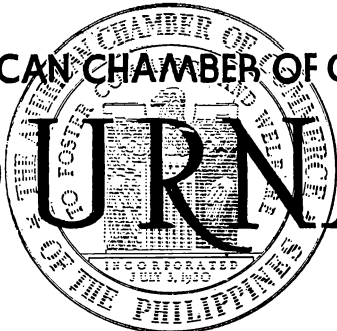


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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A. V. H. Hartendorp

Editor and Manager

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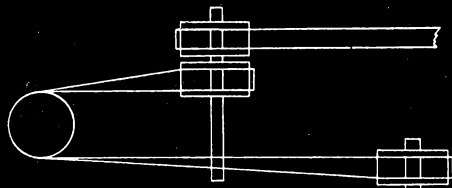
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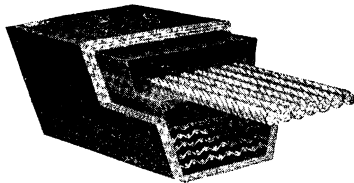


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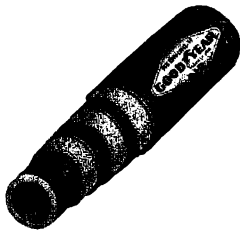
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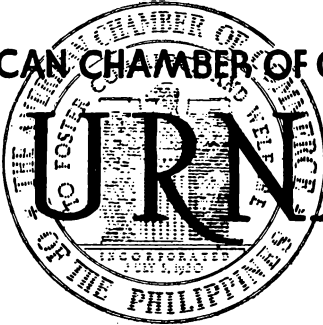
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JOURNAL



Editorials

THE AMERICAN CHAMBER OF COMMERCE of the Philippines extends its felicitations to the people and Government of the Republic of the Philippines on the occasion of the first anniversary of the establishment of Philippine independence, on which same day Americans in all parts of the world celebrate the 171st anniversary of the independence of the Motherland, the United States of America.

The name, the character, ability, experience, and prestige of every new American Governor-General, and later, of every new High Commissioner, formerly occupied the minds of people in the Philippines for months before an actual appointment would be announced and that important official eventually reached Manila. The same holds true of the American Ambassador today, and naturally so, for while he holds a very different position and the official functions he exercises are very different, his position and functions are still of extraordinary importance to the welfare of the Philippines.

The ranking American here no longer heads the government, as did the Governor-General; he no longer exercises a general supervision (though no direct authority), as did the High Commissioner; but he does, more definitely than any American official here before him, represent the Government of the United States in all its dignity and power and goodwill toward the Daughter-Republic.

The Ambassador here personifies Uncle Sam, and he could perhaps do no better than think of himself as an uncle in the house of his grown-up nephews and nieces, exercising no authority over the affairs of the household, but wielding a wise and kindly influence, encouraging and steadying, always with the best interests of his young kin, rather than his own, at heart.

The position of the American Ambassador is and should be quite different from that of the diplomatic representative of any other country here, not only morally by virtue of the fact that the Philippines was once a part of the territory of the United States, but legally by virtue of the special political, economic, and military relations which continue on a treaty basis between the two countries now that the Philippines is independent.

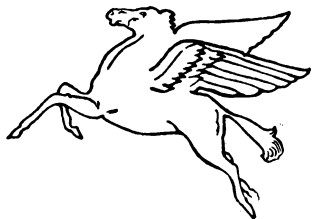
The new Ambassador, Emmet O'Neal, would seem to be eminently suited to play such a part, and the fact that he has had no previous Philippine experience may prove

to be an advantage rather than a handicap. He will have fewer preconceptions and will come here with a more open mind than if he had even only stepped ashore here before on some round-the-world voyage. He will see things from the beginning, as they now are, or, at least, as they will seem to him to be, and he will assume his functions but little affected by past habits of thought and action with respect to the Philippines.

He will escape some of the heart-ache that those of us feel who knew the country before the devastations of the war, and will perhaps be less appalled by the post-war conditions with which government and people are now striving to cope. It will be easier for him than for us to think less of the past and more of the future. His spirit will be fresh and keen and forward-looking, and thus, most of all, he will help this country.

It would be something to be desired if the American Ambassador could find some way in which he might properly, and without offense, take a somewhat more positive and public part in the life of the country than is traditional in the retirement and reserve of the diplomatic representative of a foreign nation even in a friendly country. Americans have played too great a part in the making of the modern Philippines, they will still play too important a part, for anything Philippine ever to seem wholly foreign to them.

Perhaps the Ambassador could find a hint as to the attitude and procedure natural and proper to him, in the columns of the American press here. Immediately after the inauguration of the Republic of the Philippines, there was a period when the editors seemed doubtful and hesitant as to how freely they should comment on public affairs here. But that period (it was rather funny and wholly unnatural) lasted for only a few weeks, and soon they were expressing themselves with all their former freedom. That American editors and writers here simply could not bring themselves to act the part of foreigners who must remain more or less aloof from the life of the country, can only be interpreted to be a result of the fact that the development of the country from a dependency to an independent nation was an entirely natural process which passed from one stage into the other without, seemingly, any absolute break. The sense of oneness, which Americans still feel, their desire to collaborate in every way, is a part of that natural course which things have always taken. The whole attitude is unconsciously an expression of the highest tribute Americans here can pay the Filipinos.



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Before the establishment of the Republic of the Philippines on July 4 of last year, Americans and American corporations here were exempted from paying the federal income tax on earned income from sources within the Philippines if, during a three-year period preceding the close of the taxable year, at least 80% of the tax-payer's income had been derived from such sources and at least 50% from the active conduct of a trade or business here.

This was in accordance with Section 251 of the United States Internal Revenue Code, which applies to American citizens and corporations doing business in a possession of the United States.

When the Philippines ceased to be such a possession, American citizens and corporations here lost every form of exemption except those provided for under Sections 116(a) and 131 of the Code.

The first provides that the "earned income" of an American citizen is exempt if he is a bona fide resident of a foreign country throughout the taxable year, and the question immediately arose whether American citizens in the Philippines could be considered as bona fide residents of a "foreign country" during the entire year when for more than half of the year 1946 that country was still under the American flag.

The question was apparently settled early this year when the American Embassy made an announcement to the effect that Acting Secretary of the Treasury, Joseph J. O'Connell, Jr. had declared that since there had been no actual change of residence (though there was a change in its legal character), "there was good reason to conclude... that a bona fide residence by an American citizen in the Philippines during the entire year 1946 may be taken to qualify such citizen for the benefit of Section 116(a)".

However, the benefit under Section 116(a) is far inferior to that formerly enjoyed under Section 251, and the term "earned income" is given a much narrower interpretation by Treasury officials, being restricted to income earned as compensation for personal service. The Section does not apply to corporations, and where capital is employed in a business, there is a provision limiting the amount which can be claimed as earned income to 20% of the proceeds of the business, leaving the other 80% subject to tax even though paid in the form of salary.

And, as things stand, to obtain maximum benefits, it is still necessary for American citizens and corporations here to account for their earnings and file their income-tax statements on the basis of the year 1946 as divided into two unequal parts, each subject to different exemptions, July 4 being the dividing-point.

WHILE many other governments exempt or largely exempt from taxation all foreign income of their citizens residing abroad, including profits, dividends, royalties, rents, etc., and also exempt domestic corporations in respect to the profits earned by their establishments in foreign countries, the American Government, — except that it exempts American citizens who are bona fide residents of a foreign country, as already stated, taxes its citizens on their entire net income wherever they may reside, and taxes domestic corporations on their income from all sources, domestic and foreign, with certain qualifications which will be noted in the following paragraphs.

Under Section 131 of the Internal Revenue Code, taxes paid in a foreign country by American citizens and corporations on income from sources there, may be deducted from the federal tax on their entire net income. But this relief, known as the credit for foreign taxes, still leaves American business men and American corporations abroad subject to a total taxation generally much higher than their competitors pay.

Some special relief has been provided for certain corporations operating in foreign countries of the Western

Hemisphere and in China. Under Section 15(b) of the Internal Revenue Code, certain Western Hemisphere trade corporations are exempted from paying the surtax (amounting to 14%) though they are still subject to the normal income tax (24%). Furthermore, to be eligible for the exemption, these corporations must derive at least 95% of their gross income from sources outside the United States but in the Western Hemisphere, and at least 90% from the active conduct of the trade or business.

Section 261 of the Code, concerning the China Trade Act corporations, exempts income earned in China through granting credit of such income against the net income taxable in the United States, provided a special dividend is declared which is at least equal in amount to the tax which would otherwise be payable to the United States on the income earned in China.

These various forms of relief accorded American business abroad, — unequal as this relief may be as between American business in the Western Hemisphere and China, and other countries, have resulted from a recognition on the part of Congress that this type of American enterprise should be facilitated in the national interest. But all these forms are intricate and confusing in application, and it is highly desirable, if not indeed imperative, that a simple, effective, and over-all system be evolved which will encourage and support American business abroad and not place it at a disadvantage versus foreign competition as does the present Code.

THE American Government has tax conventions or treaties now in effect with a large number of other countries which carefully delimit their respective tax jurisdictions, define the various classes of income covered by the conventions, and restrict the jurisdiction of each country to income allocable to a permanent establishment situated in the taxing state. A similar convention is under negotiation with the Republic of the Philippines.

The concept of a permanent establishment is basic in more than sixty of these conventions for the avoidance of double taxation of income. But the concept has not yet been incorporated into the Internal Revenue Code, and while it is a general principle that a treaty overrides a statute, the formal incorporation of the principle in the tax laws and regulations of the United States would simplify the whole matter and greatly facilitate the determination of income attributable to the carrying on of business and trade in foreign countries by American citizens and corporations.

IN so far as American business in the Philippines is concerned, probably the simplest solution of the situation meanwhile would be for Congress to continue the effectivity of Section 251 with respect to that business. That is what the American Chamber of Commerce of the Philippines has recommended to a number of prominent members of the American Senate and House. The move is being actively backed by the Philippine-American Chamber of Commerce, New York, which has also interested the National Foreign Trade Council in the matter. Full justification for the extension may be found in the fact of the special relationship existing between the United States and the Philippines during the period the Bell Act remains effective.

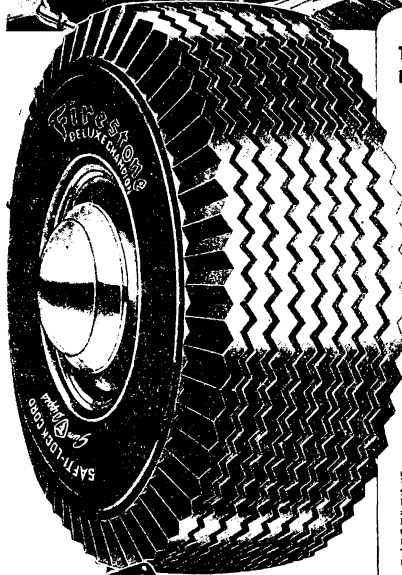
It must be emphasized that American business men abroad and American corporations which have branches or subsidiaries in foreign countries are not to be described as "tax-dodgers" in seeking the relief they ask for. The American business man abroad is generally not the type of expatriate who has forgotten his own country and wants to escape the obligations of his citizenship. Perhaps more so than many Americans who have never left home, they are aware of both their privileges and duties as citizens of the United States. Neither these men, nor the American corporations engaged in foreign activities seek to escape equitable taxation imposed on that part (if any) of their



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income which is earned in the United States. But in foreign countries they already pay the local income taxes, as is only right. If they are subject to double taxation, as now they are,—a taxation which in fact may be far more than merely double the amounts their competitors pay, then they find themselves at a very serious disadvantage because they are American citizens, and that is something that should never be.

The last number of the American Chamber of Commerce Journal issued before the Japanese occupation of Manila, which resulted in the complete suppression of this and every other publication not continued under enemy control, was the issue for December, 1941, Vol. XXI, No. 12.

In 1945, the year of the liberation of the Philippines and the defeat of Japan, only one issue of the Journal was gotten out, that for December, which was numbered Vol. XXII, No. 1.

The volume number was not changed in 1946, and the

following were the only issues:

February, 1946, Vol. XXII, No. 2
April, 1946, Vol. XXII, No. 3
July, 1946, Vol. XXII, No. 4
August, 1946, Vol. XXII, No. 5
September-October, 1946, Vol. XXII, No. 6
November, 1946, Vol. XXII, No. 7
December, 1946, Vol. XXII, No. 8

Through an error, the next issue, that for February, 1947, was numbered Vol. XXI, No. 9. It should have been numbered Vol. XXIII, No. 1. The issue after that, for April, 1947, was numbered Vol. XXII, No. 11, which should have been Vol. XXIII, No. 2. This was the last issue published under the former management.

Publication is resumed with the present issue for July, 1947, which, accordingly, is numbered Vol. XXIII, No. 3.

All the old files were destroyed and it is not possible to supply any pre-war issues. A limited number of complete sets of the post-war issues are available at ₱10 for the set of ten numbers (\$10 for orders from the United States and foreign countries).

The First Year of the Republic

FROM AN OFFICIAL SOURCE

ON July 4, 1947, the Republic of the Philippines will be one year old. The Government of the Philippines has been patterned after that of the United States and the Constitution embodies a great many features of the American Constitution. Had it been otherwise, there might have been a different approach to the various problems now confronting the Government and people of the Philippines.

The post-war problems are indeed overwhelming. Like many other countries, the Philippines suffered severely in the last global conflict. The Philippines faced the tremendous task of replacing destroyed public and private buildings and rebuilding roads and bridges demolished by the juggernauts of modern war. It faced the task of reconstructing its whole economy. There was, too, the problem of reestablishing peace and order and confidence in the government throughout the land. And the government coffers were almost empty when liberation came.

Thus the President of the Philippines, the leader of the country, has been hard put to it. He has had to resort to loans from the Government of the United States in order that the Philippines may tide over its budgetary difficulties during the first years. He has made it possible for American capital and technology to aid in the development of Philippine natural resources. He has been forced by circumstance to depend to a large extent on American experts to aid the Government in the various problems of reconstruction. He has also been compelled to rely on other than our most seasoned public servants because those most experienced are either still under indictment for treasonable collaboration with the Japanese or are not inclined to accept government positions. When, with respect to the rebellious Hukbalahap and other dissident groups, the policy of attraction fell short of success, he had to consent to an, at times, bloody campaign against them by the Military Police Command.

For all these measures, the President has been criticized bitterly, and his detractors have lost no opportunity to attack him by charge and innuendo.

They have made him out to be a puppet of America because he consented, they allege, to the conversion of the independent Republic of the Philippines into an outpost of the United States Army and Navy. They have accused him of weakness because, they declare, he has not removed incompetent or dishonest men from office. One local newspaper went to the extent of picturing him as the proverbial monkey who "sees nothing, hears nothing, and smells nothing."

But President Roxas has laid out his course of action and will continue to work, in accordance with democratic procedure, to restore the country to peace, normality, and prosperity.

During the first year of the Republic much has been accomplished in the way of restoring the people's confidence in their government and their leaders. Orderly processes have been reestablished in accordance with law. While the central Luzon situation cannot be called normal, it can be said that order and respect for authority have been restored over almost the whole of Luzon. There are still clashes between the Military Police and the Hukbalahaps in isolated regions, but compared with the situation a year ago it may be stated that Luzon is relatively at peace.

President Roxas knows only too well the deep-seated as well as the more superficial causes of unrest. He knows that for centuries hundreds of thousands of tenant farmers have been the virtual slaves of absentee landowners. Now they are the possessors of modern firearms, and for the first time in centuries, they acquired the means by which, rightly or wrongly, they felt they could secure justice. Goaded on by leaders whose aims may or may not be purely idealistic, these long oppressed people have organized themselves and taken the law into their own hands.

President Roxas has sought to ameliorate the conditions of their livelihood through the purchase of big landed estates in Luzon for resale in small lots to them. He also has ordered an investigation and survey of the big *Davao* haciendas for resale to *bona fide* guerrillas of that region.

(Continued on page 87)

The Flag*

By A. V. H. HARTENDORF

"Did we think victory great?
So it is,—but now it seems to me, when it can not be help'd, that defeat
is great,
And that death and dismay are great."

WALT WHITMAN

At daylight on Saturday, January 3 (1942), Manilans awoke,—those who had been able to sleep, to see the Japanese flag flying from the tall mast in front of the U. S. High Commissioner's residence on Dewey Boulevard; over Fort Santiago, U. S. Army headquarters at the mouth of the Pasig River; and over Malacañan Palace, the official home of the President of the Commonwealth of the Philippines. The enemy flag,—a red sun on a white field, was also flying over the Army and Navy Club and the adjoining Elks Club, the large government-owned Manila Hotel, and numerous other public and private buildings. Japanese sentries were posted by twos at all the principal street-corners and in front of clubs, hotels, and apartment houses. The rounding-up of Americans and British in the city had begun the night before, immediately after the entry of the enemy forces late in the afternoon. . . .

★

At sun-rise on the 1st of January, two days before this, E. C. Ross, of the High Commissioner's staff, who was in charge that day of the "watch" which had been established,—the Constabulary guard having disappeared, had raised the American flag for the last time. That evening, when it was lowered, G. O. Grey, another member of the staff, knowing that the enemy would probably enter the city the next day, carried the flag out to the broad lawn on the Bay side of the mansion and reverently burned it there so that it would not fall into Japanese hands. E. D. Hester threw the dies from the United States Seal into the Bay, after taking the precaution also of defacing them with a file. No flag flew over the High Commissioner's residence on the 2nd. The next day, the red-spot flag appeared all over the city, like an eruption of the pox. . . .

★

Oddly enough, despite the fact that the Japanese had arrived on the premises at around 9:30 on the night of the 2nd, two smaller American and Philippine flags, on the short staffs over the private entrance of Malacañan Palace, remained flying night and day until about 10:30 in the morning of January 4, when a Japanese officer noticed them and exclaimed angrily that they were the only such flags still visible in Manila. A Filipino police-lieutenant then ordered them lowered by two of his men who saw to it that the flags did not touch the ground. They were carefully folded and turned over to the Malacañan functionary who was in charge of the buildings and grounds. . . .

★

The Japanese-edited Manila Tribune, in the issue of April 22, 1942, contained a propaganda story about an American medical officer in Bataan who, after the surrender, was being beaten by several Filipino soldiers. Passing Japanese officers persuaded the Filipinos to let him go, and he was left "cowering in a corner, trembling, just like their stars-and-stripes flag, falling to ruin and destruction. . . ."

*Excerpts from a still unpublished book on the history of the Japanese occupation of the Philippines and of the Santo Tomas Internment Camp in Manila.

A delayed and disguised Fourth of July program was held outdoors in the Santo Tomas Internment Camp on the night of August 6, 1942.

The closing number was a recital which described the occasion,—the attack on Fort McHenry, when Francis Scott Key wrote the "Star Spangled Banner". Then the improvised stage was darkened and a man's voice was heard to repeat the immortal words of the anthem to an almost inaudible piano-accompaniment, but just as if the hymn had been played in crashing



Maple-Flower Studio, Photograph

July 4, 1946. The lowering and raising of the Flags at the inauguration of the Republic of the Philippines

by a military band, the several thousand American and British internees in the audience, though taken by surprise, rose quickly to their feet and stood at attention. Many of them believed that the stage had been darkened to conceal the man who was reciting the hymn, because the Japanese Commandant of the Camp had ordered that no patriotic music was to be played or sung when he first granted permission for the presentation of musical programs. But "Dave" Harvey, head of the Entertainment Committee and the master-of-ceremonies on this occasion, told a friend the next day that he himself had recited the words and that the stage had been darkened only for "effect". A spot-light was to have been directed on his face, but something had gone wrong with the apparatus. However that may have been, the internees for many days remained under the impression of that recital in the dark, that faint music, that large, hushed audience rising as one man. Many said that it was the most moving patriotic demonstration they had ever taken part in. . . .

★

No celebration or entertainment,—other than the "big inspection" of the Camp (by General Ko, head of the war-prisoners camps in the Philippines, one of those condemned to death and executed in 1946) was allowed on

July 4, 1943, but there was a children's party in the evening. Just after the close of the usual musical broadcast (phonograph-music over a loud-speaker), the children marched from the bamboo and nipa play-house in which their party had been held, to the plaza in front of the Main Building where most of the internees gathered in the evenings. The children entered the quadrangle in a column of twos. They were dressed in ragged and sketchy imitation of Indians and cowboys, soldiers, sailors, etc. Suddenly it was noted that the little girl at the head of the column was carrying a small, hand-painted paper flag, about 12 inches long,—the Stars and Stripes. All the internees in the plaza rose silently to their feet. Small as it was,—hardly to be seen in the dim light, this was the first appearance of "Old Glory" in public display in the Camp. . .

Invocation

★

(In the Santo Tomas Camp, middle of 1944)

Thy emblems in the dust, thy name contemned,
How long, America, how long is thy power
To be absent from this ravaged land,
Seized by the mad invader, still unpunished,
Still unexpelled!
Oppressed, thy people in death and shame
But firm in trust, await thy invincible armadas
In sea and air, the crash of thy avenging bolts,
Thy sure deliverance, America.
Assaulted Democracy, come swiftly then, in wrath,
And, in the strength and beauty of thy evangel
Of the inalienable rights of man,
Let the rash, presumptuous tyrant be abased,
His forces shattered, his minions dispossessed.
Let men sing of freedom again.

Lift high thy glorious emblems, deadly and jocund:—
Thy flag, that starry richness in azure field;
In those gay stripes, the red and white of morning;
Thy imperial eagle, dauntless wings outstretched,
In his iron talons the dread arrows of war,
Heaven and destiny, light, blood, fierce power
Are tokened there; unconquerable life;
Man springing free at last.
Swell loud the revolutionary cry:
E pluribus unum! The Many as One,—
In maintenance of freedom.

★

After more than three years of humiliation and suffering, starvation, and death, Santo Tomas was liberated on the night of Saturday, February 3, 1945. More than 600 internees, held as hostages in the Education Building by the Japanese garrison, were not released until Monday morning, when the garrison finally surrendered.]

On that same Monday morning, a brief flag-raising ceremony was held by the internees themselves, the flag being unfurled on the balcony over the front entrance of the Main Building at 9:15. The flag was at first merely held up lovingly by a number of the girls of the Camp as the movie-cameras clicked. Because the loud-speaker system was not yet in working-order, there had been no previous announcement possible, and internees, soldiers, and war-correspondents gathered only slowly as they learned what was going on. Then a number of internee men drew the flag to the top of the short sloping flag-staff as those present began spontaneously to sing, "God Bless America". There was no leader; no band; no speeches. Simple and almost impromptu as was this ceremony, with-

"And thou, high-towering one,—America . . .
With Victory on thy left, and at thy right hand law:
Thou Union, holding all,—fusing, absorbing, tolerating all,
Thee, ever thee, I bring."

WALT WHITMAN

out military pomp or circumstance, though in the heart of what was now an armed camp, it was deeply affecting, and several among the hardbitten army men and newspaper correspondents present, as well as many among the thin and ragged internees, openly shed tears of joy.

The men of the flying-column which had rescued the camp had no flag with them, and the flag used was a medium-sized one brought in by S. J. ("Sam") Wilson, then a U. S. Navy commander, whose wife and two sons were among the more than 4000 people interned in Santo Tomas. General Chase had praised him for his thoughtfulness in bringing the flag and said that he would assemble his men right away for the appropriate ceremony, but Wilson told the General that he had brought the flag for the internees and believed they should be allowed to raise the flag themselves; the General had immediately and generously agreed. . .

★

The crack First Cavalry Division, units of which had relieved Santo Tomas, formally entered Tokyo on September 8, 1945. In ordering the flag raised over the Japanese capital,—the flag which had flown over the White House on the day Pearl Harbor was attacked and which had already flown in triumph in Rome and Berlin, General MacArthur said to Lieutenant-General Eichelberger, Commander of the Eighth Army:

"Have our country's flag unfurled. In Tokyo's sun let it wave in full glory as a symbol of hope for the oppressed. . ."

★

U. S. High Commissioner Paul V. McNutt, speaking at the inauguration of the independent Republic of the Philippines on July 4, 1946, said in part:

"The American flag which waves over us is a world-emblem of freedom, of justice, of equality among men. In a few moments the flag we raised here forty-eight years ago will be reverently lowered. Americans and Filipinos alike will feel a sharp pang of sorrow. But the moment will be one of highest glory. . ."

Then to the accompaniment of the American National Anthem, played by a United States Army band, he slowly lowered the flag by means of a white cord, after which President Manuel Roxas, standing a few feet away from him, slowly raised the Philippine flag by means of the same white cord while the Philippine National Anthem was played by a Philippine Army band. Many a Filipino as well as Americans on the platform and in the vast crowd wept at that dramatic moment. Cruisers of Task Force 77 of the United States Seventh Fleet began firing twenty-one gun salutes, as did also a number of Australian, Portuguese, and Siamese warships in the Bay.

After President Roxas and Elpidio Quirino, the Vice-President, had taken their oaths of office, Roxas, head of the new-born nation, delivered his inaugural address, and his first reference was to the flag:

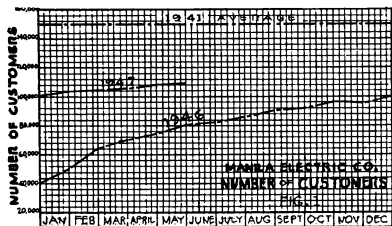
"The American flag has been lowered from the flag-staffs in this land,—not in defeat or in surrender, nor by compulsion, but by the voluntary act of the sovereign American nation. The flag which was first raised in conquest here has been lowered in even greater glory. The Stars and Stripes will no longer fly over this land, but in the hearts of 18,000,000 Filipinos and in the eyes of many millions more in this part of the world, the American flag flies more triumphantly today than ever before in history. . ."

The Manila Electric Company (Meralco)

By H. P. L. JOLLYE
Vice-President
Manila Electric Company

DURING the last session of Congress the franchise of the Manila Electric Company, in so far as electric light, heat, and power is concerned, was renewed for a period of twenty years from the date of the expiration of the existing franchise, that is to say the extension was granted to March, 1937.

The terms of the renewal are similar to the old terms in all respects except that the Company is obligated to spend or invest the sum of P40,000,000 for repairs, rehabilitation, extensions, etc., of the system within five years from the date of the signing of the Act by the President of the Philippines, including the amount already expended since November 1, 1945, the date on which the United States Army turned over the property to the Company for operation. Up to the end of June, some P8,000,000 had already been spent.



Number of Manila Electric Company's Customers

The Act provides that the Government of the Republic of the Philippines may at any time purchase the property of the Company at a fair valuation.

It also provides for a franchise tax of 5% on the expiration of the present franchise in 1953, instead of the 2½% now being paid.

The granting of this extension, for which the Company is grateful to President Roxas for advice and assistance, and to the members of Congress for their favorable action, enables the Company to proceed with its plans for the future with a feeling of security and with confidence that such funds as may be required can be obtained without difficulty.

In February, 1945, after the liberation of Manila, an inspection of the Manila Electric Company power plant disclosed that the retreating Japanese had done a very complete job of destruction. Turbines, generators, boiler plant, and oil storage tanks were masses of twisted iron and steel. This was not a result of fighting, not caused by shelling, but just deliberate, wanton destruction.

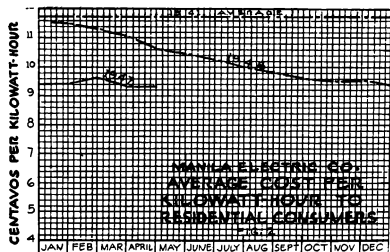
The office building, which had been reconstructed in 1934 with fine air-conditioned offices and show-rooms, had gone the same way. Only portions of the, machine-shops remained. The Japanese had run out of dynamite, or time, or both. What was left of these shops was of great value to the United States Army, as they were still probably the best equipped remaining in Manila.

It was a sad sight to behold, particularly for the men of the Meralco staff who had spent three long years in Santo Tomas or Los Baños, all of whom were looking forward to the day when they could get back to work once more. Who could have anticipated such wanton, apish wrecking.

As soon as permission could be obtained from the Army, engineers from Gilbert Associates, consulting engineers for Meralco, came to Manila for the purpose of making a survey of the property and recommendations for its reconstruction.

It was only after their arrival in July, 1945, that Company officials were able to make an ocular inspection of the hydro-electric property at Botocan for the first time. The same scene presented itself as in Manila; it was a pile of rubble. Fortunately, the dam was more or less intact; its destruction had been too big a job for the Japanese, but they had made merry with the rest of the plant. The power house had been dynamited, and a chunk had been blown out of the penstock. Fortunately, a Filipino employee had been able to close the gate at the tunnel, which saved what was left of the plant from further destruction. But for this prompt action, one that might well have cost the man his life, the embankment of the gorge and all that remained of the plant, including the foundations, would have been washed away by the deluge of water which was discharged from the tunnel and fell some 650 feet to the bed of the river.

After liberation, the Army hooked up a few diesel engines which had been left intact, added portable diesels of their own, and later two Destroyer escort-ships were anchored near the breakwater. All these, tied in together, furnished service to the Army, a few hospitals, and several other installations considered essential. In October, 1945, the 30,000 Kw. floating-unit, now known so well to all Manila as the *Impedance*, arrived, having been towed all the way from Pittsburgh, down the Ohio and Mississippi, and through the Panama Canal, a voyage which took some five months. At about the same time, the National Power Company was able to put into service one unit of 10,000 Kw. at Caliraya which the United States Army had assisted in rehabilitating. Manila was for the time being furnished ample service.



Average Cost per Kilowatt Hour

The next important date was November 1, 1945, when, at 0001 hours (Army style), the administration was turned over to Meralco. Under an arrangement with the Army, Meralco purchased the output of the *Impedance* and distributed electricity to the people of the City of Manila; a similar arrangement existed with the National Power Company for the output of the Caliraya plant.

Much work had to be done before service could be furnished to all. The Army had done a great deal, but the repairs to the system were only such as it required for servicing its own installations. Many miles of lines of the transmission and distribution systems had to be rebuilt, and at that time the only source of supply for materials was, as usual, the United States Army. It was all a mad scramble, everybody wanting service at once. One could not help being thankful that the telephone service was very limited! While it is true the Company had a 'phone, hardly anybody outside of the Army had this convenience.

By the end of the year 1945, over 40,000 services were connected, and, as shown in Figure 1, the connections increased by leaps and bounds until by the end of 1946 there were 100,000 customers on the lines. At the time of writing the number is 110,000. This compares with 150,000 before the war. However, in 1941, service extended as far north as Baliuag and south to Cabuyao and Cavite. The Company, through lack of materials and plant capacity, has been unable to extend service so far up to the present, but extensions will be made during the rest of 1947 and the year 1948, always providing power and materials are available.

Figure 2 shows the average cost per kilowatt hour to residential customers. In 1941, the average was slightly less than 12 centavos; this has decreased to around 9½ centavos. The schedule of rates for electric service is substantially the same as in 1941; the decrease is due to increased usage, and therefore more kilowatt hours are being sold on the low step of the rate. The average monthly use has actually increased from 29 kilowatt hours in 1941, to 86 in May, 1947. This astonishing increase in usage is attributed to several causes:

1. Increased population;
2. More money to spend; therefore more light used;
3. The Manila Gas Company not being in service, more electric ranges and hotplates used;
4. High cost of firewood; more electric hotplates in small houses, where formerly they were never used.

On July 1, 1946, the operation of the floating plant, *Impedance*, was turned over to Meralco by the United

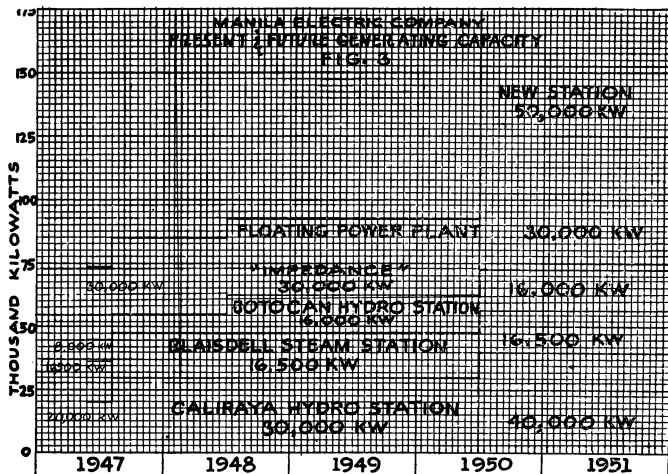
States Army under a lease arrangement. Prior to this, seven engineers experienced in the operation of high-pressure steam-plants, had been brought to Manila by air or steamer. For a month they had been familiarizing themselves with all the complications of a large installation confined in a small space such as a floating barge. At the moment called for in the contract, that is, 4 p. m. on the afternoon of July 1, they were ready to assume all the responsibilities of operation.

In September, 1946, the installation of a 4000 Kw. unit, which had been acquired second-hand in the United States, was completed at the Meralco steam-plant. In March, 1947, a second unit of 10,000 Kw. came into service at the National Power Company plant at Caliraya; and in May, 1947, the first service came to Manila from Meralco's plant at Botocan, on the completion of repairs to one of the two 8000 Kw. units. Prior to this, Botocan had been serving the towns of Lucena, Luisiana, and San Pablo with a repaired, smaller unit.

Figure 3 shows the generating capacity at the disposal of the Company at the present time, and the capacity planned for the future. By 1950, including the *Impedance*, 152,500 Kw. will be available, but it is expected that by that time it will no longer be necessary to operate the floating plant.

There is, in addition, a plan to increase the capacity of the transmission and distribution systems by new substations and the enlargement of those already existing. This will improve voltage conditions in all parts of the city and other areas served by the Company. The greatest difficulty is being encountered in obtaining delivery of transformers. Although ordered as early as August, 1945, and again in June, 1946, many have not arrived, in spite of promises of early delivery. It is doubtful that the orders placed will be completed much before the end of 1947. Strikes and lack of materials have been the cause of these delays. While this construction is proceeding,

(Continued on page 88)



Present and Future Generating Capacity

The Manila Railroad Company

By FERNANDO E. V. SISON
General Manager, Manila Railroad Company

THE Manila Railroad Company is one of our largest domestic corporations, representing an investment of over one hundred million pesos. As is well known, its railway lines are confined to the Island of Luzon, extending from San Fernando, La Union, in the north, to Legaspi, Albay, in the south, with a number of branches serving areas away from the main lines. The more important branches are the Paniqui-San Quintin, Tarlac-San Jose, Bigaa-Cabanatuan, San Fernando-Carmen, Calamba-Batangas, and College-Pagsanjan. The 1941 kilometrage of the main and branch lines in operation was 1,140.5.

During the period from 1917, when the Philippine Government acquired ownership of the property, to 1941, many millions of pesos have been added to the investment in the property. These funds were derived from surplus earnings of the Company and from purchases of additional capital stock by the Government. Probably the most important improvement was the construction of the line connecting the Legaspi Division to the Main Line South, completed in 1938. This construction covered about 110 kilometers of line between Aloneros, Tayabas, and Pamplona, Camarines Sur. Other notable improvements were the acquisition of new rolling stock,—locomotives, passenger coaches, and freight cars, replacement of wooden

bridges with permanent concrete and steel structures, grade rectification, construction of numerous new station buildings, installation of storage tanks for fuel oil and water, practically complete replacement of wooden poles with concrete and steel poles for carrying communication wires, the acquisition of a large fleet of auxiliary highway transportation units, and other improvements too numerous to mention.

The property in 1941 may therefore be considered as having been in first-class condition, well maintained and rendering absolutely indispensable service to the people of this Island. Then came the war. Almost overnight the picture was changed. Railroads are among the first victims of war, affording as they do ready means for the transportation of troops and military supplies. The first development was the taking of the Company under military control by command of General Douglas MacArthur on December 14, 1941. Then came the body-blow, which was almost a knock-out. On December 30, 1941, Mr. Jose Paez, then General Manager of the Company, received a letter from USAFFE Headquarters directing that the military authorities be permitted to disable or destroy such items of rolling stock, shop equipment, and right-of-way facilities as was necessary to the execution of military operations pertaining to the defense of the Philippines. The carrying out of this order resulted in very extensive damage and destruction to the railroad property. Bridges were blown up, shop machinery was disabled, and rolling stock collected and burned. The damage resulting from this military policy was later augmented by lack of maintenance during the Japanese regime, by the intensive air-raids of American naval and land aviation in 1944 and early in 1945, and by guerrilla activities, looting, and sabotage. A rough estimate of damage and losses sustained aggregates about forty million pesos.

To cite a few facts by way of illustration, out of 159 locomotives on hand in 1941, still only about 17 were in serviceable condition several months after liberation; 66 were missing entirely or in such condition as not worth repairing; and 73 were repairable. Out of 208 passenger coaches, 143 are missing. Sixty-five rail motor cars were in service in 1941 and there is only one in operation today, although 36 may be repaired if new motors are provided. Sixty-one out of 100 rail motor trailers are gone, as well as 70 out of 94 baggage and express cars and cabooses. The rolling stock situation as can be seen is not so good.

Fortunately, however, the United States Army after taking over the operation of the property in January, 1945, brought in 43 oil-burning steam locomotives, 10 diesel-electric switching engines, and about 1,000 gondola, box, and tank cars. This equipment, except eight diesel-electric engines shipped to Japan, together with undamaged and repaired Manila Railroad locomotives and cars, we are now using.

Although the Army operation was for military purposes and not for the benefit of the Company, the Army deserves great credit for the efficient manner in which the lines were put in operating condition. This has been of the utmost importance to the Company in resuming active control of the property.



Mayflower Studio Photograph

Reconstructed Palikpik Bridge at Km. 80.25, Main Line South, between College and San Pablo, Laguna. Total length 118.25 meters; 3-deck lattice spans on concrete and timber piers. Cost of reconstruction, about P400,000.

Editor's Note:—The Manila Railroad Company is as yet unable to release weekly or monthly car-load figures, but the management hopes to be able to do so shortly.

With the property so adversely affected by the destruction resulting from the war, the first objective was naturally to restore the railroad lines, rolling stock, bridges, buildings, communication systems, highway lines, and other railroad property to its pre-war condition or better, so as to enable the Company to furnish the transportation facilities so essential to the economic well-being of the country.

Probably the most important accomplishment of the Company since liberation has been the restoration of the Main Line South so that through train service could be furnished from Manila to the Bicol region. The United States Army during its operation from January 16, 1945, to January 31, 1946, made repairs, mostly temporary, to 448.11 kilometers of line out of 1,140.5 kilometers, or about 40%. The Army operations were for the most part on the Northern Lines, the only section of the Main Line South that was restored by the Army being from Manila to College Junction, a distance of 67 kilometers. The restoration of the Main Line South was regarded as of great importance in supplying railroad transportation to the copra- and lumber-producing districts of Luzon, not to mention the fact that the southern provinces are a source of firewood and other forest products, hemp, fruit, vegetables, fish, etc. Many bridges had been damaged and destroyed, particularly on the section between Masaya, Laguna, and Lucena, Quezon, as well as several important bridges farther to the south. The Palikpik bridge, spanning a very deep ravine a few kilometers south of Masaya, presented an especially difficult problem as the entire bridge was destroyed and the erection of very extensive trestle work was necessary. Several steel spans at other locations had fallen into rivers and were otherwise damaged. However by the dismantling of bridge-spans and other materials on certain branch lines and the San Fernando-

Sudipen extension installed by the Japanese, the work of restoring the bridges on the entire Main Line South from College to Ligao, Albay, was finally accomplished and through train service was inaugurated on February 20, 1947.

The destructive effects of the war on the railroad tracks were from three causes: direct destruction by bombs, shell-fire, and explosives; physical deterioration due to neglect by the Japanese of maintenance and replacement; and looting of materials, especially ties. When the Railroad was turned over to the Commonwealth Government by the United States Army, even the lines in operation were badly in need of ballast, ties, spikes, fishplates, and bolts, despite the fact that the Army had accomplished a considerable amount of repair and maintenance work. Track conditions were especially bad on portions of the Main Line South between Lucena and Legaspi. The tracks at various places lay almost entirely hidden beneath a heavy growth of weeds, grass, and shrubs. The rails at many locations were out of alignment and not up to grade, and low joints were found on long stretches of track. Many ties had been stolen and others were rotting away.

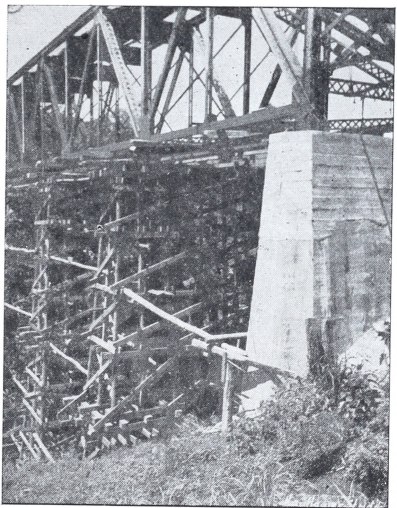
To meet the need for ballast materials, two ballast pits were reopened—the Plaridel ballast pit for the Northern Lines and the Pugod ballast pit for the section between Aloneros and Sipocot on the Main Line South. Considerable quantities of ballast have been distributed where most urgently needed, especially at low bridge approaches. In regard to rails, ties, spikes, fishplates, and track bolts required for the repair of the track structure, new supplies were practically unobtainable and recourse was had to the salvaging of old materials obtained from the dismantling of the San Bernardo-Sudipen section and various military spurs which had been installed by the Japanese. In addition, old materials were picked up here and there along the lines, including certain items left by the United States Army, and a considerable number of ties were removed from the Cabanatuan Branch, which might otherwise have been stolen. By such means, the condition of the track has been greatly improved, permitting increased train speeds on both the Main Line North and the Main Line South.

As mentioned previously, the United States Army operated 448.11 kilometers of railway line, or about 40% of the pre-war trackage, whereas at present the Company is operating 867.26 kilometers of line, or about 76.4% of the pre-war trackage. The most important line not yet reopened is the Cabanatuan Branch from Plaridel to Cabanatuan, which suffered so badly from war-damage and looting that it has been impracticable to place it in operating condition. The Batangas Branch, Malvar-San Pablo, Santa Mesa-Taytay, and several smaller branches also have not been restored.

A large number of station buildings and other buildings both north and south of Manila were destroyed or damaged during the war. Due to lack of funds and materials, it was not possible to make speedy and complete repairs to these buildings. Accordingly, only such repairs as were essential for operating purposes were made on important structures. Permanent reconstruction will have to await the providing of additional funds from war damage claims or other sources.

The former communication systems of the Company, — telegraph, telephone and radio, were among the more essential services that were heavily hit by the war, not only because of actual destruction by military action, but also from the effects of wholesale looting. Communication facilities had to be restored on lines where trains were not yet operated and also changes and additions had to be made to the telegraph and telephone systems installed by the United States Army in order to meet the Company's requirements. On the Southern Lines particularly, where

(Continued on page 87)



Mayflower Studio Photograph

View showing timber false-work used in the erection of the Palikpik Bridge.

The Business View

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

Banking and Finance

By C. V. GRANT

Sub-manager, National City Bank of New York

THE most vital need after Liberation was for banking facilities to finance the importation of desperately needed consumer goods.

The difficulties attendant upon reestablishing the banking system were gradually ironed out and on June 28, 1945, the first commercial bank reopened—The National City Bank of New York. During the next few months, most of the other pre-war banks reopened, so that by March of 1946, the banks were meeting the primary needs of the business community and merchandise was flowing into the Islands in vast quantities.

The first post war weekly summary of the Bureau of Banking was issued for the week ending March 16, 1946, giving consolidated figures for the eleven (twelve since April 15, 1947) operating commercial banks.

Comparative figures for the first report and the latest as of June 7 are given below:

	March 16, 1946	June 7, 1947
Total Resources.....	₱750,087,000.00	₱759,332,000.00
Loans, Discounts & Overdrafts.....	122,746,000.00	294,628,000.00
Investments.....	32,577,000.00	56,146,000.00
Demand, Savings & Time Deposits.....	358,553,000.00	369,979,000.00

The banking community has shown its faith in the future of the Philippines and its ability to recuperate from the ravages of war as evidenced by a 140% increase in fifteen months in loans to businesses, both large and small.

The highest comparative figure reported for loans, discounts, and overdrafts was ₱313,000,000.00 on March 22. The recession from this figure is due to the sharp decrease in foreign demand for copra with its attendant severe drop in bid prices which in turn has served to make importers take a more cautious view toward the near term retail trade.

Total demand, savings and time deposits reached a high of ₱387,000,000.00 as of March 22 this year. The current figure of ₱370,000,000.00 reflects increased inventories as a result of unusually heavy importations of certain lines of consumer goods during the past three months. There is evidence that this situation in a large measure will correct itself during the next few weeks.

Cash in banks stood at ₱185,000,000.00 at the latest report against a high of ₱207,000,000.00 as of November 23 last year. After setting aside the cash reserves required by law, the banks are in a satisfactory position to meet the needs of an expanding economy.

Against a pre-war currency circulation of about ₱225,000,000.00, the total outstanding as of January 31, 1946, at the time of the first post-war report of the Bureau of the Treasury was ₱888,000,000.00, a 300% increase.

Throughout 1946, the circulation figures showed a steady drop to a low of ₱645,000,000.00 at the end of February this year. By April 30, monetary circulation had increased to ₱730,000,000.00 as a result in part from the proceeds of the loan of \$25,000,000.00 from the United States which was deposited to the Philippine Treasury Certificate Fund, while an additional amount of \$10,000,000.00 was transferred to that fund from the General Fund. Also, as authorized in Commonwealth Act No. 699, the Philippine Government has paid in to the Philippine Na-

tional Bank as the Depository for the International Monetary Fund, the sum of ₱22,000,000.00, representing its subscription to the Fund.

Circulation again dropped to ₱714,000,000.00 at the end of May, which represents roughly a 20% decrease in 18 months in circulating currency.

The Stock Market

May 14 To June 14, 1947

By A. C. HALL

A. C. Hall & Company

TRADING during the month under review has been the dulllest in many months. However, the decline which set in on February 20 when our mining share average registered 43.63 seems to have bottomed out at the moment. The low for the year was registered on May 14 at 32.20. Since then a feeble attempt to rally appears to have petered out, as the closing on June 14 was only .33 above the year's low.

The downward trend in stock prices during recent months reflects the slump in local business. The price of copra in foreign markets has declined sharply from record levels prevailing earlier in the year. The market for most imported goods is over-supplied, and some painful liquidation appears necessary before supply and demand are more nearly in balance. This recession in general business has naturally affected stock prices, and has caused steady pressure since March.

Public participation is small at present, the market is thin, consequently execution of moderate selling or buying orders frequently causes undue fluctuation. An example of this was the recent rise from 61 centavos to 67 centavos in Mindanao Mother Lode on the execution of a market order to buy 50,000 shares. Following the buying, the stock reacted easily to 63 on renewed small scale liquidation.

From a technical viewpoint, dull markets, such as we have recently witnessed, are interesting. Any prolonged period of inactivity deserves close attention, particularly following a decline of some duration. It indicates the drying up of selling pressure, and generally precedes a change in trend.

Turning to individual issues, the only listed mining stocks to register worthwhile gains during the past month are Mindanao Mother Lode and San Mauricio. The balance of the list is unchanged to slightly lower.

In unlisted mining issues, Itogon traded between 7 and 8 centavos, United Paracale between 7-1/2 and 8-1/2 centavos, both on fair volume. A few small transactions in Acoje were made between a low of 20 and a high of 21-1/2 centavos. Small transactions were reported in Coco Grove at 2-1/2, Paracale Gumaus at 8 and Suyoc at 5.

In the over-the-counter market, Benguet were inactive. Following opening sales at ₱3.65 the stock declined to ₱3.50 and closed at ₱3.70. A large volume of business was transacted in Far East Oil, ranging from a

EDITOR'S NOTE.—The pages of "The Business View," begun in this issue of the Journal, are in the stage of formation and organization. It may be that additional departments should be set up and that some of the departments now included will have to be eliminated as dealing with business facts and aspects which do not lend themselves to monthly summary and comment. We would like to have the opinions of Journal readers on this. If they do not find what they want in these pages, or in any section, they are invited and urged to advise either the column editor or the editor of the Journal. All suggestions will be gratefully received and given careful attention.

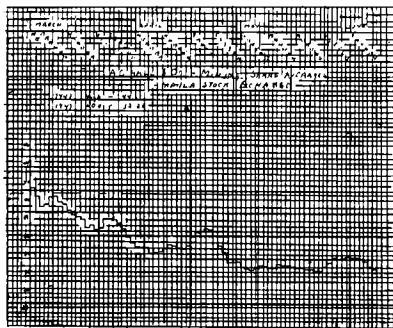
of 64 centavos to a low of 28 with closing sales at 49. From a speculative standpoint, this is about the most popular issue at the moment.

In other sections of the list, trading was generally restrained. A total of 360 shares Bank of the Philippine Islands changed hands at ₱70. This stock closed at ₱70 bid, China Banks at ₱115 bid, and Peoples Bank at ₱50 bid, with no business in the latter two issues. In the Insurance Section, Filipinas and Philippine Guaranty were unchanged at ₱19 bid, sellers asking ₱26 and ₱27 respectively. San Miguel Brewery closed ₱568 up ₱48 during the month on sales of 160 shares. Philippine Racing Club were quiet and only 38,000 shares changed hands at prices ranging from ₱1 to ₱1.06 with closing sales at ₱1.04. Sugar Shares were neglected, and the only business reported was 10 shares of Carolots at ₱102.

Closing bid and asked prices for leading issues were Bais ₱600—₱720, Carota ₱75—₱105, Pasudeco ₱21—26, Tarlacs ₱55—₱75.

**MANILA STOCK EXCHANGE LISTED MINING SHARES
MAY 14 TO JUNE 14, 1947**

	TOTAL SALES	HIGH	LOW	CLOSE	CHANGE
Antamok Goldfields.	121,540	₱.03	₱.028	₱.028	off .002
Atok Gold Mining Co.....	77,383	1.12	1.08	1.08	unchanged
Baguio Gold Mining Co.....	14,500	.06	.06	.06	off .03
Batong Buhay Gold. Big Wedge Mining Co.....	2,250,000	.0076	.0068	.007	off .0006
Consolidated Mines.	100,500	1.22	1.14	1.16	unchanged
I X L Mining Co.....	6,475,000	.013	.01	.011	off .002
Lepanto Consolidated.	252,000	.07	.0675	.07	unchanged
Masbate Consolidated.	259,000	.345	.30	.31	up .005
Mindanao Mother Lode.	90,000	.06	.055	.0575	off .0025
San Mauricio Mining	346,500	.67	.60	.64	up .03
Surigao Consolidated	132,200	.20	.155	.20	up .045
	126,800	.315	.29	.29	unchanged



Manila Mining Share Averages for March to June 14

Insurance

By ARTHUR H. HENDERSON

Vice-President, American International Underwriters for the Philippines, Inc.

UPON the overthrow of the Japanese and the liberation of Manila, insurance companies which had been operating in the Philippines during the pre-war years were faced with problems the difficulties of which at first seemed insurmountable but which nevertheless required

immediate attention and action in order to afford coverage vital to the import of commodities and their protection upon arrival in the Philippines. Property in the country also had to be insured in connection with bank credits to permit government, industry, and commerce to start the huge task of rehabilitation.

During the war years Japanese vandalism included the destruction of insurance-company records, as well as the seizure of funds, securities, and other assets. The looting, burning, and pillaging of books of accounts and supporting documents, statistical reports and records, policy forms, bordereaux, agency contracts, treaty reinsurance agreements, and similar instruments left insurance executives stripped of their tools. In many instances key-personnel had been killed, had left the country, or had entered other fields of endeavor. The loss of so many trained, experienced men, while serious in itself, became of even greater import when coupled with the loss of records and documents, and imposed upon those charged with the underwriting and rehabilitation of the companies a herculean task.

Had these handicaps been the only ones, the task would have been sufficiently difficult, but there was also the inadequacy of the mail and other communication facilities, the lack of means of transportation, the dire shortage of housing, and all the other aftermaths of war.

The Philippines after years of occupation was physically and financially in ruins, with docks and buildings destroyed, commerce and industry prostrate, and was temporarily without the materials and equipment necessary even to begin the reconstruction.

The insurance executive confronted by all of these problems involved in the rehabilitation of his own companies, not to mention the preservation of his own physical well-being, also had to consider additionally the increased hazards inherent in and resulting from the ravages of a brutally destructive war. Sualte, nipa, salvaged lumber, and galvanized-iron sheeting generally were the materials initially used to erect buildings which had to house properties in the aggregate valued in millions. While it is obvious that such construction offered relatively little protection from pilferage and theft, the risk of fire was of even greater concern, particularly in the congested districts, and in Cebu, Tacloban, and Cabanatuan there were conflagrations which threatened the very existence of those cities.

The hazards of conflagration, while admittedly of serious proportion due to construction deficiencies, were greatly increased by the lack of fire-fighting equipment, alarm-systems, and water-supply. Bacolod, a city of approximately 60,000 population, had only seven 50-foot lengths of 2-1/2-inch fire-hose for its entire fire department as late as January, 1947.

While dealing with these problems, the moral probity of the assured, concurrently with the physical risk, occupied the underwriters' attention to a greater degree than ever before. Scarcity of commodities, with subsequent huge, potential, black-market speculative profits, attracted hordes of get-rich-quick merchants whose only consideration was profit regardless of all moral considerations.

The series of disastrous fires occurring in Manila and the principal provincial cities have caused even the Government Administration concern, and President Roxas recently summoned the executives of all insurance companies writing fire-insurance policies to a conference at Malacañan. The President stressed the serious economic drain upon the limited resources of the Philippines and emphasized the necessity of taking emergency measures in an attempt to stop the many fire-losses of a questionable nature.

In compliance with a suggestion of the President, fire-insurance underwriters in the Philippines have agreed to refuse to accept any new or additional commitments on contents within certain congested districts of Manila and other principal cities.

(Continued on page 87)

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Treasurer, Manila Electric Company

1941 Average—15,316,000 KWH	1947	1946
	Kilowatt Hours	Kilowatt Hours
January.....	17,543,000	9,286,000
February.....	17,503,000	8,778,000
March.....	20,140,000	10,122,000
April.....	19,601,000	9,849,000
May.....	19,241,000	11,132,000
June.....	18,273,000	11,432,000
July.....		12,333,000
August.....		14,411,000
September.....		15,018,000
October.....		16,787,000
November.....		15,767,000
December.....		17,984,000

Electric production in May, 1947, was 8,109,000 KWH, or 72.8% greater than in May, 1946. However there was a decrease in May over April of 360,000 KWH, or 1.8%, which was due to reduced capacity of the floating power plant, *Impedance*.

Production in June, 1947, was 6,841,000 KWH, or 59.8% greater than in June, 1946. However, there was a decrease in June over May of 968,000 KWH, or 5%, which was due to a three-weeks' shut down of the *Impedance*.

During the last week of June, when electric service was restored to normal, the output was at the rate of 21,500,000 KWH monthly.

Real Estate

By C. M. HOSKINS

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

REAL estate sales continue active, with a wide spread between asking prices and prices at which actual sales are closed. Residential rentals continue at three to four times the pre-war, due to the continued housing shortage. Warehouse space is in heavy demand, at rentals of around ₱2.00 per sq. m. per month (\$10 per sq. ft.). Office rentals continue at ₱3.00 to ₱7.00 per sq. m. per month.

Rehabilitation of damaged buildings is speeding up with lowering lumber prices. Operators are paying fabulous prices for roofing and hardware, but figure that with prevailing high rentals excessive costs can be written down to post-war normal in two or three years.

Excellent opportunities are seen for hotel and apartment developments, as a huge tourist trade merely awaits available accommodations. Local residents, Filipino and foreign, show a tendency to prefer apartments because of the high cost of domestic servants.

Subdivision lots continue very much in demand, especially small lots. All subdivisions report record instalment sales at higher than pre-war figures.

Accurate statistical figures of real estate sales are not yet available. The Bureau of Census and Statistics Bulletin for 1945-1946 reports sales actually registered, without excluding sales made during the Japanese occupation but recorded after liberation. A spot check for one month showed that Japanese occupation transactions registered in February, 1946, represent 66% of the total reported for that month.

Construction

By O. A. BONI

Vice-President and Chief Engineer, Atlantic, Gulf and Pacific Company of Manila

MAJOR contributing factors to high construction costs are the uncertainty of prices and delivery. This condition is world-wide but accentuated to some

degree in the Philippines due to its distance from sources of supply of many items.

A contractor bids on a project. He must bid a firm price, yet he himself very often cannot obtain a firm price, nor definite delivery date, so he guesses what his materials will cost him. Meanwhile he must buy and hold items as they become available and on a large project as much as 12 months will be required to accumulate enough items to justify proceeding with the work with a fair assurance that the work will not be interrupted through lack of some essential item.

Meanwhile conditions have changed, escalator clauses have been enforced, a new tax has been added, labor prices may have changed, and the contractor finds himself hoping that he can break even, with the odds against him.

It is an unfortunate situation that will be helped by firm prices and definite delivery dates.

The steel industry in the United States has a fairly long work contract and prices should be firm for the next year but escalator clauses will probably be continued "just in case."

Suppliers of other construction materials should soon be in a better position to quote firm prices.

When contractors can depend upon prices and delivery, construction costs can be stabilized to a great extent.

By H. H. KEYS

Architect

THE situation governing the construction of buildings is still unsatisfactory. Building permits are being issued largely on a temporary basis, pending the adoption of a definite City Plan. Until this plan is finally decided upon, it will continue to be difficult for owners to know just what they may do with their property. Much of the building being done at present is of a temporary nature and creates in many cases a very great fire-hazard.

The Government is attempting to make lumber more easily available to the public and much of the construction in the immediate future depends on the success of this move.

Delivery of imported materials remains uncertain. Mechanical equipment for buildings takes eight months or more to arrive here.

Prices of building materials are down somewhat, notably lumber, gravel, adobe-stone, etc. Some imported materials, however, continue to carry the "escalator clause".

Quantities of many materials such as lumber, cement, plumbing, electrical supplies, and metal-roofing are still very limited.

A permit is now required to buy galvanized-iron sheets. The reason given for this requirement is that it is the desire of the Government to distribute the supply so the small builder will have an equal chance with the large purchaser to secure needed roofing.

Considerable imported materials from the United States are still under license from the United States. For this reason, representatives here are not always in a position to give exact quotations.

Building permits for May amounted to about ₱9,000,000 and covered about 640 permits. This shows an average per permit of a little over ₱14,000. June building permits (to June 27th) totaled about ₱4,336,000, covering about 375 permits. This shows an average per permit of a little over ₱11,560.

Many of the permits issued are for very small amounts and cover repairs to small homes, shops, etc. The fact that many permits are being issued for small amounts is a healthy indication that the small property owner is trying to rehabilitate.

Permits for May include a three-story mixed concrete addition for St. Rita's College amounting to ₱300,000;

rehabilitation of a reinforced concrete building for the Motor Service amounting to P180,000; a P90,000 rehabilitation for a building on Calle Isabela and many for around P20,000 each.

June permits show a mixed concrete construction on Calle Ongpin amounting to P180,000; a P66,000 residence on Kansas Street; a P55,000 concrete construction on del Pilar; a P120,000 steel-frame building on Nagtahan; a P140,000 concrete construction on Calle San Luis; a P900,000 three-story concrete building on O'Donnell. Again there are many permits for very small sums.

The South Port Area shows considerable activity. The Heacock Building and the Bachrach Building are being rehabilitated. Other rehabilitations and new buildings are in progress in this area while plans are being prepared by various architects for other work.

Machinery

By GEO. H. EVANS

President and General Manager, Manila Machinery and Supply Co., Inc.

A VITAL factor in the rehabilitation of the Philippines is the procurement of machinery of all kinds, including plant equipment, and the supplies necessary to maintain and operate it. Industry in this country is faced with the necessity of replacing not only the equipment destroyed or damaged by military action, but that willfully destroyed or carried off by the enemy or by looters. In addition to the need of rehabilitating the pre-war industries, the changed conditions brought about by the establishment of the Philippines as an independent Republic require the organization of new industries as well as the expansion of some of the older industries which were of minor importance before the war.

The United States Army and Navy surplus equipment made available here has played an important part in providing some machinery for immediate use, but the great difference between military and civilian needs renders a large part of the huge surplus stock-pile of little real value in our industrial rehabilitation.

The bulk of the burden of supplying Philippine industry has fallen on the American manufacturers of machinery and on their representatives here. All of the pre-war machinery importers have reestablished themselves and some new ones have come in, and are all very active, though their task is proving none too easy. The American machinery industry as a whole is sympathetic to Philippine needs, but problems of reconversion, material shortages, and unsettled labor conditions in the United States have resulted in continually delayed shipments of urgently needed equipment. Deliveries running from 6 to 18 months have not been unusual and in some instances have extended beyond this.

Costs are a highly important consideration in industrial rehabilitation, and, up to the present, costs of machinery and machine supplies have continued on the upward trend. Manufacturers are still in the unfortunate position of being unable to foresee what their costs will be on extended deliveries, and orders have therefore been accepted only on the basis of the price which will be in effect at the time of shipment. It is easy to see that both the machinery importer and local industry work under a considerable handicap under such conditions.

Another handicap is the loss of libraries which it will take time to replace. Catalogs and specification lists which were not printed during the war have been slow in coming out, partly because of the paper shortage.

Though industrial engineers and machinery importers here have all been harassed by these difficulties ever since the liberation, tremendous forward strides have nevertheless been made. Many industries are operating at almost

full speed, and stocks of machinery and supplies are available in importers' show-rooms and bodegas which were wholly unobtainable a year ago.

It is reported, too, that production in the United States is hitting its stride, and, barring further major strikes, will soon overtake the present run of accumulated orders. It should be only a matter of months until prices will remain at least firm and deliveries in the majority of machinery lines will return to normal.

It is safe to predict that engineering developments since 1941, many of which are still to reach the actual production stage, will prove to be of considerable value to industry here when they do reach that stage, and all industry is awaiting their announcement.

Finally, we may advert to the fact that never before in Philippine history have the people here had the opportunity to see such numbers of machines in action, many of them new to the country, as they have during the past two years. The people have been quick to adopt those machines, large and small, which they found suitable to civilian use, and as a result we shall no doubt soon see an advance in the mechanization of the country's economy which would, otherwise, have taken many years.

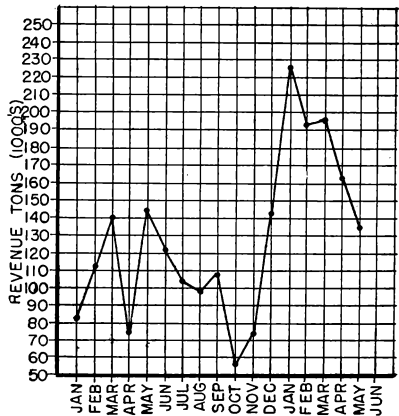
The Port of Manila

By H. W. TITUS

Luzon Stevedoring Company

MOST of the readers of this Journal are familiar with the reopening of the Port of Manila after its retaking by the American military forces in 1945. The Port was immediately thereafter and for almost a year, primarily the logistical springboard for the operations of the United States and Allied forces against Japan. After V-J day it continued to be the shipping point for men and materiel moving forward for the occupation of the Japanese Islands and Korea.

It was realized that it was essential also that the port be opened to the flow of the civilian cargo necessary to get the rehabilitation of the country under way. Commercial operation was not, however, in full swing until the beginning of 1946.



Revenue Tonnage, Commercial Cargo, Port of Manila, 1946, 1947
(For Table, see page 86)

The accompanying chart shows the revenue tonnage of commercial cargo handled through the Port since that time and up to and including May, 1947.

Examination of the chart and the basic statistics is of interest from a number of points of view. First is that with the admittedly dilapidated and makeshift transportation equipment and warehousing facilities, a total tonnage over the past seventeen months of 2,171,355.60 tons has passed through the Port into the hands of consumers. This amounts to 4208.5 tons of goods a-day, or 175.3 tons an hour for every hour of the previous year and five months. It should be pointed out that it has been in no sense a regular flow of cargo but one which varied rather widely from month to month. The variations are in general easily explained. The year 1946 began with a quite rapid climb from 82,303.75 tons in January, to 140,659.13 in March. Labor difficulties in the United States in the winter of 1945-46 readily explain the drop noted in the month of April, and the release of vessels the sharp rise in May. The next "lows" on the chart occur in October and November, and were occasioned by the maritime strike in the United States. The break in the backlog of shipping from that strike is shown in the peak in January, 1947. Since then, there has been a steady drop toward the mean line which is set at an arithmetical average of the total for seventeen months at 127,726.80 revenue tons.

The prediction would seem to be that, with the warehouses of Manila as well filled with consumer goods as they now are, and with the difficulties of procuring heavy equipment and construction supplies from the United States, the curve may be expected to cross the average line and drop to around 90,000 tons a month in the near future, eventually rising again and leveling off at about 120,000 tons a month.

If the foregoing has seemed to be in the nature of a statistical exercise, the defense is that only by an examination of past, present, and projected future tonnages, can intelligent planning be done to properly rehabilitate the Port of Manila and provide for even better operation at a lower cost to the importer and consumer than that established before the destruction of the Port.

In subsequent articles, an attempt will be made to indicate and evaluate some of the measures proposed for the improvement of the Port facilities.

Ocean Shipping

By F. M. GISPERT

Secretary, Associated Steamship Lines

IMPORTS. Although the actual number of vessels calling at the Philippines showed an increase from the beginning of the year to the end of May, the amount of tonnage for discharge decreased consistently.

From a high of 169,618 manifest tons discharged in Manila during January of this year, 116,847 tons were discharged in February, 121,455 tons in March, 88,455 tons in April, 67,428 tons in May, and only 24,366 tons for the first half of June.

Most vessels now are arriving with only part cargoes and many are calling at the islands merely to load.

EXPORTS. Export cargoes have shown a steady increase from the beginning of the year with copra, hemp, coconut oil, and ores, being the major bulk commodities, and desiccated coconut leading the general cargo.

During the period January-May the principal export commodities have moved to the following destinations in the following quantities:

COPRA LONG TONS

	January	February	March	April	May
U.S. Pacific Coast.....	24,018	39,526	34,420	19,859	26,818
U.S. Atlantic Coast.....	12,533	6,825	11,904	7,020	14,240
U. S. Gulf Ports.....	9,572	8,301	10,120	23,226	2,146
Europe.....	14,450	31,196	31,446	42,732	20,796
South America.....	5,950	—	609	—	4,001
Africa.....	—	2,000	1,000	7,982	2,000
Oriental Ports.....	—	—	—	—	—

HEMP, BALES

	January	February	March	April	May
U.S. Pacific Coast.....	6,515	8,750	11,700	6,190	12,379
U.S. Atlantic Coast.....	24,195	26,920	33,869	20,485	63,093
Canada.....	—	2,050	—	300	—
Oriental Ports.....	909	225	2,131	50	400
Europe.....	5,425	8,227	4,975	44,292	21,970

ORES, LONG TONS

	January	February	March	April	May
U.S. Atlantic Coast.....	16,000	9,000	13,000	10,000	13,700
Europe.....	2,000	—	—	—	2,000
U.S. Pacific Coast.....	—	—	—	2,000	—

Against a total of 102,824 tons of export cargo which was lifted in January, 117,345 tons were loaded in February, 135,395 tons in March, 142,566 tons in April, and 108,697 tons in May, on the following ships:

CARGO EXPORTED FROM THE PHILIPPINES TO ALL DESTINATIONS BY NATIONALITIES

1947	American	British	Chinese	Danish	Dutch	Filipino	French	Norwegian	Swedish	Panamanian	Honduras	Total
JANUARY												
Number of Sailings.....	22	8	2	4	1	6	—	6	3	—	—	52
Tons.....	52,964	8,888	100	12,126	50	10,307	—	13,503	4,886	—	—	102,824
Per cent.....	51.51	8.64	.10	11.79	.05	10.03	—	13.13	4.75	—	—	100
FEBRUARY												
Number of Sailings.....	31	7	1	3	1	2	—	6	6	—	1	58
Tons.....	71,811	7,454	5	4,515	3,181	634	—	11,692	18,025	—	28	117,345
Per cent.....	61.19	6.35	.004	3.85	2.71	.56	—	9.96	15.36	—	.02	100
MARCH												
Number of Sailings.....	36	5	—	3	3	3	—	13	3	2	1	70
Tons.....	58,863	3,615	—	6,976	4,274	367	—	42,924	51.60	7,000	116	135,395
Per cent.....	43.48	2.67	—	5.15	3.16	.28	—	31.70	3.81	5.17	.08	100
APRIL												
Number of Sailings.....	35	10	—	5	2	7	1	5	4	1	1	71
Tons.....	68,830	24,319	—	11,874	242	3,524	4,550	17,195	4,082	2,000	4,950	142,566
Per cent.....	48.98	17.06	—	8.33	.17	2.47	3.19	12.06	2.87	1.40	3.47	100
MAY												
Number of Sailings.....	27	11	1	6	7	6	Canadian	1	4	7	—	71
Tons.....	48,983	7,803	20	13,403	3,227	13,083	3,000	6,676	11,242	—	1,260	108,697
Per cent.....	45.07	7.18	.02	12.33	2.97	12.04	2.76	6.14	10.34	—	1.15	100

Inter-Island Shipping

By EDWARD DANKS

Vice-President and Treasurer, Everett Steamship Corporation

IN August of 1945, the U. S. Maritime Commission started the operation of a number of small freight vessels which were released by the Army for that purpose. They continued to add to this fleet until in early 1946, there were 30 vessels of the FS type and 4 vessels of the C1-MAV-1 type, 3 vessels of the Baltic coaster or N-3 type, and a lumber schooner. These vessels were registered under the Philippine flag and manned by Filipino officers and crews, all of whom had been members of crews of inter-island vessels operated by the various private companies prior to the war. These vessels were divided into two fleets and were operated by the Everett Steamship Corporation and the American President Lines. There was a great demand for consumers' goods in the provinces which together with the great volume of passengers, including displaced persons, resulted in heavy outward cargoes but comparatively light cargoes return, with the exception of lumber and logs. These two fleets were operated until early in 1947 when all FS vessels were sold to the Philippine Government, which resold them to pre-war operators and to new operators for private operation.

Everett Steamship Corporation continued to operate three C1-MAV-1 vessels of the type of the *Snug Hitch* and four N-3 vessels of the type of the *Northern Wanderer*, while American President Lines continued to operate one C1-MAV-1 vessel and one N-3 vessel as well as the lumber schooner.

In the second half of 1946, De la Rama Steamship Lines bought three new coastal vessels built in Canada and the *Compañía Marítima* and the *Manila Steamship* chartered two FS vessels each and the latter purchased a vessel which had been operating from the Pacific Northwest to Alaska and these vessels proved a welcome supplement to the fleet of U.S. Government-operated vessels. The U.S. Maritime Commission is now in the process of entering into charters with a number of pre-war operators such as the *Philippine Steam Navigation Company* (the managers of which are the *Everett Steamship Corporation*), *Compañía Marítima*, *De la Rama Steamship Company*, and the *Manila Steamship Company* for the continued operation under charter of the vessels now being operated by the *Everett Steamship Corporation* and *American President Lines* on behalf of the U. S. Maritime Commission.

It is expected that more or less regular schedules will be maintained by these operators, the *Everett Lines* now maintaining regular weekly schedules from Manila to Cebu, Mindanao, Jolo, and Negros ports as well as monthly schedules to Aparri and Northern Luzon ports and a fortnightly schedule to Legaspi, Tandoc, and Tabaco. *Compañía Marítima* maintains weekly sailings to Cebu, Negros, and Mindanao ports and regular sailings to Cebu and Northern Mindanao ports, while *De la Rama Lines* have two weekly sailings to Cebu and fortnightly sailings to Iloilo and Mindanao ports, and the *Manila Steamship Company* maintains two weekly sailings to Iloilo and Pulupandan and fortnightly sailings to Cebu and Mindanao ports.

New operating companies which have developed since the war are operating FS vessels acquired when these vessels were sold by the U.S. Maritime Commission through the *Philippine Shipping Commission*. These companies are *General Shipping*, *Southern Lines*, *Pan-Oriental Lines*, *William Lines*, *Oriental Shipping*, and *Matute Lines*. The new companies are endeavoring to maintain regular schedules, but they are encountering the difficulties which confronted the government operators in 1945 and 1946, which are the difficulties of discharging at smaller outports due to lack of facilities resulting in delays in the dispatch of vessels. While pre-war operators and new operators

are endeavoring to reestablish themselves in the trade with pronounced vigour, they view the prospects of lucrative operation with some concern. Outward tonnage moves in volume to the larger ports only, very little outward cargo being available from the smaller ports. This results in the larger ports being over-tonnaged and minor ports having inadequate service. The inter-port and inward business of copra, sugar, hemp, and the like is curtailed appreciably due to the present practice of ocean vessels calling at outports to load cargo that previously was accumulated from outports to the larger ports. Lumber is available in substantial quantities but the lack of cascos for discharge necessitates discharge to trucks which so delays the vessel that she cannot maintain her schedule. As a consequence, stevedoring costs mount, to a port where the freight rates permitted are non-compensatory. It is believed that an increase in freight rates to permit the economic movement of lumber is imperative. Other expenses in inter-island operation have increased appreciably also, particularly, wages and subsistence of crews.

Most pre-war operators desire to rebuild their fleets lost during the war and almost all have claims pending for settlement, but the costs of operation plus present costs for shipbuilding tend to discourage expansion, although the construction of vessels specially designed for the trade is imperative to successful operation.

Land Transportation (Bus Lines)

By L. D. Lockwood

PERHAPS no other business has been rehabilitated faster and under greater difficulties than the land transportation business in the Philippines.

Upon being liberated, the American operators, foregoing repatriation, went right back to work. Max Blouse, out of Bilibid minus an arm lost on Bataan, Joe Benedict and Major Olson of Batangas Transportation and Laguna-Tayabas Bus, out of Santo Tomas, Ed. Normandy of Pampanga Bus, out of Cabanatuan prison camp, W. C. Ogan of Cebu Autobus and Bohol Land Transportation, out of Los Baños, Ralph Rawson and "Jimmy" James of Ammen Transportation, from their hide-out in the mountains of Camarines Sur, Joe Thomas of Meralco, out of Santo Tomas, Stoops of Red Line, out of Cabanatuan, and Derrick of Bachrach Motor (Rural Transit), out of prison camp in Manchuria, were all back on their jobs in a few days.

Some did not come back,—and never will. Lee Stevens of Meralco, Floyd Cottrell, Manager of Pampanga Bus, and L. O. Corbett, Shop Superintendent of the same Company, were on Jap prison ships that were torpedoed and were lost. Colonel Andreas, President of Pampanga Bus, went into the Army in April, 1941, was invalidated home in October, and died in the States during the war. Dave Minnich, Manager of Northern Luzon Transportation, was taken prisoner by the Japs, escaped the same day and hid out in the hills back of San Fernando, La Union, well protected by guerrillas, until he died shortly before liberation. John Moore, Maintenance Superintendent of Ammen Transportation in Camarines Norte, took to the hills, joined up with Vinzon's guerrillas, escaped when this force was dispersed at Mt. Labo, but was too weak from hunger and illness to get to safety and died in the jungle. For Walter Price of Leyte, liberation at Los Baños came a little late; he died shortly afterward at Muntinglupa.

When the surviving operators got back to their respective places of business, they found, as a rule,—just nothing. With armies it is always open season for motor vehicles. Practically all of the busses and trucks of transportation operators were taken over by the American

Army or confiscated by the Japs and declared "property of the Imperial Army of Japan." Shops were stripped of all machinery and tools. Buildings had disappeared, —bombed, burned, or torn down by Japs or looters. Money in banks was not available, either because the bank had not yet reopened or the money had been "transferred to the Bank of Taiwan". Fortunately, however, these pre-war operators were able to buy a limited number of trucks from the United States Army. They were reconditioned Chevrolet "6 x 6's" and "4 x 4's". The price originally charged by the Army for these trucks was exorbitant but on long time payment. Later on the price was reduced to a reasonable figure. Anyway, with these trucks, the operators got going. The results were remarkable, almost unbelievable. Everybody wanted to travel. The Public Service Commission took the ceiling off rates. The trucks were operated to capacity. The resulting profits were handsome. And it is with these profits, obtained during the last six months of 1945 and the first months of 1946, that the operators have been able to rehabilitate their business, partially, at least.

They had looked for the payment of war damages to do this; but their hopes were vain. The Claims Service of the Army has been very exacting and painfully slow in paying claims for busses and trucks taken over by the Army at the outbreak of the war; and the War Damage Commission is only receiving claims. If the operators had to depend on the payment of war damages to rehabilitate their operations they would be out of business today. So they went out and made the money.

But of course, the trucks obtained from the Army were not suitable for a public passenger-transportation service and had to be retired as soon as suitable vehicles could be obtained. They served for emergency purposes only. New trucks began coming in and in goodly numbers. Again there were difficulties and disappointments. Black-market buyers seemed able to buy these new trucks when old operators could not. In one case a large pre-war operator placed an order immediately after liberation for 100 trucks with a certain factory and the order was accepted by the head office. One hundred trucks arrived from that factory in due time. When the operator went to get his trucks he was informed by the *then* representative of the factory that he could have one truck provided he took it and paid for it within 24 hours. The other 99 were to be distributed to "other customers". But the purchase of new truck chasses was not the only difficulty. The bus bodies had to be built and there was no lumber, hardware, or other materials available to build them. This difficulty has been gradually overcome, sometimes by hand sawing the lumber from logs brought from the forest. One operator, thinking to overcome it quickly, ordered a large number of prefabricated bus bodies in the United States for supposedly prompt delivery and opened the corresponding letter of credit. Well over a year has elapsed and not one single complete body has been delivered.

Shortly after liberation, the Public Service Commission adopted the policy of issuing temporary certificates of public convenience, good to the end of 1947, to any one who could put a motor vehicle on the road and transport passengers or freight. It is estimated that more than 10,000 of these certificates have been issued. Many of these grantees have developed into large operators, operating from fifty to a hundred busses. Others are jeep operators. So that pre-war operators now find themselves not only faced with all the problems and difficulties of rehabilitation, but also with competition stronger than they ever had before. This is slowing up rehabilitation. Resulting conditions are chaotic. Instead of busses operating in an orderly manner on well arranged schedules, it is now a case of "every man for himself".

Of the pre-war operators, Batangas Transportation Company and Laguna-Tayabas Bus Company were perhaps

the first to get back to a pre-war basis. The two companies, under a joint management, are operating approximately 180 busses on regular schedules with results that are most satisfactory to the traveling public and to the operators. Others, such as Ammen Transportation, Pampanga Bus, Pangasinan Transportation, Rural Transit, Red Line, Pasay Transportation Company, Raymundo Transportation, Halili Transit, La Mallorca, Biñan Transportation, Eastern-Tayabas Bus, Dangwa Transportation Company, Matias Fernando, M. R. Mateo, and Luzon Bus Line of Manila Railroad Company, all on Luzon, Leyte Land, Cebu Autobus, Visayas Transportation, Bohol Land, Mindanao Bus, Negros Transportation, and Visayan Rapid Transit (under joint management), Panay Autobus Zamboanga Autobus, and Jolo Garage, and others are all operating and getting back to their pre-war status as fast as conditions and circumstances permit.

Filipino pre-war operators were naturally in a more favorable position to rehabilitate their operations and practically all have done so, some on a larger scale than before the war.

In addition to all these we have the horde of post-war "temporary operators".

A tremendous increase in traffic is noted. Exact figures are not at all available but according to the best estimate that we can make, passenger traffic has increased from 2 to 2½ times as compared with pre-war business. Most operators also have rates double pre-war rates. So that the gross business done by land transportation operators as a whole is now 4 to 5 times greater than pre-war. This, of course, is spread out among all operators, including the thousands of new ones.

Operating costs have increased accordingly. A well managed business could operate before the war for about 12 centavos per bus-kilometer. The cost is now 35 centavos. Wages and salaries have increased three times. Besides this, the business now requires about double the capital investment. Truck chasses and bodies cost twice as much or more than they did before the war. So that notwithstanding the increase in business, it will be difficult for operators to keep in the black.

Gold

By CHAS. A. MITKE

Consulting Mining Engineer

FOUR gold properties are producing in the Philippines at the present time.

Big Wedge (operated by the Atok Gold Mining Company), now mining around 300 tons a day, is stepping up production and will ultimately reach a maximum of 450 tons per day. April and May production amounted to close to 14,000 tons, with a gross value of around ₱650,000. The bullion is being sent to London for refining and sale. Three shipments have already been made, two of which have arrived. A small amount of the refined gold will be returned to the Philippines for disposal here.

Surigao Consolidated, the first underground mine to operate in Mindanao, is working on a limited scale, on surface ores, producing about 100 to 150 tons a day. Within a few weeks or so, the 300-foot level should be opened up far enough to permit mining the better grade ores. When this happens, the bullion production should be doubled. The final product is two-thirds bullion (which needs refining) and one-third lead concentrates (which must be sent to the Selby smelter in San Francisco.)

Two placer properties are operating at the present time—the Tambis Dredging Co. Inc., and the Harrison and Lang Dredging Ass'n. No production figures are available.

In addition to the above producers, more or less mining is going on all over the country. The people trade this gold locally, for food, clothing, tools, etc. It is impossible to make an estimate of the gold produced in this manner.

Four other properties, two of them (Benguet and Balatoc) by far the largest gold producers prior to the war, are now in process of rehabilitation.

The Benguet Consolidated Mining Company owns 60% of the Balatoc Mining Company. These two properties produced about one-third of the gold mined in the Philippines.

It is believed that the Balatoc mine will start its first 1,200-ton mill unit by the end of this year. Ore from Benguet may not be available at the Balatoc mill until some time next year.

Quoting from the Philippine Mining Yearbook, 1941:

Balatoc Mining Company
Ore Reserves as of Jan. 1, 1941.

	Tons	at	Per ton	
Positive.....	1,414,056		₱19 27	₱27,248,859.
Probable.....	1,090,255		17 21	18,763,289.
	2,504,311		₱18 36	₱45,998,898.

Benguet Mine.
Ore Reserves as of Jan. 1, 1941.

	Tons	at	Per ton	
Positive.....	485,350		₱27 31	
Probable.....	918,370		21 97	
	1,403,720		₱23 83	₱33,457,390.

The Baguio Gold Mining Company is also in process of financing and rehabilitation. Its ore reserves, as of January 1, 1941, were given as 221,723 tons at ₱18.07—total ₱4,006,454.

Mindanao Mother Lode Mines, Inc. is sinking a main hoisting shaft to a depth of 700 feet, and expects to get its 200-ton mill in operation by the end of this year. According to the 1946 annual report, the ore reserves are as follows:

	Tons	at	Ton	
50-Vein.....	159,259		₱32.73	₱ 5,112,296.
Tabon-Tabon.....	117,547		90 07	10,652,741.
				₱15,765,037.

The World gold situation may be described as in a state of flux and uncertainty. In London, gold is currently reported to be selling at \$39.25. Here, in Manila, a year ago, it brought as high as \$70. At present it brings about ₱3 per gram, but in the provinces, panners get as high as ₱4 per gram.

In 1940, according to the Philippine Year Book of 1941, there were 49 gold-producers. These treated 4,541,348 tons of ore, producing therefrom a total of ₱76,320,119. The average value per ton of the ore mined was ₱16.81. It is estimated that the 1941 production was nearly 25% greater than these figures.

One of the greatest gold-producing areas in the world is the South African Rand, which produces about 425 tons of gold annually, valued locally at \$435,000,000. This is said to be equivalent to the total production of Soviet Russia (estimated), Canada, and the United States. Quoting from the Mining World of January, 1947:

"Half of the Union of South Africa's ten million persons live on gold mining, directly or otherwise. Moreover, the mining industry takes up the slack when times are dull in other lines, the labor surplus being absorbed by the ever-growing Rand shifts. Gold is South Africa's economic balance wheel and constitutes 70% of all exports, ranking ahead of diamonds, coal, copper, corn, wood, and sugar. . . . Before the institution of lend-lease (in World Wars I and II), when the neutrals demanded gold in payment for goods and services, it was South African gold that kept the Empire afloat. Something over \$700,000,000

has been invested in Rand mines, profitable and unprofitable. In April, 1946, the market value of Rand shares was about three billion dollars. A neat appreciation, and that is not all. Fifteen percent of the national income of the Union of South Africa comes from gold mining."

Most of the Rand mines have been financed with British capital.

It is reported that in order to stimulate gold production, Southern Rhodesia (S.A.) is preparing to subsidize low-grade gold mines to the extent of two pounds (sterling) per fine ounce. Legislation was introduced in the Rhodesian parliament in February, 1947, authorizing this payment to "approved low-grade mines". It is believed that payments will probably be made retroactive to July 1, 1946, if the legislation is enacted.

Lumber

By E. C. VON KAUFFMANN

President, Philippine Lumber Producers' Association

CONSIDERING the difficulties in securing equipment, the lack of transportation, and the high cost of food and labor, the lumber industry has made rapid progress in rehabilitation. The present lumber output is mostly cut on portable mills, which are not too efficient or lasting, and will eventually have to be replaced.

If producers expect to get into the United States market when Philippine restrictions on export are lifted, they must ship out only high-grade lumber. The United States market today is anxious to have Philippine Mahogany back in the form of veneer logs, fitches, and lumber. It is important, however, that when the time comes, only the best will be shipped, as otherwise our lumber will not successfully compete with mahogonies imported from Mexico, Central America, and South Africa. Philippine Mahogany must be put back on the United States market soon if we want to get a good share of that business. United States manufacturers have during the past two years made large investments in timber concessions both in Central America and South Africa.

In pre-war years, the Philippines exported to the United States about 40 million board feet of lumber a year. This represented only about 5% of the total output of 800 million feet. Should the present restrictions be lifted, it is safe to say that the lumber export would be much lower than the pre-war average. Only a few mills could supply high-grade export lumber with the present mill machinery. The local market would not be affected by what high-grade lumber would be exported, especially if producers were limited to say 20% of their production for export. Lumber must be air-dried from 60 to 90 days if the lumber is to get to its destination in good condition. This means that stocks must be kept in the local yards in sufficient quantities to enable the producers to make regular shipments, but not many of them are in a position to keep large stocks on hand. Based on shipments of say 200,000 board feet, producers would require a stock continuously on hand of not less than 1 million board feet of export grades. With proper Government supervision in grading export lumber, it is safe to say that the percentage of the production allowed for exportation would not affect the local supply. It might benefit only a few producers, but it would reestablish Philippine Mahogany on the United States market and would prepare the way for others who may be in a position to export later.

At a recent meeting with lumber producers, President Roxas expressed his desire to help the small operators by allowing 20% of their production to be exported in the form of logs and fitches. United States veneer manufacturers would take these logs and fitches at good prices,

but exporters must be careful to ship only the best veneer logs if United States buyers pay prices for them as such. Few log producers ever shipped veneer logs in pre-war days, and unless they ship logs according to specifications, this business will not prove as profitable to them as they expect.

The Manila market is now well stocked with lumber. Reconstruction is not going on as fast as expected owing to the high cost of labor and lack of other materials which are not available yet in quantity. Pre-war lumber arrivals in Manila averaged about 8 million feet a month. Today, double this quantity is being brought into Manila, and if transportation facilities were increased and freight-rates were more reasonable, there would be a surplus which would bring prices of lumber down further. Prices will adjust themselves according to supply and demand.

EDITOR'S NOTE: Executive Order No. 65, effective July 15, provides for export licenses for logs and veneer batches generally limiting export by producers to 20% of the previous month's production. Licenses are to be issued by the Philippine Sugar Administration, Aviles Street, in accordance with provisions of Executive Order No. 3 as amended by Executive Order No. 23, and upon recommendation of the Director of Forestry.

Executive Order No. 65, effective July 15, establishes a new schedule of domestic retail ceiling prices on lumber. Key items in pesos per 1000 board feet of finished lumber are: molave, P850; narra, P815; dao, P675; red lauan and tangle (Philippine mahogany) P290; apitong, P285; and white lauan, P270.

Copra and Coconut Oil

By MANUEL IGUAL

General Manager, El Dorado Trading Company, Inc.

AND KENNETH B. DAY

President, Philippine Refining Company

THERE is every indication that the peak of copra prices was reached during the early part of April of this year when sales to Europe were recorded at as high as \$257.50 f.o.b., but almost immediately after recording these prices the market, both in Europe and in the United States, took a most unexpected course in the face of seasonal decreased production. Buyers in Europe became extremely cautious in view of the virtual absence of buying interest in the United States, not only in coconut oil and in copra, but in a number of other competing oils and fats. By the end of April, the market had declined to below the \$200-level and actually, at the beginning of the month of May, we were faced with sellers offering unsuccessfully at \$190 f.o.b., per ton of 2240 pounds.

The sharp decline in Europe and the complete absence of buying interest in America was, of course, of great concern to local industry, and toward the end of the first week of May local newspapers brought to the attention of the Government the unprecedented decline in copra prices and the very gloomy prospects of the industry as, at this stage, small sales to Europe had been recorded at \$185 with every indication of the market going lower, as even at the above recorded price buying interest was extremely narrow. The continued absence of buying interest on the part of the United States resulted in European buyers lowering their ideas continually and even though volume transacted was very limited, by the middle of May buyers' ideas in Europe had declined to \$150 to \$155 with buying interest still extremely narrow, and with every indication of prices going lower.

However, immediately after the middle of the month when it was hinted that as a result of the Philippine Government's efforts to get the International Emergency Food Council to decontrol copra or at least to liberalize quotas, and there were indications that the IEFC was prepared to increase allocations, there was an immediate change in sentiment in the market with indications that prices would improve. On the 18th of May, a report was released that

the IEFC had granted new allocations amounting to the equivalent of 130,000 tons of copra, and and the low of \$155 at which small sales had been reported a few days previous, immediately better inquiries developed on the part of European and other than United States sources, with the result that a fair amount of business was done during the last ten days of May all the way from \$175 f.o.b. to \$180 f.o.b., at which prices there were further buyers at the end of the month.

The American market for coconut oil at no time was in a position to permit American buyers to follow European equivalents and, while a small volume of copra was done to the United States during the month, it was only during those occasions when Europe could not absorb the quantities offered, all of which was bought at somewhat under European equivalents.

The coconut oil market opened in the United States with sellers offering 16½ cents and no buyers. During the first half of the month small business was reported at 14 cents, later at 14½ cents f.o.b. cars Pacific coast, but by the middle of the month a fair amount of business was reported done to soapers at 12 cents, doubtless in the expectation of copra prices going lower, but as a result of the increased allocations by the IEFC the market improved slightly during the second half of the month and while very limited amount of business was reported, moderate sales were recorded at 13½ cents f.o.b. tank cars Pacific coast by the end of May.

The Manila market for copra, even though dull at certain periods, was maintained independently strong relatively, mainly because of small local arrivals, also because one of the main local mills was strike-bound throughout the month and local demand for coconut oil with present small output permitted local mills to pay prices which were not in relation with foreign markets.

Copra exports during May totaled 70,000 long tons, of which just about 50 % was shipped to the United States chiefly on prior controls, and the balance to Europe, Canada, with small shipments to South Africa and South America.

Manila Hemp

By MURRAY COOK

International Harvester Company of the Philippines

THE period under review covers May, 1947. In Davao, the month started on a weak note, with pressure to sell noticeable by loose-hemp dealers. Hemp was offered in such volume that exporters' warehouses were filled to capacity and purchases confined to replacement of daily pressings. The result was a steady decline in the price of Davao "J1" from an opening price of P38 per picul loose, to a nominal price of P30. Dealers showed considerable resistance at this level, and at the end of the month, the Davao market closed very steady.

The non-Davao grades were much less spectacular in the decline than were the Davao grades. Grades "F" and "I" opened at nominal prices of P44 and P40 per picul loose, and closed at the end of the month at P40 and P36, showing a decline of P4 per picul. Grade "J1", on the other hand, opened at P34, reached P32, and at the end of the month showed resistance at this latter figure.

During May, three post-war records were broken. A total of 70,943 bales were inspected, approved, and certified by the Fiber Inspection Service. Davao production, amounting to 38,612 bales alone, is included in this figure. Shipments totaled 93,555 bales, an all-time post-war high. So, in spite of the declining market, the month ended with stocks in the Philippines smaller than they had been at the beginning.

An interesting factor in the production figures is the increase in quantity of lower grades, at the sacrifice of Grades "E", "F" and "I". The decrease in production of the better grades in Davao is attributed to the many inexperienced strippers now operating in that district. The quality will likely improve as time goes on.

The decrease in quantity of non-Davao higher grades undoubtedly is due to the attractive prices being paid for U.K. Grades "J2" and below. In general, planters concede that non-Davao "J2" at P28 per picul loose is far more profitable to them than the non-Davao "F" at P40 per picul.

Sugar

By G. G. GORDON

Secretary-Treasurer, Philippine Sugar Association

THE Philippine Sugar Association was re-constituted after liberation and the present officers are as follows:

President.....Vacant
 1st Vice-President.....MANUEL ELIZALDE
 2nd Vice-President.....E. J. C. MONTILLA
 3rd Vice-President.....CARLOS RIVILLA
 Secretary-Treasurer.....G. G. GORDON
 Alternate Treasurer.....G. H. WILKINSON

Executive Committee:
 EDUARDO ROXAS
 STEWART JAMIESON
 FEDERICO PEREZ
 CELSO LOBREGAT
 DR. ANTONIO A. LIZARES
 JUAN COJUANGCO
 C. R. DE LUZURIAGA

The office of President was held by Mr. Rafael R. Alunan, whose recent untimely death is a great loss to the sugar industry and to the country in general.

For the 1946-1947 crop fifteen centrals milled. With the exception of three centrals, all have now completed operations. The estimated out-turn of the crop is 1,079,432 piculs, equivalent to 67,212 long tons, all of which will be utilized for domestic consumption.

It is at present expected that the 1947-48 crop will see twenty centrals in operation, and the production will be very considerably augmented due to the extended cane plantings.

No authoritative estimate has yet been made for the 1947-48 crop, but it is expected to be between 300,000 and 400,000 long tons, of which the greater part will be available for export.

Prior to the war there were 43 centrals in operation. Many of these were destroyed or badly damaged, and in some cases it is improbable that they will be reconstructed. In some areas plans for reconstruction of one central to handle the cane formerly milled by two or more centrals have been adopted.

Textiles

By JAMES TRAYNOR

ARRIVALS of American textiles in the port of Manila for the months of February, March, April, and May are estimated to be between 90,000 to 100,000 cases and bales. Local prices and sales remained good until April when there was a sudden drop in prices, which decline continued until many qualities were being sold by importers at prices showing up to 30% loss. A few qualities which were not over-plentiful held fairly well in price. The large arrivals for the four months under review were bound to depress local selling prices. These arrivals probably represent more than the normal

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arrivals for an entire pre-war year. The situation was further aggravated by further arrivals during May from Japan of about 2 million yards of cotton goods and a reported further arrival due within the next month of about 14 million yards of Japanese cottons and rayons.

During the month of April a large number of pending orders were cancelled with American suppliers. The off-take compared with pre-war years continues to be very good, but at prices which show importers a high average loss. Toward the end of May there were indications of a slight recovery in local selling prices.

Except for a few selected items, no new orders are being placed with American mills and no important ordering is expected to take place until local selling prices show importers a fair return.

Food Products

By C. G. HERDMAN

Marsman Trading Corporation

AT the time of liberation from the Japanese, Manila and the Philippine market generally were absolutely bare of imported foodstuffs of any description. Small quantities of various food items were made available in various ways from Army importations, but the civilian population in general, for a continued period, was unable to secure such food supplies in any quantity. This continued until August, 1945, when the steamer *Bering* brought the first commercial importations of foodstuffs, that shipment consisting principally of wheat flour and powdered milk. From that time on, importations became more frequent and arrived in greater volume, but the items remained limited in variety. Very fair quantities of wheat flour were secured from both the United States and Canada. Milk, both evaporated and powdered, also was made available to the Philippines in quantities in excess of pre-war consumption but entered rapidly into consumption locally, leading importers to order ever increasing quantities. Canned meats in limited quantities were available from late 1945 onward, and coffee in tins was also freely available from early 1946 on.

Other major items of food imports, namely, canned fish and canned fruits and vegetables, could only be secured in very small quantities until the summer of 1946 and even then were limited. Exceptions to this as far as canned fish products go, were canned squid of which large quantities were imported. This is an item which was not extremely popular before the war although imported in certain quantities, but in 1946, it served as a substitute for other varieties which could be obtained only in small quantities. Also canned herring in extraordinary quantities was brought in late in 1946 and this spring. Both the squid and herring have been selling locally well below landed cost for the last few months. Stocks are still heavy.

During the maritime strike in the fall of 1946 very considerable quantities of foodstuffs were ordered by the numerous importers. These orders piled up in United States ports and were shipped all at more or less the same time after the end of the strike, with the result that much larger quantities of such goods as could be obtained were received, than could be promptly consumed. Ever since the first of this year, the Philippine market has been heavily overloaded on flour, canned milk, some types of canned fish, various prepared cereals, canned fruits, etc. The majority of those importing merchandise were inexperienced in handling food products and did not have established outlets for their imports. The majority of them were inadequately financed, and lacked sufficient warehouse facilities to take care of their imports.

In the past several months there has been a tremendous amount of distressed food-product imports in the market constantly forcing prices down, with the result that importers in general have been selling almost all imported foodstuffs the last several months at considerable loss, the losses averaging from 15 to 40% on absolute landed cost; in some cases losses have been even greater.

The market is still faced with that condition. At the present time, there is sufficient flour in stock in the Philippines to fill all demands until at least September 30. Canned-milk stocks are sufficient to carry on until even a later date. Canned fruits and canned vegetables in general can be purchased locally at least 25% cheaper than they could be brought in from the United States. Consumers in general have been benefited by this state of affairs, but food importers in general have taken and are continuing to take tremendous losses. It is unlikely that this condition will change materially for at least 90 days.

In the meantime, indications to hand are that there will be some price reductions in the United States on foodstuffs in general. Flour prices almost certainly will be lower both in the United States and Canada than the peak prices this past spring. There have been several price reductions on canned milk but the period of peak production in the United States is now past, and prices seem to be more or less stabilized in that commodity. Further reduction appears improbable.

All information to hand from the United States is that packers in general are already sold out on the summer and fall pack canned fruits, etc., that these will continue to be in short supply, and that price reductions are unlikely. Canned fish also promises to be in short supply and there is no sign of decrease from the prevailing high cost. Canned meats are constantly better supplied; there have been some price reductions and some further reductions are very probable.

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MANILA

Legislation and Court Decisions

By EWALD E. SELPH

Ross, Selph, Carrascosa & Janda

A COMPLETE list of all bills passed by the last Congress and signed by the President, is not yet at hand, but among those enacted are the following which may be of interest to business men:

Act 104 makes the government corporations, agencies, and instrumentalities subject to the same taxes, duties and charges imposed on others except on goods purchased, sold, or distributed for relief purposes as may be determined by the President.

There are several bills increasing registration fees, and court and sheriff's fees.

Fees in connection with registration of, and various documents required of, aliens are considerably increased. Americans are subject to the provisions for making annual report in person to the Immigration Bureau and the annual notation on the alien registration certificate requires a P5.00 stamp.

The amendment to the Bulk Sales law provides for filing with the Bureau of Commerce of the sworn statement of names and addresses of creditors of vendor, or mortgagor now required to be furnished the vendee or mortgagee.

An appropriation was made for the dredging of Manila Harbor, Pasig River, and navigable esteros.

A patent law was adopted and a patent office created which will also have jurisdiction over copy-rights, trademarks, service marks, and trade names.

Congress enacted an amendment to the insurance law

providing that a life insurance policy becomes incontestable for fraud or misrepresentation if allowed to remain in force for two years during lifetime of insured.

There is an act prescribing compensation for dependents of a transportation company employee killed in an accident arising out of his employment, not less than P20,000 if aircraft, and not less than P5,000 if land or water transportation. This covers accidents outside the Philippines if the deceased was contracted or hired in the Philippines.

The new anti-dummy law prescribes stiff penalties for violation of nationalization measures, and gives the informer 25% of the fine.

The chemical engineering bill was vetoed by the President.

The revised house rental bill was also vetoed, but an executive order was issued further regulating rentals.

The bill to increase the duty on rubber boots and shoes was vetoed.

The Securities and Exchange Commission was given authority to grant extensions of time for presentation of proof of ownership of securities under Act 62, not more than six months at a time and not more than an aggregate of two years from June 30, 1947.

There is a new act revising the mode of measuring timber for internal revenue purposes.

The charters of the new cities created, Rizal, Dagupan, Lipa, and Ormoc contain provisions similar to those in the Manila Charter authorizing them to tax and fix license fees covering almost every mercantile activity.

We do not have any recent decisions of the Supreme Court in which business men would be interested.

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Labor

From an Official Source

DURING the period from July 4, 1946, to April 22, 1947, the Department of Labor intervened in 48 strikes and 21 other labor disputes which were not accompanied by strikes, involving approximately 23,203 laborers. Of the 48 strikes handled, 22 were amicably settled, 16 were certified to the Court of Industrial Relations, 3 were brought by the parties themselves to this Court, and 7 are still pending action and settlement.

The Department registered and permitted to operate 225 labor organizations, collecting as registration fees the sum of ₱1,125.

A total of 1,213 cases were filed with the Workmen's Compensation Division, of which 441 were closed; 24 were fatal. For death cases, the sum of ₱57,850.36 was collected. This included ₱2,990.75 for burial expenses. For the 417 non-fatal cases, ₱47,318.91 was spent by the employers for compensation and medical and hospital expenses.

Some 598 claims for unpaid salaries and wages, involving ₱305,409.36, were filed with the Wage Claims Division. Of this total, 182 were amicably settled, with a collection of ₱32,080.64; the rest were either withdrawn, dismissed, or referred to the Division of Public Defenders.

Of the 926 claims filed with the Division of Public Defenders, 663 were disposed of with a collection of ₱141,804.40. The remaining 263 wage claims are still pending in court.

Safety engineers and inspectors of the Safety Inspection Division inspected 1,984 establishments, 325 steam-boilers, and 797 pressure-vessels.

The Medical Inspection Division handled 306 cases of injured and sick laborers for the purposes of the Work-

COST OF LIVING INDEX OF A WAGE EARNER'S FAMILY IN MANILA

BY MONTH. 1945 TO MAY, 1947

Prepared by the Bureau of Census and Statistics
1941=100

	All Items	Food (59.15) ¹	House Rent (8.43) ¹	Clothing (0.62) ¹	Fuel, Light and Water (13.92) ¹	Miscellaneous (17.86) ¹
1945						
March	559.8	635.5	236.4	1695.2	237.1	674.4
April	598.8	702.1	236.4	1611.9	254.3	661.4
May	689.7	799.4	236.4	2041.5	380.7	734.8
June	745.8	872.7	236.4	1860.8	410.8	788.7
July	751.5	886.9	236.4	1664.2	393.4	794.1
August	724.7	848.5	236.4	1484.5	397.6	774.3
September	708.4	852.4	236.4	1034.0	367.7	709.3
October	735.3	937.8	236.4	1045.1	466.1	499.5
November	747.8	955.8	236.4	1017.0	480.2	499.9
December	669.4	852.7	236.4	1030.3	401.9	463.0
1946						
January	603.4	759.2	236.4	984.0	363.8	434.8
February	547.2	656.3	236.4	940.3	369.5	460.7
March	525.9	631.0	236.4	940.1	340.4	445.2
April	556.2	684.1	236.4	910.3	345.5	435.9
May	545.1	675.6	236.4	762.5	342.3	409.6
June	538.7	666.4	236.4	737.9	343.3	404.2
July	552.7	704.3	236.4	598.9	341.3	364.6
August	477.9	590.0	236.4	384.7	320.9	346.3
September	477.9	591.3	236.4	378.7	314.5	347.2
October	487.4	587.2	236.4	382.7	405.8	342.7
November	484.8	607.8	236.4	406.4	346.5	305.2
December	461.9	570.8	236.4	371.9	344.7	302.1
1947 ¹						
January	394.1	468.2	236.4	381.9	326.2	282.5
February	389.5	454.9	236.4	356.3	344.8	281.4
March	378.6	440.1	236.4	295.2	334.7	279.4
April	360.3	413.3	236.4	269.2	328.3	271.6
May	354.2	404.4	236.4	250.9	325.4	269.4

¹ Weekly average only
² Weights

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TREND OF REAL WAGES OF LABORERS IN INDUSTRIAL AND COMMERCIAL ESTABLISHMENTS IN MANILA, BY OCCUPATIONS: 1941-1945-1946¹

Prepared by the Bureau of Census and Statistics

Occupation	Average Daily Wages (Pesos)			Index (1941=100)		Daily Real Wages ² (Pesos)	
	1941	1945	1946	1945	1946	1945	1946
Blacksmiths	2.55	4.25	5.57	166.6	218.4	0.62	1.07
Boilermen	2.82	6.40	5.20	226.9	184.3	0.94	1.00
Carpenters.....	2.75	6.02	6.66	218.9	242.1	0.97	1.28
Chauffeurs.....	1.64	4.05	5.78	264.9	352.4	0.59	1.11
Cigar-makers	0.96	2.83	4.87	294.7	507.2	0.41	0.93
Compositors	1.84	6.14	7.29	333.6	396.1	0.90	1.40
Draftsmen.....	3.28	7.54	7.48	232.9	228.0	1.10	1.44
Electricians.....	2.67	5.20	7.82	194.7	292.8	0.76	1.50
Foremen	3.35	7.38	7.96	220.2	237.6	1.08	1.53
Lithemen	2.60	4.88	7.31	187.7	281.1	0.71	1.40
Linotypists.....	2.64	10.22	10.17	387.1	385.2	1.50	1.95
Machinists.....	2.23	5.75	6.48	257.8	290.5	0.84	1.24
Masons	1.94	5.90	6.58	304.1	339.1	0.86	1.26
Mechanics (auto).....	3.00	7.46	6.90	248.6	230.0	1.08	1.32
Painters.....	1.83	7.77	6.28	424.5	343.1	1.14	1.21
Plumbers.....	2.00	4.80	7.67	240.0	383.5	0.70	1.47
Tinsmiths.....	1.72	4.23	5.04	245.9	293.0	0.62	0.97
AVERAGE—							
Skilled laborers.....	2.34	5.93	6.76	261.7	306.1	0.87	1.30
Common laborers.....	1.24	3.27	4.53	263.7	365.3	0.66	0.87

¹Preliminary, subject to change as more data become available.²Wage in terms of goods and services it can buy. This is obtained by dividing the 1945 and 1946 wages by the cost of living index for the year 1945 (683.3) and 1946 (520.9) respectively. Commonwealth Act No. 444 limits regular working hours to eight a day.

men's Compensation Act and Employers' Liability Act, 97 of which were given the necessary estimates in per cent or degree of disability. The Division gave free medical treatment and medicine to 1,513 laborers and employees.

Out of a total of 5,718 registered applicants for work, the Marine and Employment Division placed 2,736 for employment in private firms as clerks, stenotypists, carpenters, drivers, mechanics, and common laborers.

The Bureau of Immigration undertook the investigation of reported illegal entry into the Philippines, took steps to exclude or repatriate undesirable aliens from the country, and submitted proposals for consideration of the Congress. Among the proposals are the reduction of the quota allotment from 500 to 100 for each nationality, the grant of power to immigrant inspectors to exclude aliens not properly documented, and the increase of grounds for deportation.

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Philippine Government Corporations

From an Official Source

SINCE July 1, 1946, the National Development Com-
pany and its subsidiaries have accomplished the
following:

The textile mills produced 1,829,449 lbs. of yarn for
weaving purposes valued at ₱1,867,705.92 and 400,024.41
lbs. of sales yarns valued at ₱402,392.23.

The Sabani Estate, in Nueva Ecija, despite unsettled
conditions in the province, produced a total of 23,000 cavans
of palay, out of which the NDC received as its share 4,191
cavans to be applied against the purchase of the lots.

Damage to the Malangas coal mines suffered during
the war was repaired so that approximately 1,000 tons of
coal were being shipped from the Malangas pier to Cebu.
The work at Malangas was far ahead of schedule as the
work contemplated was to have been finished within the
five months' period covered by the plantilla.

Because of widespread destruction caused to the three
canneries of the National Food Products Corporation, most
of the work of the corporation during the period under
review was dedicated to the reconstruction and repair
of its fishponds in Capiz and its nursery in Pampanga.
By maintaining the operation of the nursery, the corpora-
tion was instrumental in keeping the price of *bangus*
(fingerlings) at a level ordinary fishpond owners can pay.

The National Footwear Corporation manufactured
40,289 pairs of men, women, and children's shoes, valued
at ₱454,482.78, which are being sold at from ₱18 to ₱25
a pair for men, ₱10 to ₱20 a pair for women, and ₱7 to
₱10 a pair for children. A store was opened at the Pureza
compound in Santa Mesa for the convenience of the public.

The Insular Sugar Refining Corporation appropriated
₱850,000 for the rehabilitation of its refinery in Mandalu-
yong, Rizal. In accordance with a contract entered into
by the corporation with the Paniqui sugar mills, whereby
the latter agreed to convert *muscovado* and *panocha*
into refined sugar at the mills using the process and some
equipment of the corporation, approximately 25,000 bags
of refined sugar were produced in Paniqui.

The Cebu Portland Cement Company carried out an
intensive program of repair work to the extent that the
cement plant is already operating at full capacity and at
almost pre-war efficiency. The company is supplying
the Philippine government, the United States Army, and
the general public.

The People's Homesite Corporation reconstituted
the destroyed survey plans and technical descriptions of
the subdivisions, Kamuning section, and began the survey
of other portions of the estate still unsubdivided. The
corporation was merged with the National Housing Com-
mission.

As its most notable achievement for this period, the
National Rice and Corn Corporation distributed rice in
sufficient quantities in Manila and in the provinces, result-
ing in the lowering of the price of the cereal to a level
reasonably within the reach of the masses and in the crip-
pling of the rice black-market.

Editor's Note:—The work of other Philippine Government Corporations
will be summarized in the next issue of this Journal.

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United States Government Agencies in the Philippines

From an Official Source

The introductory contribution to this monthly column is a hitherto unpublished classified directory of the various United States Agencies now active in the Philippines. Their activities will be reviewed in subsequent issues of the Journal.

Representing the President of the United States and the Department of State:

American Embassy: Dewey Blvd. at Fisher Ave., Rizal City; Chancery, Rosaria Bldg., Dakota St., Tel. 2-79-21; Emmet O'Neal, Ambassador (absent); N. P. Davis, Minister Counselor and Charge d' Affairs ad interim.

Operating as integral parts of the Embassy—

American Consulate General: MRS Bldg., Plaza Cervantes; Tel. 2-79-76; Ernest E. Evans, Consul in Charge.

United States Information Service: Rocas Bldg., Soler St., Tel. 2-69-86.

The Armed Forces operating under agreements with the Republic of the Philippines—

United States Army: Philippine University Area, Quezon City; Tel. City Hall Ex. Univ. 6; Maj. Gen. George F. Moore, Commanding General.

United States Air Force: Fort Wm. McKinley, Rizal; Tel. City Hall Ex. McKinley 6; Lt. Gen. E. L. Eubank, Commanding 13th Air Force.

United States Corps of Engineers: F. B. Harrison St. at Fisher Ave., Rizal City; Tel. City Hall Ex. Maned 6; Col. Clarence Renshaw, District Engineer, Manila District. (Also a Rehabilitation Agency.)

United States Navy: Philippine Sea Frontier, Dewey Blvd., Rizal City; Tel. City Hall Ex. Anchor 145; Rear Adm. H. H. Good, Commander Naval Forces Philippines.

United States Coast Guard: Philippine Sea Frontier, Dewey Blvd., Rizal City; Tel. City Hall Ex. Anchor 553; Lt. Cdr. J. N. Rasmussen, Commanding Officer.

United States Military Advisory Group to the Republic of the Philippines: Phibcom Hqrs., Pasig Blvd., Tel. City Hall Ex. 443; Maj. Gen. Albert M. Jones, Chief of the Military Mission.

Rehabilitation Agencies operating under the general supervision of the American Embassy—

Civil Aeronautics Administration (U.S. Dept. of Commerce): Philippine Bureau of Aeronautics, 506 Aviles St.; Tel. 8-72-68; C. B. Griggs, Airways Engineer in Charge.

Coast and Geodetic Survey (U.S. Dept. of Commerce): Philippine Bureau of Coast and Geodetic Survey, Oracca Bldg.; Tel. 2-66-06; Cdr. Charles Pierce, Director Manila Coast Surveys.

Corps of Engineers (U.S. War Dept.): In respect to rehabilitation of ports and harbors. See "Armed Forces".

Fish and Wild Life Service (U.S. Dept. of the Interior): Office Quonset No. 2, Chancery Compound (formerly High Commissioner's site), Dewey Blvd.; Gilbert E. Wardwell, Officer in Charge.

Maritime Commission: In respect to rehabilitation of inter-island commerce. See "Establishments operating under specific statutory provisions."

(Continued on page 86)

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Public Health Service (U.S. Social Security Administration): Old Museum Bldg., north of Manila Hotel, Port Area; Tel. 2-69-16; Brig. Gen. Howard F. Smith, Officer in Charge.

Public Roads Administration (U.S. Federal Works Agency): Philippine Bureau of Public Works, Post Office Bldg.; Tel. 2-79-01; F. C. Turner, District Engineer in Charge.

War Damage Commission: In respect to compensation for damage to public property. See "Establishments operating under specific statutory provisions."

Weather Bureau (U.S. Dept. of Commerce): Rosario Bldg., Dakota St.; Tel. 2-79-21; Foster V. Jones, Officer in Charge.

Establishments operating under specific statutory provisions—

Employees Compensation Commission: Zurbaran St.; Tel. City Hall Ex. 285; C.F. Hanson, Officer in Charge.

Foreign Liquidation Commission (U. S. Dept. of State): City Hall Bldg.; Tel. City Hall Ex. 155; John B. Stetson, Commissioner for the Pacific.

Maritime Commission: 212 Ayala Bldg., Juan Luna St.; Tel. City Hall Ex. 4-87-75; Capt. A. W. Smith, Officer in Charge. (Also a Rehabilitation Agency.)

Philippine Alien Property Administration: Maritima Bldg., Juan Luna St.; Tel. City Hall Ex. 474; James McI. Henderson, Administrator.

U. S. Commercial Company (U.S. Reconstruction Finance Commission): American Consulate General's Office, MRS Bldg., Plaza Cervantes; Tel. 2-79-76; M. L. Kalush, Officer in Charge. (This office is inactive except for liquidation of accounts.)

Veterans Administration: TVT Bldg., F. Torres St.; Tel. 8-65-26; Earl M. Sawyer, Manager.

War Damage Commission: L. R. Aguinaldo Bldg., Juan Luna St.; Tel. 2-98-61; Francisco A. Delgado, John O'Donnell, Frank A. Waring (Chairman), Commissioners. (Also a Rehabilitation Agency.)

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The Port of Manila

(Continued from page 73)

REVENUE TONNAGE HANDED
PORT OF MANILA

January 1946 — May 1947

1946:

January	82,303.76
February	111,048.26
March	140,659.13
April	74,115.56
May	143,128.83
June	121,780.80
July	103,998.57
August	99,244.86
September	109,035.76
October	56,356.80
November	75,956.55
December	141,421.10

1947:

January	227,354.05
February	191,489.12
March	195,461.70
April	162,447.49
May	135,553.28

TOTAL

Arithmetical Average for Seventeen Months

2,171,355.60

(127,726.80)

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Insurance

(Continued from page 71)

This action was taken by the underwriters as an emergency measure and is effective until July 31, 1947. The majority of the fires involved in the losses which prompted this emergency voluntary action on the part of underwriters, were in bodegas and stores containing large stocks of flour, textiles, and canned goods, the prices for which have declined so materially since the first of the year that in many instances the commodities may be purchased from street-peddlers at prices less than the landed cost at the docks in Manila.

Marine Insurance

As a step in the general return to normal peacetime methods of underwriting the ocean-cargo business, underwriters have discontinued the practice of assessing "sur-charges" in addition to basic cargo rates, thus necessitating an upward revision of the basic rates currently charged. The effect of these simultaneous changes will be a reduction in the total premium charges currently applicable to most voyages.

In this connection, it is pointed out that, notwithstanding the end of hostilities, shipping conditions are far from normal, owing to limited port facilities and other factors. Delays are frequent and costly. In too many cases packing is inadequate and of inferior quality, resulting in breakage and shortages. Theft and pilferage continue to cause serious losses. Waterfront and shipping strikes have caused many long delays and costly deviations and transshipments.

The transition is to take place in two steps. A scale of additional rates is to apply to the present basic rates, this to be followed by a revised basic rate incorporating the additions.

The revised rates contemplate no change in the existing Marine Extension Cover. For the time being, additional premium will continue to be waived in respect to vessels built for ocean trade, classed 100 Al Lloyds, Al American Record, or equivalent, not more than 25 years old or less than 1,000 net tons, subject to existing limitations relative to ownership; and the extended coverage relating to delays in transit, deviations, etc. remains in effect.

The revised rates went into effect on June 1, 1947, in the United States.

The Manila Railroad...

(Continued from page 69)

many sections had suffered from looting of wires, new copper wires were installed. By the end of June, 1946, an efficient communication system had been established all the way from San Fernando, Union, in the north, to Ligao, Albay, in the south.

The United States Army brought in 45 locomotives and about 1,000 freight cars, which were turned over to the Company when the Army relinquished control of the property on February 1, 1946. This equipment, together with old Manila Railroad rolling stock and such units as the Company was able to recondition subsequently, are now being used in train service. Unfortunately the Army brought in no passenger coaches and a large proportion of the former coaches had been destroyed. To meet this difficulty, a number of the open gondola cars brought by the Army were converted for passenger use by extending the sides upward, putting on roofs, and installing benches for seats. This was necessarily a rather crude resort, but was taken as an emergency measure in order to provide as much passenger accommodation as possible under the



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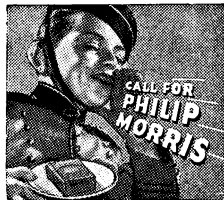
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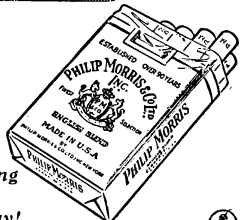
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prevailing conditions. The acquisition of new modern locomotives, coaches, and cars is obviously one of the principal projects that must be undertaken by the Company as soon as adequate funds are provided.

Before the war the Company conducted extensive highway operations through the Benguet Auto Line in the Baguio district and adjacent lowlands, the Luzon Bus Line in the Central Luzon Area, and the Mindanao Motor Line with headquarters at Cotabato. All units belonging to these three lines (390 in number) were commandeered by the USAFFE and were either lost or destroyed. After the liberation a number of surplus United States Army highway vehicles were obtained through the Government Procurement Commission and converted for commercial use. Subsequently, most of these have been replaced with the latest type of streamlined busses. The Company is therefore now able to supplement its rail service with modern highway transportation units, even if to a much more limited extent than prior to the war.

The most pressing problem confronting the management of the Company has been and continues to be the financial one. When the property was turned back to the Government, the Company was practically without funds and there was urgent need for working capital. Accordingly, in December, 1945, the Philippine Congress, on the recommendation of the President, enacted Commonwealth Act 707 appropriating ₱20,000,000 for the rehabilitation of the Manila Railroad Company, subject to funds becoming available. Of this amount, ₱10,000,000 has since been released, which has enabled the Company to meet its most pressing obligations and devote certain amounts to absolutely essential rehabilitation work. However, until the balance of the authorized fund of ₱20,000,000 and compensation for war damage is received, the Company will necessarily be handicapped in rebuilding the property so that it may efficiently and adequately perform the transportation service which is so vital to the general program of rehabilitation in the Philippines. The plans for future improvements are therefore contingent upon the necessary financial requirements being provided. If these funds are forthcoming, there can be no doubt that the Manila Railroad Company will be able within a reasonable time to restore and modernize its transportation system and serve the people as fully and efficiently as in the past, and with the aim of making even greater progress in the future. All the efforts of the Company are being concentrated on the attainment of that objective.

The Manila Electric...*(Continued from page 67)*

it is planned to convert the system from a 2-phase to 3-phase one. This will be done gradually by districts. The change does not mean that power installations now 2-phase will have to be changed to 3-phase, as the Company is prepared to continue 2-phase service where required; but it does mean that new large power installations will have 3-phase service, a service generally conceded to be more in line with modern standards and practice. There will also be a gradual change, over a period of years, from the 220-volt to the 110-volt system. This again will be done with a minimum of inconvenience to consumers and at no expense.

Many customers have a very natural complaint that they do not have a meter in their houses and have to pay their bills on an estimated basis. But this condition exists not only in Manila, but throughout America, and is due to the fact that, during the war, men usually employed in the manufacture of meters, were busy at vastly more important work.—making precision-instruments for air

planes and submarines, and at many other essential tasks. The result of this is a large backlog of orders today, and Meralco has to be satisfied with a quota, just as every other public utility company. It is hoped that by early 1948 there will be a meter for everybody. As soon as a meter installed in your house has been operating for a period of three months, an adjustment of the amount already paid will be made, based on the average consumption during those three months. That is, if the average is less than was your estimated consumption, you will receive a credit for the difference; if more, you will receive a bill for the excess.

Service during the past few weeks has improved; the *Impedance* was thoroughly overhauled in June; but while Meralco now has a feeling of confidence that reasonably good service can be maintained, it does wish to impress upon friends that there should be no waste of electricity. The less you use, the less you will have to pay, and, strange to say, that is just what suits Meralco.

The First Year of the...

(Continued from page 63)

Meanwhile, the campaign for the return of firearms illegally held by unauthorized elements in Luzon and in other regions of the country has resulted in the surrender of 200,000 arms, and 3,000,000 rounds of ammunition, valued at P6,000,000.

To start the reconstruction and rehabilitation in earnest, the Government has secured a loan of \$75,000,000 to cover budgetary deficits. From the War Damage Commission, the Government also obtained \$120,000,000 for the repair and reconstruction of public works.

The Rehabilitation Finance Corporation, capitalized at P300,000,000, was established to make the necessary loans to private individuals for the reconstruction of their homes and for investment in legitimate business.

The Surplus Property Commission was established to take charge of the sale and disposition of all surplus property received from the United States Army. The unsavory reports of scandals at various Army bases containing surplus property resulted in various investigations which it is hoped will expose the real culprits.

The public schools are not being neglected. And a sum of P16,750,000 was set aside for the maintenance of additional elementary classes. The appropriation for the Institute of National Language was restored. The President also ordered stricter supervision over private educational institutions.

The Bataan and Corregidor veterans and others received due attention. The amount of P120,000, raised by public subscription, was distributed among the heirs of deceased veterans. Guerrillas who were accused of acts of violence in the furtherance of the resistance to the enemy were granted amnesty. Veterans have been given priority in employment.

A food-production campaign was launched, the tangible results of which are indicated in the following table:

Total hectareage planted up to January 31, 1947

	Basis	Actually Planted	Percent
Rice.....	2,125,835	1,931,081	90
Corn.....	912,890	720,594	79
Root crops.....	190,299	264,994	141
Beans.....	35,106	29,093	82
Other vegetables.....	18,941	39,546	208
Sugar cane.....	229,699	81,467	36
Fruits (bananas, papaya and pineapple).....	61,916	89,834	145

Total hectareage and quantity harvested:

	Hectareage	Quantity
Rice.....	1,484,280	38,309,409 cavans
Corn.....	448,458	5,279,359 cavans

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Root crops.....	131,011	692,106 tons
Beans.....	19,463	9,960 tons
Other vegetables.....	23,565	40,886 tons
Sugar cane.....	19,063	190,826 tons
Fruits, (bananas, papaya and pineapple).....		39,797,245 bunches 31,821,414 fruits

Vegetable gardens established:

	Number	Hectareage
Home.....	441,380	11,783
School.....	64,835	5,109
Commercial.....	14,709	5,340
Community.....	2,551	429

Total..... 523,475 22,661

The raising of livestock, chickens, pigs, ducks, sheep, goats, turkeys, and geese was encouraged. Cattle, swine, work-animals, and chicks were imported from abroad. Locust infestations were stamped out, and the rodent plague was adequately dealt with.

The fishery industry was given an impetus as a result of which the capital invested by private persons in the industry reached an aggregate of P9,109,500.

Quonset huts and prefabricated homes were imported in small quantities. Because of the shortage of building-material in the United States, the Government of the Philippines furthered the immediate rehabilitation of the lumber industry. Additional saw-mills numbering 106, with an aggregate daily capacity of 542,800 board feet, have been installed, bringing the number of saw-mills now operating to 193, with an aggregate daily capacity of 1,209,550 board feet. During the first nine months of the Republic there were cut and invoiced 686,049.87 cubic meters of logs and the saw mills produced 109,595,441 board feet of sawn lumber. The production has been so great that the price of lumber has been considerably reduced, and lumber dealers have been able to secure a government license to export a limited quantity of certain kinds of lumber to foreign countries.

The mining industry was set on the road back to recovery, and different mining companies in Baguio, in the Bicol region, in Cebu, Surigao, Zambales, and Palawan have started operations and have actually produced considerable quantities of gold, chromite, manganese, and coal. To increase the yield of rice and corn, irrigation- and waterworks-systems are being repaired and restored. The Pampanga River Irrigation Project and the Angat River Irrigation Project have been resumed.

The sum of P7,491,000 has been set aside to carry out vital road and bridge reconstruction projects, as the following figures indicate:

1. For planning, traffic survey and inventory.....	P 100,000
2. For reconstruction of Quezon Bridge.....	1,300,000
3. For construction of concrete pavement over Santa Mesa Avenue.....	270,000
4. For construction of concrete pavement over Malolos-Calumput road, Bulacan.....	1,500,000



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5. For construction of concrete pavement over Quezon Boulevard.....	641,000
6. For construction of concrete pavement from Manila City Limit to Laguna Boundary, Rizal Province.....	2,000,000
7. For construction of Calumpit Bridge, province of Bulacan.....	400,000
8. For construction of Banaoang Bridge, Ilocos Sur....	465,000
9. For construction of Gilbert Bridge, Ilocos Norte....	210,000
10. For construction of Amburayan Bridge, Ilocos Sur....	445,000
11. For oil-treatment of the Manila Circumferential Road.....	77,000
12. For oil-treatment of Quezon Boulevard from the Rotonda to the Junction with the Circumferential Road.....	22,000
13. For oil-treatment of Santa Mesa Extension.....	39,000
14. For oil-treatment of Pasig Boulevard.....	22,000

Total approved for construction..... **P 7,491,000**

Work on Santa Mesa Boulevard and on Quezon Boulevard has begun and some progress has been made.

The following bridges have been completed:

1. Santa Ana Steel Bridge over the Pasig River, Manila, constructed June, 1946, at a cost of **P70,000**.
2. Pasig Timber Bridge over the Marikina River, Rizal, constructed July, 1946, at a cost of **P172,000**.
3. Erection of Bailey bridges over the Morong River, Manila East Road, Rizal, and Malaking Ilog River at Bantilan, Batangas-Tayabas Road. These bridges were opened to traffic on January 30, 1947, and March 5, 1947 respectively.

Public buildings, piers, and ports have been repaired or rebuilt in various places. An amount of **P274,500** is the estimated cost of the repairs at piers 13, 11, 9 and 7 in Manila. The Dewey Boulevard Seawall will be repaired at a cost of **P95,000**.

From May 28, 1946, to May 28, 1947, the Philippine Government has spent liberally on public works projects as follows:

Total expended on road and bridge work.....	P29,080,620.27
Building work.....	8,440,285.98
Port works.....	866,000.00
Water supply projects.....	4,685,725.83
Irrigation systems.....	5,038,129.43
Artesian wells.....	1,203,889.20
River control projects.....	4,558,062.71
Miscellaneous items.....	279,300.00
Sea protection works.....	589,506.45

Total..... **P34,741,519.87**

The foreign relations of the Philippines have been established on a firm basis. The Philippine Government has concluded the following treaties, agreements, and conventions:

1. The Treaty of General Relations with the United States;
2. The Agreement for the sale of certain Surplus War Properties, under which the United States transferred to the Philippines over 600 million dollars' worth of surplus properties from the American Armed Forces in the Islands;
3. The Agreement between the Philippines and the British Governments under which the Turtle and Mangsee Islands group will be taken over by the Republic on October 1, 1947;

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4. The Philippine Alien Property Agreement;
5. The Agreement between the Philippines and the United States Information Service, transferring Radio Station KZFM to the Philippine Government;
6. The Military Assistance Pact with the United States, the Consular Convention, and the Fisheries Agreement;
7. The Ad Interim Agreement between the Philippines and Switzerland;
8. The Agreement between the Republic of the Philippines and the United States regarding Meteorological facilities and a training program; and
9. The Agreement between the Republic of the Philippines and the United States regarding air-navigation facilities and a training program.

The Department of National Defense reestablished the Philippine Military Academy and the Reserve Officers' Service School. It prepared plans for cadre training, surveyed and mapped out army camps and sites, established central depots and supply points, and prepared a five-year plan for research work. The Army was reduced to 37,000 men.

The Department of Labor settled by arbitration 48 strikes and 21 other labor disputes involving more than 23,000 laborers. The Eight-Hour Labor Law and the Woman and Child Labor Law were enforced rigidly.

The Department of Health and Public Welfare has made some headway in improving general sanitation and carried out various immunization projects, thus preventing major epidemics; increased the number of charity clinics; and improved the hospital service, also raising the per capita expenditure per patient. The campaigns against tuberculosis, malaria, leprosy, and venereal diseases were accelerated.

The Department of Instruction established libraries in a number of big factories and supervised 600 private schools and colleges in addition to all the public schools in the country. The sum of ₱16,750,000 was appropriated by Congress as already indicated, for additional elementary classes, which is to be added to the regular appropriation of ₱31,373,460.

The Department of Justice, through the Securities and Exchange Commission, registered 589 stock corporations whose total subscriptions amounted to ₱37,377,934.50. The Bureau of Justice, besides prosecuting ordinary government cases, also undertook the investigation of numerous deportation cases. The Public Service Commission disposed of 12,929 applications for certificates of public convenience.

The Joint Philippine-American Finance Commission studied the financial position of the Republic of the Philippines and made adequate recommendations.

These accomplishments of the Philippine Government have been, by and large, inspired by the President of the Republic. Life is rapidly coming back to normal, and, barring major mishaps, the Republic has reason to look forward to a happy future.



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The "LET YOUR HAIR DOWN" Column

A COLUMN conducted in the lighter and easier vein can be a useful adjunct to any publication because it makes possible a freer form of communication than is suitable in the usually staid and serious editorial pages, and yet may convey much essential matter. Readers as well as the editor can take advantage of this, for such a column is an excellent place for letters of suggestion and criticism.

A column of this kind having been decided upon for incorporation into the Journal, the question arose as to what to call it. Various names suggested themselves,—“Tells All”, “A Noise Within”, “All Hands”, “Enter Chorus”, which give some indication of the intended nature of the column, but the heading finally decided upon, for better or for worse, is that which appears higher up on this page, and we do hope that this will not be considered too colloquial, not to say vulgar.

“Let your hair down” is a picturesque expression which carries with it not only a suggestion that one may relax and take his ease, but aside all formality and be himself, but that he may speak with utter frankness, with enthusiasm, with asperity, with passion which may mount to frenzy.

The column will be tolerant toward this whole gamut of expression and we will welcome communications on anything at all that has to do with business here,—including, for good measure, the business of living, and, of course, with the Journal itself by way of endorsement or criticism, whether enthusiastic, morose, or merely malign.

If you have anything to say, come into this column and say it,—anything goes that some judge is not likely to pronounce libelous. If it serves a good purpose, your name could be withheld from publication, and no one would find it out from the editor. Just so it's all highly dedicated.

As for ourselves, we have a few things to say to start off with. The Journal is going to be a business men's magazine devoted strictly to business and all its joys and sorrows. We do not intend to make any direct appeal to the general reader, but we do intend to make the Journal both interesting and useful, if in fact not indispensable, to all business men here regardless of their nationality or other affiliations.

In this connection we point with disguised pride to “The Business View” pages, a symposium of expert opinion to which some twenty-five of Manila's leading business men will contribute every month. It will constitute a body of reliable fact and authoritative analysis such as has never before been available to the business community here. Most of these men are members of the American Chamber of Commerce, but there are others, prominent members of the British and Spanish communities, as well as a number of Filipinos, who have generously agreed to cooperate. What these pages will contain is now vitally necessary information to most business executives, and there was no other practicable way of getting it together every month. The men concerned,—who have become virtually contributing editors, working without pay, deserve the thanks not only of this Journal and of the Chamber, but of the whole business community. Journalistically, the pages of “The Business View” constitute an unprecedented example of cooperative editorial enterprise. Enlisting men of their standing in such a project was, if we may boast a little, an editorial *tour de force* which should immediately reflect itself in increased advertising and a rapid expansion of the subscription list.

Due to the resignation of the editor, Mr. Robert S. Hendry, and a period of reorganization which entailed a suspension of publication for several months, and a change of printing establishments as well, it was not possible to lay down the usual dead-lines for copy, and the reader will therefore note a lack of synchronization in the various columns as well as some overlapping and perhaps a few gaps. We believe that as the different writers see what the others have written, the various sections will shortly be better correlated.

A word should be said here about the able service rendered the Chamber by Mr. Robert S. Hendry. Mr. Hendry's resignation resulted in some question as to whether to continue the publication of the Journal or not under the present difficulties attending all publication in Manila, but Mr. Hendry got out ten issues of the Journal,—from December, 1945, to April, 1947, almost unaided, and when conditions were even more difficult than they are now. Our hope of being able to get out a better

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and more useful publication is almost entirely based on the cooperation we are now receiving. Talk of discontinuing the Journal soon ended, for it was realized that the Chamber, and business generally here, stands in definite need of a good local business magazine, more so now than ever before. And the Chamber requires, too, an organ of its own in carrying out one of the purposes of the organization which was laid down in the Constitution and By-laws as follows: "The provision of means for the convenient exchange of ideas in this promotion and development", i.e., "of American trade, commerce, and industry in the Philippines and the Far East".

At the suggestion of our new editor, himself, the general plan of the organization and management of the Journal has been changed. While formerly the Journal was, so to say, "farmed out" to the editor, who was allowed to make what he could of the Journal under a minimum of control, it was realized that the responsibility, both editorial and financial, should be formally placed where it belongs,—with the Chamber. The editor is responsible only technically and managerially. That is the way he wanted it, and the Board of Directors believed that his position in the matter was sound.

Going back, for a moment, to "The General Business View" pages, we had projected one column among the others in which the actions and decisions of the Office of the President of the Philippines would be reviewed. Because the publication of this issue of the Journal fell in the month of July, which marked the first anniversary of the Republic of the Philippines, this column was expanded by a zealous writer in Malacañan to the length of a special article. We publish it as a timely statement from the Office of the President covering the first year of the life of the Republic.

Referring, too, once more to the designation, "The Hair-down Column", we will admit without quibble that it is particularly apt with reference to our present editor. Those who have known him during the past thirty years as editor of the old Manila Times and, later, of the Philippine Magazine, will know that he let all his hair down years ago and has in fact not a hair to put up. But, though generally very frank in all things, he manages for the most part to preserve a certain calm which, we believe, makes him an especially desirable person to preside over a column which invites the furies. "The alarum sounds and Chambers go off."



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