#### Inter-Island Shipping

By G. F. VANDER HOOGT Everett Steamship Corporation

PHILIPPINE shipping interests have recently shown much concern due to the expiration on February 29, 1948, of the authority under which the U. S. Maritime Commission was allowed to sell war-built vessels to foreign nations or their citizens. The United States Congress did, however, authorize the chartering of such vessels to foreign nationals for a further limited period.

For this reason a meeting was recently called by the Philippine Shipping Commission to which all local shipping firms were invited to send a representative. At this meeting a resolution was adopted to request the Philippine Government to make representations to the United States Government with a view to obtaining relief from these restrictions in so far as they concern Philippine citizens. Most local shipping companies sustained heavy losses during the war, claims for which have in many cases not yet been settled. It is indicated that some of these firms will desire to purchase war-built vessels from the U. S. Maritime Commission when their claims are finally paid. Such vessels are desired for inter-island service, many of the vessels now used in this service being presently chartered from the U. S. Maritime Commission.

Prior to the expiration of the authority mentioned, the Everett Steamship Corporation was successful in purchasing from the U. S. Maritime Commission four CI-MAV-1 type coastal freighters. It is believed these are the only war-built vessels purchased from the U. S. Maritime Commission by a Philippine company to-date. Many

smaller vessels of the FS type, etc., have been received by the Philippine Government as surplus from the United States Government, and have been disposed of to local shipping companies by the Philippine Shipping Commission. Many such vessels are now being operated in the inter-island service.

It is to be hoped that the Philippine Government will see fit to approach the United States Government in the interests of Philippine shipowners, and that such efforts will be successful toward extending the time within which Philippine companies and citizens may purchase further war-built vessels from the United States.

#### Air Transportation

By V. A. BRUSSOLO

Vice-President, Philippine Air Lines

MPORTANT steps have been taken by the International Air Transport Association (IATA) at its second meeting held in Sydney, Australia, toward the establishment of uniform operations by all affiliated airlines around the world,

Among several points taken up and decided during the convention, was the agreement by all airlines to standardize rates, subject of course, to approval by the various governments concerned. If the United States and Philippine governments approve these rates agreed upon at the conference, fares in the Pacific area will be automatically reduced.

Another change effected by IATA in existing airline arrangements, is the present policy on plane stop-overs. A passenger under the new agreement will be allowed an



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Meanwhile, a reciprocal air parcel-post service between countries in the Pacific and the United States is going into effect soon. It will provide shippers with airmail service at savings ranging from 33 to 50%, it was announced by the U.S. Post Office Department.

Following the lead established in the Atlantic areas, where air parcel-post was inaugurated recently to 21 foreign countries in Europe, Africa, and the Middle East, a similar service planned for the Pacific area will be provided by 42,000 post offices in the United States. Philippine Air Lines, Inc. (PAL) has filed its request to undertake parcelpost service between Manila and San Francisco.

The proposed agreement over the Pacific will materially increase the volume of goods transported by air and will stimulate international trade by providing manufacturers with an economical and rapid means of transporting their products.

An air treaty with Siam, similar to the treaties the Philippines has with the United States and Britain, is the first item to be settled in the diplomatic negotiations between the Philippines and Siam, following recognition of the new government of Siam, according to Malacañan.

For the conclusion of this treaty, a group of Filipino foreign affairs negotiators is being formed, similar to that which last year concluded the treaties with the United States and Great Britain.

The projected treaty with Siam, it is said, envisages the opening of air traffic with Siam for all Philippine-registered airlines.

Similar air-traffic arrangements with Japan, Burma, India, and Pakistan are pending conclusion. A Filipino team scheduled to go to these countries is waiting for the "go signal" from Vice-President Elpidio Quirino, who is concurrently Secretary of Foreign Affairs.\*

Establishment of an air route between the Philippines and Japan, possibly via Hongkong and Shanghai, is reportedly sought by the Philippine Air Lines.

Since the Philippine Government is a stockholder of the Philippine Air Lines, Inc., it is believed the proposal with respect to a Manila-Tokyo line will be taken up by the Government with SCAP. A conference between government officials and PAL representatives has been considering the plans, which still are in their preliminary stage.

At present only one commercial airline serves the route between the Philippines and Japan, with call at Shanghai, namely the Northwest Airlines. Special detour is made to Okinawa from time to time by this commercial airline to accommodate U. S. Army personnel. The U. S. Army itself maintains flights on regular routes over Japan and the Philippine-Ryukyus zone.

The need for more commercial air facilities between the Philippines and Japan is seen in the increasing passenger traffic and greater volume of air-express cargo carried. It has been noted that commercial planes between Shanghai and Tokyo are always heavily booked. As trade conditions return to normal and more and more people are becoming airminded, the need for greater airline facilities from the Philippines to the north, as far as Japan, is beginning to be felt, and it is believed that an additional airline in that direction can be established, just as there is more than one airline between Hongkong and Manila and between Manila and the United States via the Central Pacific route.



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The Northwest Airlines, which operates over the Northern Pacific from Manila to Shanghai, Tokyo, Anchorage (Alaska), Seattle, St. Paul, and up to Washington, D.C., is operating a feeder-line between Tokyo and Scoul, Korea. It plans to open a direct route between Shanghai and Seoul. At present, passengers from the Philippines or China going to Korea have to pass Tokyo and take the NWA plane from there to Seoul.

At the time of this writing, the Office of the President has authorized Colonel Jesus Villamor to extend an invitation to the International Civil Aeronautics Organization (ICAO) to hold its next conference in the Philippines. It will be recalled that the last ICAO meeting was held in Montreal, Canada, headquarters of the ICAO. The site selected is Baguio, and the convention opening date is July 15, 1948. Should the ICAO accept the invitation of the Philippines Government, the aviation role of the Philippines will be definitely established in international aeronautical activities, a confirmation, as it were, that the Philippines has become the aviation-hub of this part of the civilized globe.\*

\*Column-editor's note later: "It seems that India got ahead of us and that ICAO has accepted an invitation to hold the conference at New Delhi."

## Land Transportation (Bus Lines)

By L. G. JAMES

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

F special interest to the transportation industry during the month was the end of the strike which had caused a complete cessation of operations by the Batangas

Transportation Company for a period of three months. The striking employees returned to their work at the end of April after the refusal of the management to grant any of the demands which resulted in the walkout. Various basic questions involved are now before the Court of Industrial Relations for decision. This has been the longest and costliest of the various strikes affecting land-transportation operations in the Philippoines.

Other companies will be vitally interested in the final decision of the Court of Industrial Relations on a number of the points at issue, such as wartime back pay for employees in service as of December, 1941, and the basic demands for increases in vacation-leave and sick-leave with pay.

Public utilities operate under government supervision and their rates are fixed by the Public Service Commission. Increased cost of operation cannot be passed on to the patrons but must be absorbed by the operator. Factors such as increased wages and other extra cash benefits accruing to employees were, in the cases of many operators, not taken into consideration at the time when presently prevailing rates were established.

The operator of a large fleet of busses prefers a mass volume of business at a narrow margin of profit per buskilometer, provided he can look forward to a more or less fixed cost of operation. The recent labor trends have completely disrupted ideas on operational costs, based upon years of experience and practice. Many companies are finding the margin between income per bus-kilometer and expense per bus-kilometer so narrow that profits are negligible.

The majority of operators recognizes the advisability of providing for employee benefits to the extent that they do not pass beyond the limits of sound judgment, but they

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