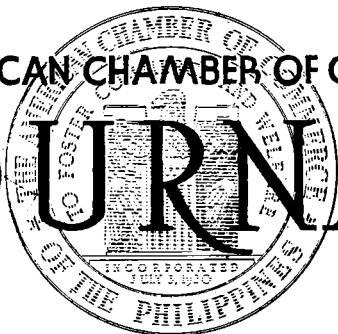


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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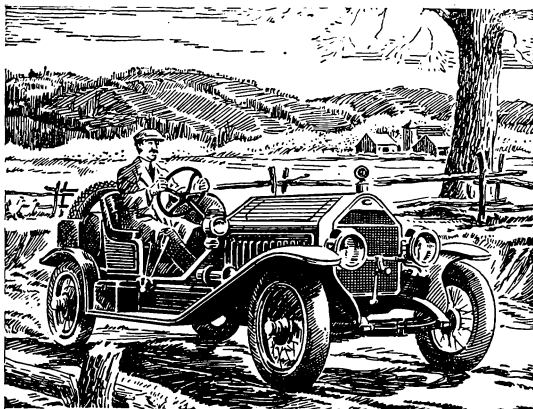
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Contents

EDITORIALS—	
The Fourth of July.....	235
The Huk Amnesty.....	235
The First Regional Trade Conference.....	235
“Adventitious”.....	237
Work of the Philippine Congress.....	238
President Quezon and Business.....	238
The United States Embassy (Photograph). Quotation.....	238
“My Country”.....	239
Rehabilitation, Democracy, Nationalism.....	239
Extracts from the Speeches at the Regional Trade Conference held under the auspices of the Chamber of Commerce of the Philippines.....	239
	Reprint from the PHILIPPINE MAGAZINE, March, 1940.....
	238
	239
	WOODROW WILSON.....
	239
	GEORGE EDWARD WOODBERRY.....
	239
	FRANK A. WARING.....
	240
	G. J. PUYAT.....
	242
	V. SABALVARO.....
	243
	I. COSCOLLELA.....
	243
	H. A. MCCONNELL.....
	244
	W. P. F. BRAWNER.....
	245
The Business View—	Official Source.....
Office of the President.....	246
Banking and Finance.....	C. R. LEABER.....
Manila Stock Market.....	247
American Stock and Commodity Markets.....	A. C. HALL.....
Credit.....	248
Electric Power Production.....	R. EWING.....
Real Estate.....	249
Comparative Real Estate Sales, Manila, 1940-1948 (table)	W. J. NICHOLS.....
Building Construction, Manila, 1936-1948 (table)	249
Ocean Shipping (Imports for May, table)	J. F. COTTON.....
Foreign Trade of the Philippines, 1st quarter, 1948, by Nationalities (table)	249
Intra-Island Shipping.....	C. M. HOSKING.....
Air Transportation.....	249
Land Transportation (Bus Lines).....	Bureau of the Census and Statistics.....
Minerals.....	250
Statement of J. W. Haussermann.....	Bureau of the Census and Statistics.....
Lumber.....	251
Copra and Coconut Oil.....	F. M. GISPERT.....
Desiccated Coconut.....	251
Manila Hemp.....	Bureau of the Census and Statistics.....
Sugar.....	252
Tobacco.....	G. F. VANDER HOOFT.....
Legislation, Executive Orders, Court Decisions.....	252
Cost of Living Index, 1946-1948 (table)	V. A. BRUSSOLO.....
The “Let Your Hair Down” Column.....	253
	L. G. JAMES.....
	253
	C. A. MITKE.....
	255
	ASSOCIATED PRESS.....
	256
	E. C. VON KAUFFMANN.....
	M. Igual and K. B. Day.....
	257
	H. R. HICK.....
	260
	H. ROBERTSON.....
	262
	S. JAMIESON.....
	263
	CONDE DE CHURRUCA.....
	264
	E. E. SELPH.....
	266
	Bureau of the Census and Statistics.....
	271

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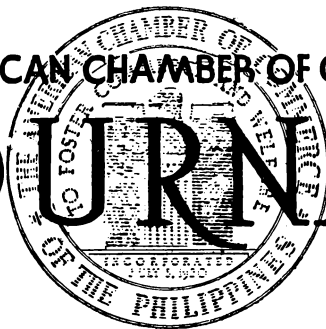
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THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

"... to promote the general welfare"

The American Chamber of Commerce of the Philippines extends its felicitations to the people and Government of the Republic of the Philippines on the occasion of the second anniversary of the establishment of Philippine independence, — on which same day Americans in all parts of the world celebrate the 172nd anniversary of the Philippines' Motherland, the United States of America.

The initiative, tact, courage, insight, and wisdom shown by President Quirino is bringing the disastrous Huk situation to what promises to be its end, deserves the highest commendation. So also the quiet

The Huk Amnesty
The crisis created when a cabal during the last hours of the sine die session of Congress, sought to use the issue of congressional concurrence in the Amnesty Proclamation as a means to force him to dismiss a member of his Cabinet. Intrigue and disregard for the national welfare could hardly go further, and Congress as a whole is to be commended for having broken this conspiracy. Congress also redressed an old wrong, immediately after the ratification of the Proclamation, in seating Congressman Luis M. Taruc, the Huk leader. The refusal to allow him and a number of other minority members to take their seats after the elections two years ago, was one of the causes of the Huk uprising.

Large parts of Central Luzon, long known as the "rice-granary" of the Philippines, have constituted a virtual no-man's land ever since that undemocratic action. Sporadic fighting between government forces and the insurgents and the consequent destruction of property and loss of life, widespread banditry, unsafe roads, broken communications, blocked distribution of foodstuffs and other supplies, abandoned homes and barrios, untilled lands, thousands of people withdrawn from productive labor, loss of earnings, closed schools, lack of medical service,—all such consequences have held back this important part of the country from the post-war rehabilitation in progress in most other parts of the land.

To seek to apportion and fix the guilt and blame, would be largely bootless here. Though the insurgence was never general enough to threaten the stability of the National Government, it did seriously tax its repute, resources, and revenues. The situation was cancerous, liable to exacerbation, the cause of loss and violence and death to many innocent people, wholly ugly and lamentable, and unreconcilable with Philippine aspirations and claims to democratic nationhood. Adjudgment and justification or punishment were far secondary to the need for the reestablishment of order and peace; this to both sides. Hence, and justifiedly, the Government's offer of amnesty and the insurgents' acceptance.

It is to be hoped that the Huk trouble may prove to have been a valuable political lesson. As Charles E. Merriam, political scientist, phrases it:

"Open revolution is always lurking in the background,—the skeleton at the feast of power, a continuing threat to authority not firmly rooted in economic and social realities and in human ideals related to them. . . ."

"The real safeguard lies in the moderation and judgment of those in office and in the alertness and wisdom of the political community."

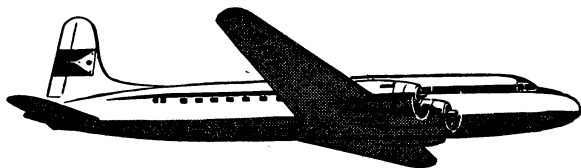
For comparison we quote the words of Walter Lippmann in a recent article in which he made the point that in the United States the social order is so free that the country is in a state of slow but permanent revolution.

"As long as most people in a country feel that they are not held down, that country has the benefit of revolution—the renewal of its vigor by the rise of new men, without the convulsions which are the price of revolution."

The "First Regional Trade Conference" held under the auspices of the Chamber of Commerce of the Philippines, has just come to a close, and publication of this issue of the *Journal* was delayed by us for a number of days so that we could include several pages of extracts from some of the speeches which were delivered during the two days devoted to discussion.

The Philippine Chamber insisted on playing the part of sole host to the delegation of American business men

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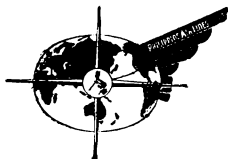


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who attended the conference and who represented a number of West Coast and the Honolulu chambers of commerce. A very full nine-day program was drawn up in advance for the visitors, including trips to Baguio (Atok-Big Wedge Gold Mines), Calamba (Canlubang Sugar Central), and Los Baños (College of Agriculture and School of Forestry); scheduled trips to Bacolod and Davao were cancelled because of stormy weather. Various social entertainments, dinners and cocktail parties, were tendered by Filipino officials, including President Quirino, and by Filipino business men, and various Filipino enterprises. No opportunity was afforded the visitors to meet with any other local business groups or to be entertained by them. To the discussions, held on two days toward the end of the meet, other chambers of commerce here were invited to send "observers". The members of these organizations were also invited to designate which of the various social affairs they should like to attend, and those who responded received invitations.

Though we feel that the conference would have been more fruitful if it has been conceived more broadly and the participation had been more representative of the business and trade in the region concerned, we believe that President Frederic H. Stevens, of this Chamber, spoke truly when, on being asked by the editors of both the *Manila Chronicle* and the *Manila Times* to say a few words of welcome to the visiting delegation, he said:

"At the invitation of the editor of, I am pleased to be able to extend, through the columns of this paper, a sincere welcome, on behalf of the American Chamber of Commerce of the Philippines, to the group of American business men from the West Coast and from Honolulu who are now visiting the Philippines.

"I am sure that the meetings with the members of the Chamber of Commerce of the Philippines, which is sponsoring their visit, and their contacts with others here, will redound to the benefit of Philippine-American business relations.

"That is what we are all interested in and I trust there will be a real meeting of minds and a mutual clarification of ideas."

The extracts from the speeches made at the conference, printed elsewhere in this *Journal*, will bear this out, we think.

An editorial in the May issue of *Commerce*, the organ of the Chamber of Commerce of the Philippines, the leading Filipino business men's organization in the country, used the word "adventitious" no less than four times in description of foreign business interests here.

The argument was that these adventitious business interests which secured "special privileges," "took root", and established "monopolies" here during the "colonial period" when the Philippines was a dependency of the United States, are now "reluctant to yield to changes" reasonably intended to transform the economy of the country from that of a colony to an independent state. The Filipinos are "now free to govern their country", but the adventitious interests "want to make that freedom both puny and phony". "They are hostile to the enlargement of economic power which would destroy the monopoly they so long enjoyed". "Any reasonable endeavor to throw open to public competition the field they have held so long is considered by them discriminatory and even confiscatory".

That the foreign business interests generally hold or ever have held what could be accurately described as monopolies, we deny, and we deny also that the administrative and legislative measures to which this *Journal* has been objecting are intended to establish free competition. Competition has been largely free during the whole American period as well as during that of the Commonwealth, and our objections have been made against the present policies precisely because they are obviously intended to destroy free business enterprise and to establish monopolies.

And just how applicable is the word "adventitious" to the so-called foreign business interests here?

Adventitious is a fine word from the Latin, literally meaning "coming from abroad", and is used today as meaning "anything added extrinsically," "not essentially inherent", "accidental", "additional", "casual", "foreign". It is used in biology as describing anything, such as a bud, out of its usual place, or anything found away from its natural place or range. In medicine and pathology the word refers to something acquired, not inherited.

Now though naturally the so-called foreign business interests here originally came from abroad, their presence is certainly not "accidental" or "casual", and neither are they now uninherited, extrinsic, and not an integral part of the country's economy.

While American business interest here is mainly a development of the last half century, there were American business houses in the Philippines long before the end of the Spanish regime, and British and some others as well, while the Chinese business interests here go back for centuries. Many of the most colorful, interesting, and significant chapters of Philippine history are associated with the development of this business—which was never wholly foreign, or could have been, because trade and business relations are inherently reciprocal, mutual, and cooperative.

Nobody yet has shown such a total lack of sense as to claim that America's wise generosity in opening its markets to the Philippines on practically the same basis as to a State of the Union, did not greatly redound to the prosperity of the Philippines. On this basis around three-fourths of both the Philippine export and import trade was with the United States, and in 1947 that trade was around 25 times greater than it was in 1909. Yet the Philippines was always free to trade with any other country, and did so when this was necessary or profitable. There was no "monopoly", nothing to force the Philippines to trade with the United States.

Naturally, such a large part of the country's trade being with the United States, American business men came to the country to look after the American side of it. That was not "exploitation". It was necessary and of benefit to all. American and other foreign business has in the past played and still plays an important role here through entirely natural courses, connected with the state of the country's development and the nature of its industry and trade, and not because of deliberate "imperialistic" machinations.

As the nation's economy develops, foreign business does not expect to hold its present position and indeed welcomes increasing Filipino participation.

It is not the foreigners' fault that the Filipinos have not played a larger part in the management of the industry and trade of the country before this, that being largely due to the Filipinos' former naturally paramount interest in political and governmental matters and in establishing an independent nation. That an increasing number of able Filipinos should now turn to industry and business is, a healthful thing and should make for increased prosperity for all.

But in achieving this it is not necessary,—in fact it would be self-defeating, for the people to grant the Government ever increasing and ever more extraordinary powers. Even with the best of original attentions, such powers are always inevitably abused. Under such measures, it is not Filipino business generally which would benefit, but only the few selected individuals favored by those in power, and even these would not benefit long.

The American Government's fostering of the industry and trade of the Philippines was as integral a part of the project of nation building as were its efforts to establish a democratic government here. Democratic politics involves a democratic system of economy, a system of free, competitive enterprise.

So-called foreign, especially American, business is no more "adventitious" than is the form of government and the public service and welfare systems introduced here,—harbors, roads, post offices, schools, hospitals, etc.

Under present treaties between the United States and the Philippines, a practically free trade is to continue for several decades. Any attempts by short-sighted persons in or outside the Government to damage American business interests here and its agencies, are as unwise as it would be to attack official American agencies. Both represent, in their different ways, American interests,—and American and Filipino interests, from historical causes, are mutual to a high degree.

The natural and rightful concern of the American Government in the continued advancement and prosperity of the Philippines after independence, is being very definitely demonstrated not only by the grants, in various ways, of sums running into billions of dollars of American tax-payers' money, but by the initiative the American Government assumed toward maintaining a "parity" of rights between Americans and Filipinos in the development of the country's natural resources and the operation of public utilities; by its requirement that war-damage payments made to Americans be reinvested in this country; and by its care in writing clauses providing for non-discrimina-

tion in the new treaties between the two countries. All this was and is being done not so much in the interests of America and Americans, but in the interests of the Philippines and the Filipinos.

American business interests, far from being "adventitious", are highly integral. For the Filipino people to permit certain men among them (they are the truly adventitious ones), to damage and destroy these interests, is plainly to damage the country and themselves.

For the Filipino business group as a whole, it would be, in the words of the old saying, "cutting off one's nose to spite one's face."

We regret that the promised review of the work of the third session of the First Congress of the Republic of the Philippines could not be included in this issue of the *Journal* because copies of many of the bills passed, both during the regular session and the special session which followed it, were still unavailable when the issue went to press.

Readers will find partial reviews in the column, "Legislation, Executive Orders, Court Decisions", in this and past numbers of the *Journal*.

President Quezon and Business

THE reception in honor of President Quezon given by the American Chamber of Commerce early this month in its new quarters in the recently completed Heacock Building, was a grand success. The President was in fine fettle and delivered a sparkling, impromptu address that plainly filled every one present with joy.

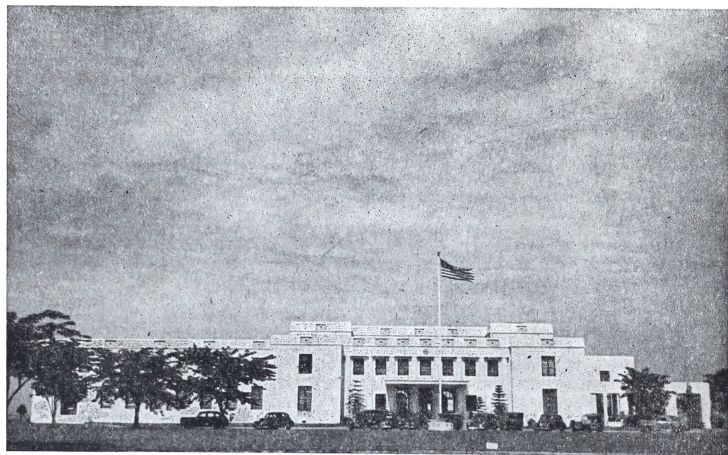
He said the Government of the Commonwealth is not a "communist" government and does not look upon business with prejudice. On the contrary, he affirmed, the social justice program of his administration is intended not only to benefit the masses, but also, indirectly, business, for when the purchasing power of the masses increases, business benefits. He expressed his gratitude to the business men who show their faith in the country when the future is not so certain by putting up such edifices as the Heacock Building, and pledged that "as long as responsibility and authority lie in the hands of the Filipino people, we are going to treat you all justly; we are going to support you in all your legitimate enterprises". He was applauded to the echo.

Despite his social justice program, which continues to be considered in some quarters as decidedly radical, President Quezon has appeared before various business groups on previous occasions, always expressing similar views, and this is no doubt one reason why, in spite of political uncertainties, war conditions, and discouragements of one sort or another, business has on the whole forged forward since the inauguration of the Commonwealth Government.

There can be no question that President Quezon is following a wise policy in this respect. Such evils as plague the Philippines in the social-economic sphere are those of surviving feudalistic conditions rather than of the new capitalism. In fact, as in other countries in this stage of development, reformers and builders such as President Quezon will find a powerful ally in business against the feudal influences which must be further broken up if the country is to develop a stronger middle class without which progress in the modern sense is impossible. . .

—From the March, 1940, issue of the *Philippine Magazine*

The United States Embassy, Manila



Mayflower Studio Photograph

"Now it catches the gleam of the morning's first beam..."

A PATRIOTIC American is a man who is not niggardly and selfish in the things that he enjoys and that make for human liberty and the rights of man. He wants to share them with the whole world, and he is never so proud of the great flag under which he lives as when it comes to mean to other people as well as to himself a symbol of hope and liberty. I would be ashamed of this flag if it did anything outside America that we would not permit it to do inside of America . . .

MY dream is that as the years go on and the world knows more and more of America it will also drink at these fountains of youth and renewal; that it also will turn to America for those moral inspirations which lie at the basis of all freedom; that the world will never fear America unless it feels that it is engaged in some enterprise which is inconsistent with the rights of humanity; and that America will come into the full light of day when all shall know that she puts human rights above all other rights and that her flag is the flag not only of America but of humanity."

WOODROW WILSON

"For thou [America] art founded in the eternal fact
That every man doth greaten with the act
Of freedom; and doth strengthen with the weight
Of duty; and diviner moulds his fate,
By sharp experience taught the thing he lacked."

From "MY COUNTRY"

By George Edward Woodberry (1855-1930)

Rehabilitation, Democracy, Nationalism

By Frank A. Waring

Chairman, Philippine War Damage Commission

Madam President, Members of the Faculty, my Fellow Students:

TWO years ago the grateful people and Congress of the United States voted more than ₱1,000,000,000 as an expression of good will to the Philippine people and to aid in the economic rehabilitation of this country. On June 3 the United States Philippine War Damage Commission celebrated its second anniversary by processing and approving for payment 2,500 private property claims, and awarding to the Philippine Government ₱2,000,000 for the further rehabilitation of hospitals, schools, and other government property.

In those two years the Commission has recruited more than a hundred Americans and transported them to the Philippines to assist in its gigantic undertaking. It has also recruited more than seven hundred Filipinos as members of its staff. It has caused an adequate office building to be erected from surplus property, and has perfected its organization, policies, and procedures. It has trained its staff members in the duties and responsibilities assigned to them, and has received 1,258,000 private property claims, valued by the claimants at ₱2,425,000,000. These claims are all docketed, numbered, filed, and awaiting adjudication. I submit to you that in the last two years we have not been idle.

Under the terms of the Philippine Rehabilitation Act of 1946 the Commission has been given two distinct functions: (1) The adjudication and payment of private property claims arising from damages incurred as a result of the war, and (2) the making of awards to the Philippine Government for damages to public property, especially hospitals, schools, other public buildings, waterworks, and irrigation systems. For the payment of private property claims the Congress authorized the appropriation of ₱800,000,000, and for the restoration of private property and services, ₱240,000,000, of which the War Damage Commission has been allocated ₱114,000,000, for its work. I should like to report to you on the progress we have made thus far in these two activities.

[Mr. Waring's review of private claims and payments on such claims so far made is deleted here as the figures were published in the June issue of this *Journal*.]

Turning to a consideration of public property claims, the Commission has received from the Philippine Government 1,618 claims, valued by the Government at ₱380,000,000. These claims are for the rehabilitation of public buildings and other public property, but do not include roads, ports, and harbors, the restoration of which is under the direction of other agencies of the United States Government. Public claims before our Commission include ₱8,000,000 for hospitals, ₱75,000,000 for schools, ₱74,000,000 for other public buildings, and ₱223,500,000 for furniture and equipment. For this work, as I have said, the Commission has available only ₱114,000,000. Because of the inadequacy of the funds in relation to need, the Commission has adopted, in consultation, with your Government, an

allocation of its funds among the various types of public property. You will be glad to know, I am sure, that the most generous allocations have been made to hospitals and schools because, with the Philippine Government, the Commission believes that health and education are the primary requisites of a successful democratic government. The Commission has adopted a second policy in making these awards to the Philippine Government. It is awarding an amount sufficient completely to restore the damaged structure so that it may be a useful and usable unit in civic life.

Thus far, the Commission has approved 303 public property claims in the amount of ₱50,000,000, of which more than ₱24,000,000 has already been advanced, so that reconstruction can be initiated immediately. The Commission is now making awards to the Philippine Government at the approximate rate of ₱5,000,000 a month. Maintenance of this rate will enable the Commission to complete this part of its program well within the time limit fixed by the Congress which, in this case, is June 30, 1950. The members of the Commission have recently conferred with the President and other officials of the Philippine Government in order to assure that construction on these public projects will be undertaken promptly, and concluded with efficiency and dispatch. The Commission is grateful that President Quirino has expressed great interest in the work of the Commission and has promised the full cooperation of his administration.

But, my friends, helpful as these funds will be, and no one can deny that a billion pesos will not be helpful, they will not be enough. Private capital in large quantities will be necessary to complete the task. And, since there is not sufficient domestic capital, foreign capital must be sought and, if need be, even courted, to assist. On many previous occasions I have spoken both here and in the United States of the investment opportunities which exist today in the Philippines. I have also spoken of the advantages to be derived by the Philippines from the assistance that foreign capital can render, and I have told of the need of the Philippines for that capital. In two recent addresses I have emphasized that investment opportunities alone would be inadequate to secure foreign capital and that, if foreign capital is really desired, a hospitable political climate must be created to attract it. As citizens and future leaders of this nation and this community, the problem should be of major interest and concern to you.

Economic well-being is important. There are those who criticize Americans because they are alleged to over-emphasize material things. But Americans and Filipinos alike know that another goal transcends the mere accumulation of wealth, or the enjoyment of luxury, and that goal is the preservation of democratic free government. A democracy, if it is worthy of the name, protects inviolate the basic freedom of its citizens, freedom of speech, freedom of worship, freedom to labor in a chosen field, and

*Address at the Convocation of Far Eastern University, Manila, June 9, 1948.

freedom to reap the harvest of that labor. Democracy has been defined as form of government which guarantees to its citizens "individual liberty and equality of opportunity, to pursue happiness according to his ambitions and to achieve his ambitions according to his abilities."

The citizen, on his part, has the obligation and responsibility to protect these basic rights and to guard against their violation or abuse by either himself or others. You, students, because of the educational advantages you are deriving from this University, will be found among the leaders of your profession, your community, and your nation. I wonder if you realize how great your responsibility is. Democracy is now on trial throughout the world. And you received your independence only two short years ago. I tell you with all the earnestness at my command that the eyes of the world, and particularly the eyes of the Far East, rest today on the Philippines. If your experiment in democratic self-government succeeds, you will have strengthened the cause of democracy throughout the world. If you fail, that cause will suffer a staggering blow.

There are many types of unfaithful citizens, citizens who are unfaithful to the principles and precepts of democracy. The judge, who extends his authority to sanctify unconstitutional laws of which he personally approves or to nullify constitutional laws of which he disapproves, is one. Another is the legislator who seeks to extend his authority by artful evasions of constitutional limitations upon his power. Still another is the business monopolist who would employ his power for selfish gain at public expense. So is the labor leader who would be willing to sacrifice the public interest to advance the private interest of an organized minority. Democracy has no room for selfishness practiced to the detriment of public welfare.

Madam President, not only does a democracy have internal obligations to its citizens, but it has external obligations to the other peoples and nations of the world. A good citizen must be eternally vigilant to preserve his own basic freedoms, and he must guard with equal care the freedom of others, for, with the loss of their rights, he may lose his own.

Another type of selfishness to which I wish to make particular reference is the spirit of nationalism that appears to be rising in many countries, particularly in those with new-found independence. There is a difference between patriotism and nationalism. It is quite appropriate to feel a surge of pride at the sight of the flag and at the sound of the national anthem. I am proud to confess that I do, when I view my flag and hear the Star-Spangled Banner. But it is not wise to allow that feeling to expand into discriminatory legislation detrimental to foreign interests which, properly encouraged, will assist in the economic development of a country.

It is not true that the absence of foreign capital will open more opportunities for domestic capital. On the contrary, foreign capital, operating under nondiscriminatory safeguards for the public welfare, will create additional opportunities for domestic capital, and provide more employment for the people and more revenue for the government. In a land that has inadequate domestic capital to develop its own economic potentialities, foreign capital and domestic capital, operating together, can obviously do more for the country and its people than domestic capital operating alone. But this desirable objective cannot be achieved, if the spirit of nationalism is allowed to create conditions unattractive to foreign investors.

Let us stop for a moment to examine the symptoms of this disease called "nationalism." First of all, we are

apt to find restrictive trade policies. Moderate tariffs have a legitimate function in providing governmental revenue, but high protective tariffs promote inefficient industries at home and are paid for indirectly by the consumers through higher prices. Moderate taxes, provided they are not discriminatory, may also serve a legitimate purpose in adding to governmental revenues. There is little, if any, justification, however, for import quotas which usually operate severely to restrict trade, and often drive it from customary channels into the hands of a favored few. The consumers are forced to pay higher prices for the controlled commodities, and the profits go to those whom the government permits to continue in business. If governments, manufacturers, and growers would only devote to the development of exports the same ingenuity and attention they frequently display in their endeavors to control imports, trade could expand, because the increased exports would provide the foreign currency necessary to pay for the imports which the people desire. An expanding trade will augment wealth, stimulate investment, increase employment, and add to governmental revenues. The restriction of imports will not.

Frequently, the spirit of nationalism is displayed by the introduction of exchange controls and various devices to affect adversely currency reserves. If foreign capital is to be attracted to a country, the currency must be stable and adequately secured. It must be surrounded by adequate safeguards to preserve confidence. In financial matters, particularly in questions of currency, confidence is a priceless asset which it is easy to lose and difficult to regain. Stability of currency, then, rests on confidence, and confidence rests on resources, sound trade policy, adequate reserves properly safeguarded, and, above all, trained men of integrity to manage them.

Another evidence of nationalism is the enactment of legislation which discriminates against foreign enterprises and investments. If foreign capital is to be attracted to a country, it must be guaranteed equality of opportunity. That does not mean special privilege for foreign capital; it means, instead, special privilege for no one, domestic or foreign. Foreign investors seek fair laws and regulations, impartially administered. This observation applies with equal force to legislation affecting trade, labor, taxation, industry, finance, and the professions.

Sometimes nationalism appears in the guise of government in business. Foreign capital is unlikely to enter a country if it realized that it must compete with government enterprises freed from taxation and other restrictions. In addition, a new nation that would attract foreign capital must see to it that its government enforces the sanctity of contracts and preserves the basic rights of private property.

Finally, I should like to place one more burden on your shoulders. I have already indicated some of the responsibilities which I believe you will have as citizens of this new republic. There is one other, the responsibility of a good citizen to be conversant with the current problems of his country, and to continue to be a student of them. Some of you may feel, when your college days are over, that your days of study are finished. You are wrong. To excel in your chosen profession, you must study and work unremittently; to be a good citizen, you must do the same. I trust that each of you will be on constant guard to preserve this free democracy which you have inherited, and safeguard it against the dangers of fascism, communism, nationalism, or any other *ism* that is contrary to the principles of freedom in which you and I believe. This country has great potentialities. It is offering you great opportunities. Preserve them, my friends; keep your land strong and free.

Extracts from the Speeches

at the Regional Trade Conference held under the auspices of the Chamber of Commerce of the Philippines

Mr. Gil J. Puyat

President, Chamber of Commerce of the Philippines

" I NOW make special mention of the theme of this conference. Aside from creating an ambient that will be more conducive to a mutually prosperous trade and commerce between the Philippines and the United States, the conference goes further and proposes the idea that the Philippines is the natural and logical center of United States trade in the Far East. It advances the proposition that a study be given to this proposal for various reasons. It conceives of the Philippines as occupying the same position in relation to Asia as that held by the Island Empire of Great Britain in relation to the continent of Europe. The Philippines has established its rightful claim as the Far Eastern bastion of Democracy. We have here a population of 18,000,000 people whose contemporary civilization has been influenced to a very high degree by the use of American products, by reading American books and literature, and by the study and practice of the democratic way of life. Without in the least disparaging the unhappy experience of some other countries, this is the one country in the Far East today that can say with justifiable pride and confidence that it has a government that can guaranty security to life and property. In the short space of three months, President Elpidio Quirino, through his humanity and understanding of the feelings of the masses, has established the basis for nation-wide peace and order. Unlike other countries that are going through the throes of inflation, indications point toward normalcy and stabilizing of conditions. . .

"There is another matter I would like to touch upon in these opening remarks. It is that, on my part and that of this Chamber, and I dare say this feeling is shared by the whole Filipino business community and by the vast majority of our population, we want to dissipate all feeling that may be harbored by foreigners now doing business here that this country has embarked on a program characterized by extreme nationalistic considerations. There is no such thing. Perhaps it is best to restate positions so that there may be no confusion of issues. There are in the Philippines today two distinct economic problems as these problems pertain to the Filipino businessmen. One is the desire of our government to increase our trade with the rest of the world. The other one is the natural ambition of Filipino businessmen to improve their position in the economic set-up in their own country. The approval of the Bell Act which gives to Americans equal rights in the development and exploitation of our natural and mineral resources and other privileges calculated to attract American capital into the Philippines, is a major attempt to meet the first. The Bell Act also aims to provide for a period of adjustment so that after 28 years the Philippines will no longer be solely dependent on the American market for its products. This naturally implies that during the 28 years that the Bell Act will be operative, we should take advantage of this period of readjustment to seek other markets and develop trade with other countries. The second problem is the one that is harder to understand and attempts to solve it have caused apprehension on the part of foreigners doing business in the Philippines. Before I proceed to discuss this particular subject, I would like to recall what President Quirino stated to the members of this Delegation when he received them upon their arrival in the Islands. His words were in substance

'that this country and this government must not be judged by isolated statements and expressions on the part of individuals and groups, but that this government and its people should be judged by the actions of the government.' With due respect to His Excellency, I would like to add that perhaps we should also be judged by our intentions. I think it will not be a mis-statement when I say that in no other country in the world are foreigners as welcome and accorded more consideration than in the Philippines. In fact it has been mentioned time and again that the Philippines is virtually a paradise for foreigners and this is not an empty statement. Where else could a foreigner go and discover in so short a time that he can sit at the best festive boards and find the doors of the best families open to him? Where else in the world could a foreigner go and in less time than it takes to say it, find himself definitely a vital part of the economic machinery moving the nation? . . .

"Perhaps what has given rise to the impression that we have become extremely nationalistic is due to the following: (1) in view of the second problem which involves the position of the Filipino businessmen in the economic life of the country, there is prevalent the feeling that their position must be improved. In the inauguration of this building last May, I had occasion to state that while it is our determination to make the Filipino businessmen ultimately dominant in the economic life of the country we aim to achieve this not by persecuting and prejudicing the interests of the friendly aliens doing business here but by galvanizing and marshalling our energies and our intellect. This, I say, has always been the policy of this Chamber and I am confident will be its policy in the future. The policy of our government runs along the same basic lines. To our minds, there is absolutely no conflict in interest in allowing foreigners to continue with their trade and commerce here as the cooperation of both nationals and foreigners is badly needed to hasten our economic development.

"However, when Filipino businessmen protest such regulations as were adopted by the OIT giving preference to pre-war importers, the reasons must be searched for as to why this opposition on the part of the Filipino businessmen. There exists in the Philippines today a problem which is peculiarly ours, which is not found in the United States or in China and in other countries. It is that our commerce and trade is preponderantly in the hands of foreigners and with the advent of independence, came the natural desire on the part of the Filipinos to increase their participation in the economic activities. This would be the natural and logical ambition of the Americans in America, of the Chinese in their own country, and of other nationals in their respective countries. It is also the ambition of the Filipinos. Is there anything wrong in this? It is perhaps in the manner of achieving this, where disquietude may prevail in the minds of foreign businessmen. Do we aim to eliminate the foreigners doing business in the country? I have answered this earlier in my remarks. I may be so bold as to state that this is also the feeling of our government. May I repeat something which I have stated in the past which is — that economic positions are not quantitative constants, but are movable positions which can be adjusted and that improving the position of one need not necessarily affect adversely the position of the others. If we now consider that the participation of Filipino busi-

nessmen in the commerce and trade of the country at the outbreak of the war was infinitesimal and that with the rules laid down by the OIT, which in effect mean *status quo*, how would the Filipino businessmen improve their position?...

"In implementing this particular idea, American capitalists and businessmen may well consider the idea of establishing branches and assembly plants in the Philippines. This would be a direct step in carrying to a fruition the theme of this conference. With regard to this invitation, may I submit for your consideration that in investing capital in the Philippines, the Filipinos would like to be considered as your partners. Perhaps, in the long run, this would be the ideal arrangement for the two peoples..."

Mr. Vicente Sabalvaro

General Manager, National Development Company

"I HAVE been assigned to discuss a Marshall Plan for the Philippines. Briefly, I would say that we need a modified Marshall Plan, a program of financial assistance minus the element of charity and material aid for the hungry of Europe. The Philippine aspiration in the Marshall Plan for Asia would be economic assistance on a loan basis to harness the industrial potential of this country in order that our standard of living may rise above the subsistence level and in a plane that would withstand the inroads of alien ideologies that thrive on misery and want..."

"The Philippines is the only area under the American flag that suffered severe damage during the last war. Enormous losses directly accountable to the military operations of the United States Army of liberation have left us prostrate and in ruins. The debris of war are still visible, pitiful signposts on our road to economic despair unless aid is given us and soon. To replace losses sustained during the war, there would be need for P9,837,350,488 by 1950 according to reliable statistics, or an aggregate of ten billion pesos. For war damages, the United States Government has allocated the sum of P1,240,000,000, a great portion of which will go for administration of the said office. On the other hand, the United States has provided Europe with something like 10.3.4 billion dollars in grants and credits since the end of the war."

"Francis H. Russel, writing in the Department of State Bulletin for November, 1947, outlined America's stake in Europe as the restoration of 'the economics of our best customers. We are underwriting their ability to continue mutually profitable trade relations with this country after 1951. We are lending our support to the building of a stable, prosperous world,' he said. We in the Philippines do not want as much. We want financial assistance on a payback basis and we think we have as much claim to American friendship. We have been America's best customers in the past but we are now relegated to a mere consumer position, unable to shift the balance of trade even to a basis of parity with the United States..."

"The United States seeks to preserve 'self-interest by helping preserve democracy in Europe,' according to Mr. Russel. 'We know that continued chaos and hopelessness ultimately lead to totalitarianism in one form or another.' The late President Roxas also said, 'We cannot deny the peoples of Europe need help, and urgently so. They need food and other necessities. But it is also undeniable that the needs of Europe are relatively less acute and less pressing than those of the peoples of this part of the world.' By this U.S. State Department stand, even Germany is sought to be rehabilitated, and paradoxically enough, the Philippines, a faithful ally in war and a friend in need, is not even given the same consideration as Japan and China, the economy of which is now the prime concern of SCAP and the United States..."

"Our pre-war economy was primarily agricultural. In order to step gradually to industrialization, the govern-

ment needs to pioneer in industries that private capital has refused to touch because of timidity or lack of means. We need millions of pesos, almost all we can muster, that can be invested in industrialization. Our aim is to raise the standard of living beyond the subsistence level and in some case to raise it to just the subsistence level. Without financial assistance from the United States, we face economic chaos and continued political instability..."

"To insure payment of loans, we have rich potentials in untapped mines and vast lands ready to yield the raw materials for production. At this time, various American oil companies are prepared to invest millions for oil exploitation and research. We have tried production of essential commodities, such as canned fish and meat, before the war. The beleaguered heroes of Bataan and Corregidor lived for weeks on Philippine processed canned goods. We have the man-power, the determination, the raw materials, and the planning that are crying for economic aid, not charity, not dole, but business loans on a government-to-government basis."

"We have need for capital equipment, short and long term loans, the know-how to develop our virgin resources. We are pledged to defend the ideal of the democratic way of life. We have proved this in combat. We ask only for American understanding and financial assistance on a basis of fair business practices. We feel that we have a right to expect American sympathy and understanding, the same understanding that she has not denied even to her enemies. With American assistance, we cannot fail..."

Hon. Idefonso Coscolluela

General Manager, Philippine Relief and Trade Rehabilitation Administration

"IT is very heartening to know that the United States of America was the chief sponsor of the International Trade Organization, but it is also quite discouraging to find that, while its major international trade policy is one for the encouragement of international economic collaboration, the reduction of trade barriers, and the elimination of economic policies which irritate and ultimately destroy world understanding and unity, certain of its implementing agencies, it seems, have actually contravened, for certain reasons, the fundamental policies and objectives established and accepted in the Havana Conference."

"I want to refer particularly, as an instance, to certain regulations of the Office of International Trade as they affect Filipino businessmen..."

"In spite, however, of these admissions of anachronism and of failure in maintaining the historical or traditional method of export licensing, the same Office of International Trade on May 18, 1948, issued Current Export Bulletin No. 457, revising — or, should I say reversing — the export licensing policy established under its Current Export Bulletin No. 431, making its provisions 'immediately applicable to all license applications submitted for the third calendar quarter of 1948 and subsequent quarters'; thus, causing more complications, difficulties, and confusion for importing governments and private enterprises to comply immediately with its requirements..."

"In this connection, gentlemen, I would like to quote from my letter, dated May 24, 1948, to His Excellency, the President of the Republic of the Philippines:

"...In this connection, it may be worthwhile to consider the nation's foreign trade from the perspective of Filipino merchants. While it is true that the nation is experiencing the biggest volume in its export and import activities, yet it is not very consoling to note the fact that in both cases the alien merchants maintain the upper hand. During the period from April 1 to December 31, 1947, of the total foreign trade of P1,192,474,725, the Americans handled P400,598,900 the Chinese nationals P399,610,057, and the Filipino traders P270,695,512."

"The above figures may not be so revealing to a casual observer. By breaking down these data, however, one could easily discern the reasons why the Chinese merchants can, in spite of any aggressive remedial laws calculated to improve the present retail trade situation

in favor of Filipinos, continue to maintain their hold on the same. Of the nation's total importation during the period under review of ₱746,817,790, ₱292,302,748 was consigned to Chinese traders, ₱209,112,600 passed through American entities, and only ₱175,388,120 came through Filipino concerns.

Under such unfavorable conditions as above illustrated, this Office cannot but entertain the belief that very insignificant progress can be achieved by the Philippine Government towards its attempt to give the Filipino merchants the chance to have a fair share of the local trade. We are inclined to believe also that unless stronger and more effective measures are instituted our plan to promote and rehabilitate trade and industry would be confronted with great and insurmountable difficulties. Only a reversion of the present situation could, in our opinion, bring about wider opportunities and enhance the chances of our retailers to loosen the alien's control of his particular activity. . .

"The Republic of the Philippines, politically speaking, is now on her own. In spite of the ravages and effects of the last war which brought about widespread misery and death to her people and the destruction of her economic, political, and financial systems, she has essayed in every respect to build up a new nation out of the ruins and ashes of the war, and in so doing, feels that she has deserved the plaudits of other nations. As a politically independent country, the Philippines has every right, not only to maintain her dignity and honor, but also to formulate her national policies, politically and economically. During the past forty or more years and up to the present, the Philippines has been confronted with the basic problems of controlling her domestic and foreign trade which, unfortunately, has ever been in the control of alien hands. This condition may be attributed probably to the failure on the part of the Filipinos to appreciate fully the value of their patrimonies in their country's natural resources, industry, and trade. As Filipinos, we have been quite negligent and indifferent in safeguarding our national interests, but I trust the time has now arrived when we should develop our national consciousness, realizing that no nation can ever hope to be great unless its people have worked seriously to deserve it. . .

"Everyone has probably observed that present world conditions, in spite of the establishment and operation of the United Nations, seem to be developing new economic and political policies which are more inclined towards the restoration of nationalistic policies and attitudes. This can be seen by the adoption by most countries of economic controls, especially exchange, tariff, and trade controls. Of course, this trend, I believe, is caused more by economic necessity rather than by political expediency. These nations cannot be blamed for adopting such policies and attitudes because world conditions today still demand the preservation of national self-interest, especially economic interest; and the Philippines is no exception to the rule. Now that the Republic of the Philippines is an independent nation, she will see to it that her interests also are no longer jeopardized by alien encroachment. The Republic of the Philippines will always cooperate with other governments, but she would like to see to it that she also gets their cooperation in turn. As the Chamber of Commerce of the Philippines stated editorially in its *PHILIPPINE COMMERCE* magazine of May, 1948:

"The primordial concern of the Philippines to establish an economy commensurate with its status as an independent Republic has not, it seems, met with the united sympathy and support of all who desire to see it a peaceful and progressive country.

"Adventitious interests which had rooted while the country was still a dependency of the United States, feel reluctant to yield to changes precisely to transform its economic system from that of a colony to an independent state."

"But I trust that other peoples will realize that, if ever we have adopted certain policies or measures which may affect their interests, it is because we do not want as a nation to subserve our interests to those of others. As His Excellency, President Elpidio Quirino, stated in his July 4th address,

"The system of effective control we have established over exports and imports seeks to facilitate our economic recovery and balance our payments abroad as well as to regulate our foreign trade in furtherance of our economic rehabilitation."

"These objectives, we trust our friends from the stateside will accept with understanding and tolerance, and I

hope that, under the Parity Amendment to our Constitution, American businessmen will find in the Philippines not only unlimited opportunities for investment and business expansion but at the same time find among our people business friends and associates ever willing to cooperate towards the attainment of a peaceful and economically progressive world."

Mr. H. A. McConnell Humphreys & McConnell

"After hearing Mr. Coscolluela speak yesterday on this same subject matter, I find myself in partial agreement with him on many points, particularly with reference to his remarks on OIT Bulletin 431.

"I shall not go into the long history of the changes in the regulations during the last three years. Suffice it to say that a gradual relaxation in controls by our Government was apparent until last fall, when there were only 300 items left on the Positive List, compared with 3,000 during the war. . .

"We now have approximately 400 commodities on the Positive List. These commodities still include, in general: meat products, fats and oils, grains, fibers and manufactures, lumber and logs, coal and petroleum products, steel mill products, goods made of copper, brass, tin, and so forth, certain electrical and industrial machinery, paints, chemicals and pharmaceuticals, fertilizers, and soaps.

"Now — on what criterion are licenses granted?"

"Prior to the introduction of the well-known bulletin 431, approval was largely on the basis of historical participation in trade, which discriminated against new concerns. In January, however, in conformity with the Anti-inflation Bill passed by Congress at the end of 1947, the OIT issued a new order to the effect that licenses would be granted on the basis of the lowest price, in a further effort to help foreign countries conserve dollars.

"And there you have a rough outline of the present form of export control in the United States and the basic reason some critical goods are not getting to you as fast as you have need of them. Since we are concerned with Philippine-American trade here today, let us see how these controls have affected you.

"Flour and grains, fuels, and metals comprise about 90% of the total value of controlled trade in the United States; 24% of total 1947 exports from the United States consisted of goods which were controlled.

"Principal Philippine imports last year consisted of cotton goods, grain products, rayon piece goods, automobiles, iron and steel, tobacco, dairy products, paper, and mineral oils, in all amounting to some ₱872,000,000. Only five of those nine general classifications were subject to export control.

"The Department of Commerce has put out some interesting statistics on controlled and uncontrolled exports for the fourth quarter of 1947 grouped by areas. From this we can see that the Philippines and the Far East as a whole had more freedom from United States export control than had Western Europe. For example, 57% of the value of food products exported to the Far East were controlled, while 69% of food for Europe was controlled; 12-1 2% of wood and paper products exported to the Far East were controlled, while 43% of those to Europe were controlled; 33% of metals and manufactures for the Far East were controlled and 42% of those to Europe. . .

"However, controls in one country beget controls in other countries with the resulting effect that world trade becomes disrupted. Unfortunately the Philippines recently have had to succumb to this world situation.

"As I understand the bills passed by the Philippine Congress, an Import Control Board will be set up to establish a system of priority imports in order to channel dollars into purchases of commodities essential and vital to rehabilitation.

"The chief purpose of the measure is to restrict the flow of non-essential or luxury imports, and thereby establish a favorable balance of trade. Additionally, the bill will regulate imports in competition with native products. By allocating quotas among imports, the government will be able to control monopolistic trade practices, and encourage commercial endeavor by native Filipinos...

"I am not going to argue against the bill on the grounds that it could be enforced in a fashion discriminatory to foreign business. Obviously, that is your privilege, and it will be up to foreign interests to cooperate to the fullest extent in the enforcement of the law when finally enacted.

"As a trader, the point I should like to make is against all forms of trade control, necessary though they may be. Government administration has seldom helped any economic problem, instead it creates new problems. For the long pull... efficient administration of such a vast field as foreign trade is impossible..."

Mr. William P. Fuller Brawner
*President, San Francisco Chamber of Commerce,
and head of the American Trade Delegation*

"WHEN I make comparison as to the progress you have made compared with the many difficulties we have had in the United States in putting up new factories, a new hotel, a new office building, the length of time to get the materials needed and do the job, and seeing over here the much more difficult conditions and the progress you have made, it has really been amazing to us. It must have been done by your determination, your inspiration, and your great desire to become a leading power in the Pacific. Having seen this fine work that you have done and having received such a friendly reception has only serve to increase our desire to help in some way to do something in this conference which will start to improve conditions here and in the United States as well.

"And so I think it quite proper to reiterate the purpose of our visit and in doing so it is somewhat a repetition of what Mr. Puyat said, because as far as the purpose is concerned we see eye to eye with you. Our purpose is to further develop the already friendly relationship now existing between the two nations and the people thereof. To develop a plan by which the United States and the Philippine Republic can work together to restore good trade conditions, prosperity, and peace in the whole Pacific area. It is to find the best ways and means to aid in strengthening the Philippine Republic economically and to establish the best possible trade relation between the Philippine Republic and the United States...

"This is the mutual interest of the two countries and to enhance it is carrying out the tradition established between 1898 and independence. Today the opportunity is here and I would feel that I had not been fair to you if I should leave this conference and leave you with any feeling that merely because we met with you and talked to you that we agreed with everything you said and that your problem will immediately be solved. That would be shortsighted, that would be unfair. And I am sure from having talked with a good many of you that, too, you would much rather have me and all of us tell you frankly and tell you now if there are some differences of opinion between us, some things that we think might be beneficial which are not yet being done. And so I hope you will bear with me and with the rest of our delegates if we from time to time during this meeting say things which may not exactly please you, which may seem perhaps a little harsh, which may suggest to you that we are thinking of our own business problems rather than yours..."

"Now, during our meetings we will have some discussion of various matters some of which I think are non-controversial, such as the advantage of a free port. We will talk about that; the importance of educational activities, the desirability of having a tourist trade, and matters of that kind; the importance again of reciprocal trade, two-way

trade, we all understand all those things. The one problem that has not clarified itself in my mind and which I would like to do a little talking about to see if we cannot look at the problem from different angles, is the keynote to the whole situation.

"In order to accomplish [your aims] it is desirable to have American capital and American know-how come into the Philippines in greater quantity. President Quirino expressed himself in practically those words. Having been here and looking around us, we feel that it is important to have this capital and American know-how come in here, not next year or five years from now, but today. If the Philippines is going to take this important position in the Pacific area, it should do it now. Now is its opportunity; no other country in the Pacific, as Mr. Puyat said, has anything like the natural opportunities that the Philippines has. So the move must be made quickly and carefully and must be made now.

"All right, one word then about this American capital and American know-how. Just because you or any of us say we want American capital, we need capital, just because you feel that way, that will not bring American capital. You say, 'Well, we are fair about our legislation. We are doing a few things to protect our nationals.' That is fine. That is within your right to do, and more than that, I'll say that you are not doing anything unfair or unreasonable or objectionable. I think you are right, sound, in trying to put your own people in stronger economic position.

"But what about this American capital? It is not coming here now! Why? What good is it for you to say, 'We are fair in our legislation, we are fair in our attitude.' That is not bringing American capital, which is the thing you want.

"If I could only get you, all of you, to come to the United States and see what happens there with American capital, how it moves from place to place. If my business in San Francisco says: 'I need more money', I don't get anymore money. People don't rush to me with money. If I said, 'I am fair, I am a nice fellow; doing the best I can for the country,' nobody would give me a cent. I have got to go out and demonstrate to people who have the money in the United States that I not only need the money badly, but that I know how to handle it and put it to good use. And in all probability, if I want to borrow, the man who will loan it to me will say: 'All right, my friend, I will loan you a million dollars, I will invest a million dollars in your company, but I want to know how it is going to be handled. I want to have an opportunity to say how to run the business if my money is going to be in it...'

"Now, let me take you to San Francisco for just a moment. You, here, have given us, given me, the feeling that you are a little bit concerned about a big American company coming here, that it will take away the business from you, that it will put you out of business. All right, in San Francisco, a few years ago, we had an opportunity to get an assembly plant from the Ford Motor Company; also in Los Angeles. They put two plants in California. We did everything we could to get them to come there. We were not afraid that they were going to put us out of business. We did not tell them to hire San Francisco employees. We did not tell them to hire our engineers. We told them to come out there and we would give them lower taxes. We went down on our knees and begged them, and they came. Now, what happened? They put in an assembly plant. They brought in their own men. They did not use our people in San Francisco. We did not know about it. We did not know how to build automobiles. They insisted on bringing their own experts to California to build the plant, to operate the plant. But did that do us any harm there? Well, I should say not.

"Today the Ford Company is buying \$75,000,000 of supplies in California. Everybody in California has

(Continued on page 269)

The Business View

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

Office of the President

From an Official Source

JUNE 2 — The Government's policy on trade with Japan will be formulated on the basis of the findings of a committee created by the Department of Commerce and Industry which will shortly hold hearings, according to Secretary P. L. Mapa. The committee is composed of Acting Undersecretary F. Cosio, Director S. Mendinueto of the Bureau of Commerce, and Dr. A. Dalisay of the Department of Foreign Affairs.

President Elpidio Quirino authorizes Secretary of National Defense R. Kangleon to appeal to employers to guarantee to their employees who may be called for military training next month, their positions and pay.

June 4 — Ramon Avanceña, retired Chief Justice, has accepted the invitation of the President to become a member of the Council of State. The Council is presided over by the President and is composed of the members of the Cabinet, leaders of both Houses of Congress, and a number of prominent private citizens, — at present three: former President Sergio Osmeña, former Speaker Jose Yulo, and now former Chief Justice Avanceña. It is the country's highest advisory body and meets upon summons of the President.

June 5 — Acting Secretary of Finance C. Llamado announces that the so-called Guingona notes, — around P4,000,000 worth of Philippine National Bank bills, which fell into the hands of unauthorized persons during the war, will, along with the PNB notes illegally issued by the Japanese, not be redeemed.

"For the present, the notes illegally issued by the Japanese as well as the notes buried in Mindanao by the then Commissioner Teopisto Guingona but which were later dug up and circulated by the Moros, will only be registered but not redeemed. All other PNB notes will be redeemed with Treasury certificates".

It is stated that P31,170,000 of the notes were taken to Corregidor from the National Treasury, and all have been properly accounted for except the P4,000,000 referred to. The notes illegally circulated by the Japanese amount to P7,410,000. The notes to be redeemed under the new Redemption Law amount to P31,170,000. The Government has P12,000,000 in reserve for this purpose, but this is considered sufficient as it is believed many of the notes were destroyed or lost. Depending upon the total amount redeemed, Congress is expected to decide later what to do about the Japanese-issued and the Guingona notes.

Director Mendinueto reminds the public that the Chinese Government has banned as of January 1 of this year the importation of private automobiles in conformity with the "austerity program". However, cars for the diplomatic and consular personnel of foreign nations are permitted entry.

June 7 — The President issues a proclamation calling Congress in special session for a period of 10 days beginning June 14 for the purpose "of considering bills on social security insurance, capital site, revision of the banking laws, and such other urgent legislation as the President may submit to it."

June 8 — The Philippine Alien Property Administration turns over to the Philippine Government 29 parcels of residential and agricultural land valued at P500,000, and P413,640 in Philippine National Bank notes.

June 9 — Commissioner Pio Pedrosa, Chairman of the Reparations Advisory Committee, announces that machine tools and other metal-working equipment so far received as reparations from Japan, consisting of 3,016 units, are available for allocation to government and private entities. Catalogs of the tools and equipment have been sent to various bureaus and chambers of commerce in Manila. Preferences in allocation will be given to pre-war owners of machine tools. When allocated, they may not be sold or transferred without the knowledge and consent of the Committee.

June 10 — The President reveals that the conclusions of the Philippine Oil Commission were the following: (1) There is oil in the Philippines; (2) the Government lacks the funds and the technical know-how to exploit the oil resources; (3) outsiders have to be allowed to participate in the exploration and exploitation; (4) no monopolies should be granted; (6) groups should be allowed to explore such areas as are commensurate with their financial and technical capacities.

June 15 — Announced, following a meeting of the Council of State, that only some 6,000,000 hectares of natural oil lands have been applied for by different oil exploitation firms, and that the Oil Commission will continue to welcome applications for the remaining 9,000,000 hectares. President Quirino states that no commitments have as yet been made by the Government or the Oil Commission, and that "acceptable applications will have to be ratified after the Congress has passed legislation defining the terms of contract to be entered into between the Government and the applicants". It is revealed that Ambassador J. M. Elizalde has made inquiries regarding the oil policy of the Government, which is taken as meaning that other oil groups in the United States are interested.

June 16 — Commissioner Pedrosa, President of the Manila Railroad Company, following a meeting of the board of directors, announces that the improvement of the rail and bus service in the Bicol region was discussed. "The aim of the Company is to operate fully all of its pre-war lines and extend its services to the Cagayan Valley."

June 18 — The Cabinet approves the immediate construction of a P230,000 building in the Port Area, Manila, to house stores, restaurants, and night clubs now scattered along the waterfront. An extension from June 30 to the end of September was given to the owners of present establishment there to remove their constructions.

June 19 — The President issues an executive order authorizing the collection from students in public and private schools of sums from 5 to 20 centavos during the period from June 19 to December 30, dates respectively of Rizal's birth and death, to defray the cost of converting into national shrines the house occupied by the hero in Calamba, Laguna, and Dapitan Park in Zamboanga, which he started. Contributions are to be voluntary.

June 21 — The President issues a proclamation declaring June 19, birthday of Jose Rizal, Filipino Youth Day, and also issues an executive order authorizing the collection of voluntary contributions with which to undertake

the repair or reconstruction of the Rizal house in Calamba, Laguna, and of Dapitan Park in Zamboanga.

June 21 — The President issues a proclamation granting amnesty to the leaders and members of the Hukbalahap and the PKM (National Peasants Union).

June 23 — The President, following a meeting of the Cabinet which considered the question, issues a statement declaring that the Council has adopted a policy under which any qualified interested party may be granted the right to explore and develop the mineral oil resources of the country for a period of 25 years, renewable for another 25 years, the area in each case for exploration to be limited to 1,000,000 hectares, and for exploitation to 500,000 hectares.

"In view of the importance of this question and the lack of time to have it considered at this special session of the Congress, it has been deemed necessary to implement this policy with the necessary legislation at the next regular session of the Congress. It has been deemed necessary to adopt this policy because the Government is not prepared to exploit its oil resources for the time being. In the mean time, companies or persons who may be interested in the exploration and exploitation of our oil resources may submit their proposals to the Department of Agriculture and Natural Resources or the Philippine Oil Commission."

According to the same press release:

"The Philippines has about 15,000,000 hectares of oil land, of which about 5,000,000 hectares are believed potentially commercial fields, the pending application of the Standard Vacuum Oil Company involves an area of 5,585,600 hectares in more than 10 provinces. The Philippine Oil Development Company, the only company actually engaged in the exploration of Philippine oil resources, has under lease about 19,000 hectares and has applied for an additional 470,000 hectares."

June 25 — The President issues a proclamation extending by one day (June 25) the period of the special session of the Congress.

June 26 — About a thousand Manila side-walk vendors call at Malacañan, with placards claiming they represent some 35,000 vendors, and present a petition asking they be allowed to continue to do business in the streets. The President tells them the city officials are the proper authorities for them to approach.

The Government Enterprises Council, presided over by President Quirino, disapproves a recommendation of the Surplus Property Investigation Committee to suspend sales of surplus goods during the period of investigation. Commissioner Arsenio Luz reported that the net income from the sales has been continuously declining and that from January, 1946, to December, 1947, the Surplus Property Commission has sold surplus goods, originally worth ₱189,000,000, at a gross profit of ₱35,850,000, while from January to May, 1948, the Commission sold goods worth ₱98,700,000, deriving therefrom in gross proceeds ₱5,572,000. During the latter period, administration expenses amounted to ₱3,100,000, leaving a net recovery of ₱2,400,000. During the first two years the Commission realized a net recovery of 14.3%, while this amounted to only 2.4% during the January to May, 1948, period.

The Government Enterprises Council authorizes the release of ₱700,000 to the National Cooperatives and Small Business Corporation as working capital. With respect to the financing of the National Rice and Corn Corporation, the Council held that the Philippine National Bank might continue to extend loans to the Corporation.

June 27 — The President holds a meeting with Congressman Taruc, Huk head, Judge Antonio Quirino, Brig. Gen. Mariano Castañeda, and Col. Alberto Ramos, Chief and Chief-of-Staff, respectively, of the Constabulary, with respect to the surrender of the various Huk units, making General Castañeda responsible for the "safe and orderly

reception of the erstwhile dissidents". Judge Quirino will continue with his liaison work. Announced that the sum of ₱4,000,000 provided the President in the budget for the establishment of peace and order will be used by him to carry out a program of social amelioration and to assist in bringing back under cultivation some 40% of the ricelands in Nueva Ecija and smaller proportions of the land in some other provinces which have long lain idle.

June 29 — Announced that the Cabinet has decided to prohibit the export of copper, brass, and lead, effective immediately, because of the widespread stealing of telephone and telegraph wires which it is believed are being converted into ingots for shipment abroad.

Banking and Finance

By C. R. LEABER

Manager, National City Bank of New York

MONEY in circulation increased ₱14,000,000 between April 30 and the end of May, from ₱784,771,000 to ₱798,775,000. Acceleration of war damage payments during May was a major contributing factor to this expansion in the currency. A continuation of the trend may be expected to ease term money rates which have been firmer for the past several months. Cash remains tight, especially in the provinces. Inventories in some lines are still on the heavy side, but the situation will probably be alleviated over the coming months by a resumption of copra shipments in larger volume. Exports in May and June were disappointingly small. Business generally is inclined to be slow, but a slight pick-up during the first two weeks in June was noticeable. Sentiment seemed to improve, which is always an encouraging sign.

The Central Bank Bill was signed by President Quirino and is now law. The Central Bank will begin business upon organization of the Monetary Board and certification by the Secretary of Finance that the authorized capital of the Bank has been fully paid in and that the Bank is ready for operation.

Composite figures of assets and liabilities for all Manila banks have not been issued by the Bureau of Banking since May 1.

Comparative figures are as follows:

Loans, Discounts, and Advances (monthly averages)		
(000 Omitted)		
*May 1, 1948	**April 1948	May, 1947
₱374,906	₱370,044	₱296,556
Total Bank Resources (Monthly averages)		
(000 omitted)		
*May 1, 1948	**April, 1948	May, 1947
₱888,616	₱871,156	₱762,847
Bank Deposits (monthly averages)—(Public funds not included)		
(000 omitted)		
*May 1, 1948	**April, 1948	May, 1947
₱436,001	₱421,433	₱370,030
Debits to Individual Accounts (monthly averages)		
(000 omitted)		
*May 1, 1948	**April, 1948	May, 1947
₱101,864	₱121,468	₱110,410
Circulation		
(000 omitted)		
*May 31, 1948	April 30, 1948	May 31, 1947
₱798,775	₱784,771	₱714,969

** Corrected figures.

* These figures are for the week ending May 1 only, and are not monthly averages. They will be corrected to monthly averages next month.

Manila Stock Market

May 15 to June 17, 1948

By A. C. HALL
A. C. Hall & Company

MINING SHARES

AN easier trend developed until the end of May, by which time prices had again receded into the area of the year's lows. Activity tended to dry up as the decline proceeded, thereby indicating lack of selling pressure.

As on previous occasions, the market again has displayed ability to rebound from this level, and the rally since early June has recovered earlier losses.

Individual issues were mixed. Atok-Big Wedge and Mindanao Mother Lode were the principal losers on the decline, with the latter issue off as much as 21 points at one time under some distressed liquidation in an empty market. Lepanto Consolidated has been independently strong throughout the period, while Acoje and Surigao have also been better than average performers.

Examination of the price-pattern around the year's lows, shows every indication that the secondary decline which set in shortly after the New Year has terminated, and the market is now in the process of resuming the major uptrend.

The changed outlook reflects an improving financial foundation, also discounts better news in the months to come from the mining companies.

	HIGH	LOW	CLOSE	CHANGE	TOTAL SALES
Manila Stock Exchange Average	104 60	94 60	103 47	Off .53	
Acoje Mining Co.	355	32	35	Off .03	350,000
Antamok Goldfields	.025	.025	.025a	Unchanged	100,000
Atok-Big Wedge Mining Co.	.79	.70	.72	Off .08	133,250
Baguio Gold Mining Co.	.04	.04	.04b	—	145,000
Batong Buhay Gold Mines, Inc.	.006	.0058	.0058	Off .0002	1,100,000
Coco Grove, Inc.	.023	.023	.023	—	50,000
Consolidated Mines, Inc.	.0135	.0125	.013	Unchanged	7,590,000
Itoon Mining Co.	.07	.07	.07	Up .005	50,000
I.X.L. Mining Co.	.0725	.06	.07a	—	115,000
Lepanto Consolidated	.79	.65	.79	Up .10	599,000
Masbate Consolidated	.04	.04	.04	Unchanged	55,000
Mindanao Mother Lode Mines	.90	.69	.81	Off .08	418,000
Paracale Gumaus Cons.	.10	.10	.10b	—	55,000
Suyoc Consolidated Mining Co.	.03	.03	.03	—	20,000
San Mauricio Mining Co.	.185	.175	.185	Up .01	135,500
Surigao Consolidated	.36	.30	.36	Up .04	475,000
United Paracale Mining Co.	.08	.0775	.0775	Off .0025	60,000

In addition to the foregoing, unlisted mining issues traded as follows: Antipolo Mining, small business at 18 and 20 centavos; Balatoc, 4,000 shares at ₱3.50; Benguet Consolidated, 16,000 shares from ₱4.15 to ₱3.80; Misamis Chromite, 166,000 shares from 22 to 27 centavos.

COMMERCIAL AND INDUSTRIAL

The feature of this section has been renewed activity in Philippine Oil Development shares which have responded to reports that the Company will be granted additional leases by the Government. San Miguel advanced on reports of higher earnings this year as compared to last.

	HIGH	LOW	CLOSE	CHANGE	TOTAL SALES
Bank of the Philippine Islands	₱56.00	₱56.00	₱56.00	Off ₱4.00	51
Central Azucarera de Bais	500.00	500.00	500.00	Off 35.00	4
Central Azucarera de la Carlota	105.00	105.00	105.00	Unchanged	65
China Banking Corporation	173.00	173.00	170.00b	—	20
Marsman and Co. Pfd.	.40	.40	.40	—	10,000
Peoples Bank and Trust Co.	55.00	55.00	55.00	—	148
Philippine Oil Development Co.	245	175	23	Up .045	1,703,235
Philippine Racing Club	1.30	1.20	1.20	Off .10	31,500
San Miguel Brewery	74.00	66.00	74.00	Up 4.00	3,377
Victorias Milling Co., Inc.	120.00	120.00	120.00	Unchanged	334
Williams Equipment Co. Pfd.	—	—	95.00a	—	—
Williams Equipment Co. Com.	9.50	9.50	9.50	Off .50	1,600

In addition to the foregoing, unlisted Commercial were traded as follows: Jai Alai, 1,900 shares at ₱22, and Manila Jockey Club, 11,300 shares at ₱2.26.

American Stock and Commodity Markets

May 27 to June 26, 1948

By ROY EWING

Swan, Culbertson & Fritz

FOR the past month, the New York stock market has been firm, but lacking the aggressive strength it demonstrated in May. The period under review opened with the Dow Jones Industrial Average at 190.97 and advanced steadily to a new high since August, 1946, of 193.16 on June 15. Moderate declines followed, sending the senior average back to 190.00 at present writing. The Rail Average, on the other hand, which lagged in late May and early June, broke into new high ground on June 23 and is now 62.82.

Oils continued to be an outstanding feature of the market, and again recorded all time highs, reflecting additional highly favorable reports as, for example, Standard Oil of New Jersey's indicated earnings for this year of \$16 a share. Other industrials which were favored included motors, chemicals, and aircrafts. Continued satisfactory earnings and dividend reports aided buying sentiment, and practically all business indices supported the optimism of the market. Overall profits exceeded last year records, United States employment now at record levels was still on the increase, retail sales are considerably up from last year, and many industries' backlogs were building up faster than they could produce. A factor in the recent weakness has been the collapse of negotiations between management and labor in the soft-coal dispute and the possibility of generally worsening labor relations.

According to the Dow Theory, the present decline is neither surprising nor disturbing, and will probably turn out to be only a normal secondary correction. The current bull move started in the middle of March with the Industrial Average at approximately 165 and the Rails around 49. A secondary reaction is to be expected after a move of this size and duration, and some traders are of the opinion that buying should be deferred until a correction occurs. At present writing, it appears that these will be rewarded for their patience by a buying-spot possibly around the 180-185 level.

All commodities moved in a narrow range, nothing spectacular either way. In general, all were adversely affected by the House of Representatives' cut of the European Recovery Program funds. New York spot cotton sold at a high for the period of 39.13 on June 2, but closed at 37.28. Favorable crop news and the disappointing export demand were somewhat offset by the prospects of loans to Japan to buy cotton. Chicago wheat (July) declined from a high of 235-3 4 on May 28 to a low of 227-1/4 on June 14, and then rallied to close at 230-3 8. Buying by various government agencies for export supplies, offset predictions of another bumper wheat crop. Dryness in the maize belt made corn somewhat stronger; the low for July was on May 27 at 214-1 8, the high on June 22 at 223-1 4.

Credit

By W. J. NICHOLS

Treasurer, General Electric (P.I.) Inc.

THE trend of increasing capital lockup in accounts receivable, reported by wholesaling firms during the month of June, was due in part to continued demands from retailers for more favorable credit terms. The situation does not appear to be disturbing and is considered by some credit managers as merely a sign of return to normal conditions. However, business men engaged in credit and collection work are continuing to examine carefully all delinquent accounts. Several instances were reported in which further shipments to customers have been held up for non-payment of overdue bills.

One problem which continues to occupy the attention of credit managers to some extent is the settlement of pre-war debts. The liquidation of these old accounts has been delayed by the debt moratorium and by the loss of records and accounts during the Japanese occupation. Several firms report that although their larger accounts with pre-war customers have been settled by mutual agreement and compromise, a considerable number of receivables on their books at the outbreak of the war still remain open. It is quite likely that the majority of these debts will never be fully paid up.

Demand for installment plan financing continues to increase. Although restricted at first largely to the metropolitan area of Manila, this form of financing is gradually spreading throughout the provinces. It is believed that with larger supplies of merchandise on hand and more active competition, wholesalers are finding it necessary to accept installment contracts.

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Treasurer, Manila Electric Company

1941 Average — 15,316,000 KWH

	1948	1947
January.....	27,301,000	17,543,000 K
February.....	26,021,000	17,503,000 L
March.....	26,951,000	20,140,000 I
April.....	26,871,000	19,601,000 O
May.....	28,294,000 *	19,241,000 W
June.....	28,950,000 **	17,898,000 A
July.....		22,593,000 T
August.....		23,358,000 T
September.....		23,122,000
October.....		24,755,000 H
November.....		24,502,000 O
December.....		25,725,000 U
		R
Total.....		255,981,000 S

* Revised

** Partially estimated

A continued sharp increase in output was recorded in June despite it being a 30-day month. The daily output record set in May became the average for June.

The increase in June over May was 656,000 KWH (2%), and the increase over June, 1947, was 11,052,000 KWH (61.7%).

It should be noted that output is now nearly double that of 1941 (189%), and nearly triple the output in June, 1946.

Real Estate

By C. M. HOSKINS

(Of C. M. Hoskins & Company, Realtors)

THE months of May and June showed considerable real estate activity, several large properties having changed hands, with the usual volume of smaller units.

The war-damaged University Club Building on Dewey Boulevard and San Luis was sold for P450,000 to a Filipino investor who has already begun rehabilitation of the property. The historic Botica Boie property on the Escolta was sold to J. M. Tuason & Company for P1,020,000. It

is reported that the sellers will use the proceeds to build on their 2,000-meter lot across the street, meanwhile continuing to occupy the old property. J. M. Tuason & Company also bought for P640,000 from the Philippine Alien Property Administration the old Mori Bicycle store site on Rizal Avenue and Soler Street. The large Geo. H. Fairchild property in Pasay was sold to a Negro planter, Don Benjamin Jalandoni, at a reported P530,000.

COMPARATIVE STATEMENT OF REAL ESTATE SALES IN MANILA

Prepared by the Bureau of the Census and Statistics

Note: A large percentage of 1945 sales and a diminishing percentage of 1946 sales, represent Japanese Occupation transactions not recorded until after liberation.

	1940	1941	1945	1946	1947	1948
January.....	P 6,004,145	P 962,970	P 7,943,605	P 4,385,011	P 6,030,012	P 3,644,734
February.....	918,873	779,783	1,337,830	2,267,151	7,217,317	3,879,633
March.....	1,415,246	1,532,104	(?)	2,622,190	7,166,866	4,243,719
April.....	883,207	988,380	213,262	1,916,293	8,611,076	5,021,023
May.....	403,866	1,129,736	962,008	3,684,937	4,618,181	3,129,779
June.....	542,187	598,431	1,212,780	3,637,956	3,988,560	
July.....	1,324,861	559,742	1,123,565	4,974,862	4,097,183	
August.....	1,905,828	1,239,414	699,740	4,438,510	5,627,572	
September.....	1,141,114	815,112	1,870,670	4,698,896	7,437,213	
October.....	993,103	1,182,678	2,096,893	5,545,800	6,083,486	
November.....	938,416	(?)	2,555,472	3,340,382	4,177,054	
December.....	1,504,004		2,874,408	4,025,292	3,205,584	
TOTAL.....	P17,974,844	P10,647,285	P22,890,133	P45,537,914	P68,260,104	P19,918,908

BUILDING CONSTRUCTION IN MANILA: 1936 TO 1948

MONTH	1936 (Value)	1937 (Value)	1938 (Value)	1939 (Value)	1940 (Value)	1941 (Value)	1945 (Value)	1946 (Value)	1947 (Value)	1948 (Value)
January	₱540,030	₱426,230	₱694,180	₱463,430	₱1,124,550	₱891,140	₱ —	₱1,662,245	₱3,645,970	₱6,571,660
February	720,110	479,810	434,930	1,063,050	1,025,920	467,790	—	2,509,170	3,270,150	6,827,005
March	411,680	396,890	1,300,650	662,840	671,120	641,040	—	3,040,010	3,398,910	7,498,560
April	735,220	659,680	770,130	1,029,310	962,420	408,640	462,020	3,125,180	8,295,640	7,370,292
May	400,220	670,350	1,063,570	1,139,560	740,510	335,210	1,496,700	3,968,460	5,564,870	
June	827,130	459,360	754,180	809,670	542,730	418,700	2,444,070	3,904,450	5,898,580	
July	302,340	691,190	756,810	495,910	357,680	609,920	1,741,320	3,062,640	9,875,435	
August	368,260	827,660	627,790	622,050	661,860	306,680	1,418,360	4,889,640	7,428,260	
September	393,100	777,690	684,590	554,570	590,380	53,0830	1,015,250	7,326,570	7,770,310	
October	363,120	971,780	718,190	645,310	738,700	699,040	639,030	4,630,550	6,747,240	
November	460,720	320,890	972,310	461,580	485,100	315,930	1,364,310	4,373,390	7,088,283	
December	648,828	849,160	503,230	1,105,970	333,490	67,553	1,605,090	5,034,600	4,924,320	
TOTAL	6,170,750	7,530,690	9,280,560	9,053,250	8,234,460	5,692,273	12,186,150	47,526,905	73,907,248	
Annual Average	514,229	627,557	773,380	754,438	686,205	474,356	1,015,513	3,960,575	6,158,937	

Compiled by the Bureau of the Census and Statistics from data supplied by the City Engineer's Office.

Subdivision activity continued at a high level. A sizeable subdivision in Santa Mesa, containing 110 residential lots, was practically sold out within a month of its first offering, at a sales total of approximately ₱1,500,000.

Mortgage funds continue abundant at 6% to 7% interest, with insurance companies taking a growing participation of mortgage offerings, although the Reconstruction

Finance Corporation is still absorbing the lion's share.

An ancient Manila landmark, the old Civil Hospital on Azcarraga Street, which later became La Minerva Cigar Factory and S. M. Berger & Company offices, was finally demolished completely in June, to give way to a 3-story, million-peso private business college now under construction there.

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Ocean Shipping

By F. M. GISPERT

Secretary, Associated Steamship Lines

EXPORTS still show a steady increase as compared to 1947. During May of this year 93 vessels called at the Islands and lifted 159,065 tons, as against 71 vessels and 108,697 tons for May last year. Notable increases, of course, were in sugar and lumber, which did not move at all last year.

Effects of the 15% increase in freight rates to the United States have not been felt yet, but it is generally believed that the increase will be absorbed and will not affect the volume of business.

Exports for May of this year, as compared with May, 1947, are:

	1948	1947
Cigars.....	39 tons	3 tons
Desiccated Coconut.....	7,849 "	3,437 "
Coconut Oil.....	2,108 "	717 "
Copra.....	47,328 "	66,821 "
Copra Cake.....	4,309 "	3,267 "
Hemp.....	87,042 bales	100,852 bales
Logs and Lumber.....	1,779,855 board feet	—
Ores.....	20,587 tons	15,861 tons
Rope.....	554 tons	109 tons
Sugar.....	22,516 tons	—
Tobacco.....	653 tons	223 tons

FOREIGN TRADE OF THE PHILIPPINES FOR THE FIRST QUARTER OF 1948, BY NATIONALITIES

By the Bureau of the Census and Statistics

Nationality	Total Trade (Pesos)	Imports (Pesos)	Exports (Pesos)
TOTAL	517,184,894	324,927,550	192,257,344
American.....	180,581,484	85,823,682	94,757,802
Chinese.....	178,618,767	142,615,446	36,003,321
Filipino.....	109,117,518	67,988,566	41,128,952
British.....	18,459,667	10,873,834	7,585,833
Spanish.....	10,742,017	2,224,710	8,517,307
Swiss.....	7,673,507	7,609,672	63,835
Syrian.....	2,997,413	2,894,050	103,363
British-Indian.....	2,669,596	2,622,466	47,130
Dutch.....	2,665,496	59,692	2,605,804
French.....	1,345,767	622,170	723,597
Panamanian.....	915,968	915,968	—
German.....	574,127	53,568	520,559
Swedish.....	233,010	233,010	—
Argentinian.....	227,979	159,594	68,385
Siamese.....	121,202	—	121,202
Turkish.....	89,122	89,122	—
Armenian.....	61,560	59,960	1,600
Italian.....	18,130	18,130	—
Norwegian.....	16,374	15,674	700
British-Malayan.....	13,890	13,890	—
Portuguese.....	12,613	7,220	5,393
Austrian.....	11,462	11,462	—
Jewish.....	9,052	9,052	—
Danish.....	2,348	2,236	112
Hondurian.....	2,342	2,342	—
Dutch-Malayan.....	2,049	—	2,049
Russian.....	1,000	1,000	—
Czech.....	634	234	400
Polish.....	318	318	—
Irish.....	218	218	—
Slovak.....	128	128	—
Egyptian.....	50	50	—
Others.....	86	86	—

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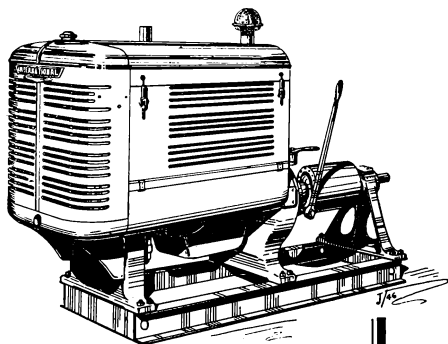
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Inter-Island Shipping

By G. F. VANDER HOOFT

Manager, Everett Steamship Corporation

IT has been repeatedly mentioned in previous articles in this column that there was an urgent need for carrying out certain improvements in the North Harbor in order to build up facilities much needed in inter-island shipping. It may now be stated that coastwise operators are viewing with satisfaction the fact that some of their recommendations are being heeded.

Financed by both the Philippine Government and the U.S. Public Roads Administration, is the work now being done of asphaltting the roadways running across all the North Harbor piers, as well as the roads in front of Piers 4 and 8. It is regrettable, however, that the presence of some houses on Asuncion Street is retarding the completion of this project, the removal of which would enable connection of Asuncion Street with the new road leading straight to Pier 4 and to the road across all the North Harbor piers.

For about two weeks now the dredge *Barth* of the Bureau of Public Works has been dredging the North Harbor bay and dock areas. When dredging is completed, vessels will be able to come in and sail fully loaded at any time of the day, irrespective of the tide. This will be a great improvement over the present condition of the North harbor, and one which operators of larger vessels have been anxiously awaiting.

It is hoped that the various other recommendations will be carried out for the best interests of the public and the inter-island services.

During the past month and a half, considerably more tonnage was moved from Manila to the various ports in

the provinces, than formerly. This may be attributed principally to the opening of the school season, and to the passage of legislation increasing taxes on luxury items, which have been sold in advance of the effective date for the new taxes.

Air Transportation

By V. A. BRUSSOLO

Vice-President, Philippine Air Lines

THE month of June, 1948, has become memorable in the history of the aviation industry in the Philippines. Legislations have been passed by the Philippine Congress and Senate and finally signed by the Chief Executive affecting aviation. Foremost in significance and scope is a Bill creating the National Airports Corporation, whereby all government-owned airfields in the Philippines, with the exception of military fields, are taken over by the newly-created Corporation headed by Jesus A. Villamor as General Manager. Another Bill concerning the Civil Aeronautics Administration and its airways and communications divisions, is pending the President's signature.

By far the most important "aviation" event is the inauguration of the new terminal building at the Manila International Airport. Formerly known as Nichols Field, this airport was turned over to the Philippine Government on January 6, 1948, in the wake of typhoon "Jean" which left the old terminal building as well as 80% of the other buildings and installations in ruin.

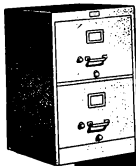
Six months after the turnover date, Nichols Field has assumed all the aspects of a commercial airport with facilities equal to the best in the United States and better than

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in any other airport in the Orient. The remodelling of the terminal building was designed by Mr. Manuel A. Tavarez, head of the technical staff of the National Development Company. Bringing into play his experience in the building of other airport terminals in the United States, particularly the Detroit National Airport, Mr. Tavarez has designed a building that is both functional and decorative.

The administrative and business staffs of the Manila International Airport, now the National Airports Corporation, have exploited every possibility for business and increased airport revenues. There are presently four restaurants at the Manila International Airport, three for airline and government employees, and a swanky air-conditioned combination bar-restaurant-soda fountain for passengers, guests, and the general public. The terminal building also has concessions for air-conditioned barber shops, Filipino and Chinese curio shops, drugstore, radiogram services, travel bureaus, coin-operated machines, a photo studio, watch and jewelry shop, etc. All the concessions are now operating at the Manila International Airport and 400,000 flying passengers, their guests, visitors, and the general public are expected to keep these concessions going on a profitable basis for both the concessionaires and the Airport.

The initial success at the Manila International Airport has opened new possibilities for outlying airfields. A commercial plan on proportional scale is being drafted for airports at major points such as Cebu, Iloilo, Davao, Zamboanga, Bacolod, and Baguio. The business development of these airports will to a great extent minimize the losses which the National Airports Corporation is bound to suffer.

If the Manila International Airport had operated as a single entity as originally planned, there is no doubt that it would have been one of the very few airports in the world operating on a profitable basis. With its absorption into the National Airports Corporation, the Manila International Airport will have to support the rest of the airports throughout the Philippines, the accounts of which will be in the red for many years to come.

Considering the best interests of safety, public service, and national security, the National Airports Corporation, for all the deficits it will incur, still represents a great stride forward in Philippine aviation which places the country on the same level with leading nations of the world and far ahead of any other nation in the Far East.

Land Transportation (Bus Lines)

By L. G. JAMES

Vice-President and Manager, A. L. Ammen Transportation Co., Inc.

SEVERAL months ago the Public Service Commission issued an order fixing June 30, 1948, as the ultimate date upon which pre-war operators might complete the registration of new vehicles to the number authorized under their respective pre-war certificates of public convenience. As previously stated in this column, the plight of operators of public land-carrier services is a precarious one, resulting from the granting of temporary operating rights to practically all applicants, whereby the highways of the country have become crowded with public utility vehicles of every description.

In many areas, the quantity of public transportation on the roads far exceeds the normal public requirement. Under such circumstances, the pre-war operator, discouraged by falling revenues and ruinous competition and by the lack of ready financial resources with which to effect complete rehabilitation of his operations, has in general

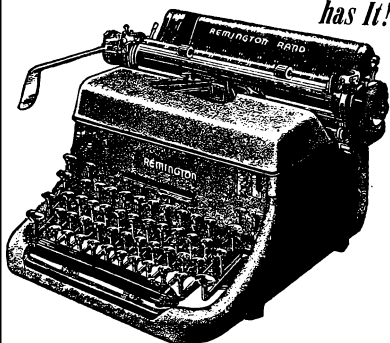
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been either hesitant or unable to make the substantial investment required to bring his fleet of busses up to pre-war status.

The Public Service Commission had recently taken cognizance of the situation and has extended the period within which pre-war operators may register busses under pre-war authority, provided proper application is made and favorable consideration is given by the Commission to such applications. Practically all operators concerned have made application for the extension. The additional period of grace, which will expire on September 30, 1948, gives operators a breathing spell within which to acquire and register additional equipment if the risk of capital seems to be warranted.

The plight of the legitimate post-war operator is no less precarious than that of the operator holding pre-war public utility rights. The former operates under an authority which is purely temporary in nature. Because of the encouragement offered by extensions of these temporary operating rights to December 31, 1948, with the additional assurance by the Public Service Commission that applications for regular certificates of public convenience will be entertained, these operators have reason to hope for permanent rights.

A substantial number of newcomers into the field of transportation have developed sizeable fleets and have operated more or less successfully. They feel that their investments should be protected and obviously will bring concentrated pressure to bear upon the authorities concerned, insisting on further extension of their temporary certificates or the granting of permanent certificates. With at least five times the number of public utility vehicles now on the highways, compared to those in operation before the war, it is obvious that competition will ultimately result in the bankruptcy of a substantial percentage of present operators. Many of the newcomers, lacking the

experience and organizational advantages of the pre-war operator, are hesitant about making future plans that would call for continuation and possible future expansion of their business.

The present chaotic state of public land transportation, affecting the old and the new operator, calls for early and drastic action by the Public Service Commission by way of elimination of a substantial proportion of the temporary certificates now in effect. The streets of Manila and the highways in the provinces are crowded with public utility vehicles far in excess of the public need. A large percentage of these units is composed of trucks and busses unsuited to and unsafe for public use. The vast majority of these operations are carried on by owners who keep no records of accounts and thus defraud the Government of hundreds of thousands of pesos by failure to pay various taxes to which they are subject. The majority of them do not comply with the terms of their certificates which specify the vehicles to be used and limit the operations to specified lines and hours. It would be a very simple matter for the Public Service Commission to cancel the operating rights of those who flagrantly violate the provisions of their certificates of public convenience. This would offer a chance of survival in fair competition to the operators who do business on a legitimate basis and meet their obligations to the Government, eliminating much of the present hazard to which the traveling public is subjected due to overcrowded highways and the operation of unsafe equipment by irresponsible owners.

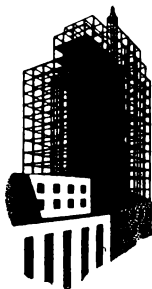
Until steps are taken to eliminate a substantial portion of the present public utility operations, land transportation will continue to be a sorry mess, to the detriment of the Government, the public, and the legitimately operating business concerns engaged in rendering this public service.

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Minerals

By CHAS. A. MITKE
Consulting Mining Engineer

DURING recent years, many hundreds of mineral outcrops, or prospects, have been uncovered in various parts of the Philippines, and of these, a great number are pretty well known. In certain localities, these outcrops are chrome, in others manganese, copper, iron, lead, gold and silver.

More or less work, consisting of trenching, tunneling, sinking shallow shafts, etc., has been done on a few of the more promising.

New outcrops are being added to the list every month by prospectors, who are continuing their search for minerals and making finds right along. Prospectors bring in samples almost every day.

These newer prospects are developed, usually, by individuals, or by small exploration associations. When the work becomes too much of a burden for one man to expose veins and do shallow surface work, anywhere from two to a dozen people form what is known as an "exploration association". By pooling their resources, they usually accomplish quite a lot more than one or two individuals can do. A great many of these associations exist all over the Philippines.

Even though combined efforts are being made in many places, there is a limit to what such associations can do, and in practically no case is the capital of the association sufficient to permit work to reach down to primary sulphides and test out the deeper zones.

The Philippines is a semi-tropical country, subject to heavy rains during the wet season. The effect of these downpours over a period of many thousands of years has resulted in weathering and erosion of the rocks, thus permitting the dissolving and carrying down of most minerals to varying depths. The remaining surface ores are, therefore, generally very low grade. Some rocks, like quartz and the harder diorites, are more resistant, and the ores which they contain are not so subject to weathering and being carried downward in solution. In general, the effects of this oxidation and leaching of surface ores is found to be from 50 to 300 feet in depth.

In practically every instance, it is necessary to get below the zone of weathering and oxidation to find the unaltered primary ore. This requires drilling, or shaft and tunnel work, which involves greater expenditures than most individuals or associations can afford.

The work of the associations should be followed by a system of deep-hole drilling, which has been so successful in the United States and Canada, where it is estimated that approximately 950,000,000 tons have been blocked out and added to the nations' ore reserves in the past ten years. While millions of dollars have been spent in exploration to prove up these reserves, the companies, the investors, and the countries in which the reserves are located, will benefit from the future production of these great new mines of the future.

The three stages in development should be as follows:

1. The prospector finds an outcrop which, after examination by a competent engineer, justifies some surface exploration.
2. An association is formed to sink shallow shafts, drive short tunnels, and cut surface trenches. If this work proves promising, then—
3. An exploration company should be formed with capital ranging from ₱100,000 to ₱400,000 to finance the purchase of long-hole drilling equipment for the deeper testing of the promising outcrops mentioned.

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The moment the ore is drilled and blocked out by the exploration company, the basis exists for a big mine on which the raising of necessary capital for mine plant, mill, smelter, townsite, etc. is fully justified.

If such a program is carried out, we have every reason to believe that new mines will be found in the future just as they have in the past.

Statement of John W. Haussermann to the
Associated Press

I returned from the Philippines on May 11 and am glad to report that notwithstanding the terrible hardships suffered during the Japanese occupation and the destruction of the principal cities, the spirit of the people was not destroyed. The work of reconstruction of the cities and public roads is going on as rapidly as the limited means at their disposal permits. The restoration of the Philippine economy is also progressing, but there is great need for much more capital than is available in the Islands. This additional capital must come from the United States.

The people of the Islands will welcome legitimate investment, as was proved by the overwhelming vote cast in favor of adoption of the amendment to the Constitution which places the American businessman on the same status as the Filipino so far as the development of the natural resources of the Islands is concerned. In my opinion, American capital will be treated fairly and justly.

At present there is a tendency to enact laws which will cause Americans to hesitate to join in the campaign of rehabilitation of the economy of the Islands, but this tendency is more or less political and when the political leaders become convinced that such laws are, in fact, de-

trimental to the welfare of the people of the Islands, that tendency will gradually disappear.

The rank and file of the people of the Islands are in favor of development and know that it takes much money to build up industries that will provide jobs, at fair and just wages.

My confidence and faith in the Government and people of the Islands is evidenced by the fact that the companies of which I am President have invested P15,000,000 in rehabilitating and reconstructing the properties destroyed by the Japanese. We now have more than 5000 Filipinos employed and hope to expand until we can employ 10,000 Filipinos. That will mean a community of about 45,000 to 50,000 men, women, and children directly dependent on the successful and profitable operation of the Benguet Consolidated Mining Company and its subsidiaries.

I am confident there is no desire on the part of the Government or the people to place any obstacle in our path.

Lumber

By E. C. VON KAUFFMANN

President, Philippine Lumber Producers' Association

WITH the increase in allowance on exports having been approved by President Quirino, lumbermen are thankful. Gradually they are being helped with their problems. The present Export Permit of 50% of production will enable them to ship out other lumber grades much in demand, as in pre-war days. This will include short lengths in high grade lumber which are not

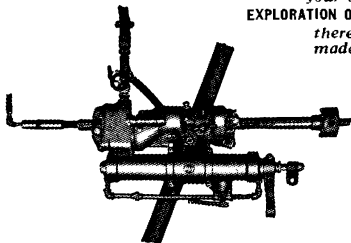
MINING MEN KNOW GOOD EQUIPMENT

THEY DEPEND ON

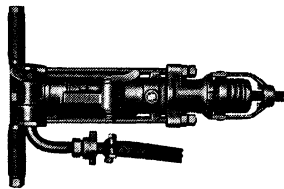


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even marketable in Manila. "Clear Strips" will take sizes sold here as "Nipa Strips". "First and Seconds Shorts" will take 2 to 5-1/2 feet in length, whereas anything less than 6 feet is not accepted in the local market. Export grades in FAS shorts, Common shorts, Clear Strips, and No. 1 Common Strips will take 3 inches and wider for shorts and 2 inches and wider for strips. Anything less than 6 inches wide and between 6 and 10 feet long is classified as narrows, shorts, and strips in the Manila market, and the price at which producers have to dispose of these sizes is much less than half their cost of production. The local market will not be put out of these grades and sizes. There always has been an excess production in so called shorts, narrows, and strips which is unavoidable, and with local prices so low, producers will be able to ship at least part of this excess and get reasonable prices for it. Local market prices have remained unchanged during the past month.

Copra and Coconut Oil

May 16 to June 15

By MANUEL IGUAL

General Manager, El Dorado Trading Company, Inc.

AND KENNETH B. DAY

President, Philippine Refining Company

IN spite of the several repeated forecasts that copra production would continue low, it would seem that several Pacific coast mills more or less discounted these predictions and continued selling oil for forward positions, in the expectation that Philippine sellers sooner or later would be forced to dump large quantities of copra which, in turn, would enable Pacific coast mills to cover their previous oil sales. Unfortunately, as time went by, it became more and more apparent that the anticipated scarcity of supplies is an absolute fact and the result has been that a very tight market has continued throughout the period from May 15 to June 15, with relatively limited but steady demand for prompt shipments, but with very little buying interest for future deliveries. Insofar as sellers are concerned, the situation in general has been so uncertain that there has been no interest on their part to sell futures until very recently, although most of their offerings were at such high prices that generally trading was practically restricted to spots and nearby deliveries. As a result of this, the copra market was in a confused but generally very tight condition.

The American market opened on May 15 with a weaker undertone and while, in general, buyers' ideas were \$310 for May/June, sellers were asking \$320 to \$325, with small sales recorded at \$325 for some afloat parcels. On the 21st of May, reports circulated to the effect that arrangements were being made on behalf of Europe with a view to releasing funds for copra purchases, but it was privately reported that the European Cooperative Administration was prepared to apply all possible pressure to hold France and other nations not to exceed \$300 f.o.b. per long ton. This had something of a weakening effect on the market, since European nations more or less corroborated their inability to pay more than \$300 f.o.b. With this news, American buyers became more cautious and refused to bid for several days. Philippine sellers later became somewhat uneasy, as a result of which business was recorded, first, at \$320 c.i.f. and later, small trades were reported at \$315, although by the end of May, afloat parcels were again sold at \$325 c.i.f.

During the first days of June, further afloat copra was sold at \$330 c.i.f. this marking the highest price during the period.

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Canada, which up to the present has been getting its copra requirements from the Philippines, was able to buy 3000 tons of copra from the Dutch East Indies for shipment during June, July at \$315 c.i.f. and while fair publicity was given to this report with a view to influence sellers' ideas, they did not change an iota.

During June, ECA reiterated its previous advice that no European country using Marshall Aid funds would be permitted to pay over \$300 f.o.b. and again American buyers became very cautious, and with no demand for coconut oil except for occasional small trades to refiners, buying resistance from both Europe and America finally made itself felt, and we close this period with a rather easy but nominal market, as generally buyers are not bidding although they indicate ideas at \$305 c.i.f. per short ton, with sellers generally asking \$320 although inclined to consider \$315 c.i.f.

Despite repeated warnings that the level of \$300 f.o.b. per long ton would not be exceeded, sellers were strongly of the opinion that European demands must break loose as soon as dollars were available under ECA and that this demand would oustrip the \$300 ceiling indicated by the ECA in Washington.

That the high coconut oil prices have resulted in a material decrease in consumption, is a well-known fact, as the large American consumers of coconut oil modified their formulas to reduce their requirements in favor of tallow, and while ordinarily, when price levels are more or less equal, the quantities of tallow and coconut oil closely approximate each other, a report issued by the Bureau of Census in America gives the following figures, which represent the first quarter factory-consumption in soap-making by major soap fats:

Greases	65,198 tons
Inedible tallow	135,463 tons
Total tallow and greases	200,661 tons
Crude coconut oil	49,576 tons
Refined coconut oil	23,583 tons
Total coconut oil	73,159 tons

The foregoing shows that the approximate proportion of greases to coconut oil is now three to one, instead of the usual 50-50.

During the second half of the period under review, in anticipation of increased production, Philippine sellers were more inclined to offer futures, July August and July August September shipment at a slight discount, as compared to top prevailing levels. Insofar as we know, no business of any consequence was recorded beyond June July, although limited inter-mill business was done for July August.

There were no new sales reported to Europe during the period under review, although moderate volume was purchased for European destinations to fill previous commitments. Obviously, in the prevailing tight market buyers had to meet American equivalents, despite buying resistance, which means that sales to Europe made during April 15 to May 15, were covered at a loss. A few countries independent of the Marshall Plan were in a position to buy, but in anticipation of lower levels, buying was deferred.

The increase in the rates of freight for copra and kindred products, was reviewed by the Associated Steamship Lines at their last meeting, but shippers' protests were to no avail and the increase was definitely confirmed.

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Exports of copra for the month of May were the lowest of this year, totalling 47,328 long tons, of which there were 36,978 tons shipped to the United States, 7,850 tons to Europe, and 2,500 tons to Canada. Copra shipments during May, 1947, aggregated 66,821 long tons.

The local copra market was firm and excited, particularly in Manila where supplies were very light. Starting at ₱63, the market advanced to a high point of ₱68, only to recede at the end of the period to ₱62. Prices in Cebu and in other key cities, while somewhat below these figures, were higher at all times than export equivalents.

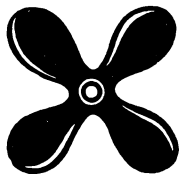
Coconut oil was selling sparingly at 24-1 2¢ f.o.b. Coast or 25¢ c.i.f. New York on May 16. The Coast market improved to 26¢ and 26-1 2¢, all for spot delivery and only for small edible consumers. Later, however, the market gradually receded, and on June 15 was back to 25¢. Meanwhile, a little spot business was done at 26¢ c.i.f. Atlantic Coast, which appears to be the top price paid. Large soapers were still generally not interested and the entire demand came from small consumers for edible purposes. As usual, the business was practically all prompt, forward positions being entirely neglected or heavily discounted. Locally, the price of coconut oil was maintained at ₱1.13 with practically no business done, both because the price was considered too high and because Chinese soapers in general are doing far less business than a year ago.

The copra-cake market improved a little and at one time it was possible to sell limited quantities at \$75 f.o.b. for Europe. The Pacific Coast, however, was generally a better market, and business was done as high as \$87 per short ton c.i.f. Actual business passing was very little.

Of importance to oil crushers was the passage by Congress (R. A. No. 261) of an amendment to Section 189 of the Internal Revenue Code by which the local processing-tax is waived on shipments of coconut oil abroad, thus relieving the discrimination against oil and in favor of copra inadvertently resulting from the 1946 revision of the Code. This legislation, however, cannot be fully effective until such time as coconut oil buyers are once more willing to take on future commitments at prices which will justify meeting daily competition of copra. This time may be a very considerable way off.

Rarely had those interested in copra and coconut oil been as confused as they were in mid-June. While production gave indications of gradual seasonal improvement, it was generally felt that the market was still oversold, and that there could be no severe break in prices. On the contrary, although it was generally felt that copra prices have been top-heavy, and lower figures were to be expected the second half of the year, the impression was general that there would be at least one more bulge before the market drifted too far down. It was becoming more and more obvious, however, that apart from the supply situation in the Philippines, and the curtailed consumptive demand in the United States, Philippine copra prices in the near future would largely depend upon Europe; and, barring Poland and Czechoslovakia, European buying demand depended on ECA funds and the restrictions placed on the spending of them. At this late writing, it appears that these restrictions are likely to drag the entire market down much sooner and to a much greater degree, than was anticipated in mid-June.

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Desiccated Coconut

By HOWARD R. HICK

President and General Manager

Peter Paul Philippine Corporation

THIS report covers the period from May 15 to June 15. During this period, raw-material supplies were much easier to procure than for some time past, and most factories ran at full capacity.

Copra prices remained firm, with an up trend at the beginning of the period which continued until June 8, when it weakened. However, despite this slight rise in copra, nut prices went down, approaching parity between copra and the equivalent copra value of raw nuts.

There was a sharp, marked improvement in the nut harvest at the opening of June, and indications at the time of writing point to a plentiful supply of nuts for the next few months.

Labor unrest in the industry is apparent and its effects cannot be judged at this time. However, amicable settlements have been made in the past, and this looks possible with pending cases.

Red V Coconut Products, Ltd. increased its production at the Dalahican factory at the close of the period and its Misamis construction work is going smoothly.

Following are the shipping statistics for the month of May, 1948:

Blue Bar Coconut Products Co.	1,394,760 lbs.
Cooperative Coconut Products	94,600 lbs.
Franklin Baker Co. of the Philippines	3,227,740 lbs.
Isabelo S. Hilario	45,000 lbs.
Luzon Desiccated Coconut Co.	295,000 lbs.
*Peter Paul Philippine Corp.	2,219,100 lbs.

Philippine Desiccated Co.	Shipped by Blue Bar
Red V Coconut Products, Ltd.	866,300 lbs.
Standard Coconut Corporation	194,000 lbs.
Sun-Ripe Coconut Products	744,500 lbs.
Tabacalera	505,000 lbs.
TOTAL	9,586,000 lbs.

*NOTE: Of total Peter Paul shipments, 310,800 lbs. were produced by Standard Coconut Corporation.

Manila Hemp

By H. ROBERTSON

Vice President and Assistant General Manager,
Macleod and Company of Philippines

Editor, Journal,
Dear Sir:

As you no doubt read in this morning's papers, the former fiber and shipping interests of the International Harvester Company of Philippines have been assumed by a newly-formed corporation, to be known as "Macleod and Company of Philippines".

Mr. H. Robertson, in his capacity of vice president and assistant general manager of the new firm, will continue writing the monthly hemp reports for publication in the Journal.

Enclosed is Mr. Robertson's report for the period May 16 to June 15, 1948.

Very truly yours
MACLEOD AND COMPANY OF PHILIPPINES
(Sgd.) Fred Guettinger
Vice President and General Manager

THE period under review covers May 16 to June 15. During these thirty days a steady market prevailed both in the Philippines and abroad. Price changes were inappreciable.

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On June 2, SCAP bought 16,700 bales of Davao hemp and 14,100 bales of Non-Davao; also 3,150 bales of Cebu maguey—a total of 33,950 bales. As the production of these fibers for the Islands during May only totaled 62,279 bales, this purchase represented 54% of the production for May. The prices paid for Davao were more or less unchanged from the last SCAP purchase on April 28. For non-Davao grades, the prices recorded were from P1 to P2 per bale higher for U. S. Grades. U.K. Grades were little changed. SCAP will be in the market again on June 16. Their buying program thereafter is uncertain.

The United States market has remained steady with little business doing. Rope business is off from 15 to 20% and buyers are operating with great caution despite the large percentage of the current production being taken by SCAP. Demand from Europe has been poor due to the high prices asked for Manila hemp and the acute shortage of Dollar exchange.

Philippine provincial markets continued steady with a slight advance recorded for medium Non-Davao Grades. Non-Davao J1 closed at P50 per picul basis loose—up P1, and Non-Davao J2 at P33, unchanged. Davao J1 closed at P62 per picul basis loose, unchanged, and Davao G at P54—down fifty centavos.

Abaca pressings for the month of May were 58,840 bales, a decrease of 5,000 bales as compared with April. Non-Davao balings were 36,682 bales—down 5,247 bales, and Davao, 22,158 bales—up 247 bales. The total pressings for the first five months of 1948 stands at 312,639 bales, as compared with 306,907 bales for the same period last year.

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Sugar

S. JAMIESON

Alternate Secretary-Treasurer, Philippine Sugar Association

ON May 26, just after our previous market review was written, the U. S. Department of Agriculture announced a further reduction in the quotas for United States consumption from 7,500,000 short tons to 7,000,000 short tons. The New York market reacted favorably, though not spectacularly, to the news. This reduction has no doubt brought the United States supply and demand more in line, and has definitely firmed up the market both for raws and refined sugar. A large quantity of Puerto Rican sugar, which had been pressing on the market for some time, was soon bought up by refiners at prices ranging from 5.25¢ to 5.30¢, and a substantial quantity of Philippine sugar was also sold at the same limits. With these large offerings out of the way, the market developed further strength. Sales of Philippine sugar are being made regularly at steadily advancing prices, the latest sales reported having been made 5.50¢. Cable advices show the market continues strong, with

indications that sellers are now inclined to hold out for higher prices.

Regarding the local price for export sugar, there are buyers at about ₱12.40 per picul, f. o. b. steamer.

Quotations on the New York sugar exchange for the period May 12 to June 11, 1948, under Contracts Nos. 4 and 5, ranged as follows:

Contract No. 4 (World Market)

	High	Low	Close	Sales Tons
July	4 28	4 10	4 10	15,750
September	4 29	4 09	4 07	12,750
March, 1949	3 58	4 46	3 42	1,500
May, 1949	3 61	3 47	3 43	450
				30,450

Contract No. 5

	High	Low	Close	Sales Tons
July	4 88	4 61	4 61	71,700
September	4 92	4 65	4 65	93,950
December	4 87	4 71	4 64	2,100
March, 1949	4 58	4 41	4 34	3,300
May, 1949	4 57	4 52	4 36	600
				171,650

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The domestic market was fairly steady. There were buyers of the regular grade of centrifugal sugar at ₱16 per picul, delivered Manila, and for the better grades of centrifugal and washed sugar prices were from ₱17 to ₱20.50 per picul.

The drought has been broken and welcome rains have fallen in most sugar districts. This is enabling planters to finish their planting, and the growing cane is reported to have staged a speedy recovery from the effects of the drought.

As the Cuban milling season draws to a close, latest estimates of the crop indicate that it will exceed 6,600,000 short tons, which will be an all time record for Cuban sugar production.

Tobacco

By the CONDE DE CHURRUCÁ

Compañía General de Tabacos de Filipinas

SALES of leaf tobacco are more than steady in the local market and the desire to buy is increasing, with the result that the prices paid to the farmer in Union, Pangasinan, and the Visayan provinces are out of proportion with the actual value of tobacco in the world market.

This extraordinary situation while benefiting the farmers and small dealers for the moment, may have an adverse future effect, as it is becoming harder and harder to export our tobacco. Actually, one can get better prices in the local market than those paid by foreign countries, even with the further peculiarity that these countries pay higher for Philippine tobacco than for that produced in other countries, i.e., Santo Domingo, and Brazil.

The principal reasons for the declining prices of tobacco in the world market are as follows:

1. Tobacco-producing countries are having a hard time of it to dispose of their crops, due to the lack of dollars necessary for international trading, and thus having to make very attractive offers to entice the buying countries.

2. It was hoped that the Marshall Plan would ease the buying potentialities of many countries, but in fact, until important extra stocks of tobacco are disposed of in the United States, it is not probable that money will be released to buy from the former countries.

3. Tobacco has ceased in some countries to be considered an article of prime necessity. A recent remark attributed to a British member of Parliament ran as follows: "If smokers had nothing to smoke they would have to be content to suck their fingers". (I guess that Churchill was not the one to make this statement, and that many voters will give serious consideration to their status as thus implied.)

4. The high prices paid for leaf tobacco in recent years have extended the cultivation of tobacco in many countries where former it was produced only for local consumption.

One of these countries is Santo Domingo, and, as it is forced to sell in dollars, it had to reduce its prices and now offers lots at about \$26 for 100 kgs. and probably will go as low as \$20. Here this would mean \$18.40 a quintal f.o.b. and this price includes every expense. Our farmers are receiving ₱23 to ₱25 a quintal.

None of these facts, actually affect our local market, and would do so in an adverse way only if foreign cigarettes were to sell here, due to the low cost of leaf tobacco, in open competition with the cheap brands of local cigarettes. This would of course force down prices, and the first cut would have to affect the cost of leaf tobacco.

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The recently passed law on cigarette taxes, increasing to P3.50 the lowest bracket for cigarettes not subject to extra tax, might do the trick.

A proposed amendment to the law would lower this bracket again to P3.00, but this can not be considered until next session of Congress which opens in January. In the meantime it will be interesting to observe if it is easy to change the taste of the many local cigarette smokers, once they get a chance to buy imported American cigarettes at almost the same price as the native ones.

It is easy to see that the leaf tobacco situation here is artificial, and based on local circumstances of momentary importance only.

If the business is to survive and to return to normal, it will have to follow the world market trends.

In normal times nearly 80% of our leaf tobacco was exported, in open competition with other producing countries. Only big crops can enable us to recover our old markets (for the benefit of the farmer). Philippine tobacco has qualities of its own which are very much appreciated, and cannot be easily replaced by the tobaccos of other countries.

Legislation, Executive Orders, and Court Decisions

By EWALD E. SELPH

Ross, Selph, Carrascoso & Janda

LAST month we had incomplete information on legislation as very few bills had been acted upon by the President at the time the *Journal* went to press.

S. Bill 248 condoning interest on pre-war obligations from January 1, 1942, to December 31, 1945, was vetoed.

Rep. Act 199 provides for retirement of pre-war treasury certificates.

Rep. Act 211 provides for the retirement within one year from June 1, 1948, of all PNE circulating notes, excepting certain notes listed as issued illegally by the Japanese Military Administration and also excepting others which the Secretary of Finance may certify upon investigation to have been illegally issued.

Rep. Act 215 (H.B. 1730) provides a new time limit (through 1949 unless operations are resumed earlier) within which to perform certain terms and conditions relative to mining claims.

Rep. Act 217 (H.B. 1692) imposes the new luxury taxes.

Rep. Act 218 extends vacation and sick leave privileges to government employees who have rendered 6 months continuous satisfactory service whether permanent or temporary.

Rep. Act 219 increases the taxes on spirits, wines, and other liquors and on cigars and cigarettes.

Rep. Act 224 creates the National Airports Corporation and empowers it to manage, control, and operate all government airfields and to acquire and construct new ones, to fix and collect tolls, fees and charges, except landing fees and royalties on gasoline, oil, and accessories delivered to aircraft, which must be approved by the Civil Aeronautics Board, and prescribe terms and conditions under which the property under its control may be used.

Rep. Act 225 (H.B. 1773) amends the limitations on the number and area of mining claims any one person or entity may hold.

Rep. Act 226 prohibits and penalizes the use of the emblem, seal, and name of the United Nations for commercial or business purposes, and provides for confiscation of articles on which the emblem, seal, or name of United Nations has been used.

Rep. Act 227 exempts from "income tax and/or any other taxes to the Government of the Philippines" amounts received by a taxpayer from the Government of the United States or of the Philippines or from any of their agencies or instrumentalities, on account of damages or losses suffered during the last war; and it provides that any such tax heretofore collected shall be credited, if such credit is requested, within one year from approval of the act (June 5, 1948).

H.B. 1045 providing, under certain conditions, for a physician, and in others, for a male nurse on coastwise vessels, became *Rep. Act 233*.

S. Bill 127 regarding free emergency dental attendance, became *Rep. Act 239* and applies to every owner, lessee, or operator of a shop, factory, estate, or commercial, industrial, or agricultural establishment having not less than 50 employees or laborers. If the number of employees exceeds 500, the employer shall "engage the services of a dentist for the benefit of his employees and laborers," and such dentist shall subject all employees of such establishments to a dental examination at least once a year. Penalties are provided and "in case of recidivism the Court may, in addition, order the definitive closing of the establishment."

Rep. Act 240 provides for attachment, in criminal actions under certain conditions, of property of the accused.

Rep. Act 243 amends the law regarding holidays by providing that when any regular holiday of fixed date falls on Sunday, the next succeeding day shall be observed as a legal holiday.

Rep. Act 247 amends the Bonded Warehouse Act (Act 3893), hereafter to be known as the General Bonded Warehouse Act, and extends it to cover practically all commodities; it provides annual license fees based on area and cubic meters of storage space and limits the use of the word "bonded."

Rep. Act 248 prohibits reprinting, reproduction, or republication by any private person, without the previous consent of the Secretary of Education, of any text book, manual, course of study, test, form, etc. or other instructional aid prepared and published by the former Bureau of Education or the present Bureau of Public Schools.

H.B. 1691 providing for the collection of the sales tax in advance, in accordance with regulations promulgated by the Secretary of Finance, became *Rep. Act 253*.

Rep. Act 261 amends section 189 of the Internal Revenue Code by providing that the tax shall not apply to coconut oil and the by-products of copra from which it is produced or manufactured, if such oil and by-products shall be removed for exportation and are actually exported without returning to the Philippines, whether so exported in their original state or as an ingredient or part of any manufactured article or product.

H.B. 1704 creating the Central Bank and Monetary Board, became *Rep. Act 265*.

Rep. Act 270 provides for maternity leave with half pay to temporary government employees if they have rendered two years of continuous service.

Rep. Act 273 amends the Insurance Act relative to loans and investments by insurance companies and the property, real and personal, which they may purchase, own, and hold.

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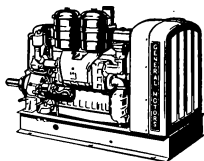
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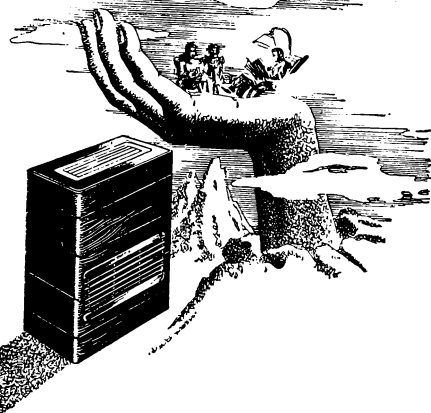
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Rep. Act 275 changes the name of the Bureau of Banking to that of "Office of the Insurance Commissioner" and provides for assessment of insurance companies for any deficit in the expenses of the Office's insurance activities. The assessment is apportioned on gross premiums and other considerations for insurance covering property or risks in the Philippines. The minimum assessment is fixed at ₱300. It is also provided that, in determining gross premiums, no deduction shall be allowed for cost of reinsurance placed with any company not authorized to do business in the Philippines.

Rep. Act 276, amending the Charter of Iloilo, provides, among other things, that the municipal board may tax and regulate the sale, distribution, trading in, or disposal of, alcoholic beverages, cigars, and cigarettes, and fix the license fees therefor. The important amendment in this section is the addition of the power to tax.

H.B. 1075 extending, to the 1973-74 crop year, the effects of the Sugar Allocation Act, became *Rep. Act 279*.

H.B. 1350 amending the Charter of Manila by providing for a municipal tax not to exceed 1/2 of 1% per annum on the total premiums collected by insurance companies on property located in Manila, for the acquisition of fire fighting equipment, became *Rep. Act 280*.

Rep. Act 282 amends the section of the Administrative Code relating to collection districts and ports of entry and these now are Sual, Pangasinan; Hondagua, Quezon; Manila, Tabaco, Cebu, Pulupandan, Iloilo, Davao, Legaspi, Zamboanga, Jolo, Aparri, Jose Pañaniban, Cagayan, Tacloban; and San Fernando, La Union.

Rep. Act 288 segregates from the City of Zamboanga, the Island of Basilan and adjacent islands, and creates the City of Basilan, granting it power to tax and fix license fees for various business activities similar to the other chartered cities.

Rep. Act 295 exempts from specific tax educational films for visual education and reversal film used in amateur photography of 16 millimeters or less, and provides for refund of tax heretofore paid on such film if claim for refund is made within the time provided by law (Sec. 309, Internal Revenue Code, 2 years).

Rep. Act 305 creates the City of Naga; *Rep. Act 306*, the City of Legaspi. Both of these have power to tax and fix license fees for various specified business activities.

Rep. Act 318 regulates the practice of chemical engineering and creates a Board which, in addition to regulating the profession and issuing certificates, is given power to inspect industrial plants and determine the complement of chemical engineers and technical personnel needed for such plants. The Board, subject to approval of the Secretary of Public Works, is empowered to fix fees for such inspections and to enforce penal regulations. The definition of chemical engineering is very broad. There are certain provisions for exemption of persons who have been rendering chemical engineering service without accident for 5 years, and for certain foreigners who have been in actual bonafide practice for 5 years. Application for exemption must be submitted to the Board.

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Rep. Act 319 lifts the ban on export of buntal fiber.

Rep. Act 321 creates the City of Ozamis comprising the territory formerly known as Misamis, province of Misamis Occidental. It has power to tax and regulate various business activities similar to that of the other chartered cities.

At the Special Session recently concluded, a number of acts were passed but at the time of going to press had not been acted upon by the President.

H. 1198 provides for the regulation of civil engineering.

H. B. 1554 regulates mining engineering, and provides for licensing of mining and milling foremen.

H. B. 1794 creates a Board of Import Control and establishes a system of import control until December 31, 1949, on non-essential and luxury articles. There is no definition of what are non-essential or luxury articles. It empowers the President upon recommendation of the Board to allocate quotas of the quantity and kind of non-essential and luxury articles which may be imported within a certain period of time.

H. B. 1851 regulates the practice of architecture.

H. B. 1922 creates the City of Dumaguete which will have similar taxing power as the other cities recently chartered.

H. B. 1929 seeks to consolidate all the laws affecting banking institutions which are not covered in the Central Bank Bill recently approved. It provides for certain reports to the Central Bank by insurance companies so that the Monetary Board may have information on which to ascertain the effects of the operations of such companies on the monetary, credit, and exchange situation in the Philippines. The law provides in detail for limitations on stock ownership, percentage of directors who must be Philippine citizens, limitations on amounts and maturities of loans, reserve requirements, etc. It also provides that no new foreign bank may accept deposits. It provides that deposits received by foreign banks must be invested in the Philippines.

H. B. 1970 creates the City of Calbayog with similar taxing powers as the other newly created cities.

H. B. 1975 amends the charter of the City of Baguio and enlarges its taxing power.

H. B. 2003 establishes the capital of the Philippines and provides for expropriation of private property within its limits.

S. B. 345 provides for lifting the moratorium under certain conditions. The 8-year period of S.B. 298 vetoed by the President, is retained, but all mention of interest has been eliminated.

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COST OF LIVING INDEX OF WAGE EARNER'S FAMILY: IN MANILA BY MONTH, 1946-47

(1941 = 100)

By the Bureau of the Census and Statistics

1946	All Items	Food (39.15)	House Rent (8.43)	Clothing (0.62)	Fuel, Light and Water (13.94)	Miscellaneous (17.86)	Purchasing Power of a Peso
January...	603.4	759.2	236.4	984.0	363.8	434.8	1657
February...	547.2	656.3	236.4	940.3	369.5	460.5	1827
March.....	525.9	631.0	236.4	940.1	340.4	445.2	1902
April.....	556.2	684.1	236.4	910.3	345.5	435.9	1798
May.....	545.1	675.6	236.4	762.5	342.3	409.6	1835
June.....	538.7	666.4	236.4	737.9	343.3	404.2	1856
July.....	552.7	704.3	236.4	598.9	341.3	364.6	1809
August....	477.9	590.0	236.4	384.7	320.9	346.3	2092
September	477.9	591.3	236.4	378.7	314.5	347.2	2092
October...	487.4	587.2	236.4	382.7	405.8	342.7	2052
November.	484.8	607.8	236.4	406.4	346.5	305.2	2063
December.	461.9	570.8	236.4	371.9	344.7	302.1	2165

1947:

(100.00) (63.43) (11.96) (2.04) (7.73) (14.84)

January...	426.2	468.2	453.9	381.9	326.2	282.5	2346
February...	418.5	454.9	453.9	356.2	344.8	281.4	2389
March.....	406.8	440.1	453.9	295.2	334.7	279.4	2458
April.....	387.7	413.3	453.9	269.2	328.9	271.6	2579
May.....	381.0	404.4	453.9	250.9	325.4	269.4	2625
June.....	386.3	414.4	453.9	236.8	316.6	268.6	2589
July.....	393.4	426.8	453.9	217.7	309.3	269.9	2542
August....	387.4	419.8	453.9	210.2	292.0	269.1	2581
September	368.9	392.1	453.9	216.4	283.3	266.8	2711
October...	358.7	376.3	453.9	212.7	280.5	267.7	2788
November.	358.4	376.3	453.9	215.1	280.5	265.3	2790
December.	371.9	395.8	453.9	219.1	298.2	262.9	2689

1948

January...	391.2	428.3	453.9	224.5	304.6	249.9	2556
February...	368.5	392.0	453.9	223.8	301.1	254.4	2714
March.....	349.4	361.0	453.9	214.6	308.1	255.9	2862
April.....	356.1	374.1	453.9	209.4	289.7	254.8	2808
May.....	349.8	360.2	453.9	214.2	289.7	271.6	2859
June.....	354.1	364.9	453.9	205.5	283.6	263.1	2825

¹ Average number of persons in a family, 4.9 members. Wage P200.00 a month or less.

² Revised in accordance with the new survey of the "Levels of Living, in Manila" by the Department of Labor and the Bureau of the Census and Statistics conducted in December, 1946. The following weights were used in computing the "over-all" index: Foodstuffs — 63.43; House rent — 11.96; Clothing — 2.04; Fuel-light-water — 7.73; Preliminary and Miscellaneous — 14.84.

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Extracts from the Speeches . . .

(Continued from page 245)

been benefited by the fact that the Ford Company came to California with all their own people, and with their own management are running their plant, but giving big business to us. They make some money out of it, but think of the \$75,000,000 of commodities that we supplied.

"We decided some years ago in San Francisco that the airplane industry would be an important one. All right, what did we do? We did not just make an announcement and expect everybody in the airplane industry to come running to San Francisco to pour out capital there. We asked, 'What do you need to start an airplane industry?' The answer was, 'We need an airport, a good one, and a big one.' All right, we went to work and collected in San Francisco \$50,000,000 to build an airport. We did not build it overnight. It took us 20 years and we are not through yet, but as a result of that \$50,000,000 investment we have 20 to 25 lines of airplanes coming in and out. We handled a million passengers last year. We had 75,000 airplane trips going in and out. We estimated a total amount of \$35,000,000 of business last year in San Francisco. The direct payroll is \$17,000,000.

"Well, we had to do a little work together. We had to take a chance. We had to spend money. We had to go to work. We did not just sit there and say, 'My friend, we need capital; we need know-how; we are nice people to deal with.' No, that does not bring it. Once again, the United Airlines said they thought of putting up a maintenance base in San Francisco. We gave them every encouragement. We gave the land, all the help that they needed, but they said, 'We will have to start with our own men.' And certainly they brought 500 mechanics from Chicago, from Denver. Did that put our men out of work? Were we afraid that they would take business from us? No, they added work. There was not a machinist who was put out of job. The amount of material that we sold them to supply the maintenance base was many times more the volume of business that we had there before. A great gain to us . . .

"So there again, we don't just say we need the money and expect it to come. These are the thoughts that I would like to leave with you, that I would like you to think over. That means a little looking into the matter from all angles. Do not feel that for some reason or other American capital does not like the Philippine people. . . . If capital has the attraction and the security, and the certainty of result, it will come here just as fast as it will go to Los Angeles or New York.

"If I can leave one good idea with you, I think this is it: Take a look around. Why is capital not coming? Don't wait here, defending the legislation that you passed. Don't wait, saying, 'We are fair. Why it is not coming?'"

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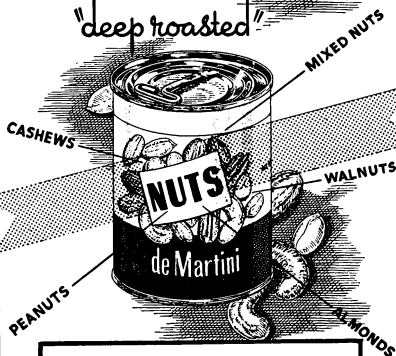
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Go to the United States if necessary. Talk to the capitalists, to the people with money, the big corporations, and they will tell you why they cannot put up a plant here. Then believe them. They are not so foolish as to try to fool you. They have got some underlying reasons, there may be other reasons. They will come out in the discussions...

"We will have to ask quite a few questions as to certain legislation, certain things that we may consider as being restrictive. We need that information so that when we get back to San Francisco and people ask us, 'Do you recommend investing in the Philippines?' we want to be able to answer their questions. So far as we are concerned, what we want is your frank opinion of what is likely to happen as to these various types of legislation, and we will explain to our people what that is and let them make up their minds as to what they are going to do. We can't give any guarantees, but we will try and tell them what we have seen; what the possibilities are; and we think the possibilities are great.

"But something must be done to push it. I hope when we are through we will be just as friendly as we are now, and I see no reason why we would not be. I hope we will end, as Mr. Puyat and Mr. Eicholz are talking about, with setting up a committee here which can work with the committee we have already set up in San Francisco, for the exchange of ideas. Perhaps, if you would like to contact some group in the United States, or if you have a problem, if you are considering new legislation, maybe you would like to hear from us or contact us through your committee. We would give you the answer. If we have a businessman who wants to know something about the Philippines, we will refer him to your committee. If we could start today, if we could get the machinery in operation, perhaps we will not leave here without real accomplishment..."

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The "LET YOUR HAIR DOWN" Column

We had a discussion in the office the other day about the applicability of the Cost of Living Index prepared by the Bureau of the Census and Statistics and published from month to month in this *Journal*. Sometimes we have to omit the table for lack of space, and when this happens there are usually telephone calls protesting about the omission.

It is quite widely held that the figures in this table under the "Purchasing power of the Peso" column, are of general applicability, but this is not the case. According to the caption, the Index is based on the cost of living of a "wage-earner's family in Manila" and the peso-purchasing-power figures are reciprocal. Inquiry at the Bureau revealed that the wage on which the figures are based is taken to be ₱200 a month or less.

Persons with a larger income and therefore able to maintain a higher standard of living, spend not only absolutely, but relatively, more for almost everything they buy, — especially, in Manila, for food and housing. Consuming, as they do, the more expensive and generally imported foods, and living in the better types of houses, which are still scarce and the rents for which are extraordinarily high, the purchasing power of the peso is lower for them than is indicated in the table. It is true that a poor man's peso buys as many oranges or as much beefsteak as a rich man's, but the poor man, unfortunately enough, must generally forego such provender. Persons who have the prestige of an office, or profession, or business to maintain are virtually compelled to keep up a "front" not required from those of lesser position.

For the ₱200 wage-earner, the purchasing power of the peso, according to the Index, has risen since January, 1946, from .1657 to .2825 in June, 1948, on the basis of 1.00 in 1941. In other words, a peso is still worth only a little over a fourth of what it used to be for him.

For a person earning ₱500 a month, or ₱750, or ₱1000, or more, the peso, for the sort of goods he must buy to maintain his standard of living, is worth even less.

Just what the peso is worth for persons in the higher categories, no one knows. Dr. Leon Ma. Gonzalez, when asked, said that to determine this would require a special survey.

We realized, too late, that this is a *h* — of a way to open a column supposedly devoted to the lighter side of life.

Mr. Kenneth F. Noble, Canadian Government Trade Commissioner in Hong Kong, wrote the *Journal* in part as follows:

"The incoming mail has brought me the January to April issues of the American Chamber of Commerce *Journal*. I have read these journals with interest and appreciation and I am now writing to enquire if it is possible to continue the name of this office on your complimentary mailing list . . .

"It is evident from the Trade Returns of the Philippines that products of Canadian origin are in demand in the Philippines. I have in mind, therefore, that the copy of the publication, 'Canada Trade Index, 1947', which is going forward to you under separate cover by registered mail, will be an addition to your library records which may be of use to your members.

"In connection with this Index I would suggest that although the book will serve as a ready reference as to products manufactured in Canada and as to the companies manufacturing such products, that no indication is given as to—(a) whether the com-

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panies are already represented, (b) whether by international allocation of markets the manufacturer is precluded from quoting for shipment to the Philippines.

"In general, I have this information available here in more detailed records and will be very happy indeed to advise any of your members that may be interested in Canadian products in rather more detail than is possible in a printed directory.

"Again expressing my appreciation of the copies of your *Journal* which have been supplied, and with compliments, I am, yours faithfully," etc.

The Canada Trade Index referred to by Mr. Noble may be consulted at the Chamber offices.

One wouldn't think that the *Journal* would be read "from cover to cover" anywhere except, possibly, by some readers in the Philippines, but the following reached us from the Director of the Foreign Trade Bureau of the St. Louis (Missouri) Chamber of Commerce:

"I have just received a complimentary copy of your journal, and have read it through from cover to cover. It certainly gives a very good picture of conditions in the Philippines at the present time.

"I want to congratulate you on the fine editorial work evidenced in this journal.

"Sincerely yours,

"H. LYMAN SMITH."

A letter from the manager of the Atlas Powder Company in San Francisco was also flattering. It read:

"We understand from various sources that the *Journal of the American Chamber of Commerce* is an excellent source of information dealing with industry in its various phases as applied to the Philippine Republic.

"We would very much appreciate receiving a copy of your publication and also information relative to the cost of a subscription as we believe it is quite possible we shall be interested in some of the news published, particularly that which concerns the mining industry from time to time.

"Yours very truly

"ATLAS POWDER COMPANY
"W. T. MAHOOD
"Manager"

"Dear Editor:

"What piffle,—that about your goodbyes to your grandchildren, which you closed your 'Hair-Down' column with last month. Whom do you think you are interesting in your grandchildren and your grand self? Damme, how you rile me! And do you think those hard-nut business men you work for give a damn about you and your grandchildren? It is to laugh. Why don't you get wise to yourself? I'll give you a tip,—read Dale Carnegie's 'How to Win Friends and Influence People'. If that is what you want, that is. He'll tell you the truth, that people are not interested in you, but in themselves, and that you must be interested in them and talk about what interests them,

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to make a favorable impression. I know you work hard to do that. As for me, I don't care about making a favorable impression. I get a kick out of making an unfavorable one on both the wolves and the sheep of this world. But you wouldn't understand. You only think I am 'confused'. I see things the way they are. And they are not nice for anybody's grandchildren. I am glad I'll never have any.—*Constant Admirer.*"

"Wow", said the editor, wiping his forehead with a moist handkerchief. "The guy has something this month... But has he got me down? No, by gum. He may be right about that personal stuff in this column, but there's an inconsistency in that Dale Carnegie business. But I'll have to read the book first,—something I have been avoiding ever since I first heard of it ten or twelve years ago. More about that later. As for things not being 'nice' for anybody's grandchildren, that's true enough if you think of many millions of children and if you think of a possible future atom-bomb war. Yet, for many millions of other people and their children, this, on the whole, is still a better world today than it ever was in the past. It is for us to make it better for all. We must not fall into cynicism, hatred, and despair. What good is 'Admirer' either to himself or others? To 'get a kick' out of making an



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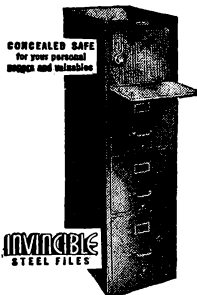
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unfavorable impression on everybody is indeed an insane perversion of the normal human character.

"Maybe that goodbye anecdote and that grammar stuff was not so hot", worried the editor, "but I have my reasons for putting that sort of thing in once in a while. I used to tell an occasional funny story about my children in the 'Four o'Clock' column of the old *Philippine Magazine* (now its the grandchildren), and readers seemed to like them. Some thought they were not real children, but 'dream children', like Charles Lamb's, which I made up. Now this *Journal* is so heavy with weighty argument and statistics and other dry data, that I think some effort should be made to lighten things a little, introduce some human interest. So I try to make a little fun and I usually make it at myself, not because I consciously want to obtrude myself (I hope), but because I don't feel any too free about making fun at the expense of the Chamber and other business and governmental dignitaries I come in contact with.

"And then, if I am not awfully wrong, there's a kind of public interest in the editor tribe, as there is in writers generally, artists, actors. A glamor, you know! All of us interesting persons are, by force and virtue of our professions, personality exploiters, exhibitionists in a mild way. The public seems to put up with us generally, if not always truly appreciative. Only rarely does a fellow like 'Admirer' emit a growl, yelp, or cat-call. That does take us,—we who commonly meet with such adulation, aback somewhat, I can tell you. And it's really not right. Imagine a poor clown, capering, gibing, grinning, and earnestly sweating, and, on the part of the on-lookers, not even a pretense at cooperation; dead pans, all around him. It's hell, that is.

So I am never going to mention little Helen, and Emily, Eric, and Siebe (just born), again, nor will I ever tell anybody about little Penny, Jacky, Pammy, Jessie, and Lily, other grandchildren of mine, who live in Davao. I will only squeeze this in: For a representative of what *Commerce* (organ of the Philippine Chamber of Commerce) calls the "adventitious" interests here, I have not done so badly for the population of the country. And I still think I have done them all a favor in helping them into this world, even that part of it known as the Philippines. Greater faith hath no man.

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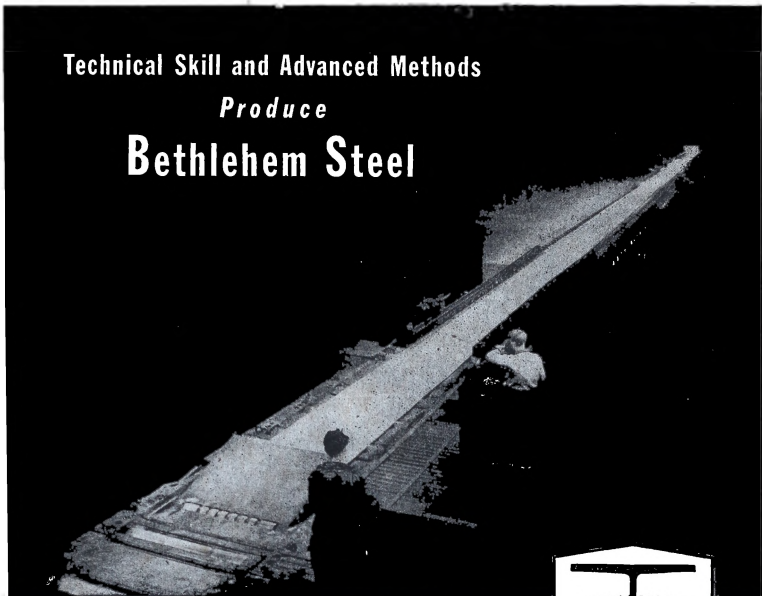
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