THE AMERICAN CHAMBER OF COMMERCE JOURNAL

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A. V. H. Hartendorp
Editor and Manager

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THE AMERICAN CHAMBER OF COMMERCE
JOURNAL

Editorials

"... to promote the general welfare"

The President's State-of-the-Nation Address

Fully warranted by the times, was the serious tone of President Quirino's state-of-the-nation address delivered at the opening of the second session of the Second Congress on January 23.

He began solemnly:

> "I join you today in opening your greatest opportunity, yet, to make history for our people. This is a year exceptionally heavy with decision and destiny, and your actuations in this, your second regular session, may spell the difference between irreparable disaster and survival to our country."

The President did not exaggerate. Destiny must be accepted, but where there is opportunity for decision, much will depend on the quality of statesmanship underlying the decisions the Second Philippine Congress will make.

With the President's statements concerning the public health, social welfare, labor, education, justice, government reorganization, lands, agriculture, and, especially public order, the national defense, and foreign affairs, we are in complete accord. Regrettable only, from our point of view, that of Business, was the emphasis the President laid on continued government controls with respect to industry and commerce; the President is obviously still "control-minded" despite the lessons of the past year.

His comment on the pending tax measures, too, seem to us to reveal a lack of appreciation, common to most of the Administration leaders, that some at least of the measures proposed would do the national economy much damage through still further discouraging the spirit of enterprise.

But to refer again to the serious and responsible spirit which imbued the address, we quote the final paragraph:

> "At this most critical moment, our attitude has become a matter of individual and collective conscience. I call upon you to stand as one man, morally and spiritually rearmed, to rise and protect our country and people from the blight of inaction and fratricidal strife in a period of great peril."

Thus the President chose to close his address by a direct appeal to the highest faculty of man. A leader can appeal to self-interest, to sectional and class-interests; he can appeal to the vanity and passion and prejudice of his hearers; or he can appeal to reason, or to humanity. But at once the most elevated and intimate and earnest appeal is to the conscience, the moral sense.

That the President did this, is evidence of his conviction of the pressing urgency of the situation in which the nation today finds itself. And that, in this situation, the President turned the thoughts of his hearers to conscience and character, was very wise. In doing so he approached Plato's conception of the statesman, of which a critic has written:

> "Since the task of the statesman is simply the task of 'tending the soul' extended to the 'national' soul and its object, the 'philosophical' moralist is also the only true statesman. *True statesmanship means the promotion of the national character as the one thing which matters.*"

The Sukarno Visit

In between the publication of the January and February issues of this *Journal*, President Achmed Sukarno, of the United States of Indonesia, honored the Philippines by a seven-day state visit (January 28 to February 3). He has now come and gone.

The Indonesian leader was accompanied by his wife and children as well as by a considerable retinue, and the charming little family group made a happy impression on the country. The simple and homely words, "Brothers and Sisters", with which President Sukarno opened his address before a joint session of the Philippine Congress, moved the whole country.

In this address and in the other which he delivered on the occasion of receiving an honorary degree of Doctor of Laws from the Far Eastern University, he spoke principally of the racial, cultural, and historical ties which exist between Indonesia and the Philippines, of the recent history of Indonesia and its achievement of national independence, and of the neutral policy which his Government has adopted in connection with the present world conflict between totalitarianism and the democracies. He also spoke, still bitterly, of the evils of "colonialism", with which, however, he did not appear to associate the present menace of the Kremlin imperialism.

There can be no question but that the visit has been mutually revealing and that it will tend to promote a better understanding of each other's viewpoints between the people and governments of Indonesia and the Philippines.

From a broader point of view, and gratifying especially to Americans, was the significant statement which President Quirino made to some Indonesian newspapermen at the airfield in the presence of the Indonesian Chief Executive, just before the departure of the group.

As reported in the *Manila Daily Bulletin:*

"While waiting for the presidential aircraft to warm up, President Quirino was interviewed by Indonesian newspapermen attached to the Sukarno party.

"During the brief conference, the Philippine Chief Executive made it clear that the Philippines had irrevocably cast its lot on the side of the United States in the present conflict between democracy and communism.

"'America gave us freedom'," President Quirino emphasized, "'and we are ready to lose that freedom with America, if necessary... We can not afford to be middle-of-the-roaders...'"

For all of its significance and emphasis, the statement was, apparently, an off-hand one, and by the remark that "we are ready to lose that freedom with America, if necessary", the President obviously meant that if war turns out to be inevitable, then the Philippines will stake all it has, including its freedom, in casting in its lot with America and its allies. It is inconceivable that in such a conflict, terrible as it might be, the totalitarian forces would be victorious and freedom everywhere lost.

Given the opportunity, capital will know what to do to bring prosperity back to the country.

Capital in Production and in Trade

There have been various statements made from time to time in recent years, official and semi-official and unofficial, to the effect that the Philippines welcomes capital investment in the productive industries but no longer welcomes trading capital.

On the face of it, this seems to involve a fairly clear distinction. Based on this distinction, a definite government policy has the semblance of being a constructive policy.

On closer examination, however, the distinction is seen to be unreal and the policy destructive; the latter is especially true if it entails, as it must in practice, an attitude of hostility which all too easily spreads to all capital no matter how or where invested and whether the capital be foreign or native.

As a matter of fact, it is often practically impossible to say whether any given enterprise is engaged predominantly in production or in trade, or whether it is predominantly foreign- or native-owned.

The economic progress of a country involves an all-around development including all the elements of production *and* trade because one can not advance without the other. Production and trade both play their indispensable parts. *And, always, under a system of free enterprise, capital is automatically drawn into all those activities which are the more profitable because the more needed.*

The economic progress of a country, therefore, demands the fostering of all economic enterprise, whether in production or trade, and the attraction and protection of all capital, whether of foreign or local origin.

It is impossible to drive capital out of one field and at the same time induce it to enter another field. Capital is easily enough destroyed or driven away, but it can not be persuaded, if this is done, to go into other fields in a country which has thus proved itself to be dangerous to all investment.

Such a distinction as we have referred to is invidious, and any policy based on it can lead to nothing but the repulsion and flight of capital and to economic paralysis.

If it is desired,—as it well may be desired, to attract more capital into producing rather than trading enterprise, then the method should not be to discourage or penalize investment in the latter, but to create greater opportunity for the former.

This could be done in the Philippines very simply and easily by relaxing the present laws and regulations with respect to the purchasing and leasing of agricultural and mineral lands, by relaxing the many present restrictions on corporative ownership and even on management, and by relaxing, indeed, all those numerous measures of government control and direction of economic enterprise which have served only to discourage it and to make capital distrustful.

Given the opportunity, capital will know what to do to bring prosperity back to the country.

"Passing on" Increased Costs to the Consumers

There is a good deal of talk in the newspapers these days as well as in the halls of Congress to the effect that the proposed new taxes and higher tax rates will result in higher prices *because* the new levies will "simply be passed on" to the consumers by the producers and distributors.

It is implied and sometimes stated outright that this "passing on" is the deliberate act of selfish and hard-hearted businessmen who refuse to assume any part of the burden which should be borne by all and who demand their profits regardless of the sacrifices which the population as a whole is called upon to make.

This charge is entirely unjust and is based on a lack of understanding of the economic laws which apply to the situation.

When costs are increased, whether by higher taxation or otherwise, producers and distributors *must* increase their prices. They have no choice in the matter if they would escape loss and possibly ultimate bankruptcy.

Under our competitive system, it is always to the interest of producers and distributors to sell, as well as buy, as cheaply as possible, because this is what makes for good sales and, consequently, good profits. And if, because of unavoidable increases in prices, sales fall off (they may sometimes stop entirely), profits necessarily fall off also. When costs increase greatly,—and prices with them, everybody suffers, both producers and distributors, as well as consumers. And the government suffers also in the end because the total taxes collected will fall off despite the increased tax rates.

During "hard times", however these may have been brought about, the profits of most business enterprises decrease, others may no more than "break even", while many will suffer actual losses. Those entities which remain for any length of time within the last two categories, will sooner or later be forced out of business. And even when an enterprise continues to earn some small profits, if these remain below normal too long, the result will be that the business must be liquidated for the purpose of reinvesting the capital into something more remunerative.

The owners or managers of an established business generally try to hold on as long as possible during such times in the hope of a return of more favorable conditions. They will resort to all sorts of economies in an effort to reduce their overhead expenses and to keep their costs and prices down as much as possible, but there are limits to what any business entity can do in this way.

Producers, distributors, consumers all take their part in the economic process, and no single group can be blamed for what happens when costs are inordinately increased whether because of sudden heavy increases in taxation or because of other unfavorable conditions.

In the case of unwarrantedly heavy new taxes and tax rates, if the blame is to be laid anywhere, it would have to be laid on the consumers who form the most numerous group and who, as voters, should know how to keep the taxing propensities of the government within bounds.

The foregoing, in the interest of brevity and clarity, is somewhat of an over-simplification, but we believe that it correctly outlines the main facts.

We could add that while consumers, no doubt, suffer greatly from increasingly high prices, the suffering is for the most part widely distributed and may in some part be offset by more careful personal and family budgeting.

It is in the failure of long-established enterprises, in the loss of employment by workers, and managers, too, in the forfeiture of capital and the discouragement of further investment, in the destruction of production and in the disruption of trade channels that the whole nation suffers the greatest damage.

None of this can be "passed on".

Mr. Dalupan and Taxation of "Rich" and "Poor"

Appointed by President Quirino as Chairman of a committee organized by the Department of Finance to study and to make recommendations on the reorganization of the Department of Finance and the bureaus under it, author of "The Philippine Tax Laws, Annotated", "The National Internal Revenue Code, Annotated" and of a number of other publications on the subject of taxation, as well as being a prominent lawyer-accountant and educator, Mr. Francisco Dalupan is generally regarded as an authority on taxes, and what he says on the subject must be accorded great weight.

In his speech before the Manila Lions Club last month, and in criticising the Administration's tax program, Mr. Dalupan called it a "colossal paradox" in view of the country's economic and social situation, stating that while it ostensibly would implement the Bell recommendations, it appeared to be calculated to perpetuate the economic status quo, with much the greater part of the new tax burden laid on the people.

According to his calculation, the masses already carry 84% of the tax burden and the "rich" 16%, and under the proposed measures, through which it is envisioned to raise an additional ₱271,000,000, fully 84%, or ₱228,000,000, would be "passed on ultimately to the masses" while only 16%, or ₱43,000,000, would be "borne by the rich through the payment of corporate and individual income, estate, gift, and additional residence taxes".

The most striking of Mr. Dalupan's statements, however, was to the effect that some ₱180,000,000 in additional revenue could be raised by the Government simply by more efficient collection. This may be compared to the recent admission of the Secretary of Finance that no more than ₱30,000,000 additional could be raised by such means.

Tax-collection inefficiency (and dishonesty) and tax-dodging to the amount of ₱180,000,000 a year, though but an estimate, to be sure, puts this double-headed evil in a new light. Certainly, stiff action must be taken to put an end to it.

We can not go all the way in the matter of Mr. Dalupan's comparison of the percentage of the taxation paid by the "people" and the "rich",—the rich, if we must use the term, are people, too. And individual and corporate income taxes are paid by individual workers or individual owners of stocks whatever the size of their income over a certain minimum. Income taxes are, or should be widely distributed. It can not be held that especially the individual income tax is not, or should not be, a "people's tax". As to the "passing on" of taxes to the consumers, we deal with that subject in another editorial in this issue.

It is true there are what are called direct and indirect taxes, the latter sometimes being called "hidden" taxes because they are concealed in the price of goods,—foods, textiles, fuel, etc., which all have to pay. A direct tax is one that is borne by the person upon whom it is levied, but even direct taxes are generally shifted in one way or another, spreading the ultimate burden widely. The conclusion must be that although certain forms of taxation may hit certain classes more directly, all taxation is a taxation of the "people", the rich, the not-so-rich, and the poor. It is wholly dishonest for a government to attempt to make it appear that certain taxes can be viewed with equanimity by the people because they will fall only on the "rich". And especially an arbitrary and unjust tax is a blight that ultimately falls on all.

A government, representative of the people, owes it to them to keep the tax-burden as light as possible for all and to give a good return for it in the form of good government; to see to it that the various taxes are equal and just, dependent on various sources, unduplicated, not easily concealed or shifted, as permanent and unchanging as possible, easily understood and collected, and not discouraging to enterprise.

Mr. Dalupan's speech was on the whole well founded and again serves to call attention to the so-called "Dalupan Report" which many months ago offered dependable and constructive recommendations toward a balanced tax program which should be heeded.

The New Chamber Officers and Board

At the 1951 annual meeting of the American Chamber of Commerce of the Philippines, held on the Chamber premises on January 26, and very well attended, the election of members of the Board of Directors resulted in the reelection of Messrs. P. H. Wood, J. A. Parrish, C, R. Leaber, J. H. Carpenter, and T. M. Knight and the election of four new members,—Messrs. Francis J. Moore, J. T. Hicks, R. J. Baker, and H. C. Stevenson.

At the organization meeting of the Board, held on January 29, Mr. Parrish was elected President, Mr. Leaber, Vice-President, Mr. Moore, Treasurer, and Mr. I. T. Salmo, Secretary. Mrs. Marie Willimont remains Executive Vice-President.

The outgoing President, Mr. Paul H. Wood, received a vote of thanks by acclamation at the annual meeting, and at the Board organization meeting a motion was carried to present him with a bronze plaque in recognition of his outstanding service to the Chamber during the past year.

The new President, Mr. J. A. Parrish, was Vice-President last year and has lived in the Philippines since 1924. Mr. Francis J. Moore, the Treasurer, was born in the Philippines, in Zamboanga, and is Vice-President and Manager of the Bank of America in Manila.

The following are the business connections of the officers and members of the new Board:

Officers:

Mr. J. A. Parrish, General Manager, Standard-Vacuum Oil Company.

Mr. C. R. Leaber, Manager, National City Bank of New York.

Mr. Francis J. Moore, Vice-President and Manager, Bank of America.

Mr. I. T. Salmo, Secretary, American Chamber of Commerce of the Philippines.

Directors:

Mr. R. J. Baker, Comptroller, Manila Electric Company.

Mr. J. H. Carpenter, Vice-President and General Manager, Colgate-Palmolive Philippines, Inc.

Mr. J. T. Hicks, General Manager, Liggett & Myers Tobacco Company.

Mr. T. M. Knight, Vice-President and General Manager, General Electric (P.I.) Inc.

Mr. H. C. Stevenson, Owners' Representative for the Orient, Pacific Far East Lines, Inc.

Mr. Paul H. Wood, Vice-President and General Manager, International Harvester Company of Philippines.

Annual Report of the President

The American Chamber of Commerce of the Philippines, Inc.

AT the beginning of the tenure of service of your outgoing officers and Board of Directors, eleven committees were formed. These included the Advisory Committee and the ten working committees whose reports you have heard. The 1950 organization chart, showing these committees and the original membership, was published on page 99 of the *Journal* for March, 1950.

The Board of Directors and the membership are greatly indebted to these working committees which have worked aggressively and unselfishly throughout the year in our common interests. Several changes in the membership of the committees have been necessary due to absences, but in every case other members have readily responded and all at considerable personal sacrifice.

The Advisory Committee, reinforced from time to time by other members of the Chamber, has met on many occasions and the members have given of their time and energy to the establishing of the broad policies and the procedures for the undertakings of the Board and the working committees.

Many other members whose names do not appear on the committees have likewise been called upon for advice and counsel. It is in this manner and with the appreciated help of these many members that the Chamber has been operated by your officers and Board of Directors during this past year. In the name of the Chamber, I wish to extend sincere appreciation and thanks to all these Chamber members who have so liberally given of their time and effort.

THE year 1950 in the Philippines was largely a continuation of the period of business restraint, economic dislocation, and general regression which began here in 1949. Where firms had substantial inventories on hand at the beginning of 1950, their volume of sales was not particularly affected. However, the liquidation of these inventories and the large reductions in imports have now resulted in empty bodegas and bare shelves and larger than usual cash balances on hand. This is not a condition or situation to the best interests of the Philippine Government or the business enterprises of the Philippines. This is particularly true in view of the supply situation from the United States, where a substantial amount of production is going into the rearmament of the forces of Democracy.

YOUR officers have continuously and energetically invited the attention of the responsible Philippine Government officials to this situation and all it implies. We have vigorously and consistently urged reforms by the Philippine Government in import control, and for the total abolition of such controls, particularly, on essential imports. The Chamber can take part credit for the recent moves by the Government which—although "too little and (perhaps) too late"—offer a slight ray of hope for the future. Several member firms of the Chamber have assisted PRISCO in the reorganization of that entity and of the department now handling certain import licensing.

Visits with the Chief Executive, President Quirino; interviews with Cabinet members, other government officials, and members of Congress; news releases; speeches; memoranda have all been utilized to bring to attention the economic controls here and abroad and their harmful effect on the Philippine economy and the people of the country. A review of the 1950 issues of the *American Chamber of Commerce Journal* provides interesting reading on this subject.

Out of the 300 working days in 1950, the Philippine Congress was in session 159 days. With Congress in session more than half the year, you can believe me that a very great deal has been required of the members of the Board of Directors, of specific working committees, and other specially appointed Chamber members who prepared and offered constructive recommendations on various legislative measures proposed or introduced in the several sessions of Congress.

The Chamber had many occasions to correlate its activities during 1950 with the American Embassy. Ambassador Cowen was a guest of the Board of Directors at the August 9 regular meeting; Mr. E. E. Hester was a guest at the regular meeting on October 11; and Mr. Thomas K. Wright at the regular meeting on November 15. The views of the American business community, as expressed through the American Chamber, particularly with respect to the implementation of economic control measures and proposed tax measures, were brought to the attention of the Embassy and, in several cases, forwarded through such channels to the U. S. State Department. There have been times, when as our President reported last year—"as to certain policies, we have not seen eye to eye". Your President, on behalf of the Chamber, had occasion for direct correspondence and indirect contact with officials of the U. S. State Department on matters of primary importance to our membership.

A very complete memorandum, expressing the American business community viewpoints, was provided the members of the U. S. Economic Survey Mission. A special committee was formed which prepared this memorandum and which held several meetings with Ambassador Bell and other members of the Mission. Although the Report of the Mission, commonly called the Bell Report, did not reflect, to any great degree, the effect of these meetings and the memorandum prepared by the American Chamber, certain important points were made and appeared in the Report.

Your President and a special committee from the Board of Directors met at various times with Mr. William C. Foster, Mr. Allan Griffin, Mr. Vincent Checchi, and others of the Economic Cooperation Administration during

New Active Members for Year 1950

1. Price, Waterhouse & Company
2. Northwest Airlines, Inc.
3. Lykes Lines Agency, Inc.
4. The Coca-Cola Export Corporation
5. Dargan & Company, (Far East) Ltd.
6. Macleod & Company of Philippines
7. Philippine Advertising Associates, Inc.
8. Harry C. Stevenson
9. George S. Burton (Was Associate Member)
10. Singer Sewing Machine Company
11. Pacific Shoe & Sewing Machine Company, Inc.
12. L. D. Seymour & Company (Manila) Inc.
13. B. M. Lauritsen Company, Inc. (Reinstatement of pre-war membership)
14. Hale Shoe Company, Inc. (Reinstatement of pre-war membership)
15. Conrad & Company, Inc. (Formerly Hanson, Orth & Stevenson, Inc.)

New Active Members for January, 1951

1. Embassy Motors, Inc.
2. Flying Cargo (Phils.) Inc.

Active Memberships Resigned

1. Philippine Motors, Inc.
2. Philippine Industrial Equipment Co.
3. Hamilton Brown Company
4. Philippine Electronic Industries, Inc.
5. Pampanga Bus Company
6. Louis Dreyfus & Co. (Overseas) Ltd.

New Associate Members—1950

1. Carroll M. Wharton
2. J. K. Lindsay
3. Frank C. Miles
4. Karl E. Gay
5. James B. Anderson
6. Henry Little, Jr.
7. Albert B. Truax
8. Robert N. Cadwallader
9. Allan A. O'Gorman
10. A. J. Brennan
11. Albert H. Groff

Associate Members Resigned

1. Hilton Carson
2. Maurice Furstenburg
3. Karl E. Gay
4. E. L. Kincaid
5. William B. McDonald
6. Walter R. Olmstead
7. Geo. F. Rowe
8. Carroll Wharton
9. D. E. Blossom (died, November, 1950)
10. S. A. Warner (died, October, 1950)

their visits and stay in the Philippines. Every opportunity has been taken to present the economic situation and trends as they affect American and other private enterprise.

The Philippine-American Chamber of Commerce, New York; the National Foreign Trade Council, New York; and the Chamber of Commerce of the United States, Washington, D.C. have been kept fully and regularly informed on economic conditions and tendencies in the Philippines. Officers and special committee members of the Philippine-American Chamber of Commerce in New York and the National Foreign Trade Council there have had several meetings with officials of the U. S. State Department and of the ECA. The information and memoranda furnished by the American Chamber have been a principal basis for these discussions. In addition, a personal representative of your President has attended these meetings and, on other occasions, has visited with members of the State Department and ECA in the common interests of the American business community in the Philippines.

Your Chamber has worked closely with other business and commercial groups here, particularly with the Philippine Association which has acted, several times, as a coordinating agency for the various Chambers, most of which are organized on nationality lines. In cooperation with the other Chambers and through the Philippine Association, a memorandum was prepared and endorsed by the Chamber on the Philippine Relief and Trade Rehabilitation Administration (PRATRA); on import control matters, and on the legislation intended to implement the recommendations of the U. S. Economic Survey Mission Report. The Chamber has not adopted a "no more taxes" attitude, but it has supported a conservative, properly enforced revenue-raising and collection program. This has been submitted as an alternative to administration measures proposed and was offered in conjunction with ten other commercial, business and professional groups under the auspices of the Philippine Association. The policies and opinions of the American Chamber have not been subordinated during these cooperative activities, but where common areas of agreement have been reached, your Chamber has acted to support the combined efforts of the entire Philippine business community.

In December, your Chamber concurred in the opinion expressed through the resolution of the American Legion in its Convention and in opinions held in the United States by important groups and individuals, that a prime objective in the Philippines was the restoration of peace and order. We have stated, as Chamber opinion, that the restoration of peace and order and the enforcement of tax-collection measures would eliminate the necessity for large-scale tax increases by the Philippine Government.

The membership of the Chamber increased in the year 1950. Fourteen new active members were admitted while 6 active members resighed, for a net gain of 8. Eleven new associate members were admitted while 10 were discontinued, for a net gain of 1. The membership of the Chamber thus was strengthened by 9 additional members. Two new active members have been admitted this month. This brings our total membership to 130 active members, 76 associate members, and 4 non-resident members, or a total of 210 members.

During 1950, the *American Chamber of Commerce Journal* continued—as its masthead reads, "to promote the general welfare". I am proud of the 1950, Volume XXVI, of the *Journal*. It has been constructive, it has abstained from individualism, and it has offered useful criticism when its editor and your Publication Committee (composed of your President and Vice-President) believed that suitable. I wish to pay tribute to Mr. Hartendorp, the editor and manager, and to those Chamber-member columnists whose monthly reports are so important to the *Journal*. I believe the *Journal* is the best business publication in the Philippines, and I hope you will agree with me in believing that it has expressed the viewpoints of this membership during 1950.

Your Executive Vice-President, Mrs. Willimont, has edited and prepared the mimeographed *ACC Bulletins* which have proved of great service to members. As a result of the 159 days of congressional activities, the work connected with the U. S. Economic Survey Mission, and the Economic Cooperation Administration, as well as many other undertakings during 1950, a great deal of extra work has been required of the American Chamber staff. On behalf of the Board of Directors, I thank Mrs. Willimont, our Executive Vice-President, and the members of the Chamber staff for the extremely hard and efficient work they have performed during 1950.

I also wish to thank the Board of Directors, the many committee members, and the membership as a whole for their loyal support and energetic assistance during the past year.

The past year has been one of many frustrations, with many efforts unaccomplished and many undertakings incomplete. The Chamber has not taken, during 1950, a negative or an indifferent attitude on any matter affecting the American way of life or private enterprise. On the contrary, we have continued, as a commercial group, to be the principal exponent of private enterprise in the Philippines. I sincerely believe that the influence of the American Chamber, as a principal representative of democratic principles, has been fully maintained.

I am convinced of the great potentials of this country. I believe we are passing through a period of transition in the Philippines—economic and social—and that, while the passage is hazardous and difficult, it will not be too long. This Chamber has a vital responsibility—not alone to its members but to the country of which we are citizens. That responsibility is the preservation in this part of the world of the very principles for which our Chamber stands.

It has been an honor and a privilege to represent the membership of this Chamber in 1950. I will always be grateful for the opportunity for service which you extended to me a year ago.

I thank you.

PAUL H. WOOD
President

Letter from the Acting President of the American Association of the Philippines

January 26, 1951

Mrs. Marie Willimont
Executive Vice-President
American Chamber of Commerce of the Philippines
Manila

Dear Mrs. Willimont:

As the Acting President of the American Association of the Philippines during the absence of our President Thomas in the United States, I take this means of greeting the officers and members of the American Chamber at their annual meeting, and to assure them of our great desire to cooperate with you all and to further our already very satisfactory relationships.

Undoubtedly there will be projects during the year, emanating from either one of our two groups, which might prosper as a result of mutual support. Please do not hesitate to inform us of any instance in which we can cooperate with you. We keenly feel, along with you, our responsibility to the American community.

Respectfully,

F. S. TENNY,
Acting President.

A Protective Tariff Instead of Controls

By C. M. Hoskins

A REVIEW of the numerous control measures instituted by the Philippine Government during the past four years discloses that the underlying motive in nearly all of them is the fostering of industrialization. They are called "dollar-saving" and "dollar-producing" measures, but in essence they aim at greater economic self-sufficiency. Industrialization is looked upon as the major remedy for the imbalance between imports and exports and as the most appropriate means of raising Philippine prosperity levels.

Assuming that the protection of infant industries by governmental sanctions and restrictions is desirable, experience shows that the multiple control measures heretofore adopted have so many evil side-effects that a better and more tried method to encourage industrialization should be explored. The historical method has been through the enactment of protective tariffs.

Protective Tariff in the United States

Tariffs to protect infant industries were successfully used in the United States when it occupied an economic position similar to that of the Philippines today. During the past century the United States was dominantly an agricultural nation, with vast natural resources awaiting exploitation. Much of its capital was borrowed from Great Britain and the Continental countries of Europe. While protective tariffs increased consumer costs, the voters never gave their full support to free trade, even when the Democratic Party, which advocated free trade, was in power. The "vested interests," to be sure, lobbied for perpetuation of their protective tariffs long after they had ceased to be infant industries. The fact remains that American industrialization during the nineteenth century was mainly due to the protective tariff system.

Today that protection is not so essential in the United States as it was during the preceding century. Three or four generations have grown up during that period, creating a vast reservoir of "know-how" talent. On top of that, America originated and developed more fully than other countries the assembly-line method of production. This reduced costs to a competitive position which made protective tariffs of far less importance. In fact, other countries with far lower wage scales had in turn to erect tariff walls against American goods to protect their infant industries.

The Philippines Compared with the United States

The Philippines economically has so many problems in common with those faced by the United States during the nineteenth century that we may well be justified in resorting to a protective tariff to encourage industrialization. We too may thus create a reservoir of indigenous industrial "know-how" and an accumulation of investment capital. This principle is not new even to the Philippines. The present tariff laws are primarily protective in character, rather than for revenue only. But with this difference: there is free trade between the Philippines and the United States.

Selective Protective Tariffs Now Exist

Even this free trade is not absolute. By devising internal-revenue taxes which by definition apply only to imported goods, the Philippines has erected indirect tariff barriers against American goods. The first Internal Revenue Law of 1904, passed by the American-controlled Philippine Commission, taxed distilled spirits made from locally-produced raw materials at a fraction of the rate applied to grain alcohol. More recently the internal-revenue taxes have discriminated against cigarettes packaged by machinery, or made of Virginia tobacco, or wrapped in cellophane, or priced at American-level prices, by taxing them at a higher rate than that applicable to domestic producers.

This indirect tariff is merely an evasion of the Trade Agreement and is not fundamentally an act of good faith.

Free Trade Impedes Protection

The stumbling block to protective tariffs in the Philippines has always been the free trade relationship between the Philippines and the United States, beginning with the Payne Act of 1909 and continuing through to the Bell Trade Act Agreement.

It will be recalled that much of the opposition to the Bell Act derived from the fact that it perpetuated the so-called "colonial economy" of the Philippines. In recent years, having reached a position of industrial competition with other countries, United States executive policy has tended to world free trade. Yet the affected interests have kept this policy from being more than piecemeal horse-trading. Even the United Nations groups have been unable to hurdle the wall of opposition due in part to vested interests but more largely due to the wide disparity of living standards between the various nations concerned.

Preferential Free Trade a Solution

There may be a compromise approach to the problem, through establishing a preferential tariff relationship between the United States and the Philippines, instead of free trade. Such a relationship could make unnecessary many of the present controls and indirect tariffs. It would moreover substitute a reasonably stable basis for economic development, instead of the uncertain fluctuating system which prevents even the most astute businessman from making forward plans. Needless to say, the preferential tariffs would have to be reciprocal.

With preferential tariff between the United States and the Philippines, the latter could adopt a system of protective tariffs adequate to its needs. Yet the preference in favor of American goods would prevent too sudden a dislocation of trade between the two countries. At the same time, other nations could by lower prices in time overcome this preference with respect to products in which they excel.

Why Tariffs are Better than Controls

In what ways would a protective tariff system be an improvement over the present systems of controls and accomplish the same purposes?

It seems that the most important improvement would be the stability of a tariff law compared with constantly changing administrative edicts. Under the present system of controls an intending industrialist hesitates to establish an industry to supplant restricted foreign imports, because he has no idea when these restrictions may be lifted. Many foreign companies which planned to establish Philippine factories have hesitated to do so precisely because of this uncertainty.

A protective tariff may be combined with a tariff for revenue, and thereby reduce luxury imports. Such luxuries as can pay the tariff will go far toward balancing the budget. Yet no man will be deprived of his God-given right to spend his money for any legitimate article he desires, if he has the money to pay for it.

High tariffs on luxuries will automatically reduce imports, thus minimizing the depletion of dollar reserves.

Thus they will be dollar-saving. A high protective tariff will stimulate more than any other measure the development of local industries. That, too, will be dollar saving, and is calculated very shortly to reduce the excess of imports over exports.

Abolition of Exchange Control

With a well-planned high tariff for protection and revenue, exchange controls could be safely abolished outright. It may be claimed that abolishing our exchange controls would quickly cause a dangerous depletion of our international reserves. This claim is open to challenge. Of the total money supply of the Philippines, one-half is scattered throughout the Philippines in the hands of the people. Of the remainder, constituting demand deposits in banks, not half is free for conversion into dollars. It is needed for business operations, construction of homes, meeting payrolls, living expenses, and all of the other things for which people must spend money locally. Much of it is irrevocably committed to future needs. Hence, the release of exchange controls after an adequate tariff law is adopted could not deplete our international reserves in a single year to a point of real danger. If one judges human behavior on past experience, the release of exchange controls would cause a large flight of free capital during the first two or three months. Then many would see attractive local investment opportunities engendered by the protective tariff and would bring their dollars back, some in cash, some in capital goods, some in commodities on which they pay the tariff. With exchange free, and reserve-depletion slowing up, the panic to buy dollars would subside, and the international reserves would begin to climb.

The spread between imports and exports may be expected to narrow with the steady rise in export goods and the high tariffs on luxuries. During the time-lag between protective tariff legislation and the multiplication of local industries and production for consumption, our invisible exports, such as United States expenditures and direct financial aid would continue to replenish our reserves. Moreover, the time-lag between the tariff law and large-volume domestic production–increases would be sharply reduced by the freedom of enterprises to get their machinery and raw materials and to remit profits.

It may be well-reasoned, therefore, that an adequate protective tariff, with a reasonable reciprocal preference between the Philippines and the United States, will balance the budget without onerous internal-revenue taxes; will stimulate domestic production with great rapidity, and will permit the abolition of the present import and exchange controls.

Since the Bell Mission has recommended a re-examination of the present Trade Agreement between the United States and the Philippines, it would seem timely to consider a preferential tariff relationship between the two countries, instead of the present free trade system.

Status Report on the Commercial Treaties

By the Chamber of Commerce of the United States

AN important segment of United States economic foreign policy, directed generally to the objective of removing barriers to economic progress, is that carried out by the negotiation of Treaties of Friendship, Commerce, and Navigation.

Since World War II, the Department of State has undertaken a program for expanding and modernizing commercial treaties between the United States and other countries.

Four such treaties have been signed since 1946. Those with China and Italy and Ireland have been fully ratified and are now a matter of public law. One other—that with Uruguay—has been approved by the United States Senate, but awaits consideration by the Uruguayan General Assembly.

Aside from these new treaties, some twenty-five older agreements of the same general type, some of the provisions of which are of little practical value under modern conditions, constitute the treaty structure of the United States insofar as the general right of the United States citizens to engage in private business abroad is concerned.

Meantime, treaty proposals in various stages of development are before the governments of some twenty countries, according to the Department of State—four of which may be completed within the next few months. These include renegotiation of certain treaties now in existence.

THE Chamber of Commerce of the United States [Washington] has long considered treaties of friendship, commerce, and navigation with countries with which the United States has substantial commercial relations as highly desirable. The Chamber policy statement urges the negotiation of such treaties; and a relatively new Chamber policy on "Aid to Underdeveloped Areas Abroad" specifies that where capital investments are involved in the technical assistance program, aid should be contingent upon the completion of treaties and agreements to provide assurance of fair treatment for American private capital.

Other Chamber policies—on foreign investments and on protection of American nationals and interests abroad, stress the necessity for treaties and agreements to assure fair treatment of American private capital in foreign countries and the need for our Government to pursue a vigorous policy against any measures of foreign countries which are prejudicial to or discriminate against our investments abroad.

The Chamber has not recommended detailed provisions to be included in such treaties, believing that within certain basic principles such details may best be left to the negotiators with the advice of American businessmen whenever feasible.

THE bilateral treaties already concluded under the present program, and reportedly those now under negotiation, contain the strongest provisions designed to assure the security of United States economic enterprises operating in foreign countries that have ever been incorporated in a system of treaties proposed for negotiation on a world-wide basis.

The four most recent treaties, referred to, while similar in substance have certain points of difference and of emphasis. They all tend directly or indirectly to encourage the free movement of persons, goods, and capital on an international scale. All of them help to furnish those essential elements, particularly protection and security for persons and property and incentive for business enterprise, which constitute a favorable climate for investment.

The treaty with Uruguay, in developing these essential elements, gives increased emphasis to certain provisions of special interest to investors and gives particular attention to technical phases of investment problems. It provides categorically and in detail for the introduction of capital by citizens of one country into the territories of the other and for the withdrawal therefrom of earnings, of funds for capital transfers, and of other funds. Such withdrawals, however, are subject to certain limited and carefully safeguarded restrictions during times of exchange stringency. The treaty also contains a provision which defines rights to obtain the services of technical experts, executive personnel, and other specialized employees in greater detail than was done in *the treaty with Italy,* for instance. This provision is designed to encourage private enterprise to make its technical resources available for purposes of economic development.

While this treaty with Uruguay contains no provisions directly related to the technical assistance features of Point Four, it is considered a good example of the kind of treaty which may promote effectively the objectives of that Program, as it contains the kind of assurances as to the treatment of private enterprise that are likely to create a climate favorable for American investment in foreign countries.

The treaty with Ireland contains two articles not found in the treaty with Uruguay. One of these, a provision traditionally carried in this type of treaty, provides that the citizens of each country be exempt from compulsory service in the armed forces of the other. However, in conformity with established United States policy, it is further stipulated that this exemption cannot be claimed when both countries are allied or associated in the same war. This provision was included in *the treaty with Italy,* which came into force on July 26, 1950.

The Irish treaty provides, also, for the enforceability of commercial arbitration contracts between the businessmen of the two countries, and for the execution of lawful awards rendered pursuant to such contracts, regardless of the place where the arbitration proceedings take place and of the nationality of the arbitrators. Although *the treaty with China,* signed in 1946, contains a commercial arbitration provision adapted to special Chinese problems, the treaty with Ireland is the first to carry such a provision in a generally applicable form.

Another innovation in recent treaties is aimed directly at one of the most serious current hazards to foreign enterprise. It is a provision designed to minimize unfair competition by state-controlled enterprises, and to assure to the alien private enterprise the same economic favors granted to its state-controlled competitor. This provision was not in *the treaty with China,* but is included in *those with Italy, Ireland, and Uruguay.*

Mechanics and procedures involved in treaty negotiation, as well as unsettled world conditions, make negotiation of commercial treaties a slow and sometimes frustrating process. State Department officials, we believe, are diligently seeking every opportunity to complete commercial treaties with other countries. They stress, however, that foreign governments are absorbed in numerous crucial day-to-day problems resulting from post-war dislocations and uncertainties. Moreover, the provisions usually pressed for by the United States frequently run counter to prevailing trends in many countries toward economic nationalism, as expressed in restrictive trade practices, currency controls, and discriminations based upon alienage, as well as to growing tendencies in some areas toward socialism and statism. In some places where private enterprise systems prevail, vested interests resist measures which might force them into competition with United States enterprises. Furthermore, peoples newly freed from colonial dependency are distrustful of the foreigner and tend to see in the United States treaty program a new colonialism. There are, as a matter of fact, elements of this attitude even in countries that have long been independent.

It may be seen that there is indeed an educational job to be done—involving a process which surely requires patience and understanding. Other countries must come to realize that such commercial treaties and agreements with the United States are in fact in their own interest.

Government Acquisition of Large Landed Estates*

By Zoilo Castrilio
Administrative Officer, Bureau of Lands

The Rural Progress Administration, which was organized in 1939 pursuant to the provisions of Commonwealth Act No. 539 and Executive Orders Nos. 191 and 206, was, until recently, the Government unit which was entrusted with the function of acquiring big landed estates for subdivision and disposition in favor of the tenants.

As a result of the current Government reorganization, this entity was abolished by Executive Order No. 376 and its functions transferred to the newly created Division of Landed Estates in the Bureau of Lands.

According to the records of the former Rural Progress Administration, the big landed estates which have already been acquired by the Government are the following:

	Estates	*Area in Sq. M.*	*Location*
1.	Sta. Clara	50,534	Sampaloc, Manila
2.	Sta. Clara Additional	2,441	Sampaloc, Manila
3.	Ana Sarmiento	205,022	Malate, Manila
4.	Ntra. Sra. de Guia	348,534	Tondo, Manila
5.	Sta. Mesa Homesite	124,173	Sta. Mesa, Manila
6.	Baclaran	266,887	Parañaque, Rizal
7.	La Faja del Mar	21,996	Parañaque, Rizal
8.	Tambobong	689,434	Malabon, Rizal
9.	Longos	213,086	Malabon, Rizal
10.	Marikina	1,087,163	Marikina, Rizal
11.	Pateros Homesite	13,028	Pateros, Rizal
12.	Protacio Homesite	26,156	Rizal City
13.	Maypajo Homesite	25,839	Caloocan, Rizal
14.	Buenavista	274,084,223	San Ildefonso, San Rafael, Bustos, and Baliuag, Bulacan
15.	Panginay	953,643	Bigaa, Bulacan
16.	Polo Parish	490,444	Polo, Bulacan
17.	Taal Homesite	114,321	Bocaue, Bulacan
18.	Dinalupihan Homesite	996,261	Dinalupihan, Bataan
19.	Dinalupihan Agricultural	40,359,681	Dinalupihan, Bataan
20.	Lian Homesite	322,162	Lian, Batangas
21.	Lian Agricultural	37,010,699	Lian, Batangas
22.	Tunasan Homesite	2,167,999	San Pedro, Laguna
23.	Calauan	8,688,029	Alaminos and Calauan, Laguna
24.	Bahay Pare	21,016,174	Candaba, Pampanga
25.	Mabalacat Homesite	561,590	Mabalacat, Pampanga
26.	Luisita	33,098,182	Tarlac, Tarlac
27.	Barretto	11,379,400	San Felipe, Zambales
	Total	433,318,101	Sq. Meters or 43,331.8101 Ha.

The estates which the Government is contemplating to purchase in order to help reduce the current agrarian unrest, are the following:

1. Nasugbu Estate, Nasugbu, Batangas
2. Land owned by Angela S. Tuason, Sta. Mesa, Manila
3. Portion of residential land in Ebus, Guagua, Pampanga
4. Kaledian Farm, Arayat, Pampanga
5. Tunasan Estate, San Pedro, Laguna
6. Hacienda Sta. Maria, Sta. Ana, Pampanga
7. Calasgasan Estate, Daet, Camarines Norte
8. Bacood Subdivision, Sta. Mesa, Manila
9. Jalajala Estate, Jalajala, Rizal
10. Capellania de Don Pablo S. Tiongson, Malolos, Bulacan
11. Capellania de Jose Rafael y Consortes, Malolos, Bulacan
12. Hacienda Concepcion, Cabiao, Nueva Ecija

With respect to the so-called Friar Land Estates, our records reveal that during the Spanish regime the religious orders in the Philippines were able to acquire vast *haciendas* aggregating over 400,000 acres. Largely through the efforts of Governor-General William H. Taft, who made a special trip to Rome in 1902 to negotiate the purchase

*From a letter to the Editor of the *Journal.*

of these vast landholdings from the Roman Catholic Church, the Government succeeded in purchasing 153,330.4923 hectares of land for ₱13,860,925.40.

The lands so purchased, located in the provinces of Bataan, Bulacan, Cavite, Cebu, Isabela, Laguna, Mindoro, and Rizal, were placed under the administration of the Bureau of Lands. The lands were subdivided into lots numbering about 54,588 and sold to the former tenants and occupants on the installment plan. The books on hand show that the amount of ₱25,455,187 has already been collected from the resale of 52,718 lots. Only a part of the San Jose Estate in Mindoro, which was returned by the Roman Catholic Archbishop before the last World War, has not yet been disposed of.

Judging from the results, the purchase of the Friar Lands Estates by the Government has been a complete success, both from the financial as well as the social viewpoints. Through the equitable distribution of these lands, the Government was able to ameliorate the living conditions of the former tenants and convert them into communities of independent farmers. It is noteworthy that no agrarian trouble of any sort has ever broken out on any of these estates since their resale. It can be said, therefore, that the primary objective of the Government purchasing of these estates—social pacification—has been fully achieved in these areas.

There are, however, other Church-owned lands which were not friar lands within the meaning of Act No. 1120, commonly referred to as the Friar Lands Act, and Commonwealth Act No. 32, as amended. Some of these Church-owned lands were subsequently acquired by the Commonwealth of the Philippines and later by the Republic of the Philippines, for the purpose of resale to the actual occupants in order to prevent, or at least minimize, agrarian troubles.

It is regretted that because of the loss of practically all our pre-war records, we can not at present furnish information relative to the large private estates the ownership of which is based on old Spanish grants.

Realtors' Code of Ethics

Adopted by the National Association of Real Estate Boards in the United States, and adhered to by members of its constituent Boards.

This Code of Ethics has likewise been adopted by the members of the Manila Realty Board, under the pledge of adhering thereto as a condition to membership.

Preamble

UNDER all is land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization. The Realtor is the instrumentality through which the land resource of the nation reaches its highest use and through which land ownership attains its widest distribution. He is a creator of homes, a builder of cities, a developer of industries and productive farms.

Such functions impose obligations beyond those of ordinary commerce; they impose grave social responsibility and a patriotic duty to which the Realtor should dedicate himself, and for which he should be diligent in preparing himself. The Realtor, therefore, is zealous to maintain and improve the standards of his calling and shares with his fellow-Realtors a common responsibility for its integrity and honor."

In the interpretation of his obligation, he can take no safer guide than that which has been handed down through twenty centuries embodied in the Golden Rule:

"Whatsoever ye would that men should do unto you, do ye also unto them."

Accepting this standard as his own, every Realtor pledges himself to observe its spirit in all his dealings and to conduct his business in accordance with the following Code of Ethics, adopted by the National Association of Real Estate Boards.

Articles Governing Relations of Realtors

I. Professional Relations

1. In the best interest of society, of his associates, and of his own business, the Realtor should be loyal to the real estate board of his community and active in its work; and he should willingly share with his fellow-members the lessons of his experience.

2. The Realtor should so conduct his business as to avoid controversies with his fellow-Realtors; but in the event of a controversy between Realtors who are members of the same real estate board, such controversy should be submitted for arbitration in accordance with the regulations of their board and not to a suit at law, and the decision in such arbitrations should be accepted as final and binding.

3. Controversies between Realtors who are not members of the same real estate board should be submitted for arbitration to an arbitration board consisting of one arbitrator chosen by each Realtor from a real estate board to which he belongs and of one other member, or a sufficient number of members to make an odd number, selected by the arbitrators thus chosen.

4. When a Realtor is charged with unethical practice, he should voluntarily place all pertinent facts before the proper tribunal of the real estate board of which he is a member, for investigation and judgement.

5. A Realtor should never publicly criticize a competitor; he should never express an opinion of a competitor's transaction unless requested to do so by one of the principals, and his opinion then should be rendered in accordance with strict professional courtesy and integrity.

6. A Realtor should never seek information about a competitor's transaction to use for the purpose of closing the transaction himself or diverting the customer to another property.

7. When a Realtor accepts a listing from another broker, the agency of the broker who offers the listing should be respected until it has expired and the property has come to the attention of the accepting Realtor from a different source, or until the owner, without solicitation, offers to list with the accepting Realtor; furthermore, such a listing should not be passed on to a third broker without the consent of the listing broker.

8. Negotiations concerning property which is listed with one Realtor exclusively should be carried on with the listing broker, not with the owner.

9. The schedules of fees established by the various real estate boards are believed to represent fair compensation for services rendered in their communities and should be observed by every Realtor.

10. A Realtor should not solicit the services of any employee in the organization of a fellow-Realtor without the knowledge of the employer.

11. No sign should ever be placed on any property by a Realtor without the consent of the owner.

II. Relations to Clients

12. In justice to those who place their interests in his hands, the Realtor should endeavor always to be informed regarding the law, proposed legislation, and other essential facts and public policies which affect those interests.

13. In accepting the agency for property, the Realtor pledges himself to be fair to purchaser or tenant, as well as to the owner whom he represents and whose interests he should protect and promote as he would his own.

14. A Realtor should not buy for himself property listed with him, nor should he acquire any interest therein, without first making his true position clearly known to the listing owner.

15. When asked for an appraisal of real property or an opinion on a real estate problem, the Realtor should never give an unconsidered answer; his counsel constitutes a professional service which he should render only after having ascertained and weighed the facts, and for which he should make a fair charge.

16. The Realtor should encourage the naming of the actual or an obviously nominal consideration in a deed.

17. When acting as agent in the management of property, a Realtor should not accept any commission, rebate, or profit on expenditures made for the owner, without his full knowledge and consent.

18. The exclusive listing of property should be urged and practiced by a Realtor as a means of eliminating misunderstanding and dissensions and assuring better service to the owner.

19. The acceptance by a Realtor of an exclusive listing imposes the obligation of rendering skilled and conscientious service; when a

The Business View

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

Office of the President of the Philippines

From an Official Source

JANUARY 1, 1951—Secretary of Foreign Affairs Carlos P. Romulo arrives in Manila to report to President Elpidio Quirino on the world situation.

Jan. 2—The President issues Executive Order No. 393 converting the Muñoz Agricultural School into a college.

The Cabinet approves the sending of a survey party to Japan to study Japanese home industries and also the methods of stockpiling adopted there, the group to be composed of Filemon Rodriguez, Manager of the National Power Corporation, Eduardo Taylor, Manager of the Cebu Portland Cement Company, and Juan Ledesma, member of the PRISCO and LASEDECO boards.

Jan. 3—Secretary Romulo makes a statement on the world situation before a joint meeting of the Cabinet and the Foreign Affairs, Finance, and National Defense committees of the Senate and the House, declaring that no words of his "can heighten or minimize the gravity of the menace to world peace which exists at present", but that the situation is not hopeless and that in case of war the "military policy of the United States would most likely be concentrated on the establishment of a defense line running from the Aleutians through Japan, Okinawa, and Formosa to the Philippines".

The President at the same meeting voiced an appeal for the country to stand together and urged the immediate approval of the Administration's tax measures. He also announced that he will send a military mission to the United States to be headed by Secretary Romulo and with Senator Macario Peralta and General Mariano Castañeda as members.

The President receives a report from Secretary Sotero Baluyot, Chairman of the Committee on Slum Clearance, recommending the transfer of squatters in all Manila districts to a reserved area in Diliman, Quezon City, and proposing an appropriation of close to ₱2,000,000 for the construction of individual duplex houses to accommodate some 5,600 families.

Jan. 6—The President issues a proclamation calling Congress to another special session beginning January 8 to enable it—

"to continue the consideration of measures submitted to Congress in its last special session and such other measures as may be submitted to carry into effect the Memorandum Agreement signed in Baguio on November 14, 1950, by the President of the Philippines and Mr. William C. Foster of the United States, and urgent legislation to insure the financial stability and national security of the Republic of the Philippines."

The President submits the appointment of Claro M. Recto as Ambassador to Spain to the Commission on Appointments, which confirms it.

The President states he is "deeply grieved" over the death today of Joaquin Pardo de Tavera, Director of the National Bureau of Investigation. Later in the day he designated Brig. Gen. Alberto Ramos as Acting Chief of the Bureau.

Jan. 8—The respective ministries of the Philippines and Spain are raised to embassies.

Jan. 9—The President inducts Bonifacio Quiaoit as Director of Commerce and Benjamin Ligot as assistant chief of the Cooperatives Administration Office.

Jan. 11—The President receives a delegation of Chinese businessmen from Hongkong seeking investment opportunities in the Philippines and promises "full government protection to any foreign capital invested here and that there would be no discrimination against any alien trader".

Realtor is unable to render such services either himself or with the aid of his fellow-Realtors, he should not accept the listing.

20. Before offering a property listed with him by the owner, it is the Realtor's duty to advise the owner honestly and intelligently regarding its fair market value.

III. Relations to Customers and the Public

21. It is the duty of every Realtor to protect the public against fraud, misrepresentation, or unethical practices in connection with real estate transactions.

22. Property should be offered by a Realtor solely on its merit without exaggeration, concealment, or any form of deception or misleading representation.

23. It is the duty of a Realtor to ascertain all pertinent facts concerning every property for which he accepts the agency, so that in offering the property he may avoid error, exaggeration, and misrepresentation.

24. A Realtor should never offer a property without the authorization of the owner.

25. The price at which a Realtor offers a property should not be higher than that which the owner has openly agreed to take.

26. Before a Realtor buys for a client property in the ownership of which the Realtor has an interest, he should disclose his interests to all parties to the transaction.

27. Before a Realtor sells property in the ownership of which he is interested, he should make it clear to the purchaser that he is acting solely for the owner.

28. A Realtor when acting as a broker should make it clear for which party he is acting, and he should not receive compensation from more than one party except with the full knowledge and consent of all parties to the transaction.

29. Under no circumstances should a Realtor permit any property in his charge to be used for illegal or immoral purposes.

30. In closing transactions, the Realtor should advise the use of legal counsel when the interest of any party to the transaction appears to require it; and in all cases he should exercise care in the preparation of documents so that they shall embody the exact agreements reached.

31. At the time the agreement is reached as to the terms of a transaction the Realtor should fully inform each party regarding commissions and other expenses to which each party is respectively liable.

32. Before the closing of a transaction, the Realtor should recommend the examination of title and conveyancing papers.

33. All contracts and agreements to which a Realtor is a party should be made in writing and should be complete and exact.

34. A Realtor should never be instrumental in introducing into a neighborhood a character of property or occupancy, members of any race or nationality, or any individuals whose presence will clearly be detrimental to property values in that neighborhood.

35. No instructions nor inducements from any client or customer relieve the Realtor from his responsibility strictly to observe this Code of Ethics.

Addenda

Suggestions to the Public

(*The following suggestions are made, not as a part of this Code of Ethics, but to indicate to the public how they can cooperate with Realtors so as to secure the best service*.)

(1) Your relationship with a real estate broker should be considered confidential; it is unfair to a broker for you to quote to others the terms and properties which he has offered you in confidence.

(2) Competent counsel in connection with real estate transactions is valuable and proceeds from years of training and study; it should not be expected gratis.

(3) By retaining the services of a single broker and placing your confidence in him, you enable him to render you more intelligent and satisfactory service.

(4) Do not injure your property nor your broker's chances of serving you by quoting one price to the broker and another to a prospective purchaser.

(5) Do not list your property unless you are willing and ready to sell it.

(6) When you ask a Realtor for an opinion, you should expect it to be rendered in accordance with his best judgment, unbiased by your personal preferences.

"While the people should patriotically and cheerfully support their government, its functions do not include the support of the people." — GROVER CLEVELAND in his second Inaugural Address.

Jan. 12—The Cabinet decides upon mustering war-time guerrillas into the fight against Huks and bandits, following renewed Huk atrocities in Bataan and Tarlac. Secretary of National Defense Ramon Magsaysay recommended that the guerrillas be given temporary commissions according to their rank as they were recognized by the United States Army after the war.

Jan. 13—Asked to comment on the formation of the new "Democratic" bloc in the Senate, the President states that he "does not interfere with the internal affairs of the Senate or House of Representatives." Senator Tomas Cabili, majority floor leader and leading member of the "Little Senate" bloc, charged the President with having abetted the formation of the new bloc.

Jan. 15—The President inducts Brig. Gen. Calixto Duque as Acting Chief of Staff of the Armed Forces.

Jan. 16—The President, at a meeting of the Council of State attended by legislative leaders, urges the passage of the administration tax measures planned to increase the revenues by ₱565,000,000, and the adoption of a resolution expressing the readiness of Congress to implement the Quirino-Foster Agreement and the Bell Mission recommendations. The resolution has been passed by the House but is still pending in the Senate.

The President administers oaths of office to Judge Ceferino de los Santos as Under-Secretary of Justice and to seven courts of first instance judges.

Jan. 17—Malacañan releases a letter from the President addressed to Claro M. Recto in reply to a letter from the latter declining his appointment, approved by the Commission on Appointments on January 6, as Ambassador to Spain, on the grounds that the directorate of the Nacionalista Party had advised him not to accept it; the President's letter recalls the assignment.

The President administers the oath of office to Sotero Baluyot as Secretary of Public Works and Communications.

Jan. 18—The President issues Executive Orders Nos. 402, 403, and 405 setting new ceiling prices for various commodities such as construction materials, paper, milk, coffee, etc.

Jan. 19—The President signs Republic Act No. 591 appropriating an additional ₱25,847,580 for the Armed Forces,—₱7,185,990 for salaries and wages, ₱16,866,590 for equipment and supplies, and ₱1,795,000 for additional subsistence for officers and men in the field; the balance to be used to defray the cost of subsistence, hospitalization, and rehabilitation of captured or surrendered dissidents.

The President receives an urgent letter from Secretary of Health Juan Salcedo, Jr., recommending a "must" administration bill appropriating ₱100,000 for the payment of necessary small-pox vaccine and cholera-dysentery-typhoid serum, as otherwise the Alabang Laboratories "may fail in their task to supply the demand".

Jan. 20—The President appoints as members of the Games and Amusement Board (which takes over the functions of the Racing Commission, the Boxing and Wrestling Commission, and those of the City Mayor over the Jai Alai) former Manila Mayor Valeriano Fugoso, Chairman, Arsenio Bonifacio, and Jesus Cacho. He also reappoints the members of the boards of directors of the Price Stabilization Corporation, the National Shipyards and Steel Corporation, and the Land Settlement and Development Corporation, as the Commission on Appointments failed to confirm the original appointments before the adjournment of the special session of Congress.

The Department of Foreign Affairs announces that specifications and forms for the January 22 bidding on SCAP lumber purchases are available. Some 12,000,000 board feet of lumber is wanted on the basis of the FOB price, Philippine port, delivery during the period from March 10 to April 9.

Speaking to the Hongkong Trade Mission and local businessmen at the Philippine Chamber of Commerce, Secretary of Commerce and Industry Cornelio Balmaceda states that the present control measures should "not be regarded as measures to discourage foreign investments" as they are "but temporary measures and should be regarded as such".

"You have asked me whether, under our Philippine laws, foreign capital may join in partnership with domestic capital. Certainly it may. The provision of our law which requires, in the exploitation and development of natural resources and the operation of public utilities, that at least 60% of the corporate capital should be owned by Filipino nationals precisely invites joint ownership of the enterprise or partnership with foreign capital...

"I understand that in your survey of investment possibilities in our country, members of your delegation have become interested in the local textile industry, and also in the manufacture of paper, paints and varnishes, and the production of local raw materials for the new industries. All of these offer excellent prospects. You may also consider the opportunities offered in other fields, like the local fishing industry... The chemical manufacturing industry is up to the present practically nonexistent in this country, although the land is rich in such raw materials as limestone, salt, fibers, starches, and in potential sources of hydraulic power..."

July 21—The President directs the Foreign Office to request the United States Government to vest title to sunken vessels in Philippine waters in the Philippine Government, the Philippines having been unable to salvage such vessels and clear its waters because the U. S. Philippine Alien Property Administration has laid claim to them as the property of the United States. It is understood that the United States Government would permit the salvaging provided the proceeds be turned over to it to pay the claims for damages by shipowners and for death claims.

Jan. 23—The President submits to Congress his Executive Order reorganizing the executive departments of the Government, effective January 1, together with a budget totalling ₱340,545,970, or ₱5,039,000 lower than the general appropriations for the fiscal year 1950-51. A total of 1,796 employees in the executive branch of the Government have been laid off, and another 2,000 were dropped as a result of the abolition of a number of government corporations, making a total saving in salaries estimated at about ₱7,000,000. Laid-off employees will be paid 1 month's salary gratuity for every year of service, immediate payments not to exceed 3 months' salary and the balance, if any, to be paid when the funds become available but not later than the end of this year.

The following is a breakdown of the budget:

Office of the President, ₱7,712,830; Office of Economic Coordination, ₱421,080; Vice-President's Office, ₱76,260; Department of Foreign Affairs, ₱4,636,390; Department of Finance, ₱6,132,350; Department of Justice, ₱9,013,550; Department of Agriculture and Natural Resources, ₱4,771,720; Department of Public Works and Communications, ₱12,014,030; Department of Education, ₱140,354,968; Department of Labor, ₱891,565; Department of National Defense, ₱109,035,150; Department of Health, ₱10,657,007; Department of Commerce and Industry, ₱3,274,638.

The Cabinet approves Philippine participation in the ECAFE conference to be held in Lahore, Pakistan, February 15-March 7, the delegation to consist of Secretary of Commerce Cornelio Balmaceda, Col. Amado Bautista, of the National Development Company, Dr. Andres V. Castillo, of the Central Bank, Miguel Luna, of the Department of Commerce and Industry, and the Chief of the Flood Control Division of the Bureau of Public Works.

Upon recommendation of the Board of Liquidators, the Cabinet approves continuing with the development of the 2,500-hectare abaca project under the Davao Penal Colony of the Bureau of Prisons; the work was begun by the abolished National Abaca and other Fibers Corporation, and 1,200 hectares are already planted to abaca.

Jan. 24—The President accepts the credentials of the Spanish representative whose rank was recently raised from Minister to Ambassador, with leading members of the Spanish community present at the ceremonies.

The President administers oaths of office to four members of the Board of Pensions for Veterans,—General Emilio Aguinaldo, Chairman, and Messrs. Ramon J. Alvarez, Isidro Wenceslao, and Mariano Yenko.

The President inaugurates the newly installed long-distance telephone service between Manila and Lucena.

The Department of Foreign Affairs announces that in view of the recent imposition of export control in the United States, it is compiling a list of the annual Philippine requirements in essential equipment and supplies for early presentation to the American authorities. Acting Foreign Secretary Felino Neri states he has requested the Secretary of Commerce and Industry and the Administrator of Economic Coordination to assist in the compilation.

Jan. 25—The President receives a check for ₱1,000,000 from the U. S. Alien Property Administrator, the proceeds of the sale of former Japanese-owned real estate in Davao and Quezon provinces.

The President receives Messrs. Neil McElroy and Walter Lingle, Jr., President and Vice-President, respectively, of the Proctor and Gamble Company, who inform him that the Philippine Manufacturing Company, a subsidiary, has increased its capitalization to about 6 times its pre-war investments here and that it is contributing ₱2,500,000 yearly in taxes or about 8 times its pre-war payments; they also show him a plan for a new ₱1,000,000 office building the PMC intends to build on a suitable site near the Luneta. The President assured—

"full government protection and fair business opportunities to prospective foreign investors here and renewed his invitation for alien capital to come into the Philippines and help in the industrial development of the country".

The President entertains the visiting Proctor and Gamble officials, and Marvin Wood, a California businessman, at a luncheon attended also by a number of government officials, the American Ambassador, and the heads of the local chambers of commerce. Mr. McElroy states he is—

"much encouraged by internal developments here and sees bright prospects for the country. The Philippines is a great source of raw materials for his Company and a potential market for its finished products... He said that business must share the taxes to be borne by the country, but believes that a graduated corporation tax will put a penalty on growth. Mr. McElroy favors a flat corporation tax."

Jan. 26—The President submits to the Commission on Appointments for confirmation the nomination of Zoilo Castrillo as Assistant Director of Lands and of Natividad Z. de Castro as Assistant Director of the Bureau of Investigation; also that of Filemon C. Rodriguez, as Chairman, and eight others as members of the Advisory Board of the Institute of Science and Technology.

The President discusses the proposed tax measures with members of the "Democratic bloc", the new Senate majority; present were Senators Quintin Paredes, Melecio Arranz, Jose Avelino, Lorenzo Tañada, Eulogio Rodriguez, Camilo Osias, Emiliano Tria Tirona, Pablo Angeles David, Carlos P. Garcia, and Ramon Torres.

The Cabinet, as a step in the intensification of tax collection, approves publication of the names of tax evaders; it also approves a resolution to the effect that the income-tax returns of the Cabinet Secretaries will be subject to public inspection to set an example for other officials and the public.

Jan. 27—The President receives Amos Culbert, Vice-President of the Northwest Airlines, now in Manila in connection with NWA plans for expanding the service between the United States and the

Philippines; he called the President's attention particularly to the difficulty of securing visas for transient visitors to the Philippines from Filipino consular officials abroad.

Jan. 28—President Achmed Sukarno, of the United States of Indonesia, and his wife and two children, accompanied by a large retinue, arrive in Manila on a state visit and are met at the airport by President Quirino and many high government and diplomatic officials and others. In the evening a state dinner and reception are given in his honor. In his welcoming speech, President Quirino states, "This is indeed a historic moment in the life of the peoples of Southeast Asia".

The Philippine Embassy in Washington advises Malacañan that a shipment of over a ton of medical equipment, the donation of the American-Philippine Aid Association of Minnesota, is on the way to the Philippines; Executive Secretary Teodoro Evangelista instructs the Bureau of Hospitals to receive the equipment for use in government hospitals.

Jan. 30—The President signs the two tax bills passed by Congress during the special session, amending the Internal Revenue Code on the tax on locally manufactured cigars and the specific tax on distilled spirits.

Jan. 29—President Sukarno delivers an address before a joint session of Congress.

Jan. 30—President Quirino and President Sukarno visit Corregidor Island together. In the afternoon the Far Eastern University confers the honorary degree of Doctor of Laws on Sukarno.

Jan. 31—President Quirino issues Executive Order No. 406 fixing new ceiling prices for various brands of canned fish.

Banking and Finance

By C. R. Hutchison

Manager, Port Area Branch, National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31 1949	*As of Oct. 31 1950*	*As of Nov. 29 1950*	*As of Dec. 29 1950*
ASSETS	*(In thousands of Pesos)*			
International Reserve	₱460,689	₱596,176	₱580,504	₱569,982
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	36,208	41,647	48,537
Domestic Securities	92,197	155,880	155,240	157,580
Trust Account-Securities Stabilization Fund	—	6,848	6,848	6,848
Other Assets	20,390	36,395	43,472	55,269
	₱793,629	₱974,774	₱971,017	₱981,522
LIABILITIES				
Currency—Notes	₱555,576	₱584,870	₱602,402	₱643,858
Coins	74,384	84,239	85,735	89,167
Demand Deposits—Pesos	117,682	261,342	245,149	208,040
Securities Stabilization Fund	2,000	6,848	6,848	6,848
Due to International Monetary Fund	22,498	498	498	498
Due to International Bank for Reconstruction and Development	2,389	2,388	2,388	2,388
Other Liabilities	2,636	16,040	8,763	10,813
Capital	10,000	10,000	10,000	10,000
Undivided Profits	6,464	6,932	7,618	8,294
Surplus	—	1,616	1,616	1,616
	₱793,629	₱974,774	₱971,017	₱981,522

THE downward trend noted last month in the International Reserve balance continued in December and the closing balance was off a further ₱10,522M from the November figure. However, during the year 1950, reserves increased from ₱460,689M to ₱569,982M, or a gain of ₱109,293M. "Loans and Advances" increased from ₱41,647M in November to ₱48,537M in December, but was lower by ₱28,510M as compared to December 31, 1949. The Central Bank's "Domestic Securities" portfolio increased slightly during December, but was ₱65,383M higher than December, 1949. "Other Assets" increased in December over November by ₱12MM, of which ₱8MM represents an increase in "Due from Foreign Banks—Japan" in connection with the Japan-Philippines Trade Agreement.

Currency and coins in circulation continued the increase that began in June and now stands at ₱733,025M, the highest level since the establishment of the Central Bank. Including Demand Deposits, the figures were ₱941,-065M on December 29, 1950, as against ₱747,643M on December 31, 1949, or an increase of ₱193,422M during the year.

The Governor of the Central Bank, in commenting on the increase in reserves during 1950, has attributed the improvement to a reduction in the balance-of-trade deficit from ₱630MM in 1949 to about ₱30MM in 1950. A heavy demand and high prices for exports, coupled with restrictions on imports, were stated to be the principal factors in the improved balance of trade and, consequently, of the International Reserve. A further positive factor contributing to the increased reserves was the United States Government expenditures totalling about $200MM during the year. The Governor cautioned against undue optimism and against relaxation of present controls because of the improved reserve balance, and pointed out that while the prospects for exports continue hopeful, it is anticipated that the expenditures of the United States Government will decline to about $100MM in 1951, exclusive of any ECA aid. He considered it essential to continue to conserve dollars, with the country's supply being used mainly for imports of essential commodities.

On January 4, 1951, the Central Bank announced that the Bank of Calape, Calape, Bohol, had been licensed to operate as a mortgage and savings bank, with an authorized capital of ₱200,000, of which ₱50,750 had been paid. This is the first provincial bank to be given a permit, and is perhaps the forerunner of other small banks to be opened in provincial areas.

The open market rate for gold bullion increased during the month from ₱129 an ounce to about ₱140 at the present time (January 30).

Manila Stock Exchange

By Roy Ewing

Swan, Culbertson & Fritz, Inc.

January 1 to 31, 1951

THE bearish trend which started last October continued until January 8 when the mining-share average was at 86.11. The market turned at this point and moved irregularly higher for the remainder of the month. The average closed at 111.15 on January 31, the highest since November 4, 1950.

In the early part of the month several proposed tax bills influenced the market bearishly, but as time went on and the Congress failed to pass the bills that would most seriously affect local industry, the alarm subsided. This earlier alarm and other inflationary developments also renewed the fear of the devaluation of the peso, which had diminished since the publication of the Bell Mission report, but again flared up. It was increased by Secretary Cuaderno's warning that "the Philippines may virtually have to devalue the peso in order to adjust domestic with world price levels should the inflationary pressure become so strong that all control measures may not be able to hold it for long".

The improvement of conditions in Korea and the apparently better international situation helped the market to recover.

The price of gold remained firm at around ₱135 per fine ounce at the end of the month, after selling at as high as ₱140 earlier. Sharp rises were recorded in the non-producing mining group, composed of mines which are being rehabilitated, including Baguio Gold, Coco Grove, Itogon, San Mauricio, and United Paracale.

Sugar shares were firm but attracted little interest until the closing session of the month. San Miguel, common and preferred, were strong on investment buying.

MINING SHARES

1949–51 Range High	Low		High	Low	Close	Change	Total Sales
126.83	60.32	M.S.E. Mining Share Ave.	111.15	86.11	111.15	Up 24.53	10,391,050
0.375	0.09	Acoje Mining Co.	0.22	0.16	0.215	—	323,000
0.03	0.011	Antamok Goldfields Mining Co.	0.03	0.028	0.03	—	95,000
0.68	0.26	Atok-Big Wedge Mining Co.	0.36	0.28	0.36	Up .05	341,000
0.095	0.04	Baguio Gold Mining Co.	0.095	0.08	0.095	—	288,000
3.75	1.78	Balatoc Mining Co.	2.20	2.00	2.15b	—	4,600
0.0052	0.0025	Batong Buhay Gold Mines	0.0035	0.003	0.0035	—	800,000
5.30	2.50	Benguet Cons. Mining Co	4.65	4.10	4.50b	—	126,820
0.05	0.012	Coco Grove, Inc.	0.05	0.026	0.05	—	326,000
0.014	0.0078	Consolidated Mines, Inc.	0.0125	0.0115	0.0125	—	3,165,000
0.235	0.14	HIXBAR	0.25	0.18	0.24	—	91,750
0.115	0.038	Itogon Mining Company	0.10	0.075	0.10	—	717,000
0.08	0.025	I.X.L. Mining Company	—	—	0.03b	—	—
0.90	0.17	Lepanto Cons. Mining Co.	0.77	0.59	0.77	Up .18	1,313,809
0.035	0.016	Masbate Cons. Mining Co.	0.03	0.024	0.028	—	60,000
0.71	0.30	Mindanao Mother Lode	0.43	0.315	0.425	Up .125	1,018,000
0.22	0.01	Misamis Chromite, Inc.	—	—	0.011b	—	—
0.08	0.03	Paracale Gumaus Cons.	0.0625	0.0625	0.06b	—	20,000
0.22	0.105	San Mauricio Mining Co.	0.20	0.17	0.20	—	143,104
0.345	0.12	Surigao Cons. Mining Co.	0.28	0.22	0.28	Up .07	458,500
0.043	0.01	Suyoc Cons. Mining Co.	0.03	0.02	0.03	—	75,000
0.11	0.04	United Paracale Mining Co.	0.07	0.05	0.07	Up .02	120,000

COMMERCIAL SHARES

1949–51 Range High	Low		High	Low	Close	Change	Total Sales
105.00	59.00	Bank of the Philippine Is.	105.00	105.00	106.00b	—	10
90.00	51.00	Central Azucarera de Bais	80.00	75.00	78.00b	—	540
200.00	111.00	Central Azucarera de Carlota	172.00	160.00	172.00	—	314
38.00	20.00	Central Azucarera de Tarlac	31.00	31.00	25.00b	—	50
235.00	185.00	China Banking Corp.	—	—	225.00b	—	—
27.00	23.50	Filipinas Cia. de Seguros	—	—	26.50b	—	—
101.00	100.00	Manila Electric Co. 6–1/2%	101.00	100.00	101.00	—	1,220
1.30	0.35	Manila Broadcasting	0.35	0.35	0.35	Off .05	1,300
4.00	2.00	Manila Wine Merchants	—	—	2.80b	—	—
0.82	0.30	Pampanga Bus Company	0.60	0.60	0.60	—	2,000
0.165	0.026	Philippine Oil Development	0.034	0.026	0.027b	—	390,000
1.30	1.00	Philippine Racing Club	1.32	1.30	1.30b	—	36,700
38.00	24.50	San Miguel Brewery—com.	32.00	26.50	32.00	Up 6.00	41,331
100.00	95.00	San Miguel Brewery—7% pfd.	—	—	94.00b	—	—
104.00	100.00	San Miguel Brewery—8% pfd.	104.00	102.00	104.00b	—	370

OVER-THE-COUNTER

	High	Low	Close	Total Shares
Jai Alai Corporation	4.00	4.00	—	1,000
Philippine Iron Mines—Com.	50.00	50.00	—	989
Victorias Milling	170.00	155.00	—	614

Credit

By C. W. Muilenburg

Manager, Credit and Collection Department
International Harvester Company
of Philippines

THE present shortage of supply—lack of salable merchandise of most kinds in sufficient quantity to meet demand, has had its inevitable effect on credit terms. There is a more careful screening of customers who desire time-purchases, and a tendency to increase down-payments and to decrease time-limits.

There is also a reluctance on the part of some business firms to do installment selling to customers who live in the various sections of the country where peace and order conditions do not permit of free and easy access to the merchandise in case of default in payments.

Cash transactions are on the increase, but many firms are still financing reliable old customers to retain their patronage during these present times and until business will return to a more normal competitive basis.

Many business houses are exercising a public-spirited vigilance against the hoarding and black- or gray-marketing of goods in short supply, by limiting sales and establishing various rationing systems to make reasonably certain that the goods flow into legitimate channels through which the general economy will benefit.

Collections are improving as customers who have past-due indebtedness are not being supplied additional amounts of goods in short supply, and are, therefore, keeping their accounts-payable in a more current condition.

With sales decreasing, money is more plentiful for the liquidation of present indebtedness.

Real Estate

By Antonio Varias

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

REAL estate sales in the Greater Manila area registered during the month of January, 1951, numbered 683, with a total value of ₱7,939,775, as compared with 571 sales, with a total value of ₱6,529,676, registered during the preceding month of December, and the monthly average of 601 sales, with a total value of ₱6,866,321, for the year 1950.

Of the January total, 197 sales, with a total value of ₱4,466,475, represented deals within Manila proper, while 486 sales, with a total value of ₱3,473,300, were sales within the cities of Quezon and Pasay, and in the suburban towns of Caloocan, Makati, Malabon-Navotas, Mandaluyon-San Felipe Neri, Parañaque, and San Juan.

Among the biggest sales registered during the month were:

A parcel of 3,915 square meters at Isaac Peral, corner Tanque streets, Paco, now the site of a bowling and billiard establishment, sold by Mariano H. Bautista to Philippine Advertising, Inc. for ₱109,620, or about ₱26 a square meter;

A tract of 86,001.1 square meters bordering the Estero de Pandacan in Sta. Ana, portions of which are submerged, sold by Maria Paz Mendoza-Guazon to J. K. Pickering and Company for ₱342,891 (a subdivision is non being developed for sale into small lots); and

The sale of the La Insular Cigar Factory site in Binondo, which was purchased last September for ₱524,000 by Ana Balmocena and has now been resold to Salustiano Dee for ₱540,000. The land has an area of 5,240 square meters, so the price came to ₱103 a square meter. The lot is a complete block between the destroyed Binondo Church and the Oriente Building. Facing Plaza Calderon de la Barca, and bounded by Condesa, Oriente, and Nueva streets, the site is a strategically located one. About one-third of its area will be taken for the extension of Rosario street to Reina Regente street when the project is realized. The building was destroyed during the recent war.

Real estate mortgages registered in the Greater Manila area during the month of January, 1951, numbered 285, with a total value of ₱3,919,903, as compared with 319 mortgages, with a total value of ₱6,466,770, registered during December.

Of the January total, 114 mortgages, with a total value of ₱2,105,600, represented deals within Manila

In the past 10 years, states the Economic Report of President Truman, output of goods and services has risen 50%. Farm production rose 40%. The labor supply has increased by 9,000,000 and total civilian employment by 13,000,000. Steel capacity has advanced 20%, and the steel industry has actual plans to add 20% more by 1953. Oil refining capacity has increased 40% in the decade, while electric power output is 70% higher.

proper, while 171, with a total value of ₱1,814,303, were mortgages within the cities of Pasay and Quezon, and in the suburban towns above-mentioned.

TOTAL VALUES OF REAL ESTATE SALES AND MORTGAGES REGISTERED YEARLY SINCE 1940

(Suburban figures not compiled until years shown below)

Year	Manila	Quezon City	Pasay City	Suburban Towns	Total Value
SALES					
1940	₱17,974,844	—	—	—	—
1941*	10,647,285	—	—	—	—
1945*	22,890,133	—	—	—	—
1946	45,537,914	—	—	—	—
1947	68,260,104	—	—	—	—
1948	58,853,647	₱15,497,896	—	—	—
1949	38,760,040	16,682,577	₱4,271,034	—	—
1950	46,114,274	13,769,983	5,710,119	₱16,801,476	₱82,395,852
MORTGAGES					
1946	₱39,096,693	—	—	—	—
1947	99,406,117	—	—	—	—
1948	87,911,254	₱19,371,741	—	—	—
1949	73,739,758	16,214,649	₱5,823,261	—	—
1950	46,680,484	11,768,170	5,457,933	₱36,330,823	₱83,011,307

(*)—Does not include occupation period.

Electric Power Production

(Manila Electric Company System)

By J. F. Cotton

Treasurer, Manila Electric Company

1941 Average—15,316,000 KWH

	KILOWATT HOURS 1951	1950
January	40,820,000	37,661,000
February		33,828,000
March		38,107,000
April		35,378,000
May		37,611,000
June		37,529,000
July		38,774,000
August		39,872,000
September		38,791,000
October		40,657,000
November		39,268,000
December		41,099,000*
Total		458,576,000*

* Revised

As usual, output in January was slightly below December because of longer days and less holiday lighting. The month's output was, however, 3,159,000 kwh's, or 8.4% above January, 1950.

During the latter part of January the F.P.P. *Impedance* was shut down for inspection and overhaul. This shut-down, however, did not affect service as the system now has reserve capacity.

Port of Manila

By R. L. Moore

Treasurer, Luzon Brokerage Company

Business on the waterfront has been extremely good through the month of January, meaning that imports have been good. One would think that the month of January would be slow, following the end-of-the-year inventories and the intervening time necessary to place and receive orders. However, this is not the case. The month of January, based on the records, appears always to be a good month.

The Delgado Bros.' operation of the Port Terminal arrastre contract, appears to be a *fait accompli*. Their negligible amount of equipment, necessitating an almost complete manual operation in taking cargo from ship's tackle, has placed a burden on everyone down to the consumer by reason of the inadequacy and expense of attempting to unload heavy lifts, full drums, etc. by hand. In our role as brokers we receive the first impact of the criticism from our customers who object to the delay in receiving the merchandise known to be on the dock. We sincerely hope the necessary equipment will shortly be forthcoming.

The Association of Warehousemen, Inc., is strongly petitioning for the adoption of a free zone in the Manila Port Area. Several sites have been recommended, one of them the vacant ground across from Pier 13. Our idea is that the project should start small and grow with the times, Manila eventually enjoying the additional revenue which will flow from the facilities offered by a free customs zone to other countries in the Far East. The free zone has proved very successful in New Orleans and elsewhere in the world, and we sincerely hope that our Customs will go along with this proposal.

Mr. E. W. Schedler, President of the Luzon Brokerage Company, has just written from Europe, where he is presently visiting with Mrs. Schedler, at the same time taking care of certain business interests of our firm. "Shagg", as he is known to most of us, had a number of serious talks with Mr. H. G. Bennett, Under-Secretary for the Point Four Program, Washington, D. C., who told him that ECA officials are definitely optimistic as to what would be done for the Philippines in the way of aid. Of course, as we all know, it will take a little time. It was interesting to note the following observation in Shagg's letter:

"New York is alarmed about the war, and possibly rightly, as it would be hit first. London has standing odds of 1000 to 1 that there will be no war in 1951." Unquote, Amen! !

Ocean Shipping and Exports

By F. M. Gispert

Secretary, Associated Steamship Lines

Total exports for the month of December, 1950, showed an increase of approximately 200% over exports during December, 1949.

94 vessels lifted 305,464 tons of exports during the month, as compared to 167,088 tons lifted by 86 vessels during the same month in 1949.

Commodities which have registered a sharp increase over 1949's figures for the month of December are: copper concentrates from 177 to 9,981 tons; copra from 43,160 to 80,816 tons; rattan furniture from 615 to 1,411 tons; logs from 1,042,044 to 4,767,605 bft.; lumber from 2,846,473 to 8,120,533 bft.; molasses from 1,153 to 3,955 tons; chrome ores from 6,000 to 22,909 tons; canned pineapples from 4,567 to 9,152 tons; and transit cargo from 178 to 1,896 tons.

Exports for December, 1950, as compared with exports during December, 1949, were as follows:

	1950	*1949*
Beer	29 tons	406 tons
Buntal fiber	14 "	23 "
Cigars and Cigarettes	10 "	—
Coconut, desiccated	9,176 "	6,993 "
Coconut oil	8,828 "	6,279 "
Concentrates, copper	9,981 "	177 "
" gold	222 "	374 "
Copra	80,816 "	43,160 "
Copra cake/meal	6,869 "	5,587 "
Embroideries	256 "	141 "
Empty cylinders	289 "	245 "
Fish, salted	14 "	—
Furniture, rattan	1,411 "	615 "
Glycerine	135 "	—
Gums, copal	94 "	76 "
Hemp	62,211 bales	42,084 bales
Household goods	422 tons	159 tons
Junk metal	1,713 "	1,832 "
Kapok seeds	15 "	—
Logs	4,767,605 bft.	1,042,044 bft.
Lumber	8,120,533 "	2,846,473 "
Molasses	3,955 tons	1,153 tons
Plywood	70 "	12 "

Ores, chrome	22,909 tons	6,000 tons
" iron	54,047 "	30,439 "
Pineapples, canned	9,152 "	4,567 "
Rattan, palasan	251 "	136 "
Rice	8,738 "	9,828 "
Rope	514 "	349 "
Rubber	230 "	105 "
Shells, shell waste	67 "	18 "
Shell buttons	12 "	—
Skins, hides	111 "	61 "
Sugar, centrifugal/raw	45,809 "	31,569 "
Tobacco	66 "	673 "
Vegetable oil	28 "	58 "
Transit cargo	1,896 "	178 "
General merchandise	2,809 "	2,076 "

Mining

NESTORIO N. LIM, *Secretary*
Chamber of Mines of the Philippines

GOLD production for the month of December, 1950, was the highest during the past year, totalling ₱2,370,615 at ₱70.00 per troy ounce. The combined gold and silver production for the year 1950 was ₱33,709,-100, or ₱8,644,000 higher than the 1949 production. With four mining companies now actively rehabilitating their mines, and with the expected production from two of these four, it is expected that the 1951 production will reach the ₱50,000,000 mark.

However, due to increase in taxes, wages, cost of supplies and machine parts, difficulties in securing bottoms, and with the uncertain political world situation, the mining industry may suffer a set-back if a boost is not forthcoming immediately to the industry.

The base metals,—manganese, chromite, iron, and copper, are very much in demand in Japan and in the United States. Bonafide base-metal producers are continuing their operations, while new organizations are still in the prospecting stage. Several small entities signed contracts to ship ore during 1950 but failed to make their shipments.

The manganese producers for the year were the General Base Metals, Inc., the Luzon Stevedoring Co., Inc., and the Amalgamated Minerals, Inc. There are also several small producers which will contribute to the expected increased production of manganese for 1951. Prices of low grade 40% manganese vary from $26.90 to $28.60 f.o.b., and from $28.50 to $32.56 c.i.f. Low-grade manganese is mined in Siquijor, Guindulman, Bohol, Samar, and Masbate, while the high-grade ore comes mostly from Busuanga Island, Palawan.

Refractory chromite from the Masinloc property of the Consolidated Mines, being operated by Benguet Consolidated Mining Company, made a total production of 208,665 M.T., valued at ₱4,173,100. Acoje produced

PHILIPPINE GOLD AND SILVER PRODUCTION

Calendar Year—1950

NAMES		Quantity	Value In Pesos	Quantity	Value In Pesos At ₱70 Per Ounce	Value In Pesos At ₱100 per Ounce[e]
	Au	4,355 Oz.	₱ 304,841	52,062 Oz.	₱ 3,643,803	₱ 5,206,200
Atok-Big Wedge	Ag	2,584 "	3,669	31,443 "	44,652	44,652
	M.O.	14,260 S.T.	308,510	160,747 S.T.	3,688,455	5,250,852
	Au	7,973 Oz.	558,076	85,088 Oz.	5,956,126	8,508,800
Balatoc Mining	Ag	5,142 "	8,227	53,247 "	78,481	78,481
	M.O.	40,145 S.T.	566,303	428,313 S.T.	6,034,607	8,587,281
	Au	7,771 Oz.	543,997	69,287 Oz.	4,850,117	6,928,700
Benguet Consolidated	Ag	5,013 "	8,021	43,306 "	64,054	64,054
	M.O.	32,809 S.T.	552,018	298,724 S.T.	4,914,171	6,992,754
	Au	3,239 Oz.	226,709	30,446 Oz.	2,131,238	3,044,600
Lepanto Consolidated[a]	M.O.	31,195 S.T.	226,709	283,211 S.T.	2,131,238	3,044,600
	Au	6,831 Oz.	473,605	55,142 Oz.	3,802,403	5,514,200
Mindanao Mother Lode	Ag	5,364 "	7,178	58,462 "	78,441	78,441
	M.O.	9,600 S.T.	480,783	110,600 S.T.	3,880,844	5,592,641
	Au	3,224 Oz.	225,698	36,359 Oz.	2,545,097	3,635,900
Surigao Consolidated	Ag	4,252 "	6,803	23,286 "	34,971	34,971
	M.O.	9,534 S.T.	232,501	112,947 S.T.	2,580,068	3,670,871
	Au	None	None	1,520 Oz.	106,375	152,000
Taysan Gold[b]	Ag	None	None	5,093 "	7,638	7,638
	M.O.	None	None	3,415 S.T.	114,013	159,638
	Ag	None	None	1,086 Oz.	1,570	1,570
Looc Lead-Silver Mines	M.O.	None	None	5,584 S.T.	1,570	1,570
	Au	170 Oz.	10,000	1,882 Oz.	112,009	188,200
Tambis Gold	Cu.Yd.	24,299	10,000	278,034	112,009	188,200
	Au	230 Oz.	16,082	1,821 Oz.	127,362	182,100
Surigao Placer Synd.[c]	Ag	None	None	None	None	None
	Cu.Yd.	47,000	16,082	309,000	127,362	182,100
	Au	166 Oz.	11,607	384 Oz.	26,868	38,400
Nor-Min Ventures[d]	Ag	46 "	73	111 "	177	177
	Cu.Yd.	38,584	11,680	148,652	27,045	38,577
	Au	33,959 Oz.	₱2,370,615	333,991 Oz.	₱23,301,398	₱33,399,100
	Ag	22,401 "	33,971	216,034 "	309,984	309,984
Totals	M.O.	137,543 S.T.)		1,403,541 S.T.)	)	
	Cu.Yd.	109,883)	₱2,404,586	735,686)	₱23,611,382)	₱33,709,084

NOTE:— a—Copper mines with gold as by-product. b—Mine closed on April 1, 1950. c—Shut down on March 1, 1949 and resumed production in June, 1950. d—New placer mines started production in September, 1950. e—₱100 per ounce average selling price of gold, 3/4 being sold to the open local market at an average of ₱110 per ounce and 1/4 to the government at ₱70 per ounce.

Compiled in the Bureau of Mines/MPG:mOb
January 31, 1951

but little tonnage for the year, while the Luzon Stevedoring Co., Inc. and the Misamis Chromite Company, Inc. were able to ship small quantities. The Luzon Stevedoring Company has now on stockpile over 4,000 tons of 45% chromite with a ratio of 2.8 to 1 Fe.

Copper commands a good price at $.245 per lb. The production of the Lepanto Consolidated Mining Company for 1950 was the highest ever attained by a copper mine in the Philippines. It produced ₱8,088,052 worth of copper and ₱3,044,600 worth of gold for the year.

Iron ore is being produced by the Philippine Iron Mines and the Samar Mining Company. Marinduque Iron Mines produced in the early part of 1950, but had to close down during the latter part of the year. Iron ore is much in demand in Japan. The total iron-ore export for the year was 599,095 M.T., valued at ₱7,633,494.

In the non-metallic groups, cement was the biggest item produced, with a total value of ₱11,652,333. Coal was next, with a value of ₱3,420,057, and rock asphalt, with a value of ₱1,056,340, was third. For sand, gravel, salt, lime, etc., a total value of ₱8,227,472 was realized.

According to data compiled by the Bureau of Mines, the production for 1950 is tabulated as follows:

Precious Metals	*Quantity*		*Value*	*Total*
Gold	333,991	oz.	₱33,399,100	₱
Silver	216,034	"	309,984	33,709,084
Base Metals:				
Lead metal	879	M.T.	₱ 497,580	
Copper metal	10,384	M.T.	8,254,164	
Manganese ore	29,867	M.T.	1,161,463	
Chromite ore				
" (Ref.)	206,665	M.T.	4,173,100	
" (Met.)	41,846	M.T.	1,474,813	
Iron ore	599,095	M.T.	7,633,494	
Total				₱23,194,614
Non Metallics:				
Cement	1,749,637	Bols.	11,652,333	
Gypsum	2,833	M.T.	110,391	
Coal	158,822	M.T.	3,420,057	
Rock Asphalt	52,817	M.T.	1,056,340	
Sand, gravel, salt, lime, etc.			8,227,472	
Total				₱24,466,593
Total Mineral Production for 1950				₱81,370,291

Lumber

By Luis J. Reyes

Philippine Representative, Penrod, Jurden & Clark Company

EXPORT of logs to Japan continues active and seems to be restricted only by the capacity of the local producers and the availability of vessels. During the month of December, 1950, nearly 11,000,000 board feet were exported from the Philippines, with Japan leading in volume with a total of 5,378,569 board feet in round logs, followed by the United States with 4,896,733 board feet in half-round logs and half-sawn lumber. There is a rising trend in log exports to the United States, possibly for use in veneer and plywood manufacture.

According to the release of the Bureau of Forestry, logs and lumber inspected for export during the month of December, 1950, amounted to the following:

Destination	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan		5,378,569	5,378,569
United States	2,565,991	2,330,742	4,896,733
Hawaii, T.H.	289,683		289,683
Hongkong, B.C.C.	86,348	40,083	126,431
South Africa	108,407		108,407
Canada	94,051		94,051
Ireland	72,802		72,802
Total	3,217,282	7,749,394	10,966,676

The following are the Bureau of Forestry figures for logs and lumber inspected monthly for export during the year 1950:

Month	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
January	2,537,723	2,654,579	5,192,302
February	2,124,049	1,094,604	3,218,653
March	3,805,737	3,510,403	7,316,140
April	3,202,371	2,845,118	6,047,489
May	3,496,808	4,279,784	7,776,592
June	4,312,294	5,265,935	9,578,229
July	5,177,202	5,502,149	10,679,351
August	5,051,907	4,972,708	10,024,615
September	8,724,800	9,735,067	18,459,867
October	17,223,719	12,513,309	29,737,028
November	11,867,113	11,453,682	23,320,795
December	3,217,282	7,749,394	10,966,676
Total	70,741,005	71,576,732	142,317,737

IN the local market, lumber prices are way down because of the suspension of the big purchases of lumber intended for reconstruction in Korea and, also, because of the general uncertainty brought about by the possibilities of a third World War, as a result of which people are holding back in matters of construction. Thus, wholesale prices of lumber are at ₱130 per 1000 feet for white lauan, ₱140 for apitong, and ₱150 for tangile. These prices do not permit of a margin of profit to bonafide timber operators, however ideally located they may be, because freight and other costs of transportation alone will take up at least ₱35 and we do not know of any mill that can manufacture lumber now for less than ₱100 per 1000 feet. As a result, many mills have again closed down. It is not known to what extent the lack of peace and order throughout the Philippines, particularly in Luzon, has contributed to the depressed condition of the market, but we are inclined to believe that it is not inconsiderable. Loggers, however, continue active in their operations, as there is still a big demand for logs for export, particularly to Japan, which is taking even saw logs and paying a price that permits of a fair profit. On the other hand, no relief is in sight for the sawmillers until some semblance of peace is restored in Korea. This, too, would ease the general tension and people would decide to go ahead with construction projects which have been long pending.

THE Philippine Lumber Producers' Association was informed by the Associated Steamship Lines of the necessity of increasing the freight rates on timber because of the increased cost of operations is making the operation of vessels in the Philippines unprofitable. At a conference between the members of the Philippine Lumber Producers' Association and the local agents of the Associated Steamship Lines, it was revealed by the carriers that the increase in charter rates, bunker fuel, and other contingencies necessitates a proportionate increase in freight rates to make operations sufficiently attractive to them. Accordingly, it was proposed that the increase be fixed at $3.50 per 1000 board feet for logs and $7.00 for lumber, with the usual 90 days prior notice. These rates will be recommended to the members of the Associated Steamship Lines for final approval. The members of the Philippine Lumber Producers' Association realize the imperative need for the vessels without which no export of timber would be possible.

Copra and Coconut Oil

By H. Dean Hellis

Manager, Philippine Refining Company, Inc.

December 16 to January 15

THE period under review has been marked by rather sharp price advances for both Philippine copra and coconut oil, particularly during the first half of January. It will be recalled that President Truman declared a state of national emergency in the United States just as the period opened in mid-December. In his message to the people, the need for early price and other similar controls was suggested as a very strong possibility. This left the oils and fats markets rather confused and somewhat in a state of flux during the rest of December, though the immediate reaction was quite obviously one of caution throughout the trade, and, if anything, prices were just slightly nominally lower.

At the turn of the year, however, it was soon apparent that machinery had not as yet been adequately set-up to administer and to enforce price control, with the result that the trade immediately began to lose its earlier nervousness, and prices started to rise rather sharply. Even during the first half of January, there was considerable further talk of the possibility of controls in the United States being announced and put into effect immediately, but this seemed to have little or no effect in retarding the upward price movement, particularly as it was felt that it would be difficult to control prices of Philippine copra and coconut oil without some sort of an international agreement to control the disposition of available supplies.

Accordingly, as we close the period under review, we find copra and coconut oil prices materially higher than we have seen them for quite some time, and trading has been correspondingly rather hectic. This situation characterized not only the oils and fats markets in the United States, but those in Europe, too, the pace there having been greatly accelerated. There is little doubt, however, that prices in general have now advanced to a point where considerable care must be exercised lest the picture almost completely reverse itself, for sooner or later controls will become an actuality, with, of course, the desired price-lowering effects. There is even a possibility of a price "roll-back" to prices as of some earlier designated date, which could be disastrous to any trader in a substantial over-bought position at current price levels.

As one large trader has aptly put it, the present condition of the markets in oils and fats can only be described as being somewhat panicky; the fear that "others will buy if we do not" has resulted in a scramble, bordering on the hysterical. He voiced what we feel is sound advice, worth repeating here at this particular time:

"There may be every justification for paying the advancing prices for early delivery if there is still a gap to fill, but for delivery six, seven, and eight months ahead we see no justification.

"The danger of buying far forward at the almost hourly advancing prices is far greater than the danger of not buying now.

"It requires more courage to stand firm than to join the panic-stricken rushing crowd. This is not the time to abandon the policy of caution. If ever circumstances dictated extreme caution, it is surely now.

"The present excited markets are due in no small measure to the buying of goods that are not required by the purchaser or are not needed for some time to come. It is better to maintain a sober policy of keeping near home, even if this means paying higher prices later for quick delivery and quick turnover."

Undoubtedly, some sellers, both large and small, have been caught "short" on the recent rapid rise in copra prices, a situation which in itself has added to the scramble as these particular unfortunate sellers have been energetically endeavoring to "cover in" at best possible prices before the market advances further.

All in all, it has been a most exciting period within which to trade, the equal of which we have not seen for a long time. Though considerable money may have been made and lost as a result of speculative transactions, the more experienced traders have undoubtedly followed the cautious and conservative policy of keeping well "covered" at all times.

As the period under review opened, Philippine copra was quoted at about $212.50 to $215 c.i.f. Pacific Coast, whereas at the close there appeared to be definite buying interest at $252.50 c.i.f., with sellers asking as high as $255 and $260 c.i.f.

Europe, also, continued to be a keenly interested buyer for copra from the Philippines, business at close having been done at $295 and $300 per long ton c.i.f. European ports, landed weight basis, this against a nominal quotation of only about $245 c.i.f. at opening.

Locally in Manila, prices advanced during the period from about ₱38 to ₱39 at opening, to around ₱47 to ₱48 at close.

Coconut oil prices likewise advanced sharply during the first half of January, and by the middle of the month some bulk business had been done at as high as 20 cents c.i.f. Atlantic Coast, with sellers generally asking 20-1/2 cents c.i.f. On the Pacific Coast, oil was probably available at close at about 19½ cents f.o.b. tank cars.

The supply situation of copra in the Philippines has continued very satisfactory, and exports have accordingly again been quite heavy. During the month of December, 1950, they amounted to 80,816 tons, as compared to 80,047 tons during November, 1950, and only 43,160 tons during December, 1949. The total for the January-through-December period in 1950 amounted to 691,222 tons against 556,613 tons for the same period in 1949. December, 1950, exports are broken down as to destination as follows:

United States	
Pacific Coast	33,438 long tons
Atlantic Coast	6,420 " "
Gulf Ports	4,359 " "
Canada	1,100 " "
Europe	22,550 " "
Japan	7,699 " "
Haifa	1,500 " "
South America	3,750 " "
Total	80,816 long tons

Coconut oil exports for December, 1950, amounted to 8,828 tons, as compared to 7,581 tons during November, 1950, and 6,279 tons during December, 1949. The total exports for the January-through-December period in 1950 amounted to 69,892 tons, against 64,147 tons for the same period in 1949. December, 1950, exports of coconut oil are broken down as to destination, as follows:

United States Atlantic Coast	7,812 long tons
Europe	1,016 " "
Total	8,828 long tons

As anticipated during the early part of 1950, the year was a very good one supply-wise. It is to be noted that the total crop accounted for in terms of copra, if we include copra exports, estimated total coconut oil produced, and desiccated-coconut production, *fell just slightly short of 1,000,000 tons. This was by far the best year since 1947, when, using the same method of calculation, the crop-year in terms of copra was estimated to be about 1,100,000 tons, as against approximately 817,000 tons in 1948, and 831,000 tons in 1949.*

Barring unforeseen and unexpected circumstances, the crop year in 1951 should be equally as good, if not even slightly better, as during 1950, for no serious typhoons were experienced during the season just passed, the trees generally appear to be in good condition, prices for coconut products will probably continue quite attractive, and, in short, all other conditions as of this writing seem very favorable for another close-to-record year.

The market for Philippine copra cake and meal during the month under review has improved considerably, sales having recently been made at around $62 c. and f. Pacific Coast, a net increase during the period of $10 to $11 per ton. Furthermore, as of January 10, there was announced a new ECA allocation of $175,000 in favor of Denmark for the purchase of Philippine cake or meal, and against this some business has already been placed on the basis of $50 per long ton grossweight f.o.b.

As far as shipping conditions are concerned, though space is not plentiful, there is no really acute shortage at the present moment, as indicated by the fairly large volume of copra that moved during the month of December. The situation in the months to come, of course, is still anyone's guess, and much will probably depend upon further developments in the international picture.

Meanwhile, there is no doubt now that rates of freight will be increased further from time to time to practically all destinations, and naturally this must be taken into account in future trading, particularly where forward positions are concerned.

SUMMARIZING, as is our usual custom, we feel ourselves very confused as to present market conditions and prices, and as a result we are somewhat reluctant to voice any strong opinion as to further probabilities. It would be our guess, however, that prices of fats and oils are not apt to increase very much more, and, if anything, it would not surprise any of us to see them even slightly lower in the fairly near future. In other words, it might well be that, because of the possibility of price controls in the United States before long, Philippine copra and coconut oil will fluctuate in price only within fairly narrow limitations above and below present levels. If this should turn out to be the case, the Philippines will continue to receive very satisfactory prices, and much of the present risk in trading will be correspondingly removed for the time being.

Desiccated Coconut

By Howard R. Hick

Assistant General Manager
Peter Paul Philippine Corporation

THIS report covers the period from December 15, 1950, to January 15, 1951. During this time copra prices firmed up considerably and raw nuts followed closely. For this season of the year, there is an abundant supply of nuts, more than usual at this time of the year.

"The economy of the United States is a vast, complicated mechanism. It is geared to an operating force of more than 61,000,000 civilian workers and 4,000,000 business enterprises, more than half of them in retail trade and services. Its 240,000 factories pay out $40,000,000,000 annually in wages and salaries to their employees, of whom 16,000,000 belong to unions. Its 6,000,000 farms are spread over 1,010,000,000 acres (400,000,000 hectares)."—*United States Information Service.*

The industry took its usual Christmas-to-Three Kings holiday and resumed normal operations January 7. However, the demand for desiccated coconut has slacked off in the United States and the next few months will probably be dull ones for most desiccators.

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

Shippers	*Pounds*
Franklin Baker Company	3,470,500
Blue Bar Coconut Company	929,700
Peter Paul Philippine Corp.	1,785,500
Red V Coconut Products, Ltd.	2,300,600
Sun-Ripe Coconut Products	408,800
Standard Coconut Corporation	540,000
Cooperative Coconut Products, Inc.	373,800
Tabacalera	330,000
Coconut Products (Phil.) Inc.	173,125
Total	10,312,025
Note: Zamboanga Factory Production	403,420 lbs.
Lusacan Factory "	526,280 "
Total Blue Bar shipments	929,700 lbs.

Sugar

By S. Jamieson

Secretary-Treasurer,
Philippine Sugar Association

THIS review covers the period from January 1 to January 31, 1951, inclusive.

New York Market. When the market opened on January 2 after the New Year holiday, the refined situation was still such that refiners would pay a substantial premium for prompt raws. They bought Cubas for arrival about the end of January at 6.35¢, but only paid from 6.02¢ to 6.05¢ for Philippines for February/March shipment, and were uninterested in offerings of Cubas for early February shipment at 6.35¢, of Porto Ricos for February and March shipment at 6.30¢ and 6.25¢, respectively, and of Philippines for February/March shipment at 6.20¢. Spot closed that day at 6.35¢. The market held up quite well during the early part of the month, with refiners confining their interest mainly to the limited quantities of Cubas and Porto Ricos available for prompt arrival, and operators buying in later positions. Sales of Philippines were made to operators at this time as follows:

1951

January	3—7,000 tons January/February shipment at 6.09¢	
	4—4,000 tons middle January shipment at 6.10¢	
	5—6,000 tons January/February shipment at 6.10¢	
	3,000 tons March arrival	PDA (price on date of arrival)
	9—11,500 tons February March shipment at 6.15¢	
	10— 6,000 tons February March shipment at 6.23¢	

By January 12 it became evident that the "premium" position for prompt arrivals was over, and, from the steadily increasing offers of new crop Cubas and Porto Ricos, that holders there were becoming more anxious to sell. Operators also became anxious over their Philippine holdings, and on January 15 disposed of 25,500 tons at prices ranging from 6¢ to 5.90¢. Sales of Cubas and Porto Ricos, mostly for February/March shipment, continued at steadily declining prices, and by January 26 there were sellers at 5.90¢ with buyers indicating 5.85¢. On the same day operators sold a further 11,500 tons of their Philippine holdings for March arrival on a PDA basis. Following the Economic Stabilization Administration announcement on January 26 freezing wages and prices at the highest level reached between December 19, 1950, and January 25, 1951, the New York Sugar Exchange and raw sugar sellers suspended operations on the next business day (January 29) while seeking clarification of its application to sugar prices. When business was resumed next day (January 30) there was a firmer tone, and the month closed with a sale of 8,000 tons Philippines for April/May shipment at 6.00¢ and Cubas and Porto Ricos for March/April/May arrival on offer at 6.05¢, and buyers indicating 5.90¢ for March arrival. Spot was quoted at 5.99¢.

We give below the quotations on the New York Sugar Exchange as of January 31 for contract No. 6:

March	5.41¢
May	5.43¢
July	5.48¢
September	5.54¢

The world market contract No. 4 quotations closed as follows on January 31:

March	4.97¢
May	4.97¢
July	4.97¢
September	4.97¢

The world spot market price on January 31 was 4.95¢ as compared with 5.50¢ on December 29, 1950.

Local Market. (a) Domestic Sugar: The market during the month was steady and prices ranged from ₱14.50/₱14.70 to ₱14.80/₱15.00 for centrifugal sugar of 97° and from ₱16.00/₱16.30 to ₱16.40/₱16.50 for 98°. Washed sugar of 99° sold at from ₱17.00 to ₱17.40.

(b) Export Sugar. During the first ten days of the month exporters were buyers at from ₱14.00 to ₱14.30 per picul ex mill warehouse for delivery up to the end of March. Thereafter, prices declined in keeping with the downward trend of the New York market, falling as low as ₱13.40, but planters were reluctant to sell at the reduced prices. Toward the end of the month the market improved and at the close there were buyers at ₱13.75. Scarcity of shipping space is restricting business and affecting prices.

Freight: The increase in the freight rate referred to in our December report has so far not worked to relieve shippers' anxiety over the scarcity of tonnage by attracting adequate tonnage for sugar cargoes. There is very little space available for March and April which are normally heavy shipping months, since the sugar season is then in full swing, necessitating heavy shipments in order to avoid storage congestion at the mills.

Crops: Reports from all districts show that milling of the present crop is proceeding satisfactorily. In general, cane yields seem to be better than last year, though purities are rather lower as the result of late rains. Planting of the new crop is being done on a larger scale and is well advanced.

Manila Hemp

By Fred Guettinger
Vice-President and General Manager
Macleod and Company of Philippines

THIS review covers the period December 16, 1950, to January 15, 1951. After opening very firm the market in New York began to recede slightly but toward the end of December the downward tendency was arrested. During the remainder of the period under review prices held very firm and values advanced further to close at post-war record highs. Buyers began to strongly resist the advance and there was talk about instituting some sort of Government control in the United States to keep prices from going to still higher levels.

In London there was steady buying throughout the period, with sellers meeting the market to the extent they were able to buy. The Philippines-Europe Conference announced at 15% increase in the freight rates to Europe, effective January 19, 1951.

Japanese spinners seem to have adjusted themselves quickly to the present level of prices and have resumed buying sooner than indicated in reports received from Japan in the second half of December. There was a very active market throughout the period, and it is estimated that over 15,000 bales were sold, which represent a volume close to 50% of the current quota.

New York Quotations:

	Per lb. c.i.f. New York		
	December 15	*January 15*	*Change*
Davao I	32-1/2¢	35¢	+ 2-1/2¢
Davao J1	32-1/4	34-3/4	+ 2-1/2
Davao G	31-1/4	33-1/2	+ 2-1/4
Non-Davao I	31-3/4	34	+ 2-1/4
Non-Davao J1	31	33-1/2	+ 2-1/2
Non-Davao G	27-3/4	30	+ 2-1/4

The Philippine markets ruled very firm throughout the period and prices reached a point at which hemp producers are afforded a return never equalled in the history of Philippine abaca.

Arrivals of loose hemp at the Davao presses were greatly retarded due to very poor condition of the roads, many of which became impassable on account of abnormally heavy rains.

Philippine Provincial Quotations:

	Per Picul Basis Loose		
	December 15	*January 15*	*Change*
Davao I	₱69.00	₱79.50	+ ₱10.50
Davao J1	67.00	77.50	+ 10.50
Davao G	63.00	73.50	+ 10.50
Non-Davao I	68.50	76.00	+ 7.50
Non-Davao J1	67.00	72.50	+ 5.50
Non-Davao G	56.50	64.00	+ 7.50

December pressings amounted to 72,054 bales and were the third highest in 1950. Compared with the pressings of December, 1949, there was an increase of 21,548 bales and an almost similar increase over the pressings of November, 1950. Davao December pressings were 42,851 bales, or almost 60% of the total.

Total pressings for 1950 were 752,933 bales, up 239,213 bales or 46.5% from 1949 and only 33,832 bales under the pressings for 1947, which is the year with the highest output in the post-war period. Davao 1950 pressings of 389,151 bales were the highest post-war, exceeding 1949 by 164,419 bales or 73% and 1947 by 36,329 bales or approximately 10%. The 1950 pressings of the fiber produced in Albay, Camarines, and Sorsogon were 167,560 bales, representing an increase of 56,326 bales over the pressings of the previous year. Leyte and Samar combined show an increase of 15,300 bales over 1948, in which year these two provinces had the highest output post-war.

The following are the comparative figures for balings for the years 1947 through 1950:

	Balings — January-December inclusive			
	1950	*1949*	*1948*	*1947*
Davao	389,151	224,732	206,768	352,822
Albay, Camarines, and Sorsogon	167,560	111,234	156,815	234,718
Leyte and Samar	120,683	104,198	105,383	104,185
All other Non-Davao	75,539	73,556	108,498	95,040
Total bales	752,933	513,720	577,464	786,765

Exports in December—73,744 bales—slightly exceeded the pressings of that month, and 1950 exports were only 4,184 bales under the year's pressings. Approximately 60% of the December exports went to the United States and Canada, 14% to Japan, 12% to the United Kingdom, 11% to Continental Europe, and the rest to various other countries.

The following are the comparative figures for exports for the years 1947 through 1950:

	Exports — January-December inclusive			
	1950	*1949*	*1948*	*1947*
United States and Canada	403,513	201,139	267,227	531,119
Continental Europe	121,894	94,910	103,379	113,129
Japan	103,890	90,230	133,403	9,244
United Kingdom	84,662	41,650	60,395	66,730
China	13,587	15,536	12,857	7,046
India	8,130	3,325	2,531	7,635
South Africa	7,200	4,127	3,757	8,480
Korea	3,100	—	—	—
Australia and New Zealand	1,826	1,914	42	5,236
All Other Countries	947	—	4,033	2,235
Total Bales	748,749	452,831	587,624	750,854

Tobacco

By Luis A. Pujalte
Secretary-Treasurer
Manila Tobacco Association, Inc.

THE smuggling of American cigarettes has increased alarmingly during the last six months. Much of the smuggling is done in the South, the goods being taken from Borneo to Sulu and Mindanao, then to the Visayas and Manila. Lingayen Gulf is also a known smugglers' unloading point. The loss in taxes to the Government due to this runs into many millions of pesos.

I quote from an article in the *Western Tobacco Journal* of December 12, last, on the smuggling in Europe which is so similar to what is going on here:

"*20,000 Engaged in Cigarette Smuggling*—Some 20,000 men and women now are employed in cigarette smuggling, international police report. A vast organization operating from Tangier and using fast, armed vessels, are outwitting customs guards to land thousands of dollars worth of American cigarettes a week in Italy, Spain, and the Eastern Mediterranean.

"From the coast the 'smokes' are carried inland by çar, some passing through collecting centers in Milan and Rome. Some end up in Paris.

"The Italian tobacco monopoly charges 57 cents for standard American cigarettes. The usual blackmarket price is 42 cents.

"The 20,000 involved include ring-leaders, transporters, pick-up men, and the men and women who hawk cigarettes on street corners. 'Underground' factories using butts produce perhaps 1,000,000 smokes a day."

THE new crop is growing well, under very favorable conditions. There was some heavy rain toward the middle of January. Caterpillars are more abundant than formerly and unless controlled the proportion of whole-leaf will be much less than usual. Yet, in general, a good and abundant crop is expected.

Imports

By S. SCHMELKES
Mercantile, Inc.

LISTED below is a comparison in metric tons between 1949 and 1950 arrivals in the Port of Manila of some of the basic or staple imports—also showing increases in several raw materials. The figures have been taken from *The Robot Statistics* importation issues as compiled and tabulated by *The Robot*.

	1949	1950	% Drop or Increase
Textiles and clothing apparel	51,415	25,049	48.7%
Foodstuffs (all)	543,354	267,754	49.3%
Machinery and parts	27,222	22,240	81.7%
Petroleum products	834,124	836,768	100.3%
Building materials	186,462	96,647	51.8%
Cigarettes	12,037	3,405	28.3%
Cigarette paper	464	1,636	352.6%
Leaf tobacco	323	13,300	4,117.6%
Chemicals	72,713	77,192	106.2%
Caustic soda	4,201	10,215	243.2%
Tires	5,277	3,485	66.0%
Automobiles	7,296	2,322	32.0%
Bulk cotton	864	2,528	292.6%
Wheat flour	130,307	100,175	76.9%

The above figures reflect the rise of a number of manufacturing industries, notably cigarette manufacturing, where a drop of 8,632 tons in finished imported cigarettes is offset by an increase of 12,977 tons in raw leaf tobacco. Cigarette-paper arrivals also rose.

Similarly of interest is the increase in chemicals, including caustic soda used for soap manufacturing. On the other hand, finished soap arrivals dropped from 2,568 tons in 1949 to 410 tons in 1950.

Another trend indicated by the comparison is that cheaper grades of commodities are purchased in larger quantities—so that importers get the greatest quantity of merchandise from their dollar-limited import licenses. Examples of this are the following:

Sporting goods, under Appendix D of Republic Act No. 426 are reduced by at least 80%. Actually 531 tons arrived in 1950 as compared to 534 tons in 1949.

Leather and plastics, limited to a maximum importation of 60%, (B) (for leather; less for plastic) arrived in the amount of 2,378 tons in 1950, as against 2,550 tons in 1949, or 93.3%.

Cosmetics are cut to 20% in value by Republic Act No. 426, but total shipments in 1950 were 34.3% of 1949 in tonnage, 898 tons compared to 2,614 tons, respectively.

In the comparisons above, it must be pointed out that 1949 was already partially a "control" year, and the Import Control Law is based on 1948, but, as was revealed by previous press releases and figures compiled by *The Robot*, actual arrivals in 1949 equalled or exceeded those of 1948 specifically in controlled items (in so far as tonnages are concerned).

Total Tonnage Comparisons:	1949	1950	% relative share— 1950 of 1949
	2,172,542	1,700,305	78.3%

Below is a tabulation showing arrivals classified according to countries of shipment. Listed are the total tonnages shipped from each of the areas given, the percentage this tonnage represents in relation to the entire arrivals for the period, and lastly the increase or decrease of the relative share in tonnage from each area in 1950 as compared to 1949, expressed in percent. Figures have been rounded to metric tons.

	1949	% of Total	1950	% of Total	% relative share— 1950 of 1949
USA Pacific Coast	520,604	23.96	303,266	17.84	74%
USA Atlantic Coast	315,581	14.53	211,218	12.42	85%
USA Gulf Coast	128,757	5.93	64,441	3.79	64%
Canada	88,586	4.08	63,740	3.75	92%
Japan	180,675	8.32	116,828	6.81	83%
East Indies*	306,121	14.09	380,446	22.38	159%
Hongkong	58,092	2.67	52,005	3.06	115%
Persia	323,942	14.91	376,068	22.12	148%
Belgium	44,213	2.04	40,854	2.40	118%
Strait Settlements	58,448	2.69	23,625	1.39	52%
Britain	20,704	.95	18,173	1.07	113%
All Others	126,820	5.84	49,642	2.92	50%

It is interesting to note that for 1950, the East Indies and Persia together account for 44-1/2% of the total tonnage imported into Manila, whereas these areas show only 29% participation in 1949 arrivals. These areas are heavy shippers of petroleum products, which in the face for overall decreasing arrivals, arrived in a slightly *larger* tonnage in 1950 than in 1949. Moreover, arrivals of petroleum products from other sources decreased in 1950, in favor of Persia and the East Indies, thus accounting for the tremendous increase in the share shipped by these countries.

The widespread assumption or belief that overall general increases in the relative shares of sterling-bloc countries have taken place, is not justified by the figures. Although a number of sterling-bloc countries show increases in their relative shares in 1950, these are slight; moreover, the shares of others have dropped.

In general, although the import controls have appeared brutal, their actual effects as far as concrete tonnage arrived in 1950 is concerned, are not as drastic as is generally assumed, and the promotion of local manufacturing industries, one of the purposes of the controls, is being effected in some measure here and there, as shown in the Robot's figures by increased raw-materials tonnages and decreased luxury arrivals.

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

Commodities	*1950*	*1949*
Automotive (Total)	13,376,391	26,430,637
Automobiles	2,322,317	7,295,603
Auto Accessories	26,421	239,452
Auto Parts	2,602,801	4,908,422
Bicycles	125,914	544,266
Trucks	221,264	324,377
Truck Chassis	3,088,077	5,801,776
Truck Parts	603,197	406,036
Building Materials (Total)	96,646,616	186,462,410
Board, Fibre	963,036	3,576,013
Cement	46,776,366	121,899,480
Glass, Window	6,955,817	6,210,575
Gypsum	4,947,930	1,227,761
Chemicals (Total)	77,192,394	72,712,711
Caustic Soda	10,215,098	4,200,612
Explosives (Total)	295,112	995,634
Firearms (Total)	155,152	317,782
Ammunition	132,296	135,386
Hardware (Total)	66,702,826	78,040,228
Household (Total)	10,563,572	26,495,054
Machinery (Total)	22,239,714	27,222,375
Metals (Total)	108,036,683	148,771,945
Petroleum Products (Total	836,768,307	834,124,458
Radios (Total)	356,856	988,702
Rubber Goods (Total)	8,632,534	11,574,398

*Batavia, Surabaya, Tandjeengaban, Palembang, Miri, Balikpapan, Tarakan, Tandjong.

Beverages, Misc. Alcoholic	152,559	494,777
Foodstuffs, (Total Kilos)	267,753,913	543,354,195
Foodstuffs, Fresh (Total)	1,410,071	2,397,507
Apples	278,253	487,709
Oranges	147,903	150,781
Onions	383,415	478,515
Potatoes	167,369	235,842
Foodstuffs, Dry Packaged (Total)	257,228	979,679
Foodstuffs, Canned (Total)	3,420,817	5,706,658
Sardines	834,392	1,187,827
Milk, Evaporated	1,391,813	1,661,503
Milk, Condensed	304,605	328,285
Foodstuffs, Bulk (Total)	5,003,134	8,815,691
Rice	35,762	2,304,096
Wheat Four	4,413,507	5,713,301
Foodstuffs, Preserved (Total)	5,950	30,506
Bottling, Misc. (Total)	14,963,786	32,473,015
Cleansing and Laundry (Total)	9,783,751	5,287,010
Entertainment Equipment (Total)	82,079	183,548
Livestock-bulbs-seeds (Total)	65,023	128,822
Medical (Total)	6,088,171	6,409,903
Musical (Total)	557,833	1,486,059
Office Equipment (Total)	1,087,870	2,019,270
Office Supplies (Total)	524,323	728,998
Paper (Total)	65,698,934	59,936,365
Photographic (Total)	533,384	596,501
Raw Materials (Total)	11,392,647	4,757,610
Sporting Goods (Total)	530,647	533,905
Stationery (Total)	3,607,344	4,943,991
Tobacco (Total)	16,997,837	13,242,677
Chucheria (Total)	1,023,078	1,731,086
Clothing and Apparel (Total)	2,731,484	6,243,986
Cosmetics (Total)	897,703	2,613,871
Fabrics (Total)	10,498,662	9,211,344
Jewelry (Total)	1,426	2,705
Leather (Total)	2,377,922	2,549,940
Textiles (Total)	22,317,703	45,171,392
Twine (Total)	450,918	899,428
Toys (Total)	295,208	1,221,727
General Merchandise (Total)	4,637,972	10,581,937
Non-Commercial Shipments (Total)	514,741	555,663
Advertising Materials, etc. (Total)	314,619	683,041

Automobiles and Trucks

By J. L. Manning

Vice-President, Manila Trading and Supply Company

THE following figures on car and truck importations into the Philippines during the past three years are significant in view of foreign fund controls, import controls, and changes in tax legislation which have occurred during the past two years:

Year	*Cars*	*Trucks*	*Total Vehicles*
1948	5,114	4,848	9,962
1949	3,409	2,708	6,117
1950	1,060	1,907	2,967
Total 1948, 1949, and 1950 —	9,583	9,463	19,046—Grand Total Importations

In view of pending legislation relative to additional taxes on motor vehicles, equipment, and parts of all kinds, and exchange taxes, it is probable that the downward trend of importation will continue in the year 1951.

Because of the large dependence of the Philippine economy on both passenger and cargo land-transportation, serious consideration should be given to the possibility that, even if controls and taxes permit the necessary vehicles and parts to enter the Philippines, their availability in the United States may be seriously curtailed by the defense preparations.

Textiles

By W. V. Saussotte

Acting General Manager

Neuss, Hesslein Co., Inc.

DURING December, arrivals from the United States included approximately 2,000 packages of cotton piece goods and 2,200 packages of rayon piece goods.

Arrivals of all textiles, including made-up goods, amounted to 586 packages from Japan, 2,756 packages from China, and 1,011 packages from Europe, the latter including 900 packages of jute bags. Arrivals from India were 610 packages, consisting entirely of Hessian cloth in the piece and jute bags.

The total arrivals from all sources for the month of December, including all types of textiles, amounted to 14,827 packages.

Arrivals for the entire year of 1950 are included in the following table, together with the corresponding figures for 1949:

	Number of Packages	
	1949	*1950*
From all countries	272,142	151,278
From the United States only	232,036	109,174

From the foregoing it will be seen that 1950 arrivals from the United States were approximately 60% less than the 1949 arrivals, and it is of interest to note that this reduction, percentage-wise, roughly corresponds with the general cut in the importation of textile items under Republic Act 426.

It will also be seen that the arrivals from all countries were reduced by a total of approximately 120,000 packages, so that the total 1950 arrivals were only about 55% of the 1949 arrivals.

That arrivals from the United States for 1950 were reduced to a greater extent than the average reduction for imports from all countries, is accounted for by the fact that due to the Philippine-Occupied Japan barter agreement, imports from Japan for 1950 actually increased by approximately 12% compared with 1949 imports. In addition, imports from countries other than the United States and Japan maintained their 1949 levels due primarily to the heavy arrivals during the last 6 months of 1950 of jute bags and Hessian cloth from both India and Italy.

The over-all reduction in arrivals for 1950 as compared with 1949 is obviously accounted for by the import control regulations authorized by Republic Act No. 426.

As regards the local supply position, present-day stocks in the Philippines are probably at the lowest levels they have been since the first half of 1946, notwithstanding a statement to the contrary alleged to have been made by a spokesman of the Import Control Office which appeared in the *Daily Mirror*, final edition of Monday, January 29. This statement was "... inasmuch as there is an adequate stock of textiles, the importation of this commodity occupies the tail-end of the schedule by priorities or preferences". It is apparent that this alleged statement is contradicted by the facts.

Actually, local resale prices are rapidly approaching 1946 levels and certainly this would not be the case if supplies were plentiful. There is nothing in the offing, with respect to plans of the ICA known to the public, that anything will be done calculated to alleviate a situation which is steadily becoming worse and which has been developing at an ever-increasing pace since the middle of 1950. Local textile supplies are growing shorter week by week, with a correlated rise in prices which is quite disproportionate to the increase in the cost of goods from the United States, Japan, and other producing countries.

Last week the expected price ceilings were imposed in the United States and due to the resulting uncertainties plus the set-aside of productive capacity for the requirements of the Armed Forces of the United States, most mills are withdrawn and have only limited quantities of goods available for shipment before the 3rd quarter of 1951. If there actually are any plans in being for the stock-piling of textiles in the Philippines, the fact that as of this late date they remain unimplemented, means that any future attempt to put them into existence will be attended by many difficulties which would not have existed had steps been taken during the last half of 1950 to acquire goods while they were still fairly abundant at prices which were some 20% below today's levels, and for which ready shipment could have been obtained.

By and large, quota holders received virtually no licenses to cover the last half of their 1950 quota allotments. The ICA announced during January that these unused quotas, in effect, would be cancelled, in that they would be used as a basis for the issuance of 1951 licenses, the foreign exchange allotments for which would come out of 1951 allotments from the Central Bank. This is the main factor accounting for the low level of present-day stocks.

Food Products

By C. G. Herdman

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

THE major development during January was the dollar exchange allotment (said to be $60,000,000) placed by the Central Bank at the disposal of PRISCO and authorizations placed thereunder by PRISCO for private importers to bring in merchandise. Such imports were limited to essential foodstuffs, drugs and medicines, etc., as well as raw material for local factories and essential machinery, spare parts, etc., for agricultural purposes and various dollar-producing enterprises such as mines, saw mills, and the sugar industry; also fertilizers.

Very considerable imports were authorized of canned fish, canned milk, canned meats, etc.

Unfortunately this action on the part of the Government was a little late, so that prices at which this business was placed were considerably above levels which prevailed until late in 1950. In addition, by the time licenses were issued, stocks of many commodities had been cleared up by United States Government purchasing as well as the extensive purchasing made by many foreign countries. Many importers to whom licenses were granted found that supplies were no longer available or, if available, could only be obtained at prices materially higher than authorized in the licenses extended them.

From best available information, it appears that a large part of the licenses granted by PRISCO cannot be utilized by the importers concerned for the reasons mentioned, and that the corresponding dollar exchange will automatically revert to PRISCO which, undoubtedly, to carry out its stock-piling program, will have to make further import allotments on these commodities but at still higher prices.

No decision has as yet been rendered by the Supreme Court on the appealed cases of Wise & Company and the Chinese Flour Importers Association against PRATRA-PRISCO. Due principally to shortage of steamer space, but also in some degree to the shortage of Canadian flour stocks, it was apparent that PRISCO would have to place further orders for wheat flour in order to avoid the danger of a shortage of supply; hence, PRISCO placed orders during the last two days of January for another 700,000 bags of this commodity for February shipment. While a considerable portion of this will be shipped by suppliers during February, it is inevitable that probably about half of the quantity cannot be shipped until sometime in March. PRISCO officials have repeatedly stated that it is their intention and desire to place flour imports in the hands of private importers instead of importing flour for their own account. They are prevented from doing so until such time as the Supreme Court decision is rendered as otherwise they may place themselves in contempt of court.

There have been no changes in the local market since December. Practically all imported foodstuffs are in short supply and consumer prices are steadily increasing.

Legislation, Executive Orders, and Court Decisions

By Robert Janda

Ross, Selph, Carrascoso & Janda

THE Fourth Special Session of the Legislature was adjourned on January 20, 1951. During this session the Congress enacted only two bills, increasing the specific tax on distilled spirits and on locally made cigarettes.

Tax on locally made cigarettes from locally grown tobacco was increased to ₱8 per 1,000 and on cigarettes made of imported tobacco leaf, mechanically packed, to ₱22 per 1,000. The tax on distilled spirits from nipa, coconut, cassava, camote, buri palm, or from the juice, syrup, or sugar of cane, was placed at ₱0.70 per proof liter, and if produced from other materials at ₱10 per proof liter. The tax on distilled spirits is effective on January 1, 1951, and on cigarettes as of the time of its approval by the President, which was on January 30, 1951.

The regular session of Congress opened on January 22, 1951, and will continue for one hundred days until May 18, 1951.

Philippine Safety Council

By Frank S. Tenny
Executive Director

THE Philippine Safety Council has announced the names of five winners of the annual "Award of Merit", for excellence in the safety field for the year 1950. A few other nominees are still under consideration, but these first five have won the unanimous approval of the Board of Directors. The list follows:

Atlantic Gulf and Pacific Company of Manila—For its progressive and successful company-wide safety program, embracing all factors and departments, which has set an example for heavy industries.

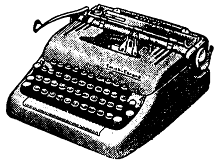
Pangasinan Transportation Company—For the third successive year, an award for an outstanding accident-prevention program for its bus drivers, and industrial safety activities in its shops and terminals. "A million kilometers traveled per accident".

Hon. Manuel de la Fuente, Mayor of Manila—This solitary individual award is in recognition of his courage, tenacity, and patriotism in furnishing City residents with safety and security despite unsettled conditions elsewhere. An outstanding example of service in the cause of public safety.

Manila Taxicabs and Garages Association—For its great, yet unsung, service to the traveling public for operating an inspection service for the protection of passengers, as well as carefully screening and training driver applicants. Member companies are Golden, Yellow, Malate, Redi, B.M.C., and Acro.

Manila Broadcasting Company—For voluntarily airing hundreds of safety announcements and devoting much time and effort on behalf of the safety movement. This has brought safety education to thousands on a daily basis. All MBC stations participated.

Official notification and presentation of the award certificates will be made later. The officers, directors, and members of the Philippine Safety Council join in congratulating these outstanding leaders in the national safety movement.



COST OF LIVING INDEX OF WAGE EARNER'S FAMILY[1] IN MANILA BY MONTH, 1946 TO 1951
(1941 = 100)
Bureau of the Census and Statistics
Manila

1946	All Items	Food (59.15)	House Rent (8.43)	Clothing (0.62)	Fuel, Light and Water (13.94)	Miscellaneous (17.86)	Purchasing Power of a Peso
January	603.4	759.2	236.4	984.0	363.8	434.8	.1657
February	547.2	656.3	236.4	940.3	369.5	460.5	.1827
March	525.9	631.0	236.4	940.1	340.4	445.2	.1902
April	556.2	684.1	236.4	910.3	345.5	435.9	.1798
May	545.1	675.6	236.4	762.5	342.3	409.6	.1835
June	538.7	666.4	236.4	737.9	343.3	404.2	.1856
July	552.7	704.3	236.4	598.9	341.3	364.6	.1809
August	477.9	590.0	236.4	384.7	320.9	346.3	.2092
September	477.9	591.3	236.4	378.7	314.5	347.2	.2092
October	487.4	587.2	236.4	382.7	405.8	342.7	.2052
November	484.8	607.8	236.4	406.4	346.5	305.2	.2063
December	461.9	570.8	236.4	371.9	344.7	302.1	.2165
1947[2]	(100.00)	(63.43)	(11.96)	(2.04)	(7.73)	(14.84)	
January	426.2	368.2	453.9	381.9	326.2	282.5	.2346
February	418.5	454.9	453.9	356.2	344.8	281.4	.2389
March	406.8	440.1	453.9	295.2	334.7	279.4	.2458
April	387.7	413.3	543.9	269.2	328.9	271.6	.2579
May	381.0	404.4	453.9	250.9	325.4	269.4	.2625
June	386.3	414.4	453.9	236.8	316.6	268.6	.2589
July	393.4	426.8	453.9	217.7	309.3	269.9	.2542
August	387.4	419.8	453.9	210.2	292.0	269.1	.2581
September	368.9	392.1	453.9	216.4	283.3	266.8	.2711
October	358.7	376.3	453.9	212.7	280.5	267.7	.2788
November	358.4	376.3	453.9	215.1	280.5	265.3	.2790
December	371.9	395.8	453.9	219.1	298.2	262.9	.2689
1948							
January	391.2	428.3	453.9	224.5	304.6	249.9	.2556
February	368.5	392.0	453.9	223.8	301.1	254.4	.2714
March	349.4	361.0	453.9	214.6	308.1	255.9	.2862
April	356.1	374.1	453.9	209.4	289.7	254.8	.2808
May	349.8	360.2	453.9	214.2	289.7	271.6	.2859
June	354.3	370.4	453.9	205.2	283.2	262.9	.2823
July	356.4	374.2	453.9	201.3	281.6	262.4	.2806
August	363.6	385.7	453.9	199.8	281.6	261.7	.2751
September	370.6	397.2	453.9	199.2	279.6	260.6	.2698
October	374.9	404.0	453.9	204.8	283.2	257.9	.2668
November	368.7	394.4	453.9	202.0	281.6	258.7	.2712
December	365.9	389.9	453.9	202.0	282.4	258.9	.2732
1949							
January	363.8	386.8	453.9	202.0	279.0	258.9	.2750
February	343.8	355.5	453.9	203.0	277.5	258.9	.2909
March	346.3	358.2	453.9	202.0	276.3	258.5	.2896
April	348.7	362.6	453.9	197.6	287.5	257.1	.2868
May	348.8	362.8	453.9	197.2	287.5	257.1	.2867
June	349.0	362.9	453.9	203.9	287.5	257.2	.2865
July	351.7	374.0	453.9	194.2	265.8	240.5	.2844
August	337.5	351.2	453.9	196.3	266.6	241.2	.2963
September	333.6	345.1	453.9	190.3	264.8	243.1	.2998
October	332.9	343.3	453.9	199.9	264.8	245.0	.3004
November	339.6	356.1	453.9	191.1	258.4	239.8	.2945
December	329.6	335.9	453.9	202.9	259.5	256.2	.3035
1950							
January	332.3	336.8	453.9	238.0	253.1	269.3	.3010
February	336.9	340.2	453.9	233.3	257.8	284.1	.2969
March	339.0	341.4	453.9	236.7	257.8	292.6	.2950
April	331.8	328.6	453.9	237.7	252.9	301.2	.3015
May	320.2	308.6	453.9	244.7	249.7	309.1	.3123
June	323.1	310.9	453.9	243.5	249.7	319.1	.3095
July	332.0	322.4	453.9	252.6	249.7	328.7	.3012
August	334.4	325.9	453.9	258.7	251.1	328.4	.2990
September	341.3	335.0	453.9	317.4	252.5	327.5	.2930
October	352.8	351.1	453.9	337.3	249.7	334.5	.2835
November	354.1	353.2	453.9	322.8	249.7	335.9	.2825
December	352.2	350.5	453.9	325.2	249.7	334.8	.2839
1951							
January	355.2	355.0	453.9	331.5	249.7	334.6	.2816

[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.

The "LET YOUR HAIR DOWN" Column

PRESIDENT Sukarno, in his address at the Far Eastern University, on the occasion of the bestowal on him of an honorary degree of Doctor of Laws, referred to the fact that "at the time of the Sri-Vishaya and Madjapahit Dynasties, both our countries were linked together under one political roof". This interesting fact is still not widely known here,—that the Philippines, or large parts of it, came under the sovereignties of three successive Malayan empires: the Hindu-Malayan Sri-Vishayan Empire, which, centered at Palembang, Sumatra, lasted from the 8th to the 12th centuries and reached its greatest extent in 1180 A.D., embracing Ceylon and a part of Formosa; the Madjapahit Empire, centered in Java, which reached an even greater extension around 1400 A.D. as it included what is now Indo-China and Siam, though not Ceylon; and the Mohammedan Malaccan Empire, which superseded Madjapahit, did not stretch quite so far, and was broken up by the Portuguese and the Spaniards early in the 16th century.

A convenient book to refer to on this subject is Ginn and Company's "A History of the Orient", by G. Nye Steiger, H. Otley Beyer, and Conrado Benitez.

We were pleased to glean the following reader's letter from the *Manila Times* of February 2:

"When, in his nationalistic utterances, President Sukarno referred us in general to the 'white man's burden', he may be to a certain degree and limited extent correct. But he forgot the undisputed fact that the colonizers of Indonesia were not the same colonizers of the Philippines. While there may be bitterness and resentment in the hearts of the Indonesians against their former masters, there is love, affection, and gratitude in the hearts of the Filipinos towards the United States of America.

"American tutelage was never so oppressive and oppressing. We have always been the pampered child of good old Uncle Sam. We still remember how in the days of the Commonwealth Government we came to enjoy full autonomy, with authorities and less responsibilities. Uncle Sam footed the bill and ours was a carefree life and it is hard for us to forget that we suffered most oppression and indignities when we were under the yoke of an Oriental power during the dark days of the Japanese occupation.—*Luis Camus* 195 Dimasalang, Sta. Cruz, Manila."

With regret we received the following letter from our "Manila Stock Exchange" column editor, Mr. Roy Ewing, of Swan, Culbertson & Fritz, Inc.

"I inclose herewith the Market Review for January.

"As this firm is liquidating its business as of the end of this month, I regret that I shall no longer be in a position to supply the *Journal* with this report.

"With kind regards,'

"Sincerely yours, etc."

We are very sorry about losing Mr. Ewing for the *Journal*, and about the liquidation of his fine organization here, as well. This liquidation is another sad sign of the times. In the Chamber, here, we have a list of American firms which have liquidated during the past six months or so. On this list there are now no less than 29 entries!

As for the Manila Stock Market column in the *Journal*, Mr. Ewing and Mr. A. C. Hall, of A. C. Hall & Company, have been tossing the column back and forth between them for several years as one or the other of them took a vacation, so we have the hope at this writing that Mr. Hall will again take over.

Another *Journal*—and community loss is that of Mr. G. G. Gordon, editor of the monthly column on Sugar. Mr. Gordon, who was Secretary-Treasurer of the Philippine Sugar Association, was a resident of the Philippines for over twenty-five years and this month retired from what has been a very useful and distinguished business career. The *Journal* column will be taken over by Mr. S. Jamieson who is now the Secretary-Treasurer of the Philippine Sugar Association and who has also, on occasion in the past, taken turns with Mr. Gordon in conducting the column.

NEWSWEEK for February 5 contained a few figures on the "pre-Korean and last week's retail food prices in New York City". We have supplied present Manila prices. Read them and weep!

	New York City June, 1950 (per lb.)	New York City January 25, 1951 (per lb.)	Manila (per lb.)
Sirloin steak...	$.83	$.95	₱2.95
Plate, navel beef.........	.29	.37	2.25
Chopped beef..	.49	.65	2.25
Lamb chops...	.90	1.10	2.70
Smoked ham..	.65	.70	3.20
Frankfurters ..	.57	.65	2.25
Coffee.........	.60	.79	2.60 (ceiling price 7.00 (black market price 2.50 (native coffee
Cheddar cheese	.58	.70	2.80
Butter.........	.67	.77	2.50
Milk (per quart)..	.16	.22	2.30

The Manila prices are in pesos and should be divided by 2 to make them comparable. They are the "cold store" prices, as some of the foodstuffs mentioned are not obtainable in the local markets; on such foodstuffs as are available in the markets, the prices are about ₱.50 below the cold store prices.

The high Manila prices are in part due, of course, to such factors as the longer haul in the case of imported items, but the difference is chiefly due to the scarcities caused by the import control.

THREE-YEAR subscriptions to the *Journal* continue to come in and have ceased to arouse much notice in the office, but during the month we received a check for $20 (₱40) for a *four-year* subscription from the Challenge Cream and Butter Association of San Francisco. This sets the record, so far.

We received the following letter from the Office Suisse D'Expansion Commerciale, Schweizerische Zentrale fur Handelsforderung, Zurich and Lausanne (Swiss Office for the Development of Trade) which ran as follows:

"Dear Sirs,

"By courtesy of the Consulate of Switzerland in your town we recently received the October, 1950, issue of the American Chamber of Commerce *Journal*. The numerous facts its contains about economic life in the Philippines give to this publication a great value for our office. We should therefore be glad to be favoured with the regularly service of same.

"Would you like to receive in return our own reviews, 'Swiss Industry and Trade' and 'Swiss Technics'? We should be very glad to send them to you. You will receive two specimen copies of the last issues of these publications under separate cover.

"Thanking you in advance for the attention you will give to our offer, we beg to remain, dear Sirs, Yours truly, etc."

We were, of course, happy to agree to the proposed exchange.

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