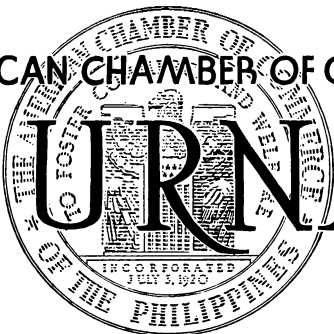


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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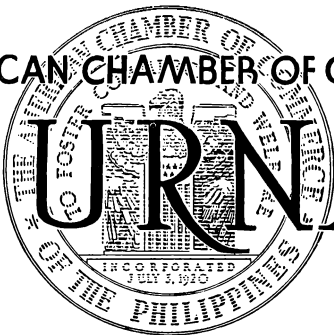
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Editorials

"... to promote the general welfare"

Because it is so vitally important that the most amicable and cooperative relations be maintained between the United States and the Philippines, it is to be greatly regretted that certain nationalistic policies here became so threatening to American interests that the United States Government was compelled to lodge a formal protest.

The American Government Protests

The protest, delivered late last month, referred to the provision in the Import Control Bill, passed by the House but at that time not yet acted upon by the Senate, which would set aside 40% of the total import quotas for Filipino importers. The protest was based on the terms of the Trade Agreement of 1946 which contains a provision (in Article X) that the President of the United States may suspend the effectiveness of the whole or any portion of it if he determines and proclaims, after consultation with the President of the Philippines, that the Philippines or any of its political subdivisions is in any manner discriminating against citizens of the United States or any form of United States business enterprise. Under such circumstance, he has the right definitely to terminate the Agreement upon six months' written notice.

Though the protest was properly based on a formal covenant between the two nations, the point which we wish to make in this editorial is that the discrimination protested against would be wrong whether this Agreement existed or not.

For any government to discriminate against a section of the population is wrong in itself. What is usually called "class legislation" is immoral and illegal in the light of the most basic principle of democratic government. Such legislation, moreover, is most unsalutary from the purely practical political and economic points of view.

Men generally do not refrain from wrongful acts because there are laws against such acts, but because they are felt to be wrong, anti-social, and the laws against them exist because this feeling universally exists. The laws merely give formal expression to such feeling.

The discrimination protested against would, in fact, violate not only the Trade Agreement, but, as has been pointed out by some members of Congress on the floor of the Congress itself, the Constitution of the Philippines which provides in Article III, Section 1, paragraph (1):

"No person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the law."

So let no one say that the Trade Agreement, duly authorized by the Philippine Congress, should never have been entered into "because it restricts the Philippines in the full exercise of its sovereignty". It does no such thing. The Trade Agreement joins with the Philippine Constitution in interdicting what the Philippine Government should not do in any case.

The Trade Agreement was and remains a highly important and necessary arrangement, providing for the continuation of the trade relations between the two countries, after the independence of the Philippines, on terms most advantageous to the Philippines.

We are pleased to be able to record here that though the Import Control Bill was passed by the House, considerable opposition to it was voiced by the members, particularly against the "40% provision", on the grounds that it was both unconstitutional and destructive of the real economic interests of the country.

Inasmuch as some members of Congress expressed surprise over the protest against the "40% provisions" because, allegedly, no protest was lodged against a similar "20% provision" in the existing import control regulations, we call attention to the fact that although the United States Government made no public protest, this *Journal* did protest the "20% provision" in an editorial published a year ago, which ran as follows:

"Executive Order No. 193 (December 28, 1948) set up the machinery for the control of the importation of certain so-called 'luxury' articles, cut down these imports by an average 50%, and set aside 20% of the volume permitted to be imported for so-called 'new' importers. That was the first step.

"Now by Executive Order No. 209 (March 30, 1949) which amends Order No. 193, the 20% set aside for new importers is to be allocated exclusively to Filipino importers. That was the second step.

"What is the third step to be?

"There may not be a third step, but what guaranty has established business that there will not be; that, some months or a year from now, there will not be another Executive Order amending Order No. 193 as amended and providing that 50% or 75% or 100% of the import volume will be allocated exclusively to Filipino importers?

"What would be the difference, in principle? There would be no difference, for whether discrimination be rated at 5%, 10%, 20%, 50%, or 100%, it is always discrimination.

"For any government deliberately to take away anything from one group of people and to serve it nicely wrapped up to another group, introduces an element into government and society the working of which is unpredictable and which may stop at no length whatsoever.

"Once any government, even in the name of its own citizens, begins deliberately to discriminate against any element in the population, we have the beginning of a regime of injustice, and injustice knows no limits.

"This Executive Order No. 209 was issued, of course, with a view to quickly forcing an unearned improvement in the position of Filipino importers as against non-Filipino importers and largely at the expense of the latter, but we are sure that the discriminatory policies upon which the Philippine Government is today acting can never work out to the real benefit of either Filipino business or the over-all economy of the country.

"It is much more likely, if these policies are persisted in, that we shall all descend together into a slough of economic despond and stagnation."

At the risk of losing some of its friends, this *Journal* has felt it its duty to protest on a number of occasions against various discriminatory measures actually adopted or proposed by the Philippine Government, and it has done so not only because it is the organ of the American Chamber of Commerce and the interests of its membership were affected, but because we believe that such measures are highly damaging to the whole country.

It is certain that had the American Government shown less hesitancy in taking action which might, however wrongly, be interpreted as "interference", and had entered formal protest sooner against such measures, a great deal of damage and bitterness of feeling would have been averted.

We say this because we do not believe that the Philippine Government would persist in policies and actions which the American Government formally and definitely declares to be in violation of American rights.

At this writing it is not yet known what form the Import Control Bill will finally take, but the President of the Philippines and leading members of Congress have disavowed any intention to discriminate against American interests, and, certainly, only the most irresponsible of executive officials and law-makers would deliberately propose such a self-destructive course.

Already passed on third reading in the Senate and, at this writing, before a committee of the House, is Senate Bill No. 91, "to regulate the practice of Senate Bill certain professions in the Philippines by No. 91 persons who are not citizen of the Republic of the Philippines".

Introduced by two prominent Senators, Quintin Paredes and Vicente J. Francisco, both lawyers by profession, this Bill is not one of the several irresponsible pieces of legislation, introduced at every session of Congress, which may be disregarded as very unlikely to pass.

According to the "Explanatory Note" prefacing the Bill, the authors seek to establish a rule of "strict reciprocity" with respect to the practice of certain professions here, the Bill itself stating in Section 1 that—

"No person shall be allowed to practice any of the professions, for

and in Section 2 that—

"No person who is not a citizen of the Philippines at the time he applies to take the examination shall be allowed to take it unless he can prove in the manner provided by the Rules of Court that, by specific provision of law, the country of which he is a citizen, subject, or national either admits citizens of the Philippines to the practice of the same profession without restriction or allows them to practice it after an examination on terms of strict and absolute equality with citizens, subjects, or nationals of the countries concerned, including the unconditional recognition of degrees issued by institutions of learning duly recognized for the purpose by the Government of the Philippines."

This, plainly, is *not* reciprocity, for all members of the professions affected must take and pass the respective examinations here, whether the Filipinos desiring to practice these professions in foreign countries are required to take examinations there or not.

There are other serious objections, but we wish, first, to point out that Section 3 of the Bill is even more unjust because it would be retroactive in effect and would work great hardship on non-Filipino professionals who have established themselves here over a period of many years.

Section 3 reads:

"No person who has been allowed to practice any of the professions described in Section 1 of this Act shall be allowed to continue to practice it unless he shall have complied or shall hereafter comply with the provisions of this Act or unless, having been admitted to the bar, in case of a lawyer, he shall have taken the oath required of attorneys by the Rules of Court before July 4, 1946."

The Bill does not specify the professions which would be affected, but states that they are the professions for the practice of which passing a government examination is required by existing law. At present these would include law, medicine, dentistry, optometry, nursing, veterinary science, accountancy, chemical, civil, electrical, mechanical, and mining engineering, surveying, and architecture; there also are examining boards for marine officers and engineers. Unless the expression "existing law" is taken in a restrictive sense, other professions could subsequently be included among those for the practice of which passing a government examination would be required.

A very wide range of professional activity would therefore be affected in the future if the Bill were to pass, but the retroactive feature of the Bill is all the more inexcusable inasmuch as alien "competition" with Filipino professionals (which is the real concern in its motivation) is not extensive. In so far as Americans are concerned, the Bill would affect principally some 30 or 40 mining engineers, a few other engineers, and a very small number of accountants, lawyers, doctors, and dentists.

There are, however, a larger number of missionary doctors and nurses in the Philippines whose salaries are paid by their missions and whose services are wholly free to Filipino patients. These, too, would be affected. There also are some "stateless" professionals here, who would not be able even to offer themselves for examination as they could prove no reciprocity; though legally admitted to the country and prepared to serve in a useful and valuable capacity, they would not be able to make a living in the work for which they are especially trained.

It is not probable that there are many more other non-Filipino professionals, and from any sane point of view these men would be looked upon as valuable human assets to the country rather than as interlopers whose services must be checked and curtailed if not entirely eliminated.

To compel such men, after years of successful practice of their professions, men of position and good repute, useful and valuable members of the community, to submit to examination, serves no useful purpose and is further-

more most unfair. Able and competent though they must be, most of them are not only long out of their technical schools, but have turned to various lines of specialization, so that it is no reflection on their professional ability to say that they might have difficulty in passing a general examination that would give little difficulty to a recent graduate. To hold such experienced and successful technical men as still subject to official test, placing them on a level with the neophytes, is, in fact, insulting. To make this a condition to the further practice of their professions, their means of livelihood, the continuation of their businesses which it has taken years of effort to establish, is a cruel outrage.

Such a system of special examination is also subject to accident and abuse, for much would depend on the examiners and, as everyone understands, incompetent examiners could unintentionally frame examinations which no one could pass, and dishonest examiners could intentionally do so. Thus the Bill, if passed, all other objections being overlooked, would still put not only the reputations but the means of livelihood of these professional men in serious jeopardy.

So much for the retroactive features of this Senate Bill No. 91. As for the future, were the Bill to pass, what famous mining engineer or other technical expert, say, sent here by some foreign investment syndicate to inspect property and to make a report on the possibilities, would submit himself first to examination by some local board? As in the case of the local technical men, the possible investors would have to consider whether their trusted technical advisers would consent to take or could pass a local examination or not, and the upshot would likely be for them to say, "To h— with it!"

From the general business, and especially, from the investment point of view, responsible accounting and auditing is most important. Much of the accounting and auditing is done by firms of world-wide reputation, with branch-offices or associated firms in different countries. Outside capital especially will not entrust this important function to unknown accountants. To render the services of such firms of established reputation unavailable in the Philippines, would only be to drive another nail in the coffin of all our hopes of economic development.

True "reciprocity" is entirely fair in principle, yet could still be unwise to apply in a country like the Philippines which stands in such need of foreign technical assistance. It has been determined that forty of the forty-eight American States have no laws which would prohibit the employment of Filipino mining engineers, and this is considered sufficiently reciprocal by our Philippine Bureau of Mines. But argument might arise on this point, and some local functionary might rule that as long as there were one State in the Union prohibiting the employment of Filipino mining engineers, there would be no accepted reciprocity.

But from the practical point of view, it matters little in the economic development of the Philippines whether such reciprocity exists or not. The point is that the Philippines needs American technical assistance a great deal more than the United States needs Philippine technical assistance.

Philippine authorities have professed and evinced great interest in President Truman's proposed Point IV Program. This Program is based largely on making the services of American and other technical experts available to economically under-developed countries. How inconsistent, therefore, it would be for Philippine law-makers and officials to submit American and other foreign technical men already here to such treatment as is proposed in Bill No. 91!

This Bill is only another example of the type of legis-

lation which is motivated not by a wisely constructive national spirit, but by the intolerant hypernationalism which has already done this country so much harm.

Our able Secretary of Commerce and Industry, Cornelio Balmaceda, in a statement on the "nationalization" of the retail trade made some weeks ago before the Committee on Commerce and Nationalization of the Industry of the Philippine Retail Trade House of Representatives (published in full elsewhere in this issue), truly said that the "main and paramount factor" in the development of a Filipino retail trade will be the "ability of the Filipino merchant to render efficient and satisfactory service and to hold his own in free and open competition."

This is an eminently sound statement, founded on a clear understanding of the economics of the matter. Retailing is primarily a "service" to both the producer and the consumer, and free and open competition between retailers is the only way to bring it about that this service will be efficient and satisfactory at the lowest possible cost and the lowest possible prices.

We regret, therefore, that the Secretary did not emphasize this most basic point and instead prefaced the statement by another defending the current "movement to wrest the control of the trade from the hands of alien retailers", though declaring in the same sentence that this movement is "not animated by anti-foreign feeling" and that it is but a "proper exercise of self-help on the part of the people".

Unfortunately, the word "wrest" applies all too well to many aspects of the nationalization movement here, both in spirit and method. According to any good dictionary, "to wrest" means "to twist or extort by violence", "to pull or force away by violent wringing and twisting", "to snatch or wrench forcibly and hold or assume anything for oneself, especially by usurpation, extortion, or strong persuasive efforts", "to turn or strain anything from its true bearing", "to twist from the natural or proper use".

Any policy or plan, or any measures which involve methods accurately thus described, must stand condemned on the face. In such a connotation, "self-help" can mean nothing more than "to help oneself to what belongs to others", and protestations that no ill-feeling is involved become simply ridiculous.

More than mere "ill-feeling" is, however, involved. What is involved is not even sound economic policy merely, but just and even-handed political and governmental policy.

The only "rightful position" to which businessmen or others, anywhere, are entitled, is the position they are able to gain through their own legitimate efforts, individually or in combination. This is the essence of the free-enterprise system. And under legitimacy, discriminatory nationalistic legislation is ruled out under any conception of fairness and justice. In any well-governed country, all the inhabitants are under the equal protection of law. There is no other way to govern well and there is no other way to establish national prosperity.

Government departments and bureaus organized for the purpose should encourage and foster all the country's industry and commerce. To aid only one section of it, while seeking to handicap the rest, especially when this is for the time being the greater part, is suicidal in its folly.

There is nothing outside of general economic conditions and business practice which stands in the way of any able Filipino industrialist or businessman to establish

himself. As a matter of fact, the general conditions are naturally in his favor. The only reason the Filipino element in the country's industry and commerce is not greater than it is, is that the Filipinos have up to recently shown no great interest in these lines of activity.

That they are showing a greater interest today is, we believe, a healthy thing for the country. Ideally, we agree that a country's industry and trade "should" not be predominantly alien. Naturally, it is best for a people, a nation, to be as self-sufficient and as autonomous as possible in every respect. However, as long as the Philippines continues to need considerable outside capital, much of the national enterprise must continue to engage aliens. But that, certainly, is for the time being to the country's great advantage.

To judge from much of today's nationalistic agitation, one would have to conclude that aliens are somehow wicked in having engaged in business here and made a success of it, that they are guilty of some nameless crime for which they must be punished, that further opportunity for them must be as nearly as possible entirely eliminated, and that even what they have,—such as a piece of land with a home on it, must be taken away from them.

What we have said here is intended to stress the important point which Secretary Balmaceda made but which he did not emphasize,—the necessity of "free and open competition", and we would add the adjective "fair".

There is no other way than this to build up the national prosperity and to weld the population into a great and happy nation,—hospitable, democratic, industrious, progressive, and respected among the nations of the world.

The decision of President Quirino, made late in March, to transfer from the Philippine Constabulary to the Philippine Army the task of combatting and suppressing the insurgent Hukbalaahap organization, has inspired widely felt relief, and there is no blinking the fact that the situation with respect to the Huk movement has steadily worsened since the failure of the amnesty the President offered the insurgents in June of last year.

The Hukbalaahap or "People's Anti-Japanese Army", organized during the Japanese occupation as a guerrilla group, recently adopted a new name, "Hukbong Magapapalaya sa Bayan" (H.M.B.), "Nation's Forces of Liberation", and in celebration of the eighth anniversary of its existence, staged a number of bold excursions in which important towns were seized and held for periods of several days. The Huk depredations have in fact spread to almost every province in Luzon and to some Bisayan provinces, and have reached the very approaches to Manila.

There are today probably no more than 10,000 armed Huks, but they operate in large bands with which the relatively small and scattered Constabulary forces have been unable to cope. While it is sadly true that the Constabulary of today is not the famous, well-led, and finely disciplined organization it once was, it must be realized that it faced great difficulties in dealing with such large and well-armed forces as those of the Huks, especially in the sort of terrain, great swamp areas and the mountains, to which the Huks, when pursued, preferably retreat.

What is worse is that the Huks are not, like the outlaws of former times, mere bandits, although they live by banditry, but follow the "line", the strategy and policies of the communist-led bands which are creating havoc throughout the countries of Southeast Asia.

They do not actually hope to take over the governments in these countries, but seek only to carry out the "limited objective" of promoting disorder and bloodshed and popular misery. The aim is to foment rage and despair

among the people, distrust and hatred of the government, reducing it to virtual impotence, all in preparation for the Kremlin version of Hitler's *Der Tag*, the day when Russia expects to find itself at war with the free world.

That is the reason why last year's amnesty failed. The Huk leaders want no amnesty; their organization exists for no other purpose than to promote and maintain internal hostilities and to precipitate, if they can, civil war.

The last thing these leaders want is any improvement in the conditions of life of the common people. They want only to make their lives more and more unsettled and miserable, and in this, in the Philippines, the Huks have richly succeeded. It has been officially estimated that more than a million helpless people have been forced to evacuate their homes and villages because of the disorders created by them.

Of course, the Huks attempt to disguise this aim. Their strategy of late has assumed a fiendish cleverness, as exemplified by the change of name to "Forces of Liberation". Some of their picked units are well disciplined and instead of the past indiscriminate killing and looting, they kill only constabularymen and soldiers and loot only the Chinese *tiendas*, "protecting" the little native stores. From the people they accept only "boiled water" to drink. They gather the people in the plaza and harangue them on the evils of the Government and the beauties of the "coming" communist world, make lists of the names of persons whom they promise official positions, and other lists of young men who may "later volunteer" to join the victorious forces (though a few weeks afterward another Huk unit may forcibly impress them in the Huk gangs), and in several instances they have further dramatized their campaigns by having their bands led, ostensibly, by beautiful young women, as, in one case, a "maiden with long black hair, riding a spirited white horse!". So they seek to win over their dupes, and the exceeding danger of such trickery worked among ignorant and gullible country people is manifest.

Those who advocate appeasement of the Huks, further offers of pardon, promises of land, etc., are in grave error in supposing that such measures would be met in good faith by the Huk leaders. There is only one thing to be done by the Government and that is to destroy the Huks by armed force. Dealing with them in any other way has been impossible in the past and will remain impossible. They are not to be won over either by reason or any appeal to patriotism. They are deliberate and determined traitors, and the fanaticism which has led them so far astray is beyond cure.

There should be no further temporizing or hesitation. The Government can not allow the situation to deteriorate any further. Every resource must, if necessary, be brought into action. There can be neither peace, nor progress, nor strength in the Philippines until the "H.M.B." has been extirpated.

The desperate and truly criminal character of the Huk leadership is well brought out by the threat they recently issued to the effect that they would wreak vengeance on the Army officers and men sent against them by assassinating their wives and children in their homes. As a consequence the Army has ceased to make any public reference to the names of the personnel engaged.

There sounds the authentic "communist" note,—utter disrespect for every decent human principle, measureless brutality and cruelty, viciousness to the point of delirium, and that the world must take as the appropriate means resorted to in the founding of the Kremlin's better world.

For the information of *Journal* readers, we reprint the following paragraph from an editorial published in these columns in the October-November, 1948, issue:

"Confusion long existed as to the true nature of the Hukbalaahap. It first came into being during the Japanese occupation as a strong guerrilla organization, the name meaning, 'People's Anti-Japanese Army', but it was an outgrowth of an earlier, socialist-led agrarian reform movement in Central Luzon. Agrarian reform had many supporters both in and outside the Government, and rapid progress was being made in improving conditions for the farm tenants. The Huk guerrillas also had many admirers and friends as, for the most part, they fought bravely and well and are also known to have saved the lives of not a few American airmen forced to land behind their lines during the war. Unfortunately, however, communist infiltration began even prior to the enemy occupation and the Huks came definitely under communist leadership, though this was not generally recognized. Today there can no longer be any question about this. Lately, indeed, Taruc has publicly declared that he is a member of the Communist Party."

The following note in the editor's unpublished book on the Santo Tomas Internment Camp and the Japanese occupation of the Philippines, may be of interest. The note was written in 1945.

"The Hukbalaahaps, — from Hukbo ng Bayan Laban sa Hapon (People's Anti-Japanese Army), was organized in March, 1942, even before the fall of Bataan, the organizers including not only labor and peasant leaders, but intellectuals from the League for the Defense of Democracy and other anti-fascist organizations which had all gone 'underground'. The heads were Luis Taruc and Casto Alejandrino, close associates of the Pampanga socialist leader, the aged Pedro Abad Santos, brother of Justice Jose Abad Santos who some months later was murdered by the Japanese for refusing to accept office under them. At the time of the organization of the Huks, Pedro Abad Santos had already been arrested by the Japanese and taken to Fort Santiago, together with the Communist leaders, Crisanto Evangelista and Guillermo Capadocia. (The Socialists and Communists had merged in 1938 and neither of them, particularly the latter, ever constituted a large group.) The three men were held at Fort Santiago for over a year when Capadocia made certain promises to the Japanese in order to save the lives of the others. He was released and made several speeches urging the Huks to lay down their arms, but was then 'kidnapped' by them, after which the Japanese killed Evangelista, whom they still held. Pedro Abad Santos was then released because of serious illness, but, though watched, he succeeded in escaping to Huk territory. He died late in 1944. Capadocia was restored to good standing in his organization.

"The Huks were recruited and operated in Pampanga, Tarlac, Nueva Ecija, Bulacan, Laguna, and parts of Pangasinan and Tayabas. They numbered around 20,000 of whom some 4,000 were armed; their supporters, however, numbered at least 500,000. Their arms and ammunition originally came from salvage in Bataan, but later from slaughtered Japanese. The Huks claimed to have fought no less than 1200 separate engagements with the Japanese and units of the Japanese-organized Constabulary which were sent against them, killing over 30,000 Japanese and perhaps 1000 Filipino constabulary men. The Huks differed from other large guerrilla groups in being more aggressive and more consciously anti-fascist as well as anti-Japanese. To some extent in 1942, and very fully in 1943 and 1944, they played a large part in preventing Japanese seizure of the rice harvest in Central Luzon, the granary of the country. By 1944 they controlled large areas and set up a number of local governments. They saved the lives of

scores of American airmen forced down in their territory, among them Colonel Atkinson, and the areas they controlled became places of refuge for hunted men from Manila. They were, however, accused of banditry as well as being 'communists' and 'anti-American', and although a number of their fighting units joined the American forces after the landing at Lingayen, Taruc and Alejandrino were arrested by the United States Army authorities and some of the Huk units were disarmed. Representatives of Colonel Thorp, who held a commission from MacArthur to organize the guerrillas in northern and central Luzon, had, late in 1942, reached an agreement with the Huks providing for a unified command, but Thorp was captured by the Japanese (he was later executed) before he could sign it; so the Huks claim.

"The Huks allied themselves politically with other guerrilla units, including the Blue Eagles of Laguna, Batangas, Tayabas, and Camarines, and the Philippine-American guerrillas of Cavite, and with the Free Philippines (the Civil Liberties Union underground), and the League for National Liberation,—the two latter Manila political organizations. It was these and other organizations which, in April, 1945, formed the political group known as the Democratic Alliance, though membership was by individuals and not by groups. In October, after the 'March on Malacañan', Taruc and Alejandrino were released on the grounds that no criminal charges against them had been substantiated.

Several squadrons of the Huks, known as the Wha-Chi, were composed of Chinese under the leadership of Huang Chieh, son of a Manila merchant from Fukien. They signed the anti-Japanese alliance with the Huks around the middle of 1944."

MANY of the people, now enrolled among the Huks, were, before the war, the followers of the good old idealist, Pedro Abad Santos, who had the sympathetic ear of President Quezon. A program for the betterment of rural conditions had been inaugurated by the Quezon Administration, and the outlook was promising.

During the Japanese occupation, the Huk organization which grew out of the movement led by Pedro Abad Santos, played, in the main, a patriotic and worthy part.

After the war, the Huks could have converted themselves into a progressive political party, with a sound and constructive program, and they did, in fact, take part in the Roxas-Osmeña presidential elections in 1946, supporting Osmeña and electing Taruc and a number of other minority leaders to Congress. But they had retained their semi-military organization, were charged with having used illegal coercion in many places, and the leadership was by that time so openly radical and hostile, that Congress refused to seat Taruc as well as a number of the others. This gave the Huks a real grievance, and when President Quirino took office, after the sudden death of President Roxas, he sought to remedy this situation by issuing his Amnesty proclamation. Congress accorded Taruc his seat and allowed him to draw his full back pay as a representative. But the Huks still refused to give up their arms, the Amnesty failed, and Taruc again took to the hills. Actually, the communist Huk leaders, as has been said, did not want an amnesty; they wanted only trouble, conceiving of themselves as the vanguard of a communist revolution.

So runs the story of a perverse leadership that is costing the Philippines such a treasure in wasted years, money, and blood.

"We recognize our special ties with the Philippines."

—Secretary of State Dean Acheson

Philippine Economic Policy

By MANUEL L. QUEZON

THE following statement on Philippine economic policy by the late President Manuel L. Quezon, was reproduced in full as the leading editorial in the March-April (1950) issue of *Philippine Commerce*, the official organ of the Chamber of Commerce of the Philippines. The Quezon statement was first published in 1939 in the "NEPA (National Economic Protectionism Association) Handbook of Economy."

The pronouncement is so much to the point with respect to certain present manifestations here, is so sound and breathes such a fine spirit, that it deserves the widest re-reading. We congratulate the Philippine Chamber of Commerce and its official organ for having made this possible.

(COMMERCE considers it timely to reproduce in this issue the full statement of the late President Quezon on a topic which is today the country's greatest concern. The statement should clarify more than anything else the issue presently confronting the Republic to rehabilitate, stabilize, and build the national economy.)

ONE of the aims of my administration has been to grant to the Filipinos every facility they may need to acquire an increasing share in the business activities of the country. This policy is prompted by more cogent reasons than merely a narrow or emotional nationalism. Our national economy can never gain stability and strength, unless it is built permanently upon the brain and brawn, the work and wealth of our own people.

But Filipino businessmen would not assume that the Government would extend to them special privileges at the expense of the public interest, or in disregard of the rights of Americans or foreigners doing legitimate business in the Philippines. Under our Constitution, Americans are entitled to the same consideration as Filipinos. As to foreigners, aside from their rights recognized in international law and our own laws, they have the further right to be treated with equity and justice, because they have helped in the development of our country at a time when our own people were not engaging in business enterprises. What the Filipino businessmen have the right to expect from their Government and what we are affording them, are means which they did not have in the past, such as banking institutions, facilities for trade and communication, and new opportunities to engage in productive activities. In other words, the Government is facilitating and encouraging greater participation of Filipinos in the commerce and industry of the country. But the Filipino must stand on his own worth. He must make his way through earnest, intelligent, and determined effort. He must be ready to meet the exigencies of fair competition; for only under equal circumstances should he have the right to expect the protection of his countrymen.

We cannot, we must not, adopt a policy that in any way may be interpreted as antagonistic to foreigners. We do not underestimate what they are doing and can do in aid of our material progress. The attraction of foreign capital has been one of my main concerns. However, foreign capital, at best, is an uncertain factor for the national economy of any country to be built upon. The cornerstone, the sustaining walls, every part which gives firmness to our economic edifice, must be constructed mainly with the work and resources of Filipinos. Our own people should supply the blood-streams of our economic life. Our economy must be built principally by ourselves and with ourselves.

The only sound basis for a national economy is productive enterprise. Experience counsels that this field be left largely to private initiative. This is a postulate of the profit system and the institution of private property. Our Constitution is committed to this social philosophy. No other system has been found so far to be of practical permanent value. In this regime alone can the natural human impulses have free play and be put to advantageous use. Other systems may, perhaps, temporarily, increase production and add efficiency to the economic machine, but only at the cost of the suppression of the liberties of the people.

While private enterprise is to be relied upon to buttress the national economy, it must be admitted that there are certain social and economic objectives which can best be accomplished by direct government action. This fact has been recognized by our Constitution, which grants specific authority to the State "in the interest of national welfare and defense, to establish and operate industries and means of transportation and communication, and, upon payment of just compensation, transfer to public ownership utilities and other private enterprises to be operated by the Government." The provisions of the Constitution in this respect are not only based upon the experience of other governments lacking these powers when confronted with urgent and grave economic or social problems, but also upon a consideration of the fact that the Philippines has to face the difficult task of economic reconstruction. Pursuant to these provisions, when private capital is either not prepared or willing, I have considered it necessary for the Government to undertake essential economic actions. The ventures, however, are not intended to compete with private enterprise, but rather to aid and stimulate individual effort. I do not believe in the nationalization of business. By that I mean that my political and social philosophy is opposed to a government monopoly of economic enterprises except, perhaps, in the case of public utilities, if and when circumstances demand it. Neither do I favor bureaucratizing the whole system of production and distribution of commodities. That would be one of the greatest calamities that can happen to this or any other country.

Private business constitutes the support of the social structure. To a large degree, each citizen finds the basis of his own material welfare in it, and the government builds on it. No statesman can fail to recognize this fact. It is, therefore, to the interest of the government and the people to help business,—to enlarge it, to strengthen it in all its parts, and to insure its continued existence. Anything that hurts business cannot but have harmful reactions in the government and the people. It is with this knowledge that I have adopted as a basic policy of my administration the affording of the assistance of the Government to legitimate business. It is my purpose to persevere in this policy. I wish to give to every businessman, foreigner or Filipino, the assurance of just and fair treatment. My endeavor to secure for labor adequate wages and satisfactory working conditions is not motivated by a desire to destroy business or to create circumstances under which private enterprise could not survive. I have asked for labor the means for a decent existence, in the conviction that labor is entitled to humane and equitable treatment, and that, in the last analysis, this is to the permanent benefit of capital itself. Enlightened self-interest is the best policy for businessmen and it will convince them of the wisdom of giving to labor the fairest treatment that they can give. Capital itself is nothing more than the accumulated values

(Continued at the bottom of the next page)

Statement on the Import Control Bill*

By AMBASSADOR MYRON M. COWEN

I AM certain that all members of the Committee agree with me that the cornerstone of friendly relations between nations is first the negotiation of treaties and agreements on matters of mutual concern and, thereafter, so long as the instruments are in effect, steady adherence to their provisions. The long history of the relations between our two countries shows an enviable record of full compliance with the letter and spirit of covenants undertaken for specific performances in the fields of political organization, legal rights, and economic association.

The currently most important of our formal understandings is the "Agreement Between The United States of America and The Republic of the Philippines Concerning Trade and Related Matters During a Transitional Period Following the Institution of Philippine Independence", signed at Manila on July 4, 1946. This Agreement was entered into pursuant to a statutory warrant of the U.S. Congress legally known as "The Philippine Trade Act of 1946", and commonly referred to as the "Bell Act".

I believe there have grown up many misconceptions of the origin and character of this Act and the pursuant Agreement. I do not wish to take your time for a detailed analysis, but I think a few words are helpful in arriving at an understanding of the problem which confronts us with respect to a limited part of the Import Control Bill now lying before your honorable body.

The underlying philosophy of the Agreement was the desire expressed by three Presidents of the Philippines and two Presidents of the United States to continue for a period of 20 or 25 years after Philippine Independence as nearly as practicable the economic and financial relations then existing between our nations and their peoples. The conditions which evoked this mutual desire were the devastation of war in the Philippines, the unsettled state of world trade, and the need for a "floor" under Philippine economy sufficiently strong to support a program of rehabilitation to be financed mainly by United States appropriations. Agreeably to both nations, it was intended to build the "floor" by an exchange of privileges and concessions which would re-establish temporarily the conditions *quo ante*.

The United States broached its standing policy of universal tariff relations with foreign countries to allow the continuation on declining scale of reciprocal preferential trade. This was practically the same post-Independence trade program as that recommended at an earlier date by the Joint Preparatory Committee on Philippine Affairs and, I understand, unanimously approved by the several Filipino members. In 1939 the United States Congress declined to enact the program and postponed further consideration to the eve of Independence. But, with the terrible effects of war on the Philippines visible, the Congress acceded in 1945-46 to the requests of the

Philippine Government and authorized not only the preferential system but granted a preliminary 8-year (1946 to 1954) free trade "plateau."

Agreeably to both nations during the hearings on the Philippine Trade Act of 1946, the continuation of the reciprocal preferential trade system was conditioned on there being no discrimination against American citizens and their corporations doing business in the Philippines, as had been the case before Independence. This relationship was sanctioned by Paragraph 4 of Article X of the Agreement, reading as follows:

"If the President of the United States determines and proclaims, after consultation with the President of the Philippines, that the Philippines or any of its political subdivisions or the Philippine Government is in any manner discriminating against citizens of the United States or any form of United States business enterprise, then the President of the United States shall have the right to suspend the effectiveness of the whole or any portion of this Agreement. If the President of the United States subsequently determines and proclaims, after consultation with the President of the Philippines, that the discrimination which was the basis for such suspension (a) has ceased, such suspension shall end; or (b) has not ceased after the lapse of a time determined by the President of the United States to be reasonable, then the President of the United States shall have the right to terminate this Agreement upon not less than six months' written notice."

After due consideration by the Department of State of Section 14 (formerly Section 13) of the Import Control Bill, I was instructed to present to your Government the Department's conviction that statutory provisions for reserving to Philippine nationals a part of allowable import quotas clearly discriminated against American citizens and American business, and, if enacted, would necessitate consideration of the applicability of Paragraph 4 of Article X of the Agreement. It appeared also that without further clarification the wording in Section 23 (formerly Section 22) of the Bill could be construed as a statutory qualification of the protection accorded United States citizens in the Agreement.

Apart from consideration of the Agreement, under the stress of controls which have fallen upon the normal economies of many countries, one is constrained to view the allocation of quotas or issuances of licenses to lawfully resident businessmen without discrimination as to their nationality or race not only as a matter of amity among friendly nations, not only as a virtual human right, but also as necessary to preserve the ideas of private property, private enterprise, and individual initiative towards material progress.

There are practicalities in the situation. First, while it is true that the Philippines buys the greater part of its imports from the United States, it is also true that the Philippines sells the greater part of its exports in the preferentially protected United States market. Secondly it is impertinent that the discriminatory provisions of the Import Control Bill and of other bills, such as those limiting practice of the professions and those placing heavy fees and taxes upon aliens, should be advocated at a time when

* Addressed to the Senate Committee on Agriculture, Commerce, and Natural Resources, April 28, 1956.

of labor. Capital should be willing to accord to labor a reasonable share of its profits. I bespeak the cooperation of all businessmen in my efforts to give labor its due, assuring them in turn that they can expect the cooperation of the Government in the promotion of their legitimate interests.

Business may rely on the sustaining arm of the Govern-

ment. It may feel secure against injustice or revolutionary changes. Our steps turned toward reform of our economic and social conditions will be deliberate — constructive and not destructive. But we will not brook unreasonable opposition to our determination to raise the standard of living of the common man.

the administrative and legislative branches of the United States Government have under consideration programs for assistance to the Philippines. Finally, a word should be said for the American traders many of whom, or their companies, have been in the Philippines for years and have not failed to plow back into the economy of the country a goodly portion of their profits.

There is much in the Import Control Bill which is desirable and I recognize that the present law expires in a few days. Therefore, I respectfully suggest that the problem may be happily solved by insertion of the following language in lieu of the present Section 23:

Statement on the Nationalization of Retail Trade*

BY CORNELIO BALMACEA
Secretary of Commerce and Industry

IT is only natural that we should seek to place our own nationals in control of our retail trade. What is wanted, I believe, is not the total exclusion of the foreign elements from our retail trade, but to place our Filipino retailers in their rightful position. The domestic trade of any country should not be controlled by the foreign elements but by the nationals themselves. So this movement to wrest the control of the trade from the hands of alien retailers here is not animated by any anti-foreign feeling but is a proper exercise of self-help on the part of our people.

There should be no doubt as to the legitimacy of this objective. The disagreement lies in the way of accomplishing it. One way that is proposed is "nationalization of retail trade", which is taken to mean the exclusion of aliens from the trade. This is not the first time that such a proposal is made. It will be recalled that in the Constitutional Convention, the same proposal was considered, and various bills have also been submitted repeatedly in past legislatures, for this same purpose.

However, these proposed nationalization measures failed to secure the approval of the Constitutional Convention as well as the legislatures mainly because of the international questions involved. It was felt that the adoption of such a measure would be discriminatory, would invite retaliatory measures, and is not conducive to international amity. Now that the Philippines is an independent nation, this aspect of the proposed nationalization measure assumes even more importance.

We should, therefore, find other means of accomplishing the desired filipinization of our retail trade. The obstacles in the way of the Filipino retailer to enable him to compete fairly and successfully in the trade must be removed. All reasonable assistance should be given to him by the Government and by the public. We should create here a climate wherein Filipino retail trade can grow and develop. Such measures, however, although important and necessary, cannot overlook the main and paramount factor—the ability of the Filipino merchant to render efficient and satisfactory service and to hold his own in free and open competition.

In the past the Government has adopted various measures toward this end. The Bureau of Commerce for many years past has been giving assistance to Filipino retailers in buying their merchandise and forming wholesale organizations. The Bureau has been organizing consumers' cooperative stores, believing that if consumers establish and manage their own retail stores, it will be an effective

"During the effectivity of the Agreement Between the United States of America and the Republic of the Philippines Concerning Trade and Related Matters signed on July 4, 1946, citizens of the United States and all forms of United States business enterprises shall be exempted from the provisions of Section 14 of this Act."

Please be assured that I have every wish to be of the utmost help in the solution of the problem with which we are confronted, to the end that good relations between the Philippines and the United States, between Filipinos and Americans, not only may be preserved but may grow and be strengthened in these days which seem to me not less than critical for the nations which love liberty and justice.

way of filipinizing the retail trade. The Government also established the former National Trading Corporation to act as a wholesale supplier of merchandise for Filipino retail stores. The functions of this entity have been taken over by the PRATRA which is now giving assistance to Filipino retailers.

I believe that these measures should be continued and intensified. The Department of Commerce and Industry, in cooperation with other entities of the Government, has adopted an integrated plan which consists of two parts: (1) an entity to supply merchandise to Filipino retailers and give them financial assistance; and (2) organization and assistance to Filipino retailers.

The first part of this plan is assigned to the PRATRA. The PRATRA, having taken over the functions of the National Trading Corporation, acts as wholesale supplier of merchandise for Filipino retailers. The PRATRA not only endeavors to supply goods at the right prices to Filipino retailers but also give them commodity loans.

The second part consists in the organization of retailers and consumers and giving assistance to retailers. The Bureau of Commerce and the National Cooperative Administration cooperate with each other in the organization of consumers' cooperative stores. The consumers movement is an effective way for filipinizing the greater portion of our retail trade. If the consumers themselves come to realize the benefit of organizing themselves and establishing their own store, they will eventually gain the control of the retail trade. This movement is being pushed slowly but surely, starting with established groups of consumers in government offices, business firms, schools and other institutions. There are already a number of these consumers units functioning successfully as cooperatives. Labor groups will also be organized for the same purpose.

The next group of consumers are the farmers and producers, like the tobacco growers in the Cagayan Valley, the rice planters in Central Luzon, the abaca planters in Bicol and Mindanao, and other groups of farmers. The cooperatives being established among them are the producers-consumers cooperatives. These cooperatives will not only sell the products of the farmers but will handle the distribution of consumers goods and thus take over the retailing work into their own hands.

It is to be admitted that there have been many failures in this cooperative work in the past. But many countries which have now successful consumers' cooperative associations, embracing big portions of their populations, have gone through these experiences. We should not give up the accomplishment of this objective just because of

* Made before the Committee on Commerce and Industry, House of Representatives, March 30, 1950.

past failures. We should learn from our experience and do better in the future. We must not lose hope in the eventual success of cooperatives in the Philippines.

The Bureau of Commerce and the National Cooperatives Administration will also give assistance to the retailers in forming them into retailers' associations for purposes

of cooperative buying. The Bureau has started the organization of provincial retailers into provincial trading corporations. This activity is now being resumed. The Filipino elements in the retail trade can establish their own wholesale buying organizations. This will put them in a better position to meet alien competition.

The Prospect for the Philippine Fisheries

BY HERBERT E. WARFEL

*In Charge, Biological and Oceanographic Investigations, Philippine Fishery Program,
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HERE is probably no segment of the Philippine economy so little understood in its entirety as the fishing industry; yet, with the exception of agricultural food production, none is so important to the health and welfare of the nation. Next to rice, fish and allied products are the foremost food items in the Philippine diet, and next to agriculture in all its aspects, the fishing industry, in all likelihood, ranks second in the nation.

Although beset by many problems, the fishing industry has made considerable progress since the last Pacific war, and, for the most part, has kept pace with the growth of the Republic. Whether or not this progress can be maintained in the face of the rapidly-increasing population, is the consideration of this report.

To understand the fisheries and their potentialities, it is necessary that certain basic factors be brought together and considered, each for its proper value. These factors are, first, the demand upon the fisheries; second, production dynamics; and finally, the outlook for the future.

Under each of these headings are many variables that must be evaluated, and these range from the food habits of the people to considerations pertaining to the weather, the seas, and the biology of the fishes. Unfortunately, none of these factors has had the study necessary for complete understanding, but during the past three years the Philippine Fishery Program of the U. S. Fish and Wildlife Service has made considerable progress in compiling much of the basic data.

THE Filipinos rely, as do most other tropical peoples, on fish as their main source of protein. There are many reasons for this, but the outstanding one is that there have never existed, in most tropical areas, satisfactory meat animals in sufficient quantity to supply a steady source of food. Fish, on the other hand, have always been conveniently accessible, do not have to be husbanded, and at the same time, supply the need.

There is, therefore, a tradition, or a habit, of reliance upon fish as a main staple in the diet. Formerly, and even now in many isolated places, fish supplied the protein requirement very handily. With the changes brought about by the advent of white men into many tropical places, however, a strain has been exerted upon the fish resources to such a degree that, in many places, critical protein shortages now exist. The Filipinos has not, apparently, reached that stage, but indications are that it is not beyond the realm of immediate possibility.

It is considered by physiologists that the average human being needs 4 ounces of protein food each day. The day-to-day food, other than fish, eaten by tropical peoples does not include that much protein; and, in addition, there are various kinds of proteins, and no single vegetable food contains all of the constituents of the proper kinds. There are no substitutes for animal-derived protein available today in a natural state. Therefore, in tropical islands in particular, there are no substitutes for fish for most of the people.

To supply this much fish to the people of the Philippines, 4 ounces, 1,825,000,000 pounds of fish must be captured annually—or, stated another way, 91.2 pounds per person per year. It is doubtful that production of such proportions has ever been achieved. This calculation does not take natural wastage into consideration.

There are supplemental foods available to some groups within the general population, such as eggs, poultry, and some red meat. The latter is very limited, but still must be considered.

Estimates of actual fish consumed vary considerably, and there are no reliable figures. One study made of the food habits of citizens in barrios in Luzon indicated that pre-war consumption was in the neighborhood of 4.5 ounces per person per day; but the recorded landings for 1948, as reported by the Philippine Government, indicated that consumption of fish was 1.4 ounces per day. Considered judgment of fisheries officials indicates that total consumption is in the neighborhood of 66 pounds per person per year of fish and allied products—or between 2.5 and 3.0 ounces per day. This figure may be exaggerated, but if true, it means that approximately 1,100,000,000 pounds of these products are produced every year.

This level of production is not far from that which, in the opinion of this writer, is ideal. If the fisheries can maintain production at that level, it would seem that sufficient proteins could be made available from other sources to meet the currently-accepted minimum daily requirements.

The sources of fish and other aquatic products used for food are various, but in the main, the Philippines draws upon three rather distinct types. By far the greatest portion of the general daily needs come from the sea, and a fair estimate from this source is 75%.

It needs to be emphasized that these figures are simply considered estimates. Statistics on marine production are collected only at certain selected localities, and there are thousands of landing places that do not enter into the calculations of the officials. More fish are probably landed on isolated beaches than at piers and other establishments. Fish produced in fishponds are likewise accounted for only in a general way and the fish taken from fresh-water places, such as sandy fields, irrigation channels, lakes, and ponds are known only in a very meager way.

PRODUCTION dynamics for fish in the seas of the Philippines comprise an intricate and highly characteristic situation that contains the answers to the many speculations concerning the potentiality of the fisheries. In the first place, the Philippines is surrounded by the deepest waters in the world, and such waters are not generally productive. If one looks at production in the ocean as one looks at production on land, he soon discovers that there are basic factors common to both situations. Just as on land, where the soil must be fertile to produce a crop of rice or sugarcane, likewise in the sea, the water must be fertile to produce a crop of fish. To produce beef demands that green plants must first be produced on the soil to produce fish in the sea, green plants must also be produced. The green plants responsible for the conversion of the energy of the sun into energy represented by fish, are microscopic algae; and in all likelihood, it requires a comparable amount of algae to produce a pound of fish as it does grass to produce a pound of beef.

The difference between the production set-up on land compared with that in the sea, is that soil is static in its special distribution, whereas the sea is constantly shifting and fluid. The fertility of soil is readily available if it is present in the first place, but the sea, in order to be productive, has to circulate vertically. Life in the sea, for the greatest part, is confined to the surface layers of water. When this life dies, it falls to the bottom and disintegrates, and the basic chemicals are released and become the elements of fertility. The problem in the sea is to get these elements back up into the realm of sunlight where they can be incorporated again into the microscopic green plants, and in turn incorporated into the bodies of fish.

This can happen only in certain definite situations in the seas, and the areas of productivity in the ocean are reasonably well marked. Thus, there are expanses of ocean that are wholly without significant living organisms. For the most part, the earth's productive areas are those of the more shallow sections; and of the 800,000 square miles of waters surrounding the Philippines that have been explored by the U. S. Fish and Wildlife Service, in all likelihood, not more than 8,000 or 10,000 square miles could be said to be productive to a degree comparable to an area of similar magnitude in the shallower waters of the temperate zones.

Thus, supposing that there are 10,000 square miles of productive waters in the Philippine seas (and this estimate will include the greater part of productive shorelines), this would mean that 2,000 Filipino people are dependent upon each square mile of productive water for their animal protein food; or that each acre would have to produce enough fish to supply three people at the current rate of consumption. It further means that each acre has to produce 175 pounds of sea food annually. Actually, it is highly improbable that production is as high as this, and the Filipino people have to augment the fish supply from the sea with fish from other sources, such as inland waters and fishponds.

The second consideration in the production set-up is the mechanical aspect of capturing fish for human consumption. In a country

like the Philippines, where basic productivity is light and where the fish are thinly distributed, many ingenious methods have been developed. It is significant, however, that productivity per man engaged in the fishing industry is the lowest in the world. Pre-war estimates indicated that approximately 1,500 pounds per man was the average annual production of the fisherman, compared with 63,000 pounds per man in Great Britain; 32,000 in the United States; and 7,000 in Japan. From this figure one also gains an idea of the productive capacity of Philippine waters. This does not mean that a Filipino fisherman is not skillful; in fact, it probably means he is more skillful than many others. But it does mean that for every hour that he puts into fishing, he takes far less than the fisherman in other parts of the world, because he does not have the fish available to him to capture.

THE outlook for the future is not overly encouraging. As far as can be ascertained, the opportunities for expansion are very limited. Of the fishes in the sea, only sharks and tuna are unexploited at the present time; and if the fishing industry were to concentrate on capturing these forms, production would be expanded by only about 7.1%. To do this would demand new investments in the fishing industry, acquisition of new techniques, and a high degree of industrialization.

The Filipino people today also are wasteful of this resource. Dynamite fishing, among other illegal practices, is threatening the future of the entire industry. The life cycle of fish is such that the immaturity of many species spend the greatest part of that stage of their lives in shallow water. Shallow waters are the hunting grounds of the dynamiter, and it has been pointed out many times that every blast of dynamite kills not only fish for the immediate market, but also kills a considerable quantity of fish upon which the market of the future must depend. In the past three years it has been possible to follow the retrogression of the fish supply by noting the progressively farther distances that have had to be traversed by the dynamite fisherman in order to assure himself a supply of fish for his market. Three years ago the Manila market was largely supplied by dynamited fish from places as close as Busuanga and northern Palawan. Today, that market is being supplied by dynamited fish from as far away as Balabac and Tawi-tawi.

Not all fish in one place are killed by dynamite, to be sure, but the habitat of fish that is constantly exposed to explosions is so changed that it will be a matter of many years before these places are restored as fish-producing areas.

To further emphasize the situation facing the Philippine nation in the matter of the future supply of animal protein, if drawn almost wholly from the sea, a few comparisons will suffice. One of the great fisheries of the world is that off the coast of California for the pilchard, or sardine. This fishery has produced approximately 450,000 tons per annum for many years. The fish are exploited by a type of gear called purse seines, which when set, surrounds and holds as many as 1,000 tons of fish at one time. A large purse seiner operating from San Francisco can carry as many as 200 tons of fish to port from the sea, and sometimes as many as four or five vessels of this type will load from one set of this net. The best sardine fishing ground in the Philippines is the Visayan Sea, and while catch statistics from this area are sketchy, by putting together figures from the principal landing places in that area, it is doubtful that more than 100 tons of sardines could ever be gathered from the Visayan Sea in a single night. Working all year at this rate, if it could be done, would produce 30,000 tons, or one-fifth of what can be produced in the California sardine fishery. Actual production is, however, of the order of magnitude of 10,000 tons, as estimated by the Philippine Bureau of Fisheries.

Another example seems to be to the point. Before the war, the Japanese operated three fish canneries in the southern Philippines and

in North Borneo which attracted a great deal of attention and are always cited as an example of the indicated potential of the fisheries of the Philippine waters. However, the capacity of these plants is known, and the extent of their operations can be fairly well estimated. If all three plants operated at maximum capacity throughout the year, the total take of fish necessary to supply them would be 5,000 tons. While 5,000 tons is a considerable load of fish, nevertheless several places in the United States such as Astoria, Oregon, and Stonington, Connecticut, will handle in a year two to three times that many fish.

Finally, there are the reports by the Anglo-Caribbean Commission which studied the fishery potentials of the Caribbean Sea during the war and attempted to offset the curtailed food supply that existed at that time. A comparison was made between Chesapeake Bay, an area of 2,800 square miles, and Paria Gulf, an area of 3,200 square miles adjacent to the Caribbean Sea. The former will produce within a year 300,000,000 pounds of fish and shellfish, whereas the latter will produce 6,000,000. The Caribbean is comparable in many ways to the Philippine seas, not only because its waters are deep, but also because they are tropical. The opportunity for vertical circulation is limited, and thus the fertility of surface waters where fish are produced is low.

Thus, the prospect for the future of the Philippine fisheries is not the abundant one that has so often been emphasized in the past. Compared with the more temperate waters, the Philippine seas do not teem with fish. Single observations by former writers on this subject are in no way indicative of the potential of the Philippine seas for sustaining production. The Philippine fisheries will probably continue just as they have, with the use of primitive gear, low productivity per man, and the continuous effort of a multitude of fishermen.

This does not mean that opportunities for mechanization and industrialization of the industry do not exist, but it does mean that any such enterprise will be comparatively small, and even if carefully managed, will produce but a modest, steady income. The tuna fishery, for example, has been studied rather carefully by the U. S. Fish and Wildlife Service. This study has uncovered considerable information on the distribution and abundance of these fish. The Service has arrived at the conclusion that by employing the longline trawl technique, as developed by the Okinawans in the South Pacific, each vessel will take one ton of fish per day. It is of the opinion that a fleet of 60 such vessels could operate profitably from the Philippines, and that the results, if packed, would yield 300,000 cases of canned tuna each year and 2,700 tons of fish-meal in the same period, besides an undetermined amount of fair quality fish-oil suitable for nutritional purposes. Such an industry is estimated to be worth ₱6,000,000 to ₱7,000,000 annually.

A tuna canning industry would have two advantages: The canned fish could be used as a substitute for canned sardines which are widely eaten at present and are one of the heaviest items on the import list. Fish-meal is badly needed for the growing Philippine poultry industry, and the oil could be used in supplementary rations for both animals and human beings.

On the other hand, opportunities for canning such forms as sardines are not promising. Such fish are simply not present in sufficient quantities; and the demand and the price paid for them fresh are too high to warrant the expenditure of placing them in cans for sale unless such local products were rigidly protected by import quotas, high tariffs, or otherwise. Even then they would have to compete with fresh, salted, and dried products which are much cheaper.

From time to time there have appeared in the local press articles describing products that lend themselves to small industrial development. Such products as canned fillets, canned oysters, fancy fish pastes, and others offer opportunities for the small investor willing to manage his own business and willing to be content with a modest profit.

SUMMARY OF DEMOCRATIC THEORY

I BELIEVE . . . that morality, compassion, generosity, are innate elements of the human constitution; that there exists a right independent of force; that a right to property is founded in our natural wants, and the right to which we are endowed to satisfy these wants, and the right to which we acquire by those means without violating the similar rights of other sensible beings; that no one has a right to obstruct another, exercising his faculties innocently for the relief of sensibilities made a part of his nature; that justice is the fundamental law of society; that the majority, oppressing an individual, is guilty of a crime, abusing its strength, and by acting on the law of the strongest breaks up the foundations of society; that action by the citizens in person, in affairs within their reach and competence, and in all others by representatives, chosen immediately and removable by themselves,

constitutes the essence of a republic; that all governments are more or less republican in proportion as this principle enters more or less into their composition; and that a government by representation is capable of extension over a greater surface of country than that of any other form."

—THOMAS JEFFERSON

IT is this moral quality that makes democracy a political philosophy, not a mere ideology. It is this that has enabled it to survive the changing circumstances from Jefferson's time to ours. It survives in an industrial age because it is at bottom moral rather than economic."

—A. WHITNEY GRISWOLD in the April *Fortune*

Correspondence with the Senate President on Import Control

April 25, 1950

THE HONORABLE M. JESUS CUENCO
PRESIDENT OF THE SENATE
MANILA

Sir:

In view of the passage of the pending Import Control Bill by the House, the American Chamber of Commerce would like to set forth its views, relative to this legislation.

First, attention is invited to the fact that the Bill reserves 40% of quotas for new importers. It is obvious that this provision will force certain established importers, many of whom have been in the Philippine Islands for 40 years, to close their businesses if they have not already done so. This provision constitutes class legislation of the worst form and is hardly conducive to encouraging further foreign investments in this country. We should like to point out that this provision is in direct contradiction to the President's statements welcoming foreign capital to the Philippines and assuring it of fair and equitable treatment.

Second, that the provisions of this Bill calling for the establishment of a new Import Control Board and licensing of all imports is almost certain to bring the majority of import businesses to a complete standstill. The present Import Control Bill covers only luxuries and non-essentials and yet, after almost five months' work on the part of the Import Control Board, a great many importers have yet to receive a single license. It is obvious that with total import control it may be more than one year before some importers receive licenses at all. It is true that the House has incorporated into the new Bill a provision requiring all applications to be acted upon within one month. However, writing such a provision into the Bill will not accomplish the fact and extreme delays in issuing licenses will unquestionably occur, regardless of the provision, simply because of the impossibility of the task.

The American Chamber of Commerce is in full sympathy with the necessity of preserving the country's exchange position and is as anxious as any group in the Philippines to aid this country in its present difficulties. The measure proposed however, will, in the Chamber's opinion, have a very adverse effect on economic conditions in the Philippines and specially on the efforts of many friends of the country to obtain more aid from the United States.

It is, therefore, the Chamber's suggestion that the present Import Control Bill be extended for a period of one year to allow the present Import Control Office to reap the benefits of the reorganizations and investigations to which that body has been subjected.

It appears to us to be a tremendously wasteful procedure to disregard the effort and experience gained by the present Import Control organization, by establishing a new group when the old group has only just begun to function. It is also the Chamber's recommendation that a commission be established immediately to formulate rules and policies for total import control effective May 1, 1951. In this manner a smooth transition can be made at that time without total dislocation of trade.

The foregoing is respectfully submitted for your consideration.

BOARD OF DIRECTORS
AMERICAN CHAMBER OF COMMERCE
OF THE PHILIPPINES

By: MARIE WILLIMONT
Executive Vice President

BOARD OF DIRECTORS
AMERICAN CHAMBER OF COMMERCE

April 27, 1950

Gentlemen:

In reply to your letter of April 25, 1950, I wish to state that it has always been the firm policy of our Government to deal fairly with all foreigners engaged in business in our country.

It should be clear to everyone, however, that the lawmakers of the Philippines cannot shirk their duty to enact laws that will protect the interests of their own people.

In this country, the great bulk of trade and commerce is controlled not by Filipinos but by aliens, and in all fairness, ways must be found to give our own citizens their just share of the trade and commerce of their own land.

I wish to assure you, however, that it is not the feeling in the Senate that such laws as we may consider necessary to protect the interests of Filipino business men should be prejudicial to the rights and privileges which American citizens are entitled to enjoy in this country.

Sincerely yours,

M. JESUS CUENCO

May 3, 1950

THE HONORABLE M. JESUS CUENCO
PRESIDENT OF THE SENATE
MANILA

DEAR MR. PRESIDENT:

We gratefully acknowledge your letter of April 27 and wish to express our appreciation for your assurance that it is not the feeling in the Senate that laws considered for the protection of Filipino businessmen's interests should be prejudicial to the rights and privileges of American citizens in this country.

There is another point on this subject to which we wish to invite your attention. It is to the fact that American firms in the Philippines not only employ many thousands of Filipino nationals, but that the importations and production of such American firms normally enter into consumption and use in this country through established Filipino jobbers, dealers, agents, and representatives. American firms are largely staffed and, in many cases, are managed and partly owned by citizens of this country. When such firms protest discriminatory action affecting them, they are protesting for the benefit of these Filipino citizens, too.

As we are sure you have already witnessed, it is the normal and continuing practice of the established American firms in this country to nationalize their operations by furthering ever closer ties and association with their Filipino employees and the Filipino businessmen who, in a great many cases, have been assisted in the establishment of their businesses by these American firms.

We believe there has been a decided trend and achievement, since Philippine Independence, in the efforts of American firms to encourage and assist Filipinos, both within their businesses and so as to set up as independent businessmen. Through the practice of such a policy, Filipinos have obtained a large and increasing share of the trade and commerce of the country; and, this increase is bound to bring about an eventual majority of Filipino control. This is an orderly process of mutual benefit and value to Americans and Filipinos who have so many interests in common. It allows for a development at a rate of accomplishment and its basis is just good business practice.

Sincerely yours,

PAUL WOOD
President, American Chamber of Commerce

THE Chamber's letter to Senate President Cuenco was based on the following considerations:

That it is proposed to permit the importation of articles, goods, and commodities during the year 1950 equal to ₱800,000;

That it has been reported in the press that the Import Control Office has licensed a total of less than 8% of this amount during the first 4 months of the year and that the amount licensed comes to only around 6% of the quantity of importations during 1949;

That the Import Control Office has been unable to act on hundreds of importers' applications during this period and that many importers have received no quotas or licenses since last October and that many necessary articles of trade have therefore not yet been ordered from foreign suppliers; and

That these conditions are bound to result, if the process is not immediately and materially speeded up, in (1) drastic shortages, (2) rising prices and black-marketing, (3) increased inflation, (4) increased unemployment, (5) decrease in tax revenues, and (6) closing of many import houses.

As the American Chamber of Commerce is in full sympathy with all necessary efforts to preserve the country's exchange position, it

recommends the extension of the present import control regulations, with certain revisions, since a new law would mean a lapse of from 4 to 6 months before it could be made effective, and this further delay would aggravate the present conditions and bring about a most chaotic situation.

The Chamber recommends the following revisions in Executive Order No. 295 (Revised):

- (1) That the Executive Order be made an Act of Congress;
- (2) That Section 5 be changed to read as follows:

"The Import Control Board shall allocate the quotas established in accordance with Appendix 'B' only among the importers registered for the same article during the year 1948. The Import Control Board shall not permit importers to transfer quotas from one article to another, nor permit the holders of licenses to transfer same to another.

- (3) That Section 6 be changed to read as follows:

"Notwithstanding the provision of the preceding Section, the Import Control Board shall set aside not more than 20% of the quota established for each article in Appendix 'B' for allocation to importers who had no importation during the base period 1948 but have been registered subsequently as importers of such articles; provided that such new importers be legal residents or juridical entities of the Republic of the Philippines."

The Business View

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

Banking and Finance

By R. E. RUSSELL

Sub-Manager, National City Bank of New York

COMPARATIVE Statement of Condition of the Central Bank of the Philippines:

ASSETS	As of Dec. 31	As of Jan. 31	As of Feb. 28	As of Mar. 31
	(in thousands of Pesos)			
International Reserve.....	₱460,689	₱442,432	₱441,999	₱441,792
Contribution to International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	113,306	113,306	113,306	113,306
Loans and Advances.....	77,047	83,374	85,451	87,198
Trust Account — Securities Stabilization Fund.....	—	—	—	—
Domestic Securities.....	92,197	96,774	104,649	106,449
Other Assets.....	20,390	25,248	25,462	29,069
	₱793,629	₱791,136	₱800,868	₱814,664
LIABILITIES				
Currency—Notes.....	₱555,576	₱540,849	₱541,577	₱544,296
Coins.....	74,384	74,723	77,966	79,326
Demand Deposits — Pesos.....	117,682	128,571	130,328	139,776
Securities Stabilization Fund.....	2,000	2,000	6,848	6,848
Due to International Monetary Fund.....	22,498	22,497	22,497	22,497
Due to International Bank for Reconstruction and Development.....	2,389	2,389	2,389	2,387
Other Liabilities.....	2,636	2,942	6,354	5,719
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,461	7,161	1,291	2,196
Surplus.....	—	—	1,616	1,616
	₱793,629	₱791,136	₱800,868	₱814,664

CONTINGENT ACCOUNT

Forward Exchange Sold.....	₱ 6,460	₱ 6,460	₱ 6,000	—
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THE comparative statement shows little change between the figures for the last two months. There is a negligible difference in the International Reserve, and other categories require little comment. Gold to the value of approximately \$100,000 was added to the Reserve under the provisions of the exchange control regulations.

We came across several very interesting paragraphs in the reprint of an article by Mr. Eugene R. Black, President of the International Bank for Reconstruction and Development on the "lending techniques" of this Bank. The passage read:

"In some instances, particularly where the less developed countries are concerned, no specific project is presented for consideration for a loan. Instead, the Bank is asked to survey the country's needs with a view to determining which sectors of the economy should be developed and an order of priority for the projects.

"The critical examination stage begins if the loan request meets these first general tests and if the project appears to warrant serious consideration. A careful investigation is made by the Bank of the economic and financial conditions of the country and of the borrower, and a study is made of the project. In examining the project, surveys are made of the sources and amount of local capital available to meet local costs; and of the availability of labor including skilled management personnel. The technical feasibility of the project is thoroughly investigated and experts examine plans, market surveys, and financial arrangements. A thorough appraisal is also made of all factors affecting the borrower's creditworthiness and its ability to complete

Money in circulation increased approximately ₱4,000,000 and is explained by Central Bank sources as partially due to Government's desire to flood the country with coins to prevent an artificial coin shortage.

The Control authorities have been worried about the expenditures in foreign exchange for travel. It has been frequently stated in the daily papers that some \$1,000,000 was spent by tourists and for pleasure trips during the month of February, which naturally constitutes quite a drain on the dollar reserve position. Large sums have likewise been used during March. Much of this expense has been incurred on behalf of pilgrims to Rome. Consequently, the authorities have now limited the authorized agents to a maximum amount of \$1200 per family for travel purposes. A special license issued by the Central Bank would be required for amounts in excess of this sum, and the Bank has indicated that the applicant would require very good reasons if more dollars were to be granted. Also, it has stipulated that there shall be no travel funds granted except for business reasons. The restrictions for exchange for medical and family upkeep have likewise been tightened. Remittances for maintenance may only be made to parents, children, or wife, while it has been indicated that doctor's and hospital bills will be subjected to rigid examination. Remittances for medical expenses may only be made to the hospital or doctor concerned, and not to any third parties.

Credit

By W. J. NICHOLS

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

THE fourth annual post-war meeting of the members of the Association of Credit Men, Inc. (P.I.) was held on April 18 at the Tower Club. At the gathering the election of a new board of directors for the ensuing year was held and representatives of the following firms were selected:

American Factors (Phil.) Inc.
Bank of the Philippine Islands
Caltex (Phil.) Inc.
Colgate-Palmolive Philippines Inc.
International Harvester Co. of Philippines
National City Bank of New York
San Miguel Brewery

the undertaking. In examining the economic and financial conditions in a country, attention is focussed on the following types of questions:

"Can the country properly assume additional foreign debt for a project of the type under consideration? Are the financial and economic policies of the government conducive to sound development and the success of the project? If not, what steps should be taken to remedy any shortcomings? Will the project contribute effectively to the immediate development of the country, or are there other projects with a higher priority? What effect will the project have upon the ability of the country to earn sufficient foreign exchange to repay the loan?

"In short, the Bank recognizes that the prospects for success of a project and the borrower's ability to service a loan will be substantially influenced by economic and financial conditions of the country in which it is located, and that these must be taken into account....

"All of this effort and expense devoted to processing loans is in recognition of the Bank's responsibility to the member countries which supplied its capital and to investors who have purchased its bonds. It is the aim of the Bank to insure that its loans shall contain the minimum of risk consistent with its objectives and that they shall contribute as much as possible to the borrowers' economic well-being....

"The Bank's interest in a loan does not end with the signing of the loan agreement. It is at this point that administration begins, and the Bank is developing special procedures for following the progress of a

After the general meeting the newly elected directors elected the following officers:

Mr. C. W. Muilenburg of International Harvester Co. of Philippines was elected President.

Mr. R. C. Antonio of the Bank of the Philippine Islands was elected Vice-President, and

Mr. J. F. Unson of the National City Bank of New York was elected Secretary and Treasurer.

At the end of the first quarter of 1950, membership in the Association numbered 70.

The organization of Credit Men recently polled its members to determine what the current practices are with respect to terms of credit allowed. A résumé of the replies received indicated that before the imposition of government controls on imports the majority of the members extended 30 days credit to their customers. At the present time, however, the number allowing this length of time has decreased and it appears that several firms are favorable to more stringent terms.

1948-49 Range		Mining Shares		High	Low	Close	Change	Total Sales
High	Low	High	Low					
94.40	60.32	P	F					
P .375	F .12	M. S. E. Mining Share		81.22	72.70	72.70	Off	9.07
.024	.011	Ave. Mining Com				P. 11b	Off	.065
.68	.34	Antamok Goldfields					Off	.004
.07	.04	Atok-Big Wedge Mining Co.			.34	.38		216,000
3.75	2.00	Baqiao Gold Mining Co.		.05	.05	.05		25,000
5.30	2.65	Balato Mining Company		2.80	2.50	2.50	Off	.30
.052	.025	Benguet Consolidated Mining Co.		3.60	2.65	2.65	Off	1.05
.05	.016	Bonanza Babay Mines			.0036	.0036	Off	.0004
.014	.008	Coco Groc. Inc., Consolidated Mines				.03a		
.115	.038	Itoyan Mining Company		.009	.0084	.0084	Off	.0012
.08	.025	Ixi Mining Company		.075	.07	.075	Off	.01
.66	.28	Lepanto Consolidated Mining				.09a		
.70	.42	Mindanao Mother Lode Mines		.66	.61	.61	Off	.03
.021	.02	Masbate Consolidated Mining		.55	.45	.46	Off	.10
.21	.10	Misamis Chromite, Inc.		.021	.021	.021		115,000
.085	.03	Pagalalan Chromite Cons.		.17	.15	.15	Off	.025
.22	.105	San Mauricio Mining		.085	.08	.085	Up	.005
.39	.18	Surigao Consolidated Mining		.165	.155	.16	Up	.005
.11	.04	United Paracels Mining		.365	.30	.315	Off	.05
				.07	.07	.07		185,000

COMMERCIAL SHARES

1949-50		Commercial Shares		High	Low	Close	Change	Total Sales
High	Low	High	Low					
P 88.00	P 59.00	P 85.00	P 82.00					
		Bank of the Philippine Islands		P 85.00	P 82.00	P 82.00	Off	P 4.00
11.00	10.00	Binalagan - Isabela Sugar				10.00b		
75.00	51.00	Central Azucarera de Bala				70.00a		
220.00	111.00	Central Azucarera de la Caltaya		180.00	180.00	180.00	Off	35.00
135.00	90.00	Central Azucarera del Pilar		90.00	90.00	90.00		24
95.00	70.00	Central Azucarera de Sara Ajuy				90.00a		
35.00	25.00	Central Azucarera de Parac				25.00b		
200.00	185.00	China Banking Corporation				190.00b		
25.00	23.50	Filippine Cigarette Co.				25.00b		
1.30	.74	Manila Broadcasting Co.		.7	.75	.75		3,000
4.00	2.00	Manila Wine Merchants		2.10	2.10	2.10	Off	.40
25.00	25.00	Philippine Guaranty Co.				26.00b		
.165	.065	Philippine Oil Development Co.		.0975	.0825	.0825	Off	.0075
1.28	1.00	Philippine Club		1.22	1.20	1.20	Off	.27
38.00	24.50	San Miguel Brewery, Com.		30.00	29.50	29.50	Off	.50
103.00	100.00	San Miguel Brewery, 8% Pfd.		101.00	100.00	101.00	Up	1.00
9.00	7.00	Williams Equipment Co., Com.		7.00	7.00	7.00		30
90.00	75.00	Williams Equipment Co., Pfd.		90.00	90.00	90.00		200
—	—	Universal Insurance				14.00b		200

OVER THE COUNTER

	High	Low	Close	Change	Total Sales
Financing Corp. of Philippines	P. 565	P. 565	P. 565		75,000
Jal Alai Corporation	4.50	4.50	4.50		500
Philippine American Drug Co.	135.00	135.00	135.00		312
Victoria Milling Inc.*	180.00	180.00	180.00		15

* Ex-stock dividend.

Stock Market

By A. C. HALL

A. C. Hall & Company

March 29 to April 28

CONDITIONS have taken an unfavorable turn for mining stocks during the past month, and values have been whittled away by steady offerings in a market where buyers, currently, have little incentive to bid for stocks.

In contrast to the inflationary atmosphere and deflationary psychology prevailing around the turn of the year, deflationary factors have recently gained the ascendancy. In addition to a tighter money situation, which is a seasonal occurrence at this time of year, investors are also concerned over the contracting business outlook, taxes, and social unrest. In the face of these uncertainties, it is not surprising that sellers have the upper hand at the moment, particularly in the absence of any dynamic developments from the mining companies whose 1949 reports, generally speaking, have fallen short of expectations.

In the commercial section, San Miguel shares continue to attract investment buying at approximately unchanged prices, but sugar shares are meantime in poor demand, with buyers' ideas generally quite a bit below asking prices.

According to a recent report, the funds which have become available to the International Bank for lending up to the end of last year consisted of:

20% paid-in portion of United States subscription	\$635,000,000
2% portion of subscriptions of other countries paid in gold or dollars	98,555,000
Part of 18% portion of subscription of Belgium, Canada, Denmark, and United Kingdom	11,525,000
Proceeds of two bond issues in the United States	250,000,000
Sale of Swiss Franc Bonds to U. S.	4,000,000
Net available funds resulting from operations	20,764,000
	\$1,019,844,000

Of this sum, approximately \$304,000,000 remained available for lending.

project and for maintaining effective contacts with its borrower during the life of all loans. Instead of turning over all proceeds to the borrower, when the loan becomes effective, the Bank retains full control over all undisbursed funds. It will release them only upon presentation of documentary evidence that the money has been or will be spent on items agreed on for the project.

"It is the establishment and development of close and friendly contacts with the borrower, however, that is the most important of all activities during the administration stage of a loan. Through maintaining a close relationship with its borrowers, the Bank is able to appraise developments which may effect the economic position of the borrower and the position and security of its loans. An exchange of views may result in action forestalling the development of conditions likely to cause a default. Confidence and mutual understanding between a lender and a borrower always form the strongest bulwarks against adverse changes which are almost certain to arise during the life of any long-term commitment."

Electric Power Production

(Manila Electric Company System)

J. F. COTTON

Treasurer, Manila Electric Company

1941 Average—15,316,000 KWH

	1950	1949
January	37,661,000	33,745,000
February	33,828,000	31,110,000
March	38,107,000*	34,776,000
April	35,400,000**	33,048,000
May		34,453,000
June		34,486,000
July		35,726,000
August		35,394,000
September		35,783,000
October		37,461,000
November		35,856,000
December		38,673,000
Total		420,411,000

* Revised
** Partially estimated

APRIL output was 2,352,000 kwh or 7.1% over April, 1949. The use per day was 4% lower than in March, due mainly to the Easter holidays.

The first 25,000 kw Rockwell Station turbine arrived in Manila on April 18 and is now in process of installation. The second unit is in transit from the United States.

Port of Manila

By E. W. SCHEDLER

Vice-President, Luzon Brokerage Company

THOSE of us who work on the waterfront, are frequently asked what is the trend of cargo since controls have been instituted. The following table, showing tonnage of incoming cargo to the Port of Manila on a comparative basis for the first quarter of the year, answers the question:

MONTH	1950	1949	1948
January	134,015.491	218,709.603	135,209.581
February	103,022.553	170,460.949	148,666.244
March	117,715.845	162,412.978	189,542.323
Total Tonnage	354,753.889	551,583.530	483,418.148

The first quarter of 1950 tonnage is 64% of the tonnage for the same period of 1949.

It is 73% of the tonnage for the same period for 1948.

Real Estate

By C. M. HOSKINS

C. M. Hoskins & Co., Inc., Realtors

REAL estate sales in the City of Manila recorded in April were the lowest in 8 months, but suburban sales held their own at slightly higher than the 8-month average.

Sales in Manila proper totalled ₱1,757,506 for April, compared with ₱2,660,652 for March, and ₱3,362,635 for April of last year, and an average of ₱3,313,495 for the past 8 months.

Suburban sales for April were ₱3,176,939, compared with ₱3,564,944 in March and an average of ₱3,058,980 for the past 8 months.

Mortgages placed in the Greater Manila area totalled ₱6,317,160 for April, compared with ₱8,079,542 for March.

Monthly figures of sales, as procured from the several registers of deeds, are as follows:

Real Estate Sales, Manila and Suburbs*

Monthly Totals
September, 1949—April, 1950

MONTHS	Manila	Suburbs	Combined
1949			
September	₱3,668,662	₱3,786,671	₱7,455,333
October	3,032,543	2,872,327	5,904,870
November	1,861,723	1,863,727	3,745,450
December	6,037,740	2,047,602	8,085,342
1950			
January	4,486,846	3,554,640	8,041,306
February	3,002,289	3,703,126	6,705,415
March	2,660,652	3,564,944	6,225,596
April	1,757,506	3,176,939	4,934,445
Cumulative	26,507,961	24,589,796	51,097,757
Monthly average	3,313,495	3,073,725	6,387,220

*Suburbs included: Rizal City (Passy), Quezon City, Parañaque, Makati, Mandaluyog, San Juan, Calocan, and Malabon.

Ocean Shipping and Exports

By F. M. GISPERT

Secretary, Associated Steamship Lines

EXPORTS of most commodities for the month of March showed little or no increase over exports during the same month last year. Total exports of 252,350 tons was an increase over total exports of 223,640 tons during March last year due to the increase in shipments of iron and manganese ores.

Exports for March, 1950, by commodities, compared with exports for March, 1949, are as follows:

	1950	1949
Alcohol	57 tons	13 tons
Buntal fiber	24 "	10 "
Cigars and cigarettes	11 "	10 "
Coconut, desiccated	10,992 "	9,550 "
Coconut oil	3,789 "	4,178 "
Concentrates, copper	1,776 "	2,114 "
" gold	546 "	175 "
Copra	43,185 "	42,150 "
Copra cake, meal	6,258 "	6,124 "
Embercideries	1653 "	1,29 "
Empty cylinders	400 "	524 "
Fish, salted	20 "	33 "
Fruit, fresh	119 "	172 "
Furniture, rattan	625 "	810 "
Glycerine	176 "	298 "
Gums, copal	62 "	91 "
Hemp	66,616 bales	49,309 bales
Hemp, knotted	46 tons	—
Household goods	293 "	132 tons
Junk, metal	2,039 "	5,766 "
Logs	3,760,757 bft.	2,339,874 bft.
Lumber	3,476,149 "	4,201,214 "
Molasses	2,832 tons	2,185 tons
Plywood	14 "	—
Ores, chrome	24,808 "	26,860 "
" lead	131 "	—
" iron	58,657 "	18,317 "
" manganese	51,132 "	—
Pineapples, canned	4,737 "	170 "
Rattan, palasan	115 "	—
Rope	213 "	376 "
Rubber	83 "	129 "
Shells	26 "	23 "
Skins	114 "	128 "
Sugar, raw	57,517 "	79,367 "
Tobacco	696 "	620 "
Vetable oil products	23 "	—
Transit cargo	823 "	550 "
General merchandise	2,413 "	2,743 "

Lumber

By LUIS J. REYES

Philippine Representative, Penrod, Jurden & Clark Company

LUMBER exports for the month of March amounted to 7,316,150 board feet, which is more than double that exported during the previous month. There was notable increase in shipments to the United States

and Formosa, to the latter perhaps due to the requirements of the Nationalist government there. The lumber shipments to America were mostly FAS (First and Seconds) and No. 1 Common, representing the highest grades produced by the local sawmills. These go largely to the furniture trade; the logs are cut into veneers and plywood. The increase in our exports, no doubt, is the result of the cooperative effort between the Government and the lumber industry, a long-range program having been drawn up for regaining the United States market for Philippine woods. Careful grading and manufacture enable us to compete with other countries producing woods similar to Philippine mahogany.

The demand for lumber in the local market continues firm with tangle selling at P175 and apitong at P155, while lauan dropped down to P145, in some instances selling as low as P140. It is probable that these prices will be maintained up to the month of May, but in June they may go down another P5 to P10. Small parcels consisting of about 40,000 to 50,000 board feet of sawn lumber and logs come to Manila daily from Bataan, Nueva Ecija, and Mindoro. These serve to stabilize prices in the local market, because the producers in these provinces bring their product to Manila only when prices are relatively high and stop operations when prices go down as the supply catches up with the demand.

The officials of the Philippine Lumber Producers' Association are doing all they can to place the lumber industry on a more stable basis in order to enable it to compete in the United States market. In this connection, the shipping companies have kindly cooperated by lowering freight rates not only on logs and lumber shipped to America but also to the Far Eastern countries. So far, there is little trade to Europe because of the shortage of dollars, but it will not be long before England, at least, will be in a position to trade with us.

The freight rates on logs to Hongkong, Shanghai, and Japan have been reduced as follows:—

Hongkong...	P35 00 per 1,000 bd. ft.	P28 00 per 1,000 bd. ft.
Shanghai...	48 00 " " " "	38 50 " " " "
Japan...	38 00 " " " "	37 00 " " " "

This reduction in rates was made effective on March 22, 1950.

The Bureau of Forestry sent out invitations to a celebration of the Golden Anniversary of the establishment of the Bureau, which was held in Manila on April 14. After the celebration, the provincial foresters held a conference in which they discussed problems affecting the administration of the Bureau.

The College of Forestry likewise celebrated its Emerald Anniversary last April 19. It was a home-coming affair for most officials of the Bureau, including Director Tamesis who is himself a graduate of the College of Forestry, University of the Philippines.

Mines

By CHAS. A. MITCHELL
Consulting Mining Engineer

Production: March, 1950	Tons	Value
Benguet Mine.....	22,541	P385,174.10
Balatoc Mine.....	38,537	587,353.76
Benguet Consolidated	61,078	972,527.86
Atok-Big Wedge	13,183	303,635.00
Mindanao Mother Lode	9,100	295,023.00
Surigao Consolidated	11,126	253,340.00
Lepanto Consolidated	16,370	455,275.00
Consolidated Mines	20,500	410,000.00
Acocjo	4,257	156,000.00

FIVE years have elapsed since liberation and we are still a long way from normalcy in the mining industry. True, we have attained between 20% and 25% of

pre-war production in gold, but a 100% production is still wishful thinking. In excusing the slowness of recovery, we have made due allowance year after year for the damage done to former operating mines, but there is no great attempt to do anything about it, and the desire to create new enterprises, to develop new mines to take the place of the old, receives only lip-service.

We are going through a re-adjustment crisis, endeavoring to balance income with expenditures, but, as one observer states, we are endeavoring to close the dollar-gap at a low level of productivity and income, instead of at a high level.

Money, capital, investment—the key to the situation, is still lacking. If our local capitalists will not take the chance, will not cooperate to develop new producers, investors from abroad must come in, or the industry will languish and gradually disappear as the present producers exhaust their ore reserves. But, foreign capitalists will not invest under an unfriendly climate. Certain conditions must be met. Capital is "timid" and easily takes flight, as we have just seen recently as import and exchange controls are being enforced.

Of what does a favorable climate consist? Let us see what others think in this respect.

The National Minerals Advisory Board, in the United States, recently promulgated a plan to aid the mining industry in that country, which includes the following:

(1) Allowances for depletion should be made to stockholders as well as to the corporations.

"A stockholder should be permitted to deduct a percentage of his mining company dividends from his taxable income that is equal to the percentage that the company's depletion allowance is of net income plus depletion allowance".

(2) Tax exemption should be granted to a new mine for at least three years after profitable operation begins.

(3) Development costs after discovery should be recognized as operating expenses.

(4) Adequate allowances for percentage depletion should be made.

(5) Losses from unprofitable ventures should be allowed corporations, partnerships, or individuals, as ordinary deductions against current income.

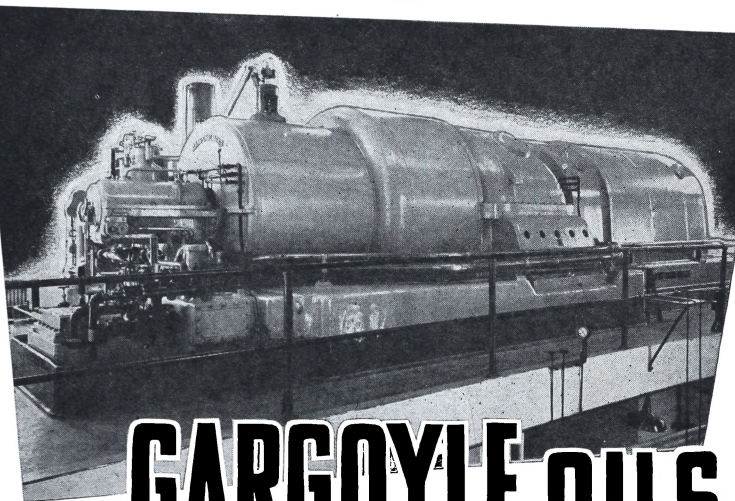
(6) Income should not be taxed without full allowance for loss years.

The tax exemption proposed under "2" is patterned after a law in Canada which has been a profound stimulant to new mine development. It is not a theory but an actual practice by a government which also needs taxes, but which seems to understand that all taxes will disappear if the sources of new wealth are cut off.

The Tax Committee of the American Mining Congress is sponsoring the movement for tax adjustments; so also the Mining and Metallurgical Society of America, and the *Engineering and Mining Journal*, which is devoting a great deal of space to it.

In urging everyone interested in mining to take the fight to Congress, the *Engineering and Mining Journal* speaks to the prospector as well as to the engineer and the investor. It says to the prospector: "You may not have a mine yet, but simply a group of claims, or merely hope in your heart, and you may say, 'But this doesn't concern me. I have no mining income, and income taxes don't bother me. Why should I fight the other fellow's battle?'"

"But hold on a moment, friend. Where are you going to get a grubstake if that dentist, lawyer, or grocer can't get a run for his money? Where are you going to finance your prospect? Also, if you prove up a mine, you won't want to struggle with the aches and pains of operation. You will want to take advantage of the lower tax rate on other income and sell it to a big company. But how can they pay you anything worth while if they can't make a profit commensurate with the risks they take?"



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"There are thousands like you, scattered over the West, all hoping that an investor, seeking a run for his money, will come along and help you achieve that goal so dear to your heart."

What has been said to the prospectors and mining investors of the United States, could with truth be addressed to the same class of people in the Philippines. How can the prospector sell his claim; how can the purchaser interest mining investors; how can they raise the necessary capital for the development of meritorious properties, which, eventually, may contribute dollar reserves to the Government, so long as the present apathetic attitude continues to exist? This wall of indifference must be broken down before anything new can be accomplished.

Look at South Africa, also a gold-producing country. Some \$560,000,000 of British, American, and Canadian capital is to be spent on 13 gold mines in the Orange Free State in the near future.

Eight large mines are rapidly developing and 5 more are beyond the planning stage. On one alone, Kennecott is committed to spend \$7,000,000.

South Africa's gold production for 1949 was the highest in seven years. The country produced 11,708,103 ounces, valued at approximately \$323,717,320. Dividends totalled \$11,480,000 higher than in 1948.

We need some of this venture capital in the Philippines. Just 5% of what is going into South Africa would work wonders here, and if invested in meritorious mining prospects, might in the comparatively near future, lift the Government out of its present economic rut and put the country on a prosperous basis, where import controls and exchange controls would soon become a thing of the past.

Copra and Coconut Oil

By H. DEAN HELLIS

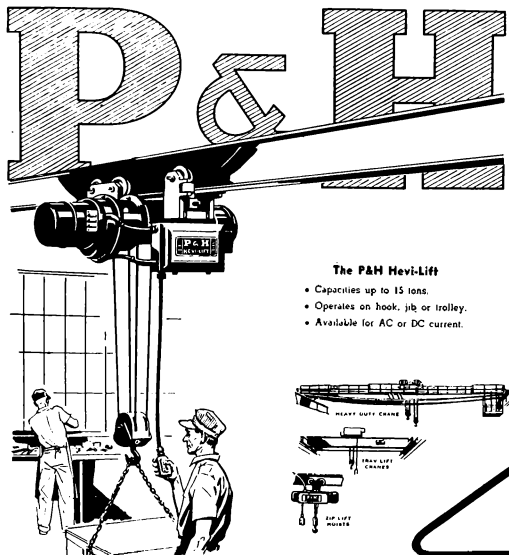
Manager, Philippine Refining Company, Inc.

March 16 to April 15

SINCE the last review on copra and coconut oil, the picture has remained more or less true to expectations, particularly in that during the major portion of the period the markets have continued rather tight, that of copra perhaps more so than that of coconut oil. Shortly after the beginning of the period, prices began to rise from buyers at around \$192.50 c.i.f. and sellers about \$197.50 c.i.f. Pacific Coast, both prices for immediate shipment, to a point at which by the early part of April, \$210.00 c.i.f. was bid and \$212.50/\$215.00 c.i.f. was asked. As of the close of the period, however, there were definite indications of a recession in prices, and \$195.00/\$200.00 c.i.f. seemed to represent the best available buying prices, while sellers were asking \$205.00/\$207.50 c.i.f.

It is interesting to note that this is the first time the copra market has sold as high as \$200 c.i.f. since the end of February, 1949, a fact which probably was considered by many traders in the nature of a "danger signal", for fundamentally the market should work lower rather than higher as time goes on.

Accordingly, sellers generally attempted to keep a well-balanced position during the period, while, on the other hand, buyers operated on a "hand-to-mouth" basis as required to fill previous commitments. At no time during the period has a crusher, whether in the Philippines or on the Pacific Coast, been able to buy copra and to cur-



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rently sell coconut oil at even a very slight margin of profit. In some instances, it has been cheaper to shut the mills down completely, absorbing full overheads, rather than try to operate.

Copra supplies in the Philippines have continued seasonally scarce, and this fact, coupled with the usual rumors of occasional European and other non-American interest in copra, has been largely responsible for sellers' maintaining rather exaggerated ideas of price, though it is true that here and there some trading was actually accomplished.

Most of the interest in Philippine copra in countries other than the United States has failed to materialize into anything but ordinary inquiries, principally because of the price situation. Japan is interested, but only on a barter or "back-to-back" letter-of-credit basis, terms which Philippine sellers have been reluctant to consider.

THE coconut oil market in the United States, while reflecting stronger prices for copra from the Philippines, has been largely inactive, with most buyers feeling the situation too greatly overpriced. Besides this, and purely as a result of the price situation, the consumption of coconut oil has dwindled to a point where it now is probably at an all-time low. Undoubtedly, one of the largest buyers of Philippine coconut oil for some months past has been the United States Government, but we now hear reports that in all probability this has come to an end, at least for the time being. Thus it would not surprise us to see quite a reduction in copra prices as soon as the supply increases sufficiently, which should be beginning around mid-year.

Supply and demand, after all, are purely relative terms, and though we may have an apparent short supply of copra and may entertain the logical assumption that prices should work higher, consumer-demand, on the other hand, might be even shorter, with the result that actually we will have a bearish rather than a bullish market. Failure

to realize this has probably misled some interests in recent weeks, particularly in the Philippines, where a good many copra sellers are inclined merely to view, and to be guided by, the prospects of supply only.

Insofar as coconut oil was concerned during the period under review, prices rose from about 14-1/4 cents f.o.b. tank cars Pacific Coast, to as high as 15-3/4 cents f.o.b. Bulk coconut oil on the Atlantic Coast was available at 15 cents c.i.f. and up to a high of 16 cents c.i.f. This resulted in another rather peculiar situation, in that Pacific Coast prices having advanced more than Atlantic Coast prices, Pacific Coast crushers actually purchased a fair amount of their "cover-in" requirements on the Atlantic Coast, it being cheaper for them to do so than to buy the corresponding copra and to crush it themselves. To the best of our knowledge, no buyer paid more than 15-3/4 cents c.i.f. for bulk oil on the Atlantic Coast during the period, though some few tank cars may have been sold at as high as from 16 cents to 16-1/4 cents f.o.b. Atlantic Coast.

MANILA copra prices have been even more greatly exaggerated than the export prices, and some trading was done at well over P40, some sellers asking as high as P44. Accordingly there has been very little activity on the part of Manila mills recently, except for covering their requirements for locally-made edible and soap products.

COPRA exports during the month of March, 1950, amounted to 43,185 tons, as compared to 29,736 tons during February, 1950, and 42,150 tons during March, 1949. The total for January through March, 1950, amounted to 110,931 tons, against 104,271 tons for the same period last year. March, 1950, exports are broken down as to destination, as follows:

United States	
Pacific Coast	19,321 tons
Atlantic Coast	6,481 "

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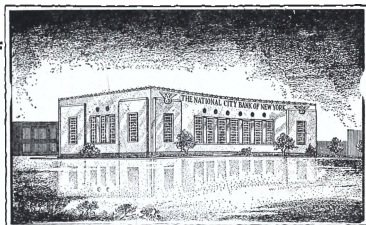
Branches in the Philippines

MANILA

Main Branch: Juan Luna St.
Port Area Branch: 13th Street

PAMPANGA: Clark Field

CEBU: Cebu City



Gulf Ports	5,783	"
Canadian Pacific Coast	3,300	"
Europe	7,800	"
Japan	500	"
	43,185	tons

Oil exports for March, 1950, amounted to only 3,789 tons, as compared to 3,531 tons during February, 1950, and 4,178 tons during March, 1949. The total coconut oil exported for the period January through March, 1950, amounted to 10,086 tons, against 8,409 tons for the same period last year. All of the March, 1950, exports of oil were shipped to the United States Atlantic Coast.

The Pacific Coast meal market has firmed up further, due principally to shortage of supplies, as crushers both in the Philippines and in the United States have not been operating on normal schedules, which, in turn, is again the result of the supply and demand situation for copra and coconut oil, particularly at currently high prices therefor. According to last advices, copra meal on the Pacific Coast is worth approximately \$60 per short ton c.i.f.

As far as we know, Denmark has purchased only 1,000 ton of Philippine copra meal against its recent ECA allocation of \$400,000 for May July shipment, this sale having been made at \$66.50 per long ton c. and f. Copenhagen. Therefore, there is a goodly back-log of further purchases to be made of Philippine meal by Denmark, though latest reports are that this buyer is awaiting a more opportune time to buy.

As we write, there is nothing new to report on the "outport" situation, and April 30 is the dead-line with respect to further copra shipments from the outports. What the eventual outcome of this matter will be, is yet too early to determine.

Summarizing the present condition of the copra and coconut oil markets, and barring any unforeseen circumstances, destructive typhoons, or other such calamities, we

feel that the long-range view as to prices over the remainder of this year must be definitely downward if the Philippines is to find a ready market for all of its supplies now expected. Copra production during the latter half of the year should be exceedingly good. Meanwhile, though the writer feels we already have seen top prices paid for the year, both for copra and coconut oil, it is just possible that the market may remain fairly steady, subject to minor fluctuations, at perhaps only slightly lower prices than at present during the months of May and June.

Desiccated Coconut

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

THIS report covers the period from March 15 to April 15. During this period copra and raw nut prices stayed quite firm and there was little fluctuation either way. Nut prices stayed close to the copra equivalent and generally a little above. The high price of copra has affected the United States selling-price of desiccated coconut which could no longer stand the pressure of raw material increases without passing this on to the consumer.

Due to high raw-material prices and low selling prices in the United States, several factories were shut down as they could not compete in such a market. Red V and Franklin Baker continue to lead the industry in production, with Red V becoming more active in Mindanao at Oroquieta.

Peter Paul is installing a new modern drier which will considerably help its production and insure top-notch quality. The Proctor-Schwartz drier it has received has become a popular drier in the industry and has proved itself to be of high quality and to be labor-saving.

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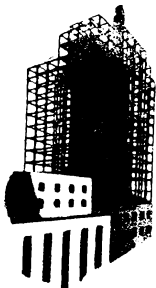
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The labor front is not very active, with only the Peter Paul case in the Court of Industrial Relations at the time of this report. This case has been delayed by the Union leaders through dilatory tactics, and promises to continue to be a drawn-out affair because it involves a request for layoff by the management.

The shipping statistics for the month of March are as follows:

Shippers	Pounds
Franklin Baker Co.	4,454,300
Blue Bar Coconut Co.	1,444,930
Peter Paul Philippine Corp.	1,500,000
Red V Coconut Products Ltd.	3,624,900
Sun-Ripe Products Inc.	660,690
Standard Coconut Products Inc.	4,500
Cooperative Coconut Products Inc.	367,700
Tobacalera.	369,840
Conaco Products Philippine Inc.	0
Luzon Desiccated Coconut Corp.	443,745
	12,870,605

Manila Hemp

By FRED GUETTINGER

*Vice-President and General Manager
Macleod and Company of Philippines*

DURING the period under review, March 16 to April 15, the markets ruled quiet and closed around the same level as a month ago. Due to poor business, cordage manufacturers in the United States confined their purchases to cover immediate requirements. A fair amount of business to Europe was done, with Germany and Holland in the market for coarse grades. France obtained new import permits and bought S2, S3, G and grades below. SCAP was completely out of the market but is expected to resume buying shortly.

Local provincial prices remained steady throughout the period and closed at about the same prices ruling a month ago.

Production in March was the highest so far this year, amounting to 62,860 bales—an increase of 1,590 bales from February and 9,001 bales from the corresponding month last year. Davao balings were 27,983 bales against 20,183 bales in March last year, and Non-Davao balings increased by 1,201 bales. Production in the first quarter of this year amounted to 178,246 bales, exceeding by almost 6,000 bales the production in the first quarter of 1947—the year of highest production post-war.

The following tables show comparative figures for balings and exports of the first quarter from 1947 to 1950:

	Balings — First Quarter			
	1950	1949	1948	1947
Davao	75,456	54,724	55,010	82,636
Camarines, Albay, and Sorsogon	50,790	36,569	66,623	60,588
Leyte and Samar	31,598	31,741	32,280	17,340
All Other Non-Davao	20,402	23,463	36,046	11,757
Total (Bales)	178,246	146,497	189,959	172,321

	Exports — First Quarter			
	1950	1949	1948	1947
United States and Canada	61,080	49,049	91,766	107,252
Japan	31,688	47,428	24,404	—
Continental Europe	23,384	33,641	33,081	30,637
United Kingdom	17,240	7,447	37,060	2,085
China	3,850	3,629	1,800	431
India	1,775	326	—	1,800
Korea	700	—	—	—
South Africa	780	750	300	—
Australia and New Zealand	625	—	42	—
All Other Countries	—	—	1,930	575
Total (Bales)	141,122	142,270	190,383	142,780

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Sugar

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

THIS review covers the period from April 1 to April 30, inclusive.

New York Market: The market closed at the end of March with the spot price being quoted at 5.48¢. An easier tone prevailed at the beginning of April, and on April 3 Puerto Ricos for prompt shipment were sold at 5.45¢. With the approach of the Easter holidays there were rumors that Cuban sugar workers would not resume work after the holidays pending settlement of their claim for a renewal of the Presidential decree freezing wage rates which will end in May and also extra compensation for work done during the period of high cane yields and high production.

On April 10 the Exchange opened higher on reports from Cuba that only half of the mills were showing signs of resuming grinding after the holidays. However, later on the opinion prevailed that there would be no general crop strike. Refiners' ideas continued to be not above 5.45¢ while a considerable quantity of Philippines and Puerto Ricos for April arrival were offering at 5.50¢.

On April 12 there were sales of 7,600 tons of Philippines due April 29 at 5.45¢. On April 13 the market was firm, apparently due to further rumors of labor trouble in Cuba and threats of a United States shipping strike, coupled with improvement in refined withdrawals. On this date, Philippines and Puerto Ricos for May arrival were sold at 5.50¢. There was a later sale of Puerto Ricos for late May shipment at 5.55¢.

On April 14 the market maintained a firmer undertone as the Cuban labor situation, both at the mills and ports, was still beclouded. Puerto Ricos for May shipment were on offer at 5.60¢.

On April 17 it was reported that while the situation

was still not normal in Cuba, though the majority of the mills appeared to be grinding, three ports were reported to be on strike, but the laborers were expected to resume work the following day. The market continued about unchanged with prompt arrival Philippines being offered at 5.55¢. On April 18 there were sales reported of Puerto Ricos for late June shipment at 5.65¢ to an operator. Philippines due May 1 were sold at 5.50¢.

On April 19 it was reported that refiners' April needs were pretty well filled and, consequently, there was a depressed market for sugar about to arrive. Despite the unfavorable spot position, sales of Puerto Ricos for first half of May shipment were made at 5.60¢, and for June shipment at 5.65¢. On this date it was reported that 20 Cuban mills had completed their crops and that all mills are now reported grinding without labor trouble.

On April 19, 4,000 tons of Philippines, due to arrive in April, were reported sold at 5.55¢, and 2,000 tons for early May arrival was also reported at the same price. Puerto Ricos for second half of May arrival were sold at 5.60¢.

United States distribution for the year to April 15 was 1,888,364 short tons, against 1,952,081 short tons for the same period last year. The lag of about 64,000 tons was expected to be pretty nearly wiped out by the end of April.

On April 21, sales of 10,000 tons Philippines and Puerto Ricos nearby were reported at 5.55¢. The market for the rest of the month was firmer and prices showed an upward tendency. On April 25 there were large sales of Philippines and Cubas for May arrival at 5.65¢. On April 26 a sale between operators of Philippines for June/July shipment was reported at 5.75¢, and the month closed with the market steady, moderate offerings for May/June arrival being made at 5.75¢ with buyers' ideas at 5.65¢ and possibly 5.70¢.

International Sugar Agreement: During April a preliminary meeting of an Industrial Advisory Group to advise the United States Government with respect to its policy on the proposed new International Sugar Agreement was held. At this were represented the domestic cane and

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beet producers, beet growers, farm organizations, refiners, industrial sugar users, consumers, and brokers. It is proposed to revise the 1937 International Sugar Agreement in the light of present-day circumstances so that sugar will be available at reasonable prices, but with regulation of production through the establishment of market quotas in order to avoid the possibility of the creation of unsalable surpluses which unregulated production may produce.

Cuban Production: Cuban production to March 31 was reported as 4,019,119 short tons, compared with 3,723,340 short tons to the corresponding date last year.

We give below the quotations on the New York Sugar Exchange as of April 21 for Contracts Nos. 4, 5, and 6:

	Contract No. 4	Contract No. 5	Contract No. 6
May.....	4.38	5.13	—
July.....	4.37	5.24	5.17
September.....	4.36	5.27	5.23
November.....	—	—	5.26
January.....	4.20	—	—
March.....	4.04	—	—

Local Market: (a) Domestic Sugar.—During the month a somewhat firmer tone developed in the domestic sugar market, and at the close of the month centrifugal sugar polarizing 97° was quoted by the Bureau of Commerce at ₱16 to ₱16.40 per picul as against ₱14.80 at the close of last month. Washed sugar polarizing 99° was quoted at ₱18.50 to ₱19 per picul as compared with ₱17.50 to ₱17.80.

(b) Export Sugar.—Local quotations improved in keeping with the New York market and at the close of the month quotations were ₱13.80 to ₱13.90 per picul.

Philippine Crop: The majority of the centrals have now finished grinding, though some mills will continue to produce for another month or two. It now seems probable that the total out-turn will be only slightly in excess of the out-turn of the 1948-49 crop.

Tobacco

By LUIS A. PUJALTE

Secretary-Treasurer, Manila Tobacco Association

THROUGHOUT April there has been no noticeable change in the market conditions for leaf and manufactured tobacco.

Prices for leaf tobacco of the new crop are bound to recede during May as more of the new crop is marketed in the different tobacco producing regions and as considerable quantities of Virginia leaf are expected to arrive during the month.

During March and April prices paid in Manila for the Isabela 1949 crop were extremely high due to low stocks and a very big demand. In Pangasinan very high prices were paid for the first leaves (Palaspas) but as the bulk of the crop is harvested prices will come down as more tobacco will be on hand and as the La Union, Isabela, and Cagayan crops also will start to be marketed during May.

This year will probably have one of the shortest buying periods in the history of tobacco of the Philippines. Buying usually starts in Pangasinan during April; then in La Union and Ilocos; Visayas during May; and Isabela and Cagayan during June and continuing up to October or November. This year purchases started earlier and I believe that the bulk of the crops will be in the merchants' warehouses before the end of August.

Small cigarette factories are springing up like mushrooms. These factories are the prime cause for the high prices paid during these last months as they had no stocks to start with, and as, due to the scarcity of cigarettes, the demand for even unknown brands was very high; thus they were, and still are paying fabulous prices for 1949 and newly harvested leaf.

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Imports

By LOUIS S. KRAEMER

Vice-President, Mercantile, Inc.

CONGRESSIONAL debate over the issue of import control has taken top position over all other import subjects for the month of April. Certain members of both Houses are vigorously pushing a proposal to reserve 40% of all import quotas for new Filipino importers in an effort to nationalize the trade. This section of the Bill now under consideration has done little good for the "betterment of international public relations" which is today a foremost subject in top-level government circles. We quote a portion of an article which was printed on the front page of the New York *Journal of Commerce* on April 26:

"American businessmen who have closely followed developments in the Philippines say the present import control bill is only one of several measures introduced into the Philippine Congress this session which have a strong flavor of totalitarianism."

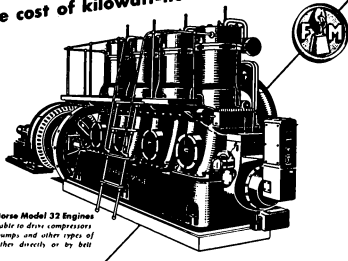
There is little comment to be made regarding the general trend of imports beyond the fact that April has shown an appreciable increase in arrivals over previous months of this year. This is indicative of some progress being made by the Import Control Office in the issuance of licenses for the first third of 1950 although according to latest advices received from that Office, it still has 700 applications of old importers unacted upon out of 2,500 applications received, and we are now entering the fifth month of the year.

All figures shown below are in kilos with the exception of those for foodstuffs which are given in package units (excluding the figures for the totals).

Commodities	March	March
	1950	1949
Automotive (Total)	1,713,399	1,529,231
Automobiles	48,612	379,577
Auto Accessories	535	15,210
Parts	238,614	411,587
Bicycles	152	6,573
Trucks	73,845	9,287
Truck Chassis	425,787	421,322
Building Materials (Total)	12,980,053	252,175
Board, Fibre	575	369,100
Cement	8,213,883	11,235,369
Glass	1,195,036	737,133
Plumbing Misc.	1,064,525	1,108,134
Chemicals (Total)	5,552,042	7,559,021
Caustic Soda	1,103,278	140,099
Explosives (Total)	60,200	81,860
Firearms (Total)	—	24,130
Ammunition	—	36,146
Hardware (Total)	6,191,480	5,564,529
Household (Total)	566,712	2,744,453
Machinery (Total)	2,213,800	1,690,160
Metals (Total)	10,647,783	11,646,297
Petroleum Products (Total)	46,848,701	71,682,344
Radios (Total)	26,998	38,927
Rubber Goods (Total)	1,106,400	1,283,252

Beverages, Misc. Alcoholic	7,212	62,751
Foodstuffs (Total kilos)	23,923,466	28,262,935
Foodstuffs, Misc. (Total)	591	12,469
Foodstuffs, Fresh (Total)	89,873	197,859
Apples	16,899	956,292
Oranges	13,050	552,899
Onions	17,000	431,627
Potatoes	13,288	889,984
Foodstuffs, Dry Packaged (Total)	8,763	69,990
Foodstuffs, Canned (Total)	239,438	501,929
Sardines	2,100	115,439
Milk, Evaporated	147,710	149,809
Milk, Condensed	50,600	24,000
Foodstuffs, Bulk (Total)	550,520	318,362
Rice	794	3,903
Wheat Flour	489,676	244,456
Foodstuffs Preserved (Total)	174	2,475

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Entertainment Equipment (Total).....	1,479	12,361
Livestock — Bulbs — Seeds (Total).....	2,600	3,136
Medical (Total).....	574,230	516,983
Musical (Total).....	12,075	92,739
Office Equipment (Total).....	161,335	119,219
Office Supplies (Total).....	53,287	41,587
Paper (Total).....	7,062,106	5,795,443
Photographic (Total).....	90,569	45,515
Sporting Goods (Total).....	8,820	23,841
Stationery (Total).....	306,955	352,525
Tobacco (Total).....	489,487	824,392

Chucheria (Total).....	92,743	164,452
Clothing and Apparel (Total).....	51,646	342,445
Cosmetics (Total).....	5,392	139,921
Jewelry (Total).....	—	405

Leather (Total).....	290,511	199,874
Textiles (Total).....	738,539	2,917,959
Twine (Total).....	28,835	57,917
Toys (Total).....	1,042	49,450
General Merchandise (Total).....	239,640	1,324,863
Non-Commercial Shipments (Total).....	40,280	37,638
Advertising Materials, Etc. (Total).....	17,638	1,389,669

Food Products

By C. G. HERDMAN

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

THE principal item of interest during the month of April is the new Import Control Bill, passed by the House of Representatives, but, up to the end of the month, not acted on by the Senate. It is probable that action on this Bill will be delayed somewhat and that in the meantime the Import Control Act, which was to expire on April 30, will be extended pending action on new legislation. Every indication is that imports not only of food products but of all merchandise will be still further restricted, particularly insofar as established importing firms are concerned.

Under the new Bill as proposed, everything would be under import control. The Bill itself specifies the cuts which would be made in imports on a very long list of commodities, but import licenses would be required on every commodity regardless of whether such item is definitely mentioned in the control list or not. The only exception would be wheat flour, imports of which are controlled under I.W.A. by the Philippine Wheat Flour Board operating through PRATRA.

It seems probable that items not included on the list specified in the Bill would be affected to a greater extent than the specified items, as such imports would be controlled by the amount of exchange available as certified by the Central Bank to the Import Control Board. This would undoubtedly necessitate the latter to establish a list of priorities and it would be almost inevitable that extreme confusion would result.

The most serious objection to the new Bill on the part of established importers is the fact that even after the quotas would be determined, participation of the "old importers" would be further restricted by 40%, which, according to the Bill, would be allotted exclusively to new, Filipino importers. Thus, according to a strict interpretation of the Bill, even Filipino firms which have been importing previously and have a historical record would be penalized, their business being arbitrarily taken away from them to be given to newcomers entering the import business. The effect on foreign firms would be very serious. They have previously suffered by the 20% cut in quotas to the extent that almost without exception they have had to materially reduce personnel and have found it difficult to break even on the limited business they are permitted to do. With a further restriction on their import quotas, it appears probable that many such firms would be forced out of business.

Another objectionable feature of the new Bill is the fact that import quotas would be based on the average importations during the three years from 1946 to 1948, instead of on the single year 1948 as previously established. This would not affect the actual imports of most firms to a marked degree but would create further extensive delays and considerable additional expense to the firms applying for quotas. It has been a very expensive proceeding for importing firms to engage the services, as required by the Import Control Board, of an independent certified public accounting to go over company records and make up a certified statement of the imports of each particular entity for the year 1948. Any entity importing numerous lines and in considerable volume finds that it takes several

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weeks to compile this information in the necessary form and detail. Hence, if this new basis is finally determined on, and the corresponding certified reports are required, it would seem that new import quotas would not become available to applicants before July or August, assuming that the new Bill is enacted before Congress closes, which is supposed to be May 18. Action on applications for import quotas filed in accordance with the present Import Control Act which went into effect on December 1 last, was only taken, in the majority of cases, during the month of April and there are still quite a few of those applications pending action.

It had been the general hope and expectation of importers in general that new legislation on import control would simplify procedure, making things easier for all concerned, both the Import Control Board as well as importers, but the exact opposite may be the case.

Flour shipments under I.W.A. are beginning to arrive in fair quantities and an immediate shortage in local supplies has apparently been averted. Figures have not been announced by PRATRA as to the total quantity of flour it has licensed for import, but figures at hand from Washington would seem to indicate that over 700,000 bags of flour had been shipped to the Philippines or were on dock awaiting shipment at the end of April. As I.W.A. became effective February 27, these figures would seem to indicate that total flour shipments during March and April would average approximately 350,000 bags, 50-lbs. each, per month, or roughly 50% of the average monthly consumption here judging by the 1949 imports. If these figures are accurate, a shortage in the Philippines of wheat flour is inevitable in the near future. It is probable, however, that licenses were granted for a greater quantity than has been indicated above but that corresponding orders had not been placed by quota holders. Many importers to whom quotas were granted may have found it difficult to arrange to finance corresponding importations. It is to be hoped that in such cases where orders were not placed and financed by holders of quotas issued in April, that PRATRA will reduce the future allotments to such entities, granting increased allotments to established importers of proved financial responsibility.

There is very little to report on food products in general in the local market. Stocks continue to be ample on canned milk, canned fish, canned meats, and fresh frozen imported meats. Fruits and vegetables, both canned and fresh, continue to be on the short side and are unduly high in price. Relief of this situation does not appear probable. Locally produced fruits and vegetables are far from adequate in supply and the prices are even higher than those of the imported items.

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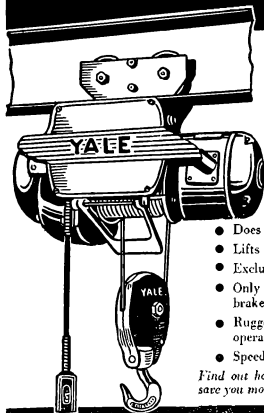


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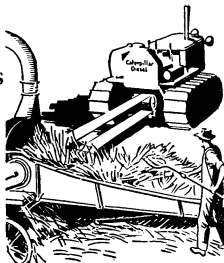
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Automobiles and Trucks

By KARL E. GAY

Sales Representative, Ford Motor Company

REPORT OF SALES Manila and Northern Luzon ACCUMULATED TO FEBRUARY 28, 1950

Make	Passenger		Trucks		Total	
	No.	%	No.	%	No.	%
Ford	72	16.11	99	28.79	171	21.63
Mercury	12	2.68			12	1.52
Lincoln	4	.89			4	.50
Prefect	1	.23			1	.14
Chevrolet	202	45.19	178	51.74	380	48.04
Buick	23	5.14			23	2.91
Cadillac						
Pontiac	5	1.12			5	.63
Oldsmobile	2	.44			2	.25
GMC			7	2.03	7	.88
Chrysler	18	4.03			18	2.27
DeSoto	29	6.49	5	1.45	34	4.30
Plymouth	10	2.24			10	1.26
Dodge	22	4.92	15	4.36	37	4.68
Fargo			3	.87	3	.38
International			18	5.23	18	2.27
Willys	15	3.35	8	2.32	23	2.91
Studebaker	18	4.03	1	.30	19	2.40
Packard	2	.44			2	.25
Reo			7	2.03	7	.88
Nash	10	2.24			10	1.26
Austin	1	.23	1	.30	2	.25
White			2	.58	2	.25
Hudson	1	.23			1	.14
Total	447		344		791	

Provinces

ACCUMULATED TO FEBRUARY 28, 1950

Make	Passenger		Trucks		Total	
	No.	%	No.	%	No.	%
Ford	20	29.00	60	35.93	80	33.89
Mercury	2	2.90			2	.85
Lincoln						
Prefect						
Chevrolet	34	49.28	86	51.49	120	50.84
Buick	1	1.44			1	.43
Cadillac	1	1.44			1	.43
Pontiac						
Oldsmobile						
GMC			3	1.80	3	1.27
Chrysler						
DeSoto	4	5.79			4	1.69
Plymouth	2	2.90			2	.85
Dodge	3	4.35	3	1.80	6	2.54
Fargo			6	3.59	6	2.54
International			7	4.19	7	2.97
Willys			2	1.20	2	.85
Nash	2	2.90			2	.85
Total	69		167		236	

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Make	Passenger		Trucks		Total		
	No.	%	No.	%	No.	%	
Ford	92	17.83	159	31.11	251	24.45	
Mercury	14	2.72			14	1.36	
Lincoln	4	.77			4	.39	
Prefect	1	.20			1	.10	
Chevrolet	236	45.74	264	51.65	500	48.68	
Buick	24	4.65			24	2.33	
Cadillac	1	.20			1	.10	
Pontiac	5	.99			5	.48	
Oldsmobile	2	.40			2	.20	
GMC			10	1.96	10	.97	
Chrysler	18	3.50			18	1.75	
DeSoto	33	6.39	5	.98	38	3.70	
Plymouth	12	2.33			12	1.17	
Dodge	25	4.84	18	3.53	43	4.19	
Fargo			9	1.76	9	.87	
International			25	4.89	25	2.43	
Willys	15	2.92	10	1.96	25	2.43	
Packard	2	.40			2	.20	
Nash	12	2.32			12	1.17	
Studebaker	18	3.50	1	.20	19	1.85	
Hudson	1	.20			1	.10	
Reo			7	1.37	7	.68	
Austin	1	.20	1	.20	2	.20	
White			2	.39	2	.20	
Total	516		511		1,027		

Textiles

By L. W. WIRTH

General Manager, Neuss, Hesslein Co., Inc.

AFTER the imposition of the import controls last December, local prices steadily advanced through January/March, but during April prices became more or less steady; in fact certain items declined due to the arrival of stocks of items which had been held in the United States awaiting the release of quotas.

There also were some arrivals during April of cotton goods from Hongkong, as well as some fair-sized shipments from Japan against letters of credit which were opened prior to February 24. However, no further letters of credit for Japanese goods were opened since the Central Bank issued its memorandum of February 24 advising all banks to refer all applications to the Central Bank for exchange covering imports from Japan in view of special arrangements it was working out to finance such imports.

A new Import Control Bill was passed by the Lower House on April 24 but is still pending in the Senate because of the controversial provision setting aside 40% of the import quotas for new Filipino importers. The American Embassy has urged that an amendment be adopted to exempt United States nationals and corporations from the 40% thus set-aside, and it is expected that some agreement will be reached before the Senate adjourns on May 18.

Meanwhile a joint resolution has been passed by Congress extending the effectivity of Executive Order No. 295 to May 18.

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Legislation, Executive Orders, and Court Decisions

By EWALD E. SELPH

Ross, Selph, Carrascoso & Janda

ON March 23, 1950, the Supreme Court promulgated a decision (*Visayan Surety vs. Pascual, L-2981*) regarding the liability of the surety on a replevin bond where plaintiff lost his suit for recovery of a truck and judgment was rendered for return of the truck valued at P2,300, together with damages at the rate of P30 per day, aggregating P20,500, which judgment was rendered and execution issued thereon without notice to the surety.

The Supreme Court said:

"In the present case, although the plaintiff Yu Sip filed an answer to defendant's application for damages and prayed that it be dismissed, he did not appear during the trial and as a result the proofs adduced by the defendant as to the amount of the alleged damages remained uncontradicted. Had the herein surety been duly notified of said application for damages, it could have appeared and contested defendant's claim as excessive. The damages awarded against the plaintiff for his retention of the truck in question from January 6, 1947, to November 20, 1948, aggregate more than P20,500. That seems exorbitant, considering that the truck itself was valued at only P2,300.

"In recapitulation, we are of the opinion and so hold:

"(1) That damages resulting from preliminary attachment, preliminary injunction, the appointment of a receiver, or the seizure of personal property, the payment of which is secured by judicial bond, must be claimed and ascertained in the same action with due notice to the surety;

"(2) That if the surety is given such due notice, he is bound by the judgment that may be entered against the principal, and writ of execution may issue against said surety to enforce the obligation of the bond; and

"(3) That if, as in this case, no notice is given to the surety of the application for damages, the judgment that may be entered against the principal cannot be executed against the surety without giving the latter an opportunity to be heard as to the reality or reasonableness of the alleged damages. In such case, upon application of the prevailing party, the court must order the surety to show cause why the bond should not respond for the judgment for damages. If the surety should contest the reality or reasonableness of the damages claimed by the prevailing party, the court must set the application and answer for hearing. The hearing will be summary and will be limited to such new defense, not previously set up by the principal, as the surety may allege and offer to prove. The oral proof of damages already adduced by the claimant may be reproduced without the necessity of retaking the testimony, but the surety should be given an opportunity to cross-examine the witness or witnesses if it so desires.

"To avoid the necessity of such additional proceedings, lawyers and litigants are admonished to give due notice to the surety of their claim for damages on the bond at the time such claim is presented.

"The writ of execution issued by the respondent judge against the petitioner is set aside, and the parties are directed to proceed in conformity with this opinion. The respondent Victoria Pascual shall pay the costs."

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(1941 = 100)

**Bureau of the Census and Statistics
Manila**

1946	All Items	Food (59.15)	House Rent (8.43)	Cloth- ing (6.62)	Fuel, Light and Water (13.94)	Miscel- laneous (17.86)	Purchas- ing Power of a Peso
January	603.4	759.2	235.4	984.0	363.8	434.8	1.657
February	547.2	656.3	236.4	940.3	369.5	460.5	1.827
March	525.9	631.0	236.4	940.1	340.4	445.2	1.902
April	556.2	684.1	236.4	910.3	345.5	435.9	1.798
May	545.1	675.6	236.4	762.5	342.3	409.6	1.835
June	538.7	666.4	236.4	737.9	343.3	404.2	1.856
July	552.7	704.3	236.4	598.9	341.3	364.6	1.809
August	477.9	590.0	236.4	384.7	320.9	346.3	2.092
September	477.9	591.3	236.4	378.7	314.5	347.2	2.092
October	487.4	587.2	236.4	385.7	405.8	342.7	2.052
November	484.8	607.8	236.4	406.4	346.5	305.2	2.063
December	461.9	570.8	236.4	371.9	344.7	302.1	2.165

1947 ²	(100.00)	(63.43)	(11.96)	(2.04)	(7.73)	(14.48)	
January	426.2	368.2	453.9	381.9	326.2	282.5	2.346
February	418.5	454.9	453.9	356.2	344.8	281.4	2.389
March	406.8	440.1	453.9	295.2	334.7	279.4	2.458
April	387.7	413.3	543.9	269.2	328.9	271.6	2.579
May	361.0	404.4	453.9	250.9	325.4	269.4	2.625
June	386.3	414.4	453.9	236.8	316.6	268.6	2.589
July	393.4	426.8	453.9	217.7	309.3	269.9	2.542
August	387.4	419.8	453.9	210.2	292.0	269.1	2.581
September	368.9	392.1	453.9	216.4	283.3	265.8	2.711
October	358.7	376.3	453.9	212.7	280.5	267.7	2.788
November	358.4	376.3	453.9	215.1	280.5	265.3	2.790
December	371.9	395.8	453.9	219.1	298.2	262.9	2.689

1948							
January	391.2	428.3	453.9	224.5	304.6	249.9	2.556
February	368.5	392.0	453.9	223.8	301.1	254.4	2.714
March	349.4	361.0	453.9	214.6	308.1	255.9	2.862
April	356.1	374.1	453.9	209.4	289.7	254.8	2.808
May	349.8	360.2	453.9	214.2	289.7	271.6	2.859
June	354.3	370.4	453.9	205.2	283.2	262.9	2.823
July	356.4	374.2	453.9	201.3	281.6	262.4	2.806
August	363.6	385.7	453.9	199.8	281.6	261.7	2.751
September	370.9	392.1	453.9	216.4	283.3	265.8	2.711
October	374.9	404.0	453.9	204.8	283.2	257.9	2.668
November	368.7	394.4	453.9	202.0	281.6	258.7	2.712
December	365.9	389.9	453.9	202.0	282.4	258.9	2.732

1949							
January	363.8	386.8	453.9	202.0	279.0	258.9	2.750
February	343.8	355.5	453.9	203.0	277.5	258.9	2.909
March	346.3	358.2	453.9	202.0	276.3	258.5	2.896
April	348.7	362.6	453.9	197.6	287.5	257.1	2.868
May	348.8	362.8	453.9	197.2	287.5	257.1	2.867
June	349.0	362.9	453.9	203.9	287.5	257.2	2.865
July	351.7	374.0	453.9	194.2	265.8	240.5	2.844
August	351.5	351.2	453.9	196.3	265.6	241.2	2.963
September	333.6	345.1	453.9	190.3	264.8	243.1	2.998
October	332.9	343.3	453.9	199.9	264.8	245.0	3.004
November	339.6	356.1	453.9	191.1	258.4	239.8	2.945
December	329.6	335.9	453.9	202.9	259.5	256.2	3.035

1950							
January	332.3	336.8	453.9	238.0	253.1	269.3	3.010
February	336.9	340.2	453.9	233.3	257.8	284.1	2.969
March	339.0	341.4	453.9	236.7	257.8	292.6	2.950
April	331.8	328.6	453.9	237.7	252.9	301.2	3.015

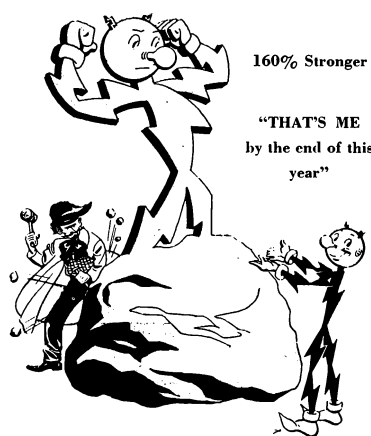
¹ Average number of persons in a family = 4.9 members.
² Revised in accordance with the new survey on the "Levels of Living, in Manila" by Department of Labor and the Bureau of the Census and Statistics conducted in December, 1946.

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The "LET YOUR HAIR DOWN"

Column

"I get so tired of those signs that say, 'NO PARKING BOTH SIDES,'" said the editor the other day. "Every time I see these signs, and I see them everywhere, I squirm. They offend me to the soul."

"What! Why?" said we, because, as usual, we were hardly paying him any attention.

"The English, man! The English! Awful! atrocious!"

We just looked at him.

"No parking both sides!" he scoffed. "Who ever could park his car on both sides? The words are meaningless. I'd park my car on such a street just to get arrested and make a test case out of it,—that is, if I had a car. I'd simply deny that I was parking on both sides, and what could the judge do?"

"You'd be surprised," said we.

"Somebody ought to tell these traffic authorities that the sign should read, 'No Parking, Either Side'. Think of the bad effect of such English on the school children, in fact, on the whole population! Seeing this thing before one's eyes all the time. I shudder to think the error may one day slip into one of my own editorials."

"A truly frightful thing to contemplate," said we. "Imagine!" and then we had to laugh.

The editor glowered, and fixing us with a finger said: "Just suppose I wrote something like, 'There should be no discrimination on both sides', instead of 'on either side'. Gad!" And he wiped his bald dome with a handkerchief.

"Why don't you take it up with Major Young or Major Tenny?" said we. "And, while you're at that, you might say something on the need

of more parking space, too. You might say quite a lot about our traffic problem in general. Let them give us good traffic control, and what do we care about their English?"

We were really a little sorry, afterward, when we had brought the editor to with a glass of water.

We saw a release from one of the Manila press services the other day, prepared on the typewriter and mimeographed, which used a combination of type we had not seen before. It was in the usual typewriter type, capitals and small letters, except that the a's and e's were small capitals. The word "element", for instance, looked like this: "ELEMENT"; and "headquarters", "HEADQUARTERS". Since a and e are of frequent occurrence in English, this gave many of the words a very odd look, and not only odd, but ugly. The particular specimen we saw was in fact even uglier than it needed to have been because the small capital letters A and E were slightly larger than the other small letters, which made them stand out all the more sorely.

The editor began to talk about type design, the work, he said, of centuries of development in legibility and beauty, mentioning names like Aldus, Jenson, Garamond, Caslon, Baskerville, Bodoni, Goudy, Hess, and Goodhue, and declared this new combination to be a barbarism.

Mr. Stevens, who was a typesetter in his younger days, said he had read some time ago that the new alphabet was introduced because a's and e's get clogged up easily on the typewriter and that this leads to confusion and error.

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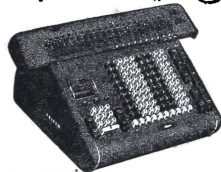
"I'd prefer a misspelled name or word to this awful looking stuff", said the editor.

"You would," said we.

"Why," said the editor, "shouldn't a typist just keep his typewriter clean? There are special brushes for that. Are we to have this botch inflicted on us just because of some lazy and negligent typists? Ye gods! Is that a sufficient reason for the ruination of typography, the spewing of a new form of ugliness out upon the world?"

"Isn't there enough that is sickening in the world already? We are being deprived of so much, must we also be deprived of our small a's and e's? Give me a big E that is a big E and a small e that is a small e. Give me all the beautiful small a's and e's I'm entitled to, or I'll stop reading. That's all there is to it."

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Another valued column-editor sent us a note informing us that he would be away for a time and that he had arranged for some one to run his column in his absence.—Mr. C. M. Hoskins, of the Real Estate column. He wrote briefly and to the point:

"I will be away for a couple of months and have asked Mr. Varias of my staff to contribute in my stead.—Hoskins."

We wish Mr. Hoskins a pleasant vacation and welcome Mr. Antonio Varias, Vice-President of C. M. Hoskins & Co., Inc., Realtors, to our pages. Mr. Varias often writes on real estate topics for the daily newspapers.

We received a form letter from the Order Division of the Library of Congress, Washington, D. C., which said in part:

"We return herewith your notice stating that the Library of Congress' subscription has expired or is due for payment.

"Please note that Library of Congress subscriptions should not be permitted to lapse but should be renewed automatically each year until a formal cancellation is received..."

Managing Director Felipe Buenacamino, Jr., of the Rice and Corn Production Administration of the National Development Company, in subscribing for 2 copies per issue of the *Journal*, added a postscript in his own handwriting to his formal typewritten letter, stating,—"Good paper. Please let us have a complete file for 1950. Regards. F."

We added a postscript to the formal acknowledgment,—"Thanks for that good word from a good friend."

"It is very easy to talk against communism. It is equally important to believe those things which provide a satisfying and effective alternative. Democracy is that satisfying, affirmative alternative. . . I deeply believe in the capacity of democracy to surmount any trials that may lie ahead, provided only that we practice it in our daily lives."—DAVID E. LILIENTHAL, Former Chairman of the United States Atomic Commission.

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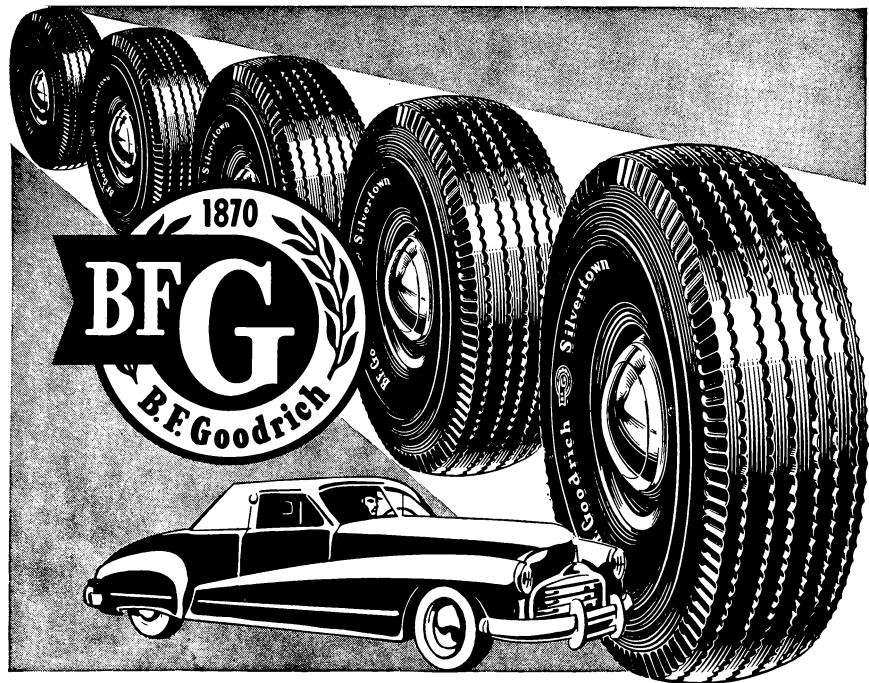
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