will continue to be welcome. If you examine the instruments under which other countries in Southeast Asia have achieved their independence in recent years, you will find nothing to compare with the equal rights provisions of the Trade Agreement between the Philippines and the United States—a provision that required the amendment of the Philippine Constitution.

Engineered in America...
built in the Philippines...
that's International!



Helping to build the nation!

The great NEW INTERNATIONAL TRUCKS

...transport essential goods for essential industries throughout the Philippines!

Emeterio S. Morales says: "In the past 22 years I've sold hundreds of International Motor Trucks. In Pampanga, Bataan and Zambales, which I cover, International Motor Trucks are hauling sugar, rice and palay. Owners say they are the most dependable and economical trucks on the road today."

Throughout the Philippines rugged, versatile International Motor Trucks are helping to rebuild the nation by providing economical, dependable transportation of *essential* goods for *essential* industry.



INTERNATIONAL HARVESTER COMPANY OF PHILIPPINES

154 Marquez de Comillas, Manila
Quezon Blvd. at Palma St., Cebu
Sasa, Davao—Laeson St., Bacolod



McCORMICK International
Tractors and Farm Equipment
International Industrial Power
International Trucks
International Refrigeration

I am not saying that the favor was one-sided. As the Resident Commissioner of the Philippines to the United States when the Philippine Trade Act was approved and having campaigned in favor of the parity amendment to the Philippine Constitution, I am fully aware that we did not give something for nothing. Yet it is certainly worth recalling that in the exchange of favors our people had to effect a vital amendment to their fundamental law—the supreme political act of the people in a democracy.

We have kept our doors open to American investments under attractive inducements of every kind. It now remains for American business to demonstrate its faith in the future of the Philippines by keeping and increasing its investments in this country, thus helping tide us over this crucial period of our economic construction and development.

That American capital would be rendered somewhat timid by occasional demonstrations of ultranationalism and even more perhaps by domestic disorders and the fear of war, is quite understandable. But the idea that American capital is shy because of domestic disorders ignores the equally valid idea that domestic disorders arise from lack of employment, low productivity, and depressed living standards, and that these in turn are due to the paucity of capital investments. The result is a vicious circle that must be cut somewhere, and I believe that the way to cut it is for American and Filipino investors to take decisive action by rationalizing and expanding existing industries and establishing new essential industries before the economic situation deteriorates beyond repair. Otherwise, our people and Government will ask, as they are asking even now; whether there is any further benefit to be obtained from the special rights and opportunities that have been granted to American citizens in the Philippines.

One further factor that should be considered in this connection is the United States Point Four Program of assistance to underdeveloped countries. This program is based on the theory that the priority requirement of the less developed countries of the world, particularly in Asia, is not direct aid in the form of money or industrial equipment but rather assistance to improve health and education and technical know-how, by means of which the peoples of these countries may be enabled to increase their productivity and thus exploit their economic potentialities to the maximum for their own benefit and ultimately for the benefit of all mankind.

The Point Four program is thus one of the most heartening features of the United States policy toward the underdeveloped countries of Asia and elsewhere. It is a program fundamentally dedicated to the interests of the people of these countries. However, if it succeeds, America and the free world of which it now stands as the leader, will reap their share of the common harvest. This share will come in two forms: first, in the wider investment opportunities that American capital will have as a result of the opening up of the economic potentialities of these countries; and second, in the tremendous boost to the free world that will be provided by the raising of the standards of living of the peoples of these countries and their consequent immunization against the virus of Communism.

Finally, I feel I must call your attention to the implications of the resolutions approved by the Baguio Conference last May. Of particular interest in this connection is the resolution recommending that the participating governments promote the expansion of trade within the region by every means including bilateral trade and payments agreements and, possibly, by means of multi-lateral clearing arrangements among themselves. As you are aware, this proposal is intended primarily to revive and to encourage intra-regional trade. It may have great value in the face of the severe dollar shortage which is prevalent in most of the countries of this region. However, this resolution should not be interpreted as an attempt to weaken the economic ties at present existing between the participating countries and those outside of the region, in particular, between the Philippines and the United States. As a matter of fact, the expansion of intra-regional trade, by stimulating production in the countries of the region, will ultimately result in a corresponding increase in the trade of the area with the rest of the world. Furthermore, to the extent that the Philippines will participate in such expanded trade, the national economy will be further developed to the benefit alike of local and foreign investors. Eventually, trade expansion within the region will surely reduce the dollar-aid requirements of the countries within the region. Finally, the resolution of the Baguio Conference explicitly states that such bilateral trade and payments agreements will not be sought by the participating countries except in a manner "consistent with their obligations under international agreements to which they are parties."

Here, again, is the familiar proviso intended to safeguard existing ties and commitments, in the spirit so very aptly described by the Australian delegate to the Conference who said that "the making of the new friends need not in any respect whatsoever lessen the ties which bind us to our old friends."

I like the phrase "old friends," for that is what we are and what we must remain. In the face of the present danger, the Philippines is fortunate to be able to count on the friendship and assistance of rich and powerful America. But America, even in her wealth and power, has need of friends and allies too, and none in this part of the world have better proved their loyalty as such than the Filipino people.

The Philippines is America's original pilot-plant for democracy and freedom in Asia. What America does here as our friend in peace and ally in war will be appreciated by our people and measured by our neighbors. Yet, though the acts of the United States as a government are certain to impress our people and their neighbors, nothing in the long run will impress them more than what Americans individually and collectively are doing and will do here.

Ambassador Cowen is an able diplomat and truly represents your great country here. But you Americans, who have elected to live and work amongst us and have cast your lot with our people—it is you who are America's permanent ambassadors in the eyes of our people, the practicing exponents of American vision, energy, and enterprise.

Economic Policy in Palestine*

THE Socialist Parliament of Israel two months ago adopted one of the most enlightened foreign-investment codes in force in any of the world's "underdeveloped" countries. Israel, painfully deficient in natural and industrial resources, is by no means underdeveloped in courage and economic realism.

Philanthropic funds, principally from American Jews, have kept the new state going so far, but to get on to a sound economic basis the Israelis are well aware that they need private investment capital, principally from America. Propaganda is pouring from government offices in Haifa and Jewish agencies in New York, pointing to the advantages of doing business in Israel: serious inflation has been curbed and the cost of living, though still high, is beginning to come down; wages, which are tied to the cost of living, are high too, but the controlling labor federation, Histadruth, has recently taken some cuts and allowed piecemeal. Most alluring to U. S. businessmen is the new law—passed with only three dissenting (Communist) votes—that gives substantial tax advantages to any approved investment coming into Israel, and *guarantees foreign investors equal treatment with Israelis.*** Necessary raw materials and machinery will come into Israel duty-free;

owners of new enterprises are relieved of property taxes for 5 years; double the ordinary depreciation rate on plant and equipment is allowed for the first 3 years, and an enterprise may be completely written down in 5 years; for 5 years 25% will be the maximum tax on income from new investment; there is no profit ceiling, and the foreign investor may take out of Israel 10% of his investment annually in profits, interest, or amortization. The law will be administered by a government Investment Center that has discretionary powers to extend the concessions granted, and there is provision for appeal from the rulings of the Investment Center.

Investments trickled in at the rate of about \$2,000,000 a month in 1949 (mostly from Jews in America who were sending goods for distribution or setting up businesses for their families), but recently large American firms have joined with Israel capital to start the first modern, mass-production factories in the Middle East. Individual negotiations with the Israel Government preceded these investments, with the United States firms obtaining terms in line with those now written into the investment law. General Tire & Rubber is building a \$2,000,000 factory outside Haifa. Kaiser-Frazer is putting up a \$2,500,000 assembly plant at Acre. Philco is about ready to produce refrigera-

*From the June, 1950, *Fortune*.

**Journal editor's italics.

tors in Tel Aviv. General Shoe will open its new Jerusalem plant this month. The Moller-Dee Textile Corporation has filed a \$2,500,000 stock issue with the SEC to finance modern spinning and weaving mills, and the American Israel Foundries Corporation has filed a \$500,000 issue for a nonferrous-metals foundry near Haifa. In addition, two American investment companies with combined assets of about \$18,000,000, Palestine Economic Corporation, and American Palestine Trading Corporation, have participated in housing, banking, and industrial developments in Israel. British, Dutch, and South African capital is also being attracted to Israel. This money, like the American, is not going into Israel out of compassion, but in the expectation of profits.

As the second anniversary of independence was celebrated last month, the Israel Government issued a proclamation citing the achievements of the new state—and stating the obvious truth that “the road ahead is still long and hard.” With almost no national wealth and an area no greater than New Jersey’s,** Israel is committed to accepting all the Jewish immigrants who come to it. The population is now 1,000,000—an increase of 60% cent in less than 2 years, and the new settlers are still coming. Most raw materials and many goods and foods must be imported, and so far the balance of trade has been lamentably one-sided. Imports and other foreign expenditures in 1949 were \$260,000,000; exports, income from tourists, etc., only \$60,000,000. The initial task of housing and feeding the immigrants (some 100,000 are still in tent cities and

emergency camps) is paid for largely by gifts from more fortunate Jews in other countries. The long-run task is to provide jobs for the new citizens and thereby establish a sound industrial economy.

President Chaim Weizmann talks of Israel’s becoming “the new Switzerland,” supplying consumer goods to the untapped markets of the Middle East. Weizmann expects that Israel, like Switzerland, can develop an enormous tourist business, although the shortage of first-class hotel space now limits the numbers who can be decently accommodated in the Holy Land. Many of the Jews who have made their way to Israel are highly skilled workers; with modern equipment and production methods they are confident they can apply their skills to low-cost raw materials and produce such exportable items as precision instruments, textiles, metals, and chemicals. American firms based in Israel will be able to sell in the soft-currency countries of Europe and the Middle East, and from tourist and export trade Israel expects to earn enough hard dollars so United States investors can take out their annual 10%.

Whether United States investors can actually make the 10% they are allowed to remit from Israel is, of course, another question. But quite a few of them are eager to take a crack at it. This phenomenon might profitably be studied by a number of governments in Latin America, Western Europe, and the Arab world. Israel is practicing a brand of “socialism” that can be recommended to much of the technically capitalist world.

***About one-fourth of the area of Luzon.

When the Santo Tomas Camp Learned of the Death of President Quezon*

By A. V. H. HARTENDORP

REPORT of the Death of President Quezon.—It was during this period of general anxiety and excitement in the Camp,** on the morning of the 3rd [of August, 1944], that a shocking rumor ran about. President Quezon was dead. Early in 1942, the *Tribune* had reported his death, but the report had happily proved false. Alas! this time it was soon beyond doubt that the President had died in a New York sanitarium on August 1, succumbing at last to the disease which he had fought so long and so stubbornly,—tuberculosis.

There were many in the Camp, people who had not made their home in the Philippines, who knew little about him. Others, even residents of the Philippines, knew him only as the President of the country. Among the residents were those who had never understood his problems and who were critical of his acts and policies. Some of the businessmen held that Quezon’s attitude toward large capital investment had retarded economic development. A few believed him to have been “too friendly to Japan”, at least before the war! It could not, therefore, be said that the Camp as a whole deeply mourned his passing, although all realized that his death was peculiarly tragic at this time.

But there was a large number of Americans in the Camp, some of them close personal friends, who did sincerely mourn his death, and many who grieved over it

bitterly. There were many who understood what a shattering loss this was to his country and his people,—who idolized him. They realized also the loss to America of this great friend of America in the Philippines. They knew that America, and America in the Philippines, after the expulsion of the enemy from the Archipelago, would face many serious and complicated problems, in the solution of which Quezon’s leadership and high ability had been heavily counted upon. They asked anxiously who there was who could take his place; who there was who could control the passions which would be loosed, re-unite the people, bring them back to ways of peace.

Quezon had time and again been seriously ill and near death, but his vitality and almost miraculous recuperative powers had always brought him back. The flame of life burned so high in him that it was almost impossible to think of him as dead. He was truly one of the world’s great men,—a political genius. Impulsive, impatient, irascible, imperious, he was always intensely human and always lovable. With his frank love of pleasure, or, better perhaps, of life, as if he were driven to make every moment count; with his taste for luxury and fine raiment, his streak of vanity (overcome in his later years), he was the complete man, and therefore had something for every man, whatever his age, status, or degree of cultivation. Generous, open-hearted, outspoken, he himself read men at a glance and attracted them like a magnet, won them over often in spite of themselves with the glow of his personality, the charm of his manner, his quick logic, his golden words. Enlightened, tolerant, progressive, liberal, democratic,

*From an unpublished history of the Santo Tomas Internment Camp.

**A reference to the growing starvation in the Camp, an alarming survey of the children’s state of health, the Japanese order that both camp and individual funds be deposited in the Bank of Taiwan, etc.

his leadership was as vital and electric as himself. Volatile and mercurial as he was often called by those who did not understand his many-sidedness, he was willful and tenacious in achieving his aims. He was fearless and audacious and never fought better than when at a disadvantage. With his idealism, his love of country, his intuitively wise statesmanship, his astounding capacity for work, he was from the Filipino side, and since he had assumed leadership) largely the creator of the modern Philippines.

Osmeña and Quezon.—Of course, he had not worked alone, and especially Osmeña had with patriotic self-abnegation, stood loyally at his side as Vice-President of the Philippine Commonwealth. Now that Quezon was gone, the Filipinos, and America, too, could be thankful that Osmeña remained, for he, too, is a great leader. It was always remarkable that two such men should have lived in the same small country at the same time,—two men so alike in some of their characteristics, so unlike in others. Both of nearly the same age, it seemed as if one had magically evoked the other. Whether in friendship or in rivalry, in conflict, in truce, or in collaboration, they were each other's counterpart, bearing within them the mingled qualities of the Filipino, Quezon developing to superior heights the more Occidental, Osmeña the more Oriental characteristics of the race. Osmeña, quiet and self-controlled, cautious, wise even in his youth, and rising early to power, a man of elevated principles, statesman rather than politician, had won all the earlier political victories for the Philippines. Now, universally respected, loved by his followers, it seemed he had only to rally them. . .

The situation following the relief of the Philippines would call for all of Osmeña's great powers, and not only in the field of political maneuver. The purely administrative problems and the work of reconstruction awaiting him would be overwhelming to a less able man. Then there would be the problems, political, financial, and economic, involved in the establishment of the Philippine Republic, though America, no doubt, stood ready to help. Plans and arrangements had probably been worked out already, but what these were, of course, interested internees in Santo Tomas could not know.

Friends of Quezon in Santo Tomas could comfort themselves with the thought that he did not die in exile among strangers. He died in what was, in more than just the political sense, his own country. He had spent many years there, early in his life, as a member of Congress (Philippine Resident Commissioner), and went to America many times on various political missions. Quezon was at home in America and had countless friends there.

When President Quezon and Vice-President Osmeña left the Philippines early in 1942, the Japanese charged them with "deserting" their people. Indeed, the Japanese would have liked to lay hands on them! They were no more deserters than was General MacArthur. They left the country for reasons of state, unwillingly enough, as did the heads of countries in Europe which were invaded by the Germans. It was one thing for an official like Vargas to remain behind in Manila. He was under instructions to receive the enemy, to follow their orders (no doubt, within certain limits), and to do what he could to save the population during the enemy occupation.

It would have been a different thing if the acknowledged leader of the country and the recognized head of the Government had fallen into the hands of the enemy. Quezon would never have submitted to their demands and would have been held a close prisoner. They would have been at him night and day. They would have issued false statements in his name. And if they would not have finally murdered him, he would have died of the torture. This he was spared. This his country was spared. He drew his last breath in freedom, the honored guest of the American nation. . .

He must have suffered deeply over the catastrophe which had overwhelmed the Philippines; he must frequently have been racked with impatience, anxiety, grief; he must have longed passionately that he would live to see the deliverance of his country; yet he could never have despaired of the ultimate outcome. He must have known, and it must have been in his mind at the last, that before long, in the land which he loved and served so well, freedom would ring again.

The "New Importer" Reservations on Non-quota Importations

The American Chamber of Commerce of the Philippines released the following statement to the press on August 9:

As a matter of interest to the Government, the American Chamber of Commerce recently invited the attention of the Import Control Board to the detrimental effects, as well as the questionable legality of the 30% new importer reservations on non-quota importations. It is the opinion of the American Chamber that articles, goods, and commodities NOT enumerated in the Appendices of Republic Act No. 426 are NOT subject to such reservations.

The 30% reservations for new importers are currently being applied against further percentage cuts that result in total reductions to most old importers of from 42% to 66% of their 1948 importations on non-quota and formerly uncontrolled essential capital goods, materials, and supplies.

Included in these categories are lubricants; agricultural and industrial machinery and equipment; commercial motor vehicles; tires and tubes; carpenter and garden tools; service repair parts of many kinds required to maintain essential equipment already in use; and other essential dollar-saving and dollar-producing materials, supplies, and equipment required in industry and agriculture.

It is contended that Section 9 of the Act, following the intent of the authors of the Bill and as endorsed by the Congress, was meant to specifically exempt such essential importations from the limitations now enforced by the Import Control authorities. The American Chamber also brings to attention that this action is contrary to the best interests of the people and the Government since it denies entry and

removes from the market established and serviced makes and brands of capital goods and essential supplies in order to provide for entry by new importers of less desirable substitutes for which services and markets are not established. Equally serious is the detrimental effect on Filipino and Philippine retailing firms principally established in the post-war period, as old importers have nationalized their retail operations into the hands of Philippine citizens. These Filipino firms have made sizable investments to provide before- and after-sales service in their respective territories and are supplied by old established importers.

Some of the old established importing firms have also invested large sums in initial industrialization projects, which are now seriously curtailed by the substantial reduction of the quantities of components and materials for which they are allowed import license.

Further detriment to agricultural and industrial production is expected to result from the substantial reductions in the importation of service repair parts. Most capital goods were practically new in 1948, even including war surplus items, and required few service repair parts. Local suppliers are now expected to service such equipment on the basis of a reduction of from 42% to 66% from their 1948 service repair parts importation. This has already resulted in critical and serious shortages and made some equipment inoperative.

A critical supply situation is developing in the United States as increased military production for preparedness gets under way. Railroad cars and ocean shipping space are already at a premium and the American Chamber is fearful that, unless remedial action is promptly taken by the Import Control Board, even more serious consequences will result.

The Business View

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

Office of the President of the Philippines

From an Official Source

JULY 1 — President Elpidio Quirino accepts the resignation of Secretary of Justice Ricardo Nepomuceno.

The President issues two executive orders, Nos. 329 and 330, creating the Civilian Emergency Administration and the National Security Council; the first will provide for the coordination and control of civilian organizations for the protection of the civil population in case of emergency, and the second will advise the President on matters of national defense.

July 3 — The President makes the following appointments to the Civilian Emergency Administration: Modesto Farolan, director of publicity and propaganda; Ildelfonso Coscolluela, food administrator; Col. Amado Bautista, industrial production administrator; Sergio Bayan, fuel and transportation administrator; Alfredo Eugenio, national air-raid warden; Felipe Cuaderno, director of communications; and Marciano Roque, director of community councils. The CEA will be administered by the National Emergency Commission, with Teofilo Sison as chairman.

July 4 — United States Army units and veterans take part in the consecration of the remains of the Filipino Unknown Soldier enshrined in Fort Santiago during the Fourth of July observances. Since both countries celebrate Independence Day together, units of the Armed Forces of the Philippines fire a 21-gun salute in honor of the United States, which salute is returned by United States Army units in honor of the Philippines. President Quirino and President Truman exchange messages of congratulation. Messages from many other countries are received and returned.

July 7 — The Cabinet votes to pledge moral support to the defenders of the Republic of South Korea and also to contribute stocks of coconut oil, soap, rice, and cholera-typhoid-dysentery vaccine. Secretary of Foreign Affairs Carlos P. Romulo informs Secretary-General Trygve Lie, of the United Nations, accordingly.

The President orders the immediate opening of all intermediate school classes throughout the Philippines after Budget Commissioner Pio Joven informs him that a saving of some P23,000,000 could be effected if the one-teacher-one-class system is adopted, this being enough to cover most of the expenses of the intermediate classes.

The President issues Executive Order No. 331 fixing importers' or producers' and wholesale and retail prices of certain prime commodities in the city of Manila and its immediate environs, as recommended by the new Price Control Administration.

July 8 — The President attends a caucus of the Liberal Party and later announces that at a special session of Congress he will call for shortly certain legislative measures will be taken up including new tax measures, an additional appropriation for the Armed Forces, an appropriation for the Civilian Emergency Administration, and an appropriation for public works, "the amount to be determined in accordance with the availability of funds".

Announced at Malacanang that the Departments of Finance, Justice, and National Defense will cooperate in a drive against the illicit manufacture of cigars and cigarettes rampant in and around Manila; the Bureau of Internal Revenue has been unable to deal with the situation as "the manufacturers and their men are armed and allegedly determined to defy any interference with their activities".

July 9 — The President appoints a special Cabinet committee, headed by the Secretary of Finance as chairman, to draw up rules and regulations to govern the pilgrimage of Filipino Mohammedans to Mecca. A large number of Moros were stranded in the Near East some time ago because of inadequate arrangements made for them.

July 10 — The United States Economic Survey Mission, with the Hon. Daniel W. Bell as chairman, arrives in the Philippines.

The President appeals to the citizenry to support the Government's bond campaign following his own purchase of P1000 worth of the new Central Bank bonds, a part of the P500,000 issue to be placed on sale in 5 denominations ranging from P20 to P10,000; the bonds are negotiable and will yield 4% annually free of tax.

July 11 — The Cabinet authorizes the sending of 60 officers and 22 enlisted men of the Armed Forces of the Philippines to the United States for a period of training under the program established by the Philippine Rehabilitation Act of 1946.

The President gives a dinner in honor of the American Mission.

July 12 — In connection with the offers of groups of former Philippine Scouts (U. S. Army) and the National Volunteers of the Philippines to volunteer for service in Korea, the President states that the Philippine Government has no objection to this if the United States Army is willing to equip such forces.

The President orders the cancellation of the government contract with Mollers & Choy, Ltd., of Hongkong for the salvage of sunken

vessels in Philippine waters, and confiscation of the company's P100,000 bond given for faithful compliance with the contract and of its additional P200,000 bond given for compliance with the obligation to set up a re-rolling mill in connection with the salvage work; he also orders a request for new bids.

Malacanang releases Bureau of Public Works figures showing that, during 1949, 94,317 motor vehicles were registered in the Philippines as compared to 54,764 just before the war, or an increase of 72%.

July 17 — The President inaugurates the new P600,000 capitol in La Union.

Secretary of Justice Nepomuceno renders a ruling stating that under the Constitution, an American citizen may sue the Philippine Government for certain claims and that Commonwealth Act No. 327 defines the conditions under which the Government may be sued; the opinion was sought in connection with the case of Emeterio Pascual, a Filipino citizen, who has filed a case against the United States Government in the U. S. Court of Claims in an action arising out of a contractual relationship between him and the U. S. Army and after the U. S. Attorney General had indicated his intention to file a motion to dismiss the case on the ground of want of reciprocity in this matter between the United States and the Philippines.

July 18 — The Bureau of the Census and Statistics reports to Malacanang that the estimated number of persons out of work in 1949 was 1,085,600 as compared to 1,229,400 in 1948, a decrease of 11.7%. The average daily wage of skilled industrial workers in Manila in 1949 was P7.51 as compared to P2.29 in 1941; in the provinces, skilled workers received an average of P3.52 as compared to P1.41. Unskilled laborers in Manila received P4.90 as compared to P1.24; and in the provinces P2.03 as compared to P.96. Farm laborers in 1949 received an average of P1.73 as compared to P.56 in 1941, in addition to at least 2 meals. Industrial disputes have nevertheless shown an upward trend,—69 in 1946, 93 in 1947, 212 in 1948, and 247 in 1949. Labor unions in 1941 numbered 438, and in 1949, 860. Active membership rose from 100,907 in 1941 to 140,000 in 1949, an increase of 38.7%.

July 19 — Maj. Gen. Leland Standford Hobbs, new United States military adviser to the Philippines and successor to Maj. Gen. Jonathan Anderson, confers with President Quirino.

July 20 — President Quirino announces his intention to utilize all available talent in the country regardless of party affiliation or service in the government during the emergency occupation.

The President receives the credentials of Admiral George Dunbar Moore, Australian Minister to the Philippines, at a ceremony in Malacanang.

July 21 — The Cabinet approves the rules drafted by a special committee composed of Secretary of Finance Pedrosa, Secretary Nepomuceno, and Budget Commissioner Pio Joven, requiring the organizers of pilgrimages to Mecca to post sufficient guarantee to cover the round trip and all incidental expenses; the number of pilgrims will be limited this year to 1000, the same number granted in the case of Catholic pilgrims to Rome.

On recommendation of Budget Commissioner Joven, the Cabinet rules that government corporations must pay rent for the use of government buildings.

July 22 — The President inaugurates the new P300,000 BCG Laboratory at Alabang, the only institution in the Far East manufacturing this anti-tuberculosis vaccine.

The Cabinet, approving a recommendation of Director of Prisons Eustaquio Balagtas, suspends the projected transfer of prisoners from the Iwahig Penal Colony to the Davao Penal Colony on the grounds of the excessive costs which would be entailed.

July 25 — The President issues a proclamation calling the Congress of the Philippines to a special 10-day session opening August 1.

The President, speaking before members of the United States Filipino Students Association, declares that the Philippines is ready to fulfill, within its limited means, its obligations to the United Nations and to assist in the defense of democracy in this part of the world.

The President issues an executive order transferring 5000 officers and enlisted men in the Philippine Constabulary to the Armed Forces of the Philippines in order "to provide for a greater concentration of military effort in suppressing lawlessness, disorder, and violence in certain troubled areas of the Philippines".

According to a Budget Commission release, Budget Commissioner Pio Joven has been asked by the Reorganization Commission to prepare a plan to allow provincial and municipal officials to purchase equipment and supplies under strict requisition and price control regulations in order to "minimize if not totally to eliminate" fraud; the plan involves the abolition of the Central Procurement Agency and is also aimed at eliminating "red tape".

July 26 — The President issues Administrative Order No. 127 placing the constabulary units under the operational control of the Commanding General of the Armed Forces of the Philippines.

July 27 — Secretary of Finance Pedrosa, Chairman of the National Economic Council, announces that the Council has drafted a proposed executive order to be submitted for consideration by the President

which would define the "new and necessary" industries which may be entitled to tax exemption under Republic Act No. 35.

July 27—The President issues Executive Order No. 337 fixing the ceiling prices of school supplies.

July 28—The President, speaking at a "loyalty rally" of government employees at the Rizal Memorial Stadium, states that he will request a large appropriation from Congress for the Armed Forces so that to enable the Government to maintain internal security and so that our armed forces, if needed, may be prepared to fight beyond our borders for world freedom and peace.

Secretary of National Defense Ruperto Kangleon reports to the Cabinet that considerable quantities of assorted military materiel has been received under the United States-Philippine military pact, and that more is en route.

July 29—The President receives the delegation of the International Confederation of Free Trade Unions, now on a tour of Asian countries; the delegation is composed of John Brophy of the American Congress of Industrial Organizations, Gordon M. Chapman of the American Federation of Labor, Roger N. Keeseyer of the Belgian Federation of Trades Union, Deven Sen, of the Indian National Trade Union Congress, and Jay B. Krane and Richard Deverall, secretaries.

Secretary of Agriculture and Natural Resources Placido Mapa reports to the Cabinet that since the outbreak of the Korean fighting, Davao hemp, class "F", has risen from P53 to P59 and non-Davao hemp registered gains from P3 to P5; copra "resacada" from P29.75 to P36.50; and coconut oil from P0.57 to P0.65. He also reports that the farming population is responding enthusiastically to the Government's fertilizer assistance program, the initial stock of 6,000 bags of fertilizer having been disposed of to some 1,500 farmers most of them in the rice-producing areas.

Secretary of Commerce and Industry Cornelio Balmaceda reports that during the first 6 months of this year the gap between exports and imports has been reduced to around P81,000,000 as compared to the gap of P250,000,000 during the first 6 months of last year. May showed a favorable balance of P2,000,000. The figures: first 6 months of 1950,—imports, P370,423,488; exports, P289,405,928.

Banking and Finance

By R. E. RUSSELL

Sub-Manager, National City Bank of New York

COMPARATIVE Statement of the Central Bank of the Philippines:

	As of Dec. 31	As of Apr. 30	As of May 31	As of June 30
	In thousands of pesos			
Assets				
International Reserve.....	P460,689	P448,571	P450,432	P441,250
Contribution to International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	113,306	113,306	113,306	113,306
Loans and Advances.....	77,047	72,749	48,018	63,918
Domestic Securities.....	92,197	115,501	123,817	125,780
Trust Account—Securities Stabilization Fund.....	—	6,848	6,848	6,848
Other Assets.....	20,390	26,232	32,230	26,661
	P793,629	P813,210	P804,651	P807,765
Liabilities				
Currency—Notes.....	P555,576	P537,948	P534,567	P531,477
Coins.....	74,384	80,188	80,779	81,320
Demand Deposits—Pesos.....	117,682	141,283	134,546	139,282
Securities Stabilization Fund.....	2,000	6,848	6,848	6,848
Due to International Monetary Fund.....	22,498	22,497	22,498	22,498
Due to International Bank of Reconstruction and Development.....	2,389	2,387	2,388	2,388
Other Liabilities.....	2,636	7,555	7,837	8,130
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	2,874	3,572	4,206
Surplus.....	—	1,616	1,616	1,616
	P793,629	P813,210	P804,651	P807,765

Contingent Account

Forward Exchange Sold..... P 6,460 — — —

The International Reserves declined over P9,000,000 in June. Banks surrendered \$37,440,000 to the Central Bank on account of their purchases and were permitted to purchase \$42,430,000 to cover their authorized sales.

Loans and advances increased P15,900,000.

Notes in circulation continued the decline which began in April.

"Notification to Authorized Agents No. 38" was issued on June 29 and ordered that henceforth all applications for import licenses must be directed only to the Import Control Administration. The Exchange Control Department of the Central Bank no longer has jurisdiction in the issuance of any import licenses. At the same time, the Monetary Board of the Central Bank certified to the Import Control Board the amount of exchange available for all imports during the third quarter July-September.

On July 10 "Notification No. 39" was released, this covering the method of effecting payments in respect to trade with Japan under the provisions of the Trade Agreement between the Philippines and SCAP for and on behalf of Occupied Japan.

"Export Regulation No. 2" was announced on July 22. This makes it mandatory for all exports of copra and coconut oil to be covered by irrevocable letters of credit with drafts to be drawn at sight. Exceptions may be permitted but must be covered by specific licenses.

The tight money situation which has prevailed for some time is showing some signs of easing. The import and exchange controls have created a situation which demands less import financing, and as inventories are sold off, the proceeds accumulate and seek an investment outlet.

The Central Bank has placed on sale an issue of P20 Reconstruction and Development Bonds bearing interest at the rate of 4% per annum. These are coupon bonds payable to bearer and may be endorsed from hand to hand without notification to the Central Bank. These bonds are designed primarily for the small investor. Bonds in larger denominations will be placed on sale when received from the printers. Proceeds will be used to finance agricultural and industrial projects of the country through the lending operations of the Reconstruction Finance Corporation and through the financing and development projects undertaken by the Government and its agencies.

Manila Stock Exchange

By ROY EWING

Swan, Culbertson & Fritz, Inc.

July 1 to July 31, 1950

In the first half of July the market sagged to within a few points of its post-war low, 61.71, as recorded by the Mining Share Average, and to the lowest level in over a year. In the latter half it rallied moderately, to close quiet but firm with the average at 66.89.

International news and developments in Korea continued to be the principal market factors. More than usual, the action of the New York market and its interpretation of the news influenced local traders.

Reports from operating mines were entirely satisfactory but of secondary importance to foreign developments. The fear that gold mines would have to suspend operations in the event of full-scale war, was responsible for the comparative lack of interest in the gold shares and offset the high price of gold on the free market where it sold at around P105 per ounce for the entire month. Lepanto remained the leading issue, reflecting the record June production of about P1,000,000 and the strong position of copper. The chromes failed to respond to the news of increased demand and the report that Consolidated Mines expects a record production in August.

With the exception of San Miguel Brewery which continued to attract investment buying, the Commercial and Industrial section remained dull. Sugar shares attracted no attention in spite of the rise in the price of the commodity in the United States and world markets and the bullish action of this group on the New York market.

Devaluation fears and rumours appeared to subside, probably due to the presence of the United States Economic Mission and President Truman's announcement of increased aid to the Philippines.

MINING SHARES

1949-1950 High Low	Company	High	Low	July 28 Close	Change	Total Sales
94.40 60.32	M.S.E. Mining Share	68.84	61.71	67.08	Up 3.31	—
0.375 0.09	Aray Mining Com- pany	—	—	—	—	—
0.024 0.011	Antamok Goldfields Mining Co.	—	—	0.018a	—	—
0.68 0.26	Atok-Big Wedge Min- ing Co.	.27	.26	.27	Oil .01	70,500
0.07 0.04	Baguio Gold Mining	0.04	0.04	.04	—	10,000
3.75 2.00	Baletoc Mining Com- pany	—	—	—	—	—
0.0052 0.0025	Batang Buhay Gold Mines	—	—	.002b	—	—
5.30 2.50	Benguet Cons. Mining	3.00	2.50	3.00	Up .50	10,420
0.05 0.016	Coco Grove, Incor- porated	—	—	.018a	—	—
0.014 0.0078	Consolidated Mines, Inr.	.0086	.008	.0085	—	850,000
0.115 0.038	Itoyan Mining Com- pany	.05	.05	.05	—	30,000
0.08 0.025	L.X.L. Mining Com- pany	—	—	.08a	—	—
0.88 0.28	Lepanto Cons. Min- ing Co.	.77	.69	.74	Up .06	397,000
0.021 0.016	Megabate Cons. Mining	0.016	0.016	.016	—	160,000
0.70 0.31	Mindanao Mother Lode	.39	.31	.37	Up .04	111,000
0.22 0.10	Misamis Chromite, Inr.	—	—	.08b	—	—
0.08 0.03	Pararac Gumauas Cons.	—	—	.085a	—	—
0.22 0.105	San Maurice Mining	—	—	.15a	—	—
0.39 0.18	Sungao Cons. Mining	.28	.25	.27	—	93,500
0.043 0.015	Suyoc Cons. Mining	—	—	.05a	—	—
0.11 0.04	United Paracel Min- ing Co.	—	—	.05a	—	—

COMMERCIAL SHARES

1949-1950 High Low	Company	High	Low	July 28 Close	Change	Total Sales
75.00 59.00	Bank of the Philippine Islands	85.00	85.00	85.00	—	200
78.00 51.00	Central Azucarera de Bata	—	—	60.00a	—	—
200.00 111.00	Central Azucarera de la Carlota	135.00	135.00	135.00	Off 5.00	65
35.00 20.00	Central Azucarera de Tarlac	—	—	35.00a	—	—
200.00 185.00	China Banking Corp	200.00	200.00	200.00	—	10
25.00 23.50	Filipinas Cia de Se- guros	—	—	26.00b	—	—
0.35 0.35	Marsman & Co., Com.	—	—	.40a	—	—
0.40 0.40	Marsman & Co., Pfd.	—	—	.45a	—	—
133.00 95.00	Metropolitan Insur- ance Co.	—	—	120.00b	—	—
25.00 25.00	Philippine Guaranty Co.	—	—	26.00b	—	—
0.165 .04	Philippine Oil Devel- opment	.05	.04	.05	—	230,000
1.28 1.00	Philippine Racing Club	1.20	1.20	1.20	—	12,000
38.00 21.50	San Miguel Brewery, Com.	28.50	27.50	28.50	Up 1.00	11,908
—	San Miguel Brewery, 7% Pfd.	97.00	97.00	97.00	—	25
103.00 100.00	San Miguel Brewery, Eq. Pfd.	100.00	100.00	100.00	—	55
9.00 7.00	Williams Equipment Co., Com.	—	—	—	—	—

OVER THE COUNTER

Company	High	Low	July 31 Close	Total Sales
Compañia Maritima	70.00	70.00	70.00	11
Hawaiian-Philippine, Com.	5.00	5.00	5.00	4,700
Philippine American Drug, Com.	130.00	130.00	130.00	40
Philippine Dorado	.01	.01	.01	759
Provident Insurance Co.	45.00	45.00	45.00	20
Synclate Investments, Pfd.	.004	.004	.004	758
Victorias Milling Co., Wierman Philippine	150.00	150.00	150.00	51
Mindanao Develop- ment	.001	.001	.001	50,000

Credit

By C. W. MULENBURG
 Manager, Credit and Collection Department
 International Harvester Company
 of Philippines

THE Ledger Interchange Bureau, operated under the direction of the Association of Credit Men, Inc., (P.I.), Manila, renders a very valuable service to credit managers whose firms are members of the Association, by giving them the benefit of the ledger experience of other members on a given account. The information supplied gives the experience of those firms having business

with the account and lists date of sale, terms, highest credit, amount owing, and amount overdue together with the number of days overdue. Other information is supplied, such as the manner of payment and the firm's opinion of the account. The information has proved of inestimable value to credit managers and is a valuable guide to them in the extension of credit.

During the past year, 2,062 account names have been processed and cleared through the Ledger Interchange Bureau, with a total of 9,530 company responses. The average response per account name cleared was approximately five.

LISTING of court cases and supplying these lists to members of the Association monthly, is another valuable service performed by the Association. These listings were started in December, 1948, and have been continued and will be continued on a monthly basis with alphabetical listing of defendants and data as to case number and court location. The consolidation is alphabetically made at the end of each year.

CREDIT managers in the Philippines have long felt the need for a Credit Manual or Guide, similar to those in use in the United States and other countries. Now that the new Civil Code has been published, the need for this credit guide has become greater, and steps are being taken by the Association of Credit Men to supply this need. It is planned to have this guide contain, among other things, instructions on procedures involved in selling to and collecting from various Government entities. It is also planned to have a chapter on Commercial Law as it is practiced in the Philippines and various interpretations of the new Civil Code and the application of these interpretations to business methods and practices in the Philippines.

Electric Power Production

(Manila Electric Company System)

J. F. COTTON
 Treasurer, Manila Electric Company

1941 Average—15,316,000 KWH

KILOWATT HOURS

	1950	1949
January	37,661,000	33,745,000
February	33,828,000	31,110,000
March	38,107,000	34,776,000
April	35,378,000	33,048,000
May	37,611,000	34,453,000
June	37,529,000*	34,486,000
July	38,810,000**	35,726,000
August	—	35,394,000
September	—	35,763,000
October	—	37,461,000
November	—	35,856,000
December	—	38,673,000
Total	—	420,491,000

* Revised
 ** Partially Estimated

Output in July set a new monthly output record. Production was 8.7% or 3,084,000 kwhs greater than July, 1949. Final work is being pushed on the new 50,000 kwh Rockwell Steam Station which probably will start operation in September.

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 July numbered 545, with a total value of ₱6,058,320, of which 180 sales, with a total value of ₱2,995,048, represented deals within Manila

proper and 365 sales, with a total value of P3,063,048, are in the suburbs.

A few of the larger properties which changed hands during the month were:

A property with a lot of 2,914.6 square meters at Plaza de Conde, Barraca and Urbiztondo Streets, San Nicolas, sold by Rafael Corpus, et al. to Florencio Reyes for P370,000;

A property with a lot 1,701.1 square meters at San Luis and L. Guerrero Streets, Ermita, sold by the Luneta Motor Company to the Philippine Manufacturing Company for P170,000;

A property with a lot of 678.8 square meters at Ongpin Street, Santa Cruz, sold by Aurora T. de Hidalgo to Angela S. Vda. de Villongco for P120,000; and the property adjoining the Philippine Education Company at Castillejos Street, Quiapo, with an area of 4,171.9 square meters and occupied by some old houses of tenants and squatters, sold by Joaquin Zamora to Tomas de Vera for P113,000.

Real estate mortgages placed in the Greater Manila area during the month numbered 319 with a total value of P7,201,342, of which 137 mortgages, with a total value of P4,894,736 are in Manila proper and 182 mortgages, with a total value of P2,306,606, are in the suburbs.

Monthly figures of sales and mortgages as compiled from reports of the offices of the Registers of Deeds of Manila and suburbs are:

REAL ESTATE SALES (January to July, 1950)

Month, 1950	No.	P4,886,816	474)	P3,554,460	741)	P8,041,306
January	267)	3,007,789	404)	3,361,126	644)	6,705,415
February	239)	2,650,652	455)	3,561,944	694)	6,225,596
March	146)	1,757,506	351)	3,176,939	497)	4,934,445
April	225)	5,715,108	413)	2,567,044	638)	8,282,152
May	196)	3,508,044	405)	2,180,495	601)	5,688,539
June	180)	2,995,018	305)	3,063,272	545)	6,058,290
July	180)	2,995,018	305)	3,063,272	545)	6,058,290
Cumulative	1493)	P24,125,193	2867)	P21,810,690	4260)	P45,936,713
Monthly Average	217)	3,446,499	410)	3,115,811	613)	6,562,310

REAL ESTATE MORTGAGES (January to July, 1950)

Month, 1950	No.	P2,057,680	216)	P2,837,526	355)	P5,891,606
January	139)	3,427,844	223)	3,141,507	414)	6,569,351
February	183)	5,137,988	232)	2,946,095	413)	8,079,083
March	131)	3,928,477	205)	2,388,683	333)	6,317,160
April	173)	4,086,536	245)	2,763,335	416)	6,849,771
May	167)	3,197,760	199)	2,568,183	363)	5,766,143
June	137)	4,804,738	152)	2,556,806	319)	7,201,342
July	114)	27,722,421	1479)	18,952,035	2613)	46,674,455
Cumulative	1119)	59,675,213	1479)	27,007,343	377)	6,667,779
Monthly Average	151)	3,967,463	211)	2,707,434	377)	6,667,779

Ocean Shipping and Exports

By F. M. GISPERT

Secretary, Associated Steamship Lines

TOTAL exports for the first half of 1950 amounted to 1,180,857 tons, as against 1,285,195 tons for the first half of 1949, or practically 100,000 tons less this year than last year.

Exports of most commodities were about the same for both periods, with lumber and logs showing an increase for this year.

Scrap metal exports showed a considerable falling off, and sugar shipments were about 70,000 tons behind last year's figures for the half year.

Total exports for the first six months of 1950, as compared with the first six months of 1949, were as follows:

	First half 1950	First half 1949
Alcohol	162 tons	275 tons
Bamboo poles	2 "	—
Beer	161 "	1,201 "
Betel-nut	1 ton	—
Buntal fiber	93 "	53 "
Cigars and cigarettes	47 "	40 "
Coconut, desiccated	57,191 "	48,868 "
Coconut oil	22,479 "	25,575 "

Concentrates, copper	15,393 "	13,033 "
Concentrates, gold	2,586 "	1,270 "
Copra	230,084 "	239,340 "
Copra cake/meal	26,904 "	33,034 "
Embroideries	967 "	673 "
Empty drums, cylinders	2,523 "	2,395 "
Fish, salted	74 "	81 "
Foods, canned	13 "	1 ton
Fruits, fresh	789 "	1,034 "
Furniture, rattan	4,482 "	3,663 "
Glycerine	871 "	952 "
Gums, copal	351 "	337 "
Gums, elemi	27 "	21 "
Hemp	343,941 bales	292,668 bales
Hemp, knotted	101 tons	19 tons
Household goods	2,627 "	1,263 "
Junk, metal	11,661 "	58,920 "
Kapok	139 "	188 "
Logs	15,354,188 bft.	8,820,905 bft.
Lumber	16,411,487 "	12,986,580 "
Molasses	29,131 tons	55,717 tons
Plywood	265,114 sq. feet	—
Ores, chrome	108,908 tons	160,126 "
Ores, lead	387 "	—
Ores, iron	175,701 "	123,172 "
Ores, manganese	18,083 "	8,874 "
Pineapples, canned	27,531 "	18,360 "
Rattan, palasan	849 "	638 "
Rope	1,404 "	1,479 "
Rubber	1,258 "	540 "
Shells	150 "	244 "
Shell, buttons	19 "	10 "
Skins	519 "	474 "
Soap	31 "	16 "
Sugar	304,806 "	379,324 "
Tanning	179 "	201 "
Tobacco	1,035 "	2,239 "
Vegetable oil products	284 "	122 "
Transit cargo	2,677 "	2,366 "
General merchandise	18,715 "	16,174 "

Lumber

By LUIS J. REYES

Philippine Representative, Penrod, Jurden & Clark Company

THERE is marked activity on the part of the bigger and better established sawmills, many of which are now fully booked until the end of the year.

During the month of June, there was inspected for export by the Bureau of Forestry a total of 9,578,229 board feet of timber of which 5,469,823 board feet went to the United States, 1,584,406 to Japan, 602,002 to South Africa and 1,921,998 to other countries. Of these shipments, logs constituted 55% of the total and lumber 45%. As reported by the Bureau of Forestry, the shipments of logs and lumber abroad by local companies during the month of June were as follows:

Shipper	Amounts inspected in board feet			Remarks
	Destination	Lumber	Logs	
Nasipit Lumber Company	United States	1,152,008	1,012,885	Western States
	Canada	97,201	213,739	Canada
	South Africa	1,291	—	South Africa
Basilan Lumber Company	United States	353,767	48,936	Western States
	Hongkong, BCC	635,667	120,978	Hongkong, BCC
Insular Lumber Company	United States	529,114	—	152,870—Western States 114,831—Middle States 261,413—Eastern States
	South Africa	161,224	—	South Africa
	Ireland	78,132	—	Dublin, Ireland
Santa Clara Lumber Co.	United States	157,288	432,955	Lumber—Western States Logs—182,981—Western 249,974—Eastern
	Canada	—	30,012	Canada
Western Mindanao Lumber Co., Inc.	United States	—	751,457	Eastern States
	Japan	357,153	118,155	Okinawa, Japan
Woodcraft Works, Ltd.	Japan	133,743	673,484	Japan
	South Africa	—	—	South Africa
Mersman Development Co.	United States	303,712	—	128,769—Western States 174,943—Eastern States

Dad Lumber Co.	Japan	235,579	Japan
Woodworks, Inc.	United States	179,982	168,866—Western States 11,116—Eastern States
	Hongkong, B.C.C.	176,757	
Martha Lumber Mill	United States	590,392	Eastern States
	Japan	209,035	Japan
Reynolds Lumber Co.	United States	47,327	Western States
Getz, Bros. & Co.	Hawaii	5,015	
	Otaolo Puyet	240	
Taligaman Lumber Co.	Formosa	574,257	Formosa
Gulf Lumber Company	South Africa	305,744	
Total		4,312,294	5,265,935
Grand Total		9,578,229	Bd. Ft.

The table shows that the United States took about 5,500,000 board feet as compared to a little over 4,000,000 shipped to other countries. About one-half of the amount shipped to the United States was in round logs which go largely to the veneer and plywood manufacturers. Japan, on the other hand, led all other countries, followed by Hongkong, South Africa, and Formosa. Shipments for the month of July are expected to be big, but might be affected by typhoons and heavy rains which generally occur in the Philippines during these months.

In the Manila market, wholesale prices have remained low, as in May, namely: ₱165 for tangle and red lauan, ₱150 for apitong, and ₱135 for white lauan. A year ago this month, lumber prices were ₱10 lower, which was the cause of the closing down of quite a number of mills.

Prices will, in all probability, remain unchanged for the month of July as there will likely not be an over-supply of lumber in the local markets because of the big demand for Philippine logs in Japan and elsewhere. It is also likely that the Korean conflict will cause a greater demand in neighboring countries such as Hongkong and Formosa which have lately shown a marked increase in the importation of Philippine woods.

Mines

By CHAS. A. MITKE
Consulting Mining Engineer

May and June Production

Company	Months	Tons	Value
Acoje Mine	April	5,699	₱196,000
Atok Mine	May	13,445	301,319
	June	13,370	311,998
Balatoc Mine	May	18,251	262,668
	June	36,620	542,261
Benguet Mine	May	13,578	215,371
	June	25,158	405,268
Consolidated Mines	May	24,000	480,000
	June	10,000	200,000
Lepanto Consolidated	May	16,025	533,650
	June	30,234	986,620
Mindanao Mother Lode	May	9,000	323,085
	June	9,300	306,786
Surigao Consolidated	May	9,360	225,200
	June	8,966	220,080

It is a recognized fact that the Philippines must increase its production to correct the present difficult economic situation. It is impossible, however, to increase production without the use of private capital. The greater the production the more the capital necessary.

Domestic capital, however, does not exhibit the pioneering spirit that characterized the early growth of the United States. While willing to invest in mining enterprises after they have reached the investment stage, it does not care to make the venture in the early years in creating possibly great enterprises out of virgin undeveloped mineral lands. It prefers to allow foreign capital to take the risk and carry such enterprises through the speculative period.

Much has been said, over and over again, that the Philippines welcomes foreign capital, particularly American capital, to assist in the development of its vast natural resources. So far, however, this has been merely lip-service as absolutely nothing has been done to provide a "climate" attractive to American and foreign capital. In fact, at the same time that money is being raised to "sell" the Philippines to American capitalists, steps are also being taken to repel that capital from coming to these shores. This is a peculiar situation. On the one hand, the Filipinos invite capital to come in; on the other hand, they do many things to keep it out.

Take for instance the recent two alien registration laws which require aliens, including American citizens, to pay ₱100, plus documentary stamp costs, to register. This law does not apply to Filipinos but is directed solely against aliens, including Americans, and is, therefore, class legislation in that it is imposed on one section and only one section of the population.

After the billions that the United States has poured into the Philippines, and the expressed hopes that more will follow, this seems to be a very short-sighted policy. To paraphrase Dale Carnegie, it might be described as a good example of "How not to make friends and influence people". Such action, coming on top of other recent discriminatory measures is definitely not conducive to amicable relationships.

Not only are resident aliens compelled to pay this tax, but American visitors, tourists and American investors arriving to look the situation over, are penalized if they remain over 30 days, and are required to pay the ₱100 alien registration fees.

Cases have also been known where reputable persons coming to the Philippines on business have been subjected to the indignity of personal search. One such instance was given wide publicity in the newspapers recently. A representative of SCAAP, arriving on official business, was the victim. This is not exactly the way to create a "climate" that would encourage foreign investment.

REFERRING specifically to mining, there are other difficulties which a foreign investor encounters.

In the Philippines, as in other countries, mining is supervised and controlled by the Government.

After the Battle of Manila Bay, the United States Congress in 1902 included a mining law for the Philippines in the "Philippine Bill" authorizing the organization of the government. Under this Act, titles to mineral lands were initiated by discovery of minerals therein. The title became complete upon location and record of the claim in the Office of the Mining Recorder. The right to such claim could be held indefinitely upon the performance of at least ₱200 worth of annual development work on the claim. At any time, should the claim owner desire, he could acquire a patent to his claim by proving that he had performed at least ₱1,000 worth of work on the claim and paid the customary fees.

On November 15, 1935, such location, registration, and patenting of mining claims was suspended under the new Constitution of the Philippines.

The National Assembly, after the inauguration of the Commonwealth, created the Bureau of Mines under the Department of Agriculture and Commerce. The duties of

the Bureau of Mines, with certain exceptions, are the same as the duties of similar bodies in other countries. It comprises the Geological Survey Section, the Mining Technology Section, the Mineral Lands Administration Section, and Mineral District No. 1, Baguio. It also exercises supervision over the offices of mining recorders.

On November 7, 1936, Commonwealth Act No. 137 was approved. This was an act to provide for the conservation, disposition, and development of mineral lands and minerals.

Commonwealth Act 137 embodied a partial reversion to the old Spanish Law. Under the Regalian Act, all minerals were the property of the crown and a deed to the surface did not carry with it a deed to the minerals beneath unless so specifically provided. Section 3 of Chapter 3 of Commonwealth Act 137 states:

"All mineral lands of the public domain and minerals belong to the State, and their disposition, development, or utilization shall be limited to citizens of the Philippines, or to corporations, or associations, at least sixty per centum of the capital of which is owned by such citizens. . . ."

The new law (Commonwealth Act 137) substituted 25-year government leases for outright patents. It also required a locator to determine within 4 years whether or not his claim was worthy of being leased. If he did not apply for a lease before the termination of the 4 years, the land was declared forfeited and open for relocation by someone else. Inasmuch as the Philippines is a semi-tropical country, with an average rainfall of 150 inches, and a dense tropical growth covers most of the mineralized areas, the prospecting period is necessarily limited to some 4 or 5 months in the year. It is impossible to study outcrops that are covered with thick wild "cogon" grass growing to a height of 5 feet or more or with other forms of vegetation that are too green to burn except during the very short dry period.

Apparently the framers of the law were possessed of unwarranted fears that mining booms would occur, resulting in the "location" of a large part of the Islands as mining claims, for they limited the area of mineral ground that could be located by any one individual to 3 claims on the same vein or lode. Philippine mining claims are 300 by 300 meters. This is approximately 900 by 900 feet. Three claims on a lode give a total length of approximately 800 meters or 2700 feet. If the claims are located end to end, adjoining each other along the lode, with the vein running down the center, there would be only 150 meters or 300 feet on either side to cover the extension of the vein in depth. Should the vein dip at an angle of 45° or flatter, the mine operator could follow his ore down to a depth of only 150 meters, or 450 feet before passing into someone else's ground. Also, if the vein is narrow, and most gold veins in the Philippines are narrow, the tonnage of ore which might be developed to this depth (150 meters) would not justify the large expenditures usually necessary for surface treatment plants. This clause should be liberalized if large mining developments are anticipated.

The procedure involved in the securing of mineral leases is complicated and expensive,—far too expensive for the average man. A minimum of ₱1,000 per claim is a fair estimate. Under the United States mining laws, only a small percentage of claims are ever patented. By far the majority are held merely by location and performance of annual assessment work. In the Philippines, however, application for government leases—which take the place of patents—is compulsory. The only alternative is forfeiture of the property.

The vast amount of detail work required in a Bureau of Mines survey, with all its double and triple checks, its volumes of computations, and checking and double checking of long tie-line surveys, seem unnecessary and too ex-

pensive to be of practical value, particularly when compared to mining companies' surveys.

After the lease has been secured the lessee is required to pay an annual rental in advance of ₱1 per hectare or fraction thereof and to perform ₱200 worth of assessment work annually on each claim. He should proceed with the development of his properties, he must pay a gross production tax on all minerals extracted or produced from his mineral lands. In the case of gold mines, this consists of a graduated tax starting at 1½% of the gross value of the output and increasing to 5½% maximum depending on the value of the ores produced. This expense is in addition to the regular corporation or individual income tax.

In addition, in the Internal Revenue Code, Commonwealth Act 466, approved July 1, 1939, Sec. 241 requires the payment of an occupation fee of ₱1 per hectare beginning 2 years from the date of registration of the mining claim and on the same date thereafter until lease has been granted. Why this should have been included in the Revenue Act instead of the Mining Law is difficult to understand. Also why a man should have to pay an occupation tax on a property that he may later discard as valueless and on which he may never apply for a lease, is also hard to understand, particularly when, as is often the case, some one else is paying a tax on the surface area.

The provisions of the Mining Act covering conflicts and disputes arising out of mining locations are cumbersome, to say the least. While conflicts on overlaps are required to be submitted to the Bureau of Mines, that body is powerless to make final decisions. After the deliberations have consumed anywhere from 6 months to a year, the protestant can appeal his case to the Department of Agriculture and Natural Resources before filing suit or he may go direct to court and repeat the proceedings originally heard in the Bureau of Mines. The duplication leads to nothing but delays. Moreover, after a protest has been dismissed, protestants can use the same case as a basis for an adverse claim and proceed to try the same in a court of first instance.

The present law offers every opportunity to claim-jumpers to hold up legitimate work for indefinite periods in the hope of obtaining monetary settlements to which they are not entitled. This retards the opening of new producing mines, and gives no assistance to genuine developers of future producers. Some deterrent should be placed on such procedure, possibly the requiring of the filing of a substantial bond by persons filing overlap protests.

Either the hearings before the Bureau should be eliminated entirely and the case go to court direct, or the Bureau should be granted power to render final decisions. Moreover, a conflict which has been dismissed by the Bureau should not be permitted to become the basis of an adverse claim.

All the present operating mines were located and developed under the old mining law.

The full effect of the new law, which was enacted in 1936, was not felt until after liberation. It is only now that prospectors, locators, and developers of mining property are beginning to realize what a hindrance it is to mine development.

Not one single property has gone into operation under the new law. If the Government expects its mining industry to develop and expand, something must be done to liberalize the new mining law, so that it will be a help and not a hindrance in the development of new mines.

The prices of all metals are much higher than before the war, some of them, such as lead and zinc, are 4 to 5 times the pre-war figures. If the defects in the Mining Law were corrected, and a favorable climate created for investment, mining might have a chance to expand and resume its former status as an important dollar-revenue producer.

Copra and Coconut Oil

By H. DEAN HELLIS

Manager, Philippine Refining Company, Inc.

June 16 to July 15

THE Korean hostilities and the resultant rather tense international situation have completely upset all earlier prognostications concerning the world's fats and oil markets, and particularly here in the Philippines regarding copra and coconut oil. Markets in general have shown a certain amount of nervousness, in most cases being extremely sensitive and reflecting the various turns of events in the war news. For the most part, however, the trend has been definitely and sharply upward, with the consumer trade abroad, particularly in the United States, endeavoring to increase minimum inventories to a point at which there will be more adequate coverage against any possible contingency. For some time past, these buyers, due to the relatively high prices for both copra and coconut oil, have been operating mostly on a "hand-to-mouth" basis, buying only spot or nearby deliveries as and when required. The present situation, however, is somewhat different in their desire to build up their stock positions within reasonable limitations.

Also, just prior to the outbreak of hostilities in Korea, another unexpected situation arose in the Philippine copra market, and this was the reported purchase by Japan of some 23,000 tons of copra for July/August/September shipment at prices averaging about \$185 per ton c.i.f. Japanese port. This business was reportedly done under the present Trade Agreement between the Philippines and Japan, but even at this late date, several weeks thereafter, it is very difficult to ascertain actually what tonnage

was sold. There has been considerable rumor that certain contracts have been cancelled, in some cases because the credits were not forthcoming on time while in other instances shippers were having difficulty in arranging the necessary export permits and licenses pursuant to Central Bank requirements. We are, therefore, inclined to believe that there will be far less than the reported 23,000 tons sold, actually shipped to Japan during the period indicated, particularly in view of the difficulties being encountered when meanwhile copra prices have advanced so sharply.

As the period under review opened, the current market for copra was nominally about \$165 c.i.f. Pacific Coast, with sellers holding off and not showing much interest to operate. Much the same was true in connection with f.o.b. quotations, with buyers indicating their views at \$165 f.o.b. As the period closes, however, we find buyers willing to pay \$195 c.i.f. Pacific Coast, with sellers generally holding for \$197.50 to \$200 c.i.f., and business done at \$195 and \$197.50 f.o.b. for first half of August shipment.

A fair amount of business has also been done c.i.f. and c. and f. terms to Europe at steadily advancing prices, the buyers in Europe likewise evidencing some nervousness regarding the tense international situation.

Only during the short period between about July 6 and July 12 did the copra and coconut oil markets display any signs of perhaps becoming easier after the initial rise during the second half of June, but this decline in prices was very short-lived and moderate, only to be followed immediately by even a sharper advance than previously experienced.

All in all, we would say that considerable copra for export has been sold during the period under discussion for nearby, July, and August positions, and it has become most difficult to properly judge future probabilities, as

Ideal for reference in travel offices and shipping rooms—



New Wall Map OF THE PHILIPPINES

By Manuel T. Cunanan

- Freshly printed in clear, attractive contrasting colors
- Shows the important new cities—even some barrios or sitios
- Features the division of Mindoro into Mindoro Occ. & Mindoro Or.
- Locates roads, railroads, steam routes, and airports
- Three inset maps:
 1. Physical Map of the Archipelago
 2. Philippines' Physical & Economic Map
 3. Air routes of the Orient

ACCURATE

DETAILED

UP-TO-DATE

Size 33" x 46 1/4"

Unframed, only P 8.00
Framed 18.00

PHILIPPINE EDUCATION CO.

1104 CASTILLEJOS, QUIAPO

TEL. 3-22-51



feel WEAK?

TAKE
BOIE-WATSONAL
MULTIPLE VITAMINS
And Mineral Capsules

Manufactured in the United States and Repacked by
BOIE-WATSONAL
LABORATORIES

Multiple Vitamins
Supply daily vitamin requirements to the average diet.

Cod Liver Oil

Specific against rickets and the resulting bone malformation.

Liver, Iron, and Vitamin B-Complex

Specific against simple anemia and corresponding blood deficiencies.

At all Leading Drug Stores
throughout the Islands

Philippine American Drug Co.
(BOTICA BOIE)

On the Escolta, Manila

CEBU ILOILO LEGASPI DAVAO

much will depend upon the developments in Korea and possibly elsewhere, also on how much short-covering will have to be done by suppliers and sellers in the Philippines against their sales already made.

Locally in Manila the copra market has followed much the same pattern as the export market, with prices up from a low of ₱30 at mid-June to about ₱35 or ₱36 as we close at mid-July.

As usual, and though there has been increased activity on the part of coconut oil buyers abroad, the coconut oil markets have continued to lag behind most of the excitement in the copra market. Accordingly, we have not seen quite the same proportional increase in oil prices, which have advanced only from around 13-1/4 cents to about 14-1/2 cents c.i.f. Atlantic Coast. In view of the firm copra situation, however, undoubtedly this market must soon follow, as, obviously, sellers are reluctant to offer.

COPRA exports during the month of June, 1950, amounted to 48,451 tons, as compared to 35,713 tons during May, 1950, and 34,748 tons during June, 1949. The total for the January through June period in 1950 amounted to 230,034 tons, against 239,340 tons for the same period last year. June, 1950, copra exports are broken down as to destination, as follows:

United States	
Pacific Coast	21,359 tons
Atlantic Coast	4,227 "
Gulf Ports	3,029 "
Canadian Pacific Coast	1,500 "
Europe	5,600 "
Japan	3,801 "
South America	6,635 "
Palestine	2,300 "
	28,451 tons

Coconut oil exports for May, 1950, amounted to only 3,635 tons, as compared to 3,256 tons during May, 1950, and 5,681 tons during June, 1949. The total exports for the period January through June, 1950, amounted to 22,479 tons, against 25,757 tons for the same period last year. All of the June, 1950, exports of oil were shipped to the United States Atlantic Coast.

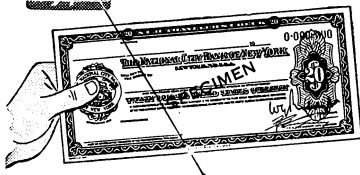
Along with all other markets, the market for copra meal has also improved considerably, to a point where at close a price of about \$74 c.i.f. Pacific Coast is obtainable. As far as we know, there still has been no business done from the Philippines against Denmark's latest ECA allocation of \$400,000 for Philippine copra cake/meal.

SUMMARIZING, and as previously stated, the future trend of the copra and coconut oil markets is presently very confusing and difficult to foresee, though it now will not surprise us any to see still higher prices than those in effect as we close. Copra production throughout the Philippines should be very good during the next few months, and were it not for the Korean and international situations we still incline to the belief that prices for the remainder of the year would be considerably lower. With the situation as it is, however, it is anyone's guess as to the future, even the nearby future, and therefore it becomes dangerous speculation for any trader who does not keep as closely balanced a position as possible. If the international situation should worsen considerably, which we hope will not be the case, it is quite possible that we may see certain price controls made effective again in the United States, which, if done in the case of copra and coconut oil, may bring about a complete change in the present picture.

Buy National City Bank Travelers Checks



Things to do
before your trip...



If you're wise you'll make reservations for hotels, train berths, ships, planes to avoid a spoiled trip. Why take chances with your travel money? Carry National City Bank Travelers Checks and protect yourself against theft or loss. Your money refunded if lost or stolen.

NCB Travelers Checks faithfully guard your funds wherever you travel—at home or overseas, and save you needless worry.

Because NCB Travelers Checks are backed by America's greatest World Wide Bank, they are known and accepted everywhere. In denominations of \$10, \$20, \$50 and \$100—good until used.

THE NATIONAL CITY BANK OF NEW YORK

First in World-Wide Banking

Branches in the Philippines

MANILA

Main Branch: Juan Luna St.

Port Area Branch: 13th Street

PAMPANGA: Clark Field

CEBU: Cebu City

Desiccated Coconut

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

THIS report covers the period from June 15 to July 15, during which time copra see-sawed up and down due to local speculation and mostly to personal guesses as to what might happen in regard to the Korean situation. Nuts were plentiful during the period; so much so that some planters and contractors who ordinarily were 100% desiccated coconut suppliers turned to the *tapanans* and started making copra with their surplus nuts.

Despite a sudden copra price rise near the end of the period, desiccated coconut manufacturers were well supplied with nuts and paid prices considerably below the copra equivalent.

Labor difficulties were not much in evidence during the period and most factories ran at peak production. A certain amount of stock piling due to the troubled world condition, was in evidence but not to the extent that it was in 1941, a pre-war year.

The shipping statistics for the month of June follow:

Shipper	Pounds
Franklin Baker Co.	5,535,782
Blue Bar	1,486,810
Peter Paul Philippine Corp.	1,784,200
Red-V Coconut Products, Ltd.	4,221,500
Sun-Ripe Coconut Products Inc.	750,880
Standard Coconut Corp.	0
Cooperative Coconut Products Inc.	805,500
Tabacalera	280,000
Coconut Products (Phil.) Inc.	451,800
Luzon Desiccated Coconut Corp.	0
	<hr/>
	15,314,472 pounds

Note: Zamboanga Factory production.....	539,480 lbs.
Lusacan	947,330 "
Total Blue Bar Shipment	1,486,810 lbs.

Sugar

By G. G. GORDON
Secretary-Treasurer
Philippine Sugar Association

THIS review covers the period from July 1 to July 31, 1950.

New York Market: After the advance recorded during June, July opened dull but unchanged, there being sellers of Puerto Ricos, Cubas, and Philippines at 5.90¢, but buyers were not interested above 5.85¢. However, influenced by the strong pressure of refined sugar withdrawals, the market on July 5 advanced to 5.90¢ on sales of Cubas and Puerto Ricos for July and August arrival. There were further offerings at 5.90¢ which were all taken on July 6, including over 12,000 tons Philippines for August arrival. The market closed with the tone firm, there being no further sugar on offer. There was considerable discussion in sugar circles as to the possibility of a quota increase and its effect on the market. Justification for an increase would be that refined distribution to the end of June was 150,000 tons ahead of last year.

On the 7th sellers were talking 6¢, but buyers sat tight in the belief that some action on increasing the quota was probable. During the week, advances were announced in refined prices up to 25¢ per cwt. to become effective at varying dates up to July 17. The demand for refined sugar was stated to be beyond refiners ability to ship, regardless of price. On July 10 the spot price was reported as 5.95¢ with the undertone firm and buyers now asking 6¢.

On July 11 small sales were made for August/September shipment of Philippines at 5.95¢ and Cubas for July shipment at 5.99¢. There were indications of considerable quantities being available at 6¢ but buyers did not indicate better than 5.95¢. On the 12th a strong demand for refined forced refiners into the market and it was estimated that

INSULAR LUMBER COMPANY

FABRICA, OCC. NEGROS



SPECIALISTS IN KILN DRIED LUMBER

and

MANUFACTURERS OF BOXES OF ALL DESCRIPTIONS

MANILA DISTRIBUTORS:

Norton & Harrison Company
814 Echague
Manila

D. C. Chuan & Sons, Inc.
14-30 Soler St.
Manila

Insular Saw Mill, Inc.
340 Cananigo, Paco
Manila

MANILA OFFICE: 401 FILIPINAS BUILDING

nearly 100,000 tons, mostly Cubas and Puerto Ricos to arrive up to the end of August, were taken at 6¢. The undertone continued firm.

On the 13th the Secretary of Agriculture announced an increase in the United States quota of 350,000 short tons, making the total quota 7,850,000 short tons; 98.64% of this increase went to Cuba. This increase failed to weaken the market, which continued very firm on the 14th when sugar was on offer at 6.08¢ and 6.10¢ with buyers inclined to wait.

On the 17th the market continued firm with small offerings at 6.10¢ but buyers still holding off. The 18th saw 6.10¢ established as the spot price, considerable business being done at that figure. The demand for refined continued at a high rate and this forced refiners to re-enter the raw market. On the 19th the market continued steady, refined demand being reported as strong. On the 21st the market advanced to 6.15¢, at which price 27,000 tons covering August, September, and October shipment were taken.

On the 24th an operator purchased Puerto Ricos for September shipment at 6.20¢. The market continued firm on the 25th when holders were reported to be expecting a further advance, but on the 26th small quantities were offering at 6.20¢ and the market was reported easier with more selling pressure and rumors that the quota would be increased or suspended. The market continued quiet through the 28th and 29th, pending clarification of the situation, it being reported that the United States Government would purchase reserve stocks of Cuban sugar and increase or suspend the quota. The price of the sugar so purchased was not announced, but it was rumored to be 6.25¢.

On the 31st, it was reported that the Government, in addition to purchasing Cuban reserve sugar, had also purchased Puerto Rico, Hawaiian, and Virgin Islands

surplus sugar totalling about 230,000 tons; price unknown. The market, however, continued steady with light offering at 6.23¢ but buyers waiting.

In addition to the advance recorded above in the United States market, the Cuban world market made a notable advance during the month. On June 30 the spot price quoted was 4.30¢ f.o.b. Cuba, and on July 31 this had advanced to 5.90¢, which was well above the parity of the United States market price of 5.75¢ c. and f. New York (equivalent to 6.25¢ duty paid). To the public apprehension as to possible shortages due to international developments, must be attributed the extraordinary activity during the month.

We give below the quotations on the New York Sugar Exchange as of July 31 for Contracts Nos. 4 and 6:

	Contract No. 4	Contract No. 6
September	5.87¢	5.68¢
November	—	5.65
January	5.49	5.46
March	5.10	5.38
May	5.08	5.39
July	—	—

Local Market. (a) Domestic Sugar: The market remained stationary during the month, centrifugal sugar polarizing 97° being quoted at the same figure as in June,— $\text{P}15.80$ to $\text{P}16.30$ per picul. Washed sugar polarizing 99° was also unchanged, being quoted at $\text{P}19/\text{P}19.50$ per picul.

(b) Export Sugar: There was little export sugar now available and the export price naturally advanced in sympathy with the New York market. On July 31 it was quoted at $\text{P}14.70$ to $\text{P}14.80$, an advance of $\text{P}0.50$ per picul over the closing quotation in June.

Philippine Crop Conditions: Reports on the 1950-51 crop continue to be favorable and an increase of from 30% to 40% over the 1949-50 figure appears to be possible unless adverse weather should interfere.

ENGINEERING EQUIPMENT & SUPPLY COMPANY, Inc.

MACHINERY • MECHANICAL SUPPLIES •
ENGINEERS • CONTRACTORS

AIR CONDITIONING

For Offices, Theatres, Hospitals, Stores,
Restaurants, Hotels, Clubs and Homes

★ ★ ★

Suppliers of

MACHINERY, EQUIPMENT and INDUSTRIAL
SUPPLIES

For Sugar Centrals, Mines, Sawmills, Power Plants,
Machine Shops and All Industrial Plants

★ ★ ★

ENGINEERING — DESIGN — APPLICATION — ESTIMATES
INSTALLATION — MAINTENANCE — SERVICE — REPAIRS

★ ★ ★

Operating:

MACHINE SHOPS • STEEL PLATE SHOPS
STRUCTURAL STEEL SHOPS • WELDING
SHOPS • BLACKSMITH SHOPS • SHEET
METAL SHOPS • MARINE RAILWAY

General & Sales Office
174 M. de Comillas
Manila
Tel. 3-29-21

Engineering Shops
No. 1 Calle L. Segura
& Pasig River
Mandaluyong, Rizal
Tel. 6-65-68

Manila Hemp

By FRED GUETTINGER

Vice-President and General Manager
Macleod and Company of Philippines

THIS review covers the period June 16 to July 15, 1950. During the first half of the period prices in the terminal markets remained about the same level as at the closing of the previous period, with consumers displaying little interest. If there were any doubt about the possibility of the market continuing the downward trend of the past 6 months the outbreak of the Korean War completely removed it. It was, however, not until almost two weeks after the hostilities broke out that the markets started to advance, but that was due to scarce offerings and not to heavy buying by the manufacturers, who seem to be well supplied for the time being. Prices in the United States registered increases up to 1-3 4 cents per pound, while in the Philippines prices in provincial markets went up from ₱2 to ₱3.50 per picul.

New York Quotations:

	Per lb.	c.i.f. New York	
	June 15	July 15	Change
Davao I.....	23-1 2¢	25-1 8¢	+ 1-5 8¢
Davao J.....	23-3 8	24-7 8	+ 1-2
Davao G.....	22-5 8	24	+ 1-3 8
Non-Davao I.....	24	24-3 4	+ 3 4
Non-Davao J.....	22	23-3 4	+ 1-3 4
Non-Davao G.....	16-1 8	17-3 8	+ 1-1 4

Philippine Provincial Quotations:

	Per Picul — Basis	Loose	
	₱52 00	₱55 50	+ ₱ 3 50
Davao I.....	51 00	54 50	+ 3 50
Davao G.....	49 00	51 50	+ 2 50

Non-Davao I.....	51 00	54 00	+ 3 00
Non-Davao J.....	47 00	49 00	+ 2 00
Non-Davao G.....	32 50	35 00	+ 2 50

Pressings in June amounted to 56,102 bales—down 7,941 bales from May but up 10,255 bales from the corresponding month last year. Davao pressings were 33,156 bales, or 59% of the total. For the first half of this year pressings totaled 354,094 bales, compared with 281,641 bales for the same period of last year—an increase of 72,453 bales, or 26%.

The following tables show comparative figures for balings and exports for the first half of 1947 through 1950:

	Balings — First six months		1947	
	1950	1949	1948	1947
Davao.....	166,038	112,696	116,744	187,923
Albay, Camarines and Sorsogon.....	89,343	63,449	112,069	119,514
Leyte and Samar.....	58,436	60,853	65,038	39,562
All Other Non-Davao.....	40,277	44,643	68,395	34,585
Total (Bales).....	354,094	281,641	362,246	381,584

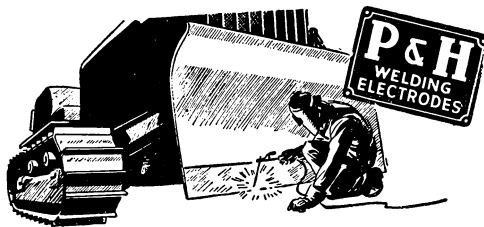
	Exports — First six months			
	1950	1949	1948	1947
United States and Canada.....	157,669	100,092	166,279	271,057
Japan.....	50,724	75,777	83,175	1,600
Continental Europe.....	55,296	59,677	57,926	64,955
United Kingdom.....	37,204	17,688	47,185	18,570
China.....	7,960	7,673	5,988	831
India.....	3,830	2,181	490	4,850
Korea.....	3,100	—	—	—
South Africa.....	2,885	2,616	1,460	2,000
Australia and New Zealand.....	625	350	42	—
All Other Countries.....	—	—	2,853	885
Total (Bales).....	319,293	266,054	365,398	364,748

KEEP Machinery
Operating — Rebuild
Worn Parts With
P&H Welding
Electrodes

Save time, and the cost of replacement parts by repair-welding with P&H Electrodes. P&H offers types and sizes for welding all kinds of steels, cast iron, sheet metal, etc.—also for building up and for putting hard surfaces on worn parts.

Using P&H Electrodes is your assurance of easier-to-use electrodes and high quality welds because they are made by one of the world's largest makers as well as users of arc welding equipment.

Get your P&H Electrodes from your P&H Representative.



P&H ARC WELDERS

P&H also makes DC and AC Arc Welders in all sizes, motor-driven, engine-driven or transformer type, for all welding requirements. Ask your P&H dealer.



A COMPLETE ARC WELDING SERVICE



P&H WELDING EQUIPMENT DISTRIBUTORS

THE EARNSHAW'S DOCKS & HONOLULU IRON WORKS

CORNER TACOMA & SECOND STREETS
PORT AREA, MANILA

TEL. 3-35-11

BRANCH AT: BACOLOD,
OCCIDENTAL NEGROS

Tobacco

By LUIS A. PUJALTE
Secretary-Treasurer

Manila Tobacco Association, Inc.

IT is estimated that over 25,000 hogsheds of Virginia leaf, loose leaf, and scrap tobacco have arrived in Manila during 1950. With this tobacco on hand there is sufficient material to cover the needs of local factories, old and new, for at least 6 months, that is, for the remainder of 1950. If before the end of the year additional Virginia leaf is allowed to be imported, as may be warranted by the needs of different manufacturers, there will be a steady supply of cigarettes to meet the demand of the market; otherwise, the black market for this commodity will again flourish toward the end of this year.

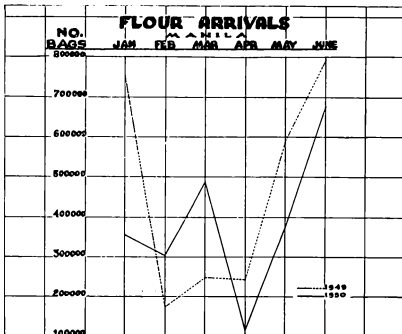
Purchasing of the new crop in Pangasinan, La Union, Ilocos, and Visayas is very slow, as a major part of the crop is already in the hands of merchants. In Isabela and Cagayan most of the crop is already in the hands of merchants and manufacturers, and it is expected that the purchasing season (*acopio*) will be over by late August or early September. The crop in Isabela and Cagayan has not come up to expectations, due to rains in the pre-harvest, which "washed" the leaves. A big portion of the crop will be washed, i.e. leaf with little gum, elasticity, and flavor. To the cigarette manufacturers, under present circumstances when stocks are low, this will be boon as this type of tobacco can be put into immediate use.

Some localities have produced very fine quality leaf; thus the reason why some lots have been sold at up to ₱70 per quintal (100 lbs.) while inferior leaf sold as low as ₱28 to ₱30 per quintal. This high-priced tobacco is purchased direct by local factories which compete for these choice lots because of the fine texture and quality, and because there is a high percentage of it that can be used

for wrapper and binder, which is scarce. The crop of 1950 is in many respects similar to the crop of 1938.

Imports

By S. SCHMELKES
Mercantile, Inc.



The graph shows the fluctuation in flour arrivals during the first 6 months of this year as compared to the same period last year.

It will be noted that whereas the total amount of flour arrived in 1950 is considerably less than arrived in 1949, chiefly due to the controls on wheat flour, nevertheless arrivals in May and June, 1950, show a strong uptrend.

ENGINEERS CONTRACTORS MANUFACTURERS DISTRIBUTORS

SPECIALIZING IN THE FABRICATION AND
ERECTION OF BRIDGES, BUILDINGS AND TANKS

Operating

MACHINE SHOPS FOR CONSTRUCTION
AND REPAIR

FOUNDRY FOR CAST IRON, BRASS & BRONZE

MARINE REPAIR SHOPS

WOOD PRESERVING PLANT



Distributors for—

ALLEN-BRADLEY CO.
AMERICAN BLOWER CORP.
ARMCO INTERNATIONAL CORP.
ARMSTRONG MACHINE WORKS
CHAIN BELT CO. OF MILWAUKEE
CHERRY-BURRELL CORP.
CLAYTON MFG. CO.
COFFING HOIST COMPANY
DEMPSTER BROTHERS, INC.
DODGE MANUFACTURING CO.
FAIRBANKS, MORSE & CO., INC.
FIRTH STERLING STEEL CO.
GARDNER-DENVER COMPANY
GAR-BRO MANUFACTURING CO.
GIANT MANUFACTURING CO.
JOHNSON SERVICE CO.
LANDIS MACHINE CO.
LINCOLN ELECTRIC CO.
MARION POWER SHOVEL CO.
MYSTIK ADHESIVE PRODUCTS
PIONEER ENGINEERING WORKS, INC.
SHEPARD ELEVATOR CO.
SMITH WELDING EQPT. CORP.
STAPPLES & PFEIFFER
TUBE-TURNS, INC.
WALSH REFRACTORIES CORP.
WESTERN BRASS WORKS
WESTERN ROCK BIT MFG. CO.
YORK CORPORATION

ATLANTIC, GULF & PACIFIC Co. OF MANILA

(PHILIPPINE CONTRACTORS SINCE 1905)

EXECUTIVE OFFICES • ENGINEERING DIV.
STRUCTURAL & MACHINE SHOPS

Barrio Punta, Sta. Ana, Manila • Tels: 6-75-31 • 6-75-32 • 6-75-33

MERCHANDISE SALES DIVISION
Robert Dollar Bldg., Muelle del San Francisco & 23rd St. Port Area, Manila
Tel: 3-26-61 (Connecting all Depts.)

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

Commodities	June, 1950	June, 1949
Automotive (Total)	1,241,216	3,050,329
Automobiles	51,493	807,028
Auto Accessories	1,733	28,308
" Parts...	223,845	453,616
Bicycles	1,161	48,966
Trucks	—	42,588
Truck Chassis	543,305	611,700
Building Materials (Total)	17,811,719	16,608,306
Board, Fibre	78,069	91,901
Cement	11,408,968	10,686,698
Glass, Window	271,311	593,470
Gypsum	1,214,871	134,640
Chemicals (Total)	5,031,869	3,355,967
Caustic Soda	835,665	221,839
Explosives (Total)	113,394	184,567
Firearms (Total)	—	29,715
Ammunition	—	7,295
Hardware (Total)	6,608,002	5,692,774
Household (Total)	788,391	2,039,061
Machinery (Total)	2,857,044	2,079,788
Metals (Total)	9,114,618	15,557,034
Petroleum Products (Total)	91,785,978	74,150,863
Radios (Total)	25,787	104,506
Rubber Goods (Total)	411,013	918,346
Beverages, Misc. Alcoholic	8,993	77,898
Foodstuffs (Total Kilos)	32,966,328	63,862,722
Foodstuffs, Fresh (Total)	107,136	117,047
Apples	3,260	27,149
Oranges	20,353	4,903
Onions	37,073	9,267
Potatoes	13,880	16,607
Foodstuffs, Dry Packaged (Total)	22,841	78,875
Foodstuffs, Canned (Total)	472,572	574,887
Sardines	173,925	136,456
Milk, Evaporated	198,101	219,378
Milk, Condensed	23,000	18,250
Foodstuffs, Bulk (Total)	707,691	1,357,644
Rice	—	489,989
Wheat Four	673,113	794,211
Foodstuffs, Preserved (Total)	249	970

Bottling, Misc. (Total)	1,524,472	2,875,834
Cleansing and Laundry (Total)	674,078	525,576
Entertainment Equipment (Total)	17,117	11,295
Livestock-bulls-seeds (Total)	—	6,089
Medical (Total)	666,768	414,799
Musical (Total)	39,757	109,890
Office Equipment (Total)	107,474	132,621
Office Supplies (Total)	84,164	52,876
Paper (Total)	7,933,463	5,118,585
Photographic (Total)	63,238	31,412
Sporting Goods (Total)	14,684	37,228
Stationery (Total)	709,338	426,497
Tobacco (Total)	6,314,861	1,857,135
Chucheria (Total)	99,089	108,243
Clothing and Apparel (Total)	175,269	442,553
Cosmetics (Total)	24,864	290,246
Fabrics (Total)	1,380,903	226,456
Jewelry (Total)	—	114
Leather (Total)	148,963	250,165
Textiles (Total)	1,590,018	2,771,073
Twine (Total)	23,847	92,298
Toys (Total)	23,698	78,127
General Merchandise (Total)	611,323	900,862
Non-Commercial Shipments (Total)	45,777	26,441
Advertising Materials, Etc. (Total)	755,197	967,142

Automobiles and Trucks

By KARL E. GAY

Sales Representative, Ford Motor Company

REPORT OF SALES

ACCUMULATED TO JUNE 30, 1950

Make	Passenger		Trucks		Total	
	No.	%	No.	%	No.	%
MANILA AND NORTHERN LUZON						
Ford	239	24.02	249	27.42	488	25.64
Mercury	38	3.82			38	2.00
Lincoln	7	.70			7	.37
Prefect	5	.50			5	.26
Chevrolet	338	33.97	359	39.54	697	36.63
Buick	50	5.02			50	2.63
Cadillac	Nil				Nil	

These P&H Values Cut Costs

- All-welded construction of rolled alloy steels
- True Tractor-type swivels
- Smooth hydraulic control

With front end attachments P&H Excavators can be converted for many types of services.

CUTTING COSTS ON ALL KINDS OF JOBS

If you're looking for lower costs on a wide variety of jobs, here's the machine that can help you. A P&H Excavator enables you to handle a wider range of work because it is actually many machines in one. By changing simplified front end attachments, you can use a P&H as a shovel or dragline for digging... as a crane for lifting... as a trench hoe for ditching... or as a pile driver. This versatility, combined with faster, easier operation, makes P&H first choice for general contracting work the world over. For full details, see your local P&H distributor.

BETTER LIVING through BETTER ROADS

P & H DISTRIBUTORS

THE EARNSHAW'S DOCKS & HONOLULU IRON WORKS

Corner Tacoma & Second Street, Port Area, Manila

Branch at BABOLÓD Occidental Negros

Tel. 3-35-41

P&H HARNISCHFGER CORPORATION
 Main Office and Plant: Milwaukee 16, Wis., U.S.A.
 ESTD 1858
 Manufactured in 1941



PACIFIC MERCHANDISING CORPORATION

419 Dasmariñas

Manila

EXCLUSIVELY REPRESENTING . . .

CORBIN LOCK COMPANY

AMERICAN RADIATOR & STANDARD
SANITARY CORPORATION

UNION CARBIDE & CARBON CORP.

National Carbon Division

"Eveready" flashlights & batteries

LINDE AIR PRODUCTS CO., INC.

"Union" Carbide

THE PARAFFINE COMPANIES, INC.

"Pabco" Products

AMES BALDWIN WYOMING COMPANY

BALL BROS. MASON JARS

EKCO PRODUCTS CO.

MALLEABLE IRON FITTINGS CO.

FAIRBURY WINDMILL CO.

CAPEWELL MANUFACTURING CO.

SLOAN VALVE COMPANY

BOMMER SPRING HINGE COMPANY

KAISER ALUMINUM

COLUMBUS COATED PRODUCTS CO.

KEENEY MANUFACTURING COMPANY

BADGER METER MANUFACTURING CO.

DICK BROTHERS MANUFACTURING CO.

CARBORUNDUM COMPANY

BADGER FIRE EXTINGUISHER CO.

Pontiac	17	1.71			17	.89
Oldsmobile	2	.20			2	.10
G.M.C.			16	1.76	16	.84
Chrysler	21	2.11			21	1.10
DeSoto	39	3.92	27	2.97	66	3.47
Plymouth	13	1.31			13	.68
Dodge	28	2.81	35	3.85	63	3.31
Fargo			3	.33	3	.16
International			154	16.96	154	8.09
Willys	90	9.04	34	3.74	124	6.51
Nash	35	3.52			35	1.84
Packard	21	2.11			21	1.10
Studebaker	37	3.72	14	1.55	51	2.68
Reo			14	1.55	14	.73
Austin	11	1.10	1	.11	12	.63
Hudson	3	.30			3	.16
Renault	1	.10			1	.05
Total	995		908		1,903	
PROVINCES						
Ford	73	40.56	224	39.92	297	40.06
Mercury	11	6.11			11	1.48
Lincoln	2	1.11			2	.27
Prefect						
Chevrolet	64	35.56	228	40.63	292	39.39
Buick	1	.55			1	.13
Cadillac	1	.55			1	.13
Pontiac	4	2.22			4	.54
Oldsmobile						
G.M.C.			8	1.42	8	1.08
Chrysler						
DeSoto	5	2.78			5	.67
Plymouth	2	1.11			2	.27
Dodge	4	2.22	17	3.03	21	2.83
Fargo			6	1.07	6	.81
International			57	10.16	57	7.69
Willys	4	2.22	2	.36	6	.81
Nash	6	3.33			6	.81
Packard	1	.55			1	.13
Studebaker			2	.36	2	.27
Reo						
Austin						
Hudson	2	1.11			2	.27
Bedford			17	3.03	17	2.29
Total	180		561		741	
PHILIPPINES, Total						
Ford	312	27.06	473	32.19	785	29.67
Mercury	49	4.25			49	1.85
Lincoln	9	.78			9	.34
Prefect	5	.43			5	.19
Chevrolet	402	34.87	587	39.95	989	37.38
Buick	51	4.42			51	1.92
Cadillac	1	.08			1	.04
Pontiac	21	1.82			21	.79
Oldsmobile	2	.17			2	.07
G.M.C.			24	1.63	24	.91
Chrysler	21	1.82			21	.79
DeSoto	44	3.81	27	1.84	71	2.68
Plymouth	15	1.30			15	.56
Dodge	32	2.77	52	3.54	84	3.17
Fargo			9	.61	9	.34
International			211	14.36	211	7.97
Willys	94	8.15	36	2.45	130	4.91
Nash	42	3.64			42	1.58
Packard	22	1.91			22	.83
Studebaker	37	3.21	16	1.09	53	2.00
Reo			14	.95	14	.53
Austin	11	.95	1	.07	12	.45
Hudson	5	.43			5	.19
White			2	.14	2	.07
Bedford			17	1.15	17	.64
Renault	1	.08			1	.04
Total	1,176		1,469		2,645	

Food Products

By C. G. HERDMAN

Director, Trading Division, Marsman & Co., Inc.

THE month of July showed no improvement in local markets insofar as food products are concerned. Shortages previously noted in various lines have become more pronounced. Many items seem to have been withdrawn from the shelves of retailers and are only available in the blackmarket. Many items of fancy groceries which, after all, are not essentials, can not be found even in the blackmarket.

STEEL PRODUCTS

HOUSE FURNISHINGS

GENERAL HARDWARE

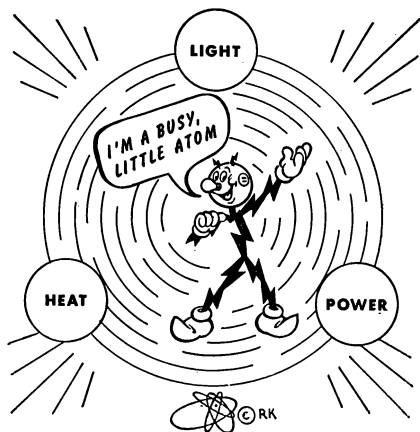
PLUMBING

There have been some serious shortages. Evaporated milk has been decidedly on the short side, particularly in provincial districts. Canned meats which before were in ample supply, are rapidly disappearing and are much more difficult for consumers to secure even at increased prices. Fresh fruits and vegetables, imported, are very scarce. Canned fish stocks apparently are still ample. Butter and cheese are in very limited supply, and cannot be obtained at all in many groceries.

Flour stocks have been far from sufficient to supply the needs of bakeries and manufacturers of alimentary pastes, soda crackers, etc. Many bakeries are reported to be operating only part-time and some have closed altogether because of their inability to secure sufficient flour. This is more noticeable outside of Manila than in the city itself. The situation will be greatly alleviated during August with the arrival of the additional flour purchased by PRATRA over and above the regular monthly quota allotted to importers.

Importations in general are severely affected, even beyond the contemplated restrictions prescribed by law, as very few import licenses have as yet been granted by the new Import Control Board. Reports appearing recently in the newspapers imply that it may be as late as the end of September before the Board will have been able to screen the applications, both of old and new importers. Delay in acting on the applications of established importers is, of course, aggravating the shortages existing in the Philippines in so many lines of supplies, not only of food products but of merchandise in general.

During July the Price Control Administration published ceiling prices on nearly all items of food products, and the expectation is that it will shortly issue additional bulletins establishing ceiling prices in prime commodities in other lines. There were some inconsistencies in the ceiling prices as named on foodstuffs. For instance, on



I'm a busy little atom

I split myself in two,

I multiply as many times

As I have jobs to do.

In summer, winter, spring or fall

I'm ready every hour;

Just push a switch and watch me zip

With... light... or heat... or power.

Reddy Kilowatt

YOUR ELECTRIC SERVANT

LYON Steel Shelves

HAVE WIDESPREAD APPLICATION FOR DISPLAY OR STORAGE OF MERCHANDISE, PACKAGED ARTICLES OR TOOLS AND MACHINE PARTS. SHELVES HAVE LABEL-HOLDERS AND ARE ADJUSTABLE EVERY 1½ INCHES, UP OR DOWN. CLOSED OR OPEN TYPE. EASILY SET UP OR KNOCKED DOWN. STURDY AND BUILT FOR LIFE-TIME SERVICE. OLIVE GREEN FINISH. IN SECTIONS OF 36" WIDE, 18" DEEP, 78" HIGH.

WE INVITE YOUR INSPECTION
TO OUR DISPLAY AT OUR SHOWROOMS

Sole Distributors:

F. H. STEVENS & CO., INC.

El Hogar Filipino Bldg.
Juan Luna St.
MANILA

Du Chin Llu Bldg.
Legaspi St.
CEBU CITY

MANILA ELECTRIC COMPANY

IF YOUR TIRES ARE LIKE THIS...



GOODYEAR'S

RECAP PLANT

CAN MAKE
THEM LIKE
THIS...

YOU SAVE
2 WAYS BY
RECAPPING



GOODYEAR'S expert recapping enables you to get more mileage from any smooth tire which still has a sound carcass.



GOODYEAR'S expert recapping costs but a fraction of the price of a new tire—provides up to 80% of the original mileage of a tire.

Let the Goodyear Technical Man inspect your tires — he'll give you expert advice and prompt service.

GOODYEAR

RECAP PLANT: 11th & Atlanta Streets,
PORT AREA, MANILA
Telephone 3-32-16

coffee in tins several brands of the same quality, priced on the same level in the wholesale market in the country of origin, and costing the same landed in the Philippines, were given price ceilings with a variation as great as P5 a case and even more between these different brands. These inconsistencies are being studied by the Price Control Administration and undoubtedly will shortly be corrected.

The Philippine Wheat Flour Board through PRATRA has announced that, beginning with the month of August, monthly flour importation quotas will be allotted only to Filipinos and Filipino entities with the exception that American firms previously established in the flour business will continue to receive the same monthly allotments as before.

Shortages existing in many lines of foodstuffs are not due altogether to actual shortage of supply but have been accentuated by the action of many individuals as well as some merchants who have been endeavoring to lay in stocks to guard against a possible stoppage of imports which might develop as a result of the trouble in Korea.

Textiles

By L. W. WIRTH

General Manager, Neuss, Hesselein Co., Inc.

ARRIVALS of textiles from the United States during July were about 3800 packages of cotton piece goods and 1400 packages of rayon piece goods,—almost double the June arrivals.

Under Republic Act No. 426, the most important categories of textiles come under Classification-B (Controlled Essential Imports) and are subject to a 60% reduction.

The outbreak of hostilities in Korea together with the U. S. Department of Agriculture's estimate of the smallest cotton crop since 1937 caused a general increase of about 25% in textile prices in the United States.

Although the new Import Law was approved on May 19, no new quotas have been issued for a period beyond August 31, and, since quotas are based on values rather than on quantities, the increase in State-side prices, in effect, means a further proportionate decrease in the amount of goods which can be imported under the percentage cuts.



Insist on G-E Lamps



GENERAL ELECTRIC

PORT AREA (P.L.) INC. MANILA
A Product of General Electric Co., U.S.A.

The textile market in the United States as well as in Japan continues to advance, with deliveries becoming more distant, and it must be realized that it would be advisable to release new quotas as quickly as possible for the period September/December, 1950, to afford importers the opportunity to place orders while they still have a chance to contract at current prices for shipment during the last quarter, otherwise, should the issuance of quotas be further delayed, importers may be compelled to pay still higher prices, with shipments deferred until the first quarter of 1951, causing a further proportionate decrease in the quantity of goods which can be imported.

Legislation, Executive Orders, and Court Decisions

By EWALD E. SELPH

Ross, Selph, Carrascoso & Janda

ON July 6, 1950, the Supreme Court rendered a unanimous decision (U. S. Tobacco Corp. vs. Luna et al., G. R. No. L-3875) in the leaf tobacco case. Two points of interest to business men are embodied in this decision. One is that "all goods including leaf tobacco have been placed under control." The other is disapproval of "an unbending adherence to a formalism" and of "trivial and questionable legalism." On this phase of the question the Court said:

"Granting the opposite premise, for the sake of this decision, that the petitioner's importation comes under the provisions of the new law, still, the respondents' position has behind it no more than an unbending adherence to a formalism utterly unreasonable as applied to this case. The respondents would punish an importer solely for not having a license which at the time of the importation was unnecessary and unavailable. They would confiscate, for this reason, goods which have been brought to the Philippines through the Secretary of Commerce and Industry's encouragement. In adopting such attitude, the Import Control Board would not only commit grave injustice to petitioner but would subvert the government's policy of attracting foreign investors and jeopardize one of the principal ends for which the Board was created, namely: conservation of the dollar reserves.

"As has been seen, the Secretary of Commerce and Industry, who at the time was the official handling or having direct supervision over import control, not only told the petitioner's president to go ahead with his proposed importations but commended and applauded his company's projected venture as in furtherance of the government's policy of industrialization. There is no valid justification for repudiating this assurance after the petitioner has acted on the faith of it. Trivial and questionable legalism which affects no fundamental principle, no injury to public interest, no outflow of dollars, can afford to yield if for no other reason than to honor and instill confidence in government commitments made through responsible officials. The Secretary of Commerce and Industry's commitment does not have the legal and formal characteristics of a treaty, and it is far from our thought to insinuate that said commitment should be so considered, but the underlying principle is the same and may be summoned to the petitioner's aid."

MOTOR SERVICE CO., INC.

AUTOMOTIVE PARTS • ACCESSORIES

GARAGE & SHOP EQUIPMENT

BATTERIES • TIRES • TUBES

230 13th St., Port Area

Tel. 3-36-21

SILVER & JAVA PACIFIC LINES

SILVER LINE, LTD.
London, E. C. 2

JAVA PACIFIC LINE
N. V. S. M. "Nederland"
Amsterdam
Koninklijke Rotterdamse
Lloyd, N. V.
Rotterdam

KERR STEAMSHIP CO., INC.
General Agents
17 Battery Place
New York

JAVA PACIFIC LINE, INC.
General Agents
35 Broadway
New York

MANILA

ILOILO

CEBU

VANCOUVER

To and From
SEATTLE
LOS ANGELES and SAN FRANCISCO

PORTLAND

To and From
CALCUTTA, BOMBAY and PERSIAN GULF PORTS

PRINCE LINE, LTD.

FROM
U. S. ATLANTIC AND PACIFIC COAST PORTS
TO
MANILA
FROM
PHILIPPINES
TO
HALIFAX and U. S. ATLANTIC COAST PORTS

For Particulars See:

ROOSEVELT STEAMSHIP AGENCY, INC.
AGENTS

3rd Floor, Trade & Commerce Bldg., Juan Luna

Tel. 9-82-01

RUBBER STAMPS

Mean Convenience — Up-to-date Efficiency!

We make Rubber Stamps for you

SIGNATURE
FILING INSTRUCTIONS
DATERS
FREQUENT ADDRESSES
RETURN ADDRESS
TITLE
INDORSEMENT FORMS, etc.

Top-quality materials
Know-how accumulated through the years
100% Filipino Craftsmanship



We quote—
We show samples—
We fill provincial orders.

PHILIPPINE EDUCATION CO.

1104 CASTILLEJOS, QUIAPO

TEL. 3-22-51

★

LUZON STEVEDORING COMPANY, INC.

Manila

★

FERTILIZERS

SULPHATE OF AMMONIA
SUPERPHOSPHATES
SULPHATE OF POTASH

MENZI & CO., INC.

Iloilo MANILA Cebu

J. M. MENZI Bldg.

Corner Reina Regente & Soler Streets

Tel. 2-79-29

ON May 31, 1950, the Supreme Court rendered a decision (*Luzon Marine Department Union v. Roldan*, G. R. No. 1-2660) on what constitutes an illegal strike.

The Court said:

"Counsel contend 'that there is no provision of law, decision, ruling or doctrine which provides that a strike called for such a purpose is against the law.' We have adverted to the ruling of this Court in *Rex Taxicab Company vs. Court of Industrial Relations, supra*, that in cases not falling within the prohibition against strikes, the legality or illegality of a strike depends, first, upon the purpose for which it is maintained, and, second, upon the means employed in carrying it on. Thus, if the purpose which the laborers intend to accomplish by means of a strike is trivial, unreasonable or unjust (as in the case of the *National Labor Union, Inc. vs. Philippine Match Company, supra*), or if in carrying on the strike the strikers should commit violence or cause injuries to persons or damage to property (as in the case of *National Labor Union, Inc. vs. Manila Gas Corporation*, 40 Off. Gaz. 37), the strike, although not prohibited by injunction, may be declared by the court illegal, with the adverse consequences to the strikers.

"To summarize, the rulings of this Court in the cases hereinabove cited, are:

"1. The law does not look with favor upon strikes and lockouts because of their disturbing and pernicious effects upon the social order and the public interests; to prevent or avert them and to implement Sec. 6, Art. XIV of the Constitution, the law has created several agencies, namely, the Bureau of Labor, the Department of Labor, the Labor-Management Advisory Board, and the Court of Industrial Relations. (See Sec. 4, Commonwealth Act No. 103; and Executive Order No. 158, dated July 28, 1948.)

"2. The law does not expressly ban strikes except when enjoined against by the court; but if a strike is declared for a trivial, unjust or unreasonable purpose, or if it is carried out through unlawful means, the law will not sanction it and the court will declare it illegal, with the adverse consequences to the strikers.

"3. If the laborers resort to a strike to enforce their demands, instead of resorting first to the legal processes provided by law, they do so at their own risk, because the dispute will necessarily reach the court and, if the latter should find that the strike was unjustified, the strikers would suffer the adverse consequences.

"The settled doctrines of this Court as above summarized. We reaffirm those doctrines and must, consequently, sustain the resolution complained of.

"We do not deem it necessary to decide the two collateral issues raised by counsel for petitioner in their memorandum, namely: (1) whether or not the business of the respondent company is coupled with public interest; and (2) whether or not the closed-shop agreement between the respondent company and the U.O.E.F. is valid, legal and binding. These questions do not affect the main issue of the illegality of the strike in question."

The *Philippine Match Company* case referred to, decided in 1940, and cited in support of the present decision, declared illegal and unjustified a strike motivated by an unreasonable demand of the labor union for the dismissal of a factory foreman.

THERE seems to have been no extension of the date of effectivity of the new Civil Code. The Code Commission has indicated that it is their interpretation that the new code will become effective July 1, 1950. In view of the many new provisions, it might be well for all business men to consult their legal advisers before incurring any new obligations or entering into any new contracts.

SWAN, CULBERTSON & FRITZ, INC.

MEMBER—MANILA STOCK EXCHANGE

701 S. J. WILSON BLDG.
143 JUAN LUNA

TELS. } 2-74-55
 } 2-80-53

Philippine Safety Council

By FRANK S. TENNY
Executive Director

AT ceremonies conducted at Malacañan on July 14, President Elpidio Quirino accepted an Honorary Life Membership in the Philippine Safety Council. The certificate and other materials were presented by a delegation from the Council Board of Directors.

The President expressed his sincere interest in the national safety movement, as led by the Council, and promised his continued support. It will be recalled that he created the Fire Prevention Board by executive order upon suggestion of the Council one year ago, and strongly backed the creation by Congress of the new Bureau of Industrial Safety.

In addition to conferring the membership, the Council also offered its services in connection with the Civil Emergency Administration. Jose Razon, PSC President, and Executive Director and Founder Frank S. Tenny, both stressed the willingness of the Council to participate. In fact, a move toward emergency preparations has already been started by the PSC among its members and clients. The President accepted the offer with thanks.

ACTION on a great variety of safety matters was taken at the July 24 meeting of the Philippine Safety Council.

A complete study of the probable effects of atom bombing in this area is being prepared, at the personal request of President Quirino. This report includes both preventive and corrective measures, and will be submitted to the President for possible use by the Civil Emergency Administration. Material is now being gathered from several sources, both here and abroad.

The Council is also awaiting action on plans submitted by it to government agencies in connection with the misuse of sirens and red lights on vehicles, and the over-issuance of official badges and cards to unqualified persons.

A donation of P100 was recently made by the Council to the "police bed fund" being raised by the Philippine Chamber of Commerce. This is intended to ease the discomfort of police officers who must sleep at headquarters while on emergency reserve duty.

Problems of traffic congestion at the Redemptorist Church, Baclaran, and at the intersection of Vito Cruz and Taft Avenue incident to events at Rizal Stadium, have been referred to the proper authorities with appropriate suggestions from the Council.

The Council has commended the Fire Prevention Board for its initiative in tackling local fire-prevention and fire-protection matters. The Board visited the Balara filters on the 28th to inspect the Manila Water supply system, at the invitation of Director Manuel Mañosa.

Suggestions in connection with gasoline conservation have been submitted to the Mayor's Traffic Committee. These include elements of parking, buses and jeepneys, taxicab cruising, bus stops, and other related matters.

AGENTS
BROKERS
CHARTERERS

TELEPHONES
3-34-20
3-34-29

American Steamship Agencies, Inc.

Manila, Shanghai, Tokyo, Yokohama

Cable Address:
"AMERSHIP"

203 Myers Bldg.
Port Area
Manila

SMITH-CORONA PORTABLE



One glance at the new SMITH-CORONA... and you're convinced that it's the most beautiful and sturdy portable typewriter you've ever laid eyes on!

Not just a "new model"... it's a revolutionary all new typewriter... with a total of nineteen new features plus fifteen SMITH-CORONA "exclusives"! Its smart, new Color-speed Keyboard is full standard office machine size... has rimless keys colored a restful non-glare green and "comfort shape" to cup your finger tips.

ERLANGER & GALINGER, INC.

123 T. Pinpin, Manila • Magallanes St., Cebu City

KOPPEL

"CATERPILLAR"

STEPS UP PRODUCTION
AND STEPS DOWN COSTS

**DIESEL ENGINES
TRACTORS
MOTOR GRADERS
EARTH MOVING
EQUIPMENT**

"Caterpillar" machines will help you lick your production problems with their hard-hitting power, their finely engineered design, and tested dependability and performance. "Caterpillar" pays off in increased production and reduced costs.

DIESEL ENGINES * TRACTORS * MOTOR GRADERS * EARTHMOVING EQUIPMENT

KOPPEL

(PHILIPPINES)

BOSTON & 23RD STREETS INC., PORT AREA • TEL. 3-37-53

Branches:

Bacolod • Iloilo • Cebu • Davao • Cotabato • Zamboanga

FOR BETTER SERVICE—Call 3-29-05

ALLIED BROKERAGE CORPORATION

Marsman Building
Port Area

Documents may be delivered to our representative in the branch offices of MACKAY RADIO & TELEGRAPH COMPANY, Plaza Moraga and Trade & Commerce Building.

Individual attention and competent supervision given to your customs brokerage requirements.

CUSTOMS BROKERAGE
FREIGHT FORWARDING
WAREHOUSING
TRUCKING
HEAVY HAULING

THE COLLINS COMPANY

Established 1826

Incorporated 1934

COLLINSVILLE, CONNECTICUT



Commonwealth Axes Dayton Pattern
also

Double Bit Patterns
for swamping and falling

The Collins name on any axe is
your guarantee of high quality

Obtainable in all the leading
Hardware stores everywhere

Exclusive Agents

CHAM SAMCO & SONS, INC.

General Hardware

300-308 Sto. Cristo, Manila, P. O. Box 928
Telephones 2-81-72 & 2-81-76

Private Exchange connecting all department

COST OF LIVING INDEX OF WAGE EARNER'S FAMILY¹ IN MANILA BY MONTH, 1946 TO 1949

(1941 = 100)

Bureau of the Census and Statistics
Manila

1946	All Items	Food (59.15)	House Rent (8.43)	Clothing (0.62)	Fuel, Light and Water (13.94)	Miscel- laneous (17.86)	Purchas- ing Power of a Pece
January.....	603.4	759.2	236.4	984.0	363.8	434.8	1657
February.....	547.2	656.3	236.4	940.3	369.5	460.5	1827
March.....	525.9	631.0	236.4	940.1	340.4	445.2	1902
April.....	556.2	684.1	236.4	910.3	345.5	435.9	1798
May.....	545.1	675.6	236.4	762.5	342.3	409.6	1835
June.....	538.7	666.4	236.4	737.9	343.3	404.2	1856
July.....	552.7	704.3	236.4	598.9	341.3	364.6	1809
August.....	477.9	590.0	236.4	384.7	320.9	346.3	2092
September.....	477.9	591.3	236.4	378.7	314.5	347.2	2092
October.....	487.4	587.2	236.4	382.7	405.8	342.7	2052
November.....	484.8	607.8	236.4	406.6	346.5	305.2	2063
December.....	461.9	570.8	236.4	371.9	344.7	302.1	2165

1947² (100.00) (63.43) (11.96) (2.04) (7.73) (14.48)

January.....	426.2	368.2	453.9	381.9	326.2	282.5	2346
February.....	418.5	454.9	453.9	356.2	344.8	281.4	2389
March.....	406.8	440.1	453.9	295.2	334.7	279.4	2458
April.....	381.0	440.4	453.9	250.9	325.4	269.4	2578
May.....	386.3	414.4	453.9	236.8	316.6	268.6	2589
June.....	393.4	426.8	453.9	217.7	309.3	269.9	2542
July.....	387.4	419.8	453.9	210.2	292.0	269.1	2581
August.....	368.9	392.1	453.9	216.4	283.3	266.8	2711
September.....	358.7	376.3	453.9	212.7	280.5	267.7	2788
October.....	358.4	376.3	453.9	215.1	280.5	265.3	2790
December.....	371.9	395.8	453.9	219.1	298.2	262.9	2689

1948

January.....	391.2	428.3	453.9	224.5	304.6	249.9	2556
February.....	368.5	392.0	453.9	223.8	301.1	254.4	2714
March.....	349.4	361.0	453.9	214.6	308.1	255.9	2862
April.....	356.1	374.1	453.9	209.4	289.7	254.8	2808
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	2658
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.....	346.3	358.2	453.9	202.0	276.3	258.5	2856
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

¹ Average number of persons in a family = 4.9 members.
² Revised in accordance with the new survey on the "Levels of Living, in Manila" by Department of Labor and the Bureau of the Census and Statistics conducted in December, 1946.

CHRYSLER CORPORATION
AIRTEMP packaged Air Conditioning and Refrigeration

Exclusive Distributors:

W. A. CHITICK & CO., INC.

Sales and Service
31 Romero Sales, Manila

INVENTORY FINANCING

★

A Field Warehouse of
**Luzon Brokerage
Company** can be of
great service in your
1950 financing.

★

Enquire of your Banker
or consult **L B C.** All
enquiries in confidence.

Telephone 3-34-31

★

LUZON
BROKERAGE
COMPANY
DERHAM BUILDING PORT AREA

The "LET YOUR HAIR DOWN" Column

IN the June issue of the *Journal* we published some figures, based on the answers of some 200 firms to a Chamber questionnaire, showing the personnel losses already suffered and the further losses expected during the year as a consequence of the business decline caused largely by the present various government control measures.

But bare statistics are never very vivid. Certain related figures, however, which were given us recently, produce a stronger impression. We were told that the American School, Inc., a private school in Manila to which many American and European families send their children and which opened, for the present school-year, only six weeks ago, on June 16, has already lost 3 teachers and no less than 63 pupils since that time, as the families of which they are members were leaving the country. The total enrollment at the opening was 453. The loss, so far, has been 13%.

READERS of the *Journal*, that is, those among them who read this column (!), will recall the letters of protest against fees imposed at the Manila Post Office on gift-packages from the United States, written by Mr. Amos C. Bellis, one addressed to the Import Control Board, one to the Philippine-American Chamber of Commerce in New York, and one to the Collector of Customs, reprinted in this space last month. Mr. Bellis, ex-marine, is thorough when he gets started.

A few days ago he handed us the copy of a reply received from Mr. Isaac Sayoc, Acting Collector of Customs, dated July 19. It ran:

"Sir:

"Referring to your letter dated July 22, 1950, requesting for the refund of the amount of ₱3.30, please be informed that the aforementioned amount is a proper charge representing internal revenue stamp, import control filing and license fees, as provided for in Customs Circular Letter No. 497, dated March 15, 1950, which embodies Import Control Circular No. 20, dated March 6, 1950.

"While it may be true that Republic Act No. 426 does not provide such charges, yet it may be stated that the Import Control regulations require the imposition thereof, in view of which the refund sought for herein can not be entertained. It may however be suggested that this matter be brought to the attention of the Import Control Administration under whose jurisdiction this matter falls.

"Respectfully," etc.

Mr. Bellis is considering his next step, one of which, we understand, is to determine by what right the Import Control Administration seems to be able to impose almost any kind of regulation it feels like. Perhaps, in this particular matter, the international postal authorities might be interested.

THE editor was proudly showing around another letter of commendation he received. As it came from an important personage, he said we should not use his name, but this is how the letter ran, believe it or not (we believe it because we saw it):

"The July issue of the *Journal* is excellent. I believe it is the best all-round and complete issue I have read in the [deleted] years I have been here. The make-up is extremely good, the subject matter well prepared, and the coverage extremely broad.

"Please accept my thanks and my congratulations for an excellent issue."

"There really must have been something about that July number," said the editor. "Here's part of

ATTENTION FLOUR IMPORTERS

Pasig River Bodegas

GENERAL BONDED WAREHOUSES

moved to bigger and
better location

145 Muelle de Binondo

Tel. 2-63-10

another letter I received from a mining man in the provinces:

"The last issue of the *Journal* was superlative! I believe the renewal of my subscription is due. Please send me the bill!"

"When a man likes an issue of a publication so well that it reminds him of renewing his subscription, and he asks for the bill, isn't that the final test?"

"Nope," said we. "Paying it."

"There you go again," said the editor. "Just insulting people! Do you question that my friend will pay his bill? I will bet you right now that we have the smallest list of 'accounts payable' of any publication in Manila!"

"Don't you mean 'accounts receivable'?" we asked.

"All right!" he said. "A slip of the tongue. But I'll bet you that both are the smallest!"

"Yeh!" said we, "I'll bet you that the *Journal* total earnings are about the smallest, too!"

"Now that is a dirty dig," said the editor sadly. "Are you throwing the decrease in advertising in my face? Do you mean to say that proves that the *Journal* is no good?"

"Well, when you begin to boast about people asking for their subscription bills as proving anything... What about their asking about a renewal of their advertising contracts?"

"Do you expect me to perform miracles?" shouted the editor.

Some of the members of the United States Economic Survey Mission who called at the Chamber office also spoke appreciatively of the *Journal*. Earlier, we had sent the Mission several complete sets of the post-war issues with our compliments.

Probably because the editor had all three of his sons singing in an opera staged in Manila last month, Mozart's "Don Giovanni", with his oldest son in the title rôle, he made an allusion to the stage, saying that an editor is something like an actor, "he must please 'his' public and applause and kisses now and then help him to keep his bearings". But, we asked, where are the hisses? "I haven't heard any... yet," he said.

Early in July we received a note from Mr. A. C. Hall, editor of the "Stock Market" column, which read:

"I am leaving for a vacation abroad at the end of this month, and have arranged for Mr. Roy Ewing of Swan, Culbertson & Fritz to take over my column during my absence."

In due course we received Mr. Ewing's article for the Stock Market column in this issue. Mr. Ewing formerly edited a column on the United States stock and commodity markets for this *Journal*, while Mr. Hall edited the Manila Stock Market column, but some months ago it was decided to merge these two columns into one. We are sorry to lose Mr. Hall but pleased to have Mr. Ewing back again. We wish Mr. Hall a pleasant vacation.

This Journal
goes straight
to the desks
of leading
business and
government
executives
every month

C. F. SHARP & COMPANY, INC.

STEAMSHIP OPERATORS—AGENTS
SHIP BROKERS

GENERAL ORIENTAL AGENTS:

WATERMAN STEAMSHIP CORPORATION
Mobile, Alabama

THE IVARAN LINES—FAR EAST SERVICE
(Holten-Sorensen—Oslo, Norway)

PACIFIC ORIENT EXPRESS LINE
(DITLEV-SIMONSEN LINES)
Norway

(TRANSATLANTIC STEAMSHIP CO., LTD.)
Sweden

GENERAL STEAMSHIP CORPORATION
San Francisco

SIMPSON, SPENCE & YOUNG
New York

V. MULLER
København, Denmark

Head Office:
5TH FL., INSULAR LIFE BLDG.
MANILA, PHILIPPINES

TEL. 2-87-99

2-96-17

Branch Offices:

SAN FRANCISCO—SHANGHAI
SINGAPORE—PENANG
TOKYO—YOKOHAMA
NAGOYA—OSAKA
SHIMIZU—FUSAN (KOREA)

Cable Address: "SUGARCRAFT" all offices

Double Checking Answers Wastes Money



What does it cost...
to double check
needlessly the
answers to your figure
work problems?
Any duplication of
work wastes time
and operator effort.
Due to the ultra-
matic performance
of this new calcu-
lator... you make
worthwhile savings
...no double check-
ing, no refiguring
for proof. Learn...
that when you
FRIDENIZE you
ECONOMIZE.



FRIDEN

EXCLUSIVE DISTRIBUTORS IN THE PHILIPPINES
SMITH, BELL & CO., LTD.
TRADE AND COMMERCE BLDG. MANILA
BRANCH OFFICES: CEBU, ILOILO, BAGUIO, LEGASPI, DAVAO

Tel. 2-69-71

EVERETT

STEAMSHIP CORPORATION
GENERAL AGENTS

AMERICAN MAIL LINE

To and From

Portland Seattle
Vancouver Tacoma

PACIFIC TRANSPORT
LINES

To and From

California Philippines

BARBER-FERN LINE

Service to U.S. Atlantic
Via Straits, Suez, Mediterranean

FERN LINE

To and From

North Atlantic Ports
Gulf Ports—Philippines

EVERETT ORIENT LINE

Serving the Orient
Philippines to China, Japan,
Korea, Straits and India Ports

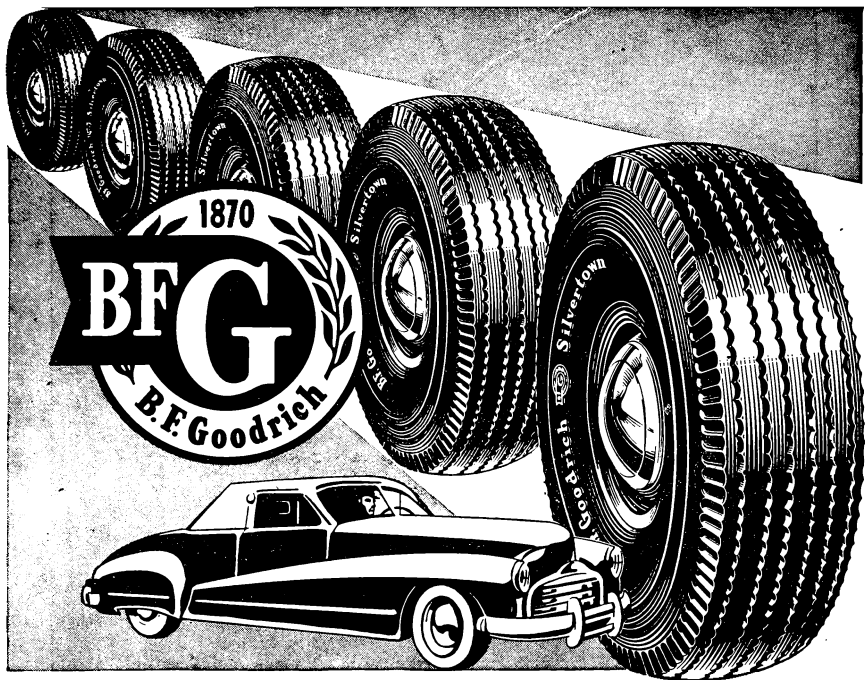
PHILIPPINE STEAM
NAVIGATION CO.

Serving the Philippine Islands

223 Dasmariñas St., Manila

Tel. 2-98-46

(Priv. Exch. All Lines)



B. F. Goodrich Tires GIVE LONG MILEAGE

• Inside and out, B. F. Goodrich tires are built to give long mileage. Note the broad, flat tread that grips the ground and spreads the weight of your

car over a wider road surface. A tough extra layer under the tread protects against road shocks. For longer, safer mileage, buy B. F. Goodrich tires.

AVAILABLE AT YOUR GOODRICH DEALERS

GOODRICH INTERNATIONAL RUBBER COMPANY

"If you want a Milder
cigarette that Satisfies
it's Chesterfield"

Gregory Peck

Starting in Darryl F. Zanuck's Production

"TWELVE O'CLOCK HIGH"

A 20th Century-Fox Picture



... and JASPER T. CARTER,
PROMINENT TOBACCO FARMER says—

"Chesterfield pays the top price to get
the very best mild, ripe tobacco.
Chesterfield has been my cigarette
for over 35 years."

Jasper T. Carter

BLANCH, N. C.



A *Always* **B** *Buy* **C** **CHESTERFIELD**

the Best cigarette for YOU to smoke

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 DZFI.