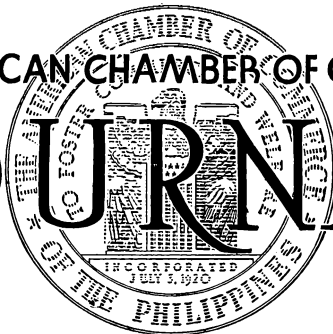


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JOURNAL



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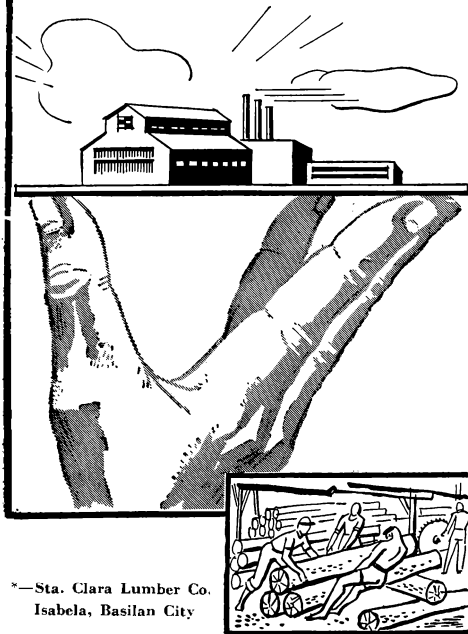
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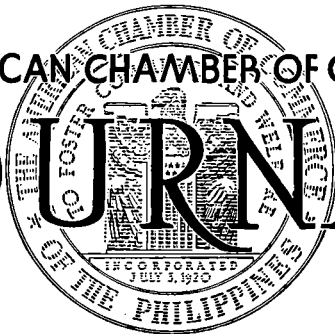


STANDARD-VACUUM *Correct Lubrication*

FIRST STEP IN CUTTING COSTS

THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

"... to promote the general welfare"

It would appear that both American and Philippine business interests have reason to be satisfied with the outcome of the Washington negotiations for the revision of the 1946 Trade Agreement and it is to be hoped that the amendments mutually agreed upon after three months of hard work by the American and Philippine representatives will be favorably acted upon in due course by our two Governments.

The Philippine Mission succeeded in obtaining a number of concessions, some of them of considerable importance. The United States Delegation, on its part, stood firm in upholding the general purpose of the existing Trade Agreement, which is to render the Philippine economy gradually less dependent on the American market; it also obtained a guarantee for American business in the Philippines which will go far to wipe out present distrust and encourage further American investment in the country.

The guarantee referred to lies in the new Article VII in the Agreement, as revised, which provides for reciprocal non-discrimination by either Party against the citizens and enterprises of the other with respect to engaging in business activities.

Virtually all of the more or less politically motivated proposals of the Philippine negotiators were accepted—those affecting, principally, the currency and the parity provisions of the Agree-

ment. With respect to the new tariff-preference scales, the advantage is well on the Philippine side, as may be seen very clearly in the accompanying diagram. The lifting of the absolute quotas on coconut oil, cigars, scrap tobacco, and buttons are also of no negligible value.

Parity rights will, under the revised Trade Agreement, be reciprocal on the basis of the rights accorded aliens in the various states of the United States. Although this will not apply to rights previously acquired in the Philippines by American individuals and enterprises, it may cause some confusion in the future. In another section of this issue of the *Journal*, the reader will find tabulations of the state restrictions on alien individuals and corporations with respect to ownership, etc. of real property and the exercise of professions and occupations.

One most hopeful amendment to the Trade Agreement provides for the elimination of the 17% Philippine tax on foreign exchange and substitution of an import levy which is to be gradually reduced and eliminated.

While further study of the proposed amendments may uncover certain defects, these, if found, are not likely to prove very serious. On the whole, the revision, if adopted, will do much to clear the air of present misunderstandings and misinterpretations of certain provisions of the existing Trade Agreement; and furthermore, and most important, the new provisions should assist the Philippines in sooner achieving a better-balanced

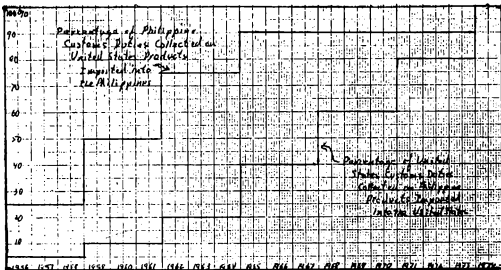


Diagram illustrating the Philippine advantage over the United States in the application of percentages of customs duties under the proposed revision of the Trade Agreement.

economy than was likely under the present Agreement.

It is understood that when the American and Filipino representatives had reached something of a deadlock toward the end of the negotiations with respect to certain amendments, that several American government officials of highest rank, came to the aid of the Philippine panel. This underscores the goodwill the Philippines enjoys and the concern felt in the United States that this country shall succeed as a free nation.

A most interesting and useful report has just been published under the sponsorship of the Philippine Council for United States Aid and the Philippine Mission of the U. S. Foreign Operations Administration: "Salary Survey—Kroeger and Associates Data in the Philippines, A Summary of Salaries and Other Compensation Practices as Reported by 329 Philippine Industrial and Commercial Enterprises, Private Schools, and Private Hospitals.—A Report to the Philippine Government by Louis J. Kroeger and Associates."

Although this Report, covering salary data as reported by several hundred private firms, will, by itself, be found of great value to businessmen, it represents the preliminary survey which is required for the purpose of formulating a new salary plan for the Philippine Government, it having long been known that, as the Report puts it:

"Salary practices in the Philippine Government are the result of wartime confusion, post-war inflation, and economic fluctuation. Today, in relation to duties and responsibilities, government salaries are seldom equitable and often inadequate. These basic problems have not been solved by minimum wage laws or pay increases for selected groups of government employees. Piecemeal salary legislation has not corrected widespread inequalities."

The preliminary survey of salary practices in private firms establishes a necessary basis for proposing "an acceptable relationship between private and government salaries." The Report rightly points out:

"The salaries paid by government must be fair to many groups: to the taxpaying public and to the Congress, to the employee whose services are needed by his government, and finally, to the private employer competing in the common labor market."

The Report pays tribute to the cooperation received from the business community and the assistance given by Philippine Chamber of Commerce, the Philippine Chamber of Industries, the Federation of Chinese Chambers of Commerce in the Philippines, and the American Chamber of Commerce, all of which endorsed the survey.

Of the 329 respondents in the survey, 269 are private business firms, 34 are private schools, and 26 are private hospitals in 12 major areas,—Manila and suburbs, Bacolod, Baguio, Cagayan de Oro, Cebu, Dagupan, Davao, Iloilo, Legaspi, Tacloban, Tarlac, and Zamboanga. Of the 165 private business firms in Manila and suburbs, 44 are manufacturing firms, 28 import-export firms, 15 transportation-communication firms, 14 financial institutions, 10 printing-publishing firms, 9 general business firms, 50 foreign government entities, 3 public utilities, and 29 other types of private enterprises. The total number of employees in the 329 private firms is 116,739. This number constitutes 6% of the 2,080,000 non-agricultural workers in the country, and is taken as "a sufficient base to validate the data obtained in the survey."¹

The Report establishes 100 "key classes" of employees, of which 15% are clerical and related classes, 14% laborer and related classes, 30% technical, scientific, professional, and related classes, 13% skilled crafts and

related classes, 9% marine service and related classes, and 19% education classes. For each key class, a concise job analysis is provided; as examples:

"*Clerk*: General office work in performing ordinary clerical duties such as addressing envelopes, filing, keeping records, gathering and delivering messages, operating office machines, making arithmetical computations, and opening and sorting mail. Beginning work. Does not require previous training."

"*Clerk-typist*: General office work requiring use of a typewriter to accomplish a majority of the duties. Types letters, reports, and other material from drafts or copies and does clerical work. May cut stenographic or use transcription machine. Beginning work. Requires skilled ability to type. Does not take dictations."

"*Laborer*: Does manual work using simple tools and equipment not requiring previous training. The work requires no independent judgment. Work performed includes digging ditches, doing heavy lifting, mixing concrete, warehouse work, and wrecking work. Tools include picks, shovels, crowbars, sledge hammers, and others."

"*Laborer foreman*: Supervises workers usually engaged in only one manual occupation; interprets written and verbal orders; assigns duties; inspects works; maintains harmony; may keep time and production records. A laborer foreman is usually a former laborer who has 2 to 5 years experience in the particular manual occupation."

Each key class of worker is given a full page in the Report which includes two tables in the first of which the salary data is summarized for the Philippines as a whole, for Manila, and for the various other cities surveyed, in each case the number of positions surveyed being listed and the range of the middle 50%, the weighted average, and the mid-point rate of the salaries paid being given. The second table on each page gives the same data for Manila and suburbs according to class of business. This table shows that the Manila average and median figures in the first table are pulled down appreciably by the inclusion of private schools and hospitals which appear to be paying lower salaries than the various types of business firms.

A very valuable section of the Report, Section IV, deals with general salary practices and "fringe benefits". As to the "Work Week", for instance, the conclusion of the survey is that "nearly one half of the respondents have work weeks of 48 hours and an equal number report the normal number of working days per week to be 6." However, "12% report work weeks of 5-1/2 days, and 10% of these are Manila employers."

As to salary increases, the conclusion is that "the majority of the respondents grant salary increases based on merit and length of service, but award discretionary amounts at irregular times. Only a small number have formal salary increase programs." It is also stated that, "a third of the respondents (31%) grant salary increases from every 6 months up to every 2 years; Manila accounts for 18% of these, and the provinces 13%." Also: "When given, increases usually range from 3% to 30% of the annual salary, with most respondents reporting increases of from P5 to P150 a month; these practices are so individualized that a standard of ordinary practice can not be deduced."

As to bonuses, the conclusion is that "prevalent pay practices in Manila and the provinces include payment of a substantial annual bonus." More specifically, "29% of the respondents paid a bonus of one-half month's salary or less (in some of these cases gifts were given); 21% paid one month's salary or more; 12% gave discretionary amounts determined each year by management; and 14% followed some other system such as prorating profits to all employees or determining the amounts based on satisfactory performance plus length of service. In Manila, 25% of the respondents granting a bonus paid one month's salary or more."

As to retirement and pension payments, the Report concludes: "Only one quarter of the respondents have retirement or pension plans in operation."

There are other valuable conclusions as to practices with respect to overtime, rest periods, holidays, vacations, sick leave, hospitalization, medical care, group insurance,

¹The Report, printed by the Bureau of Printing, runs to 128 pages and is issued by the Wage and Position Classification Office, PHILCUSA-FOA, Counterpart Project No. 79.

²The Report states that "as of July 1, 1954, it is estimated by the Bureau of Census and Statistics that during the peak of employment in the nation, 4,276,000 workers are gainfully employed. Of these, 5,989,000 are classified as being in agricultural employment, 297,000 in national and local government, and 2,080,000 in non-agricultural employment."

maintenance and subsistence (including transportation, gasoline and oil allowances, food, housing, discounts in buying, commissary, clothing and uniforms, education, etc.)

The conclusion as to salaries paid is that "respondents who were in business before the war estimate they have increased salaries for all employees by 284% since 1941."

As to the lowest salaries paid: "Slightly over one-half of the respondents report their lowest salaries for full time work to be in excess of P1,040 and ranging up to over P2,400 per annum. About 42% pay no more than required by the Minimum Wage Law."

As to the cost-of-living: "Most respondents think that the cost-of-living is reflected in their present rates, but other factors affecting salaries are equally important. Some of these other factors are the financial condition of the organization, individual merit, the skill and length of service of employees, their numbers of dependents, and rates in competitive organizations."

Unquestionably, the Report contains data which "should be of use to any management official responsible for salary administration." Of the need, in business as well as government, for salary-setting in an informed and intelligent manner, the Report states:

"That private enterprise is well aware of this need was made evident during the survey when the majority of the responding firms expressed an extremely deep interest in current pay data, many of them looking forward to an opportunity of classifying their positions and standardizing their salaries."

Senator Gil J. Puyat, since his return from the United States as a member of the Philippine mission for the revision of the 1946 Trade Agreement, has spoken in glowing terms on a number of occasions of the "amazing economic progress"

achieved during recent years in the island of Puerto Rico, which he found time to visit last November.

This island, lying in the Caribbean Sea, some 1200 miles from New York, may briefly be described as rectangular in shape, approximately 100 miles long and 35 miles wide, with an area of 3,400 square miles and a population of around 2,250,000 people of mixed Indian, African, and European descent and a 400-year old Hispanic culture.

The population approximates the combined population of Pangasinan, Tarlac, Nueva Ecija, Pampanga, and Bulacan, living in less than half of the area of these Philippine provinces.

The "noble things" that began to happen in this overcrowded, underdeveloped, and impoverished island in the early 1940's are largely to be credited to the leadership of two outstanding men. One of these men, a native of the island, is Luis Muñoz Marin, President of the Senate of Puerto Rico from 1941 to 1948, to which body he had been elected in 1932, founder and President of the Popular Democratic Party which became the majority party in 1940, first elected Governor of Puerto Rico (1947) and today Governor of the Commonwealth of Puerto Rico which was officially proclaimed on July 25, 1952. The other man is Rexford G. Tugwell, Ph.D., professor of political science and one-time U. S. Under-Secretary of Agriculture, who was Governor of Puerto Rico from 1941 to 1946.*

Puerto Rico, discovered by Columbus in 1493 and ruled by Spain for four hundred years, was, following the Spanish-American War of 1898, ceded to the United States

*George A. Malcolm, former Associate Justice of the Philippine Supreme Court, was Attorney-General of Puerto Rico during the years, 1939-1943.

in the same instrument—the Treaty of Paris of December 10, 1898, in which Spain ceded Cuba, Guam, and the Philippines.

A comparison of the subsequent course of events in Puerto Rico and the Philippines is of fascinating interest. Civil government was established in Puerto Rico in 1900, a year ahead of its establishment in the Philippines. The first Organic Act for Puerto Rico was the Foraker Act of 1900, comparable to the so-called "Philippine Bill", the Organic Act of 1902, for this country. More autonomous forms of government were granted to the Philippines by the Jones Act of 1916, and Puerto Rico by a similar law, the Jones Act of 1917, the principal author of the two acts being Congressman William A. Jones, at that time Chairman of the Committee on Insular Affairs of the House of Representatives. Furthermore, like the Philippines, Puerto Rico also had its "Tydings Bill", that of 1936, which offered independence to the Island on much the same terms as the Hare-Hawes-Cutting Act of 1933, superseded by the Tydings-McDuffie Act of 1934, provided for Philippine independence.

After the Second World War, the Philippine case became an important object lesson to the leaders and patriots of Puerto Rico and they closely followed and studied every phase of the Philippine-American developments. They came to the conclusion in 1946 that Puerto Rico could not set out upon a political course which would end in the loss of Puerto Rico's free trade relationship with the United States (established by the Foraker Act of 1900) and with nothing better to look forward to, upon independence, than "most-favored-nation" treatment.

From the first, Puerto Rico had its nationalists who demanded political independence at any cost. "Some of us," said Luis Muñoz Marin, "confused love of the homeland with the narrow and bitter concept of the national state." And he went on to say:

"We felt that love of Puerto Rico had as a necessary corollary the desire for separate independence. We had not yet comprehended that no law, divine or human, commands that countries must be suspicious, vain, and hostile, that they must live separate from other countries which are a part of the broad world which the Lord created on the earth. Because of the rigidity of our thinking, we could not disentangle the concept of love for our country from the fixed idea of separate independence. Anything other than independence seemed to clash with our love of Puerto Rico. . . ."

Then came the Tydings Bill of 1936. Said Muñoz Marin:

"The Tydings Bill would have made Puerto Rico independent; but it would have shackled the people with economic misery. . . . It would be not independence, but a living death of hopeless poverty. . . ."

"It was not easy to change our views. . . . At the time our emotions were stronger than our powers of reasoning. . . ."

"Gripped in this emotional confusion," Muñoz Marin went direct to the people, talked to them everywhere, and he found, he said, that "the people are wise, —wiser than we think."

"I learned that among the simple people, the nationalistic concept does not exist, because in its place there is a deep understanding of freedom. . . . That understanding is the unequalled basis and root of every great federalist concept, of great unions between countries and between men which cut across climates, races, and languages. . . . The profound intuition of the people was quick to point out the contradiction in a program which on the one hand talked about the struggle to reduce their extreme poverty and on the other hand talked about separate independence which would destroy any hope of ever conquering that extreme poverty."

Then came the conclusion,—and a comparison with the Philippines:

"We concluded that we must stop wasting time groping for a solution to the problem of political status which we knew before hand was impossible for Puerto Rico to attain—impossible not for the American Union, but for us. The Philippines, with their greater territory and natural resources in relation to population, could manage under such stringent economic conditions. Our destiny lay in a different direction. It was incumbent upon us to devise creatively a realistically free form of political status which would not be at war with the solution of the economic problems of Puerto Rico and yet would protect the dignity of our people within our association with the American Union."

The solution which the Puerto Rican leaders sought was found and was embodied in U. S. Public Law 600 of 1950, "The Federal Relations Act", which established, again in the words of Muñoz Marín,—

"a new form of status, a new form of political relationship in the American Union and in all America, a new form of political freedom in harmony with the economic freedom of our people, in place of the rigid and sterile formulas which threatened the full development of Puerto Rico and which had immobilized for generations the great creative political powers of its people."

For fifty years Puerto Rico had been an "unincorporated territory of the United States". Public Law 600 changed the status "from that of an involuntary dependency to that of voluntary association." Through an act of truly "inventive statesmanship", Puerto Rico became "a free associated state" of the United States of America.

According to Tugwell, "in the American experience, the nearest approach to the Puerto Rican Commonwealth was the Philippine Commonwealth which came into being in 1935, but there were important differences..."

The Philippine Constitution of 1935 made provision for the forthcoming independence, but the Puerto Rican Constitution of 1952 affirms in the Preamble that the new Commonwealth is created "within our union with the United States of America."

The President of the Philippine Commonwealth was the executive head of an almost independent country, "watched over" by the American High Commissioner, but the Governor of the Commonwealth of Puerto Rico closely corresponds to a governor of a state of the Union. Puerto Ricans retain the American citizenship bestowed on them in 1917 and have free access to the United States. The inclusion of Puerto Rico within the United States tariff wall remains unchanged. Puerto Rico remains subject to all federal legislation not locally inapplicable, and in principle federal agencies operate there as in the states. While self-government is as complete as in any state of the Union, Puerto Rico has no representation in Congress, though, like the Philippines formerly, it is represented in Washington by a Resident Commissioner who sits in the United States House of Representatives but has no vote. The people of Puerto Rico do not participate in national elections and hence Puerto Rico is not subject to federal income or other taxes. No more than the Philippines ever did, Puerto Rico does not contribute, at least directly, to the United States revenues. Puerto Rico elects its Governor and members of the Legislature every four years by popular universal suffrage. The judiciary consists of a Supreme Court of seven justices appointed for life, and district and municipal judges appointed for specific terms, there is a Federal District Court which functions and has the same jurisdiction as other United States courts; appeals from this Court as well as from the Supreme Court of Puerto Rico may be taken to the First Circuit Court of Appeals at Boston and thereafter certiorari is available to the Supreme Court of the United States.

Antonio Fernos-Isern, the Puerto Rican Resident Commissioner in Washington, has said:

"Puerto Rico now lives in equality, dignity, and security with the great republican system of freedom, democracy, opportunity, and security of the United States of America, with whose citizenship all Puerto Ricans are so proud to be invested... The people of Puerto Rico have evolved from a benevolent colonial regime to the status of free citizens, federatively associated, on the basis of mutual consent and common citizenship, to a larger free community... This means an outstanding victory for good will, mutual understanding, democracy, and freedom in these parts of the New World."

Mr. Tugwell has written as to the present political status of Puerto Rico that he regards "the decision against independence to be a final one", but that he believes that ultimately, "even after apparent settlement on what is now called a commonwealth," Puerto Rico must become a state;—

"because statehood is the recognized status worked out in discussion, in legislation and court decision, even in civil war, as our characteristic operating relationship. This relationship has evolved and is still evolving. It is not static and unchanging. But to be equal and responsible, Puerto Rico must enter with the rest of us, co-ordinately, into our future political experience, whatever it may be. This is the stable status which none of the advances of the past years reached, genuine though they were."

So much for the political status achieved by Puerto Rico. The Philippines made a different choice, and could and did follow a different course. It is today an independent nation, although, in actuality, it is still very closely associated with the United States, psychologically as well as formally through various agreements and treaties.

What Senator Puyat and others here, no doubt, are chiefly interested in about Puerto Rico, is the great economic progress made there during the past two decades, which progress, however, the most recent political developments go far to insure.

Forty years as an "insular possession" of the United States had resulted in considerable progress in various respects, but due in part to the free trade relationship with the United States and the tariff protection afforded sugar, due in part to the limited natural resources of the Island, and due perhaps chiefly to lack of able local leadership, Puerto Rico had developed a virtually one-crop, one-industry economy, and what economic expansion had taken place was offset by the increase in population. Furthermore, the sugar industry had stopped growing because of the quota system. Agriculture suffered from land monopoly and absentee ownership; labor was inefficient and of low productivity, local capital was scarce and unenterprising; local manufacturing industries were small and poorly organized, had difficulty in competing with goods imported from the mainland, and rarely could develop outside markets; public utilities were inadequate; government administration was poor. With the Great Depression of the 1930's the people suffered serious distress. There was a prevailing sense of hopelessness.

The year 1940—when the Popular Democratic Party, which had "abandoned political tradition to run on a platform of economic and social reform", took office—marked the turning-point.

The various programs adopted and as they evolved were characterized by three main features: (1) social reform,—involving various land measures, minimum-wage legislation, the strengthening of labor unions, the beginning of a social-security system, and more equitable taxation; (2) improvement in the public services,—involving the development of electric power and water supply, expansion of transportation and communication systems, slum-clearance and public housing, and improved educational and health services; (3) direct government promotion of economic development through the creation of new industries, first through government-built and operated plants and later through measures centered upon attracting mainland industries and capital through tax-exemption, industrial services, provision of factory buildings, loans and special assistance in various forms.

One observer wrote:

"An overall atmosphere conducive to economic development has been created; there is confidence in the stability of government, the honesty of administration, the sustained governmental interest in the success of private enterprise; also, there is a well-established tradition of orderly labor relations and a growing interest in economic development on the part of all sectors of Puerto Rican society. Substantial amounts of mainland capital have been attracted to Puerto Rico and many opportunities have been created by the effectively-executed industrial development program. Most of all, there is hope in the island of Puerto Rico. There is a spirit of building and pioneering and there is justifiable pride in accomplishments to date."

Tugwell has written that the "Puerto Rican occurrence" was "almost explosive in nature" and that there were certain conditions which caused this—(1) the misery

of the people; (2) "political tantalization built up by contact with free American institutions, persistently kept just out of reach by irresponsible congressional action", this inducing a patriotism of high intensity and the determination to expand every resource of intelligence and energy possessed in the service of Puerto Rico; (3) the acceptance of the leadership of Muñoz Marin not only by the masses but by the ablest intellectuals and the rise of the Popular Democratic Party; (4) an "able and conscientious elite so determined to eliminate misery that if necessary it would participate in overthrowing the vested interests in the perpetuation of poverty even if it involved the charge of traitorousness to class."

For such a "stirred and sin-convicted group to convert fervor into administration" called for two necessary elements, wrote Tugwell:

"There were two elements necessary to success, and both were present. The first was that temptation to play on xenophobia should be rejected; and the second was that the elements of reconstruction should be rigorously conceived and persistently pursued. . .

"It was not enough that temptation to blame everything on outsiders, so characteristic of colonial demagoguery and once so prevalent in Puerto Rico, should be rejected by Muñoz and the others. It was necessary that the whole responsibility for change should be accepted and centered in themselves. Such risks politicians do not like to take. It is much safer to prepare a retreat by stressing opposition and difficulties. Muñoz, in contrast, has always said that Puerto Ricans had to find their own salvation, that under his leadership they could, and that if they did not, he could be blamed. . ."

According to a recent Puerto Rican government publication, there are now some 300 new factories on the Island, 92 of which began operations in 1953, with 30 more in process of being established.

Tugwell has pointed out that tax-remission and the wage-differential which are among the factors which have attracted mainland capital, are artificial attractions which in time will disappear, but he also wrote:

"The Puerto Rican effort is now centered in the endless and fruitful exploration of better things to do and better ways to do them, which is characteristic of a mature high-energy economy. That it will succeed, I, at least, have no longer any doubt. But there are some auxiliary occurrences, quite outside the Puerto Rican orbit of influence, which will help immeasurably in what might otherwise have been a more distressing fight on the part of the devoted operators. The world is entering on a period in which population growth will be much more easily controlled, in which power will be more easily produced and more universally available, and in which size of resources or location will not count nearly so much as devotion to research and reason, to good administration, and to social conscience. How fortunate this is for the Puerto Ricans may be easily seen. It will give a brave effort support from unexpected sources."

SENATOR Puyat informed the writer of this editorial that when he was in Puerto Rico over the Thanksgiving Day week-end last year, he met some fifteen Filipinos who had been sent to the Island by the F.O.A. Philippine Mission. No doubt they will return to the Philippines with many useful ideas.

One thing that we in the Philippines should not overlook is the fact that while the free trade relationship between the United States and Puerto Rico did both good and harm to the Island economy for many years, the great progress made there recently was achieved concurrently with the maintenance of that relationship. No part of the recent economic development and industrialization of Puerto Rico was due to any fostering of "infant industries" through the imposition of tariff duties upon goods from the United States mainland. Perhaps that is the chief lesson to be drawn from Puerto Rico's amazing legislation. Its "secret" lies elsewhere than in mere tariff levitation.

*Most of the quotations in this editorial were taken from *The Annals of the American Academy of Political and Social Science* for January, 1953. This whole 164-page issue of the *Annals*, except for the book reviews, is devoted to "Puerto Rico—A Study in Democratic Development".

Joint Press Statement on the Conclusion of the Trade Agreement Negotiations, Washington, D. C.

THE United States Delegation and the Philippine Economic Mission, after less than three months of continuous negotiations, have reached agreement on a revision of the 1946 Trade Agreement to be recommended to the Congresses of their two countries. Notwithstanding honest differences of opinion between the delegations on several of the issues involved and despite their vigorous presentation by each side, agreement was reached in a relatively short period because of the spirit of friendship and good will which persisted throughout the negotiations.

The agreement reached underscores the desire of both nations to put their trade relationship on a more normal and stable basis. This agreement:

- (1) yields to the Philippines control over its own currency by eliminating article V thereof;
- (2) eliminates most absolute quotas on Philippine articles entering the United States;
- (3) eliminates quota allocation limitations on Philippine articles subject to quotas in the United States;
- (4) makes the enjoyment of parity rights by citizens of either country in the territory of the other reciprocal;
- (5) makes imposition of quantitative restrictions on the products of both countries reciprocal;
- (6) gives to citizens of either country the right to engage in business activities in the territory of the other on a reciprocal basis;
- (7) provides security exceptions in the mutual interest of both countries;
- (8) increases tariff preferences for Philippine articles entering the United States;

(9) decreases tariff preferences for United States articles entering the Philippines;

(10) eliminates the prohibition against the imposition of Philippine export taxes;

(11) provides for elimination of the Philippine exchange tax and the dual rate of exchange it creates by substitution of an import levy to be progressively reduced and eliminated;

(12) permits the Philippines to ask the United States Congress for possible increases in the sugar quota when other nations are permitted to do so; and

(13) increases duty-free quotas on Philippine articles which are subject to declining duty-free quotas in the United States.

It is hoped that with these changes the Philippines will sooner succeed in attaining a better balanced economic status as a free nation. It is also hoped that these changes will further strengthen the friendly and mutually beneficial political and economic relations between the two peoples.

JOSE P. LAUREL
*Chairman, Philippine Economic
Mission to the United States*

JAMES M. LANGLEY
*Chairman, United States Delegation
for Philippine Trade
Negotiations*

Washington, D. C.
December 15, 1954

Proposed Changes in Existing Philippine Labor Legislation

BY THE COMMITTEE ON INDUSTRIAL RELATIONS
American Chamber of Commerce of the Philippines

EXPERIENCE has shown that certain changes in existing labor legislation or the framing of new labor legislation is necessary.

In many cases, it is felt that the interpretation made of some labor laws is contrary to the avowed intent of the law. In other cases, efforts on the part of the legislators to effect certain needed reforms have produced legislation which is *unnecessarily* expensive or impractical to carry out. The Committee does not argue with the need for adequate labor legislation. We do feel that in order to accomplish the greatest good for both employer and employee, the following changes or additions should be made to labor legislation in the Philippines.

REPUBLIC ACT 602—MINIMUM WAGE LAW

The Committee does not wish to take sides in the current controversy regarding suggested changes as to the application of this law in areas outside Manila. All American firms in the Manila area pay the statutory minimum or more.

REPUBLIC ACT 679—EMPLOYMENT OF WOMEN AND CHILDREN

Present

Sec. 8 (c). It shall be the duty of every employer having at least fifteen married women in his employ to establish an adequate nursery near the place of work where they may leave their children, said nursery to be under the supervision of either a registered nurse or a qualified midwife.

This provision militates against married women in that some employers avoid hiring them so as to avoid the employment of "fifteen married women" which would require the establishment of a nursery. The intent of this provision of the law is thus contravened.

The Rules and Regulations implementing this law require nursery facilities for children up to 2 years old. Adequate care for children up to this age would require far more than a "nursery". It is not practical for employers to make the investment necessary for the limited use to which such facilities would be put.

It has been the general experience of American firms that even where nurseries have been established, they have not been used. The difficulty for the mother in getting a child ready in the morning and transporting him back and forth is too great. The possibility of contracting communicable diseases in the most hygienically-run nursery is always present, also.

The actual experience of one company serves as an excellent example. A complete nursery was established. It was not used at all the first week. The second week's attendance was as follows:

	Present
Monday	— 1 child
Tuesday	— 2 children
Wednesday	— 3 children
Thursday	— 2 children
Friday	— 1 child

There have been no children brought to the nursery after this week, which, at this writing, was more than two months ago.

It should also be pointed out that this law is discriminatory in two ways:

a. Women have been granted equality in pay and other general benefits, but the extra benefits given women have now resulted in discrimination against men, since they obviously cannot benefit from the provisions of this law.

b. The law favors employers whose industry is such that by its nature only male employees may be hired, thus eliminating the extra expense of establishing and maintaining a nursery.

Further substantiating the belief that the provisions of this law go beyond the normal scope of such legislation, we quote from a letter to Secretary of Labor Eleuterio Adevero from the American Chamber of Commerce, dated May 6, 1954:

"During the course of the meeting, while you were discussing with the representative of the Philippine Chamber of Industries the Women and Child Labor Law, you raised the question of whether or not the United States has similar laws granting extended maternity leave, etc. Mr. Hostmann and I [Paul R. Parrette] advised you that we believed the United States does not have such laws and this is just to confirm that after checking into the matter, we find that no such labor laws exist in the United States. Any female employee who becomes pregnant is usually given a leave of absence during the period required for delivery but she is not entitled to any other benefits.

"We concur with the views expressed by the Philippine Chamber of Industries that the enforcement of the long maternity leave and nursery care for infants at the place of employment features of this Women and Child Labor Law, ultimately work to the disadvantage of women since most industries cannot afford the cost of these benefits."

REPUBLIC ACT 875—INDUSTRIAL PEACE ACT

Present

Sec. 3. Employees' Right to Self-Organization—

Employees shall have the right to self-organization and to form, join or assist labor organizations of their own choosing for the purpose of collective bargaining through representatives of their own choosing and to engage in concerted activities for the purpose of collective bargaining and other mutual aid or protection. Individuals employed as supervisors shall not be eligible for membership in a labor organization of employees under their supervision, but may form separate organizations of their own.

Sec. 4. Unfair Labor Practices—

(a) (4). To discriminate in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization; Provided, that nothing in this Act or in any other Act or statute of the Republic of the Philippines shall preclude an employer from making an agreement with a labor organization to require as a condition of employment membership therein, if such labor organization is the representative of the employees as provided in section twelve;

(b) It shall be unfair labor practice for a labor organization or its agents:

(1) To restrain or coerce employees in the exercise of their rights under section three, provided that this paragraph shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein;

(2) To cause or attempt to cause an employer to discriminate against an employee in violation of subsection (a) (4) or to discriminate against an em-

Proposed

Sec. 3. Employees' Right to Self-Organization—

Employees shall have the right to self-organization and to form, join or assist labor organizations of their own choosing or to refrain from such activities for the purpose of collective bargaining through representatives of their own choosing and to engage in concerted activities for the purpose of collective bargaining and other mutual aid or protection. Individuals employed as supervisors shall not be eligible for membership in a labor organization.

Sec. 4. Unfair Labor Practices—

(a) (4). To discriminate in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization;

(No changes are proposed)

employee with respect to whom membership in such organization has been denied or terminated on some ground other than the usual terms and conditions under which membership or continuation of membership is made available to other members.

(3) To refuse to bargain collectively with the employer, provided it is the representative of the employees subject to the provisions of sections thirteen and fourteen.

(4) To cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed.

(5) To require the payment by an employee of excessive or discriminatory initiation fees.

(6) To engage in secondary boycotts.

The right of employees to refrain from, as well as to engage in, union activities is vital to the democratic concept and should be specifically included in the law. Membership in a union should not be made a condition of employment in any way.

It is likewise important that a distinction be made between labor and management. It is important, therefore, that supervisors be recognized as members of management and, as such, ineligible for union membership. Only in this way can the feeling of dual loyalty of the supervisor be eliminated and a good working basis for labor-management relationships be established.

The suggested additions to Section 4(b) are included to eliminate two points that have proved troublesome in the past in the United States and elsewhere. It is felt that by specifically including these provisions in the Act, both employee and employer will benefit.

REPUBLIC ACT 1052—TERMINATION PAY

Present

Sec. 1. In cases of employment... neither the employer nor the employee shall terminate the employment without serving notice on the other at least one month in advance.

Proposed

Sec. 1. In cases of employment... neither the employer nor the employee shall terminate the employment without serving notice on the other at least one month in advance, except

(a) for just cause

(b) in cases where the employee is hired on a probationary basis and the employer has expressly reserved the right to terminate the employment any time within the period of probationary employment, and

(c) in cases where the right of the employer to terminate the employment of an employee upon reaching retirement age or by reason of disability has been recognized by the employer under a pension, retirement, or disability plan.

Sec. 2. The following are just causes for dismissing an employee or laborer:

(a) Fraud or willful breach of duty in the course of his employment;

(b) Habitual or gross neglect of his duties;

(c) Continued incapacity to perform his work;

(d) Disrespect and lack of consideration due the employer;

(e) Questionable honesty;

(f) His employer's lack of confidence in him;

(g) Any other just cause.

Sec. 2. Any contract or agreement contrary to the provisions of this section of this act shall be null and void.

The exceptions provided for in the suggested revision are of two types,—those cases in which the termination date is established well ahead of time, and proved unsatisfactory performance on the job. In both of these cases, it is felt that the employer should not be under the obligation to pay any additional termination pay.

REPUBLIC ACT 1054—FREE EMERGENCY MEDICAL AND DENTAL TREATMENT LAW

Present

Sec. 1 (b). When the number of employees and laborers exceeds two hundred but is not greater than three hundred, the owner, lessee, or operator, in addition to keeping a stock of emergency medicines under the charge of a nurse, shall employ the services of a permanent or retained physician and a permanent or retained dentist for the benefit of employee and laborers, and provide a room of strong materials, properly ventilated, and adequate enough to meet cases of emergency.

Proposed

Sec. 1 (b) When the number of employees and laborers exceeds two hundred, the owner, lessee, or operator, in addition to keeping a stock of emergency medicines under the charge of a nurse, shall employ the services of a retained physician and a retained dentist for the benefit of employees and laborers, and shall maintain a dental clinic and an infirmary or emergency hospital of sufficient capacity of one bed for each hundred employees, except where this shall be unnecessary because of the existence of a dental clinic and of a hospital in a place at a distance not greater than two kilometers from the commercial, industrial, or agricultural establishment. In such cases, the owner, lessee, or operator may enter into an agreement with said dental clinic and hospital to reserve the necessary number of beds for the purposes specified in this subsection.

Sec. 1 (c).

(Delete this entire section as the desirable provisions are included in the proposed revision of Sec. 1 (b).)

Sec. 1 (c). When the number of employees exceeds three hundred, the owner, lessee, or operator in addition to keeping a stock of medicines and employing, in full, the services of a physician and a dentist for the purposes specified in the preceding two subsections, shall maintain a dental clinic and an infirmary or emergency hospital of sufficient capacity of one bed for each hundred employees, except where this shall be unnecessary because of the existence of a dental clinic and of a hospital in the place, at a distance not greater than two kilometers from the commercial, industrial, or agricultural establishment. In such cases, the owner, lessee, or operator may enter into an agreement with said dental clinic and hospital to reserve the necessary number of beds for the purposes specified in this subsection: Provided, that the number of beds may be increased to three for each two hundred laborers and employees according to the nature of the establishment, at the discretion of the Secretary of Labor.

The changes proposed here do not affect the intent of the law. They do make it possible for the employer to provide adequate care without unnecessary expense.

It is believed that if each employer is required to employ a full-time doctor and dentist, the quality of medical and dental care provided for employees will deteriorate, since few good men, experienced in the field of industrial medicine, would be available on a full-time basis at the expense of their foregoing private practice.

Quoting from a memorandum to the Secretary of Labor from the Philippine Education Company, Inc., dated September 11, 1954:

"... When an industry is a non-hazardous industry and is near a hospital or dental clinic, that should be sufficient reason for not requiring it to have an infirmary and dental clinic on its premises.

"This suggestion is made to avoid... having doctors and den-

tia in places where they are not needed. They will only prove to be a... useless burden to employers. To bar them from the general practice of their professions is not conducive to the public good...

"...A contract or retainer would, in non-hazardous industries, meet the purpose and should be considered to be a substantial compliance with the law."

REPUBLIC ACT 1161—SOCIAL SECURITY LAW

No actual changes in wording are proposed. It is suggested that implementation of the Act be accomplished first by providing funds for actuarial studies as outlined in Section 4(e). These studies, designed to establish the feasibility of the system, should precede the establishment of the system even on a trial basis by area or industry.

It can be shown that virtually all segments of the industrial community were opposed to this Act prior to its enactment. This opposition was expressed by, among others:

The combined Chambers of Commerce.
The U. S. Foreign Operations Administration Mission.
A number of labor organizations.

As an example, in a letter to Filemon C. Rodriguez, Coordinator for the Philippine Council for United States Aid (PHILCUSA) from Harry Brenn, Director, FOA Mission, dated April 8, 1954—

"The Mission is of the opinion that enactment of social insurance legislation at this time is premature and should be strongly discouraged..."

The reasons for this opinion, as outlined in this letter, are in part, as follows:

1. In the present stage of economic development here, such a program would place an undue burden on both employers and workers.
2. There is a pronounced lack of the statistical and other data needed for the establishment of a sound social insurance system.
3. The Philippine Government lacks the highly trained men required to administer such a system.

4. The coverage (of the law) is discriminatory.

5. The benefit provisions are generally loosely drawn and vague.

6. There is no way of knowing whether the contributions of 3% from workers and 3% from employers are too high or too low to cover the cost of the program.

7. It is inadvisable to burden the high officials named to membership on the Social Security Commission with the added work they would be called upon to assume.

REPUBLIC ACT 3428—WORKMEN'S COMPENSATION ACT

Present	Proposed
Sec. 2. Grounds for Compensation—When an employee suffers personal injury from an accident arising out of and in the course of his employment, or contracts tuberculosis or other illness aggravated by or the result of the nature of such employment, his employer shall pay compensation in the sums and to the person hereinafter specified...	Sec. 2. Grounds for Compensation—When an employee suffers personal injury from an accident arising out of and in the course of his employment, or that is aggravated by such employment, or contracts an illness that arises out of and in the course of his employment, his employer shall pay compensation in the sums and to the person hereinafter specified...

Only injury or illness in causal relationship to employment should be compensable. Aggravation of an existing illness unsuspected by the employer and the employee should not be a basis for compensation payment. A direct causal relationship, excluding other possibilities of infection or cause, should be the only basis for establishing the compensability of an illness.

Decisions by the Court of Industrial Relations, subsequently upheld by the Supreme Court, seem to have been based on the interpretation that the mere existence of tuberculosis during the period of employment is tantamount to "aggravation", this completely overlooking the basic requirement that a causal relationship must exist as a basis for establishing the compensability of an illness.

The "Samaka Guide"

The remarkable 98-page booklet, "What Can a Man Do?" published jointly a few months ago by the FOA and PHILCUSA, was reviewed in the November issue of this *Journal*. In the present issue, mention must be made of another publication, "The Samaka Guide", produced under private auspices, which serves as a valuable companion-piece, as it amplifies, in some respects, and reinforces the earlier publication.

It is a very practical guide—like the first work also simple and clear in presentation, to supplementary subsistence farming, and,—also like the first work, largely on the basis of community effort. "Samaka" is an abbreviation of Samahan Ng Masaganang Kakanin" meaning a group effort to obtain more plentiful food.

The handbook was written by Colin M. Hoskins, a longtime American resident in the Philippines, a prominent realtor and a trustee of the Philippine Rural Reconstruction Movement (PRRM), with the technical advice of staff members of a number of government bureaus and agricultural colleges. The cost of publication (of 10,000 copies in English and 10,000 in Tagalog) was assumed by another public-spirited citizen, Col. Andres Soriano, President of the San Miguel Brewery.

The stress laid by the writer on community effort does not mean that the "Samaka Plan" aims at the development of communal farms. It aims at the development of individual homestead farms, but by all the families in a community. This point is clarified in the following statement taken from the Guide itself:

"When all, or nearly all of the families in a sitio decide that they will all establish Subsistence Farms around their homes, the Samaka farm of each one of us can be a success. With all of us adopting the Samaka plan, everyone will construct a fence around his lot to keep out roaming animals. Everyone will keep his own pigs in a pig-pen, or tethered, so they can not roam and damage the gardens of neighbors and pick up disease. If all of us have a vegetable garden and fruit trees, our fruits will not be taken by relatives and compadres, because they also will have gardens..."

In a separate insert on "The story behind the Samaka Guide", it is stated:

"Past experience in promoting homestead subsistence farms has shown that unless it becomes a community project, homestead farming does not generally prosper. When only a few individuals develop their backyard farms, they too often give away much of their produce to admiring friends and neighbors. Hence, the present project had as a principle of distribution that the Guide would be offered to individual farmers only when the people of the sitio or barrio had organized a movement for better use of their homesteads. The first draft proposed a procedure of meetings, pledges, and ceremonies to implement this method of distribution. Several commentators objected to this specific method, believing that existing barrio groups, such as *purok*, community improvement clubs, barrio councils, PRRM groups, and others could handle effective distribution at the local level. It was therefore decided that distribution and reference copies would be made only to selected rural field workers and organized barrio betterment groups. Individual distribution to farmers would be made only through such local groups, when the group leaders have assurance that most of the families in the neighborhood were sincerely desirous of improving their homesteads."

As pointed out by another reviewer of the Guide, Mr. Jose A. Lansang, writing in *Labor*, "this species of 'total' mass mobilization of a community for its own improvement is... a radical departure from the once preferred technique of the 'model farmer' or 'model com-

President Magsaysay's Review of the Year*

Ladies and Gentlemen:

PLEASE accept my thanks for your generous and sympathetic appraisal of the first year of this Administration. Coming from you, it is particularly encouraging because I consider the groups represented here specially qualified to evaluate government from the viewpoint of the governed. Your judgment of the public servant is in terms of the personal interest of those being served. To me, there is no higher earthly judgment than that of the people who chose me to be their chief executive.

I am even more grateful, however, for this assurance that your active interest in good government is a continuing one; that the cooperation which brought this Administration into being will be continued to assure its success. Your endorsement and support were decisive in the contest for a change in government. It was based upon common policies and objectives. That same support is needed for the daily contest between those who wish to see those common policies upheld and advanced, and others who have forgotten or who choose to ignore them.

During the past few days I have looked back upon my commitments and pledges to the electorate during the months preceding my election to office. I find no reason in the public attitude or in my own judgment to warrant any change in those commitments.

Let us review our common goals to make certain that we are still in complete accord.

First, I believe we agree that our paramount concern continues to be the security of our nation. Nothing must take precedence over the safeguarding of our freedom and independence.

Second, I am sworn to uphold the Constitution of the Republic and the laws of the land. With this I am sure you have no quarrel.

Third, we are agreed that the purpose of government is to serve the total national interest with maximum efficiency and economy, at the same time striving to provide more of the social services which citizens of a democracy have a right to expect.

Fourth, it is recognized that we must expand our economy and make fullest use of our resources to meet the needs of our growing population and to achieve a decent minimum standard of living for our people.

*An address delivered before representatives of "all civic organizations" assembled at the Manila Hotel, December 30, 1954.

munis' or 'pilot project'." It rests on shared decision and effort rather than on example and imitation.

The booklet measures 12 by 9 inches and runs to 56 pages, printed in three columns. It is illustrated by numerous small black-and-white sketches in clarification of the text.

The first section deals in the simplest language with how to lay out a homestead farm and includes a ground-plan for a *SamaKa* homestead of 600 square meters showing the location of house and out-buildings,—carabao and chicken sheds, pig-pen, well, fish-pond, and various fruit-tree and vegetable-garden plots; instructions are given on how to dig or drill a well and instal a pump. The main section of the book, which runs to over 20 pages, deals with the planting of numerous different vegetables, protecting them against various pests and diseases, and even preparing them for the table; a number of helpful seasonal planting charts are included. There are shorter sections on fruits and flowers; chickens and eggs; raising ducks without a pond; raising pigs, goats, turkeys, geese, and

And fifth, the foreign policy we have undertaken to carry out is one which commits us to active membership in the community of free nations. We propose to take fullest possible advantage of the means of securing peace, security, and economic development which such membership affords, and we accept the obligations it imposes.

This summarizes briefly, but I think accurately, the broad major objectives to which this Administration is committed, with the concurrence and endorsement of the electorate.

Your list of the first year's accomplishments of this Administration touches upon most, if not all, of these commitments and objectives. But I must emphasize that such accomplishments cannot be considered more than a beginning. Much more remains to be done, and, in some ways, there will be no end to the task. During the months ahead I see much hard work and concentration for myself. From you I ask continued active interest, criticism, and support.

To help us understand the full scope of our problems, let us consider each item in our list of objectives and commitments.

First: Security, internal and external. It is true that peace and order has been improved, the Armed Forces having disrupted the military effectiveness of the HMB. But we must not let ourselves become the victims of over-confidence. The danger of resurgence at the first sign of relaxed vigilance can not be ignored. Huk terrorists still strike where our limited forces are spread too thin. As long as the roots of world-communism survive, the professional revolutionists still at large or new ones smuggled in for the purpose, will quickly revive the communist program of terror and violence, should we let down our guard. In addition, our internal defense must now cope with the newest, and perhaps most difficult, tactics of communism: infiltration and sabotage. Without yielding to hysteria we must learn to detect and expose the undercover subversive and infiltrator. Our people must come to know how, in cooperation with their Armed Forces, they can protect themselves against the saboteurs who try to wreck our free institutions.

Against external aggression, we are relying almost entirely on the armed might of the United States to protect and defend us from outside attack. As I said recently on

pigeons, and something new in the Philippines, rabbits, a family fish-pond; home food-preserving; family health protection, etc.

It is a hopeful thing that at last such an interest is being taken by government authorities and leading citizens in the uplift, and more especially the self-improvement, of the rural population; that so much thought and effort is being devoted toward that end; that such intelligent measures are being adopted.

The poor tumble-down nipa hut in a dusty or muddy field, with nothing more than a few scraggly banana plants in the yard and perhaps a few chickens, so common a sight in many parts of the country, in such contrast to the rich orchard groves, the green gardens, the neat houses and the great barns in the rural districts of many other countries, has long been a reproach to our tenants and landlords alike, and also to the government and all the people, the nation.

Something is now being done about that and the determined efforts being put forth are rapidly augmenting,

the occasion of Admiral Radford's visit, we are a small country, of limited manpower and limited resources, and in this age of atom bombs, guided missiles, huge aircraft-carriers, and other costly instruments of warfare, we cannot support and maintain a military posture that would insure us against external aggression.

Thus we have taken the most realistic and logical course open to us, and that was to forge an alliance with an old and trusted friend, the United States, under which we may expect her to lend her full power to our defense against external aggression, while we commit our own military forces to the no less vital task of speedily liquidating our dissident problem.

We are also one of the eight signatories to the Defense Pact formulated during the Manila Conference of 1954. I hope that as time goes on, the implementation and expansion of these alliances will either assure us of peace or give us all possible protection in case of war.

On the subject of our Constitution and our laws, there is certainly no room for disagreement. They are the keystones of the State and of an orderly society; their defense against abuse is the basic duty of every citizen. Our goal must be to assure the protection of our laws to the humblest of our citizens, and the swift imposition of their penalties upon every wrong-doer.

In this connection, I should like to comment upon two forms of criticism which have come to my attention. Some complain that there are too many investigations and that sometimes the innocent suffer. Others are impatient for large-scale convictions.

If corruption is to be eliminated from our public life, charges must be investigated and either proved or discredited. To ignore them is to encourage the spread of corruption and to leave the stain of suspicion upon the innocent as well as the guilty. Honest men of the past Administration regret now that they did not insist upon the exposure of the evils which we have inherited. However, I must urge most vigorously that we all keep in mind a fundamental principle of our laws,—that a man is presumed innocent unless and until proved guilty. What we investigated are charges, not individuals. And even when charges seem sufficiently valid to warrant prosecution, the defendant must still be presumed innocent unless otherwise proved.

As for the impatient critics, I can only say that under this Administration the law must run its course in orderly fashion. None must be denied complete protection of his legal rights and due process. I hold the office of Chief Magistrate under the Constitution. I do not have, nor would I accept, the mandate of dictatorship.

Moving on to the social and economic situation, we find substantial progress in some areas. Roads and various government services now reach large numbers of our fellow countrymen who never enjoyed them before. Production figures have risen. There is a new air of confidence and initiative in our rural areas. But all of this, too, I must stress, is only a beginning. The average income of a majority of our people is still far too low. Great numbers of our productive workers are still without employment.

We know what is needed, and we have the program to achieve it. We know that our idle resources must be brought into production, giving employment and adding to the gross national income. We know that we need industries to process some of our raw materials into products of greater value and market demand. Given the funds, the Government can do such groundwork for this program as the building of roads and irrigation systems. But the major effort must come from private enterprise. Even more urgent, therefore, is the need for the Government to find the means to bring idle domestic capital into productive use; to make our invitation to foreign capital more attractive than those of our competitors.

This brings us to the subject of our relations with our neighbors and the rest of the world.

This nation has earned the respect and admiration of the Free World as the only country in this part of the world which has met the challenge of armed and militant communist aggression within its borders,—and turned the tide against the enemy. And what the world finds most significant in this feat, is that a major factor in our victory was not only military, but social and political. Military success was made possible by demonstrating to our people the practical and moral superiority of democratic processes over communist violence. Several months ago, we had the honor of being chosen as the site for an eight-nation conference out of which came a basic defense pact for this region. In the United Nations, our prestige and influence equals and sometimes exceeds that of older and larger nations. These are national assets of which we have a right to be proud. It is time we outgrew the colonial habit of self-deprecation, instead of showing modest but firm confidence in our maturity and judgment.

The past year has seen a wholesome improvement in our relations with the United States. By consultation and negotiation we have moved away from dependence on America, but closer to the kind of friendship and cooperation which grows out of mutual respect for each other's views and interests. It is this kind of relationship I hope we will achieve with our neighbors in Asia. We can do so if we are consistent and faithful to our policy of working for development, security, and peace through the collective action of free nations.

MY purpose in giving you this broad, though incomplete, view of our national problems and goals, is to help you grasp the tremendous job that faces your Government in the months and years ahead. To accomplish it will take the dedicated hard work of every public servant; it will take greatly increased government revenues and expenditures; it will take above all the unstinting cooperation and effort of all our people. You may ask: Can we not take it more slowly and with less hard work? The answer is that we cannot change the pace of the world we live in. These are swiftly-moving and dangerous times. To lag behind means to be left alone, exposed to the danger of conquest, and losers in the highly competitive race for economic advancement.

What is your role in this task? As leaders in your communities you will naturally set the pace and the standards of the common effort. But I am afraid I must ask you to assume even more responsibility. As intelligent and articulate observers of government, I ask you to act as the conscience of the Government.

In saying this, I do not mean to imply that any one of your public servants is lacking in conscience. It must be recognized, however, that our democratic form of government imposes upon the public servant the distracting element of politics. There is nothing wrong with politics as such. It is an essential element of the party system and the democratic process. But there is a tendency too frequently for the excitement of political competition to distract us from the serious business of government. At the present stage of our nation's history, this is a luxury we cannot afford.

I ask you, therefore, to accept this vital civic responsibility. I ask you to serve as the eyes and ears of our people. I ask you to continue to sit in critical judgment of the performance of your Government. And I ask that you serve as the voice of our people whenever it appears that political motivations are obscuring the national interest in the conduct of your public servants.

I invite every patriotic Filipino to join me in constant renewal of this pledge: To the best of my ability as a human being, and with the help of God, no consideration of personal advantage or convenience shall ever be put above the welfare of the nation, above the best interests of this free Republic of the Philippines.

State Restrictions on Alien Individuals and Corporations in the United States and Territories

TABULAR REPRESENTATION OF THE LAWS OF THE FORTY-EIGHT STATES (AND SIX TERRITORIES) WITH RESPECT TO THE PURCHASE OR INHERITANCE OF REAL PROPERTY BY ALIEN INDIVIDUALS AND TO THE OWNERSHIP OF REAL PROPERTY BY ALIEN CORPORATIONS.

	ACQUISITION OF REAL PROPERTY BY PURCHASE					ACQUISITION OF REAL PROPERTY BY INHERITANCE					OWNERSHIP OF REAL PROPERTY BY CORPORATIONS			
											NO SPECIFIED RESTRICTION BUT:			
	No. restrictions, except as otherwise noted.	Restrictions imposed on non-resident aliens	Time or average restrictions on all aliens.	Other restrictions on all aliens	Common law rules generally applicable	No. restrictions except as otherwise noted.	Reciprocity requirements for aliens non-resident in the U. S.	Limit on tenure of inherited realty by non-resident aliens	Limit on tenure of inherited realty by all aliens	Inheritance prohibited for non-resident aliens	Restrictions imposed on alien and alien-controlled corporations	Call for assimilation of the alien with other out of state corporations only	Grant alien corporations with other out of state corporations equivalent to domestic corporations	Allow assimilation of alien with domestic corporations with general, corporation laws
ALABAMA														
ARIZONA	(1)					X					X (12)*		X (13)	
ARKANSAS	(2)					X	(1)*							X (16)
CALIFORNIA														
COLORADO						X								
CONNECTICUT		X									(6)			
DELAWARE														
DIST. OF COL.						X							X (13)	
FLORIDA						X								
GEORGIA	(3)					X								
IDAHO	(1)					X	(1)						X (12)	
ILLINOIS														
INDIANA			X					X						
IOWA		X						X						
KANSAS								X						
KENTUCKY			X		X		(1-7)							
LOUISIANA						X								
MAINE	(3)													
MARYLAND						X	(1)							
MASSACHUSETTS						X	(3)							
MICHIGAN						X								
MINNESOTA		X				X				X (7-9)				
MISSISSIPPI			X											
MISSOURI						X	(1)							
MONTANA				X										X (12)
NEBRASKA						X								
NEVADA						X								
NEW HAMPSHIRE														
NEW JERSEY	(3)					X	(5)							
NEW MEXICO						X	(3)			X (11)				
NEW YORK						X	(1)						X (13-14)	
NORTH CAROLINA						X							X (15)	
NORTH DAKOTA						X							X (14)	
OHIO		X				X								
OKLAHOMA						X								
OREGON						X								
PENNSYLVANIA						X								
RHODE ISLAND		X				X								
SOUTH CAROLINA						X								
SOUTH DAKOTA		X				X								
TENNESSEE		X				X								
TEXAS			X			X								
UTAH						X								
VERMONT		X				X	(6)							
VIRGINIA	(3)					X	(3)							
WASHINGTON						X								
WEST VIRGINIA						X								
WISCONSIN						X				X (11)				
WYOMING						X								
TERRITORIES					X (5)									
ALASKA		X												
AMERICAN SAMOA		X						X (7)			X			
GUAM														
HAWAII		X								X (10)				
PUERTO RICO		X												
VIRGIN ISLANDS		X				X								

NOTES:

- (1) Restrictions only on aliens who are ineligible for citizenship.
- (2) Restrictions on Japanese and descendants of Japanese.
- (3) Restrictions on enemy aliens.
- (4) Apparently refers to resident aliens only.
- (5) Non-resident aliens only.
- (6) Covers descent only.
- (7) Covers descent acquisition only, in which case acquisition by devise would be on same basis as acquisition by purchase.
- (8) Except citizens of France.
- (9) Except citizens of Syria and Lebanon.
- (10) Inheritance allowed by resident aliens—who must dispose of realty within 5 years.
- (11) Provision for making acquisition by devise on same basis as

- by purchase.
 - (12) Restrictions on corporations in which the alien interest holders are ineligible for citizenship.
 - (13) Right affirmed by judicial decision.
 - (14) Provides exceptions for corporations organized under the laws of countries at war with the United States.
 - (15) Subject to reciprocity from the alien country concerned.
 - (16) Restrictions on corporations in which Japanese or the descendants of Japanese hold interest.
- *Applies to both resident and non-resident aliens. In absence of reciprocity, aliens must dispose of property within 5 years.
 **Alien corporations only.
 —Prepared by S. N. Fisher from material made available by the Philippine As sociation, Inc.

The Business View

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

The Government

From Official Sources

DECEMBER 1—President Ramon Magsaysay gives a luncheon in honor of a number of members of the Joint Atomic Energy Committee of the United States Congress now in Manila in the course of a world-tour in connection with President Eisenhower's "atoms-for-peace" program; the party is composed of Senator John W. Bricker and Representatives W. Sterling Cole, Carl Hinshaw, James E. Van Zandt, and Thomas A. Jenkins and is accompanied by a group of technical men.

The President receives Cardinal Fernando Quiroga y Palacios who arrived in Manila to represent Pope Pius XII at the Second Marian Congress of the Philippines which opens today.

The President receives Senator Quintin Paredes, a member of the Philippine Mission sent to Washington to work for the revision of the Trade Agreement who has just returned from the United States.

The President, learning at a Cabinet meeting, that Faustino R. Losada, chief chemist of the Manila Cristina fertilizer plant, is holding his office in Manila, orders that he be sent to Iligan to set up his office there.

The Cabinet approves the recommendation of a special committee that all the assets of the National Coconut Corporation be applied to the payment of its obligations to private parties and that Congress be requested to enact a law appropriating sufficient funds to pay off the balance of such obligations, while its indebtedness to the Government and its branches and instrumentalities be written off as bad debts.

On the basis of a preliminary obligation, the President's Complaints and Action Committee, the President orders the suspension of Mayor Feliciano Avancena, of San Jose del Monte, Bulacan, charged with irregular acquisition and distribution of NARIC (National Rice and Corn Corporation) rice.

Dec. 2—President Magsaysay, prompted by the allegation of a Liberal Party spokesman that a \$5,000,000 lobby exists to legalize the stay of some 3,500 Chinese temporary visitors in the Philippines, instructs Vice-President and Secretary of Foreign Affairs Carlos P. Garcia to take immediate steps to carry out the earlier decision of the Cabinet to repatriate these persons as early as possible; a Malacanan spokesman states that the President has disclosed that if the efforts of the Department of Foreign Affairs to obtain the cooperation of the Chinese Nationalist Government are unsuccessful, he will take up the matter directly with President Chiang Kai-shek; Department records show some 2,400 Chinese have overstayed and efforts to repatriate them began as early as 1950, but the Nationalist Government has pled inability to receive them and has requested they be granted asylum here.

The President administers the oath of office to Dr. Florencio N. Quintos as Director of the Philippine General Hospital, replacing Dr. Agérico B. M. Sison, who remains Dean of the College of Medicine, University of the Philippines. Learning of the water-shortage in the Hospital, the President telephones the Metropolitan Water District and orders the immediate installation of a pump to be connected with the Hospital's artesian well to augment the pipeliner water supply. The President also promises to make arrangements for the redemption of some \$900,000 in government back-pay certificates received by the Hospital from its patients in payment of hospital bills.

The President and party fly in two helicopters to barrio San Juan, Luzon, Nueva Ecija, "the heartland of Buklandia", where he personally supervises the assignment of over 1000 hectares of land to some 300 families, each receiving around 5 hectares; afterward, the President and party also land at the deserted barrios Candating and Batasan, Arayat, Pampanga, to check on the work of Army engineers there in preparing the area for resettlement, the President being assured that a new road being built will be completed by the end of the month.

Dec. 3—Vice-President and Secretary of Foreign Affairs Garcia issues a statement saying that since the present Administration took

over, not a single Chinese immigrant has been admitted into the Philippines and that only a few Chinese have been granted admission to visit relatives here, none of whom have overstayed; he states that under the treaties of friendship with countries which have diplomatic relations with the Philippines, a yearly quota of 50 immigrants from such countries is provided for, but that "in the case of Nationalist China, not even this conventional quota of 50 immigrants per year is given to China for reasons of national security."

Dec. 4—President Magsaysay suspends Leyte Provincial Fiscal Alberto Jimenez pending determination with respect to administrative charges brought against him for alleged illegal disposition of firearms deposited in his office as exhibits in criminal cases.

Dec. 5—President Magsaysay early in the morning attends Pontifical mass celebrated on the Luneta by Cardinal Quiroga, Papal Legate to the Marian Congress.

Dec. 6—President Magsaysay holds a breakfast conference with officials of Caltex (Phillippines) Inc., including W. F. Eramstedt, visiting President of the California Texas Oil Co. Ltd. and C. Roesholm, President of the local company, who invite him to the inauguration of the new multi-million peso refinery at Bauan, Batangas, on December 11.

The President receives a group of workers from the Engineer Island Workers Union, employed by the National Shipyards and Steel Corporation, who urge that he order that NASSCO be given priority in the awarding of government job contracts and that other government entities be ordered to pay their outstanding obligations to NASSCO as then the Corporation would perhaps be needing additional workers instead of laying them off; they also say that work in the shops is often delayed for lack of funds to buy materials. Later in the day the President confers with Bernardo Abrera, Manager of NASSCO and Isabelo Tapia, supervising engineer, Abrera telling him that he needs around P160,000 to meet retirement and gratuity payments to employees.

Dec. 7—President Magsaysay, accompanied by Manila Mayor Arsenio Lacson and other officials, visit Banglusuay, Tondo, to inspect the damage being done to the shoreline by the water of the Bay; he promises P1,000,000 for construction and repairs.

The President receives the delegates to the United Nations Community Development Conference now meeting in Manila; they are introduced by Social Welfare Administrator Pacita Madrigal-Warns.

Officers of the Philippine Copra Exporters' Association call on the President to protest against a Manila City ordinance imposing a 1.2% tax on copra exports.

The President receives officials and members of the Liberty Wells Association, including Teofilo Reyes, Sr., chairman of the campaign committee and Arsenio N. Luz, executive director of the present campaign, and thanks them and all those who have contributed to the funds of the movement; the previous campaign netted some P450,000 and the new fund drive has already brought in P32,000 in cash plus P3,000 in pumps and pipes, while pledges received come to a total of around P254,300.

At a meeting between Executive Secretary Fred Ruiz Castro and the chairmen of the various boards of examiners, agreement is reached on proposals to be submitted to Congress to amend the laws so as to extend to uniform procedures; it is pointed out that the passing and conditioning grades are not the same in the various examinations and that some boards require failing candidates to repeat the whole examination, while others require them to repeat only the subjects in which they failed.

Dec. 8—The Cabinet approves a recommendation of the National Operation Company that bids be opened for the purchase, lease, or operation on a commission basis of the three government-owned ocean-going vessels, the *Doña Alicia*, the *Doña Nati*, and the *Doña Aurora*; the contract with the present operators, the De La Rama Shipping Lines, which takes a commission of 17-1/2% of the gross income, expires in July, 1955. Under the terms, bidding is limited to Filipino citizens or domestic entities with 100% Filipino-owned capital; bidders must have a paid-up capital and net worth of at least P1,800,000; minimum bid for purchase is P18,000,000; maximum bid for operation on a commission basis will be 12%.

THE challenge of tomorrow fascinates me much more than the achievements of yesterday. . . .
"The dominant physical fact in the next quarter-century will be technological progress unprecedented in kind and in volume . . .

"The forces I have discussed appear to me to cause a chain reaction. First, science and technology create material abundance. Second, this produces new conditions and demands that compel adjustments with resulting social advances. Third, the interdependence of people in a world shrunk by science inevitably requires broader mental concepts, which lead to greater ethical and moral stature—which in turn stimulate man's spiritual growth."—DAVID SARNOFF, Chairman, Radio Corporation of America, *Fortune*, January, 1955.

The Cabinet approves a ceiling price for NARIC rice imported from Thailand of ₱.65 a ganta wholesale and ₱.70 retail; also of onions and garlic to be imported by PRISCO (Price Stabilization Corporation), for onions ₱.75 wholesale and ₱.90 retail, and for garlic, ₱1.00 wholesale and ₱1.20 retail.

In view of falling Manila hemp prices, a committee is created to study possible government assistance to the abaca industry, composed of Secretary of Finance Hernando Sison as Chairman, Secretary of Agriculture Salvador Araneta, Economic Coordinator Alfredo Monteliban, Chairman of the Reconstruction Finance Corporation Eduardo Romualdez, and Ricardo Ledesma, an abaca producer.

The President signs Administrative Order No. 88 creating a special committee on processing back-pay claims, headed by Gregorio Licarao, General Manager of the Government Service Insurance System, thousands of complaints have been received from claimants, but it is pointed out that the Bureau of the Treasury handicapped by lack of personnel, "was not meant to handle such work".

The President receives L. C. Hayden, President of Goodrich International (Philippines), who requests early approval of the Company's application for permission to establish a ₱12,000,000 factory in this country which, it is estimated, would supply around 70% of the Philippines' tire needs, save \$6,000,000 in dollar reserves, and employ at least 1,000 workers.

Dec. 10 — Following extensive public criticism of Congressional "junketing", President Magaysay's request to Congress for information on congressional missions sent abroad, and heated protests from Speaker Jose B. Laurel on his return to Manila on December 6, a conference is held at Malacañang between the President and leaders of Congress and a joint statement is issued:

"President Magaysay held a cordial and fruitful conference at Malacañang this morning with Senate President Rodriguez, Speaker Laurel, and Speaker Pro-tempore Romualdez, marking termination of weekly consultations between the executive and congressional leaders. The conference dwelt primarily on the Administration's program for the next session of Congress in January, with the conferees reaffirming the policy of continued emphasis on development of the rural areas. Among other matters, the question of the various missions undertaken abroad by members of Congress was discussed. It was pointed out that the country which includes leaders of all existing political parties, will inform the President of their accomplishments at the appropriate time in order to enable him to represent the Republic and as a result of the conference, the President promises the missions report to the people on their work. The Accounting Public funds spent on these missions will be used for the benefit of the people in accordance with the normal rules and regulations on the matter."

The President visits the remains of the late Herman Werns and expresses his condolence to Social Welfare Administrator Pacita Madrigal-Werns and former Senator Vicente Madrigal; Werns, who was General Manager of the Manila Gas Company, shot himself in his home yesterday morning. The Cabinet also adopts a resolution of condolence.

The President instructs Executive Secretary Castro to check on the compliance of government officials with the administrative order requiring a statement of their assets and liabilities during the first month of each calendar year.

Dec. 11 — President Magaysay inaugurates the ₱60,000,000 Caltex petroleum refinery at Bauan, Batangas, 115 kilometers from Manila and declares that this is an important contribution to the country's economic development and "an encouraging and stimulating demonstration of the faith and confidence of American investment in the stability and future of the Republic." The President awards the Philippine Legion of Honor (officer) decoration to W. F. Bramstedt, President of the California Texas Oil Co., Ltd., and to C. Roesholm, President of Caltex (Philippines) Inc., the first time the honor has been awarded to men who have served the interests of the Philippine people in the field of industry. (See editorial in the December, 1954 issue.)

Dec. 12 — Following explosions in several fire-works factories recently in Bulacan and Cavite, which took over 30 lives, the President issues instructions to the Department of Labor, the Constabulary, and the Chemical Warfare branch of the Army to conduct an immediate check on all such factories to determine the degree of compliance with the law and safety regulations and which of them, if any, should be closed closed.

Dec. 14 — Malacañang press release states that President Magaysay in a radio-telephone conversation with Senator Jose P. Laurel, head of the Philippine Trade Mission in Washington, expressed his personal congratulations and commendations to each member of the Mission and technical staff, the Senator having telephoned to report on the substance of the final agreement reached by the American and Philippine panels in the Trade Agreement negotiations, on the basis of which reports the President authorized signature. Commenting on the Mission's accomplishments, the President states:

"Our Trade Mission to Washington has concluded many weeks of arduous negotiations, resulting in a proposed revision of our trade relations with the United States which they consider substantially to our advantage. From reports I have received, it appears that the negotiations were characterized by mutual cordiality and sympathy, but were protracted by the many mechanical and technical obstacles which had to be overcome. It is a tribute to the firmness and technical abilities of our negotiators that so many of these problems were resolved in our favor. The new agreement now must be considered for approval by our Congress and the Congress of the United States. Its complete text shortly will be made available for study and discussion. I am confident that it will be given the sober, judicious, and non-partisan consideration that characterized the efforts of our negotiators."

The Board of Regents of the University of the Philippines, acting on the recommendations made by a special committee appointed by President Magaysay to investigate the hazing incident which resulted in the death some months ago of a student, refers most of them to the President of the University for action under the University Charter and instructs him that, pending recommendations by the fraternities and sororities, all initiation ceremonies must be suspended.

Dec. 15 — Malacañang announces that President Magaysay will meet with the Council of Leaders on December 17 to discuss the appointment of a Philippine Ambassador to the Vatican.

The President and Cabinet approve the issuance of a total of ₱22,000,000 for the Agricultural Credit and Cooperative Financing Administration, ₱18,000,000 of which will be used for the issue of certificates of indebtedness guaranteed by the Government of Cebu and queidans at the rate of 80% of the market price, and the other ₱4,000,000 to be used to finance loans to farmers for the purchase of carabaos and agricultural implements; Administrator Osmundo Mondoñedo states that since 1952 the ACCFA has already released over ₱14,260,000 in various types of loans to farmers.

At the Cabinet meeting, PRISCO is authorized to take possession and dispose of the onions and garlic impounded by the Bureau of Customs and hereafter to import these items and also potatoes as the public need warrants.

Upon recommendation of Secretary of Agriculture Araneta and ACCFA Administrator Mondoñedo, the Cabinet authorizes the Manila branch of the Dixie Leaf Tobacco Co., Inc. to import ₱2,000,000 worth of Virginia tobacco (about 2,000,000 kilos) on a non-dollar remittance basis, and guarantees the purchase of the local production of Virginia leaf was 2,000,000 kilos and that the production this year is estimated at 7,000,000, as against a consumption of 14,000,000 kilos.

Upon recommendation of Secretary of Health Paulino Garcia, the Cabinet authorizes the Central Bank to undertake the sale of ₱1,000,000 worth of bonds for the construction of the North General Hospital, Manila, this to be in addition to the ₱1,500,000 already appropriated.

Upon recommendation of Economic Coordinator Monteliban, the Cabinet authorizes the GSIS to advance ₱331,122 to the Manila Railroad Company for pensions of retired employees.

The President issues Administrative Order No. 89 directing the Committee created under Administrative Order No. 82 to study the feasibility of establishing an industrial zone outside the City of Manila; the Committee is composed of Director of Planning, Anselmo Alquiato, Andres O. Hizon, Juan Nakpil, Oscar Arellano, and Carlos Da Silva.

The President issues Executive Order No. 85 establishing the Manila Port Area as a "Rat-Proof Building Zone", only rat-proof structures to be allowed to be erected there and the preparation and sale of bonds to be allowed only in designated buildings.

The President issues a proclamation designating the last week of February every year as "Philippine Industry Week" instead of the period from March 15 to 21 fixed under a proclamation issued last year.

Dec. 16 — President Magaysay receives J. N. Vaughn, local representative of Firestone International, who informs him that his Company is planning to establish a multi-million dollar tire factory in the Philippines; he states the firm intends to invite Filipino capitalists to subscribe to from 25 to 30% of the capital stock; last week, the President received L. C. Hayden, President of Goodrich International (Philippines), who filed application to put up a ₱12,000,000 factory here; the President expresses gratification over the plans of the two American companies to establish factories here in response to his invitation for foreign capital.

The President confers with Director of Lands Zenilo Castillo and instructs him to take immediate steps to acquire the 94-hectare Caotang Estate at Macarhon, Leyte, for subdivision and resale to the tenants; the President is pleased to learn from Director Castillo that his Bureau this year has already issued some 28,000 patents, under a new procedure, as compared to only from 2,000 to 3,000 patents issued annually in former years; the Director states the target is 50,000 a year.

Dec. 17 — With President Magaysay presiding, the Council of Leaders unanimously agrees to the extension of diplomatic recognition to Laos and Cambodia and to send a goodwill and trade mission to Viet Nam. The group also agrees that the Philippines should maintain a separate mission to the Vatican, "leaving it to the Executive Department to implement this decision in accordance with law"; choice for the representative is former Chief Justice and Ambassador to Spain, Manuel V. Moran. The group agrees to withhold comment on the Trade Revision Agreement recently concluded in Washington until the return of the all-party mission headed by Senator Jose P. Laurel; Senator Quintin Paredes explains that, contrary to the popular impression, the Liberal Party had not attacked the Agreement, but that criticism was "put in the mouths of Liberal Party leaders without their consent"; the President states that premature criticism may "furnish ammunition" to interests which may wish to have the Agreement, or parts thereof, killed in the United States Congress.

The President signs Proclamation No. 102 extending the period for the national fund campaign for the Liberty Wells Association for another month up to January 18, 1955.

The President receives John L. Manning, of the Manila Trading and Supply Company, who informs him of plans of the Ford Motor Company to establish an assembly plant in Manila.

Executive Secretary Castro, on behalf of the President, welcomes the members of four amateur baseball teams which will take part in the First Asian Baseball Championship Games in Manila, December 18 to 26; the teams are from Japan, South Korea, Nationalist China, and the Philippines.

Dec. 18 — President Magsaysay announces that he has decided to have the Philippine General Hospital converted into a charity institution exclusively devoted to taking care of non-paying patients; instructions to effect this change are shortly to be issued to the Board of Regents of the University of the Philippines, which has administrative control of the Hospital.

The President receives Bob Hammond, President of the Voice of China and Asia, Inc., a radio network with offices in Pasadena, California, Hammond informing him that his organization is sponsoring a campaign among the American people to solicit donations of clothing and foodstuffs for the needy in the free countries of Asia; tons of relief goods have already been distributed and the organization wishes to send goods also to needy farmers in the settlement areas of the Philippine Government; Mr. Hammond is accompanied to Malacañang by Eligio J. Tavanlar, General Manager of the NARRA, and the President instructs him to give Mr. Hammond all necessary aid in connection with his investigations.

Dec. 19 — President Magsaysay confers with officials of the Department of National Defense and the Armed Forces who inform him that the present strength is the minimum required to maintain internal security; they deny a report that the Department had prepared a "white paper" anticipating the fall of Formosa to the Communists and urging preparation of the country for this contingency; Lt. Gen. Jesus B. Vargas states that "Nationalist China is one of our staunchest allies in the anti-communist struggle, and this report, which is completely without basis, may only hurt our harmonious relations with that Government"; Brig. Gen. Emilio Bialas, Vice Chief of Staff, states that "we would have to admit our own position is untenable if we accept that the fall of Formosa is inevitable, because then we would be exposed on a vital flank. However, this is far from our position." General Vargas also states that while 26 BCTs are operating throughout the country, they are only up to 60% of full strength and he states that to cut this down would endanger peace and order conditions. The President states that there will be no deviation from the primary objective of maintaining internal security. He adds that while tremendous progress has been made in the anti-Huk struggle, the campaign is far from over and the dissidents are merely hoping and waiting for some sign of a slow-down in the Government's efforts. As to the Army's activities in civil affairs, the President states that the contributions of the Armed Forces to economic projects are directly related to their principal objective of maintaining internal security since a policy of force alone, unsupported by economic advancement, would not achieve anything."

Dec. 20 — President Magsaysay receives a report from Budget Commissioner Dominador Aytona stating that as of November 30, 1954, the Government has balanced its income and expenditures with a surplus income of ₱157,726.77. During the 5-month period of the current fiscal year from July 1 to November 30, the income amounted to ₱239,284,305.93, against total expenditures of ₱91,086,579.16. For the same period last year, the total income was ₱224,857,327.87 and the total expenditures ₱235,482,954.67, with a deficit of ₱10,625,626.80.

President Magsaysay receives Walter G. M. Buckish, local manager of Ginn & Co., educational publishers, and Ramon C. Ordozava, of Carmelo & Bauermann, who present him with a copy of a book, "Your Country and Mine," adopted by the Board of Textbooks for use in the Fourth Grade course; the book is the product of the joint partnership of the two companies in the publication of textbooks for Philippine schools; Buckish informs the President that a second book is on the press and that others will follow as fast as the necessary arrangements can be made.

Dec. 21 — President Magsaysay receives a number of members of the House Committee on National Defense, including Rep. Bartolome Cabangbang, who inform him that they have not urged any cuts in the defense budget; he also informs them that the adoption of the "Cabangbang Plan" for reorganization of the Forces and the return to a "citizens army" as originally projected by General Douglas MacArthur and provided for under Commonwealth Act No. 1, would entail the same if not a larger budget for the first year at least. Cabangbang states that he had been misquoted and misunderstood.

The President also receives Rep. Angel Castaño, of Manila, who informs him he will propose an appropriation of ₱3,500,000 for the construction of an airstrip for jet planes; according to Mr. Castaño, one squadron of jet planes from the United States has been pending delivery since January but could not be turned over because of the lack of the necessary airstrip.

Dec. 21 — President Magsaysay receives Budget Commissioner Aytona who informs him that, contrary to protests recently voiced, the Highways Special Fund is being allocated to the various provinces

and cities in accordance with the formula prescribed in Republic Act No. 917 and that many have received at least 50% their shares for the maintenance and repair of roads and bridges as fast as the district engineers could program their projects; he states that releases from the so-called "pork-barrel" funds have not been made in full due to lack of funds, the most that can be expected being around 20% of the amount allocated; actual releases of funds for public works have been made on the basis of the most urgent need, usually determined by typhoons, floods, and other calamities.

Dec. 22 — The President inducts into office five members of the newly-created Community Development Planning Council, several others not being able to be present.

The President also inducts into office members of the Rizal National University Committee.

The President receives Dr. P. V. Cardon, Director-General of the Food and Agricultural Organization of the United Nations and several other FAO officials accompanied to Malacañang by Director Manuel Sulmulong, of the Bureau of Animal Industry.

The President visits the Philippine General Hospital to receive treatment for a cold and also inspects the wards, expressing satisfaction over recent improvements and promising the Director, Dr. Florencio Quintos, that he will work for larger appropriations for the Hospital in line with the plan to make it a charity institution.

The Cabinet, presided over by Vice-President Carlos P. Garcia, approves calling for bids for the sale or lease of the paper mill and bag-making plant of the Cebu Portland Cement Company in Naga and Cebu. It also approves Philippine participation in the ECAFE 6th committee meeting on trade to be held in Hongkong from January 6 to 12. The Cabinet appoints a committee, headed by Secretary of Finance Hernandez, to study the papers on the Cebu astrak beds.

Dec. 23 — President Magsaysay receives Eugene Barnett, former Secretary-General of the World Alliance of Young Men's Christian Associations, who informs him that he is visiting the Philippines for the third time in 20 years; he states that in 1933 he found the young people here obsessed with the idea of independence, in 1947 they were still the same but he had witnessed several years of the Government interested in resuming their interrupted education; now they appear to be most interested in the Administration's program of rural improvement.

The President receives A. D. Calhoun, visiting Vice-President of the National City Bank of New York and formerly a long-time resident here, who states that American investors are showing a real interest in the Philippines but that the "nationalization" movement is tending to discourage investment. The President receives Mrs. Elsie Gaches who tells him that the Filipinos in San Francisco are busy raising funds for the Administration's Liberty Wells program.

The President receives a number of delegates to the Joint Asian National Student Conference to be held in Baguio from December 26 to 31.

Mrs. Luz Banzon-Magsaysay, assisted by some 300 prominent women, distributes 1,000 Christmas packages to indigent and underprivileged children in the 1954 Malacañang Christmas Festival.

Dec. 24 — President Magsaysay holds a breakfast conference with leaders of Congress to discuss the legislative program for next year; further meetings will be held weekly.

The President gives a state dinner in honor of Sir John Kotelawala, Prime Minister of Ceylon, who is visiting the Philippines for a few days in the course of his return from a goodwill trip around the world. The newspapers report that Sir John has suggested that he would be willing to mediate between the Philippines and Japan on the reparations issue.

Dec. 27 — President Magsaysay holds a 45-minute conference with Admiral Arthur W. Radford, Chairman of the U. S. Joint Chiefs of Staff, and Rear Admiral Hugh H. Goodwin, Commander of the U. S. Naval Forces in the Philippines, and Counselor Charles R. Burrows of the American Embassy, also present. In the evening a state dinner is given at Malacañang in honor of the Admiral.

The President issues a proclamation declaring Friday, December 31, a special holiday this year inasmuch as Thursday, December 30, and Saturday, January 1, are first holidays and Action Committee, and the Judge Advocate-General's Office hold a conference in Malacañang to coordinate their activities with respect to tenancy problems to avoid duplication of effort.

Dec. 28 — President Magsaysay authorizes the immediate release of ₱240,000 for typhoon and fire victims in various parts of the country; a large share will go to victims of a recent typhoon in Oriental Misamis.

The President accepts "with reluctance" the resignation of Filemon Rodriguez from his various government posts effective at the close of this year, these including his positions as General Manager of the National News Corporation, Chairman of the National Economic Council, and Coordinator of PHILCUSA; he recently underwent a medical check-up at Johns Hopkins Hospital and was advised to take a rest.

Dec. 29 — The Presidential Asian Good Neighbor Relations Commission announces the establishment of the Magsaysay Asian Awards on a world-wide competitive basis. The award is worth ₱30,000 yearly; the competition formally opens as of January 1, 1955.

and the awards for the winning entries will be made on December 30, 1955; three prizes will be awarded for books on the Philippines, another three for books on any Asian country, and three more for books on Asia in general; prizes for series of not less than six published articles are also included; the Commission is headed by Dr. Mariano de los Santos as Chairman; Modesto Farolan is Executive Vice-Chairman; members are Prof. Nicolas Zafrá, Joaquin Rocas, Eugenio Puyat, Felino Neri, Helen Z. Benitez, Mrs. Tarhata Kiram Salvador, and Claudio Teehankee.

The President visits the Legislative Building to view the remains of Senator Esteban R. Abada which lie in state there; the Senator and former Secretary of Education died in the United States on the 17th.

Dec. 30 — Announced at Malacañang that President Magsaysay has re-appointed Miguel Cuaderno as Governor of the Central Bank to serve a new 6-year term; his first appointment as Central Bank Governor coincided with the founding of the institution; Cuaderno recently returned from the United States where he served with the Laurel Mission.

Banking and Finance

By M. D. ARNOLD
Sub-Manager

The National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31 1949	As of Sept. 30 1954	As of Oct. 29 1954	As of Nov. 29 1954
(In Thousands of Pesos)				
ASSETS	₱460,689	₱444,048	₱428,816	₱406,474
International Reserve... Contribution to the International Monetary Fund... Account to Secure Coinage... Loans and Advances... Trust Account—Securities Stabilization Fund... Domestic Securities... Other Assets...	30,000 113,306 77,047 — 92,197 20,390	30,000 106,941 20,037 — 224,059 59,200	30,000 106,940 37,388 — 225,572 61,068	30,000 106,940 49,708 — 226,095 59,703
	₱793,629	₱884,285	₱889,784	₱878,920
LIABILITIES				
Currency—Notes... Coins... Demand Deposits—Pesos... Securities Stabilization Fund... Due to International Monetary Fund... Due to International Bank for Reconstruction & Development... Other Liabilities... Deferred Credits... Capital... Undivided Profits... Surplus...	₱555,576 74,384 117,682 2,000 22,498 2,389 2,636 10,000 6,464 —	₱601,737 84,993 138,684 14,862 496 2,377 10,505 1,736 5,784 13,268	₱604,784 85,110 138,762 14,860 496 2,377 12,265 2,138 5,928 13,268	₱608,150 85,297 121,272 14,902 496 2,376 14,745 2,486 5,928 13,268
	₱793,629	₱884,285	₱889,784	₱878,920
Contingent Account				
Forward Exchange Sale...	₱6,460			

The International Reserves as of November 31, 1954, were as follows:

Central Bank International Reserves...	\$203,236,770.30
Japan Open Account (due from).....	16,613,160.29
Undivided Profits.....	63,173,350.08
Net FX Holdings other Banks.....	\$283,023,280.67

This is a decrease of approximately \$13,000,000 as compared to October 31, 1954. It is of interest to note the International Reserves have dropped from \$311,000,000 as of August 31, 1954, to \$283,000,000 at the end of November.

The President reviews his year of administration at a public banquet held in the Manila Hotel by various civic organizations.

Dec. 31 — President Magsaysay administers the oath of office to Governor Cuaderno, congratulating him on his work as a member of the Philippine Trade Mission and for the credit arrangements he was able to make with American banks for the Philippine Government; Cuaderno informs the President that 15 big American companies have signified their desire to set up branch factories in the Philippines.

The President directs Secretary of Justice Pedro Tuason and Secretary of Labor Eleuterio Adevoso to make a re-study of the several months' old marine strike with a view to determining whether the circumstances would warrant the President's certifying the strike to the Court of Industrial Relations as directly affecting the national interest.

From 2:30 to 5:00 p.m. Malacañang is open to the public; New Year Day callers are to be received tomorrow between 10:00 and 11:55 a.m.

Currency and coins issued totalled ₱693,446,957.96.

Money continues tight in the banks and in the market. Preliminary reports relative to Christmas sales do not appear encouraging. Possible damage to the rice crop by the October/November typhoons may have been exaggerated and rice production may prove better than anticipated.

Manila Stock Market

By J. J. ORTIGAS
Picornell, Ortigas & Co.

November 27 to December 24, 1954

During the past month a strong demand for copper and iron shares have stimulated buying in Lepanto, Consolidated Mines, Philippine Iron, and Marinduque, all of which registered sharp advances, until profit-taking reduced extreme gains in some issues. Gold shares as a group have been firmer, with Surigao Consolidated and Benguet Consolidated being traded at advanced prices in heavy volume, the latter advance being in sympathy with the strength in this stock in United States market.

The price of gold in the free market remained firm at ₱110 per fine ounce nominal.

In the commercial and industrial section, San Miguel common was unchanged, while PLDT was somewhat easier. Philippine Air Lines shares were traded at ₱9 after reaching a high of ₱10.

MINING SHARES

1953-54 Range	High	Low	Close	Change	Total Sales
133.77 82.78	M.S.E. Mining Share Average.....	133.77	115.96	133.77	Up 14.38 31,884,812
0.255 0.1	Acroy Mining Co.....	.16	.115	.16	Up .0125 1,196,405
0.095 0.037	Atlas Gold Mng. & Dev. Corp.....	.0975	.0825	.095	Up .015 4,876,000
2.75 0.80	Atok Big Wedge Mining Co.....	.85	.85	.87b	Up .02 1,716
0.0975 0.06	Benguet Consolidated Mines.....	.08	.075	.08	Off .0025 217,070
2.10 0.60	Batong Buhay Gold.....	.76b	.002	.002	Up .0002 50,000
0.0026 0.0011	Benguet Consol.....	3.40	3.00	3.35	Up .50 57,000
4.60 2.60	Consolidated Mines, Inc.....	.031	.0235	.032	Up .008 16,653,500
0.032 0.017	General Base Metals.....	.031	.0235	.032	Up .008 16,653,500
0.305 0.08	Hibac Gold Mining Co.....	.15	.10	.15	Up .0575 156,000
0.105 0.025	Inc. L. Mining Co.....	.03	.025	.03b	— 160,000
0.70 0.325	Lepanto Cons. x.....	.70	.59	.68	Up .01 832,000
0.25 0.13	Marinduque Iron Mines.....	.21	.14	.21	Up .075 929,151
0.15 0.05	Mindanao Mother Lode.....	.155	.1075	.155	Up .05 763,440
0.23 0.06	Paracale Gums.....	.08	.08	.08b	— 28b
4.05 1.40	Philippine Iron Mines, Inc.....	3.75	3.10	3.45	Up .15 212,750
0.27 0.17	Surigao Cons. x.....	.24	.20	.24	Up .02 947,690
0.015 0.008	Suzoc Cons. x—Dividend	.01b	.01b	.01b	—

COMMERCIAL SHARES

₱196.00 135.00	Bank of the Philippine Islands.....	—	—	200.00b	—
20.00 11.00	Bogo-Medalla Milling.....	14.00	14.00	14.00	—

72.50	69.00	Central Azucarera de Baños	—	—	70.00	—	—
13.00	10.60	Central Azucarera de la Carlota	—	—	12.00	—	—
10.50	9.00	Central Azucarera de Pinar	—	—	9.50	—	—
45.00	26.00	Central Azucarera de Taclac	—	—	43.00	—	—
12.75	10.00	Cig. de Celulosas de Filipinas, Inc.	12.75	12.50	12.75	—	1,850
24.00	22.00	Fil. Co. de Seguros	—	—	22.00	—	—
10.00	1.98	Industrial Textiles	—	—	—	—	—
7.50	7.00	Inular Life Ass. Co.	2.50	1.98	1.98	Off	.52
0.40	0.27	Manila Broadcasting Co.	—	—	—	—	—
4.00	2.80	Manila Wine Merchants & Co.	4.00	4.00	4.00	Up	35,000
0.08	0.08	Maramba & Co.	.08	.08	.08	—	1,600
0.06	0.06	Mayon Metal, class "B"	—	—	—	—	20,000
0.06	0.06	Mayon Metal, class "A"	—	—	—	—	—
153.00	153.00	Metropolitan Ins. Co.	.06	.06	.06	—	15,000
34.00	20.50	Pasudco	—	—	26.00	—	—
10.00	5.60	Philippine Air Lines, Inc.	10.00	9.00	9.00	Off	100
25.50	25.50	Philippine Guaranty Co., Inc.	—	—	24.00	—	—
17.25	11.50	Philippine Long Dist. Tel. Co. com. x	16.75	16.25	16.50	Off	.50
0.0525	0.014	Philippine Oil Dev. Co., Inc. xx	.043	.039	.043	—	4,624,300
1.00	0.86	Philippine Racing Club, Inc.	—	—	.90	—	—
100.00	99.50	R & D 4% Bonds, 1959	—	—	99.50	—	—
35.50	29.00	San Miguel Brewery, com.	32.50	32.00	32.50	—	38,616
100.00	93.00	San Miguel Brewery, 7% pref.	99.00	99.00	98.50	Off	.50
107.50	102.00	San Miguel Brewery, 4% pref.	104.50	103.50	104.50	Up	1.00
10.00	3.00	Williams Equip. com. xx—Dividend	—	—	10.00	—	—
		xx—Rights	—	—	—	—	—

OVER THE COUNTER

Company	High	Low	Close	Total Sales
Eastern Development Co.	₱ 0.004	₱ 0.004	₱ 0.004	25,760,779
East Mindanao Mining	0.015	0.015	0.015	45,000
Easton Theatrical Co.	10.00	10.00	10.00	150
Manila Jockey Club	1.80	1.80	1.80	3,500
Mine Operations, Inc.	0.004	0.004	0.004	336,833
Nielson & Co., Inc.	0.01	0.01	0.01	6,000
Northern Luzon Trans., Inc.	5.00	5.00	5.00	60
Philippine American Ice Co.	75.00	73.00	75.00	40
Philippine College of Commerce & Business Administration, com.	190.00	190.00	190.00	15
Victorias Milling Co., Inc.	95.00	95.00	95.00	1,005

Credit

By DUNCAN BURN

Manager, Eastern Inspection Bureau and
Manager, Association of Credit Men, Inc. (P.I.)

IN its December meeting, the Board of Directors of the Association of Credit Men, Inc. (P.I.) approved applications for membership from Aguinaldo's Echague, Inc., Communications Electrical Equipment and Supply Co., Inc. and Oceanic Commercial, Inc. With these three firms becoming active members on January 1, 1955, the Association enters the New Year with ninety members, this being the largest membership in its history.

Association members provided considerable pertinent information in mid-September on the general situation concerning credits and collections. A similar survey will be completed in January. A preliminary survey has been made, with about 70% of the executives interviewed reporting the collection situation at the end of December as unchanged from the situation in September. However, all but one who reported no change, felt that absence of change resulted from specific efforts exerted and that without such efforts the situation would have been worse. Of the executives interviewed, 18% felt the collection situation at the end of December was tighter than in September, with increased holiday sales a contributing factor. Of the credit men interviewed, 12% reported the collection situation slightly easier at the end of December as compared to September, 1954, but indicated the change was very slight and could be attributed in large part or primarily to stronger collection efforts.

Several credit men noted some cleaning-up of accounts at year-end, but in general a smaller number of accounts were settled in full this year than in any past year. Most credit men report clients have made more serious efforts to use more credit for longer periods, and in some instances limits have been increased and terms extended. Almost every credit man interviewed recently reports the year-end situation of 1954 as worse than at year-end 1953 or previous years. In some specialized lines, December collections were somewhat better and some banks reported December collections generally better. There has been some further increase in use of domestic letters of credit, and post-dated checks continue much in evidence. Some inventories are high and some merchants appear to be operating cautiously and cash continues to be very tight. Most credit men cannot foresee any immediate prospect for improvement, although some suggest hope of improvement in collections during the first quarter of 1955. In view of continuing tight conditions and collection difficulties, most credit men feel that the only methods to be used include more careful extension of credit, closer control over accounts, and more diligent efforts in collection.

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Vice-President, Manila Electric Company

1941 Average—16,316,000 KWH

	Kilowatt Hours	
	1954	1953
January	57,301,000	50,107,000
February	52,447,000	45,501,000
March	57,779,000	50,789,000
April	54,408,000	49,159,000
May	57,773,000	52,042,000
June	58,525,000	51,304,000
July	60,206,000	53,877,000
August	60,385,000	54,275,000
September	59,680,000	53,636,000
October	62,184,000	55,943,000
November	58,739,000	53,756,000
December	62,325,000	57,968,000
Total	701,752,000	628,357,000

THE steady upward trend of electric power production was continued in 1954. Output for the year was 701,752,000 kwh, which is 73,395,000 kwh, or 11.6%, above 1953, compared with an increase in 1953 over 1952 of 70,898,310 kwh, or 12.7%.

Because of longer nights and holiday lighting, December has invariably been the month of greatest output, and this was true again this year. Records set in December, 1954, compared with last year are as follows:

	Dec. 1954	Dec. 1953	Increase	% Increase
Monthly Output—KWH	62,325,000	57,968,000	4,357,000	7.5
Highest Daily Output—KWH	2,287,600	2,114,200	173,400	8.2
Highest Peak Load—KW	164,800	147,600	17,200	11.6

The continued phenomenal growth of the system is well illustrated by a comparison of 1954 figures with those for 1949.

	1954	1949	Increase	% Increase
Yearly Output (KWH)	701,752,000	380,491,000	321,261,000	*84.5
Peak Load (KW)	164,800	90,000	74,800	83.1
Customers	247,000*	174,229	72,771	41.8
Plant and Property	₱105,000,000*	₱68,748,000	₱36,252,000	52.7

*Estimated

DURING the above five-year period, the gross sale-price of electricity dropped from ₱.0776 per KWH to ₱.0670, a decrease of 13.2%. It should be understood

that sales of electricity are about one quarter below electricity produced because of line-, transformer-, and other unaccounted for losses.

Real Estate

By ANTONIO VARIAS

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

REAL ESTATE sales registered in the Greater Manila area during the month of December, 1954, numbered 468, with a total value of P5,162,737, as compared with 511, with a total value of P7,243,926, registered during the preceding month of November.

Of the December sales, 93, with a total value of P1,180,416, represented deals within Manila proper, and 375, with a total value of P3,982,321, were transactions registered in the cities of Quezon, and Pasay, and in the suburban towns of Calocan, Makati, Malabon-Navotas, Mandaluyong, Parañaque, and San Juan.

A few of the bigger sales registered during the month were:

Binondo
CITY OF MANILA
Pereira St. No. 5. A property with a lot of 418.5 sq.m. sold by Daimacio Quirido to Zenaida G. de Herboza for P92,070.

Ermite
P. Faura corner Dakota Sts. A tract of 6,201.9 sq.m. sold by Ateneo de Manila to the Insular Life Assurance Co., Ltd. (to be used as Caltex Office site) for P469,710.

San Nicolas
Azcarraga-Elicano Sts. A property with a lot of 2,016 sq.m. transferred to the corporate name Domestic Investments Corp. for a consideration at P230,000.

Sampaloc
Gov. Forbes St. A property sold by Florencio Miranda to Emilio Panlualqui for P65,000.

Sta. Cruz
Plaza Goti. The sale of a 3-story reinforced concrete building (Consolidated Investments Building) to Roman E. Santos by the Consolidated Investments, Inc. for P1,900,000.

Cubao
QUEZON CITY
Opposite Ateneo de Manila. A tract of 107 hectares sold by Varsity Hills Inc. to Xaxiville Estate Inc. for P497,448.

New Manila
10th St. A parcel of 5,193 sq.m. sold by Magdalena Estate, Inc. to Antonio P. Madrigal for P80,000.
Española Ext. A property with a lot of 3,903 sq.m. sold by Pacita V. de los Santos to Jesus L. Sotelo for P70,000.

Sta. Mesa Heights
Cenicon St. A property with a lot of 800 sq.m. sold by Rosario G. de Sera to Soledad A. de Versosa for P70,000.

PASAY CITY
Leveriza St. A property with a lot of 3,631 sq.m. sold by Tomas Cloma to Fim Fisher (P.I.) Corp. for P69,000.
Park Ave. A property with a lot of 2,182 sq.m. sold by Pablo Cuneta to Santiago Abraham for P135,000.

SUBURBAN TOWNS
Makati
San Lorenzo Village. A tract of about 2.6 hectares sold by San Lorenzo Co., Inc. to the Trustees of San Miguel Brewery Provident Fund for P286,267.
Ayala Ave. A tract of 8,000 sq.m. sold by Ayala Securities Corp. to the Kodak Philippines, Inc. for P160,000.
Pasong Tamo. A parcel of 5,000 sq.m. sold by San Lorenzo Co., Inc. to Aircon, Inc. for P85,000.

Pasig
Rosario. A tract of 55,424 sq.m. sold by Roberta Diaz to Benjamin Cheng for P55,424.

Parañaque
Tambo. A parcel of 1,048 sq.m. sold by Vicente Arias to Fausto P. Gonzales, Jr. for P34,825.

REAL ESTATE mortgages registered in the Greater Manila area during the month numbered 470, with a total value of P7,214,884, as compared with 519, with a total value of P8,450,311, registered during the preceding month of November.

Of the December mortgages, 293, with a total value of P3,661,970, represented deals within the cities of Quezon, Pasay, and in the suburban towns first above mentioned, while 177, with a total value of P3,552,914, re-represented deals within Manila proper.

REAL ESTATE SALES, 1954

	Manila	Quezon City	Pasay	Suburban Towns	Total
January.....	P4,757,076	P1,306,427	P505,410	P1,676,512	P8,245,425
February.....	2,444,703	2,295,413	330,245	1,859,162	6,929,523
March.....	2,811,805	2,501,229	162,167	2,239,095	7,714,296
April.....	4,692,440	1,381,442	169,520	976,526	7,170,328
May.....	2,412,941	1,587,327	246,905	1,644,658	5,891,831
June.....	2,584,689	4,280,526	175,518	2,165,846	9,206,957
July.....	3,383,397	1,122,490	320,251	2,090,503	6,326,641
August.....	1,948,002	1,458,729	490,560	2,383,531	6,280,822
September.....	2,255,463	1,184,084	250,258	2,215,575	5,905,380
October.....	973,165	2,473,364	236,544	1,490,578	5,174,051
November.....	1,402,826	1,610,611	802,262	3,428,227	7,243,926
December.....	1,180,416	2,005,270	393,967	1,383,084	5,162,737
Total.....	P30,846,923	23,207,312	4,084,007	23,663,297	81,251,917

REAL ESTATE MORTGAGES, 1954

	Manila	Quezon City	Pasay	Suburban Towns	Total
January.....	P6,243,766	P1,308,920	P517,867	P3,629,703	P11,700,256
February.....	2,980,579	1,891,440	600,810	2,115,852	7,588,616
March.....	4,400,965	2,132,170	417,390	1,773,031	8,723,556
April.....	5,606,798	1,392,580	267,850	1,503,990	7,771,218
May.....	4,148,835	1,991,400	334,300	1,710,865	8,185,400
June.....	5,523,711	1,486,785	607,500	2,119,165	8,807,261
July.....	7,768,526	2,237,031	284,470	2,167,730	10,657,827
August.....	5,170,526	1,853,524	890,613	1,714,034	9,567,697
September.....	3,876,293	1,746,971	495,000	2,245,416	9,363,680
October.....	1,376,235	1,819,147	791,400	3,073,204	7,050,986
November.....	4,866,300	1,638,178	226,910	1,718,923	8,450,311
December.....	3,552,914	1,779,359	192,200	1,690,411	7,214,884
Total.....	P56,585,448	20,447,505	5,565,310	25,653,325	105,081,723

Building Construction

By JUAN J. CARLOS

President, United Construction Co., Inc.

DURING the month of November, the Office of the City Engineer approved building permits for construction work amounting to P3,013,465. For the same period in 1953, the volume of work authorized amounted to P3,704,580, in comparison with P2,748,600 in 1952 and P4,819,360 in 1951.

Some of the big projects that were started during the month under review were:

A 2-story industrial building for Tanduay Distillery, Inc., owned by Elizalde & Co., at 348 Tanduay Street, costing P200,000.

At 1120 Velasquez, a 2-story steel and reinforced concrete building for the Philippine Manufacturing Co. estimated at P180,000;

An office building for the Philippine Match Co. on Punta, Sta. Ana, costing P140,000;

On P. Herrera, Tondo, a 3-story factory building for La Campana Shirt Factory, estimated at P120,000;

For Ang Kun, a second-story addition to the present factory building at 718 Sto. Cristo Street, costing P80,000;

At 13 de Agosto, Paco, a 3-story school building for Paco Catholic School, estimated at P80,000.

DURING the period under review, prices of essential building materials remained firm. With the new cement factory at Bacnotan, La Union, now producing, all cement requirements of the northern provinces, including Baguio City, are supplied from this source, this easing the situation in the Manila and southern provinces area, which is well handled by Madrigal's Rizal Cement Factory and by shipments from the Cebu Plant of Cebu Portland Cement Company.

Reinforcing steel bars and other steel products are being produced in sufficient quantity by Marcelo Steel Corporation to meet the present demands of builders.

Arrastre Service, Manila

(Port Terminal Service)

By FRANCISCO DELGADO

General Manager, Delgado Brothers, Inc.

AS expected, a substantial increase in tonnages of cargo handled over the piers in the Port of Manila was registered during the month of December, 1954. De-

spite the fact that this reached an over-all total of 133,000 tons, every threat of possible congestion on the piers was averted through the proper implementation of carefully prepared plans of operation for such eventuality.

Well-coordinated operations between the Customs authorities and personnel and Delbros arrastre people, combined with maximum use of modern mechanized materials-handling equipment, resulted in expeditious delivery of cargo. To forestall the possibility of work stoppage due to lack of storage-space in the sheds, every available space outside the sheds was utilized for stowage of unperishable cargo.

It is significant that despite the heavy inflow of cargo and its rapid clearance and delivery, no sizable loss from pilferage or mishandling has been reported.

Toward the end of the year and foreseeing the possibility of congestion during the 4-day holiday which started on December 30, 1954, to January 2, 1955, the Delgado Brothers, Inc. offered delivery service during the holidays free of overtime charges.

During the month under review, Delbros also extended its help to the Social Welfare Administration by handling the unloading and delivery operations of a large shipment of CARE packages.

On the lighter side, a festive and holiday mood permeated the atmosphere on the waterfront. Delbros and Esguerra & Company celebrated their Christmas programs in the port-premier. The Delgado Brothers, Inc. held its traditional Christmas celebration on December 19, with a record attendance of more than 3,000 dockworkers. The day's activities were ushered in by a Mass officiated by His Grace, Mons. Rufino Santos, Archbishop of Manila, and this was followed by a musical program featuring special stage presentations by well-known movie and stage personalities. The highlight of the program was the raffing off of more than 100 valuable gifts and the distribution of Christmas-gift grocery-packages to more than 3,000 workers of the Company.

COMPARATIVE TONNAGES HANDLED IN THE PORT OF MANILA 1953-1954

	1953		1954	
	Dockside	Shipside and Bulk	Dockside	Shipside and Bulk
January	84,634	92,458	103,878	67,594
February	106,792	87,859	82,853	67,652
March	90,713	108,869	100,161	118,720
April	96,270	55,341	110,764	113,396
May	100,507	120,320	115,203	131,649
June	122,198	100,345	105,589	88,396
July	117,787	93,719	79,671	124,781
August	99,812	132,961	81,199	91,039
September	94,003	88,184	99,744	98,245
October	91,023	95,976	119,000	83,284
November	97,715	98,634	101,091	96,075
December	103,666	120,342	133,298	85,380

Ocean Shipping and Exports

By E. H. BOSCH
Secretary-Manager
Associated Steamship Lines

TOTAL exports during the month of November this year showed a decrease of 12,416 tons over exports during November last year; 122 vessels lifted 383,776 tons of exports during the month, as compared with 396,192 tons lifted by 141 vessels during the same month last year.

Exports for November, 1954, as compared with exports during November, 1953, were as follows:

Commodity	1954	1953
Best.....	280 tons	272 tons
Charcoal.....	30 "	—

Cigars and cigarettes.....	750	32
Coconut, desiccated.....	3,453	4,073
Coconut oil.....	5,359	8,355
Concentrates containing copper, gold, silver and lead.....	379	494
Concentrates, copper.....	6,889	—
Copra.....	66,406	59,123
Copra cake and meal.....	6,539	6,930
Embroideries.....	359	292
Empty cylinders.....	380	251
Fish, salted.....	13	17
Furniture, rattan.....	477	321
Glycerine.....	399	300
Gums, copal.....	100	58
Gums, elemi.....	13	—
Hemp.....	58,723 bales	54,701 bales
Hemp rags.....	164 tons	—
Household goods and personal effects.....	605	319 tons
Logs.....	38,130,950 bd.ft.	52,093,793 bd.ft.
Lumber, sawn.....	4,851,675	4,262,075
Molasses.....	4,477 tons	5,507 tons
Nuts, peanuts.....	308	—
Ores, chrome.....	38,578	47,043
Ores, iron.....	98,577	94,518
Plywood and plywood products.....	190	—
Rattan, round (palasan).....	239	226
Rope.....	280	280
Rubber.....	45	—
Shells, shell waste.....	92	71
Shell buttons.....	15	—
Skins, hides.....	15	212
Sugar, cent. raw.....	47,747	37,828
Sugar, refined.....	40	467
Tobacco.....	1,192	346
Veneer.....	36	13
Transit cargo.....	460	362
Merchandise, general.....	2,460	517

Freight Car Loadings

By JOSE B. LIBUNAO
Traffic Manager, Manila Railroad Company

LOADINGS of revenue freight during the month of November, 1954, totaled 2,513 cars. This was a decrease of 351 cars, or 12% less than the loadings during November, 1953, of 2,864 cars. The decreased loadings occurred in the 3rd District by 649 cars, in the 4th District by 150 cars, and in the 5th District by 93 cars. The decreases in carloadings were in part offset by increases in the 1st District by 320 cars, in the 2nd District by 165 cars, and in the Manila area by 56 cars, resulting in an aggregate decrease of 351 cars.

Revenue freight carloadings by group classes of commodities for the month of November were as follows:

Group Commodities	November-Tonnage	
	1954	1953
Products of agriculture.....	10,800	25,825
Animal products.....	217	642
Products of mines.....	892	1,349
Products of forests.....	6,452	10,801
Products of manufactures.....	29,115	19,175
Merchandise less than by carload.....	7,974	4,725
Total.....	55,450	62,517

In this review for the month of November, 52 items were treated, with 16 items registering increases of 16,987 tons and 36 items registering decreases of 24,054 tons, or a net decrease of 7,067 tons.

The principal items which showed increases were: centrifugal sugar, 5,857 tons; cement, 4,344 tons; merchandise less than by carload, 3,249 tons; fertilizer, 1,223 tons; and miscellaneous manufactures, 606 tons; an aggregate increase of 15,279 tons. On the other hand, the principal items which showed decrease were: sugar cane, 10,579 tons; lumber, 2,814 tons; palay, 1,661 tons; copra, 1,518 tons; desiccated coconut, 1,033 tons; gasoline, 918 tons; fuel oil, 796 tons; rice, 730 tons; other forest products, 570 tons;

sand, stone, gravel, and gravel, 25 tons; and vehicles, 12 tons; or an aggregate decrease of 21,688 tons.

The month of November, 1954, was a very poor month as indicated by a general decline among 36 items and only 16 items with favorable showing.

Mining

By HENRY A. BRIMO
President

Philippine Gold Producers Association, Inc.

THE last month of 1954 ended on a quiet note for gold producers. From a production viewpoint, there is nothing unusual to report, and the same may be said about profit expectations for the entire year—other than already known.

December news is, in fact, almost entirely restricted to reporting another decline in the gold price, and the actual beginning of the Gold Subsidy under Republic Act No. 1164.

Gold prices in our local market went down another peso during the month under review, with last sales at ₱108.80 per ounce, bullion, with buyers remaining on the sidelines during the final week of the year. [Just what the new year will bring for local gold prices remains to be seen, but present indications do not appear to indicate any great movement one way or the other.

The Gold Subsidy Board, meanwhile, has advised that sales may now be made to the Central Bank at ₱111.72 per ounce refined, for marginal mines, and it is understood that the San Mauricio Mining Company is the first to offer to sell under the subsidy. At this writing, however, the sale has not yet been fully consummated. January should bring more sales of gold to the Central Bank, considering the current price in our premium market.

The new year 1955 brings with it little promise or hope for our gold producers, most of whom are extremely busy examining new areas, principally for base metals. The mining industry as a whole, however, may distinguish itself by bringing several new properties into an advanced development stage. It can, moreover, be said that never has the search for new mining properties in the Philippines been as great, or as inspired, as at present. Verily, despite great difficulties, mining in the Philippines is far from expiring. Instead, it may be said to be on the verge of a great rebirth, spurred by the apparent success of several mining companies, notably Mindanao Mother Lode Mines, Inc., Lepanto Consolidated Mining Company, and Marinduque Iron Mines in finding promising new copper properties, as well as by the quicksilver discovery in Palawan by Marsman engineers and the discovery of uranium in the Larap property of the Philippine Iron Mines.

The year 1955, as before mentioned in these columns, will also see two new properties begin production (Atlas Consolidated and Masara), and the resumption of gold production by the Paracale Gumaus Consolidated Mining Company after a lapse of 14 years. In general, mineral production should be better, with the copper and iron output expanding and gold production remaining about the same as in 1954.

Lumber

By PAFICICO DE OCAMPO
Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

DURING the month under review, November, 1954, the Philippines exported 44,896,317 bd. ft. of logs and lumber, 6,902,864 bd. ft. less than the preceding month. The decrease was due to a decrease of 7,234,905 bd. ft.; in the shipments of logs to Japan, from 40,288,065 bd. ft. in October to 33,053,160 bd. ft. in November. The exports to the United States and Canada increased by 220,238 bd. ft., from 5,521,479 bd. ft. in October to 5,741,717 bd. ft. in November. Exports to all other countries increased by 111,803 bd. ft., from 5,989,637 bd. ft. in October to 6,101,440 bd. ft. in November, 1954.

The following are the figures for the logs and lumber in bd. ft. inspected for export during November, 1954, as released by the Bureau of Forestry:

Shipper	Destination	Volume in Board Feet	
		Lumber	Logs
Agunaldo Development Corp.	Japan		2,084,355
Agusan Timber Corp.	Japan		2,000,000
Anakan	U. S. A.	127,513	100,000
Lumber Co.	Japan		2,250,000
Atkins Kroll & Co.	Japan		500,000
Basilan Lumber	U. S. A.	1,089,489	482,155
ber	Formosa		599,596
Company	Hongkong	69,629	
	Japan		299,776
Bislig	U. S. A.	236,563	
Bay	Hongkong	294,776	
Co., Inc.	Japan		2,200,000
Bicol Industries Co.	Korea		364,860
Calapan Lumber Co., Inc.	Japan		485,246
Cantilan Lumber Co.	Japan		499,251
Chunusa Co., Ltd.	Korea		1,083,039
Continental Merchandizing			
Corp.	Korea		581,598
Cusson Lumber Co., Inc.	Japan		700,000
Dy Pac & Co., Inc.	Formosa		718,400
Extensive Enterprises, Inc.	Japan		399,899
Findlay Miller Timber Co.	Japan		700,000
General Enterprises, Inc.	Formosa		850,000
Gonzalo Puyat & Sons, Inc.	Japan		300,089
C. S. Mañalac Enterprises	Japan		300,000
Hercules Lumber Co., Inc.	Japan		1,542,776
Iligan Lumber Co., Inc.	Japan		800,000
Insular	U. S. A.	1,197,000	
	Africa		338,100
	Canada		41,663
	Hawaii		170,345
	Belgium		40,663
	Guam		27,616
Jebenaour & Co., Inc.	Japan		702,040
Johnston Lumber Co., Inc.	Japan		1,359,654
Lanao Timber Mills, Inc.	Japan		599,599
La Villa de	Korea		739,503
Manila	Japan		396,857
L. A. Johnson	Jawawi	253,625	
Lee Chao	Japan		300,000
Luzon Manufacturing Enter.			
Inc.	Japan		104,168
Marciana E. Lasam & Co.,			
Inc.	Japan		247,016
Martha Lumber Mills Enter-			
prises	Japan		650,000
Mindanao Deep Dev. Co.,			
Inc.	Japan		200,000
Misamis Lumber Co., Inc.	Japan		599,999
Nasipit Lumber Co.,	U. S. A.	768,116	
Inc.	Japan		750,000
	Japan		3,800,000

COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF OCTOBER AND NOVEMBER, 1954

Period	Lumber in Board Feet					Logs in Board Feet					Grand Total
	Western States	Eastern States	Gulf States	All Others	Total	Western States	Eastern States	Gulf States	All Others	Total	
October, 1954	2,344,693	746,505	153,396	133,707	3,378,301	657,434	—	1,185,689	300,655	2,143,178	5,521,479
November, 1954	2,546,089	500,000	100,000	500,000	3,646,089	1,073,185	321,822	458,968	199,989	2,053,965	5,700,054
Difference (Increase; Decrease—)	201,396+	246,505—	53,396—	366,293+	267,788+	415,752+	321,822+	726,721+	100,066—	189,213—	178,575+

North Camarines Lumber Co., Inc.	Japan	1,052,585
North Star Lumber Co., Inc.	Japan	795,819
North Zambales Lumber Co., Inc.	Japan	349,980
Ralph W. Dempsey, Inc.	U. S. A.	27,244
Sta. Clara Lumber Co., Inc.	U. S. A.	599,988
Sta. Ines Logging Enterprises	Japan	999,730
Sanchez Logging Co.	Japan	936,793
Serra & Co., Inc.	Japan	595,867
Standard Sawmill	Japan	124,078
Surigao Timber Co., Inc.	Japan	1,000,000
Valeriano C. Bueno	U. S. A.	299,912
Vic Corp.	U. S. A.	321,822
Western Mindanao Lumber Co., Inc.	Japan	400,000
Woodworks, Incorporated	Japan	604,168
	U. S. A.	200,164
	Hongkong	39,918
	Okinawa	170,154
Totals		5,092,578 39,803,739

Resume of Exports to:

	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	33,053,160	33,053,160	33,053,160
United States and Canada	3,687,572	2,053,965	5,741,537
Other countries	1,404,826	4,696,614	6,101,440
Totals	5,092,578	39,803,739	44,896,317

SUMMARY OF EXPORTS DURING NOVEMBER, 1954, ARRANGED BY COUNTRIES OF DESTINATION IN THE ORDER OF VOLUME OF SHIPMENT TO EACH COUNTRY

Countries of Destination	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	33,053,160	33,053,160
United States	3,646,089	2,053,965	5,700,054
Korea	—	2,528,218	2,528,218
Formosa	—	2,169,396	2,169,396
Hawaii	423,970	—	423,970
Hongkong	404,323	—	404,323
Africa	338,100	—	338,100
Okinawa	170,154	—	170,154
Canada	41,663	—	41,663
Belgium	40,663	—	40,663
Guam	27,616	—	27,616
Totals	5,092,578	39,803,739	44,896,317

Arrivals of logs and lumber in Manila during the month under review, November, 1954, aggregating 7,821,273 bd. ft., decreased by 4,550,562 bd. ft., as compared to arrivals during the previous month of 12,371,835 bd. ft.

During the month under review, November, 1954, the local wholesale lumber market ruled generally stable with prices of white luan, apitong, and red luan remaining as of the previous month at P125-P130, P130-P140, and P150-P165, respectively.

Copra and Coconut Oil

By WILLIAM S. RICE, JR.

Copra Buyer, Philippine Manufacturing Company

THE market was steady to firm, and prices had a rising tendency across the month.

Prices advanced slowly during the first half of the month but turned up more sharply toward the end as production and selling-interest declined to a low point for the Christmas holidays. Poor weather conditions also encouraged higher prices. The market closed strong on the basis of the usual narrow holiday selling-interest.

During December a good volume of future business was closed with Europe, but trading for nearby shipment was slack and local consumers could buy nearby delivery at discounts.

The shipping-space situation for Europe continues tight, and there will also be a shortage of space to America during the first half of January as most sailings are scheduled after January 20.

Copra and Coconut Oil Prices

	High	Low	Close
Copra:			
West Coast, c.i.f. per short ton nearby	\$180 00	\$164 00	\$179 00
Europe, c.i.f. per long ton, 45-60 days	\$202 50	\$191 50	\$202 50
Manila, fresh, resecaada basis, per 100 kilos at bodega, 30 days	P31 50	P29 25	P31 50
Coconut Oil:			
West Coast, c.i.f. per pound, 45-60 days	12-3 4¢	11-3 4¢	12-3 4¢
East Coast, c.i.f. per pound, bulk, afloat	13-1 4¢	12-3 8¢	13-1 4¢

Copra Cake and Meal Prices. Prices continued firm, with Europe still leading the advance, but at mid-month American buyers finally entered the market with competitive prices, and began to buy for January and February shipments. At month-end, prices were generally equivalent to \$70-\$71 net per short ton c & f Los Angeles.

Copra Statistics

	Philippine Copra and Coconut Oil Exports (In long tons)		
	October	November	December
Copra Exports			
United States	24,843	23,357	18,903
Europe	35,581	41,494	32,050
Other countries	23,143	1,515	6,105
Total	83,607	66,406	56,158

Coconut Oil Exports

United States	5,065	5,799	6,744
Other countries	500	243	300
Total	5,565	6,042	7,044

Manila and Cebu Copra Arrivals

(In metric tons)

	Manila		Cebu		Manila & Cebu Percentage		
	1954	1953	1954	1953	1954	1953	1954/53
January	13,038	8,448	15,490	12,662	28,528	21,130	135.0%
February	11,974	7,741	14,218	13,029	25,892	20,770	124.7%
March	10,356	6,897	14,170	17,991	24,526	24,888	98.5%
April	10,300	8,305	13,926	13,380	24,226	21,685	111.7%
May	14,529	9,202	19,307	10,164	33,836	19,366	174.7%
June	17,601	10,541	19,466	14,462	37,067	25,003	132.2%
July	17,578	13,620	23,889	18,182	41,467	31,802	130.4%
August	19,025	14,441	26,845	20,413	45,870	35,054	130.9%
September	17,991	17,027	21,510	19,739	38,691	36,806	104.9%
October	17,884	18,148	24,971	19,123	42,855	37,121	115.0%
November	16,199	14,878	18,500	15,700	34,700	30,581	113.4%
December	13,529	12,182	14,443	16,838	31,972	32,020	99.9%
Total	174,814	144,630	230,735	191,752	405,549	336,382	120.6%

Philippine Indonesian Copra Exports (In metric tons)

	Philippine Copra Exports			Indonesian Copra Exports		
	1954	1953	1954/53	1954	1953	1954/53
January	53,992	41,025	131.6%	20,653	14,230	145.1%
February	58,879	38,672	152.3%	25,365	18,884	134.3%
March	60,919	50,168	121.4%	23,209	19,559	118.7%
April	55,951	48,745	114.8%	20,546	17,258	119.1%
May	65,249	36,536	178.6%	36,146	5,854	617.5%
June	75,978	48,144	157.8%	21,465	17,266	124.3%
July	82,513	64,359	128.2%	22,244	29,586	75.2%
August	92,093	71,010	131.1%	34,209	26,140	130.9%
September	86,717	75,804	114.4%	24,085	21,445	112.4%
October	93,920	83,610	112.3%	—	—	—
November	77,212	73,510	105.2%	—	—	—
December	68,417	62,629	109.2%	—	—	—
Total	872,840	694,212	125.7%	227,925	170,222	133.9%

Production and Future Prospects. Production continues its seasonal decline, which now becomes very definitely noticeable. Holidays and excessive rain aggravated the normal tendency during the last half of December.

England has removed monetary restrictions on copra trading in an attempt to reestablish London as the center for copra trading in Europe. This is generally expected to provide a broader European market for Philippine copra beginning in January.

A continued price advance is indicated for January, but lack of shipping-space during the first half of the month may protect the market from sharp price increases.

Desiccated Coconut

By HOWARD R. HICK

Peter Paul Philippine Corporation

THIS report covers the period from November 15, 1954, to December 15, 1954, during which time copra and nut prices remained quite stable, continuing a record post-war price level. There were minor fluctuations in the market, but generally prices were constant.

Reduced production of most desiccated coconut factories featured the November operation, which, if continued in December, will bring the annual production for the year 1954 below our post-war regular average by about 10,000,000 pounds.

Nearly constant nut prices have resulted in more steady buying in the American market and less speculation than is the case when there are wide fluctuations.

Following are the shipping statistics for the month of November:

Shippers	Pounds
Franklin Baker Co.	1,969,300
Blue Bar Coconut Co.	681,350
Peter Paul Philippine Corp.	845,000
Red V Coconut Products, Ltd.	1,987,000
Sun Ripe Coconut Products, Inc.	621,200
Cooperative Coconut Products, Inc.	185,500
	6,289,350 lbs.

Sugar

By J. H. D'AUTHREAU

Philippine Sugar Association

THIS report covers the period from December 1 to December 31, 1954.

Bell Trade Act Revision. On December 15 after 3 months of continuous negotiations, the United

States and Philippine panels signed an agreement for the revision of the existing Trade Act requiring ratification by the Congresses of both countries. The benefits secured affecting Philippine sugar exports are: (a) the concession that the present Philippines United States quota of 952,000 short tons is without prejudice to any increase in quota which the United States may wish to grant the Philippines in the future; (b) a revision of the scale of duty increments applicable to United States importations of Philippine quota sugar. The present scale, which would have come into effect beginning 1954, called for annual increases of 5% until full duty became applicable in 1973. The proposed revised scale is as follows:

5% of Cuban duty	1956-58 inclusive
10% of Cuban duty	1959-61 "
20% of Cuban duty	1962-64 "
40% of Cuban duty	1965-67 "
60% of Cuban duty	1968-70 "
80% of Cuban duty	1971-73 "
100% of Cuban duty	1974

New York Market. Due no doubt to the alarms of November occasioned by the extra 50,000 tons quota for 1954, the Department of Agriculture in regard to 1955 took time out for further reflection and only announced the new quota on December 21. The market awaited this announcement in a state of near paralysis with scattered small lots done for January and February arrival at 5.90 95. It is privately reported that during this period of cautious waiting, important deals in Cubas and Porto Ricos have been done behind the scenes for January, February, and March arrival on PDA basis. If confirmed this will not assist the market.

The Secretary in announcing the United States Domestic Consumption Quota for 1955 to be initially established at 8,200,000 short tons against estimated requirements of 8,500,000 short tons, made the following accompanying statement:

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"As in the past two years, the quota has been set initially below the indicated level of total sugar consumption for the year. This is done partly to make allowance for possible error in the estimate of demand for sugar, but mainly to help stabilize sugar prices at levels required by the Sugar Act. . . The quota will be raised to any extent warranted by a demand for additional sugar at prices consistent with the price-provisions of the Act."

The individual quotas are as follows, expressed in short tons raw value:

	1,800,000 short tons raw value	"	"	"	"
Domestic Beets	500,000	"	"	"	"
Mainland Cane	1,080,000	"	"	"	"
Puerto Rico	1,052,000	"	"	"	"
Hawaii	12,000	"	"	"	"
Virgin Islands	977,000	"	"	"	"
Philippines	2,667,840	"	"	"	"
Cebu	111,160	"	"	"	"
Full Duty Countries		"	"	"	"

8,200,000 short tons par value

The quota announcement had no immediate market effect, as the figure announced had been regarded in advance as the "neutral" quota. By the end of the month, however, its effect proved bearish and sellers of Cubas and Philippines, previously holding for 5.95¢, closed in the last days of the month at 5.90¢ for January, February, and March arrivals. Refined prices for all territories remain unchanged. East Territory quotation for cane refined is 8.65¢ per lb.

On the labor front the longshoremen's strike in Puerto Rico continues and the New York longshoremen failed to ratify the draft agreed upon by both Union officials and employers. New demands were presented and rejected, but negotiations continue with the assistance of Federal Mediators in the hope of averting strike action.

Reported sales of actuals totalled approximately 85,931 long tons, of which 24,650 tons were Philippines. Exchange operations for the period approximated 103,200 short tons. Deliveries of refined for the period November 20 to December 25 were 530,556 short tons as compared with 542,263

for November and with 633,598 for December, 1953. Total deliveries for the year to December 18 were 7,912,000 short tons as compared with 8,156,000 short tons on the same date in 1953. On December 25 refiners stocks were 150,361 long tons as against 166,491 on the same date last year.

Opening and closing quotations on the No. 6 Contract were as follows:

	March	May	July	Sept.	Nov.
December 1	5.42¢	5.48¢	5.60¢	5.64¢	5.63¢
December 31	5.41	5.48	5.58	5.62	—

Average spot price for December was 5.463182¢.
Average spot price January 1 to December 31 was 5.589398¢.

Local Market. (a) Domestic Sugar. The market continues to be depressed by "old crop" production still unsold in hands of producers and offering at \$11.00 ex Central warehouse. It is, however, hoped that these holdings will soon be liquidated and their influence removed. The Joint Advisory Committee has now made recommendation to both planters and millers to establish the new crop price at \$12.50 per picul, ex Central warehouse. This recommendation was based on reports that "new crop" business had already been done ex Luzon Central warehouses at this price. In Negroes, business in "Domestic" is at a standstill, with small lots reported done at \$11.00 \$11.20, presumably by "emergency" holders. Bureau of Commerce quotations for the period were:

	EXPORT	97 ^a	98 ^b	99 ^c
Dec. 1—Victorias	\$14.40			
Guagua	—	\$11.00-11.50	\$14.00-14.50n	\$15.30-16.00
Dec. 8—Victorias	\$14.50			
Guagua	—	\$11.00-11.50	—	\$15.30-16.00
Dec. 15—Victorias	\$14.40			
Guagua	\$1.00	\$11.00-11.50	—	\$15.30-16.00
Dec. 22—Victorias	\$14.35			
Guagua	\$14.20	\$11.00-11.50	—	\$15.30-16.00
Dec. 29—Victorias	\$14.00			
Guagua	\$13.90	\$11.00-11.50	—	\$15.30-16.00

n—nominal



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(b) Export Sugar. The events of the month have been a source of disappointment. The United States quota announcement brought no improvement to New York quotations and the freight market continues its rapid advance. February is now firmly quoted at \$13. January business was closed for the most part at \$12 but doubtless \$13 would now be exacted for this position also. Throughout the month, paralleling to the New York market, local buyers and sellers waited and very little business has been reported. From ₱14.50 per picul ex Negros warehouse as last reported, prices have steadily declined to ₱14.00 by the month's end with certain leading exporters withdrawn.

Export shipments for the month are estimated at 73,994 long tons, making a total of 114,207 against the 1954-55 crop as compared with 98,783 up to the same date in 1953. Total Philippine arrival in New York for the period January 1 to December 25, 1954, are recorded at 846,895 long tons as against 802,335 long tons for the same period in 1953.

World Market. Opening and closing quotations were as follows:

	Spot	Jan.	March	May	July	Sept.
December 1...	3 25¢	3 19¢	3 18¢	3 20¢	3 22¢	3 22¢
December 31...	3 17	3 20	3 17	3 17	3 20	3 20

Details are now available of the proceedings of the meeting on November 24 of the International Sugar Council. The Council estimated 1955 world sugar requirements at 4,400,000 metric tons, and after allowing for estimated production of non-participating export countries, established the following export quotas subject to possible later revision:

Belgium.....	39,775	Haiti.....	40,500
Brazil.....	139,213	Hungary.....	36,000
Taiwan.....	477,300	Mexico.....	59,662
Cuba.....	1,789,877	Netherlands.....	36,000
Czechoslovakia.....	218,763	Philippines.....	22,500

Dominican Republic...	477,300	Poland.....	175,000
France.....	18,000	U. S. S. R.....	159,100
			3,689,000

The United Kingdom representatives announced the early intention of the British authorities to segregate a "strategic" stock of sugar, perhaps 200,300,000 tons, from commercial stocks. This action, plus the sale reported in the last week of the month of 250,000 tons refined to India for delivery in 1955, would, it is thought, reduce commercial stocks to normal proportions by the end of 1955.

Cuban sales to the United States to November 30, 1954, were estimated at 2,277,076 Spanish long tons (= 2,586,352 short tons), against 2,340,550 Spanish long tons (= 2,658,447 short tons) to the same date last year. Sales to other countries to the same date were estimated at 1,496,323 Spanish long tons (= 1,699,556 short tons), against 2,689,175 Spanish long tons (= 3,054,423 short tons) for 1953. Total Cuban stocks as of December 18, 1954, were given as 2,322,348 Spanish long tons.

British Commonwealth Sugar Agreement price for 1955 has been set at £40-15-00 per long ton raw value as compared with £41-0-0 for 1954.

Activity in the new crop "world" market has been fair with futures values about unchanged. The month saw the spot value decline from 3.25¢ to 3.14¢ under new crop influence, but at the end spot recovered to 3.17¢. An additional 242 metric tons of deficits was reallocated by the International Sugar Council to the Philippines, raising the quota thereby to 22,742 metric tons. Philippine shipments of World sugar for the month were reported at 7,312 metric tons, making a total to date of 22,195 metric tons, plus 508 tons U.S. Export Sugar discharged at Singapore, following water damage and charged against "World" quota; or a total shipped of 22,703 metric tons.

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United States Molasses Market. East Coast prices remain unchanged (New York 11.5¢ per gallon) with moderate to good demand, but West Coast prices have declined from 11.1 cents to 10.5 cents per gallon, equivalent to a drop of \$1 per ton. According to U.S. Department of Agriculture, molasses usage as raw material in alcohol totalled 49,000,000 gallons for the period January to October, 1954, as compared with 171,000,000 gallons in the same period in 1953.

1954-55 Milling. Eighteen Centrals are now milling for the 1954-55 crop. Latest reports from these Centrals show that their total production up to December 26 is 361,156 short tons and the average of juice purities to date is 83.75.

Sugar Association, Inc. This organization sponsored by the major domestic and overseas suppliers of sugar to the United States market, recently announced that the Philippine Sugar Institute, in representation of the Philippine sugar industry, had joined its membership. The organization has undertaken large-scale research in uses of by-products of raw sugar; possible new uses of raw sugar itself; sugar dietetics, etc. We extend our congratulations to the Philippine Sugar Institute on this important step.

We take this opportunity of wishing you a Happy and Prosperous New Year.

Manila Hemp

By FRANK P. HILL

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

TOTAL balings for the year 1954 were 774,982 bales, or 71,176 bales less than in 1953. Davao balings were off 90,462 bales, compared with the previous year. Es-

timates by competent observers of 1955 balings naturally vary, but the consensus is that a further decrease of from 35,000 to 50,000 bales can be expected, and the Davao drop will probably be even greater. In 1951, 978,766 bales were pressed in the Philippines.

In all consuming markets, prices sagged during the month but recovered, at the close, to approximately opening levels.

It was reported in the local newspapers that President Magsaysay's Committee on Abaca will recommend, among other things, that the President ask the United States Government to withdraw from the market the 50,000 bales of Central American abaca now in warehouses unsold.

The usual statistics are given below:

	Balings—January November Inclusive			
	1954	1953	1952	1951
Davao	407,757	457,983	465,080	455,354
Albay, Camarines, Sorsogon	109,520	152,128	147,854	221,184
Leyte/Samar	113,127	100,256	99,687	149,951
All others	73,722	85,092	71,642	88,273
Totals	704,126	795,459	784,263	914,762
				680,879
Exports—January November Inclusive				
United States and Canada	176,252	270,001	342,524	520,665
Continent of Europe	163,403	162,551	145,274	150,040
United Kingdom	97,687	97,461	87,302	160,654
Japan	197,863	222,665	177,368	120,503
South Africa	11,170	9,350	7,510	15,577
China	3,022	1,495	5,085	6,929
India	7,409	8,600	4,880	5,406
Korea	17,842	1,580	600	—
Australia and New Zealand	6,264	3,500	2,215	4,300
Others	8,267	1,745	70	—
Total	689,179	778,948	772,828	984,074
				675,005

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Tobacco

By RICARDO PADILLA SATRUSTEGUI
Cia. Tabacalera

NATIVE TOBACCO. Transplanting of native tobacco seedlings from seed-plots to the fields in the Cagayan Valley has continued throughout the month of December. It can be safely said that some 50% of the crop has already been thus transplanted. The rainy season being now over in the Cagayan Valley, with little chance of a "baguio" coming, farmers now hope for weather conditions favorable to tobacco—mostly sun, with occasional rains. There is the optimistic hope this year's crop will double last year's if good weather conditions continue. There are still plenty of seedlings for transplanting, despite the destruction caused by the typhoons "Ruby" and "Sally" which made remarking of seed-plots necessary.

On the west coast of Luzon, Pangasinan, La Union, and the Ilocos provinces, the weather was too dry for transplanting and for the good development of the young plants. Damp, cool, weather helps a great deal, but in the municipalities of San Juan, Aringay, and Ago, watering the seedlings and the young plants was necessary because of the dry weather. It is still hard to tell what the proportion of native tobacco compared to Virginia tobacco will be, as so much depends on the weather conditions.

This year's tobacco crop in Western Luzon, as already mentioned in previous reports, will be very significant as it will prove the advantages and disadvantages of native tobacco as compared with Virginia tobacco in a region where many farmers are trying out both types.

Few reports were available from the Southern Islands, and it is to be hoped that the recent freak typhoons have not reduced the area planted to tobacco, which had increased considerably due to the high prices paid last year.

Locally Grown Virginia. A rough estimate of young plants transplanted recently, shows a 30% increase over last year's Virginia crop. On the other hand, the number of flue-curing barns for Virginia tobacco was estimated last year as around 703, while this year the number exceeds 1,400, which shows the trust farmers have in good prices for Virginia tobacco, assured by the Government's control over the importation of this kind of tobacco from the United States.

Cigars and Cigarette Factories. In spite of the difficulty of obtaining Virginia tobacco, new brands of locally-made Virginia-type cigarettes were made available, especially the filtered-tip cigarettes. Virginia cigarette manufacturers were speculating as to the quality of the locally grown Virginia and the percentage which could be used in mixing it with imported Virginia. Native quality cigarettes have also been popular, based on the health theory that native tobacco is free from added ingredients.

There are several new types of cigars on the market, and judging from December sales, the Xmas-gift of a box of cigars is still one of the most popular for smokers.

Rice

By CHARLES O. HOUSTON, JR.
Director, Graduate Studies, The University of Manila

THE year 1954 opened with the usual predictions of rice production equalling consumption for the year to come. Production of palay for 1953 had exceeded by 11% the production for 1952 and had exceeded by 29% that for 1937. The then Secretary of Agriculture, reporting the year's production to be some 73,000,000 cavans, stated that "the solution of the production-end of the country's overall rice problem" had been reached. Future problems, he indicated, would be those concerned with marketing



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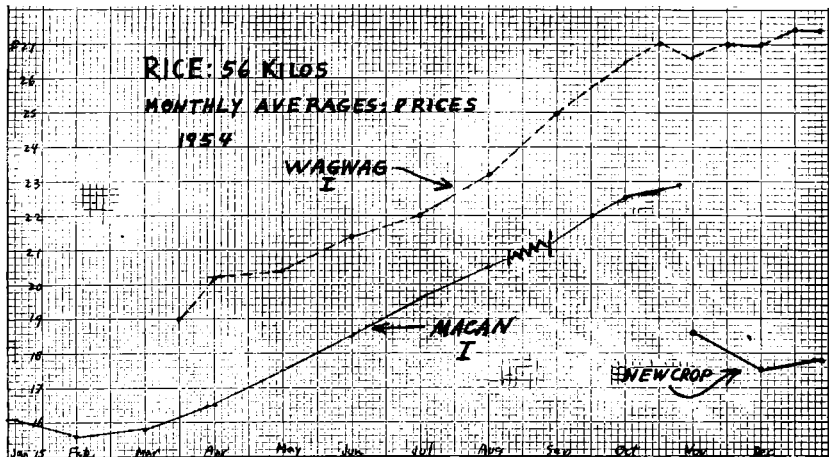
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and distribution and reduction of production costs. If it is true that the production-end was solved, it is quite clear from the record that the year 1954 did not see the solution, or indeed except in a primitive fashion the first steps toward the solution, of the remaining three problems.

This is not to say that attention was not directed toward the perennial "rice problem". Indeed, weary observers might say that it received *too much* attention (as: "The operation was a success,—but the patient died!"). A new board of directors for the NARIC, and a very large appropriation for the ACCFA, the issuance of rules and



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regulations by the sheaf, the institution of a new agricultural statistical body in the Department of Agriculture, the creation of a host of "Farmers' Cooperatives" (FA-COMAS) sponsored by the ACCFA, the importation of several thousand tons of foreign rice (amid alarms of "corruption", "rotten rice", "excessive spoilage", and excursions of "official observers" making "ocular inspections")—all these had little overall effect, as the price of all domestic varieties continued an unchecked rise while the price to the producer achieved an unwanted stability. All this was complicated further by charges of "alien monopoly" and "alien dishonesty" which reached its depth in the passage of restrictive legislation the results of which affected in no little manner the steadily deteriorating situation.

THE concern that some observers feel toward the problems of the rice industry may appear more justified if we indicate briefly the importance of this industry in the economy of the Philippines. Rice is the Filipino's basic food. It is the largest agricultural crop. It holds first place in domestic trade. Its value is but slightly less than 50% of all crops. No less than 6,000,000 people are dependent upon the industry, which has an investment in excess of P1,200,000,000. The Government derives from this industry an annual income of no less than P90,000,000.

Rice is grown in all provinces of the Philippines. Major commercial centers are in Central Luzon (Nueva Ecija, Pampanga, Tarlac, Bulacan, and Pangasinan), Cagayan, Isabela, Nueva Vizcaya, Iloilo, Leyte, Cotabato, Davao, Oriental Misamis, the Bicol provinces, and Mindoro. Some 2,000 varieties are known. The following represent the most important commercially, as graded by the Bureau of Commerce:

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1. *Red*—Pinorsigue, binato, mangasa, ginangang, upland, and other varieties. It is called "red" because its covering is brown or light red (either partially or wholly). Poor eating quality. To be 1st class, there must not be more than 30% broken grains; to be 2nd class, there must not be more than 45% broken grains.

2. *Macan*—also including Bencer, ramay, Ilokano varieties. Grain is white, chalky, ordinary rice both as to eating quality and availability. Quite starchy. To be 1st class, must contain not more than 30% broken grains; 2nd class must contain not more than 45% broken grains.

3. *Elonelon*—and its variations, including also "1236", inapostol, San Clemente, raminad, Los Baños, consajala, kinanda, etc. Elonelon is generally quite flinty, white in color, a bit translucent, only very slightly chalky, slender. Good milling and eating quality. To be 1st class, must contain not more than 20% broken grains; 2nd class, not more than 35% broken grains. Inapostol is less flinty and a bit longer than Elonelon. Only slightly chalky. Considered good eating by many. "1236" is a bit gray in color, slightly translucent, quite elongated in shape. Also considered of good eating quality.

4. *Wagrag* (actually pronounced "wugugug") also includes Si-nampablo mianantika, etc. Grains are much smaller and shorter than those in group 3, quite flinty, and whitish (almost polished in appearance). It has a good eating quality, and when freshly milled has good aroma. To be 1st class, it must have no more than 30% broken grains, and 2nd class, not more than 35% broken grains.

5. *Milagrosa*—sometimes called "binubugan". This is a very delicate rice and varies tremendously in quality from one part of a field to another and even more noticeably from one area to another. The grains are much rounder than those in group 4, and smaller and shorter. Very flinty, sometimes chalky but not usually. Very aromatic when cooked, and is considered the best of all commercial varieties. I have never seen it classed as 2nd class, and to be sold as "milagrosa" should not have more than 20-30% broken grains.

The general classification of these varieties was made by Mr. Filomeno C. Domingo, Assistant Chief of the Markets Division of the Bureau of Commerce (who, it should be added, knows more about the subject of rice marketing than any other man in the Government).

It will be noted that the permissible quantity of broken grains in these groups is considerably higher than is generally the case in foreign markets. This fact will work against the Philippines very considerably when and if the time comes for any export program in rice.

ASIDE from its importance in the usual boiled form, rice is utilized for other purposes. Pastries and other delicacies (as well as porridges and the like) are made from the glutinous varieties (pirurutung, balatinaw, malagkit, sungsum, bulastog, langka, bulilising). Noodles (called *bihon*) and small cakes (called *puto*), other cakes, alcohol and beverages, are also made from various varieties, and popped rice (from palay) has been common for many years, as has also the *pinipig* delicacy made from green rice.

Two general techniques are used in growing rice: the "wet" and the "dry". There is no difference between these except in the technique. Dry rice cultivation is generally to be found in upland and mountainous areas or where irrigation of any kind is absent. Some of this upland rice is quite good and if brought to the Manila market could command a good price. Here, however, the problem of transportation is preeminent. The seed, in wet preparation, is sown in small beds and then transplanted to the paddies (called *palayan*) where it is tended carefully until harvest which is accomplished by communal labor (as in sowing). It is then sold immediately to merchants or deposited in bonded warehouses (where available). Much of the economy of the nation is tied up with this process, since loans to farmers made at any time are collected in kind at this time, a considerable amount of wealth is tied up in stocks held in storage, and milling and shipment represent a considerable element in living standards. The warehouseman generally has acted as the farmer's bank, and where this individual has been a Chinese, he has not charged the farmer for storage, insurance, or shrinkage, provided that the farmer sells his stock to the warehouseman and does not withdraw it for sale to another party. If the Chinese are to be removed from the picture, then the importance of the program of the ACCFA becomes apparent, and, as of this writing, this

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program will have to be implemented much more successfully than the year 1954 has demonstrated if the situation is not to become serious.

PALAY, or rough rice, is marketed in sacks, usually of 44 kilos (although in the Cagayan Valley they run to heavier weights for some reason); it is milled (in the case of Luzon) in the Central provinces, especially in Cabanatuan City. From the mills it is sold as rice to the major markets (Manila being the most important) in sacks of 56 kilos. It is generally considered that two sacks of palay make one sack of rice, the extra weight being lost from shrinkage, in hulls, and waste. The monthly consumption of rice in Manila generally amounts to some 210,000 sacks (or some 11,000 metric tons a year). Most purchases are made from retailers, who in the Manila market are supplied by about 14 major wholesalers in two streets near the Divisoria market area. In addition, rice is sold directly to consumers by the NARIC, figures for whose operations are extremely difficult to get, and evaluate.

As a yardstick by which to compute palay prices by the sack and rice prices by the ganta, use **Z** as the price of palay per sack of 44 kilos, **Y** as the retail price of rice per ganta, **W** as 23 gantas to a sack of rice of 56 kilos, and **O** as equal to ₱2.60, representing the expenses and profit per sack of rice of 56 kilos. Thus to find the retail price of rice per ganta:

$$\frac{Z \times 2 + O}{W} = Y$$

To find the price of palay per sack of 44 kilos or per cavan of 25 gantas:

$$\frac{Y \times W - O}{2} = Z$$

These formulae have been evolved by Mr. F. G. Domingo. I believe, however, that as constituted at present they are much too generous. For example, in the first formula, if we take a sack of palay at ₱9.00, the formula gives the price at 89%, which in actual practice has been below the retail price. In the second, if we take **Y** as ₱1.20, the formula says that palay should sell for ₱12.50—which it has not done. In any event, the attempt illustrates one vexing problem,—that of pricing both to the advantage of the producer and consumer. Costs of production vary considerably, and with the present national average production of 27 cavans per hectare, is as high as ₱15.20 per hectare. In areas where a production of 70 cavans has been achieved, the cost has been reckoned at ₱6.01 per hectare.

It is quite evident that the rice problem in the Philippines is still far from solution.¹ Our recommendations in the July issue of this *Journal* we still hold and advance, although we have altered one: both the NARIC and the ACCFA should retire from the field of *controlling* the rice industry. They should aid in whatever way is at their command, but the industry itself should be freed from governmental control and it should be permitted to find its own level as was suggested by the Editor of this *Journal* in the October issue.

THE year began with the price of macan at around ₱16.00 per cavan, dropping in February to about ₱15.50. The picture appeared promising, only to have the past repeat itself with constantly rising prices, beginning in March at ₱15.80 and rising to ₱22.00 the third week of August, after which the old stock completely disappeared from the market. Early in September, it reappeared at ₱22.50 and rose to ₱22.80, at which time the new crop began to appear at ₱18.75, or above the level of the first of the year. Wagwag had a steady rise from its level of ₱19.00 in March to a peak of ₱27.00 in October at which level it still holds. Prices for the month of December were difficult to average because of the numerous holidays, and

the wide variation because of many factors (the holidays, typhoons, etc.).

A shortage of no less than 2,000,000 cavans may be expected for 1955, possibly more, and heavy imports will be required to meet the demand. Whether or not prices will be kept below the levels of 1954 (even on a comparative basis) seems at this time to be questionable and will depend upon whether or not the programs of the NARIC and the ACCFA (and its brood of FACOMAS) are successful.

¹For a further discussion of the rice industry see: C. O. Houston, "Rice in the Philippines Economy, 1934-1950," *University of Manila Journal of East Asiatic Studies*, Vol. 3, No. 1 (October, 1953), pp. 13-85; and Nemesio Lontoc, "The Present Rice Industry in the Philippines," *Ibid.*, Vol. 3, No. 3 (April, 1954), pp. 297-305, some points of which are summarized in the present article.

Imports

By S. SCHMELKES
Mercantile, Inc.

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

Commodities:	November, 1954 November, 1953	
Automotive (Total).....	2,276,797	1,781,368
Automobiles.....	536,063	163,769
Auto Parts.....	185,083	343,037
Bicycles.....	9,601	3,785
Trucks.....	14,592	47,291
Truck Chassis.....	390,065	661,754
Truck Parts.....	731,488	39,527
Building Materials (Total).....	9,083,076	5,339,143
Board, Fibre.....	25,760	1,273
Cement.....	3,900,813	1,175,238
Glass Window.....	391,796	344,770
Gypsum.....	36,288	—
Chemicals (Total).....	12,768,315	13,697,162
Caustic Soda.....	667,913	662,750
Explosives (Total).....	860,886	—
Firearms (Total).....	22,555	3,571
Ammunition.....	10,950	713
Hardware (Total).....	4,447,804	3,773,015
Household (Total).....	856,671	1,304,712
Machinery (Total).....	2,547,509	1,856,994
Metals (Total).....	12,186,145	7,981,490
Petroleum Products (Total).....	96,480,640	81,420,575
Radica (Total).....	30,095	53,193
Rubber Goods (Total).....	1,308,741	937,788
Beverages, Misc., Alcoholic.....	5,225	2,763
Foodstuffs, Total Kilos.....	33,976,597	22,953,772
Foodstuffs, Fresh (Total).....	74,832	175,272
Apples.....	19,415	25,899
Oranges.....	1,618	16,345
Onions.....	16,440	87,789
Potatoes.....	—	8,200
Foodstuffs, Dry Packaged (Total).....	22,890	19,693

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Foodstuffs, Canned (Total).....	418,373	256,582
Sardines.....	17,384	3,289
Milk, Evaporated.....	133,061	93,220
Milk, Condensed.....	28,431	30,156
Foodstuffs, Bulk (Total).....	627,996	354,032
Rice.....	—	—
Wheat, Flour.....	472,341	286,623
Foodstuffs, Preserved (Total).....	155	468
Bottling, Misc. (Total).....	368,602	1,335,856
Cleaning & Laundry (Total).....	42,975	123,116
Entertainment Equipment (Total).....	20,156	2,403
Livestock-bulbs-seeds (Total).....	854,793	467,076
Medical (Total).....	585,631	588,310
Musical (Total).....	2,616,078	18,402
Office Equipment (Total).....	92,231	59,942
Office Supplies (Total).....	29,996	20,290
Paper (Total).....	5,672,092	5,879,523
Photographic (Total).....	52,000	55,403
Raw Materials (Total).....	1,290,065	446,566
Sporting Goods (Total).....	18,480	10,992
Stationery (Total).....	207,254	137,955
Tobacco (Total).....	330,128	464,655
Chucheria (Total).....	111,902	101,049
Clothing Apparel (Total).....	379,287	679,329
Cosmetics (Total).....	28,907	15,771
Fabrics (Total).....	716,404	1,181,012
Jewelry (Total).....	657	109
Leather (Total).....	308,751	207,228
Textiles (Total).....	4,796,807	3,710,221
Twine (Total).....	65,102	59,646
Toys (Total).....	56,841	268,823
General Merchandise (Total).....	1,623,024	985,797
Non-Commercial Shipment (Total).....	141,453	131,831
Advertising Materials, etc. (Total).....	87,573	19,516

Food Products

By WERNER BRAUN

Manager, Food Products Department
Marsman & Company, Inc.

ON December 17 the Central Bank of the Philippines released the foreign-exchange quotas covering importation of IWA wheat flour for the first semester of 1955, equivalent to the total value of letters of credit opened and negotiated during the second semester of 1954. Shipments have to be arranged as follows:

Period within which to Open the Letter of Credit	Percentage	For Shipment Not Later Than
Dec. 15, 1954, to Jan. 15, 1955.....	16%	Feb. 15, 1955
Jan. 1 to Jan. 31, 1955.....	16%	Mar. 2, 1955
Feb. 1 to Feb. 28, 1955.....	16%	Mar. 31, 1955
Mar. 1 to Mar. 31, 1955.....	16%	Apr. 30, 1955
Apr. 1 to Apr. 30, 1955.....	16%	May 31, 1955
May 1 to May 31, 1955.....	20%	Jun. 30, 1955

At the same time the Central Bank instructed all authorized agent banks to require from each flour im-

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porter a certification to be issued by PRISCO that he has already purchased or contracted to purchase cassava flour with local manufacturers or suppliers equivalent to not more than 30%, but not less than 2% by weight, of his monthly importation of wheat flour for 1955, not less than 10% for 1956, not less than 15% for 1957, not less than 25% for 1958, and not less than 30% for 1959, before any letter of credit for wheat flour can be established. However, the implementation of this requirement has been suspended by the Central Bank in connection with the first 16% allocation of wheat flour because PRISCO was not yet ready to handle this task. Because of the heavy consumption of wheat flour during the month of December, it was generally feared that a flour shortage might arise during January and February. However, with the prompt release of the 16% foreign exchange to cover the first shipment of wheat flour without the necessity to wait for PRISCO to implement the Cassava Flour Law, there is every indication that flour supplies will be adequate up to February, 1955.

It has been reported in local flour circles that the Filipino Bakers' Association is contesting the validity of the Cassava Flour Law and that a suit has been filed with the Manila Court of First Instance.

ARRIVALS of all kinds of canned milk—condensed, evaporated and powdered, during the month of December, have been sufficient to take care of the demand, allowing also for adequate reserves.

Unfortunately, the sardine catch in California waters has again been very disappointing. Prices of whatever supplies are available have firmed up substantially, and importers are again turning to Japan and South Africa to cover their requirements.

Canned meats, primarily canned beef, are available in substantial quantities because of the extra allocation granted by the Central Bank. Retail prices of corned beef, chopped beef, Vienna sausage, potted meat, and liver-spread are at an all-time low, which would indicate that the objective of the Central Bank to make these products available to the masses at reasonable prices has been achieved.

DURING the latter part of November the Cabinet transferred the authority to import onions, garlic, and potatoes from the ACCFA to PRISCO. Because of a tremendous shortage of these commodities, retail prices soared to unbelievable heights and to get prices down to reasonable levels, PRISCO called for public bids and finalized purchases during December of some 200,000 lbs. of garlic from Japan, 900,000 lbs. onions from Japan, and 1,540,000 lbs. onions from the United States. It is expected that PRISCO will call shortly for a bid for at least 500,000 lbs. of potatoes originating from Japan and/or the United States.

DURING the holidays imported canned and fresh fruits enjoyed substantial sales and fortunately supplies have been adequate to meet this active demand.

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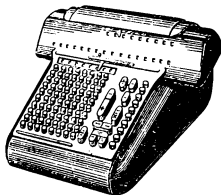
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Textiles

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

THE New York textile market remained firm during December and at the turn of the year there is every indication that this trend will continue well into January. Latest reports from New York speak of considerable activity in the domestic market and of price advances in several sections.

All forecasts point to 1955 as a good business year in the United States, and there is every prospect that the textile trade will benefit by this feeling of confidence. With most mills well sold for the first quarter, one has to expect a continuation of firm conditions and possible future advances.

The Manila market experienced further decreases during December and there was very little activity in the importing and wholesale divisions. Retail sales for the Christmas season have been only fair and were more disappointing than the previous years because of the acute shortage of cash throughout the country.

The trade is looking to 1955 with hopes and expectations of better performances than last year, which is considered one of the worst trading years for a long time. It has been officially announced that, for the first semester, allocations will be the same as for the last semester, but the granting of extra allocations to producers and importers as was done during the second half of 1954, is still to be defined.

The news of possible changes in the retail trade nationalization law has been widely discussed. If this materializes, it would provide an incentive to wider and more fluid operations, bring about a restoration of credit facilities on a wider scale, and put more cash into circulation, all of which are necessary elements for confidence and healthier business conditions.

From the United States a total of 22,301 packages arrived, of which 9,095 were cotton piece goods, 3,259 rayon piece goods, 4,139 cotton pound goods, 2,519 rayon pound goods, and 3,289 yarn.

From other sources there arrived 6,240 packages, of which 4,331 came from Japan, 1,334 from Hongkong, and 575 from Europe.

Legislation, Executive Orders, and Court Decisions

By EWALD E. SELPH

Ross, Selph, Carrascosa & Janda

ON December 3, 1954, the Price Stabilization Corporation issued some rules designed to enforce Republic Act 657, providing for the promotion of production of cassava flour, and the President's Executive Order No. 15, dated February 16, 1954. Included in PRISCO's administrative order is the following:

"To comply with this provision of the executive order, it is hereby required that every wheat flour importer shall secure from the PRISCO the required certification, provided that he can show docu-

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mentary proofs that he has already purchased or contracted to purchase cassava flour with manufacturers or suppliers of locally-produced cassava flour equivalent to not more than thirty per centum (30%) but not less than two per centum (2%), by weight, of the importer's monthly importation of wheat flour for 1955, not less than ten per centum (10%), by weight, for 1956, not less than fifteen per centum (15%), by weight, for 1957, not less than twenty-five per centum (25%), by weight, for 1958, and not less than thirty per centum (30%), by weight, for 1959, and said importers of wheat flour in turn shall not sell wheat flour without at the same time requiring the purchaser to buy the corresponding proportion of cassava flour as set forth x x x.

"For the purpose of implementing Section 2 of the said Executive Order No. 15, the Price Stabilization Corporation shall collect from any wheat flour importer a service fee of one half of one per centum (1/2%) of the money value or price of the cassava flour purchased, for which and at the time it makes the required certification to the Central Bank of the Philippines, to be used to defray the expenses of certification, regulation and supervision. No other fee shall be imposed. Any unexpended balance thereof, if any, shall be spent by the PRISCO for surveys and researches, promotion and publicity, and general development of the cassava industry."

ON September 16, 1954, a decision was rendered by the Supreme Court (*Borreoos vs. Philippine Engineering Corporation and The Philippine Guaranty Co., Inc.*, G. R. No. L-6500) upholding the validity of a clause in a sales contract providing for venue of any court action to be in Manila regardless of the residence of the purchaser. The buyer claimed the clause referred to was illegal. The Court said:

"Last contention of the plaintiff is that the clause regarding venue 'is against public policy and therefore illegal'. This is plainly unmeritorious. The Rules of Court expressly permit this stipulation concerning venue (sec. 4 Rule 5), which had been approved in *Central Azucarera v. De Leon*, 56 Phil. 169 and *Navarro vs. Aguila*, 66 Phil. 604."

EVIDENCING the difficulties ahead for employers who have employees who become incapacitated for work by reason of tuberculosis, we call attention to the decision in the case of *Blue Bar vs. Boo*, G. R. No. L-6920, September 28, 1954, in which the Supreme Court said:

"Whether the claimant's sickness was by infection prior to his entering the service of the company in 1946 or during and in the course of his employment, there is no question that it was aggravated by or the result of the nature of his work or employment in the company's factory. If the sickness was the result of infection and aggravated by cause other than the nature of his work or employment it would not be compensable. But if it was caused or aggravated as a result of the nature of his work or employment in the company's factory it would be compensable. In other words, even if the claimant was infected prior to his engagement by the company or subsequent thereto or during the employment, an infection, not detected by the company and insurance physicians, if aggravated by the nature of the claimant's work, to such an extent that he was disabled and had to be laid off from work, would be compensable. Such is the situation of the claimant in this case."

A POINT on the obligation of the owner of a building regarding drainage from its roof was decided in the case of *Cabacungan, et als. v. Corrales, et al.*, G. R. No. L-6629, September 30, 1954, in which the Supreme Court said:

"And as to the matter of drainage, article 674 of the New Civil Code specifically provides 'that the owner of a building shall be obliged to construct its roof or covering in such a manner that the rain water shall fall on his own land or on a street or public place, and not on the land of his neighbor, even though the adjacent land may belong to two or more persons, one of whom is the owner of the roof.'" (Italics supplied.)

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Chamber Business

By STANLEY N. FISHER

Executive Vice-President

American Chamber of Commerce of the Philippines

THIS department is being written under considerable pressure this month as its editor is engaged not just in reviewing Chamber events of the last month for notation here, but also in reviewing all the activities of the Chamber over the past year in connection with various necessary preparations for the Annual Meeting, which, as previously announced, will be held in the Lodge Room of the Elks Club next January 28. Among these preparations is the making of careful digests of the annual reports of the various Chamber committees to the end that the President's Annual Report, of which they form an integral part, and which is to be read at the meeting, while leaving no important detail unnoted, will not try the patience of the members, nor of the President, by the inclusion of the full texts of ten reports running altogether to something like 40 closely typewritten pages. These ten reports, nevertheless—Bell Trade Revision; Civic Affairs; Finance and House; Foreign and Domestic Trade Controls; Industrial Relations; *Journal* Financial; Legislative, Taxes, and Legal Affairs; Membership; the *Journal* Editor's Report; and the Executive Vice-President's—are most interesting evidence of the dynamic character of the American Chamber. Through these committees, over 50 American businessmen, representing 42 American business firms, have devoted considerable time and effort, often at personal inconvenience, to furthering the interests of the Chamber and of the entire American business community. The writer, during his five and a half months with the Chamber, has counted it a privilege to work with a number of these committees, and looks forward in 1955 to an even closer and more effective collaboration.

To get on to our review of Chamber activities since mid-December, probably that activity in which the greater majority of our members "participated" was the Annual Registration of Americans Filed, as in previous years, at the Chamber offices. On December 27, 28, and 29, Registration Teams from the Bureau of Immigration (for Alien Registration Certificates), the City Treasurer's Office (for Class A and Class B Tax Certificates), and from the National Intelligence Coordinating Agency (for Identity

Cards), processed well over a thousand persons. This number exceeds that processed here in previous years by at least 400. It may be that there are simply more Americans in Manila these days, but, if we may, we shall take it that the American community is becoming more conscious of the American Chamber of Commerce and the many services not confined to commerce and industry, nor to its members alone, which it constantly performs. In any event, we were more than happy to be of service to those who came to register here, and a matter of particular gratification to the writer was that many of the registrants took time out to drop by his desk to renew old acquaintance or to begin a new one.

Other activities have included: (1) Obtaining exemptions from the "Blue Sunday Law" for many of our members. Despite a considerable liberalization effected during the year by the issuance of new rules and regulations, it was still necessary to present many individual cases for decision,—all were approved; (2) Issuance to our members of parallel versions of the old and new Trade Agreements, followed by tabular representations of laws restricting aliens and alien corporations in many of the 48 States; (3) Early in January, many members were present at a luncheon given by the Chamber of Commerce of the Philippines in honor of Messrs. Rolf von Heidenstam and Pierre Vasseur, Honorary President and Secretary-General, respectively, of the International Chamber of Commerce. These gentlemen were present in Manila in the course of a six-week tour of the Far East in connection with the forthcoming Biennial Congress of the ICC to be held in Tokyo in May; (4) Arrangements have been under way for some time, and have just now been completed, for a luncheon to be given by the Board of Directors of the Chamber on Monday, January 17, for the members of the Special Investment Commission who have recently returned from the United States. Guests will include Central Bank Governor Miguel Cuaderno, Sr., Judge John W. Haussermann, and Messrs. Manuel Gonzalez, Marvin Gray, Ramon V. del Rosario, and Leonides Virata.

The American Chamber of Commerce JOURNAL

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promote the economic interests
of the Philippines

COST OF LIVING PRICE INDEX FOR WAGE EARNERS' FAMILIES IN MANILA, BY YEAR AND MONTH, 1935-1954
(1941=100)

Bureau of the Census and Statistics

Year and Month	All Items (100)	Food (63.43)	House Rent (11.96)	Clothing (2.04)	Fuel, Light and Water (7.73)	Miscellaneous (14.84)	Purchasing Power of a Peso
1935.....	89.7	89.7	96.4	89.7	85.1	90.2	1.1148
1936.....	87.4	88.3	96.6	88.4	77.5	87.7	1.1442
1937.....	88.8	88.3	96.4	88.2	85.2	89.5	1.1261
1938.....	92.1	92.1	96.8	92.2	88.8	92.5	1.0858
1939.....	93.2	94.8	97.7	94.8	84.3	92.9	1.0730
1940.....	97.3	98.9	98.9	99.0	89.9	96.7	1.0277
1941.....	100.0	100.0	100.0	100.0	100.0	100.0	1.0000
1945.....	691.5	834.3	236.4	1448.4	379.1	650.9	0.1446
1946.....	521.7	649.4	236.4	649.7	348.2	383.3	0.1917
1947.....	387.2	415.4	453.9	256.8	310.0	272.2	0.2583
1948.....	364.2	386.1	453.9	208.4	288.9	259.1	0.2746
1949.....	343.7	357.9	453.9	198.4	272.9	251.1	0.2910
1950.....	332.9	333.7	453.9	270.7	252.0	282.8	0.3004
1951.....	352.6	361.5	453.9	265.3	248.0	285.7	0.2836
1952.....	339.4	347.4	453.9	295.9	244.1	268.4	0.2946

January.....	342.8	350.9	453.9	330.8	247.5	269.7	0.2917
February.....	341.2	349.8	453.9	311.2	243.4	268.5	0.2931
March.....	337.9	345.1	453.9	301.1	243.4	268.1	0.2959
April.....	335.9	342.7	453.9	300.7	243.4	264.6	0.2977
May.....	335.1	341.8	453.9	293.2	243.4	264.4	0.2984
June.....	338.1	346.3	453.9	290.2	243.4	265.5	0.2952
July.....	340.4	349.5	453.9	286.6	243.4	268.1	0.2938
August.....	340.7	349.4	453.9	289.1	243.4	269.9	0.2938
September.....	341.1	350.0	453.9	287.7	243.4	270.7	0.2935
October.....	337.6	344.6	453.9	289.3	243.4	269.4	0.2962
November.....	330.5	349.3	453.9	286.2	243.4	269.8	0.2937
December.....	340.9	348.9	453.9	284.4	247.5	272.3	0.2933
1953.....	318.2	314.3	453.9	280.1	243.7	269.5	0.3143

January.....	337.3	343.2	453.9	283.7	247.4	272.4	0.2965
February.....	323.0	321.1	453.9	281.5	243.4	273.0	0.3096
March.....	318.6	314.3	453.9	281.5	243.4	272.4	0.3139
April.....	317.6	312.8	453.9	281.1	243.4	272.2	0.3149
May.....	314.3	307.8	453.9	280.9	243.4	271.1	0.3182
June.....	313.1	306.0	453.9	277.8	243.4	271.1	0.3194
July.....	316.0	311.0	453.9	277.8	243.4	269.5	0.3165
August.....	316.1	311.9	453.9	277.8	243.4	266.4	0.3164
September.....	315.8	311.6	453.9	277.8	243.4	265.6	0.3167
October.....	315.3	310.6	453.9	279.0	243.4	266.4	0.3172
November.....	315.2	310.1	453.9	280.9	243.4	267.0	0.3173
December.....	315.5	310.7	453.9	280.9	243.4	267.0	0.3170

1954.....							
January.....	311.7	304.7	453.9	279.3	243.4	267.0	0.3208
February.....	301.5	290.0	453.9	278.3	232.1	267.0	0.3317
March.....	301.1	289.5	453.9	274.9	232.1	267.0	0.3321
April.....	302.9	292.5	453.9	272.2	232.1	266.8	0.3301
May.....	309.7	302.8	453.9	272.2	235.7	266.5	0.3229
June.....	312.6	306.9	453.9	271.8	238.4	267.3	0.3199
July.....	318.6	316.2	453.9	278.5	236.7	267.9	0.3139
August.....	321.6	320.7	453.9	274.7	236.7	269.3	0.3109
September.....	321.3	320.0	453.9	271.7	236.7	271.0	0.3112
October.....	317.8	314.4	453.9	271.8	236.7	271.2	0.3147
November.....	318.2	314.9	453.9	271.8	236.7	271.5	0.3143
December.....	318.5	315.4	453.9	272.2	236.7	271.5	0.3140

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Philippine Safety Council

By FRANK S. TENNY

Founder and Executive Director

AN important step forward during January was the presentation by the Safety Council to the Motor Vehicles Office of a set of Driver Testing Devices, including the following: (1) Steadiness Test, (2) Eye-reaction-to-glare test, (3) Foot-reaction time test, (4) Field-of-vision test, and (5) Distance-judgment test. A sixth device, for testing night-vision, is still under construction. This is a most

significant development, for now the MVO is "equipped to properly administer physical tests to driver applicants. In addition to the devices, two Safety Council technicians were assigned to assist the MVO men and to instruct in the use of the equipment.

During December, a series of explosions in fireworks "factories" caused many deaths and injuries and severe property damage. Investigation disclosed that none of these places had been inspected, much less licensed, by the Government. However, due to the nature of the work, it was impossible that local municipal officials were unaware of

the hazards. A few days before Christmas, President Magsaysay created an emergency committee, headed by Engineer Alfredo G. Eugenio, to look into the matter and to do everything possible to prevent further accidents. Previously, the Safety Council had volunteered the services of its technical staff to the Department of Labor so as to assist that agency in conducting the necessary inspections. The presidential committee, which includes men from the Philippine Constabulary, the Fire-Prevention Board, the Department of Labor, the police, the Safety Council, and others, is now drafting recommendations for the permanent eradication of this particular menace.

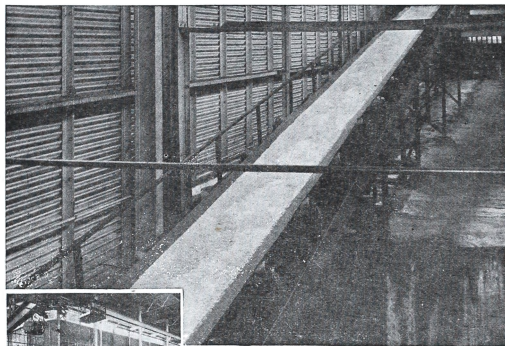
The first active committee to function under the new Civil Defense and Disaster Organization Act (R.A. No. 1190) is the utilities group. Several meetings have already been held and plans are going forward. Committeemen are: John Naylor of the PLDTCO., Manuel Mañosa of the MWD, Pedro Manayan of the Manila Gas Co., Jack Evans of MERALCO, J. F. Dunwiddie representing oil companies, Carlos Ramos of the Manila Mayor's office, and the writer. This body was created first, in view of the opinion that the maintenance of utilities services is of paramount importance during any serious emergency.

Fire-Prevention Week (the first week of March) will be a national project this year. The Fire-Prevention Board, under the Office of the President, is meeting this month to finalize plans for a serious, nationwide effort to make observation of the Week more widespread and effective. Safety Council members and the general public will hear more about this item in the near future.

Business and industrial concerns continue to express additional interest in company safety programs involving driver training, fire-protection, industrial-accident prevention, security matters, and other forms of safety. Following is a partial list of the current Council-directed special programs: Manila Trading & Supply Co., Luzon Stevedoring Co., Philippine Match Co., J-D Transit, PANTRANCO, San Miguel Brewery, MERALCO, Earnshaw Docks & Honolulu Iron Works, Atlantic Gulf & Pacific Co., Philippine Iron Mines, Luzon Brokerage Co., Woodworks Inc., American International Underwriters, Manila Taxicab Association, Delgado Brothers, and some others.

There is no doubt that the National Safety Movement has been established in the minds of the people and that 1955 will be the biggest year in Safety since the War.

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The "LET YOUR HAIR DOWN"

Column

COPIES of a draft of the editorial on Puerto Rico in this issue of the *Journal* were sent in advance of publication to Senator Gil J. Puyat and Mr. Edward S. Prentice, Deputy Director of the FOA Mission in the Philippines.

The following letter was received from Senator Puyat:

"I am returning to you the draft of the editorial you sent me. I find it, on the whole, correct and the presentation adequate and realistic. I suggest some deletions and, as to the last paragraph, I feel that it should be rewritten.

"In the matter of tariff, Puerto Rico being a territory of the United States, can not impose a tariff on American goods. On the other hand, Puerto Rico's proximity to the United States is a decided advantage to her because she can place the processed goods now coming out of the factories that were established during the past twelve years in a market that is the richest in the world.

"The Philippines, however, is in a different position. The United States has announced the policy that it will liquidate the special treatment accorded the Philippines by 1954 and place the Philippines ultimately, along with other countries, under the 'most-favored-nations' treatment. In such a situation, the Philippines must prepare for this eventual break, and the imposition of a gradually increasing tariff would seem to be the most logical and sound thing to pursue. With these differences in the trade relationships between the two countries, it would seem that your concluding statement may not be appropriate.

"Thank you for the opportunity you have given me to go over the draft. Best regards. Very sincerely, etc."

The deletions suggested by Senator Puyat were made. The last paragraph was slightly revised, but no in essence as, although the Philippine situation is different from that of Puerto Rico and now, no doubt, calls for different measures, the point made in the original draft and retained in the revision, is definitely true for Puerto Rico.

Mr. Prentice sent the editor the following letter with reference to the editorial and the Filipinos sent abroad under FOA auspices, some of them to Puerto Rico:

"Thank you very much for sending me your draft editorial commenting on Senator Puyat's recent reference to Puerto Rico. I found it most interesting and constructive.

"As you know, we have a very large technical training program which applies largely to government employees. During this year, for example, over 350 Filipinos will be receiving specialized training abroad under FOA auspices. Our Washington office tailor-makes each training course in the light of the requirements in the individual's position to be assumed when he returns to the Philippines and the indi-

vidual's past experience. In many fields of training, Washington has found that the period of time spent in Puerto Rico redounds to the advantage of the individual Filipino. Climate and economic conditions are more comparable to the Philippines than those obtaining in many American states and the truly remarkable economic progress made in the Commonwealth of Puerto Rico over the past ten years has served as an inspiration to competent Filipino returning to responsible positions in their government following advanced training abroad.

"I believe your editorial excellent and am sure that others will find it as instructional as I did. Sincerely yours, etc."

THE following letter received from Mr. Hans Steiner, of the Philippine Refining Co., Inc., is much appreciated:

"I have just returned from a long vacation in Europe and wish to inform you that your *Journal* has been of great help to me. During my stay in Vienna I was asked to give several lectures about the economic situation of the Republic of the Philippines and I was able to procure all the necessary information from various numbers of the *Journal* which I found in the files of the Chamber of Commerce of Austria.

"Your economic reports as well as your statistical materials were fully sufficient to answer all the questions of Austrian industrialists interested in increasing their exports to the Philippines and their purchases of local export materials.

"Best regards, etc."

THE *Journal* editor was greatly pleased over the fact that the plan for dealing with "piece-meal" communist aggression, advocated in the editorial, "War is not Inevitable," published in the December issue, is exactly the plan proposed by the Center of International Studies at Princeton, as he discovered in reading the January 10 issue of *Time*. *Time* said with respect to this:

"A recent paper by the Center of International Studies at Princeton is regarded among Pentagon planners as the best statement of the danger of overdependence on the doctrine of massive retaliation. Korea and Indo-China, says the paper, are symbols (especially for the Communists) of how a nation that can massively retaliate may yet be challenged successfully. In the long run, the erosion of repeated U. S. faith in the Indo-China type could be nearly as disastrous as all-out thermonuclear war. Therefore the U.S. must do more than maintain its strategic deterrent: it must be able to punish local aggressions with such speed and force that the Communists will finally call a halt. This is the concept of the double deterrent to the wars of tomorrow. To the essential capacity of pulverizing the U.S.S.R. by thermonuclear strategic attack must be added a tactical claw—swift, deadly, flexible."

CHRISTMAS cards, some of them very beautiful, and some accompanied by other forms of remembrance, solid and liquid, were received from the following friends:

Mr. and Mrs. Fred Albers, Mr. Nicanor Bautista, Miss Annie Andes, Mr. and Mrs. John R. H. Boronow (Annapolis), Miss Helen Butenko (Sydney, Australia), Mr. and Mrs. J. H. Carpenter (Havana, Cuba), Mr. and Mrs. Stanley N. Fisher, Mr. Sam Garmezey (Hotel Statler, New York City), Dr. V. D. Gokhale (Atlanta University, Atlanta, Georgia), Mrs. Virginia Gonder, Mr. and Mrs. H. G. Hornbostel (Bellmore, New York), Mr. Colin MacRae Hoskins, Mr. and Mrs. R. L. Kinney, Mr. Albert E. Parsons, Mr. and Mrs. F. R. Monti, Mr. and Mrs. John Nalley, Dr. Gilbert Perez, Senator and Mrs. Gil J. Puyat, Mr. and Mrs. Joe Ramirez, Mr. Cecil F. Redston, Mr. and Mrs. Guillermo Roa, Miss Mary Ann Seman (Oakland, California), Mr. and Mrs. Ralph Stout, Miss Isabel Taylor, Mr. Frank S. Tenny, Drs. Henry and Cary Yang, Mr. Yang Pao Wang, Mr. and Mrs. Stanley J. Willimont (Baguio), Mr. and Mrs. John Yench, and the managers of International Harvester Company of Philippines, Peoples Bank and Trust Company, Pioneer Insurance and Surety Corp., Philippine Lumber Producers Association, Inc.

To one and all of these dear people our grateful thanks and reciprocal good wishes.

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ROBERT L. Garner, Vice-President of the International Bank for Reconstruction and Development, who recently made a tour of the Far East, was quoted in the *Philippine News Letter* (December 2) of the Philippine Association, New York, as declaring that—

"the Philippines is the 'hope of the East',—politically and economically. He said that the country has the best resources of the five Asian countries he visited and that it could easily be the most prosperous country in Asia."

Reading this, at first sight, is gratifying. On the face of it, it is a very flattering statement, but is it really so? If the country could easily be what it should be—a very prosperous country, then why isn't it?

That is something for our policy-makers and our law-makers to ponder. How long is the Philippines to remain a hope, and only a hope?

Will the acceptance of the proposed revision of the United States-Philippine Trade Agreement give the answer?

SATURDAY, January 15, was something of a gala day in the Chamber offices,—or, at least, a gala half-day, with the observance of the 41st birthday anniversary of Mr. S. N. Fisher, planned as a surprise by the staff. Among other sentiments, lettered, in sugar, on the birthday cake consumed with the morning coffee, was the title of Mr. Fisher's *Journal* page, "Chamber Business". "You see," said the editor, "your *Journal* page is already getting famous." Said Mr. Fisher, "Hope I shall always be able to eat my own words as pleasantly."

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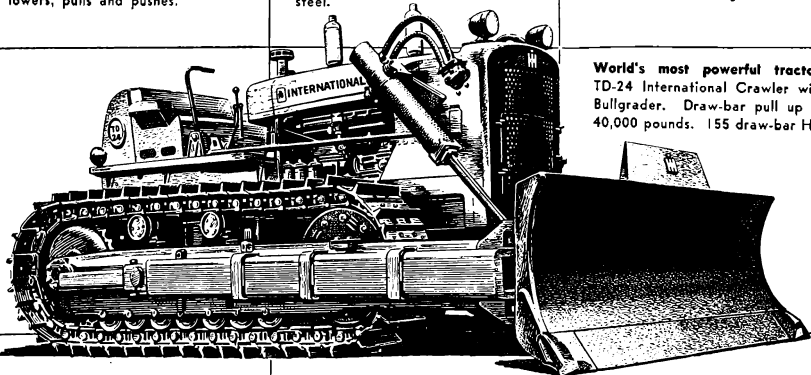
Hough Payloader. 1/2 to 3 cu. yd. bucket capacities. Digs, loads, levels, backfills, spreads, lifts, lowers, pulls and pushes.



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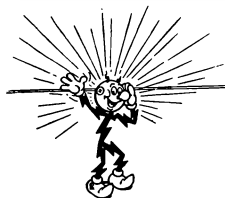


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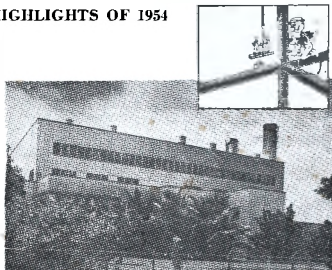
Here is our report for the Year 1954

SOME OF THE HIGHLIGHTS OF 1954

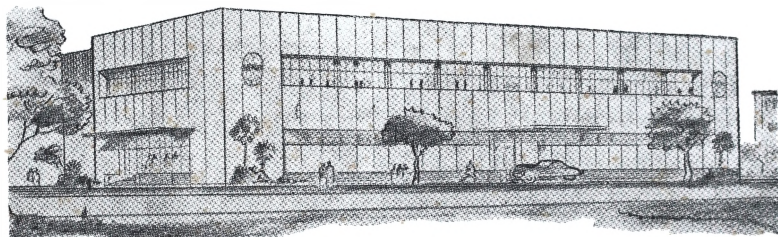
Began construction of an addition to the Rockwell generating Station which will increase the generating capacity by 25,000 kilowatts to a total of 100,000 kilowatts.

Constructed over 25 miles of new high voltage transmission lines.

Connected over 17,000 new customers to the lines with aggregate loads of about 35,000 kilowatts.



Rockwell Station where an additional 25,000 Kilowatt turbo-generator is being installed.



New Main Office Building being constructed by Phil-American Life to be occupied in first quarter 1955.

And here is the story in figures:

GENERATING STATION CAPACITY (Kilowatts)

YEAR	MERALCO		N.D.C.		Total Combined CAPACITY
	STEAM	HYDRO	CALIRAYA	CAPACITY	
1941	29,500	16,000	45,500	
1946	34,000	10,000	44,000	
1953	119,000	15,000	36,000	170,000	
1954	119,000	15,000	36,000	170,000	

INCREASE 1954 OVER 1941..... 273%

SALES STATISTICS

YEAR	NO. OF CUSTOMERS	KWH GENERATED	KWH SOLD
1941	126,823	181,000,000	141,786,000
1953	229,589	628,357,000	485,195,000
1954*	246,600	702,000,000	550,000,000
Increase 1954 over 1941	95%	288%	288%
Increase 1954 over 1953	7.5%	11.7%	13.4%

*ESTIMATES

The industrialization program in the area served by the company is continually moving forward as evidenced by the fact that electric service consumed by industrial customers increased by about 30% over 1953. The increase over 1950 is 154%.

Our NEW YEAR'S PLEDGE is to continue to provide dependable electric service at the lowest possible cost to you.

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