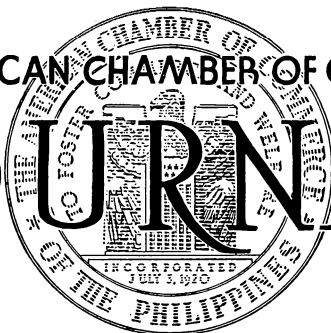


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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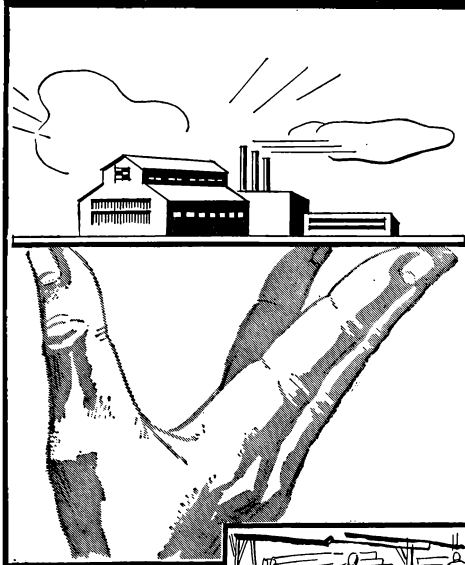
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Lumber mill cuts costs 37% by using a higher-priced oil!



*—Sta. Clara Lumber Co.
Isabela, Basilan City



HERE'S AN ACTUAL CASE HISTORY * FROM STANDARD-VACUUM'S FILES!

Using a cheaper lubricating oil does not necessarily mean that you will save money. Too often cheaper products lack the longer-lasting quality and effectiveness of better oils. The important thing is to use the right oil for the right purpose. For instance, take the case of Sta. Clara Lumber Company at Isabela, Basilan City.

By changing to Gargoyle Cylinder Oil 600-W from an oil that was priced approximately 26% lower, for the cylinder lubrication of their 225 HP, 92 rpm, steam engine, the Sta. Clara Lumber Mill was able to decrease the cylinder feed from 1 gallon per 8-hour day to half a gallon. In short, the higher priced oil lasted twice as long. On computation, they discovered the change to Gargoyle Cylinder Oil 600-W, meant a savings of 37% for that operation.

● This actual case history points up how much you may profit by using Correct Lubrication, Standard-Vacuum's top-quality products and the world's greatest lubrication knowledge and engineering service. Start cutting your overhead—call in your Standard-Vacuum representative.

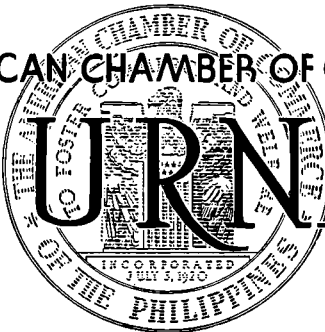


STANDARD-VACUUM *Correct Lubrication*

FIRST STEP IN CUTTING COSTS

THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

“... to promote the general welfare”

Our thinking on economic questions (in the United States as well as in the Philippines) has become so vitiated by the long years of governmental interference with economic processes, the imposition of bureaucratic controls, the creation of government corporations with monopolistic powers, etc., that for anyone to propose *the easy solution to the Philippines' rice problem* of simply ending government interference with the production, distribution, and sale of rice, and leaving these functions to the rice growers, the importers, the dealers, and the consumers themselves, as is normal under a free enterprise economy, may come as something of a shock.

Early in 1936, President Quezon, worried by the rising price of rice, created by executive order the Rice Commission “for the purpose of studying and making recommendations on ways and means to solve the present crisis and to insure a permanent supply of rice at reasonable prices”. The price of rice had gone up from around ₱4.00 a cavan in 1934 to around ₱7.00. The price had risen mainly because of unseasonable droughts and floods, pests, rural unrest, etc., but the Commission recommended, toward arriving at a solution, the organization of a national rice and corn corporation as a subsidiary of the National Development Company. The corporation was duly organized in April, 1936.

Since that time, the difficulties and troubles of the rice industry have never ceased. Changes in the organization of the NARIC have been made a number of times. During the Japanese occupation, it passed through several transformations and was used by the invaders to rob the people of their rice. After the Liberation, in 1945, it was reactivated; in 1947 it was made an independent government corporation; in 1950, it was merged with the PRISCO (Price Stabilization Corporation); in 1951, it was reactivated as an independent government corporation; and in 1954 it was reorganized by President Magsaysay.

The NARIC as first established was designed to aid in the rehabilitation and stabilization of the rice and corn industry—

“through the maintenance of stable prices.... the prevention of speculation in the marketing thereof and the exploitation of the consumers, the financing of the producers of the raw product as well as of other activities of the industry needing such assistance, and the study and

execution of such measures as may be necessary and convenient to protect the interests of both producers and consumers.”

However, as Mr. C. H. Houston stated in his column on “Rice” in this *Journal* (August issue), the NARIC activities—

“have been largely confined to importing foreign stocks and it apparently believes that this method is the only way of attaining its objectives and fulfilling its purposes.”

From the first, the history of this organization has been marked by inefficiency, wastage, corruption, scandal, and huge losses. And rice prices have continued to rise. Today the price stands at around ₱20.00-₱22.00 a cavan.

Through his reorganization of the NARIC and through other measures, President Magsaysay is making heroic efforts to bring down the price of rice to the consumers, and he has recently ordered the Corporation to import rice to that end,—through private importers, but, still, for the Government's account, with Government money. The President is also attempting to assist the rice producers through the Agricultural Credit and Cooperative Financing Administration (ACCFA) and many other governmental agencies.

But, as Mr. Houston stated in the July issue of this *Journal*:

“It would seem necessary to bring some order out of the rather chaotic picture presented by the multiplicity of agencies charged with attention to this and other economic problems. This observer would suggest six steps:

“(1) Amalgamation of all entities charged with attention to the rice industry in one body;

“(2) Necessarily, the abolition of the NARIC, and the assumption of its duties by the ACCFA, which would then be incorporated within the body provided in (1);

“(3) The establishment of, say, 10 regional distributing centers,—N.E. Luzon, N.W. Luzon, Central Luzon, Manila, Bicol region, E. Visayas, W. Visayas, and one each in Zamboanga (or Lanao), Cotabato, and Misamis (these latter to be broken down as need arises);

“(4) The creation of a division within the Bureau of Commerce whose purpose would be the gathering of as accurate statistics as possible about the rice industry which would enable it to evaluate and ultimately predict futures, with full legal authority to collect such statistics;

“(5) The creation of standards of pricing for basic regions or areas within the country;

“(6) The implementation of the recommendations of the Bureau of Plant Industry for the development of the rice industry.”

In the last month's *Journal*, Mr. Houston added one other recommendation:

“(7) The acceleration even beyond the goals already established of the pump irrigation program of PHILCUSA.”

The writer of this editorial would go somewhat further than Mr. Houston. He would suggest that in addition to the continuation of all the measures being carried out to assist the producers through government encouragement of cooperative organizations, warehousing, loans and credits, the irrigation program, fertilizer supply, agricultural extension work, pest control, etc., the local trade in rice and the importation of rice be thrown open to private distributors and importers using their own credit and capital, free of any kind of price control, and, in the matter of imports, free of both the exchange tax and customs duties, at least for some period of time.

This simple and direct return to the procedures of free enterprise is the sovereign cure for the frustrations the Government has suffered since the first organization of the NARIC. Competition will take care of the price.

Attention is called to a short but comprehensive article on the *cadang-cadang* disease of the coconut palm by G. C.

The *Cadang-cadang* Disease of the Coconut
Kent, visiting professor of plant pathology from Cornell University, in the *Philippine Agriculturist* (Vol. 37, Nos. 5-6) published by the College of Agriculture and Central Experiment Station, University of the Philippines.

Professor Kent summarizes the earlier writings on the subject (Calica, Bigornia, Celino, De Leon, Fajardo, Hansen, Ocfemia, and Reinking) and adds some observations of his own, but the cause of this serious disease, not known elsewhere in the world, first reported in Nabua, Camarines Sur, as early as 1914, and now serious in all provinces of the area, still remains a great mystery.

Cadang-cadang is a local term signifying yellowing, growth failure, but is now generally used for this particular disease which appears to consist of a loss of chlorophyll and a subsequent starvation of the plant. No coconut trees have ever been known to recover from the disease. Considerable evidence has accumulated to indicate that the disease is not caused by a fungus, by a bacterium, or by insect-feeding, and the two current theories attribute it, in the one, to a virus, and in the other to nutrient deficiency.

Professor Kent states that experiments on possible control measures are underway and a search for resistant coconut varieties has also been begun. Histological studies have not yet been undertaken and are badly needed.

It has been estimated that in the Bicol area out of a total of some 16,780,000 trees, 1,788,000 were destroyed by *cadang-cadang* in 1951, 4,569,000 in 1952, and 5,527,000 in 1953.

The seriousness of the threat of the disease is in proportion to the importance of the coconut industry to the country. Copra is still by far our most important export product, the value amounting to ₱232,000,000 in 1953 (as against the next most important product, sugar, the value of which was ₱193,000,000 that same year). Add to this the value of our coconut oil exports, ₱35,000,000; desiccated coconut, ₱31,000,000, and copra meal and cake, ₱8,500,000. These are only the export values and do not include the values of the local consumption.

Fortunately, it appears that strenuous measures will now be undertaken to combat *cadang-cadang*. The Government recently formed the Philippine Coconut Administration and one of its primary functions will be to conduct research studies in this disease. When the formation of this Administration was being discussed, the coconut industry consented to a proposed assessment of ₱1.00 per ton of copra as its contribution toward financing its work, and it is believed that the copra exporters, the coconut oil mills, and the desiccated coconut factories all are ready to give considerable support to any really serious efforts to eliminate the threat.

There recently was offered to businessmen, with a view to inviting their comment, a long list of items the importation of which it has been

Total Banning of Certain Imports
proposed the Government totally "ban". The list was compiled in the Department of Commerce and Industry as an appendix to another long list with which importers are already familiar,—“The Statistical Classification of Commodities”, implementing Circular No. 44 of the Central Bank, which classifies many thousands of articles of import either as “highly essential” or “essential”, whether to producers or to consumers, and as “non-essential”, leaving certain items which are designated as “unclassified.”

It is fortunate indeed that Secretary Oscar Ledesma thus has given businessmen an opportunity to comment not only on the inclusion of many of the items in the list, but also on the whole banning procedure, before the Government actually takes such radical action.

For, first of all, there is the fundamental objection to any total banning of given items of import.

The ban, or prohibition, is always among the most arbitrary resorts of autocracy, and positively has no place in any wise regulation of trade. And objectionable as it is in spirit, it is even more so as a method of practical application. The adoption of the “all-or-none” principle is hardly ever advisable in any connection as it eliminates all possibility of prompt modification to meet conditions as they develop. In the case of a banning of imports, it is fatally easy to include any number of items in a list drawn up *a priori*, but if mistakes are made, as they are bound to be made, it might be some time before this became apparent; more time would be lost in obtaining the lifting of the ban, and still more time in making good the shortage, however damaging it would be. Such shortages would seriously block various productive enterprises and would also result in fatal consumption wants.

This is not to exaggerate the matter in the slightest; rather it is an understatement. Numerous items, actually included in the list as released, would definitely result in a blocking of important industries in the country, and also in considerable deprivation affecting not merely the comfort but the health and the very lives of the people.

The importation of a great many items involves highly technical considerations which are all too likely to be overlooked by administrative authorities.

Take such a seemingly simple type of article as wooden tool-handles, included in the banned list. Surely, with our great forest-stands we can make our own pick-handles, for example! The fact is that the old limitation on this item has plagued the mining industry especially for some time because no Philippine wood has the qualities of ash or hickory, the wood of choice. Handles of inferior wood cause not only much loss in production-time, but are physically dangerous to the man who is forced to use them.¹

Take such a well-known product as tallow, included in the list. This is a major ingredient in the manufacture of soaps, a flourishing industry here. Tallow is not produced locally in any quantity, and coconut-oil can not entirely take its place.

Take caustic soda. This is a most important chemical, used in numerous Philippine industries. It is being produced here, but the local production satisfies only some 12% of the consumption demand and the present plants, operating at maximum capacity, could not produce more than from 20% to 25% of the requirement.

Hydrochloric or muriatic acid: It is true that commercial hydrochloric acid is produced in the Philippines, but the C.P. (chemically pure) acid is not produced locally and is an absolute essential in mill laboratories and assay offices. The critical demand for this as well as many other pure chemicals is probably so small that local manufacture on an economic basis can not be expected for a long time to come.

¹The brief comments offered here on various of the items proposed to be banned are based on a study conducted by the Chamber's Committee on Foreign and Domestic Trade Controls of which Mr. Paul H. Wood is the Counselor and Messrs. L. B. Nestle and Newland Baldwin are respectively the Chairman and Vice Chairman.

"Some Facts of Light"



LIGHT is a form of radiant energy which is capable of producing the sensation of sight. It travels in wave-like form thru space and thru certain transparent objects at the speed of 300,000 kilometers per second.

A measure of light is the Footcandle which is defined as a unit of illumination produced by one candle on a surface all points of which are at a distance of one foot from the candle.

In general there are two kinds of light—natural light and artificial light. Natural light is produced by natural phenomena such as sunlight, skylight, moonlight, etc., while artificial light is the result of man's research and ingenuity, and is produced by such sources as the flame, the incandescent filament and fluorescent powders. The fluorescent lamp is our main artificial light source today.



By REDDY KILOWATT

Advanced scientific processes make it possible to produce different kinds of fluorescent lamps for practically every application. In *selecting* fluorescent lamps, decide first whether you want a *warm* or *cool* atmosphere. The next point to consider is the relative importance of *color* rendition and *light* efficiency.

Some proper applications of fluorescent light are as follows:

1. Daylight fluorescent—generally used in industry for color matching purposes (paints and dyes).
2. Cool white fluorescent—generally recommended for office, store and the home.
3. Warm white fluorescent—commercially used for meat display places or where a warm atmosphere is desired.
4. Colored fluorescent—for decorative and special effects.

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Tel. 3-24-21

At no cost to You, our lighting specialists will be glad to assist you with your lighting problems.

"Alcohols, n.e.s." One might, indeed, suppose that in view of our large sugar industry and our many distilleries, the importation of "alcohols" might well be banned; but under this classification the Philippines is bringing in benzyl alcohol and veratryl alcohol which are not obtainable locally and are needed in the manufacture of certain important pharmaceuticals.

The importation of varnish and "Others, prepared n.e.s. paint" would be banned under the list, although, last year, Miguel Cuadernos, Governor of the Central Bank, in recommending certain products for free entry under the "Selective Free Trade" plan, proposed that paints and varnishes be allowed to come in duty-free. Paints are manufactured in the Philippines, but the plants now in existence and about to be established could not fill more than approximately 40% of the demand, and there are certain special paints of the greatest importance for the protection of machinery and various types of construction which are not produced here at all, among them marine and industrial varnishes, latex and poly-vinyl-acetate paints, and paints for the proper coating of galvanized iron. At the same time, "Other oils from seeds, nuts, and kernels, n.e.s." are on the proposed banned list, but among them are highly essential specialty drying-oils needed by Philippine paint producers. And "Copper powder used for pigments" is on the list, presumably because the Philippines produces copper; but this product is a concentrated ore, not copper in a pure form at all. To produce pure metallic copper, and copper-powder from that, is a long and expensive process, not likely to be undertaken in the Philippines for a long time.

The importation of various types of paper,—writing paper, bond, envelope, and tablet paper, stencil paper, carbon paper, pasteboard and cardboard (except corrugated carton, boxes, and chipboard), "Others (paper bags and other containers of paper, n.e.s.)", all would be banned under the list, but only the most ordinary grades of paper are manufactured in the Philippines and only certain grades of chipboard. The designations are much too general and cover too many grades which can not be produced locally. Most of the paper manufactured here is made from bagasse and turns brittle and falls apart after a few years; it simply can not be used for any purpose of permanent record. Many local manufacturers require types of paper boxes and bags which can not be made locally. As for carbon paper, there is only one factory in the Philippines making it and the quantity and quality is far below the country's requirements.

Ink, printing and mimeograph would be banned under the list. While some inks are compounded locally, there are a great number of printing inks which are not made here, including inks used for the aniline printing process, for printing on textiles, tin sheets, etc., and it is furthermore highly doubtful that the local manufacturers could supply the full market requirements even of the types of ink they make.

"Reinforced steel bars and merchant bars". There are a few small local rolling mills, but can they manufacture such types as deformed bars, corrugated bars, twisted bars, square plain bars, square deformed bars, etc., all needed for various kinds of construction? It is certain that these manufacturers can not turn out the grades of these products to meet government standards.

Take the item, "only one of a large number of pharmaceuticals" recommended to be banned, "Serums, toxins, antitoxins, and toxides for human use". It is true that the Government maintains the Alabama Serum and Vaccine Institute, but the output meets only a small fraction of the demand. Suppose the country is suddenly afflicted by some epidemic,—of typhus, diphtheria, dysentery. The health authorities would be helpless; thousands of people would die.

A great many food products appear in the list, including various meats and sausages, fresh fruits, fruit juices, jams, vegetables, tomato catsup, and coffee. Many of these items are not and can not be produced in the Philippines and are highly essential to the public wellbeing and health. Coffee is produced here but requires mixing with imported coffee. Locally made "tomato" catsup is a very inferior product, most of it made not from tomatoes but from bananas!

¹Under the "n.e.s." (not elsewhere specified) stipulation all newly discovered and produced pharmaceuticals would be banned.

As for the proposed ban on "Textbooks for college" is it necessary here to say anything? Could any other proposal than this reflect more seriously on the state of culture in the country?

It is hard, indeed, to take the list seriously. But the list, long as it is, actually names only a fraction of the total items which would be banned under it. The reader will have noted the abbreviation, "n.e.s." in some of the categories briefly referred to in this editorial. These letters stand for the words, "Not elsewhere specified", and this and such general expressions as "other manufactures of copper" and "other manufactures of other base metals" almost infinitely expand the banned list and leave it practically impossible to determine which types of articles would not be banned.

A cursory comparison of the basic Central Bank list and the list of articles proposed to be banned, shows that no type of product classified as "highly essential" in the first list would be banned; but in the "essential producer" category 9 out of 571 items would be banned; in the "essential consumer" category 8 out of 107; in the "non-essential consumer" category, 42 out of 366; and in the "unclassified" list, no less than 433 out of 477. And it should be understood that the basic Central Bank list already includes in the "non-essential" and "unclassified" categories many items which have proved to be "essential" and even "highly essential".

It is plain enough that the list was prepared on the basis of recommendations received from various individuals and entities and it also can be assumed that it was prepared more as a means to gather information than as a list of items which it has already been decided actually to ban.

But if such a ban were to go into effect, something very close to industrial chaos would develop, for while some local manufacturers might be, briefly, benefited, other manufacturers would be driven out of production and employees would be laid-off, living costs would rise, and the wellbeing, comfort, and health of the people would suffer.

And no matter how the list might be modified or reduced on the strength of the general criticism that can now be offered, it would still remain a most dangerous measure inasmuch as many of the end-effects could not possibly be fully foreseen now.

²These 9 types of products in the "essential producer" category are: (1) Poultry feed concentrates (bran, pollard, sharp), and other by-products from the preparation of cereals and cereal products; (2) Rubber sheeting and soling; (3) Tire manufacturing and repair materials; (4) Cotton yarn (except weaving yarn) bleached, dyed or mercerized; (5) Twines, cotton for sewing sails and sacks; (6) Wicks, lamps, and candles; (7) Steel bars and roots-reinforced steel bars and merchant bars; (8) Blow-cultivators, and harrows (animal drawn); (9) Stoppers, crown cork, bottle caps, capsules, and other packing accessories of base metal-crown cork caps.

³In the "essential consumer" category, the 8 types of products banned are: (1) Other medicinal and pharmaceutical products, n.e.s.; (2) Writing paper; (3) Carbon and other copying papers (typewriter carbons); (4) Cotton thread, bleached, dyed or mercerized; (5) Hand tools, n.e.s. (blow lamps, hand sprayers, anvils, vices and clamps, portable forges, and grinding wheels, augers, drills, braces, gimlets, and reamers—hand); (6) College and high school textbooks; (7) Writing ink; (8) Typewriter ribbons

"THERE are voices in our country who daily sound alarms that our civilization is on the way out. Concentrated on the difficulties of our times, they see an early and dour end for us. But let me tell you that civilization does not decline and fall while people still possess dynamic creative faculties and devotion to religious faith and to liberty. The American people still possess those qualities. We are not at the bedside of a nation in death's agony.

"Eighty years is a long time for a man to live. And, as the shadows lengthen over my years, my confidence, my hopes and dreams for my countrymen are still undimmed. This confidence is that, with advancing knowledge, toil will grow less exacting; fear, hatred, and pain and tears may subside; the regenerating sun of creative ability and religious devotion will refresh each morning the strength and the progress of my country."—HERBERT HOOVER, in a speech delivered on his 80th birthday anniversary.

Civil Defense and the Business Community

FRANK S. TENNY

Executive Director, Philippine Safety Council

MUCH has recently been said, in the press, at meetings, and over the radio about "civil defense". The comparative newness of this activity, and its intensiveness, have caused some persons to interpret it as a "war scare"; unnecessarily alarming of the populace.

The probable cause is that some civil defense speakers have dwelt on such subjects as the atom bomb, the hydrogen bomb, et al, possibly for publicity value. Another contributory cause is that a co-equal phase of the entire campaign has been seldom mentioned, that of Disaster Organization to cope with emergencies like typhoons, earthquakes, fires, and floods. In fact, it is this latter phase in which the Philippine Safety Council is primarily interested.

A most natural question for members of the American Chamber of Commerce of the Philippines is, "Where does my firm come in?" Some obvious questions immediately present themselves, like, "Will martial law be declared?", "Will my facilities be confiscated or taken over?", "What degree of control will I retain over my business?", "What can I do now which is not overly expensive or impracticable?", "Should I build bomb shelters and hold drills?", "What items of supply should I stock up?" and "Just what is expected of my firm in the way of contributing supplies, vehicles, personnel, etc. in case of emergency?"

All of the foregoing questions cannot of course be answered in advance. The nature of the emergency will determine the degree of government control, if any, to be applied. Undoubtedly certain Executive Orders (some now being prepared) will become effective in time of emergency. Example: Price Control. The geography of the emergency will be important, with possibly different situations prevailing in different locations. One thing, however, is absolutely certain,—the better prepared we are for emergency, the less we will be inconvenienced when it comes.

Now as to industrial, utility, transportation, communication, and commercial firms participation: Your firm will probably have two problems to consider: (1) Protection of your own property and personnel, and (2) Your pro-rata contribution to the defense or emergency effort. The first thing, therefore, is to make these two elements jibe in a fair and practical manner.

Taking the first factor, protection, it can be said that plans are now being made for the most efficient methods to be applied, both generally and specifically. There is no intention to ram a group of regulations down the throats of businessmen. In fact, questionnaires are now in the mail asking for businessmen in various categories to serve on planning committees. In this way, your ideas will be taken into consideration at ground-level. Bear in mind, the entire Civil Defense and Disaster Organization program is largely a civilian effort, not a government monopoly.

Factor two: your contribution to the emergency control, is another matter. Vehicles which you will not need, certain technical personnel, possibly even some equipment or buildings may have to be used in the common interest. Even so, you are again being invited to participate in the planning, and committees are now being formed. If you do not participate at this point, you will have small ground for complaint later.

Current planning is now going on at two levels, national and local. The national is largely concerned with overall plans, creation of local chapters, development of nationwide interest and support, and administrative factors. Implementation comes mainly on the local level. An organization chart has been prepared showing the best method of operating city and provincial civil-defense groups in a coordinated manner. It is stressed that everything is still in the preliminary stage and that non-governmental elements will soon be invited to participate.

The Philippine Safety Council has been assigned several responsibilities, among them the formation of civilian businessman committees in the (1) Industrial and Commercial Firms Protection, (2) Communications, (3) Transportation, and (4) Utilities sections. You will, by the time of publication of this article, have received information and questionnaires. No doubt many businessmen will be able to contribute valuable experience and suggestions, and to assist in keeping the plans on a sane and practical basis.

In conclusion, we ask you to again recall that this entire effort is for peace as well as for war. The preparation of plans to cope with disasters, is certainly as important as that for defense in a war we hope will never come. The cooperation of business leaders is earnestly solicited.

The American Chamber of Commerce JOURNAL

A highly functional publication,—
every part of which is specifically designed to assist
the businessman and, more generally, to
promote the economic interests
of the Philippines

Legal Obligations of Commercial and Industrial Establishments to Provide Medical and Dental Care

TABULATED BY DWIGHT DILL, M.D.
Health Service Corporation

Legal Requirements	Number of Employees				
	Less than 30	30-100	101-200	201-300	300 and over
1. Care for job-incurred accidents and disease: (Reference: Republic Act No. 772)	x	x	x	x	x
(a) Medical services and supplies	x	x	x	x	x
(b) Surgical services and supplies	x	x	x	x	x
(c) Dental services and supplies	x	x	x	x	x
(d) Hospitalization and treatment	x	x	x	x	x
(e) Completion of Workmen's Compensation Forms	x	x	x	x	x
2. Emergency medical and dental care (Reference: Republic Act No. 1054)	x	x	x	x	x
(a) Stock of emergency medicines	x	x	x	x	x
(b) Stock of emergency dental medicines	x	x	x	x	x
(c) Nurse	—	x	x	x	—
(d) Medical consultant	—	x	x	—	—
(e) Dental consultant	—	x	x	—	—
(f) Dispensary	—	—	—	—	—
(g) Retained physician	—	—	—	—	—
(h) Retained dentist	—	—	—	—	—
(i) Permanent physician	—	—	—	—	—
(j) Permanent dentist	—	—	—	—	x
(k) Infirmary or emergency hospital	—	—	—	—	x
(l) Dental clinic	—	—	—	—	x
3. Yearly medical (physical) examination of all employees and laborers	—	x	x	x	x
4. Yearly dental examinations of all employees and laborers	—	x	x	x	x

5. Detailed monthly reports of medical and dental services x x x x x
6. Detailed annual reports of medical and dental services x x x x x

THIRD CONGRESS OF THE REPUBLIC OF THE PHILIPPINES
First Session S. No. 89

(REPUBLIC ACT NO. 1054)

AN ACT TO REVISE AND CONSOLIDATE THE PROVISIONS OF ACT NUMBERED THREE THOUSAND NINE HUNDRED SIXTY-ONE, AS AMENDED, RELATIVE TO FREE EMERGENCY MEDICAL TREATMENT, AND REPUBLIC ACT NUMBERED TWO HUNDRED THIRTY-NINE, RELATIVE TO FREE EMERGENCY DENTAL TREATMENT, FOR EMPLOYEES AND LABORERS OF COMMERCIAL, INDUSTRIAL AND AGRICULTURAL ESTABLISHMENTS.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

EXTRACT

SECTION I.

(a) If the number of employees and laborers, is not less than thirty nor more than two hundred, the owner, lessee, or operator shall keep a stock of emergency medicines under the charge of a nurse for the use of his employees and laborers, and shall furnish free emergency medical and dental attendance to them, except when, within a radius of one kilometer from the commercial, industrial, or agricultural establishment there is a public dispensary furnishing medicine free of charge to poor applicants or a pharmacy where the employer can buy the same for the purposes of this Act, the keeping in stock of emergency medicines shall not be necessary to do so, in the discretion of the Secretary of Labor or his authorized representatives; provided, however, that this exemption shall not apply in cases where the number of employees and laborers exceeds one hundred but is not greater than two hundred.

(b) When the number of employees and laborers exceeds two hundred but is not greater than three hundred, the owner, lessee, or operator in addition to keeping a stock of emergency medicines under the charge of a nurse shall employ the services of a permanent or retained physician and a permanent or retained dentist for the benefit of employees and laborers, provide a room of strong materials, properly ventilated, and adequate enough to meet cases of emergency.

(c) When the number of employees exceeds three hundred, the owner, lessee, or operator in addition to keeping a stock of medicines and employing in full the services of a physician and a dentist for the purposes specified in the preceding two subsections, shall maintain a dental clinic and an infirmary or emergency hospital of sufficient capacity of one bed for each hundred employees, except where this shall be unnecessary because of the existence of a dental clinic and of a hospital in the place, at a distance not greater than two kilometers from the commercial, industrial, or agricultural establishment. In such cases, the owner, lessee, or operator may enter into an agreement with said dental clinic and hospital to reserve the necessary number of beds for the purposes specified in this subsection; provided, that the number of beds may be increased to three for each two hundred laborers and employees according to the nature of the establishment, at the discretion of the Secretary of Labor.

SECTION 8. This Act shall take effect three months after its approval.
Approved: June 12, 1954.

Income Tax Statistics, 1953

1953 CORPORATION INCOME TAX ASSESSMENTS BY KIND OF BUSINESS Bureau of Internal Revenue

Kind of Business	Number of Returns	Total Tax Due
Gas-oil distributing companies	3	P 7,515,970.00
Insurance companies	74	1,397,727.00
Manufacturing companies	214	12,416,225.67
General merchandise companies	513	8,302,588.00
Real estate companies	69	1,584,295.00
Banking-Finance institutions	53	6,687,560.00
Mining companies	38	5,232,589.00
Amusement companies	65	397,183.36
Public utility companies	62	282,854.00
Land, sea, air transportation companies	109	1,696,645.00
Educational institutions	207	272,334.75
Agencies	21	62,673.00
Agricultural companies	106	1,639,190.00
Apartments, hotels	10	21,841.00
Bakeries, groceries	18	7,984.00
Brokerage companies	22	129,683.00
Construction companies	29	186,867.00
Drug stores	14	120,324.00
Accounting and law firms	2	323.00
Hospitals-maternity clinics	11	49,164.00

Lumber mills	82	1,976,980.00
Sugar and rice mills	46	3,945,955.00
Publication companies	38	1,077,440.00
Rentals	93	2,285,148.00
Others	353	10,832,919.00
Unspecified	48	4,814,909.00
Total	2,263	P 72,937,433.78

1953 INDIVIDUAL INCOME TAX ASSESSMENTS BY NATIONALITY Bureau of Internal Revenue

Nationalities	Number of Returns	Tax Due
Filipino	43,684	P 15,927,769.64
Chinese	11,167	4,577,972.15
American	2,077	6,189,788.25
Spanish	729	1,787,900.00
British	389	1,243,917.65
French	44	164,224.00
Swiss	161	664,168.19
Indian	284	67,471.00
Italian	51	28,459.57
Others	978	2,570,982.71
Total	59,564	P 33,223,353.16

The Business View

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

The Government

From Official Sources

SEPTEMBER 1—President Ramon Magaysay receives Ambassador Raymond A. Spruance who lodges a formal protest against the "leakage" here of the American draft of the proposed Southeast Asia Treaty. The President expresses his regrets and states he will order an investigation.

The President receives Sir Frank S. Gibbs as the first British Ambassador to the Philippines; Gibbs, recently named Ambassador, has been the British Minister here since 1951; in his statement to the President he recalls that British officials in the Philippines have except during the last war, "subsisted continuously and harmoniously since the first opening of a British consulate in Manila in 1844."

The President presides over a meeting of the Cabinet at which the leakage of the SEATO Treaty draft is discussed and Vice-President and concurrently Secretary of Foreign Affairs Carlos P. Garcia asks the Cabinet to help in preventing a repetition of such an incident. The Cabinet denies the petition of the Chinese Chamber of Commerce that overstaying Chinese be given refuge here under the asylum law and approves the President's directive to Vice-President Garcia that he make strong representations to the Taipei Government to admit them to Formosa, the President stating that the Philippine Government would assume the transportation expense. The President emphasizes at the meeting that he wants quick action in the matter of importing rice free by private dealers here and not NARIC funds. Secretary of Agriculture and Natural Resources Salvador Araneta reports to the Cabinet on the conflict on petroleum exploration concessions between the Philippine Oil Development Company and the Standard-Vacuum Oil Company in the provinces of Cagayan, Isabela, and Mountain Province; the President refers the question to Secretary of Justice Pedro Tuason for legal opinion. Economic Coordinator Alfredo Montelibano reports that the contract to barter iron scrap on Cororor for rice has been accepted by the Japanese Government and the President approves the contract. Vice-President Garcia's recommendation that a resolution be adopted to ask the Japanese Government to order a rebidding for the salvage of sunken vessels in the Philippines, is also approved. Approved, too, is a recommendation of Secretary of Defense Sotero Cabahug to purchase 25,000 aluminum water canteens from a local manufacturer.

The President issues administrative order organizing the Secretariat of the coming SEATO Conference, with Under-Secretary of Foreign Affairs Raul S. Manglapus named as Secretary-General of the Secretariat; Press Secretary J. V. Cruz is designated Conference Information and Publicity Officer; Juan Dionisio, of the Foreign Service Administration, is designated Administrative Officer.

The President orders the liquidation of the assets and liabilities of the Land Settlement and Development Corporation (LASEDECO) and the transfer of its assets to the newly-created National Resettlement and Rehabilitation Administration (NARRA).

Sept. 2 — The President signs H. B. No. 2381, "An Act Appropriating Funds for Public Works and Amending Rep. Act No. 920"; the Act appropriates the sum of ₱245,438,912.62, of which ₱91,399,917.62 will come from the General Funds, ₱3,025,000 from the Port Works Special Fund, and ₱151,014,000 from the issuing of bonds.

The President receives a report from Lt. Col. Guillermo Santos stating that 118 of a possible 200 tenants have already been screened and would soon be settled on the 850 hectares of land in San Pedro Tusanan recently purchased by the Government; although the land is rolling, it is fertile and suitable for upland rice cultivation; NARRA has released ₱1,000 for the construction of roads there.

Sept. 3 — The President and the Cabinet approve the importation of 100,000 tons of rice, 50,000 of which is for immediate delivery and the rest to be imported when and if NARIC recommends this; Economic Coordinator Montelibano reports that two rice importers have already signed contracts to bring in a total of 100,000 tons; the rice will be sold to the public for 50 centavos a ganta. In view of soaring rice prices in the Occidental Mindanao area, the President issues a proclamation on the existence of a public calamity there and Act No. 4164 in full effect; he orders the Constabulary in the province to seize any stocks of rice or palay in excess of 100 cavans, this to be delivered to PRISCO and sold to the public, the owners to be reimbursed at the legal price from the proceeds.

The President issues a proclamation exempting certain items from the payment of the foreign exchange tax in accordance with Rep. Act

No. 1197, approved August 28.

The President inspects samples of a 3-inch and a 6-inch irrigation pump manufactured by NASSCO, completed on August 31 in honor of his birthday anniversary.

The President receives U.S. Secretary of State John Foster Dulles and Prince Wan Waitchayakon, Foreign Minister of Thailand, who call on him separately to pay their respects. Later the President witnesses the opening at Malacañang of the United States-Philippine Council, established on June 23, 1954, in accordance with the provisions of the Mutual Defense Treaty of August 30, 1951. In the course of the meeting, Secretary Dulles states, "I wish to state in the most emphatic terms that the United States will honor fully its commitments under the Mutual Defense Treaty. If the Philippines were attacked, the United States would act immediately." The sense of his remarks will be incorporated in a note to the Philippine Government. According to a Malacañang press release, "Agreement was reached on measures to effect close coordination in United States and Philippine efforts." The release also states:

"In response to a Philippine request that the United States place its off-shore procurement orders in the Philippines, Secretary Dulles said that the appropriate agencies of the United States Government would be willing to consider specific requests for the placement of procurement orders for such goods and services as can be economically obtained in the Philippines."

The President and Mrs. Magaysay give a luncheon in honor of Secretary of State and Mrs. Dulles. In a toast to Dulles the President calls him "the most courageous fighter for peace" and states, "Mr. Secretary, 20,000,000 Filipinos are behind you in your efforts to preserve the dignity and freedom of mankind." In his response, the Secretary says of the President "You have gained a stature in the world which is recognized everywhere."

Sept. 6 — The Manila (SEATO) Conference of 1954 opens in the session hall of the Philippine Senate, with the delegations of eight nations in attendance headed as follows: Australia, Minister of External Affairs R. G. Casey; France, Minister of State Guy la Chambre; New Zealand, Minister of External Affairs T. Clifton Webb; Pakistan, Minister of Foreign Affairs and Commonwealth Relations Muhammad Zafrulla Khan; the Philippines, Vice-President and Secretary of Foreign Affairs Carlos P. Garcia; Thailand, Prince Wan Waitchayakon; United Kingdom of Britain and Northern Ireland, Lord Reading; United States, Secretary of State John Foster Dulles. President Ramon Magaysay delivers the opening address, after which Vice-President Garcia is elected Chairman of the Conference and delivers a short speech. The various chief delegates then deliver their opening remarks, Senator Francisco Delgado, Chairman of the Committee of Foreign Relations, setting forth the views of the Philippine delegation.

Sept. 7 — The SEATO Conference continues at both morning and afternoon sessions.

Sept. 8 — The SEATO Conference delegates finally approve the texts of the Pacific Charter, the South East Asia Collective Defense Treaty, added to which is a brief statement entitled "Understanding of the United States of America," and a Protocol to the Treaty designating the States and the Territory to which the provisions of Articles III and IV are applicable. (For the full texts, see the September issue of this *Journal*.) After the signing the respective chief delegates deliver their closing remarks.

The President receives Ministers Webb of New Zealand, Zafrulla Khan of Pakistan, and the Chambre of France who call at Malacañang separately to pay their respects; all three invited him to visit their countries. In the evening the President and Mrs. Magaysay give a state dinner in honor of the heads of the various delegations to the SEATO Conference.

Following a meeting of the Cabinet it is announced that ₱30,000,000 has been made available for the Government to buy palay from small farmers; also farmers: NARIC, ACCFA, PRISCO, and the Department of Agriculture have all been instructed to cooperate and coordinate their efforts in the direct purchase of rice from the small producers; also that the rice importers who already signed contracts for the importation of 50,000 tons of rice should immediately open letters of credit with the Philippine National Bank which has agreed to accept the guarantee of NARIC. The guarantee may be lifted by the importers at any time at whatever rate of exchange they desire after arrival.

The President at the Cabinet meeting directs Secretary of Justice Tuason to rush action on all cases already investigated by the different probing teams and to supervise personally the prosecution in these cases, including the Caledonia Pile case, the Guam labor employment case, the FIMCO case, the Philippine Home Site and Housing Corporation case, the LASEDECO case, etc.

Secretary of Education Gregorio Hernandez, Jr., at the Cabinet meeting on August 26, 1954, at the request of the President, constitutes a committee to conduct an intramural survey of the University of the Philippines; the committee is composed of Regent Vicente Lontok as Chairman, the members being Regents Arturo Garcia and Modesto Farolan, and Deans Vicente G. Sinco and L. B. Uichanco; the committee is charged with finding means to gear certain activities of the University more effectively to the rural, economic, and industrial program of the Government.

The President sends former Speaker Jose Yulo in Paris a message expressing his condolence on the death there on September 6 of Mrs. Yulo from heart-failure. He sends former President Sergio Osmeña a message congratulating him on his 76th birthday anniversary.

Sept. 9—Malacañang releases the text of U. S. Secretary of State Dulles' letter to Vice-President and Foreign Affairs Secretary Garcia embodying his pledge made at the Council of Ministers held under the Mutual Defense Treaty between the Philippines and the United States on September 4. (For the text see the September issue of this *Journal*.) Malacañang announces that "decisive steps have been taken in the past several days to strengthen the security of the Philippines and of the entire area of Southeast Asia and the Southwest Pacific."

The President separately receives four of the chief delegates to the Conference who call on him to say goodbye.—Australian Minister of External Affairs Casey, Lord Reading of England, Prince Wan of Thailand, and New Zealand Minister of External Affairs Webb. Sept. 10—The President appoints a rice purchasing committee to plan a country-wide program of direct rice-buying from small producers; named Chairman is Secretary Araneta and the members are NARIC Manager Juan Chiocho, ACCFA Manager Osmundo Mondoñedo, PRISCO manager Ismael Mathay, Director of Public Schools Venancio Trinidad, and Chief, Philippine Constabulary, Florencio Selga. The President states the Government plans to buy the paddy at from P9 to P10 a cavan, depending on the region, the variety, the quality, etc.

The President directs Secretary Araneta to take charge of the arrangements for the forestry conference to be held in Manila on September 30-October 1; the President called the conference "to put a stop to the rampant destruction of forest resources which has been going on through illegal *kaingin* making and destructive logging practice." The President orders the Army and Customs investigators to go to the core of the alleged smuggling into the country of some 20 tons of assorted merchandise from Japan on a Philippine Navy ship, "irrespective of whom may get hurt."

Sept. 11—The President issues a statement declaring that the rumors of war circulating in the provinces are "completely false and malicious"; he states that if any crisis should arise, "the people will hear of it quickly from official sources. . . The truth is. . . there is less danger of war today than there has been for many months." The President declines the resignation of the NARIC Manager Chiocho, but is reported to have the resignations of three members of the Board (Felix de la Costa, Conrado Estrella, and Sergio Ortiz-Luis) under advisement.

The President issues an executive order instituting a special presidential award to be known as "The Golden Heart Presidential Award", which may be presented to any individual or organization, here or abroad, that has rendered services to the country of a meritorious and noteworthy monetary or other material aid to the efforts of the Government to improve the condition of the Philippine masses, especially in the rural areas.

Sept. 13—At ceremonies at Fort McKinley, the President pins the "Golden Heart" medal on Ambassador Carlos P. Romulo for his outstanding and meritorious services rendered to the country as the President's special envoy to the United States.

The President accepts the resignations of de la Costa and Ortiz-Luis as members of the NARIC Board. The President receives the delegates and observers attending the World Health Organization regional conference being held in Manila (September 10 to 16).

The President directs Lt. Gen. Jesus Vargas, Armed Forces Chief of Staff, to expedite the investigation of the alleged smuggling of goods into the country from Japan through the use of naval vessels.

The President issues a proclamation declaring a "Literacy Year" during the period from September 15, 1954, to September 15, 1955, and creating a committee to take charge of a national campaign to promote literacy in the country.

Sept. 14—The President is informed by Minister Felino Neri on the report of the Hernandez Mission to Japan on the reparations question, Neri explaining that the mission is a "very competent and concise study"; the President sets September 17 as the date for a meeting of administration and congressional leaders to take up the matter.

The President appoints Col. Jacinto Gavino, ACCFA Manager Mondoñedo, and Maximo Calalang to the NARIC Board; having declined the resignation of Board President and General Manager Chiocho and also that of Conrado Estrella, the NARIC Board now is composed of Estrella, Calalang, Gavino, and Mondoñedo.

The President directs Secretary of National Defense Sotero Cabahug to order increased army and navy surveillance in Mindanao waters to put an end to the illegal entry of Indonesians into Mindanao; some 6,000 have come in during the past few years, most of them from Las Palmas and Maruray islands, which are nearer to Mindanao than to other Indonesian territory.

The President sends a message to the President to urge him to give the recently reconstructed University of the Philippines building on Padre Faura Street to the National Library and not to some other government entity. (It was originally planned to assign the building to the Library, but it has been reported that the Department of Foreign Affairs wants to occupy it.)

The President had luncheon with the executives of Caltex (Philippines) headed by Robert J. Monical, Vice-President and Managing Director.

Ambassador Romulo, accompanied by his wife, boards a plane for the United States on an undisclosed mission for the President.

Sept. 15—The Cabinet, with the President presiding, decides to bring up the problems confronting the Philippines incident to the illegal entry of Chinese and Indonesians before the current United Nations conference on stateless persons. The Cabinet reaffirms the policy of extending every assistance to the United States armed forces in the expedition to bases and installations in the least desirable lands for a period of 99 years, renewable for another 99 years, but not granting title. The Cabinet also approves another extension of the barter trade agreement with Japan from September 17, when the present term expires, to January 31, 1955. The Cabinet finally approves the plans drawn up by Secretary of Public Works Oroa for the improvement of the Cebu city water-supply to cost P220,000.

The President in conference with NARIC officials decides to use the services of provincial and municipal treasurers for the distribution of the 60-centavo a ganta rice. NARIC General Manager Chiocho informs the President that letters of credit for the importation of 50,000 tons of rice from Pakistan have already been arranged for and that the first shipment of 20,000 tons is expected to arrive before the end of this month and 30,000 tons more by October 10.

The President, by administrative order, formalizes the creation of the Rice Paddy Marketing Committee which will plan and supervise the buying of paddy by the Government from small farmers and tenants during the 1954-55 harvest; the Committee is headed by Secretary of Agriculture Salvador Araneta; NARIC, ACCFA, and PRISCO have been instructed to assist the Committee.

Sept. 16—The President receives Representative James B. Utt, of the Ways and Means Committee of the U. S. House of Representatives, who has come to study economic conditions in connection with the Bell Trade Act revision.

The President swears into office Manuel Nieto as the Philippine Minister to Argentina and Mexico.

Sept. 17—The President issues an order creating the Philippine Information Agency to disseminate accurate information concerning Philippine political, economic, social and cultural conditions and activities; the Philippine Embassy in Washington, D. C., will serve as regional office for North and South America and the Embassy in London for Europe and Africa; the central office in Manila will serve as regional office for Asia, the Southwest Pacific, and the Middle East; the Agency is placed under the Office of the President, with Executive Secretary Fred Ruiz Castro as Chairman and Secretary of Commerce and Industry Ledesma, Under-Secretary of Foreign Affairs Manglupan, Under-Secretary of National Defense Jose M. Crisol, Col. Nicanor Jimenez, and Secretary of Agriculture Salvador Araneta as members. Nieto is also assigned Executive Secretary of the Board and Director of the Agency.

On behalf of the President, Executive Secretary Ruiz Castro receives the delegates to the World Health Organization Conference which closed yesterday; in a message the President expresses gratitude to the WHO, the United Nations Children's Emergency Fund, the UN technical assistance, and the Foreign Office of the Administration, all of which are "playing an important role in helping my Government in its herculean task."

Sept. 20—Economic Coordinator Montelibano and General Manager Chiocho of NARIC release a summary of rice importations already ordered,—6 orders to 3 different companies for a total of 20,000 tons of kangri rice and 30,000 tons of joshie rice from Pakistan and 3 orders through 3 other companies for a total of 10,000 tons of rice from Siam. The prices of the kangri rice are P 5.10, P 5.20 a ganta; for the joshie rice P 4.9; and for the Siamese rice, 45% broken, P 4.3, 40% broken, P 5.0.

Sept. 21—The President has a breakfast conference with Representative Utt, Ambassador Raymond A. Spruance, and several others; the Congressman is scheduled to leave the Philippines for Washington this evening.

The President visits Fort Wm. McKinley and, on inspecting the kitchen for some 3,000 20-year old trainees undergoing 10 months' training, compliments the mess officers for the excellent food being provided on a meal allowance of P1 a day per man.

The President receives the final report of the committee headed by Commodore Jose Francisco, which investigated the business transactions of the Villanueva Shipping Company and hands the report over to Secretary of Justice Tauson for immediate action; the report recommends that charges be brought against the firm, most of them Chinese, for various violations of law and that the two marine surveyors concerned be subjected to an administrative investigation by the Bureau of Customs with a view as to whether or not their licenses should be cancelled or suspended; the report also holds that an official of the Rehabilitation Finance Corporation is implicated.

Sept. 22—The President, during a meeting of the Cabinet, signs the appointment of Ambassador Felixberto Serrano as Deputy Chairman of the Philippine Mission to the United Nations; Ambassador Carlos P. Romulo is Chairman.

The Cabinet endorses the President's plan to disperse the cattle on the stock farms of the Bureau of Animal Industry among the farmers; the President has made P500,000 available for the importation of breeding cattle from India and other neighboring countries.

The Cabinet approves a recommendation of Secretary of Justice Tauson that the Philippine National Bank refund to the Farm Implements and Machinery Corporation an over-payment of P1,593,700.

and that the Corporation be granted a license to export Philippine products to Japan under the Barter Agreement in the amount of \$1,757,469 in exchange for cotton piece goods, in full settlement of the claims which FIMCO and its customers may have against the Bank and the NARIC.

Malacañang releases list of 86 candidates adjudged to have passed the Certified Public Accountant Examination taken by 1,163 candidates last December, all of whom were at first adjudged to have failed; another 85 candidates were adjudged to have passed in at least two subjects and are given the privilege of re-examination in the subjects in which they failed.

Sept. 23 — The President, in ceremonies in Malacañang, confers the Golden Heart Presidential Award on United States Minister William S. B. Lacy, Counselor and Deputy Chief of Mission, American Embassy. Earlier in the day, at Camp Murphy, Secretary of Defense C. Cabag and Secretary of State Philip H. Klutznick (Commander) on Lacy. The Minister has been transferred to Washington and will leave the Philippines tomorrow. Charles R. Burrows will take his place at the American Embassy.

The President appoints and inducts Dr. Jesus Perifan as Acting Assistant Director of Private Schools. He also inducts as members of the board of the newly created Philippine Information Agency, Executive Secretary Estero, Secretary of Commerce Legado, and Helder de la Cruz, Col. Ninoor Jimenez, Carlos Nivera, nad Narciso G. Reyes.

The President receives Griffith May, of Seattle, Washington, now on a tour of the Far East; May informs the President that the products of various Philippine home industries were well received at Washington State's Third International Fair held this year; a Fourth Fair will be held from March 11 to March 25 next year.

The President calls at the residence of Senate President Eulogio Rodriguez to confer with him on the resignation of the Senate President over the death of Mrs. Rodriguez early this morning.

Sept. 24 — The President issues an executive order promulgating rules and regulations covering the assignment of military personnel to civilian offices and officials.

The President visits the Bureau of Internal Revenue and inquires into the progress of the pending tax cases; he also visits the Bureau of Customs.

The President makes a surprise inspection of various towns in Cavite Province, including the 7th BCT headquarters in Tagaytay City.

Sept. 25 — The President confers with Minister Neri who reports to him on the conference held yesterday by the committee of the Council of Leaders (the new non-partisan National Planning Council created July 14), on the Japanese reparations question. Neri states that "the meeting of the committee has reached an agreement on all points in which the solution to the reparations problem hinges by approaching the matter with open mind and from a realistic point of view, guided by the findings of the Hernandez Mission." Regarding the statement of Takashi Suzuki, of the Japanese Mission in the Philippines, to the Associated Press yesterday that \$400,000,000 is the absolute maximum Japan could pay the Philippines in reparations, Neri states that "he was unfortunate to have been asked to report when we were making progress toward clarifying our position... as to whether the two Governments should decide to resume negotiations."

The President requests Secretary of Justice Tuason to direct the Solicitor-General to deputize 12 internal revenue attorneys to handle the civil actions instituted by the Government to collect unpaid taxes.

The President receives Col. Salvador Villa, General Manager of the Manila Railroad Company, who reports that 8 new diesel-electric locomotives will be purchased by the Company and will be in operation by March of next year; bids have been received from American, Japanese, German, and English manufacturers and "the American bid seems the most acceptable." Villa also reports that 3 new locomotives for the Philippine Railway in Panay will be put in operation in December; the MRR warehouses in the North Harbor area for storage of copra, sugar, fertilizer, and other import and export commodities, will be completed in December; air-conditioned coaches for the Bicol run between Zamboanga and Manila will arrive before the end of the year; sixty 30-ton box cars, presently being rehabilitated, will be ready for use in November and an additional one hundred 30-ton all-steel box cars from the United States will be in operation in January.

The President receives Raymond Moyer and Clinton Morrison, Regional Director and Deputy Regional Director, respectively, of the U. S. Foreign Operations Administration, who call to pay their respects prior to their return to Washington after attending a 5-day regional FOA conference here; they have accompanied to Malacañang by Col. Harry A. Brenn, Chief of the Manila Office.

Sept. 26 — The President gives permission to Vice-President and concurrently Foreign Secretary Garcia and Secretary of Defense Cabaguh and also to a number of officers of the Armed Forces, headed by Chief of Staff General Vargas to appear before the Senate Committee on National Defense with the stipulation that the Committee be asked to hold the meeting behind closed doors; the newspapers have reported that members of the Senate Committee are dissatisfied with the presentation of the Philippines' case at the meeting of the Council of Ministers under the Mutual Defense Treaty held in Manila on September 4.

The President issues an executive order creating a committee to investigate the administrative charges against three Manila City Councilors for dishonesty in a matter of establishing market sites; the committee is headed by Dr. Gaudencio Garcia.

Malacañang releases a list of voluntary contributions to the President's "Liberty Wells" Fund, a total of ₱31,165.35, of which ₱15,646.55 was received by the Liberty Wells Association and the remainder at Malacañang.

The President attends the funeral services of Mrs. Juana Rodriguez, wife of Senate President Rodriguez.

Sept. 27 — The President receives the Manila Board Councilors, headed by Board President Francis Yusoco, who propose that he suspend all Manila officials involved in the charges and counter-charges recently filed with Malacañang by Mayor Arsenio H. Lacson and members of the Board; the President states he will consult the investigating committee on the matter.

The President issues a proclamation declaring the period from October 24 to 31 this year, and every week beginning with the fourth Sunday of every October thereafter, as Barrio Farmers' Week.

Sept. 28 — The President issues an executive order creating an Asian Good Neighbor Relations Commission and an administrative order designating Dr. Mariano de los Santos Chairman, Messrs. Modesto Farolan, Nicolas Zafrá, Joaquin Roces, Eugenio Puyat, and Felino Neri and Miss Helen Benitez, Mrs. Tarhata Kiram-Salvador, and Mrs. Claudio Tee Han Kee as members.

The President, after a conference with Senator Claro M. Recto and Minister Neri, postpones a scheduled meeting of the Council of Leaders on the reparations question, set for October 1, pending a further report from Neri; the latter subsequently announces he will meet later in the day with Japanese Minister Katsumi Ohno.

The President creates a committee composed of Secretary Montelibano and a representative each from the Bureau of Public Works and the National Power Corporation, to coordinate the studies and surveys which may be undertaken by various government entities in connection with the development of electric power generation, flood control, irrigation, and water supply.

The President releases ₱200,000 for the readjustment of the salaries of superintendents of schools throughout the country.

The President issues a proclamation reserving as the Sablayan Penal Colony and Farm an area of the public domain in Sablayan, Occidental Mindoro; the action follows recent outbreaks of violence in the area of the Sablayan Prison, at Muntinlupa, believed to be due at least in part to the acute over-crowding there.

The President after an inspection of the San Lazaro Hospital premises decides to have the new ₱2,500,000 hospital construction there face Tayuman Street instead of Rizal Avenue; also, not to demolish the old pavilions, but to release ₱100,000 for their rehabilitation.

Banking and Finance

By M. D. ARNOLD
Sub-Manager

The National City Bank of New York

COMPARATIVE statement of condition of the
Central Bank:

	As of Dec. 31, 1949	As of Jun. 30, 1954	As of Jul. 30, 1954	As of Aug. 31, 1954
ASSETS (In thousands of pesos)				
International Reserve.....	₱460,689	₱465,943	₱457,288	₱474,267
Contribution to the International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	113,306	106,940	106,940	106,940
Loans and Advances.....	77,047	1,584	714	5,217
Trust Account—Securities Stabilization Fund.....	92,197	240,066	227,970	226,445
Domestic Securities.....	20,390	49,982	54,626	54,173
Other Assets.....	—	—	—	—
	₱793,629	₱894,515	₱877,538	₱897,042
LIABILITIES				
Currency—Notes.....	₱555,576	₱587,486	₱584,708	₱599,715
Coins.....	74,384	84,700	84,802	84,928
Demand Deposits—Pesos	117,682	170,775	154,802	157,339
Securities Stabilization Fund.....	2,000	14,667	14,864	14,862
Due to International Monetary Fund.....	22,498	496	496	496
Due to International Bank for Reconstruction and Development.....	2,389	2,377	2,377	2,377
Other Liabilities.....	2,636	5,006	6,136	7,024
Deferred Credits.....	—	478	894	1,326
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	5,208	5,509	5,637
Surplus.....	—	13,268	13,268	13,268
	₱793,629	₱894,515	₱877,538	₱897,042

Contingent Account
Forward Exchange Sale... P 6,460

The International Reserves as of August 31, 1954, were as follows:

Central Bank International Reserves	\$237,133,529.73
Japan Open Account (due from)	14,957,739.44
Net FX Holdings other Banks	59,007,194.99
	<hr/>
	\$311,098,464.16

This is an increase of approximately \$2,250,000 as compared to July 31, 1954.

Currency and coins issued totalled P684,643,271.10. Money is still tight in Manila and the provinces. The drought in certain rice-growing regions has only recently been allayed by delayed rains, and what was predicted a few months ago as a rice crop estimated to be in excess of normal consumption requirements, now is reported short by 50,000 to 200,000 tons which will have to be imported.

The unemployment picture is darker, with no immediate relief in sight.

Manila Stock Market

By J. J. ORTIGAS

Picornell, Ortigas & Co.

August 21 to September 24

DURING the past month the mining-share market had a mild sag, but this was followed by a recovery led by Lepanto Consolidated,—which was the principal feature attracting good quality buying on the basis of the Company's improved outlook. Consolidated Mines was also well bought during the last few days of the period under review on the announcement that the Board of Directors of the Company had passed a resolution to be submitted to the share-holders asking their approval of the proposal to increase the authorized capital stock to P20,000,000 and subsequently to declare a 100% stock dividend. Philippine Iron Mines, after being traded lower, closed firmer.

The price of gold in the free market is approximately at P110.60 per fine ounce.

In the commercial and industrial section, Philippine Long Distance Telephone Company common shares continued in demand, registering a further advance of P1.25; San Miguel, on the other hand, was a minimum fluctuation lower. Fixed-interest securities in general continued firm.

MINING SHARES

1953-54 Range	High	Low	Close	Change	Total Sales
107.42 82.78					
0.255 0.12	95.95	91.53	94.74	Up	22,121,116,058
0.0875 0.037	14	12	13255	Off	00075 342,205
0.0975 0.06	08	065	07	Off	00075 1,128,786
2.10 0.60	085	0725	075	Off	01 120,000
0.0026 0.0011	—	—	—	—	—
4.59 2.50	3 15	2.95	2.95	Off	20 11,410
0.046 0.034	044	041	044	Up	003 2,971,900
0.305 0.115	—	—	—	—	—
0.22 0.09	09	09	09	Off	01 70,000
0.105 0.03	034	03	03	Off	006 165,000
0.49 0.325	49	44	485	Up	045 1,014,938
0.1475 0.05	13	10	10	Off	035 215,000
0.23 0.06	23	20	20	Off	03 55,000
2.29 1.42	1.64	1.50	1.60	Off	02 110,780
0.31 0.14	14	14	14	Off	01 10,000
0.27 0.17	18	175	175	Off	005 438,000

COMMERCIAL SHARES

195 00 135 00	Bank of the Philippine Islands	—	—	195 00b	—
20 00 11 00	Bogo-Medellin Milling Co.	—	—	13 00b	—
72 50 60 00	Central Azucarera de Basis	72 00	72 00	72 00	Up 6.00
130 00 100 00	Central Azucarera de la Carlota	130 00	130 00	130 00	—
105 00 90 00	Central Azucarera de Pilar	90 00	90 00	90 00	Off 10 00
45 00 26 00	Central Azucarera de Tarlac	41 00	39 00	39 00	Off 3 00

370 00 360 00	China Banking Corp.	—	—	350 00b	—
12 00 10 00	Cia. de Celulosa de Filipinas	12 00	12 00	12 00	—
24 00 22 00	Filipinas Cia. de Seguros	—	—	22 00b	—
10 00 2 50	Industrial Textiles Mig. Co. P.I.	3 60	2 50	2 50	Off 1 00
7 50 7 00	Insular Life Ass. Co.	—	—	7 00b	—
0 40 0 27	Manila Broadcasting Co.	—	—	37b	—
3 60 2 80	Manila Wine Merchants	—	—	3 30b	—
0 06 0 06	Marsman & Co. pref.	—	—	30a	—
104 00 101 00	Mayon Metal. class "B"	—	—	05b	—
34 00 20 00	Meraleo, 6-1/2%	27 00	27 00	27 00	Off 2 00
10 00 5 00	Philippine Air Lines, Inc.	10 00	10 00	10 00	—
16 75 11 50	Philippine Long Dist. Tel. Co. com. x	16 75	14 75	16 50	Up 1.25
0 0525 0 014	Philippine Oil Dev. Co.	—	—	033	Off 006
0 98 0 86	Philippine Racing Club, R. D. 4% Bonds 1959	—	—	1 00b	—
100 00 99 50	San Miguel Brewery, 1959	100 00	100 00	100 00	—
35 50 29 00	San Miguel Brewery, Inc. xx	34 50	34 00	34 00	Off 50
103 00 94 00	San Miguel Brewery, 8% pref.	102 00	101 50	101 50	Off 50
107 50 102 00	San Miguel Brewery, 8% pref.	106 50	106 50	106 50	—
14 00 13 00	Univ. Ins. & Indem. Williams Equipmt. com.	—	—	13 00b	—
10 00 8 00	Williams Equipmt. com. x-E Dividend x-X-Rights	—	—	10 00b	—

OVER-THE-COUNTER

Company	High	Low	Close	Total Sales
Benguet Exploration	P 0.03	P 0.03	P 0.03	75,000
Cupay Mining Co.	0.04	0.04	0.04	450,000
Demonstration Gold	0.005	0.005	0.005	40,000
Isa Alst. Corp. of the Phil.	7.00	7.00	7.00	250
Mine Operations	0.004	0.004	0.004	20,000
Philippine American Drug Co.	75.00	75.00	75.00	174
Philippine Electrical Mfg. Co.	70.00	70.00	70.00	17
Really Investment	7.00	7.00	7.00	200
Victorias Milling Co.	95.00	95.00	95.00	170

Credit

By DUNCAN BURN

Manager, Eastern Inspection Bureau and
Manager, Association of Credit Men, Inc. (P.I.)

THE Association of Credit Men, Inc. (P.I.) completed on September 22, 1954, a resumé on the collection situation as of mid-September. Thirty-seven member firms contributed specific comments and the consolidation of data proved most interesting to members. Twenty Association members reported the collection situation at mid-September as tighter than in mid-June, 1954; 11 reported the situation virtually unchanged; and 5 found the collection situation somewhat easier. The members reporting the collection situation as either easier or unchanged, explained that this condition was due in part to greater effort exerted in collecting and in more careful selecting of credit risks. It is interesting to note, however, that 3 members found the collection situation somewhat easier through no efforts of their own.

In explaining the conditions responsible for a tight situation at mid-September, 10 members believed that the second-half income-tax payments, registrations, and other normal factors were largely responsible. Fourteen members considered the Nationalization Act as contributing to the tighter situation, and 2 members believed the Nationalization Act had no bearing on this. Only 3 members stated that the Wholesalers' Tax contributed to the tight situation; 7 members believed this tax had no bearing. Thirteen members reported that the tight situation could be attributed to unusual conditions, including a variety of factors, several mentioning unusual weather.

Various members provided amplification to the basic survey and made comments to the effect that money is usually tight at this time of the year but that the situation is worse than usual now because of the Nationalization

Act and the Wholesalers' Tax. Lower prices of export products, particularly copra, were mentioned by one as aggravating the situation. Other members made specific comments of points affecting specific lines.

Toward the end of September some merchants reported a slight improvement in collections on the retail and wholesale level, but bank credit was still tight and money continued tight. The Demonetization Act has not had the good results expected and some credit men report that hoarders have exchanged large bills for bills of smaller denominations and thereby removed more money from circulation. At month-end collections for the most part had not eased noticeably, and several credit men reported collections still badly off with post-dated checks and checks without funds still much in evidence and some firms referring an increasing number of collection items to lawyers. Some trade sources anticipate a slight improvement during the next two months in anticipation of Christmas trade and seasonal improvements.

The Association of Credit Men admitted two new members at the monthly meeting in September, bringing the total active membership to an all-time high of 86.

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Vice-President, Manila Electric Company

1941 Average—16,316,000 KWH

	Kilowatt Hours	
	1924	1953
January	57,301,000	50,107,000
February	52,447,000	45,501,000
March	57,779,000	50,789,000
April	54,408,000	49,159,000
May	57,773,000	52,042,000
June	58,525,000	51,304,000
July	60,206,000	53,877,000
August	60,385,000x	54,275,000
September	59,680,000xx	53,636,000
October		55,943,000
November		53,756,000
December		57,968,000
Total		628,357,000

x Revised
xx Partially estimated

SEPTEMBER output was 6,044,000 kwh., or 11.2% over September, 1953.

As usual at this time of year, less daylight hours cause increased use of electricity and new records are set. In September the following records were set: Highest hourly output, 150,700 kw, on the 29th; highest daily output, 2,180,000 kw, on the 23rd; highest average daily output, 1,989,000 kw; highest monthly net output at Rockwell Station, 40,494,000 kw, equal to 67.8% of the system's total net output.

Real Estate

By ANTONIO VARIAS

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

REAL ESTATE sales registered in the Greater Manila area during the month of September, 1954, numbered 596, with a total value of P9,505,380, as compared with 571, with a total value of P6,280,822 registered during the preceding month of August.

Of the September sales, 196, with a total value of P2,255,463, represented deals within Manila proper, and 400, with a total value of P3,649,917, were transactions registered in Quezon City, Pasay City, and in the suburban

towns of Calocan, Makati, Malabon-Navotas, Mandaluyong, Parañaque, and San Juan.

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

	CITY OF MANILA
Binondo	Pal Luna-Dasmariñas-Piña Cervantes. A 5-story concrete building known as the "MRS Building" with a lot of 666.1 sq. m. sold by Carmen Soriano Vda. de Angoso to J. M. Tusion & Co., Inc. for P1,800,000.
Ermita	A. Mabini St. A property with a lot of 1,191 sq. m. sold by A. Magsaysay, Inc. to Juan Quevora for P109,000.
Malate	M. H. del Pilar St. A parcel of 1,700.7 sq. m. sold by Remigio V. Tan to Antonio Tusion for P85,000.
Sempaloc	Cataluña St. A property with a lot of 600 sq. m. sold by Lourdes C. Guzman to Manuel T. Santos for P40,000.
Sta. Cruz	O'Donnell St. A property with a lot of 553.5 sq. m. sold by Natalia Yalong de Moroles to Josefa Benitez Sanchez for P146,000.
	F. Gomez St. A property with a lot of 225.7 sq. m. sold by Manuel Zamora Longos to Epifania Vda. de Guzman for P47,000.
	QUEZON CITY
New Manila	Aurora Boulevard. A property with a lot of 3,620 sq. m. sold by Magdalena Estate, Inc. to Pepsi Cola Bottling Co., Inc. for P113,675.
Payatas Estate	A tract of 60,002 sq. m. sold by Eugenio Libango to Encarnacion Lozada for P36,000.
Cubao	A tract of 4,990 sq. m. sold by Magdalena Estate, Inc. to the United Construction Co. for P59,880.
	PASAY CITY
	Dewey Boulevard, the 2nd lot south of Salud St. A parcel of 887 sq. m. sold by Elisa Selgado to Salustia Vda. de Olaveque for P79,830.
	SUBURBAN TOWNS
Makati	San Lorenzo Subdivision. A tract of 14,000 sq. m. sold by San Lorenzo Co. to Antonio Yung for P196,000.
Mandaluyong	Higway 54. A tract of 18,725 sq. m. sold to the Philippine American Life Insurance Co. for P229,600 and another tract of 20,000 sq. m. sold to Reynolds (Phil.) Corp. for P225,750 by Ortigas Madrigal y Cia.
	J. Rival St. A tract of 7,076 sq. m. sold by Alfredo Y. de Vera to Brownex Corp. for P50,000.
	Baranaca. A parcel of 11,247 sq. m. sold by Ortigas Madrigal y Cia. to Winthrop Stearns, Inc. for P134,964.
Pasig	Bangong Hlog. A tract of 20,000 sq. m. sold by Leoncio Geromino to Jose Tiosejo for P100,000.
	Rosario. A parcel of 5,776 sq. m. sold by Dominador Nepomuceno to Maximo Angeles for P65,000.
	Rosario. A tract of 66,536 sq. m. sold by Ching Leng to Mariano Glinister Ching for P166,840.

REAL ESTATE MORTGAGES registered in the Greater Manila area during the month numbered 616, with a total value of P9,363,680, as compared with 597, with a total value of P9,567,697, registered during the preceding month of August.

Of the September mortgages, 238, with a total value of P3,876,293, represented transactions within Manila proper, while 408, with a total value of P5,487,387, were mortgages in the place first above mentioned.

REAL ESTATE SALES, 1954

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January	P4,757,076	P1,306,427	P505,410	P1,676,512	P8,245,425
February	2,444,703	2,295,413	330,245	1,859,162	6,929,523
March	2,811,805	2,501,229	162,167	2,239,095	7,714,296
April	4,692,440	1,381,842	169,520	976,526	7,170,328
May	2,412,941	1,587,327	246,905	1,644,658	5,891,831
June	2,584,689	4,280,526	175,518	2,165,846	9,206,579
July	3,383,397	1,122,490	320,251	2,000,503	6,326,641
August	1,948,002	1,458,729	490,560	2,383,531	6,280,822
September	2,255,463	1,184,084	250,258	2,215,575	5,905,380

REAL ESTATE MORTGAGES, 1954

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January	P6,243,766	P1,308,920	P17,867	P3,629,703	P11,700,256
February	2,589,579	1,891,440	600,810	2,115,852	7,588,816
March	4,400,965	2,132,170	417,390	1,773,031	8,723,556
April	5,606,798	1,392,580	267,850	1,503,990	7,771,218
May	4,148,835	1,991,400	334,300	1,710,865	8,185,400
June	6,593,711	1,486,785	607,600	2,119,166	8,807,262
July	7,768,526	1,237,031	284,370	1,367,730	10,657,657
August	5,170,526	1,853,524	829,613	1,714,034	9,567,697
September	3,876,293	1,746,971	495,000	3,245,416	9,363,680

Building Construction

By JUAN J. CARLOS

President, United Construction Co., Inc.

DURING the month of August, the Office of the City Engineer approved building permits for construction work amounting to ₱2,138,790. For the same period in 1953, the volume of work authorized amounted to ₱2,980,460, in comparison with ₱2,838,540 in 1952 and ₱3,109,275 in 1951.

Some of the big projects that were started during the month under review were:

A 3-story mausoleum in the Chinese Cemetery for the family of Yu Ting, costing ₱240,000;

On Pamanga Street, Rizal Avenue Extension, a commercial building for Florencio Reyes & Co., estimated at ₱125,000;

A school building on Nagtahan, San Miguel, for the Grace Christ High School, costing ₱80,000;

A commercial building for Siy Cheng on Santo Cristo Street, Binondo, estimated at ₱80,000.

During the period under review large shipments of Portland cement continued to arrive from Japan and Belgium, resulting in an oversupply of the material in the local market. Ready stocks of imported cements are being offered for sale at ₱3.30 against Rizal Cement, locally produced, at ₱3.50 plus ₱.10 for delivery. Unlike other materials, cement can not be stored for any great length of time, and it is feared that a big part of the supply will harden.

There is a lull in the market due to the rainy season and, in a way, to the talk of war. Importers who can not hold their stock for a long time are quoting reinforcing steel bars at ₱300 to ₱310 a ton. Galvanized-iron roofing sheets are offered at ₱5.80 per sheet of gauge 26, 8 feet long.

Port of Manila

By W. S. HURST

Executive Officer, Luzon Brokerage Company

SEPTEMBER saw a new high for deliveries from the South Harbor piers, with over 95,000 tons of general cargo being received and delivered to importers. This showed a 15,000-ton increase over deliveries for the month of August. No congestion was experienced at any time.

Fire of undetermined origin hit that part of the Customs Building where goods are stored preparatory to their being auctioned off to the public. There have been many rumors that the fire was intentional, to cover losses, but nothing concrete has been established. To date it remains just another fire of unknown origin.

President Magsaysay recently made two surprise visits to the Bureau of Customs to personally look into matters pertaining to this Bureau. We feel that this interest on his part will further help to increase the efficiency of the Bureau.

The recent onion importation case is still being investigated, but no final result has been disclosed.

Outside of the above mentioned items, everything is quiet and normal along the waterfront.

Arrastre Service, Manila

(Port Terminal Services)

By FRANCISCO DELGADO

General Manager, Delgado Brothers, Inc.

OVER 99,000 tons of general cargo were delivered over the piers for the month of September, topping the previous month by approximately 9,000 tons. These figures do not include some 28,000 tons delivered at shipside.

Notwithstanding the heavy tonnage handled during the month under review, there was no marked interrup-

tion in the smooth flow of shipment throughout the Port. Pilferage, too, was under control and is being kept to the lowest possible minimum.

Additional new Clark forklifts of the latest models arrived recently to bolster the cargo-handling equipment at the piers. Highly mechanized port operation is making up for deficiency in tonnage-space by speedy and increased cargo output.

In anticipation of influx of heavy tonnage during the coming Christmas and New Year season and to forestall the possibility of congestion, the Arrastre authorities have signified willingness to offer deliveries free of over-time charges during Sundays and holidays. Port and shipping officials are adopting remedial measures in such matters as proper vessel berthing, expeditious processing of entry permits, advance submission of vessels' hatch lists for pre-planning of shed stowage, advance information covering following day's delivery for effective cargo location, preparation of necessary men and equipment for expeditious deliveries, etc.

Although the Port of Manila is not properly equipped with an adequate passenger pier, Port officials are exerting all efforts to make the reception of tourists and incoming passengers as pleasant as possible.

TONNAGE HANDLED IN THE PORT OF MANILA

Month	Dockside	Shipside	Bulk
January, 1954	103,878	23,192.18	44,402
February	82,853	26,547.24	41,105
March	100,161	17,124.15	101,596
April	110,764	26,423.19	86,971
May	115,203	33,824.17	97,825
June	105,589	18,578.15	69,818
July	79,671	28,374.26	96,407
August	81,199	21,621.17	69,418
September	99,744	28,828.01	69,417

Ocean Shipping and Exports

By E. H. BOSCH

Secretary-Manager

Associated Steamship Lines

TOTAL exports during the month of August this year showed a decrease of 52,099 tons over exports during August of last year.

The reduction is due mainly to a decrease in centrifugal and raw sugar exports.

One hundred forty-four vessels lifted 445,006 tons of exports during the month, as against 498,105 tons lifted by 155 vessels during the same month last year.

Exports during August, 1954, as compared with exports during August, 1953, were as follows:

Commodity	1954	1953
Beer	202 tons	89 tons
Cigars and cigarettes	29 "	21 "
Coconut, desiccated	5,674 "	6,177 "
Coconut oil	6,495 "	4,931 "
Concentrates containing copper, gold, silver, lead, and zinc	395 "	537 "
Copra	81,317 "	55,519 "
Copra cake/meal	5,660 "	4,824 "
Embroideries	409 "	428 "
Empty cylinders	162 "	188 "
Fish, salted	17 "	— "
Fruits, fresh, mangoes	15 "	11 "
Furniture, rattan	396 "	572 "
Glycerine	300 "	— "
Gums, copal	177 "	91 "
Hemp	52,576 bales	72,635 bales
Hemp, copra	122 tons	— "
Household goods and personal effects	473 "	395 tons
Kapok	11 "	— "
Logs	45,077,025 bdf.	53,288,364 bdf.
Lumber, sawn	4,934,484 "	4,498,125 "
Molasses	10,730 tons	15,161 tons
Nuts, peanuts	45 "	— "

Ores, chrome	43,352	44,631
Ores, iron	134,115	121,216
Ores, manganese	2,520	2,928
Pineapples, canned	3,324	10,980
Plywood and plywood products	85	—
Rattan, round (palasan)	228	251
Rope	295	521
Shells, shell waste	101	61
Skins, hides	16	84
Sugar, cent./raw	45,003	95,253
Sugar, refined	449	—
Tanning extract (cutch)	105	—
Tobacco	168	1,697
Vegetable oil	94	70
Transit cargo	692	386
Merchandise, general	744	954

THE contention of the Philippine Lumber Producers Association repeatedly printed in the newspapers and local periodicals that the loss of the United States market to Philippine lumber products is due mainly to high freight rates between the Philippines and the United States is absolutely without foundation, and in spite of the steamship lines (Associated Steamship Lines) having asked the Philippine Lumber Producers Association, Mr. De las Alas, and various other members of that Association to prove their case, they have been unable and unwilling to do so. They have continued, however, to preach this doctrine.

The simple fact of the matter is that, as far as Philippine lumber products taken together are concerned, there has been no loss of markets in the United States. As a comparison, the total log and lumber export from the Philippines in the first half of 1953 was 36,509,669 b.d.f.t. In the first half of 1954 it was 36,752,625 b.d.f.t. It is true that the exports of lumber have dropped about 900,000 b.d.f.t. but the exports of logs from the Philippines have made up for this. It is also true that this market has not expanded very much but this cannot be blamed on the freight rate but more, we feel, on the lack of imagination on the part of the lumber producers who create their own competition in the United States by shipping their logs to Japan where much of it is manufactured into lumber. With a combination of favorable production factors within Japan, this lumber is able to compete in the United States with the Philippine producers' own lumber despite approximately a 37 advantage in freight rate in favor of Philippine producers.

It is obvious that the answer to the ills of the lumber producers is not in their own ranks, but in none of our articles or press releases have they suggested any measures to be taken by their own Association to correct their measures. One basic correction that should be made is to reduce the amount of logs going to Japan to that required by Japan's domestic use. The lumber producers deny this solution, stating that it will be ruinous to the lumber industry. Why, they have not said, but merely brushed this off with the statement that they have come to this conclusion but do not have time to explain it. It is obvious that most of the lumber producers have the fallacious idea that by reducing freight rates they will then be able to compete against lumber in the United States made from their own logs shipped from the Philippines to Japan, but do not seem to see that such a reduction in freight rates to the United States would very likely create another reduction in freight rate on logs from the Philippines to Japan, so that the Japanese can compete further with the Philippine producers' new competitive price in the United States. The only one being hurt by this process is the transportation owner who, for some reason or other, the lumber producers seem to think can go on forever at a loss.

The final test of whether or not the steamship lines can reduce the freight rates can be posed in the following question:

If the lumber rates could be reduced and lumber carried at a profit from the Philippines to the United States and as a result of this reduction, as the lumber people try to tell us, shipments of lumber to the United States will increase a great deal because of the advantageous competitive position this would put them in, would it not behoove the steamship lines to make this reduction? The steamship owner can see this, but since lumber is being carried at a loss at present, any reduction would make a greater loss, and to increase the amount being shipped would not change this loss to a gain but would only multiply the loss.

The lumber produced in Japan, which is competing with Philippine lumber in the United States markets, is made from Philippine logs. These logs must pay a freight rate of about \$19 per 1000 b.d.f.t. to be shipped from here to Japan. Since this freight does not include stevedoring, the buyer in Japan must pay about \$1.25 per 1000 b.d.f.t. to discharge these logs. This is to say that the transportation cost on the ship's side after discharge to the lumber mill. This is an additional amount, although we do not have the figure. Taking into account wastage in sawing logs into lumber, which has been estimated at, conservatively, 20%, this makes the freight on the basis of lumber from these logs \$25.30 per 1000 b.d.f.t. just to get it to Japan. The freight from Japan to the West Coast is variously quoted at from \$20 to \$22. Taking the lower of the two, we get a total combined freight on the lumber from the Philippines to Japan and Japan to the West Coast of the United States comes to \$45.30. As opposed to this, the freight direct

on lumber from the Philippines to the West Coast of the United States is \$38.50. In spite of this obvious comparison, the lumber producers claim that they are being discriminated against in the matter of freight rates. Instead of this, they are being given an advantage of \$6.80 per 1000 b.d.f.t. over their Japanese competitors.

What happens to this \$38.50 which the lumber people think is too high? The cost of discharging lumber at Los Angeles and sorting it to the satisfaction of the United States lumber importers at all expenses up to the time of delivery and entry of the vessel's cargo is estimated to cost \$26.70. Add to this the incidental small expenses incurred in the Philippines, not including stevedoring (stevedoring in the Philippines is done by the shipper) which add up to about 50 cents per 1000 b.d.f.t., we get a net to the vessel of \$11.30 per 1000 b.d.f.t. When it is considered that lumber averages about 2 tons weight per 1000 b.d.f.t., this is a revenue of \$5.65 per weight-ton which must cover the operation of an expensive, modern cargo liner from the Philippines to the West Coast of the United States, a voyage requiring a minimum of 17 to 18 days on the average, plus loading and discharge time and steaming time around the Philippines. If a ship should fill up with *nothing else* but lumber at this net freight, the total revenue for the ship for a 30-day trip which includes loading, transit time, and discharge, would be \$18,645. This is based on about 3,300,000 b.d.f.t. which would be the capacity of an average cargo liner. The expenses for this 30-day trip, however, would be, for the very minimum, \$45,000, meaning a loss of over \$26,000. This figure is based on \$1500 a day operating cost, which is the very minimum on a foreign flag vessel. American vessels range from \$2200 to \$2250 a day, and even Philippine flag vessels are about \$2000 a day, which would increase the loss enormously.

One asks then why are lower freight rates being charged from Japan to the United States—lower, in fact, than the cost of discharging. The reason for this is that, as sometimes happens, when a trade route has too many ships, some lines feel that they are going to steal a march on others by quoting less than agreed Conference rates. As a result of this, other lines must compete, and a downward spiral is begun, known as a freight war. This is not only so in ocean freight rates, but occurs in almost any trade at one time or another. Steamship lines in this case carry lumber from Japan to the United States at a loss merely in order to keep their position in the trade. Not all lines will do this, however, and from Japan to the United States there are several lines which will not carry lumber because it is a losing business. The freight rates on lumber, even now, have increased somewhat from their lowest point, and indications are that they will continue to increase until a level is reached at which a normal operating profit can be made.

It is very significant that no line has tried to cut rates on lumber from the Philippines to the West Coast of the United States and the only reason for this is that those who may have had the inclination have seen the losses they would suffer by doing so in Japan. There has been one point, not that significant, at the start of the War there has been an increase of \$9 per 1000 b.d.f.t. on freight charges for lumber to the United States. No mention is ever made, however, of the reduction of \$8 made in October of 1949. The record of rate changes in lumber to the Pacific Coast since 1947 are as shown below:

Date	Lumber to Pacific Coast
April 1, 1947	\$35.00
May 25, 1947	41.50
May 25, 1948	41.50
October 11, 1949	33.50
April 22, 1951	40.50
February 1, 1952	42.50
May 15, 1952	42.50
May 15, 1953	37.50

It will be noted that the present freight rates are only \$4 higher than at the lowest point since the war began.

This present freight rate represents an increase of only 37% over the freight rate operative in 1941, which increase is probably one of the smallest in any commodity over those 13 years, rendered all the more surprising when it is taken into consideration that the cost of building ships is up 200% since before the war and cost of fuel, stores, and operating has increased in approximately the same amount. The price of lumber on the other hand has increased 230% over that period! Therefore, when all is considered, it is clear that the Lumber Producers Association's accusation that the Steamship Lines are charging exorbitantly for their services, is completely without foundation.

Freight Car Loadings

By JOSE B. LIBUNAO

Traffic Manager, Manila Railroad Company

LOADINGS of revenue freight during the month of August, 1954, totaled 2,424 cars. This was an increase of 125, or 5.44%, over the loadings during August, 1954, of 2,299 cars. A slight increase in carloadings of cement, copra, iron and steel products, of about 293 cars was offset by decreased carloadings of lumber, logs, and merchandise in less than carload lots of about 391 cars, resulting in an aggregate decline in tonnage for the month.

*See this Journal for July, 1954, "Lumber" column.

Revenue Carloadings by Class

Group Commodities	August—Tonnage	
	1954	1953
Products of agriculture	6,292	4,946
Animal products	344	870
Products of mines	1,462	1,210
Products of forests	8,802	14,549
Products of manufactures	24,813	17,277
Merchandise less than by carloads	8,004	12,031
Total	49,717	50,883

There were 42 items treated in this review, with 23 items registering increases of 11,048 tons, while 19 items registered decreases of 12,214 tons, resulting in an aggregate decrease of 1,166 tons. The principal items which accounted for the increase were: cement, 5,831 tons; copra, 1,644 tons, iron and steel products, 629 tons, and centrifugal sugar, 563 tons, or a total aggregate increase of 8,667 tons. On the other hand, the important items suffering decreases were: lumber, 4,933 tons; merchandise less than by carload, 4,027 tons; and logs, 828 tons, or a total aggregate decrease of 9,788 tons. The resulting aggregate decrease of these items was 1,111 tons.

The decreased carloadings for the month of August, 1954, will continue probably in the coming month as the unfavorable business in the United States, although definitely arrested, will react favorably only after some time. Our retail trade has also slackened not only due to weak transactions but also due to the adverse effects of the recent retail nationalization law which has already caused the quitting from business of some alien firms.

However, in spite of these unfavorable factors, the intelligent and energetic efforts of the new management assures the Railroad of continued favorable business, slight declines notwithstanding.

Mining

BY HENRY A. BRIMO
President

Philippine Gold Producers Association, Inc.

SOME interesting statistics concerning gold production for past years are available. These figures show that total world production (excluding Russia) for the past four years has been virtually unchanged. In 1950, the total production reached \$845,000,000, and in the following year it declined to \$827,000,000. The 1952 and 1953 totals were \$851,000,000 and \$850,000,000, respectively.

Compared to the 1941 pre-war record of \$1,265,600,000, the total 1953 world output was only 67% as large. This decline should not surprise anyone familiar with the gold situation, considering that the gold price has been fixed at \$35 per ounce for the past twenty years in the face of continually rising costs. What may be considered surprising is that world production has remained at a standstill for the past four years notwithstanding the many measures adopted by every gold producing country (excepting only the United States) to help their respective producers. Such aid includes tax relief, outright subsidies, multiple exchange, devaluation, sales in internal premium markets, etc. It is quite apparent, therefore, that no aid, short of a higher price for gold, can stimulate increased production.

Just how badly world production would have fared had such relief measures not been granted can be gleaned from the record of American producers whose 1953 output of \$69,600,000 was only 33% as large as their 1941 record of \$209,200,000.

Philippine gold mines, since 1941, have fared worse than the producers of any other nation with the sole exception of the United States. In 1953, our gold mines yielded a total of 480,000 ounces of gold bullion, a rate equal to

40,000 per month. This output is a fraction less than 40% of the 1941 production rate of slightly over 100,000 ounces monthly. This extraordinary poor showing, despite government help, is due to many causes, but principally to the vast destruction suffered by the industry during the late war. Several mines and mills which suffered considerably through deterioration and bombing have not resumed operations and may never get back into production; others have found conditions so difficult as to limit their rehabilitation and current operation to well below their pre-war operating capacities. Other reasons exist to account for our poorer showing, as compared to world production, including a more than average increase in operating costs, a general impoverishment of known ore-reserves, and the lack of new mines or new gold fields. We may mention as an exception, in passing, the fact that the Samar Mining Company expects to begin production of its wholly owned gold mine at Masara, Davao, sometime next year. This would open a completely new territory for gold operations in the Philippines, the first such in many years.

It is noteworthy that the International Monetary Fund, in recent announcements, has specifically mentioned two formidable obstacles being encountered by gold producers, namely, high operating costs and labor unrest. Canada, particularly, whose producers suffered a sharp 9% decline in gold output in the past year, blamed labor difficulties for the temporary closing of several of its mines in 1953. It is apparent, however, that labor problems will continue to plague the industry. In a world of rising prices and wages, the gold-producing industry, faced with a pegged income, and already straining its financial resources merely to stay in production, certainly is in no position to meet further demands for higher wages. This is particularly true in the Philippines.

THE long awaited subsidy authorized by Republic Act No. 1164 has still not materialized. Just when it will begin is problematic but it should not be long. Gold prices, meanwhile, have remained very steady throughout the past month and currently the price is at approximately ₱110.40 per ounce bullion.

Lumber

BY PACIFICO DE OCAMPO
Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

DURING the month under review, August, 1954, the Philippines exported 38,663,011 bd. ft. of logs and lumber, 21,014,288 bd. ft. less than the preceding month. The big decrease was due to the drop in shipments of logs to Japan, from 40,324,261 bd. ft. in July, 1954, to 22,293,508 bd. ft. in August, 1954, or a decrease of 18,030,753 bd. ft. The exports to the United States and Canada decreased by 1,893,134 bd. ft., from 6,871,272 bd. ft. in July, 1954, to 4,978,138 bd. ft. in August, 1954. Exports to all other countries also decreased by 1,090,401 bd. ft., from 12,481,766 bd. ft. in July, 1954, to 11,391,365 bd. ft. in August, 1954.

The following are logs and lumber in bd. ft. inspected for export during August, 1954, as released by the Bureau of Forestry:

Shipper	Destination	Volume in Lumber	Bd. Ft. Logs
Aguinaldo Development Corp.	U. S. A.	25,400	248,820
Agusan Timber Corp.	Japan		1,075,062
American Asiatic Co.	U. S. A.	9,040	2,000,000
Anakan Lumber Company	U. S. A.	50,000	156,922
Atkins Kroll & Co., Inc.	Japan		500,000
Basilan Lumber Company,	Formosa		2,066,200
Inc.	Hawaii	560,425	315,871
	Hongkong	73,281	
		137,400	

Bislig Bay Lumber Co., Inc.	Japan		694,000	Nasipit Lumber Co., Inc.	U. S. A.	300,000	353,939
Calapan Lumber Co., Inc.	U. S. A.	105,701	599,744	North Camarines Lumber Co., Inc.	U. S. A.	118,297	4,150,000
Cantilan Lumber Co.	Japan		402,797	Pacific Mahogany & Plywood Corp.	Japan		414,654
Cipriano Luna Lumber Corp.	Japan			Pedro Bartolome	Japan		799,913
Constantino Villanueva	Hongkong	10,000		Ralph W. Dempsey	U. S. A.	107,558	66
Davao Stevedore Terminal Co.	Japan		499,552	Redwood Company	Japan		275,000
Dee C. Chuan & Sons, Inc.	Korea		799,859	Sanchez Logging Co.	Japan		929,762
Dy Pac & Company, Inc.	Korea		960,000	Sta. Clara Lumber Co., Inc.	U. S. A.	22,108	449,951
E. A. Luna Lumber Trading Co.	Formosa		946,000	Sta. Ines Logging Enterprises	Japan		869,639
Findlay Millar	Japan	145,010	499,980	Tagtag Sawmill Co., Inc.	U. S. A.	218,827	500,000
Timber Company	Okinawa	500,000		Valeriano C. Bueno	Hawaii	89,458	
F. E. Zuellig, Inc.	Japan	32,846	1,100,000	Vic Corporation	U. S. A.		103,656
Getz Bros. & Co.	U. S. A.		1,147,284	Visayan Sawmill Co., Ltd.	Japan		750,010
General Enterprises, Inc.	Korea	7,499		Volcan Lumber & Const. Co., Inc.	U. S. A.	51,397	811,691
G. S. Mañalac Enterprises	U. S. A.		600,321	Western Mindanao Lumber Co., Inc.	U. S. A.	50,376	947,346
Gonzalo Puyat & Sons, Inc.	Japan		331,844	Woodworks, Inc.	Korea		3,613,054
Hercules Lumber Co., Inc.	Japan	229,295	250,000		Japan		
Insular Lumber Company	U. S. A.	25,064			U. S. A.		
L. A. Johnson	Hawaii	812,657			Korea		
Luis J. Reyes	Africa	636,719			Japan		
	Belgium	71,143			U. S. A.	303,802	
	Canada	16,714			Hongkong		
	Great Britain	34,486			Hawaii	85,708	
	Guam	6,418			Formosa		285,000
	U. S. A.	168,079			Korea		2,259,999
	U. S. A.		9,948		Okinawa	210,000	
					Incorp.		
					Total	5,318,708	33,344,303

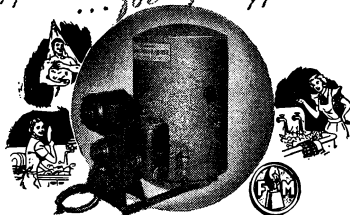
COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES
DURING THE MONTHS OF JULY AND AUGUST, 1954

Period	Lumber in Board Feet					Logs in Board Feet					Grand Total
	Western States	Eastern States	Gulf States	All Others	Total	Western States	Eastern States	Gulf States	All Others	Total	
July, 1954	3,856,367	697,983	50,000	52,105	4,556,455	675,271	219,281	449,989	750,000	2,094,541	6,750,996
August, 1954	2,192,184	686,099	331,397	112,657	3,322,317	1,075,552	113,664	—	449,951	1,639,107	4,961,424
Difference (Increase +; Decrease -)	1,664,203—	11,884—	281,397+	60,552+	1,334,138—	400,281+	105,617—	449,989—	300,049—	455,434—	1,789,572—

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SUMMARY OF EXPORTS DURING AUGUST, 1954, ARRANGED BY COUNTRIES OF DESTINATION IN THE ORDER OF VOLUME OF SHIPMENTS TO EACH COUNTRY

Countries of Destination	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan.....	—	22,293,508	22,293,508
Korea.....	—	6,114,488	6,114,488
United States.....	3,322,317	1,639,107	4,961,424
Formosa.....	—	3,297,200	3,297,200
Okinawa.....	710,000	—	710,000
Africa.....	636,719	—	636,719
Hawaii.....	273,511	—	273,511
Hongkong.....	247,400	—	247,400
Belgium.....	71,143	—	71,143
Great Britain.....	34,486	—	34,486
Canada.....	16,714	—	16,714
Guam.....	6,418	—	6,418
Totals.....	5,318,708	33,344,303	38,663,011

Trend of Exports to:

	This Month		Month Ago		Year Ago	
	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Lumber (Bd.Ft.)	Logs (Bd.Ft.)
Japan.....	—	22,293,508	—	40,324,261	—	47,427,295
United States and Canada.....	3,339,031	1,639,107	4,671,311	3,199,961	3,484,992	3,170,875
Other countries.....	1,979,677	9,411,688	1,654,332	10,827,444	832,224	338,058
Total.....	5,318,708	33,344,303	6,325,633	53,351,666	4,317,216	50,936,228

Arrivals of logs and lumber in Manila during the month under review, August, 1954, aggregating 9,534,962 bd. ft., decreased by 3,495,538 bd. ft., as compared to arrivals during the previous month of 13,030,500 bd. ft.

Prices of lumber in the local wholesale lumber market suffered another decrease during the month under review, August, 1954. Prices of white lauan, apitong, and red lauan decreased to P125-P140, P130-P140, and P150-P165 per 1000 bd. ft., respectively, compared with the prices of P140-P155, P150-P160, and P175-P195, the month before.

MEMORANDUM FOR
Senator Gil J. Puyat
MEMORANDUM OF THE PHILIPPINE LUMBER PRODUCERS' ASSOCIATION, INC. ON THE PROPOSED REVISION OF THE BELL TRADE ACT

August 11, 1954

1. THE tariff duties imposed on the importation of Lumber and Lumber Products into the United States are contained in (1) Section 3424 of the Internal Revenue Code, as found in Title 26 of the U. S. Code Annotated and (2) Paragraph 412 of the Tariff Act of 1930 as amended by the various reciprocal trade agreements.

2. Section 3424 of the Internal Revenue Code provides as follows:
"Lumber, rough, or planed or dressed on one or more sides, except flooring made of maple (except Japanese maple), birch and beech, \$3 per thousand feet, board measure; but the tax on the articles described in this section shall apply only with respect to the importation of such articles. The tax imposed by this sub-section shall not apply to lumber of Northern white pine (*pinus strobus*) Norway pine (*pinus resinosa*), and Western white spruce."

The \$3 rate per 1,000 bd. ft., however, has been reduced by the General Agreement on Tariffs and Trade to 75¢ per 1,000 bd. ft. on grandilla, mahogany, rosewood, and satinwood lumber not further manufactured than sawed and to \$1.50 per 1,000 bd. ft. on such lumber which has been further manufactured than sawed. The tax on certain other species of lumber have also been reduced, but the maximum reduction is to 75¢ per 1,000 bd. ft.

3. The Tariff Act of 1930, Paragraph 412, establishes various ad valorem rates on different manufactures of wood, and these rates have been lately amended by the various reciprocal trade agreements. The rates differ according to specific articles, for instance:

Doors and Thresholds	20% adv.
Furniture parts	16-2/3% adv.
Box Shooks	20% adv.
Crates, cases, etc., not for complete, closed box	3-3/4% adv.
box	16-2/3% adv.

Furthermore, the rates have been adjusted by successive trade agreements. For instance, in the original Tariff Act of 1930, furniture wholly or partially finished and parts thereof were levied 40% ad valorem tax. By successive trade agreements, this rate has been reduced to 20% on chairs, to 12-1/2% on other furniture, and to 20% on parts of furniture.

4. As can be seen, Timber and Lumber are subject to the specific tax provided for in the U. S. Internal Revenue Code, but the Code makes the tax applicable only with respect to the importation of such articles. Also, certain specific kinds of lumber such as Norway pine, Western white spruce, and Northern white pine have been declared exempt from this tax. Other species of timber, including mahogany, have had the tax reduced from \$3 to 75¢ per 1,000 bd. ft. We recommend that efforts be made to have Philippine Mahogany and other

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species of Philippine timber included in the tax-exempt group, or, should this fail, that they be included with mahogany and other timber species paying the reduced specific tax of 75¢ per 1,000 b. ft.

5. As regards the tax contained in the Tariff Act of 1930 on manufactures of wood, the problem is slightly more complicated. The criterion used to distinguish timber and lumber, on one side, and manufactures of wood, on another side, is whether the article involved is to be used for only one purpose or to be made into only one product. For instance, sawn lumber, either rough or planed, and either green or air-dried or kiln-dried, is free of the ad valorem tax, but when the lumber is manufactured into paneling and a shipment is all of one specified length, it is no longer considered as lumber because it can only be used for one purpose. Likewise, when Bed Rails and Thresholds and Door Jambes are shipped in one specific length, they again become subject to the ad valorem tax.

6. The problem, then, is how to include manufactures of Philippine wood in the tax-free list of the Tariff Act. Otherwise, the result will be that our exports to the United States will be definitely limited to raw timber in the form of logs or sawn lumber, not further manufactured than planed. This development would be unfortunate, because the present trend is precisely to have more manufacturing done in the Philippines in view of: (1) the advantage in wage-rates between United States and Philippine labor, and (2) the gradual but steady improvement of our Philippine sawmills toward producing lumber specially processed to suit the demands of the United States market. Through careful study of the requirements of the American consumers, Philippine sawmills can be expected to ship their lumber in an increasing percentage of semi-finished articles. This would have the great advantage of eliminating the unnecessary cost of freight on the waste component which necessarily accompanies lumber when shipped rough. Only thus can we hope to augment the value of our exports while at the same time increasing the opportunities for employment in the Philippines.

7. Our recommendations, therefore, are as follows:

A. Philippine Mahogany and other species of Philippine timber should be exempt from the specific tax imposed by the U. S. Internal Revenue. If this is not possible, Philippine timber should at least be classified together with mahogany, against which it competes, and should therefore be subject only to the reduced rate of 75¢ per 1,000 b. ft.

B. Manufactures of Philippine woods should be exempt of the tariff duties provided by the Tariff Act of 1930. In particular we are interested in such manufactures as the following: Bed Rails, Thresholds, Door Jambes, Paneling, Box Shooks, and Box-Car Decking. The fore-

going articles are the principal manufactures which can be expected to enter our export trade to the United States, and if specifically exempt or the rates of them reduced, our trade would be safely protected.

8. Finally, it might be well to mention that the Philippine lumber industry has patiently and steadfastly maintained for the last forty years an organized and persistent campaign to create an active demand in the United States market for Philippine Mahogany. This has involved a heavy expenditure to establish the trade name of "Philippine Mahogany" and to obtain trade acceptance and consumer preference for our lumber. This effort is still being continued in cooperation with the group of United States importers organized as the "Philippine Mahogany Association, Inc." It is only lately that the detrimental effects of the stoppage of supplies during the Japanese occupation has been successfully overcome, and United States consumers have again shown their ready preference for Philippine timber. The imposition of United States tariffs or excise taxes at this time would greatly increase the marketing problems of Philippine producers and might tend to nullify the good work which had been done in the past years.

It is regretted that this memorandum could not possibly be submitted sooner than requested in your letter of July 27, 1954, but it is nonetheless hoped that the proposals herein embodied will merit their inclusion in the revision of the Bell Trade Act.

Respectfully submitted,

(Sgd.) A. DE LAS ALAS
President

MEMORANDUM FOR
Senator Gil J. Puyat

ADDENDUM NO. 1 TO THE MEMORANDUM OF THE PHILIPPINE LUMBER PRODUCERS' ASSOCIATION ON THE PROPOSED REVISION OF THE BELL TRADE ACT

THIS is an addendum to our Memorandum dated August 11, 1954, for the purpose of amplifying our views regarding manufactures of wood.

1. In paragraph 3 of our memorandum, we stated that the United States tariff establishes various rates on different manufactures of wood, and in paragraph 7-B, we submitted our recommendation that either all manufactures of Philippine wood be exempt from the tariff duties or that specific manufactures such as: Bed Rails, Thresholds, Door Jambes, Paneling, Box Shooks, and Box-Car Decking be exempt.

2. Our recommendation for the exemption of specific articles made of Philippine wood was based on the fact that at present the aboves-listed articles are the only ones which enter the Philippines-United States foreign trade. However, upon re-examination, we are now of

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the opinion that it would be highly advisable if the exemption from tariff duties were to cover a broader description of manufactures of wood. The reason is that it is quite possible that in the years to come there will be opportunities to manufacture some other articles for which a demand might be created in the United States but which might not be effectively marketed if tariff duties were levied upon them. We would, therefore, recommend that the tax exemption be worded in a more general description; such as for instance:

"... manufactures of wood, whether or not dedicated to specific use, provided that such manufactures are disassembled parts or pieces, which do not represent a separate and/or complete manufactured article."

3. Also, it would be well to remember that there is an important potential field for exporting to the United States veneer and or plywood manufactured in the Philippines out of Philippine woods. At present Japan is exporting to the United States large quantities of veneer and plywood, using Philippine woods as raw material, and we believe that in the course of time Philippine veneer- and plywood-plants will be improved and many of the unfavorable economic factors affecting the present situation will be corrected so as to permit the Philippine raw material to be processed in the Philippines. The manufactured articles might then be exported directly to the United States and in that eventuality, it would be well if Philippine exports of veneer and or plywood were not subject to tariff duties.

Manila, August 24, 1954.

Respectfully submitted,
(Sgd.) A. DE LAS ALAS
President

Copra and Coconut Oil

By WILLIAM S. RICE, JR.

Copra Buyer, Philippine Manufacturing Company

THE September market was generally steady, and the overall tendency of prices was upward for the first month since January.

The immediate cause of rising prices seems to have been European shorts, covering. Their activity was abetted by lack of expected Indonesian copra offerings in Europe and rumors of actual Indonesian sales direct to China. Also, there was evidence that Philippine production had passed its annual peak and could be expected to decrease

gradually for the remainder of the year.

On the other hand, various other factors moderated the effect of the firmness arising out of European buying-interest. American stocks of copra and coconut oil were above normal for this season of the year, and afloat shipments of copra and coconut oil continued to press American markets. Therefore American buyers did not display much active interest. Even though off slightly, Philippine production continued at high levels, and local sellers had good quantities of copra available for immediate delivery.

Copra and Coconut Oil Prices

	High	Low	Close
Copra:			
West Coast, c.i.f. per short ton	\$162 50	\$152 50	\$162 50
Europe, c.i.f. per long ton, Sept.-Oct.	\$182 50	\$173 00	
Europe, c.i.f. per long ton, Oct.-Nov.	\$183 00	\$174 00	\$182 50
Manila, fresh, 30-day delivery, rescada basis, per 100 kilos, at bodegas	₱28 50	₱27 00	₱28 50
Coconut Oil:			
West Coast, c.i.f. per pound, 60-day	11-3.4¢	11-1.8¢	11-5.8¢
East Coast, c.i.f. per pound, 60-day	12-1/4	11-1/2	11-7/8

Copra Cake and Meal Prices. The anticipated price improvement did not develop. Large shipments of Fiji Island cake to the American West Coast were credited with depressing that market. Prices had declined \$5 at month-end to about \$56 per short ton c.&f. West Coast. The immediate prospects for better prices are not very good because large quantities of October and November production are reported to be unsold.

Following recent active buying, European buyers appear satisfied for the moment and display little buying interest now.

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Copra Statistics

PHILIPPINE COPRA AND COCONUT OIL EXPORTS (In long tons)			
Copra Exports:	July	August	September
United States.....	26,887	35,117	24,304
Europe.....	33,150	35,200	40,534
Other countries.....	11,934	11,000	8,359
Total.....	71,971	81,317	73,188
Coconut Oil Exports:			
United States.....	5,823	6,495	7,663
Other countries.....	—	—	—
Total.....	5,823	6,495	7,663

MANILA AND CEBU COPRA ARRIVALS (In metric tons)							
	Manila		Cebu		Percentage		
	1954	1953	1954	1953	1954	1953	
January.....	13,038	8,448	10,490	12,682	28,528	21,130	135.0%
February.....	13,574	7,743	14,218	13,029	25,892	20,770	124.7%
March.....	10,355	6,897	14,170	17,991	24,526	24,888	98.5%
April.....	10,300	8,305	13,926	13,880	24,226	21,685	111.7%
May.....	14,220	9,022	10,937	10,164	33,836	19,366	174.7%
June.....	13,601	10,541	19,464	14,462	33,065	25,003	132.2%
July.....	17,578	13,620	23,889	18,182	41,467	31,802	130.4%
August.....	19,025	14,641	26,945	20,415	45,870	35,054	130.9%
September.....	17,091	17,027	21,510	19,779	38,601	36,806	104.9%
Totals.....	127,192	96,422	168,819	140,582	296,011	236,504	125.2%

PHILIPPINE AND INDOONESIAN COPRA EXPORTS (In metric tons)						
	Philippine		Indonesian		Exports	
	1954	1953	1954	1953		
January.....	53,992	41,025	131.6%	15,116	14,230	105.2%
February.....	58,879	38,672	152.3%	17,644	18,884	93.4%
March.....	60,919	50,168	121.4%	23,210	19,559	118.7%
April.....	55,951	48,745	114.8%	20,673	17,258	119.8%
May.....	65,249	36,536	178.6%	36,726	5,854	627.4%
June.....	57,878	38,144	151.7%	21,465	17,266	124.3%
July.....	82,513	64,359	128.2%	—	—	—
August.....	93,093	71,010	131.1%	—	—	—
September.....	86,117	75,804	114.4%	—	—	—
Total.....	633,291	474,463	133.5%	133,536	129,568	103.1%

*Includes coconut oil exports converted to copra.

Production and Future Prospects. Philippine exports and arrivals at principal ports show a downturn from the August peak and tend to indicate the onset of the usual seasonal decline in production. Nevertheless, the figure indicate current production is still ahead of that for the same period last year. There has been a corresponding upward turn in the price which may be expected to continue through the rest of the year.

Desiccated Coconut

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

THIS report covers the period from August 15 to September 15, during which time copra and coconuts dipped slightly but continued a general low cost. This is very unusual condition and it is now the fourth consecutive month during which there have been but slight changes in raw-material costs.

Desiccated coconut factories have increased production, and a month's record for the year, 12,000,000 pounds, was shipped. All factories are continuing during the month of September similarly, in anticipation of increased consumption in the United States during the fall months. This increased production may offset the poor start made during the first quarter of this year.

Several companies are working on new products and the industry is watching these developments closely. Labor problems remain the same and generally there is a stable picture for the last quarter of the year 1954.

The following shipping statistics are for the month of August:

Shippers	Pounds
Franklin Baker Company.....	4,870,375
Blue Bar Coconut Company.....	1,244,030
Peter Paul Philippine Corporation.....	1,922,000
Red V Coconut Products, Ltd.....	3,086,000
Sun Rippe Coconut Products, Inc.....	689,600
Cooperative Coconut Products, Inc.....	230,900
Total shipped.....	12,051,905 lbs.

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id id	50's Boite Nature	19.75
CORONAS	25's Standard	9.90
id	25's Boite Nature	10.40
id	50's Boite Nature	17.25
id	25's Tesorito	14.90
id	50's Tesorito	23.70
ESPECIALES	25's Standard	8.40
id	25's Boite Nature	8.90
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CORONAS SUMATRA	50's Boite Nature	25.00
CORONAS SUMATRA	25's Standard	12.50
CORONAS	50's Boite Nature	22.00
id	25's Boite Nature	11.50
id	25's Standard	11.00

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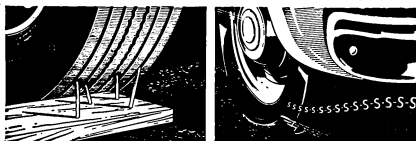
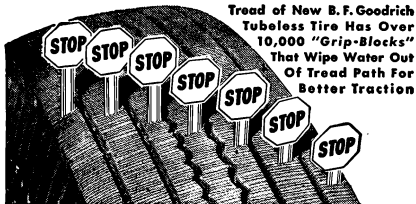
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Sugar

By J. H. D'AUTHREAU
Philippine Sugar Association

THIS report covers the period September 1 to September 30, 1954.

New York Market. The market decline has continued. At the beginning of the month, sales of Philippines and Hawaiians were made at 6.05¢ for September and October arrival. At the month's end small sales of Cubans and Porto Ricans were reported for mid-October shipment at 5.80-5.83¢, duty paid basis. A sale of Philippines, new crop, for January arrival was reported at 5.75¢. At the close, the market seemed steady at these record lows for 1954. Effective September 13, refiners reduced the price of refined 15 points to 8.65¢. Refined deliveries improved somewhat on fears of a truck-drivers' strike. Nevertheless deliveries are behind those of last year by some 250,000 tons, and trade analysts look for a total delivery for the year of approximately 8,100,000 tons against last year's distribution of 8,482,065 tons and against the 1954 consumption quota still fixed at 8,200,000 tons. A quota reduction of 100,000 tons would, it is believed, restore market stability, but there is little available evidence to encourage such a hope. On the United States Pacific Coast, C & H have switched the 4-day week, which would indicate increased Hawaiian shipments of raws to the East Coast, which in no way helps the situation.

Reported sales of actuals totalled approximately 98,096 long tons, of which 19,848 tons were Philippines. Exchange operations for the period approximated 144,900 short tons. Deliveries of refined for the period August 21 to September 25 were 881,975 short tons as compared with 715,767 for August and with 749,660 for September, 1953. Total deliveries for the year to September 25 were 6,075,000 short tons as compared with 6,338,000 short tons on the same date in 1953. On September 25 refiners stocks were 250,977 long tons as against 247,658 on the same date last year.

Opening and closing quotations on the No. 6 Contract were as follows:

	November	January	March	May	July
September 1.	5.57¢	5.42¢	5.46¢	5.56¢	—
30.	5.32	—	5.32	5.40	5.53¢

Average spot price for September was 5.480952¢.

Average spot price January 1 to September 30 was 5.610957¢.

During the month the International Longshoremen's Union was confirmed as the official representative of New York dockers, and negotiations are in progress for wage and benefit revision retroactive to October, 1953. It is believed that these negotiations are not proceeding too satisfactorily and the possibility of a strike on the New York waterfront is not ruled out.

Sugar-beet production in the United States was estimated on September 1 at approximately 2,000,000 tons sugar, raw value, compared with 1,816,000 last year. United States sugar-cane production was estimated at 550,000 short tons, raw value, against 631,000 tons last year.

The following "open quota" balances were announced as of September 27:

Cuba.....	201,089 tons	Philippines.....	21,338 tons
Porto Rico.....	315,031 "	Hawaii.....	323,292 "

Local Market-(a) Domestic Sugar. Under the continuing determination of all elements in the industry to proceed with the establishment of a Single Selling Agency, the local market has made a fair recovery and limited business has been done at ₱10.50, ₱10.75 ex Negros warehouse. Further strength has been given to the market by the issuance by the Sugar Quota Office of Philippine Sugar Order No. 10, 1953-54 series, permitting mills and planters, holders of 1953-54 Domestic and Reserve quotas, to convert such holdings to 1954-55 Export sugar to be applied against their 1954-55 quota allotments.

Manila quotations for ex warehouse Manila as announced by the Bureau of Commerce were as follows:

	Export	97 ^a	Domestic	98 ^a	99 ^a
September 8—Victorias	₱14.80				
Guagua	14.70	₱10.00-₱10.50	₱14.00-₱14.50	₱15.30-₱16.00	
15—Victorias	₱14.75				
Guagua	14.65	₱10.00-₱10.50	₱14.00-₱14.50	₱15.30-₱16.00	
22—Victorias	₱14.50n				
Guagua	15.40	₱10.50-₱11.00	₱14.00-₱14.50n	₱15.30-₱16.00	
25—Victorias	₱14.60n				
Guagua	14.30	₱11.00-₱11.50	₱14.00-₱14.50n	₱15.30-₱16.00	

n—Nominal

(b) Export Sugar. The market is inactive, with no buyer reported in the market for old crop, of which there is little, if any, remaining. New crop is quoted by one exporter at ₱14.15 for November delivery. No transactions have, however, been reported.

Total export shipments for the month are estimated at 24,645 long tons, making a total of 831,532 tons against the 1953-54 crop as compared with 739,130 up to the same date in 1953, and leaving a final balance for shipment of 18,468 long tons. Total Philippine arrivals in New York for the period January 1 to September 25, 1954, are reported at 770,296 long tons as against 672,993 long tons for the same period in 1953.

World Market. Opening and closing quotations were as follows:

	Spot	Sept.	Oct.	Jan.	March	May	July	Sept.
Sept. 1	3 20½	3 17½	3 18½	3 20½	3 16½	3 16½	3 17½	—
30	3 24	—	3 25	3 24	3 24	3 24	3 25	3 25½

The improvement in Contract No. 4 has continued, first, following the Cuban segregation reported last month, and, secondly, following revised estimates of world requirements by the International Sugar Council from 3,864,000 metric tons to 4,330,000 metric tons, leaving an apparent surplus of 254,000 tons only, which has been eliminated by voluntary surrender of quotas by various exporting countries, including Cuba. Reliable details of these adjustments have not yet reached us.

European crop reports continue unfavorable. Messrs. C. Czarnikow, Ltd. give the following interesting statistics for all Europe, excluding Russia:

	Hectares sown	Sugar—Raw value
Year 1937/38	1,624,379	7,091,000
Year 1952/53	2,577,079	8,340,000
Year 1953/54	2,504,488	10,473,000
Year 1954/55	2,543,554 Est'd	9,331,000

Local buyers of Philippine World-quota sugar are still reported at ₱13.50 picul ex warehouse basis, but no clarification has been made available yet as to the exact status of barter arrangements with Japan. Japanese interests report that the Philippine authorities have not yet licensed a balance of 6,000 metric tons, indicating perhaps that agreement has been reached for 14,000 metric tons. No export shipments have yet been reported however.

Molasses. While prices on both the United States East and West Coasts remain steady at 12 cents and 11 cents per gallon, the outlook for the 1954-55 Philippine production is considered poor due to poor Eastern demand and to the consequent necessity of disposing of the excess of the 1953-54 bumper crop to other markets at sacrifice prices to maintain storage facilities. Last year's production was contracted by local exporters at ₱20 per long ton f.o.b. lighters, but it is not thought that this price can be repeated for the coming crop-production, which is again estimated to be large.

1953-54 Milling. Twenty-one of the 25 Centrals have finished milling for the 1953-54 crop, with a total production of 1,210,710 short tons. Total production to date is estimated at 1,408,164 short tons. The Centrals still milling are estimated to produce an additional 27,011 short tons, or a total of 1,435,175 short tons for the whole crop. The average of juice purities to date is 83.87.

1954-55 Milling. Two Centrals commenced operations in September; eight are scheduled to commence in October; seven in November; two in December, and six in January, 1955. First reports are of low tonnage ratios.

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Manila Hemp

By ROBIN DUNCAN
Third Vice-President
Conrad & Co., Inc.

AT the beginning of September, consuming markets were firm, mainly as a result of lower production of hemp throughout the Philippines. Davao machine cleaned hemp was offered in New York at:

I	—	17¢
J1	—	15-7.8¢
S2	—	16-1.2¢
G	—	15-3.8¢

During the first half of the month, prices in London and Japan increased steadily, though United States manufacturers were not inclined to follow any advance. In Europe the firmness in hemp was partly offset by a decided weakness in sisal.

By mid-September, prices in New York had advanced 1/2¢ to 3/4¢, after which the market started to decline when heavy selling of loose fiber in Davao was reported.

Prices in Europe followed the trend in the United States, and by the end of the month, the market in London was stagnant; there was, however, a fairly steady demand for streaky grades. In New York, prices had declined to lower than those prevailing at the start of the month, though certain grades, mainly F, S2, and I, were scarce and so maintained their price levels.

The Philippines-Japan Trade Agreement was again extended until January 31, 1955. The Japanese financial situation has still not permitted M.I.T.I. to return to the "Automatic Approval" system of licensing imports, and importers' allocations for the period July-September have only just been released. Before the news of the further extension of the Trade Agreement, considerable business was done on the basis of DA/J1 \$43, G \$40, c.i.f. Japan, though by the end of September prices had declined in sympathy with those of other consuming markets.

We detail below the usual statistics.

	Balings—January, August Inclusive			
	1954	1953	1952	1951
Davao	314,841	341,238	358,788	339,211
Albay Camarines				238,643
Sorsogon	82,109	130,966	111,835	184,960
Leyte Samar	83,837	70,597	84,828	120,176
All others	57,124	64,506	55,994	70,696
Total	537,911	607,307	611,445	715,043

	Exports—January, August Inclusive			
	1954	1953	1952	1951
United States and Canada	123,297	223,619	224,783	429,963
Continent of Europe	119,627	124,615	107,392	112,653
United Kingdom	78,683	74,829	61,698	126,091
Japan	131,929	156,426	104,984	87,108
South Africa	5,800	6,510	6,750	13,115
China	2,950	1,495	5,143	3,930
India	4,791	5,930	3,300	4,632
Korea	17,693	1,580	—	3,100
Australia and New Zealand	6,264	2,200	1,150	1,300
Others	5,417	570	160	—
Total	496,461	597,774	515,360	778,792

Tobacco

By RICARDO PADILLA SATRUSTEGUI
Cia. Tabacalera

NATIVE TOBACCO. There is little tobacco left in the hands of farmers as the demand is heavy for the short crop. Prices continued to be attractive during September and slightly higher than during the previous months. Some provincial dealers prefer not to sell as yet, hoping to get still better prices in the coming months. Leaf-tobacco buyers in Manila were offering ₱110 per bale

to L-3 agents in the Cagayan Valley as a buyer's offer, but no sales were recorded, showing that there was still a strong sellers' market.

Greatest interest of the Cagayan Valley was in the extensive plans for the next-crop seedbeds. In order to avoid last year's destruction of seedbeds, first by a typhoon and later by a flood, farmers were making plans to prepare seedbeds every 10 days in order to be able to transplant at the right moment and, also, to sell seedlings to other small growers. Many precautionary measures were being taken to prepare seedbeds in different areas so as to avoid destruction of the higher-situated seedbeds by strong winds, or of the lower ones by floods. According to a rough estimate, we could say that due to the very attractive prices paid this year to leaf-tobacco growers and, also, due to the big demand of the export trade, the increase in tobacco acreage will be some 30% higher than last year. However, the crop, of course, will depend more on the weather than on the acreage planted.

Several tobacco plantations in Isabela province were again using fertilizer, trusting to obtain an ideally fruitful composition after considerable experiment and study of soil formation. Last year's experiments proved a higher yield per hectare, with the same quality characteristics of Isabela's fine tobaccos.

Hardly any tobacco is left on the Luzon west coast (La Union, Pangasinan, and Ilocos) in the hands of dealers, most of the tobacco being already in Manila.

In the Ilocos, La Union, and Pangasinan regions it was difficult as yet to make an estimate of the increase in acreage. It is believed that in La Union, 1/4 of the acreage planted will be given over to the local variety and 3/4 to native Virginia, while in the province of Pangasinan, 1/4 will be for Virginia and 3/4, for the local variety.

The Visayan region follows the developments in Luzon very closely. Prices were more or less the same as last

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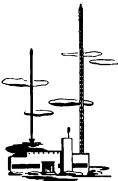
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month, and little tobacco was left for speculation. Tobacco acreage is undoubtedly going to be increased since prices were attractive to farmers and some of the Visayan tobacco was of surprisingly good quality.

Virginia Tobacco (locally grown). The acreage of Virginia plantings will increase considerably because of the great demand for this type of tobacco, but Virginia cigarette factories claim that not all kinds of locally-grown Virginia are acceptable to the public and that only the higher grades will be in demand.

In the Ilocos provinces, there is a tendency toward increasing the acreage for native-grown Virginia, and about 20 flue-curing barns have been constructed in different localities. A well-known foreign concern is experimenting with new types of Virginia seed.

Cigar and Cigarette Factories. Contradictory statements are made as to the stocks of Virginia tobacco in the Philippines. Many factories claim they will have to close down if no more Virginia is imported from the United States, while some government sources state there still are enough stocks of Virginia to last until 1955.

A raid was made on the Sta. Ana Cigar & Cigarette Factory at Hagonoy, Bulacan, where counterfeit internal revenue stamps and several imitation brands of cigarettes were being manufactured. It is a high hope that this good work against tax-evaders and counterfeiters will be relentlessly continued.

Rice

By CHARLES O. HOUSTON, JR.

Director, Graduate School, University of Manila

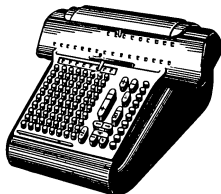
AS supply in production sectors dwindled rapidly at the beginning of the month, all old-crop varieties registered increases over a wide range, from 25¢ to ₱1.20 per sack (56 kilos). Wagwag, from the South, remained relatively unchanged. Palay prices, in producing areas, increased: Nueva Ecija ordinario, from ₱9.70 to ₱10.60; raminad, ₱10.00 to ₱11.60; wagwag, ₱11.70 to ₱13.00. Distribution of NARIC rice (selling at 85¢ and 60¢ per ganta for macan no. 2 and imported), had some effect upon volume in the wholesale market but did not check the upward trend in prices.

The second week of September was marked by steadiness in the market, except for wagwag which increased 25¢ (per 56 kilos). The greatly expanded distribution of NARIC rice in the provinces was generally believed responsible for this steadiness. However, raminad second class and Thai second class, disappeared from the market and macan, both classes, was difficult to secure (as had been the case since the middle of August), not reappearing in any quantity on the general market until the end of the month. This clearly indicated the rapidly dwindling supply in producing centers in Luzon.

The third week of September was marked by a growing weakness in the sellers' market, due to increasing arrivals from the South and the expanded distribution of NARIC rice. All varieties suffered losses over a wide range, from 25¢ to ₱2.00, per sack (56 kilos). As harvest was beginning in Mindoro and the Bicol, the heaviest demand remained in the Manila metropolitan area, where prices per ganta had as yet not been reduced to the corresponding level of the wholesale market. Palay prices followed the general trend and fell off by 50¢ to 80¢ per sack for most available varieties. The higher-class varieties continued their upward trend in the retail market.

The fourth week of September continued to be marked by the weakness of the preceding week. Cotabato and Davao shipments were heavy, NARIC rice was reduced to 55¢ per ganta, newly-harvested Bicol varieties appeared on the market, so that all varieties in the wholesale market dropped over a range from 25¢ to ₱1.00 per sack. Macan

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first class (from the old crop), which had been absent from the market for a month, also reappeared on the wholesale market, and Southern macan, raminad, and elonelon also appeared by the middle of the week. The price-trend seemed definitely to be lowering or at least levelling off, on the wholesale market, but retail prices by the end of the fourth week had as yet not registered significant decreases.

By the end of the month, several new varieties appeared on the market, those from Cavite being the highest in quality and price (as much as ₱1.35 per ganta). These special varieties hardly ever appear on the wholesale market, and are generally sold through retail outlets to "old customers" of the dealers. Their normal price is so much higher than the usual varieties in demand that they are not used in assessing the market picture. Their significance, in a restricted class, appears important and this column is endeavoring to gather some information on their distribution. As far as taste is concerned, they are far superior to anything else on the market.

The national scene continued confused. On September 2, it was announced that the NARIC had discarded the plan to finance importation of 25,000 tons of rice and had instead placed the burden of financing this importation on private enterprise. Bids, which had been submitted to the NARIC, were in the process of evaluation, when Economic Coordinator Alfredo Montelibano informed them of a directive from Malacañang ordering the closure of bids to the public, the Cabinet having decided that NARIC was to confine its activities to local purchasing. Under the new plan, private firms would be responsible for the importation and distribution of imported rice, letters of credit to be opened in the name of the NARIC and exemption from the 17% exchange tax to be granted. Such rice was to be stored, free of charge, in NARIC bodegas and was to be distributed by the PRISCO, similarly. The rice was to be sold under the control and supervision of the NARIC and a penalty of ₱1.00 per ton was to be imposed for every day of delay beyond the end of September. As of September 2, only three importers had expressed willingness: Norson Company offered to sell Pakistan "Kangni" at 52¢ per ganta (ex-warehouse); C. A. Roxas and Overseas Factors offered to sell the same rice at 51¢. Norson offered 10,000 tons; the other two, 5,000 tons each. Later it was announced that the NARIC would sell this rice at about 60¢ per ganta, buying it from importers at 49¢ to 52¢ per ganta.

On September 10, President Magsaysay created a rice purchasing committee, composed of the Secretary of Agriculture and Natural Resources, the Director of NARIC, the Chairman of ACCFA, the PRISCO General Manager, the Director of Public Schools, and the Chief of Constabulary, to handle the purchase of rice, expressing his impatience with the NARIC board's failure to properly solve the vexing situation.

Later in the month two prospective importers of Thai rice withdrew from the plan and fear was expressed at the same time that the Pakistan rice would not arrive at the expected date, to hold the price at the level created by the President previously, and Director Chioco stated that only C. A. Roxas could guarantee delivery of Pakistan rice by the middle of October. The NARIC then threatened to sue the two reluctant importers for "taking lightly whatever commitments they may have made with the Corporation." This charge was denied by one of the importers, who stated in reply that it was the NARIC which had changed the conditions of the contract after initial steps had been agreed upon.

At the end of the month some discussion ensued over the possibility of frauds being committed in connection with importation of Thai rice and reports were also circulated that the rice ordered from Pakistan was defective in some respects.



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The President ordered the NARIC to sell rice at 55¢ per ganta, and by the end of the month such sales were proceeding, exercising a general salutary effect upon the retail market. The President stated quite exactly that it was not important for NARIC to make a profit; what was important was to get rice to the consumer as cheaply as possible and in sufficient quantity. The President again thus displayed his earnestness and seriousness of purpose in ending in whatever fashion at his disposal the muddle created by bureaucratic tampering with the laws of economics.

RICE PRICES

(Per sack-36 kilos)

Week of:	Aug. 31-Sept. 4	Sept. 6-11	Sept. 13-18	Sept. 20-25
Wagwag				
1st class:	26.00-27.00	26.50-27.50	26.50-27.00	26.50-27.00
2nd class:	25.00-26.50	25.50-26.50	25.50-26.00	25.50-26.00
(Cotabato):	24.50-25.50	24.50-25.50	24.50-25.00	24.00-24.50
(Davao):	23.30-24.50	23.50-24.50	23.50-24.00	23.00-23.50
Raininad				
1st class:	34.50-25.50	25.50-26.00	25.50-25.00	24.50-25.00
2nd class:	34.00-25.00	—	—	—
Thai				
1st class:	24.50-25.50	22.50-23.00	22.50-21.00	20.50-20.00
2nd class:	24.00-25.00	—	—	—
Macan—unquoted			unq	unq
(Cotabato-New crop):			unq	23.00-23.50 (1st) 21.50-22.00 (2nd)

RICE AND PALAY (Per ganta)

Week of Aug. 31-Sept. 4:	Week Ago	Month Ago	Year Ago	Pre-war (1941)
Macan				
1st class:	1.02	.98	.95	.93
2nd class:	—	—	.90	.85
Wagwag				
1st class:	1.25	1.19	1.15	1.20
2nd class:	1.16	1.13	1.07	1.10
Elonelon				
1st class:	1.16	1.08	1.06	1.08
2nd class:	1.11	1.03	1.05	1.03
Palay (Ordin.):	.48	.48	.48	.48
Week of Sept. 6-11				
Macan				
1st class:	1.09	1.02	.95	.93
2nd class:	—	—	.90	.85
Wagwag				
1st class:	1.25	1.25	1.15	1.20
2nd class:	1.18	1.16	1.07	1.10
Elonelon				
1st class:	—	1.16	1.08	1.08
2nd class:	—	1.11	1.05	1.03
Palay (Ordin.):	.50	.48	.48	.48
Week of Sept. 13-18:				
Macan				
1st class:	1.13	1.09	.95	.93
2nd class:	—	—	.85	.85
Wagwag				
1st class:	1.25	1.25	1.15	1.20
2nd class:	1.18	1.18	1.08	1.10
Elonelon				
1st class:	—	—	1.08	1.08
2nd class:	—	—	1.03	1.03
Palay (Ordin.):	.53	.50	.48	.48
Week of Sept. 20-25:				
Macan				
1st class:	1.13	1.13	.98	.93
2nd class:	—	—	.85	.85
Wagwag				
1st class:	1.25	1.25	1.15	1.20
2nd class:	1.18	1.18	1.13	1.10
Elonelon				
1st class:	—	—	1.08	1.08
2nd class:	—	—	1.03	1.03
Palay (Ordin.):	.53	.53	.48	.48

MACAN (36 kilos) and PALAY (44 kilos)

Week of Aug. 31-Sept. 4:	This Week	Week Ago	Month Ago	Year Ago
Macan				
1st class:	unq	20.50-21.50	20.00-21.00	18.80-19.30
2nd class:	unq	unq	19.50-20.50	18.30-18.80
Palay (Ordin.):	9.70-10.60	9.70	9.00	18.50-8.80
Week of Sept. 6-11:				
Macan:	unq	unq	20.50-21.00	18.80-19.30
Palay (Ordin.):	10.60-11.50	9.70-10.60	9.00-20.50	18.30-18.80
Week of Sept. 13-18:				
Macan:	unq	unq	20.50-21.50	18.80-19.30
Palay (Ordin.):	11.60	10.60-11.50	9.70	18.30-18.80

Week of Sept. 20-25:			
Macan: 1st class:	unq	unq	21 00-21 50
2nd class:	unq	unq	18 80-19 30
Palay (ordin.):	11 00	11 00	9 70
			8 50- 8 80
Oct. 1:			
Macan: 1st class:	22 00-22 50	Macan (per ganta)	1 00
2nd class:	unq		90
Palay (ordin.):	11 00		

Note: "Unq"—indicates absence from market (sometimes indicated by dashes).



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Imports

By S. SCHMELKE
Mercantile, Inc.

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

Commodities:	August, 1954	August, 1953
Automotive (Total)	1,931,406	1,344,620
Automobiles.....	363,974	268,410
Auto Parts.....	146,470	329,779
Bicycles.....	2,331	191
Trucks.....	68,348	98,734
Truck Chassis.....	281,196	401,396
Truck Parts.....	383,464	38,301
Building Materials (Total)	15,507,471	20,966,369
Board, Fibre.....	2,974	—
Cement.....	11,448,871	17,621,408
Glass, Window.....	893,032	686,605
Gypsum.....	—	45,359
Chemicals (Total)	5,750,478	8,407,333
Caustic Soda.....	209,944	1,191,159
Explosives (Total)	—	—
Firearms (Total).....	138	12,776
Ammunition.....	138	2,981
Hardware (Total).....	5,426,971	4,618,113
Household (Total).....	1,011,994	1,158,745
Machinery (Total).....	1,932,857	2,604,860
Metals (Total).....	10,691,246	11,826,723
Petroleum Products (Total).....	53,968,400	72,989,954
Radios (Total).....	29,037	98,455
Rubber Goods (Total).....	858,969	874,670
Beverages, Misc. Alcoholic	3,635	3,183
Foodstuffs, Total Kilos	19,992,087	26,593,285
Foodstuffs, Fresh (Total)	44,589	60,119
Apples.....	6,188	5,053
Oranges.....	9,596	4,582
Onions.....	450	21,680
Potatoes.....	15	5,146
Foodstuffs, Dry Packaged (Total)	9,955	16,795
Foodstuffs, Canned (Total)	543,344	319,274
Sardines.....	30,193	15,796
Milk, Evaporated.....	182,048	112,088
Milk, Condensed.....	35,382	42,897
Foodstuffs, Bulk (Total)	303,320	678,617
Rice.....	—	—
Wheat Flour.....	271,450	646,039
Foodstuffs, Preserved (Total)	677	342
Bottling, Misc. (Total)	973,988	974,120
Cleaning and Laundry (Total).....	110,289	98,062
Entertainment Equipment (Total).....	3,179	6,137
Livestock-bulbs-seeds (Total).....	343,180	356,472
Medical (Total).....	853,240	402,681
Musical (Total).....	56,977	46,569
Office Equipment (Total).....	103,980	37,705
Office Supplies (Total).....	25,885	34,503
Paper (Total).....	3,845,914	5,850,393
Photographic (Total).....	12,983	83,599
Raw Materials (Total).....	2,344,730	1,704,824
Sporting Goods (Total).....	3,203	13,465
Stationery (Total).....	155,169	548,622
Tobacco (Total).....	368,343	2,365,476
Chucheria (Total)	86,517	85,493
Clothing Apparel (Total).....	400,391	570,831
Cosmetics (Total).....	5,362	57,525
Fabrics (Total).....	263,540	878,672
Jewelry (Total).....	—	76
Leather (Total).....	134,111	165,728
Textiles (Total).....	2,932,503	3,254,432
Twine (Total).....	54,800	45,824
Toys (Total).....	28,138	26,232
General Merchandise (Total).....	1,514,766	523,054
Non-Commercial Shipments (Total).....	137,665	102,705
Advertising Materials, Etc. (Total).....	40,202	17,528

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Food Products

By C. G. HERDMAN

Vice-President, Marsman & Company, Inc.

DURING the month of September arrivals of imported food staples were far above normal. There were quite heavy arrivals of canned meat, particularly corned beef, liverspread, Vienna sausage, and potted meat, as well as trial shipments of chopped beef, a new item in this market. Imports of some items of canned meat, in fact, were so large that supplies now on hand will not be consumed for several months and importers are selling at cost or below as they find it necessary to move stocks in order to meet bank commitments.

Arrivals of canned fish from California were comparatively small, but on the other hand very ample quantities have arrived from South Africa and from Japan.

Canned milk, both evaporated and sweetened condensed, also the various packs of powdered milk, were received in very good quantities, and stocks on hand today are more than ample.

Wheat flour arrivals during the month in the Philippines were well above 800,000 bags, against an estimated consumption of 600,000, and this commodity also is temporarily in oversupply.

There were several shipments received of fresh frozen meats, and at the same time fairly large numbers of live cattle intended for slaughter were imported. It is evident that meat supplies are at present in good supply throughout the country.

Imports were much larger than normal on canned fruits and vegetables and miscellaneous items of foodstuffs. All in all, local markets are today better supplied with practically the entire range of imported foodstuffs than has been the case for quite an extended period.

It is unfortunate that President Magsaysay has not yet taken action to implement the Act passed in the Special Session of Congress to eliminate the 17% exchange tax on imports of wheat flour. Unless action is taken promptly, flour importers will unavoidably be facing very material losses and will of necessity be forced to increase the selling price of flour to bakeries and other consumers, which will, of course, result in an increase in the price of various forms of bread to consumers. An increase of ₱1 per 50-lb. bag on the wholesale price of flour to bakeries, would appear inevitable, and this would probably force an increase of approximately 15% to 20% in the bakery prices of bread to consumers; this would mean a marked increase in the cost of living of the average family.

THE retail trade throughout the country shows no improvement whatsoever. In fact, retailers complain that sales are poorer than for a long time, due to the marked decrease in individual purchasing power. Prices on abaca and copra have improved slightly, but money in circulation appears to be very short. Provincial collections are constantly more difficult.

Textiles

By A. MARGOLLES
Acting General Manager
Neuss, Hesselin Co., Inc.

SEPTEMBER has seen a marked change in the New York textile market, with a general strengthening in all sections backed by firm raw-cotton prices.

On September 8 the U.S. Department of Agriculture reported an estimated new cotton crop of 11,832,000 bales, or 838,000 bales less than the estimate of August 1. Since then, there have been reports that the crop is continuing to deteriorate because of drought and excessive heat in

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some of the producing States, and it is expected that the new estimate, due on October 8, will show a further decrease. Last year's production was 16,465,000 bales, and the average for the 10-year period, 1943/52, was 12,484,000 bales.

This year's crop was grown under rigid Federal planting allotments and marketing quotas, designed to keep the surplus to a reasonable figure. Another bullish report on October 8 will tend to keep raw-cotton prices strong, with possibilities of registering further advances.

The Manila market has experienced some improvement and considerable demand for standard articles like printed percales, denims, twills, etc. Sales have been more active, but collections are still slow. Further improvement and increasing activity is envisaged with the approaching Christmas season.

During September the banks granted special extra quotas to producers in accordance with the Central Bank policy, and the volume of business for this section has been good. Old and new importers, however, have not been assisted in this manner, although their claim to import larger quantities of necessary and essential articles is still there. This is substantiated by the fact that the monthly average of arrivals for the first 9 months of this year has been 16,048 packages, whereas for the whole of 1953 it was 18,998 packages.

Arrivals from the United States totalled 19,591 packages, of which 7,736 were cotton piece goods; 1,710, rayon piece goods; 3,823, cotton pound goods; 1,881, rayon pound goods; and 4,441, yarns. This represents an increase over the corresponding figures for the last few months.

Arrivals from other countries totalled 5,584 packages, out of which 3,521 came from Japan, 1,434 from Hongkong, and 629 from Europe.

Legislation, Executive Orders, and Court Decisions

By EWALD E. SELPH
Röss, Selph, Carrascoso & Janda

AMONG the recent decisions of our Supreme Court are the following items which may be of interest to business men:

In the case of Del Rosario vs. Nava and Alto Surety Co. (G. R. No. L-5513, August 18, 1954), the surety Company was absolved from liability on an attachment bond because claim was not made in the proceedings in the case before judgment was rendered. The Court said:

"xxx we hold that while the prevailing party may apply for an award of damages against the surety even after an award has been already obtained against the principal, as ruled in *Visayan Surety and Insurance Corp. vs. Pascual*, G. R. No. L-3694, still the application and notice against the surety must be made before the judgment against the principal becomes final and executory, so that all awards for damages may be included in the final judgment. Wherefore, the Court below committed no error in refusing to entertain the appellant Nava's application for an award of damages against the appellee surety Com-

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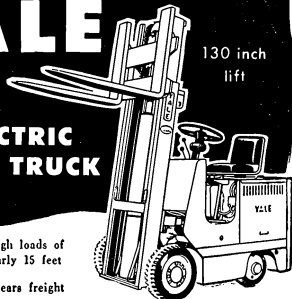
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pany ten months after the award against the principal obligor had become final."

In the case of National Organization of Laborers vs. Roldan et al. and Rizal Cement Co. (G. R. No. L-6888, August 31, 1954), the Supreme Court reiterated a ruling to the effect that acquittal of a laborer in a criminal case does not prevent the Court of Industrial Relations from conducting its own hearing and finding that the laborer is guilty of acts justifying dismissal or refusal to reinstate him. The Court said:

"xxx we hold that the acquittal of an employee in a criminal case is no bar to the CIR, after proper hearing, finding the same employee guilty of acts inimical to the interests of his employer and justifying loss of confidence in him by said employer, thereby warranting his dismissal or the refusal of the company to reinstate him. The reason for this is not difficult to see. The evidence required by law to establish guilt and to warrant conviction in a criminal case, substantially differs from the evidence necessary to establish responsibility or liability in a civil or non-criminal case. The difference is in the amount and weight of evidence and also in degree. In a criminal case, the evidence or proof must be beyond reasonable doubt while in a civil or non-criminal case, it is merely preponderance of evidence. In further support of this principle we may refer to Article 29 of the new Civil Code (Republic Act 386) which provides that when the accused in a criminal case is acquitted on the ground of reasonable doubt, a civil action for damages for the same act or omission may be instituted where only a preponderance of evidence is necessary to establish liability. From all this, it is clear that the CIR was justified in denying the petition of Rivas and Tolentino for reinstatements in the cement company because of their illegal possession of hand grenades intended by them for purposes of sabotage in connection with the strike on March 16, 1952."

In the case of Cruz v. Del Pilar and Luzon Surety Co., Inc. (G. R. No. L-6671, July 27, 1954), in which a mistake was made in the wording of a bond to lift an attachment by making it read costs and damages to defendant for wrongful attachment, instead of covering loss sustained by plaintiff by reason of lifting the attachment, the Supreme Court held that the title and purpose for which the bond was issued should govern. The Court said:

"Having come to the conclusion that the title and purpose for which the bond was issued, and not its mistaken language, should govern the responsibilities of the parties thereto, we will now determine whether the writ of execution could issue against the defendant surety. The bond was filed evidently under the provisions of Section 12 of Rule 59 of the Rules of Court, because it was filed by the defendant to secure the lifting or discharge of the writ of attachment. Mutual mistake and good faith having attended the drafting of the body of the bond, the terms thereof should be declared, as we hereby declare the same, to be that the defendant and surety are jointly and severally liable for the amount of the judgment, in accordance with the provisions of Section 17 of Rule 59. With this modification of the bond declared and ordered, the validity of the writ of execution ordered against the surety becomes evident."

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Philippine Safety Council

By FRANK S. TENNY

Founder and Executive Director

SAFETY items currently of importance include Civil Defense and Disaster Organization (see article elsewhere in this issue), assistance to the city government in traffic matters, new company safety programs being

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undertaken, increased liaison between business elements and government officials on safety matters, and increased interest in fire protection and arson suppression, as well as labor legislation.

New firms joining the National Safety Movement are the Manila Theaters Association, Pacific Airways Corp., Detective & Protective Bureau, H. Lyons Construction Co., Main Theater Inc., Luxaire Products, and Trans-Asiatic Airlines. Among new individual members are R. J. Gonzales (Myrurgia Perfume), Brice Shafer (A.P.L.), Peter C. Richards (OINIC), newsmen Robert S. Hendry and Manuel Vijungco, Dr. O. Villacorta (Modern Pharmaceutical Products), and Dr. Valdemar Bough, DDS.

Traffic "Stop" signs are being erected about the city, completely faced with "Scotchlite" reflectorized tape. To date, 94 have been donated by the Manila Trading & Supply Co., La Suerte Cigar and Cigarette Factory, Philippine Match Co., Philippine Long Distance Telephone Co., Wm. A. Chittick Co., and San Miguel Brewery, Inc. This campaign has met with considerable interest. The Manila Times Publishing Co. also donated 20 sets of the tape to the Office of the City Engineer, for application to road-rollers and other heavy equipment operating at night.

Conferences have been arranged by the Council between Eleuterio Adevo, Secretary of Labor, and various member associations and companies. This has resulted in better coordination and understanding all around. The Secretary has been very cooperative and receptive to suggestion from business leaders.

Special safety work of one kind or another is now under way in several firms under PSC direction; some of these are Philippine Match Co., Manila Trading & Supply Co., Lyons Construction Co., San Miguel Brewery, Enriquez Private Detective Agency, Luzon Brokerage Co., 7-Up Bottling Co., Army and Navy Club, Fleet Landing at Port Area, Armed Forces of the Philippines, and Caltex (Philippines). The Council technical staff has been retained to handle all safety and security factors in connection with the opening of the Batangas Refinery later this year.

The "Free Car-Safety Check" being conducted by Manila Trading, Fabar Inc., and Ramcar has accumulated the following statistics: Total cars tested, 5,026; cars found in safe condition, 1,097. The remaining 3,929 were found unsafe in one or more ways. However, one encouraging factor noted is that about 40% of the owners take immediate necessary steps to put their cars in safe operating condition.

Manila's new Arson Squad Chief, Capt. Wenceslao Ealdama, was honored by the Council recently at a luncheon attended by members especially interested in arson suppression. Considerable improvement is expected in this problem. Two Manila Police Department lieutenants, Enrique De Leon and Gerardo Tamayo, left for Chicago recently to attend the 1954-55 course in Police Traffic Administration at Northwestern University. Taxicab service has been restored to the Escolta after improvement had been noted in the traffic situation there. An internal security survey has been completed for the American Chamber's new offices in the Elk's Club Building. Many other activities are underway, too numerous to mention here.

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COST OF LIVING PRICE INDEX FOR WAGE EARNER'S FAMILIES IN MANILA, BY YEAR AND MONTH, 1935-1954
(1941 = 100)

Bureau of the Census and Statistics

Year and Month	All Items (100)	Food (63.43)	House Rent (11.90)	Clothing (72.64)	Fuel, Light and Water (7.73)	Miscellaneous (14.84)	Purchasing Power of a Peso
1935.....	89.7	89.7	96.4	89.7	85.1	90.2	1.1148
1936.....	87.4	88.3	96.6	88.4	77.5	87.7	1.1442
1937.....	88.8	88.3	96.4	88.2	85.2	89.5	1.1261
1938.....	92.1	92.1	96.8	92.1	86.2	92.5	1.0858
1939.....	93.2	94.8	97.7	94.8	84.3	92.9	1.0730
1940.....	97.3	98.9	98.9	99.0	89.9	96.7	1.0277
1941.....	100.0	100.0	100.0	100.0	100.0	100.0	1.0000
1942.....	691.5	834.3	236.4	1448.4	379.1	650.9	0.1446
1946.....	521.7	649.4	236.4	649.7	348.2	383.3	0.1917
1947.....	387.2	415.4	453.9	256.8	310.0	272.2	0.2583
1948.....	364.2	386.1	453.9	208.4	289.9	259.1	0.2746
1949.....	343.7	357.9	453.9	198.4	272.9	251.1	0.2910
1950.....	332.9	333.7	453.9	270.7	252.0	282.8	0.3004
1951.....	352.6	361.5	453.9	365.3	248.0	285.7	0.2836
1952.....	339.4	347.4	453.9	295.9	244.1	268.4	0.2946
January.....	347.9	355.0	453.9	331.5	249.7	285.6	0.2874
February.....	351.7	359.8	453.9	342.8	249.7	289.0	0.2843
March.....	346.4	349.3	453.9	379.4	248.8	293.6	0.2887
April.....	355.3	362.6	453.9	398.6	247.5	294.6	0.2815
May.....	359.2	367.0	453.9	410.4	247.0	300.6	0.2784
June.....	360.5	372.2	453.9	399.5	247.5	288.5	0.2774
July.....	359.0	370.1	453.9	382.0	247.5	290.2	0.2786
August.....	357.8	371.4	453.9	354.0	247.5	280.0	0.2795
September.....	356.1	369.0	453.9	356.4	247.5	279.0	0.2808
October.....	351.0	361.1	453.9	350.4	247.5	279.0	0.2845
November.....	344.1	351.1	453.9	343.8	247.5	275.8	0.2906
December.....	341.9	348.9	453.9	335.2	247.5	272.1	0.2925
1953.....	318.2	314.3	453.9	280.1	243.7	269.5	0.3143
January.....	337.3	343.2	453.9	283.7	247.4	272.4	0.2965
February.....	323.0	321.1	453.9	281.5	243.4	273.0	0.3096
March.....	318.6	314.3	453.9	281.5	243.4	272.4	0.3139
April.....	317.6	312.8	453.9	281.1	243.4	269.0	0.3208
May.....	314.3	307.8	453.9	280.9	243.4	271.1	0.3182
June.....	313.1	306.0	453.9	277.8	243.4	271.1	0.3194
July.....	316.0	311.0	453.9	277.8	243.4	269.5	0.3165
August.....	316.1	311.9	453.9	277.8	243.4	266.4	0.3164
September.....	315.8	311.6	453.9	277.8	243.4	265.6	0.3167
October.....	315.3	310.6	453.9	279.0	243.4	266.4	0.3172
November.....	315.2	310.1	453.9	280.9	243.4	267.0	0.3173
December.....	315.5	310.7	453.9	280.9	243.4	267.0	0.3170
1954.....							
January.....	311.7	304.7	453.9	279.3	243.4	267.0	0.3208
February.....	301.5	290.0	453.9	278.3	232.1	267.0	0.3317
March.....	301.1	289.5	453.9	274.9	232.1	267.0	0.3321
April.....	302.9	292.5	453.9	272.2	232.1	266.8	0.3301
May.....	309.7	302.8	453.9	272.2	235.7	266.5	0.3299
June.....	312.6	306.9	453.9	271.8	238.4	267.3	0.3199
July.....	318.6	316.2	453.9	278.5	236.7	267.9	0.3139
August.....	321.6	320.7	453.9	274.7	236.7	269.3	0.3109
September.....	321.3	320.0	453.9	271.7	236.7	271.0	0.3112

NOTE: Miscellaneous was received from 1950 to May 1953 and clothing from February 1952 to May 1953.

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Column

WE had a very nice party on the occasion of the official opening of the Chamber's new offices in the Elks Club Building on September 30, 4:30 to 7:30 p.m. Several hundred people came,—members, government and diplomatic officials, heads of the other chambers of commerce, newspaper men—Filipinos, Americans, Britons, Spaniards, Chinese, etc. When the editor saw that everyone was properly dressed, he went so far as to put on his own coat and tie. There was ample food and drink,—the bar serviced by the Elks Club and the table by the Army and Navy Club culinary department next door. A special loud-speaker arrangement had been set up for the calling of cars, but it was some hours after the affair started before there was any calling.

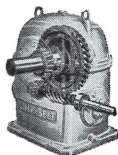
The festive occasion, in a sense, marked the debut of the new Executive Vice-President, Stanley N. Fisher, who was meeting numerous members of the Chambers and other prominent Manilans for the first time. There were so many friendly introductions and meetings, and the party was otherwise so exhilarating, that, perhaps, he may have been a little confused, when he noticed a quiet gentleman whom he had not met yet and, in the general atmosphere of goodwill which prevailed, he put his hand out to him and said, "Good evening, sir. I am Stanley Fisher. May I know your name?" The gentleman made a reply which in the hub-bub Mr. Fisher did not catch, but he made as if he had understood and asked, "What firm are you with, sir?" Then the gentleman smiled a little and said, "I am the American Ambassador." Mr. Fisher took a quick second look, and, we have no doubt that the world reeled for him at that moment, but he made a quick, if desperate, recovery, saying with an apologetic grin, "Mr. Ambassador, it must be refreshing to meet someone who does not know you!" After that, according to Mr. Fisher, they had a very nice chat about Manila, Baguio, Bontok, and how the Admiral had first come to these shores in 1914 as the commanding officer of a 420-ton destroyer.

"Now here is something!" exclaimed the editor, with a copy of the September *Fortune* in his hand. "I am delighted, of course, by the results of the 'reader survey' of the *Journal* recently concluded by a special Chamber committee, but listen to this, from 'Fortune's Wheel—Notes from the Publisher': "An editor knows from experience that success is measured by how

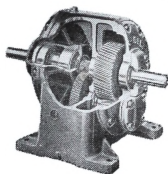
close he comes in practice to what he originally had in mind. (No good editor is ever satisfied.)

"Now what I originally had in mind in planning the *Journal* was not anything based on a questionnaire, but on my experience as an editor and, furthermore, on what I admit was a half-intuitive idea of what businessmen, especially American businessmen here, needed and wanted. And although I am not fully satisfied, —as I should not be, I do feel that the *Journal* comes fairly close to what I 'originally had in mind'. I have been very fortunate in that the Chamber Board went along with me in this, and gave me the op-

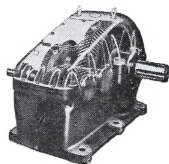
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portunity I needed, in that the members also supported the *Journal* with their advertising, and in that the readers have supported the *Journal* with their subscriptions, some of them for three and four years in advance. I repeat that I myself am not entirely satisfied with the *Journal* as it is; I hope for improvement and will work hard for it; but I am pleased with the results of the questionnaire, though, as I said, no questionnaires had anything to do with the planning and laying out of the *Journal*. Like anything of the sort must always be, it was in inception a piece of creative work and our big task is to keep it so."

THE "Readership Survey" was conducted by Robot Statistics under the direction of a special "Journal Financial Committee" appointed early this year by Mr. Paul R. Parrette, President of the Chamber. The Chairman of the Committee was Mr. Harry A. Lee, President of Philippine Advertising Associates, Inc., and the other members were Mr. J. Lasley, of Grant Advertising, Inc., and Mr. Richard Bownass, of the International Harvester Company of Philippines.

In a covering letter to Mr. Parrette accompanying the report, Mr. Lee stated that the survey established that (1) the *Journal* is well read

by recipients and pass-on readers; (2) back copies are retained and used for reference purposes to an important degree; (3) all of the 26 regular features are read by enough people to justify their retention; and (4) the *Journal* is well thought of by 9 out of every 10 readers and no unfavorable comments or suggestions for improvement were made by enough readers to warrant attention. "The survey strongly indicates and confirms the fact that the *Journal* is well read, respected, retained, and, as such, must be a publication of influence."

The survey covered only Philippine readers and not the overseas readers of the *Journal*. Mr. Lee, in his summary, stated that the "survey findings indicate that the *Journal* is exceptionally well read... 75% of *Journal* recipients read it regularly..."

"There are strong indications of substantial additional readership particularly among employees of companies receiving *Journal* copies... 83% of *Journal* recipients say other people read their copies and 78% of the secondary readers are employees."

"That the *Journal* has retention value and is utilized beyond first reading is indicated by the following findings: 76% of *Journal* recipients file their copies; 52% use the *Journal* for reference purposes; 12% take their copies home."

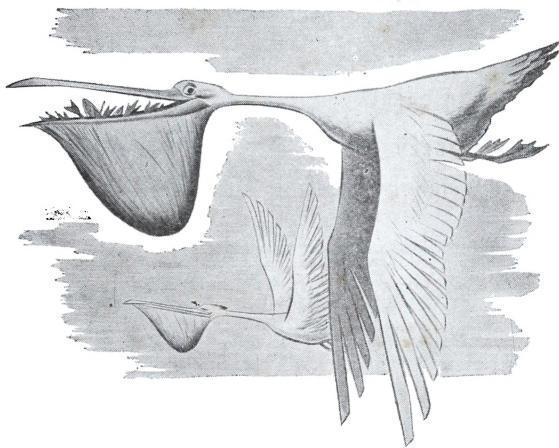
"Of the 26 regular features, none is read by less than 1/3 of the *Journal* recipients either regularly or occasionally; editorials are best read, the range of readership by features being 33% reading Freight Car Loadings up to 93% of recipients reading Editorials regularly or occasionally."

The foregoing was quoted from the summary of the report prepared by Mr. Lee. Readers, and our column editors, too, will be interested in the percentages of recipients of the *Journal* who read the various features (total percentages of regular and occasional readers):

Editorials, 93.2%; Articles, 80.7%; Legislation, Executive Orders, Court Decisions, 85.7%; The Government, 75.7%; Imports, 71.1%; Cost of Living Index, 69.2%; Banking and Finance, 67.9%; Ocean Shipping and Exports, 62.5%; The "Let Your Hair Down" Column, 61.8%; Mining, 60.4%; Copra and Coconut Oil, 57.5%; Credit, 57.1%; Port of Manila, 56.8%; Food Products, 56.1%; Sugar, 55.4%; Lumber, 53.2%; Desiccated Coconut, 51.1%; Manila Hemp, 50.7%; Building Construction, 50.0%; Philippine Safety Council, 48.6%; Manila Stock Market, 47.9%; Tobacco, 47.5%; Real Estate, 47.1%; Textiles, 45.7%; Electric Power Production, 42.5%; Freight Car Loadings, 33.6%.

The Rice column had not yet been begun when the survey was made.

Of the respondents to the questionnaire sent out, 44% were Filipinos, 31% Americans, 5% British, 2% Chinese, and the remainder of various other nationalities. Roughly, some 45% were executives and other businessmen, some 20% were professionals, some 12% were government officials, legislators, diplomats, con-



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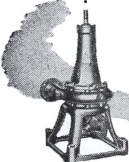
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suls, etc. and the rest could be classified as general readers.

To the question, "What do you think of the *Journal* in its present form as a whole?" of the 77.2% of the respondents who answered it, 73.6% were favorable and only 3.6% were critical. The great majority used such expressions as "good, fine, satisfactory", "excellent", "good as a source of information", "very good", "useful publication", "interesting reading", "standard above other magazines", "valuable for students' reference", "well-edited", "presentable", "compact and complete", "a sound résumé of Philippine business", "has cultural value", etc.

Unfavorable responses listed included such statements as "magazine too small", "not up-to-date", "sides too much with Western ideas", "articles inclined to generalities", "articles too brief", "very dull", "information can be found in local papers."

Among the suggestions offered, none of them made by more than a very small percentage of the respondents, were: "include more up-to-date data", "more pictures", "a column on the activities of Filipino and other businessmen", "profiles and speeches of prominent businessmen", "articles published should give the two sides of questions", "improve the lay-out", "more legible type", "articles on labor trends and unemployment statistics", "articles in the Chinese language", "an annual index", "open a 'Readers Forum'", "reduce the price", "issue free copies," etc.

"As for those suggestions," said the editor, "or some of them, we do publish an annual index; readers will find it in the last pages of the December issue of every year. As for a 'Readers Forum', that is, more or less, what the 'Hair-Down' column is supposed to be. The type we use, for quoted matter, most tables, and certain columns, such as 'The Government', is small,—8-point, but we are forced to keep the *Journal* down to a reasonable number of pages in proportion to the amount of advertising. We do all wish that we could bring the tabulated information in the *Journal* closer to the date of publication, but we have found this impossible so far; some of the column editors do wait until after the end of the month to be able to include that month's statistics in their 'copy', but this is not always possible, especially if they have to get their figures from the provinces.

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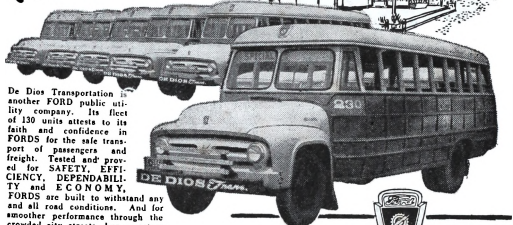
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"I think that all our column editors should be well satisfied with the results of the survey. All but a very few of the columns are read by at least half of those who receive the *Journal* and who answered the questionnaire; some of them are read by two-thirds, three-fourths, and even more of those who responded. It stands to reason that some columns cover fields that interest a larger number of readers than others. Such a column as 'Tobacco', for instance, interests chiefly tobacco-men, whereas a column on legislation and court decisions naturally interests more or less all the readers of the *Journal*.

The actual percentages, a few points, more or less, do not mean much. There is not a single column in 'The Business View' section that does not very evidently fill a want, and that makes the effort to write it every month well worth while.

"I am very grateful to all of the column editors whose work individually and collectively contributes so greatly to the value of the *Journal*. I am very grateful also to all of those readers who took the trouble to answer the Committee's questionnaire and for their doing so in a generous way as to give us all such great encouragement."

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SOME articles which have appeared in the *Journal* seem to go on forever. Take, for instance, the editor's own article, "Eastern and Western 'Psychology'", which appeared in the June, 1952, issue of the *Journal*. First, the Mutual Security Administration (MSA) requested permission to reproduce the article for its American personnel, and some time later, the G. F. Atkinson Company asked permission to do the same. Now an executive of Caltex (Philippines) Inc., has asked permission to reproduce the article for its purpose. The article itself was reprinted in the *Journal* by request, with some revision to bring it up-to-date, from the original which appeared in the *Philippine Magazine* some years before the war. At that time it was quite widely reproduced in American and European magazine-digest publications. It has therefore had some 20 years of life and still seems to be going strong.

NOT that proof is needed, yet the following letter is proof that the Bureau of Public Schools is making use of the accumulation of excess copies of the *Journal* which we sent the Bureau a month or so ago when the Chamber moved its quarters to the Elks Club Building. The letter

is from Mr. Constancio T. Medrana, Superintendent of the Mountain National Agricultural School, at Trinidad, Benguet, Mountain Province, addressed to the editor, and ran:

"On behalf of our school, I wish to acknowledge receipt with thanks and appreciation of the 24 copies of the American Chamber of Commerce *Journal* donated by the American Chamber of Commerce. The copies were shipped to us from Manila by the Bureau of Public Schools.

"The magazines are indeed very valuable references for our students and teachers. They are now accessioned in the school library for reading.

"We thank you again. Very sincerely, etc."

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Subscribed and sworn to before me this
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Governor **JUAN PAJO** of Bohol



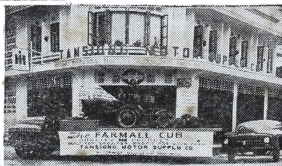
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