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JOURNAL

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the Philippines

MONEY in circulation particularly in the provincial districts is apparently very short. Wholesalers are experiencing more and more difficulty each month in effecting collections from their provincial customers.

Textiles

By A. MARGOLLES
General Manager
Neuss, Hesslein Co., Inc.

JANUARY has witnessed a worsening of conditions in the local textile market, there being very little movement of goods and prices decreasing substantially.

One of the main reasons for the present situation is the large volume of credit outstandings still unfulfilled and the acute cash shortage. The speculation on war-moves in nearby areas, added to some reported failures, has brought about greater caution on the part of importers and wholesalers, and the whole market is in a state of semi-inactivity.

The nearby outlook for an improvement in the present dull conditions does not seem promising.

Contrary to the local situation, the New York market has remained strong and some small price-advances have taken place, particularly in knitting yarns.

The Far East Conference Shipping Lines have announced an increase of about 10% in ocean freight rates, operative from the 1st of May, 1955. This is viewed as a very unwelcome move throughout the trade.

Arrivals from the United States totaled 20,796 packages, of which 9,218 were cotton piece goods, 2,016 rayon piece goods, 3,118 cotton pound goods, 1,641 rayon pound goods, and 2,424 yarns.

From other sources there arrived a total of 6,044 packages, of which 4,457 came from Japan, 768 from Hongkong, and 819 from Europe.

Legislation, Executive Orders, and Court Decisions

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

AMONG the bills introduced in the present Congress but not yet acted upon are the following:

H. B. No. 2762 would add "cement factories" to section 189 of the National Internal Revenue Code which taxes rice mills, sugar centrals, rope mills, etc. (This seeks to reduce the tax on cement.)

H. B. No. 2756 would, it is hoped, contribute to government efforts to bring all privately owned land under the Torrens System, by providing for proper recording of transactions affecting unregistered lands.

H. B. No. 2602 is an act to facilitate entry of American traders, a counterpart to the United States law adopted last year for Philippine traders.

H. B. No. 2610 seeks to limit to 10 years, leases to aliens, of public or private agricultural lands.

H. B. No. 2611 would increase the penalty for death caused by violation of the Revised Motor Vehicle Act.

H. B. No. 2616 would provide for the installation of governors limiting the maximum speed of motor vehicles to 50 kilometers per hour.

H. B. No. 2679 would provide for a 5-day, 40-hour week for government offices.

H. B. No. 2696 would require every taxpayer to secure an annual tax clearance which must be presented when executing a document before a notary, or obtaining any license or permit, or money from any public fund.

H. B. No. 2736 would provide for regular wage payment to laborers for holidays not worked, and for holidays worked, double pay.

H. B. No. 2705 would extend the Price Control Act to June 30, 1956.

H. B. No. 2546 would ease the present restrictions on retail trade.

H. B. No. 2547 would authorize the President to increase or decrease customs duties within certain limits.

H. No. 2548 would amend the wharfage tax law by including in the list to be taxed the following articles which were previously excepted:

Coal, lumber, creosoted, and other pressure-treated materials, as well as other minor forest products, cement, guano, natural rock asphalt, and sugar molasses.

The articles proposed to be excepted are:

Mineral and ores of copper, lead, zinc, iron, and steel metals, and refractory gold ores.

The wording includes a change from duty to wharfage and covers both imports, and exports. The rate is ₱2.00 per gross ton of 1000 kilos except on untreated logs and bulky articles of light materials on which the rate is ₱1.00 per cubic meter. The purpose of the proposed amendment is stated to be the necessity for more funds for port works and improvement of the harbor, including better transit sheds for protection of cargo against weather and pilferage.

H. B. No. 2782 would provide for a rather comprehensive plan for separation pay for an employee whose employment is not for a fixed period and who is discharged without just cause, of one month's pay for every year of service which shall not be more than twelve months' pay and not less than one month's pay, when employed in any commercial, industrial, or agricultural establishment or enterprise. For other enterprises which are not for the purpose of gain, the separation pay would be 50% of that payable by the commercial, industrial, and agricultural enterprises. The 50% compensation would apply to domestic help which is specified to include the family driver, watchman, *yaya*, gardener, and other house help.

Taxes

By WASHINGTON SYCIP
Sycip, Gorres, Velayo & Company

SUMMARIZED below are some of the rulings issued by the Bureau of Internal Revenue in December, 1954:

1. Additional Residence Tax

"Proceeds from the sales of agricultural products, such as palay, sugar, corn, and fish from fishponds, received by landowners need not be returned for additional residence tax purposes, where the assessed value of the property on which said products have been raised has been already declared for purposes of the residence tax. However, if the producer receiving such proceeds is not himself the owner of the land from which the agricultural products were derived, then the proceeds so received constitute taxable receipts returnable for additional residence tax purposes, irrespective of whether or not the owner of the land has previously declared the assessed value thereof for the purpose of the residence tax." (BIR Ruling December 27, 1954).

2. Amusement Tax

(a) "In line with the ruling of the Secretary of Finance subjecting to the amusement tax the athletic meets sponsored by the different regional athletic associations under the Bureau of Public Schools, the PAAF-sponsored games such as the MICA, NCAA, UAAP and others may also be subjected to the same tax." (BIR Ruling December 23, 1954)

(b) "The mere fact that an organization engages in laudable activities does not entitle it to the exemption from the 50% amusement tax prescribed in Section 261 of the Tax Code. This exemption is granted only to duly registered charitable associations."

3. Compensating Tax

"Materials imported by a contractor for use in the construction of public works projects being undertaken by him are subject to the compensating tax prescribed in Section 190 of the National Internal Revenue Code." (BIR Ruling December 22, 1954)

4. Privilege Tax Receipts

"Owners of rented property are not required to provide themselves with privilege tax-receipts as real estate dealers for every place where they have properties rented or offered for rent. The case of owners of rented property is an exception to the requirement of Section 178 of the Tax Code that a privilege tax shall be secured for every separate or distinct establishment or place where business subject to tax is conducted. The criterion as to whether a property owner is a real estate dealer or not is the aggregate amount for which his properties are rented or offered for rent during a taxable year. It comprehends all his properties wherever located. He cannot be considered separately engaged in business in every place where he has properties for rent and required to secure separate privilege tax-receipts for each place." (BIR Ruling December 21, 1954)

5. Firearms Licenses

"Possessors of firearms under temporary permits are not subject to the firearms license fees prescribed in Section 292 of the National Internal Revenue Code. Only possessors under regular licenses issued in accordance with Section 888 of the Administrative Code are liable for the payment of the fees.

"The firearms license fees are imposed not on the firearms but on the privilege or right to possess the same, evidenced by the firearms license." (BIR Ruling December 9, 1954)

6. Farmers' Cooperative Associations

"Farmers' cooperative associations organized under Republic Act No. 821 creating the ACCFA are not exempt from the payment of inter-

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