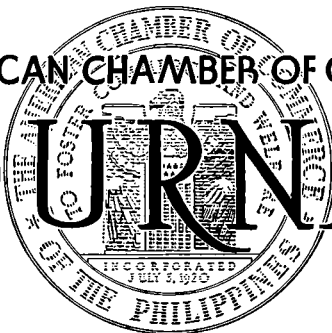


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Published monthly by the American Chamber of Commerce of the Philippines
424 San Luis Street, Manila, Philippines — Telephone No. 3-23-24

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Editor and Manager

Entered as second class matter at the Manila Post Office on May 25, 1921, and on December 10, 1945
Subscription rate: ₱5.00 the year; \$5.00 in the United States and foreign countries

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Vol. XXIX

September, 1953

No. 9

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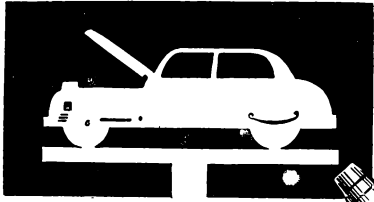
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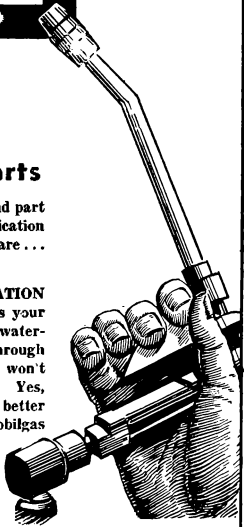
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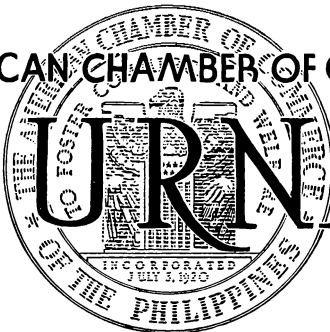
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THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

"... to promote the general welfare"

On behalf of the American Chamber of Commerce, this *Journal* extends its congratulations to His Excellency, President Elpidio Quirino on his recovery from a serious illness and on his safe return to this country.

Republic Act No. 946, "An Act to Prohibit Labor on Sunday, Christmas Day, New Year's Day, Holy Thursday, and Good Friday," was approved on June 20, 1953, and is now in effect 90 days thereafter,—on or about September 20.

The law specifically provides that, except as otherwise provided, "no construction or repair of any building or any kind of structure, and no public works whatsoever shall be undertaken" on Sundays and on the holidays covered by the law, the time-period running from 12:00 midnight to 12:00 midnight.

Certain "establishments and undertakings" are specifically excepted from the provisions of the law (Section 3):

- Hospitals, dispensaries, medical and dental clinics, drug stores;
- Stevedoring and arrastre, including loading and unloading of cargoes;
- Public utilities;
- Finishing and curing of fish;
- Cattle-raising and dairy, poultry;
- Amusement enterprises;
- Printing and sale of periodicals;
- Government and private telephone communications;
- Activities connected with the embalming and burial of persons;
- Domestic service;
- Driving vehicles;
- Restaurants or eating and/or drinking establishments;
- Markets;
- Fairs;
- Talipapas, tiangues, saods, and tabos* [vernacular names for small private markets].

The law provides further as to work which can not be interrupted (Section 4) that—

"In cases where the work is not susceptible of interruption or is so indispensable that it can not be delayed without causing serious prejudice or obstruction to the business of a particular enterprise or estab-

lishment, the Secretary of Labor is authorized to broaden the exceptions established in the preceding section.

"Any action taken by the said Secretary under this section shall be appealable by the aggrieved party or by any resident of the Philippines to the President of the Philippines."

Necessary emergency work is covered in the next section (Section 5):

"In cases of emergency, when the performance of a particular work is peremptory, the municipal or city mayor, the municipal councilor in the former's jurisdiction, or the barrio lieutenant in the absence of the mayor and councilor within the barrio, may issue written permits allowing such work on any of the holidays mentioned in section one. A copy of such permits shall be furnished to the chief of police and the municipal treasurer of the municipality where the same is issued within five days after the issuance thereof."

Section 6 provides that "it shall be unlawful for any employer to reduce the compensation of any of his employees or laborers by reason of the provisions of this Act."

Section 7 provides that the Secretary of Labor "shall issue such rules and regulations as may be necessary to carry out the provisions of this Act."

It was in connection with the latter provision, that the American Chamber of Commerce of the Philippines received a letter, dated July 7, from Mr. Cecilio I. Lim, Assistant in the Wage Administration Service of the Department of Labor, which ran as follows:

"Having been designated as chairman of the committee to draft rules and regulations to implement Republic Act No. 946, commonly known as the Blue Sunday Law, which will take effect 90 days from June 22 [20?], 1953 (date of approval), I have the honor to request for your valuable cooperation by informing us what particular activities undertaken by your members on Saturday, which, if not finished by midnight of that day, must be carried on the following Sunday, because by their nature they can not be put off till Monday without suffering irreparable loss or serious detriment.

"In this connection, please advise us of your reason for each particular case.

"Thanking you in anticipation of an early reply, I am, respectfully, etc."

The Chamber, through Mr. F. C. Bennett, chairman of its Industrial Relations Committee, and Mrs. Virginia Gonder, Executive Vice-President, acknowledge this letter, stating that it was sincerely appreciated and that the Chamber would be glad to cooperate and would imme-

dially circulate the members to request information as to their particular operations, if any, that would be affected by the provisions of the Act.

The replies were tabulated and summarized in a communication sent to Mr. Lim on August 11. The replies came from only around one-fourth of the Chamber membership, from which it may be deduced that the great majority already observe the customary Sunday and other holidays in their ordinary operations. The replies of the firms which did send them in also indicated clearly that they all observed these holidays in so far as is practicable.

The replies brought out that the most serious oversight in the law concerns security and order,—the employment of watchmen and, in some cases, private policing and fire-fighting services, the personnel of which obviously must be kept on the job every day of the week the year around.

Perhaps the next most important omission is a provision which would have exempted those general utility services in large private plants which unfortunately appear not to be covered in the specified exemption of "public utilities." Many mining, lumber, and other companies, especially those in remote areas, are under necessity of maintaining their own electric light and power plants, waterworks and pumping systems, telephone services, etc., and obviously these can not be closed down on Sundays.

The next most general objection to the Act as it stands is that it disregards the almost universal practice of utilizing Sundays and holidays for general overhauling and repairing of machinery and equipment by a part of the personnel. If plants were to be closed down on regular working days for this purpose, production would be seriously curtailed and, in many cases, large numbers of men laid idle.

Various "undertakings" of first-rank economic importance have their own specific requirements which it would be folly to disregard. Many industrial processes are necessarily continuous in nature or cover spans of time exceeding a week in length. Gold ores, for example, are treated by the "cyanide process" which is of this type; if, for any reason, the process is stopped, it requires from ten to fifteen days to start up again. Ordinary mining operations are suspended on Sundays, but in most cases pumps must be kept running to avoid flooding. Various foundry operations are of this same nature. Interruption in the milling of sugar cane during the season would result in wastage of cane already cut, entailing heavy loss. Pharmaceutical plants are generally engaged in processes which can not be arbitrarily halted; often, when epidemics threaten, they operate night and day, regardless of Sundays, to meet the emergency. There is, in fact, hardly a manufacturing plant of any kind which must not keep at least a skeleton crew on the job the year around.

The loading and unloading of ship cargo is an activity which is exempted under the law, as it was realized that delays are enormously costly and shipping schedules must be adhered to. But there is no specific provision which would permit the employment of the necessary office personnel in connection with these activities, nor for the immediate handling, storing, etc. of perishable and refrigerated or frozen goods.

In some enterprises, as in that concerned with the export of hemp, the fact that it is not Sunday at the same time in all parts of the world, is of peculiar importance, messages being received at all hours every day which must be immediately decoded and acted upon regardless of the day of the week.

It is to be noted that "driving vehicles" is an exempted activity, but what about the operation of gasoline stations?

People might not always be able to fill their tanks on Saturdays, or they might have to take an unexpected trip on Sundays, or, on the way, they might run out of gasoline. Will gasoline stations be considered as coming under the head of "public utilities"?

These and other similar facts and queries were brought out in greater detail in the Chamber's 23-page reply to Mr. Lim.

In view of the numerous unspecified exceptions which will have to be made to its application, it is fortunate that the Act itself provides for this by granting the Secretary of Labor authority to "broaden" the exceptions listed, and also that it grants certain local officials authority to permit otherwise prohibited work in case of emergencies.

However, it would have been much better had the law been drafted so that all the more necessary exceptions were clearly listed. Unless it proves possible for the Secretary of Labor promptly to lay down "rules and regulations" under the Act which will be broad enough to enable industry and business to continue to function normally, the new law is likely to inflict great harm and damage.

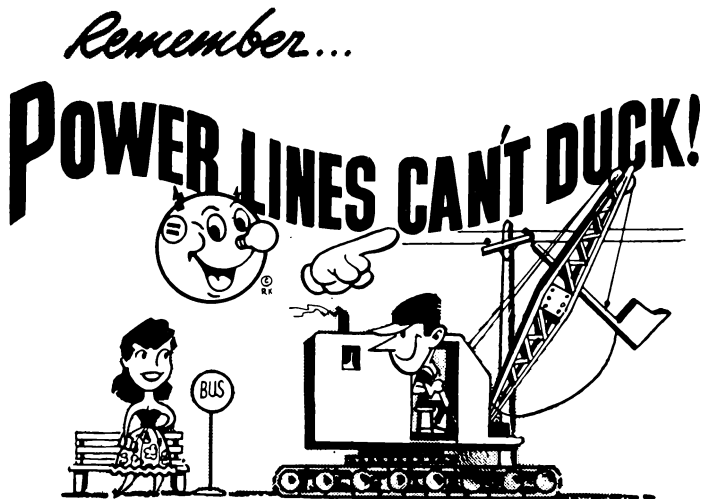
As in most such cases, the aim of the law,—to protect workers against exploitation, is a commendable one, but it is questionable that legislation on this subject was actually necessary. Stoppage of all but the most necessary work on Sundays has long been the established practice everywhere where this is practicable, and in such cases that it is not, provision is almost universally made for a daily staggering of employment so that there is always one day of rest in seven, though not, for all, on Sundays. If it had been discovered that there were employers in any great number who disregard their employees' need of weekly rest, then a law could have been passed making this compulsory, without stipulating that it must come on Sunday.

In the industries and businesses referred to, and many more, continuous operation and employment of at least a part of the personnel every day is absolutely essential, but the reasons for this are often technical and to have to submit this vital matter to the decision of government functionaries, not only initially, under the new Act, but perhaps periodically and frequently, introduces a new element of great risk as well as time-loss, expense, and vexation.

As for work called for in sudden emergencies, which no doubt are often very grave in any industrial undertaking, would there always be time to find the mayor or a councilor or a barrio lieutenant to obtain permission to take immediately necessary measures? The question answers itself, and it is always a bad law if there is often imperative need deliberately to break it under the force of circumstances. Take, for instance, the breaking out of a fire which must not only be fought but which demands, say, the emptying of near-by offices or warehouses. Or take the breaking of a dyke or dam.

The absolute prohibition of Sunday and holiday employment on all "public works whatsoever" is most unwise since in such gigantic engineering undertakings in which the Government is now engaged and in which equipment valued in millions of pesos is in use, every day of delay means tremendous loss.

One last observation: We have perused the Act in vain to find any exemption which would appear to cover the common neighborhood *tienda*. If these little establishments, found on almost every street corner, dealing in the numerous small daily household necessities (rice, bread, salt, soap, kerosene, cigarettes, needles and thread, and other notions), are under the Act to be closed on Sundays, this would mean decided hardship for the people.



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It is a rather strange thing,—at first blush, that the growth of the population of the United States is looked upon by economists as meaning a continuously increasing prosperity, while the same phenomenon in some other countries is looked upon with anxiety as meaning only more mouths to feed and entailing an increasing general poverty.

According to a recent U. S. Information Service dispatch, the United States population has passed the 160,000,000 mark and is gaining at the rate of about 220,000 a month. The new figure, announced last month by the U. S. Census Bureau, is almost 9,000,000 more than the last official census of 1950. The relative United States population-standing is fourth,—behind China with 450,000,000, India with 365,000,000, and the Soviet Union with 200,000,000; Japan is fifth with 86,000,000.

Stated the USIS report:

"There are several significant aspects, economically and socially, in the continued United States population gain.

"Economically, it means a continuously growing market for expanded production,—a continued demand for more food, clothes, homes, transportation, schools, and personal services. The economic expansion to meet the needs of the recent growth, creating in turn more demand for additional production, is undoubtedly one of the reasons why there has been no economic recession in the United States, although one was predicted not so long ago.

"The building of new homes, for example, has continued at an unusually high rate for several years, although at times it seemed the back-log of new home demand built up during World War II had been more than met. The number of new residences started this year is expected to exceed again the one million mark, as it has for the past three years.

"As another contribution to economic stability, the population pressure, requiring more public services and facilities such as buildings, roads, parks, and sanitary services, provides the back-log of work and employment the Government wants available in case a recession should hit. Government aid could then be unleashed in the form of financing necessary public projects, which would take up employment slack and create additional demand for other goods and services."

How is it that increasing demand for food and clothing and housing and transportation and services of all kinds, and increasing general consumption, can mean more rather than less of everything? How is it that this can mean increasing prosperity instead of increasing hardship?

The difference between countries like the United States and some other countries in this respect, lies in the difference between a dynamic and a generally static economy.

In a dynamic economy, increasing demand spurs on increased production, which is achieved through both the employment of more labor and advances in methods of production.

In a static economy, increasing demand is *not* met by a corresponding increase in production; there is little inventiveness, little if any development in methods of production, and increase in the population leads mainly to increasing unemployment and increasing poverty.

What determines whether a given economy will be static or dynamic?

In human society,—man being possessed of intelligence, the economy, unlike the economies in the animal world, are normally more or less dynamic, as is proved by the historic and pre-historic general advance in standards of living as well as the growth in the human population throughout the world. Among the animals, the numbers of any species tend to reach a balance with the available food supply in a given area: animals, generally, have not learned how to increase their food supply.

While the economies of man, therefore, are generally dynamic, the economies of some human societies are more dynamic than others, and they also have often entered into relatively static and even retrogressive periods.

Since it is natural for all forms of life to multiply up to the very limits of the means of subsistence, there is

always an increasing economic demand, and this demand is not or can not always be satisfied even in human societies.

We must assume that there is a human population limit, although this has never as yet been reached, for the world as a whole, at least. The limitation is probably two-fold: the ultimate subsistence limit and the living-space limit, although both would seem to be capable of at present still unimaginable expansion. At any rate, mankind need not worry for a long time about that ultimate limit.

What we must take thought about is that production be kept not only abreast of the needs of an increasing population, but ahead of these needs so as to permit in addition that rising standard of living which is the universal desire.

That requires one thing above everything else: that is that what economists call the entrepreneurial activities of men be given the fullest possible freedom and scope. Inventiveness, initiative, venturesomeness are qualities which must be allowed the full economic and social reward which success naturally brings. Nothing should be done to destroy that driving incentive.

And since to obtain an increased production, increased savings are required,—capital for use in that production, the earning of profits, especially, should not be curtailed. Capital gains and virtually capital gains alone, make increased production possible. The wonder is that both despite of, and because of, increased production and increased consumption, there can also be increased saving, though, of course, that saving is deducted from the total increase in production.

Too often in the histories of human societies have what may be distinguished as their political and their economic institutions, powers, and personalities worked against, rather than in cooperation with, each other. There has been oppression and suppression of the economic classes by the political classes, and there has been, if not deliberate exploitation, the most damaging interference. These negative factors militating against backward economic progress are plainly to be seen at work in every backward economy, today as in the past. We see them at work in the Philippines, and even, to some extent, in the United States.

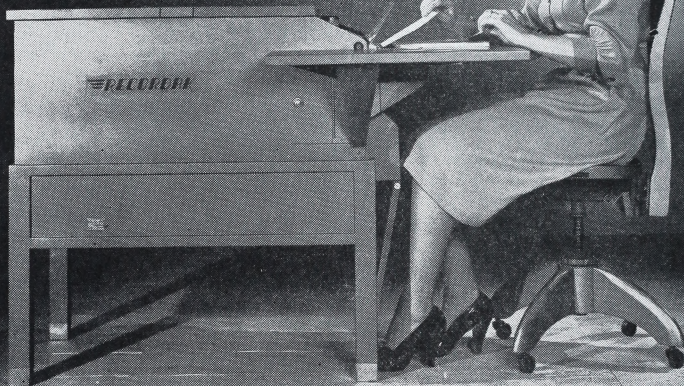
We need not fear increases in population, rather we may welcome such increase, provided also the economic functions and capacities are given full scope.

The Philippine Journal of Forestry, for the first to the fourth quarter of 1951 (Vol. 8, Nos. 1-4), but dated 1953, and running to 178 pages, **A History of Forestry in the Philippines** devotes some 120 of them to the "Brief History of Forestry in the Philippines" by Jose F. Nano, Senior Forester and Assistant Chief of Division, Bureau of Forestry. In the Foreword by the Director of Forestry, Florencio Tamesis, he states, in part:

"This article deals with the development of forestry in the Philippines, particularly with the administration of forests, public and private. The loss of official records of the former *Inspeccion General de Montes* and the present Bureau of Forestry by fire, and the last World War handicapped its preparation. It is fortunate, however, that the author saved many of his personal papers on the matter. . . ."

The history is illustrated with reproductions of photographs of George P. Ahern, Director of the Bureau from 1900 to 1914, of Forsythe Sherfsee, Director from 1915 to 1917, and of Arthur F. Fischer, Director from 1917 to 1936, and contains much important information. The whole work is most interesting and informative and is especially valuable because of the loss of records referred to by Director Tamesis. In view of the general loss of government records and reports during the war, it is most desirable that all government entities do what they can to make available such recapitulations as Mr. Nano's. Such work entails a great deal of devoted effort and the Government might well accord it some special recognition.

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Trade with Japan

By HANS MENZI

President and General Manager
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THE study of trade possibilities with Japan was the motive of my short visit to that country. Japan has a strong potential and, with its advantageous location, is a logical supplier for the Far East. With American aid, Japanese skill, hard work, and determination, Japan appears to have rehabilitated itself to a large extent.

The Korean war assisted Japan's industrial and economic recovery immensely. Japan derived annually from United States procurement for Korea and the support of American forces in Japan, an annual income of \$800,000,000, or approximately \$2,500,000,000 for the duration of the Korean conflict. This temporary source of income is drying up and, to safeguard the Japanese economy, expanded trade by Japan with Southeast Asia is urged by all countries, including the United States. The American policy for Japan and its economic standing is to:

1. Smooth trade relations between Japan and its neighbors.
2. Use procurement in Japan for Korea and perhaps other countries.

But the United States expects Japan to do everything it can to help itself. To do so certain measures have been adopted by Japan, including:

1. Slashing production costs and improving quality in the fields of textiles, sundries, chemicals, metal goods, and machine manufacturing. The Japanese Ministry of Trade and Industry announced that foreign technical aid, arranged for and accepted by them, has served their purpose well. Two hundred eighty-six cases of induction of foreign technical know-how were recorded during the 3-year period following the enforcement of the Foreign Investment Law of June, 1950. The United States heads the list of nations extending technique with 202 cases; Switzerland with 32 cases; West Germany, 13; Sweden, 11; Canada, 10; France, 7; and Britain, 5. There were 6 other miscellaneous cases.

2. A system to import non-urgent goods was set up in 1951 and extended for the benefit of foreign residents in Japan. These goods imported were however used mostly by the Japanese instead of by the foreigners in Japan. The Japanese Government has therefore decided to cancel imports of non-urgent goods, effective during the October to March budget period, and thereby save Japan's holdings of foreign currency. The last imports of non-urgent goods will amount to \$3,400,000.

"THOUGH most nations have long since left the gold standard, the world is still on an invisible gold standard, in the sense that the stability of currencies is roughly measured by the price that gold, sought by hoarders, brings at any time. When the world's post-war inflation was at its worst, bar gold—pegged by the United States at \$35 an ounce—soared as high as \$71 in Zurich. Now, in Zurich, it is back down to \$36.92, a sound indication that big hoarders — *i.e.*, those who can afford to buy a whole bar of gold—no longer fear inflation and have more faith in the world's currencies. But small hoarders still pay as much as \$46 for such favorites as 'Eagles' (U.S. \$20 gold pieces, outlawed in the United States itself).

The loss of the pre-war trade of Japan with China, makes Japan in particular dependent upon the countries of South and Southeast Asia for essential materials and markets. With Philippine raw materials essential to Japan, and our dependence on Japan for certain imported finished goods and merchandise, trading with Japan may be to our mutual benefit and could be developed. What apparently holds down the level of Japanese foreign trade are:

1. High Japanese costs caused by (a) higher wages, (b) expensive raw materials, (c) old machinery and equipment, now in the process of replacement.
2. Import restrictions throughout the world.
3. The reparation stalemates and the distrust of the Japanese.

Trading with communist China is advocated in certain quarters. I believe that trading by Japan with communist China may have to be given serious thought if the Japanese economy is to weather its handicaps. Japan's trade with China previously amounted from 20 to 25% of its total commerce. This is an important and impressive percentage. Fear is expressed, however, that the development of trade with communist China may be on communist terms.

I noted with particular interest the reformation of the Zaibatsus which General MacArthur ordered broken up. The directive issued by MacArthur resulted in the formation of many smaller entities headed by former executives and personnel of the Zaibatsus. Indications are at hand that by their own decisions and/or banking "directives", amalgamations have taken place or are in the process of quick realization. The early existence of strong Zaibatsus can be reckoned with.

Japanese-American relations were much in the news recently. The United States apparently feels that Japan is not doing as much as hoped for its own defense. Japan feels that its economy could not stand a sudden increase in armaments. The Japanese Government deems it necessary to continue its policy of strengthening the defense power only gradually.

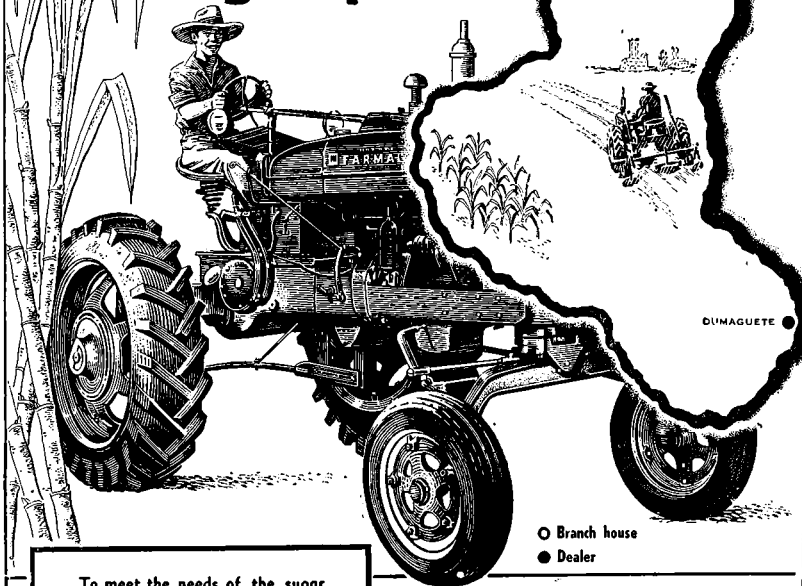
I also visited Taipei and my brief stay brought clearly to the surface the peoples' strong determination and government efficiency. I was very favorably impressed.

My trip to Japan means for my Company the establishment of closer ties and stronger connections with potential Japanese manufacturers and suppliers who can supply my Company's material needs.

"Currency controls undoubtedly were necessary while nations got back on their feet at World War II's end, much as a bank may have to be closed during a run until the true value of its assets is assayed. But whenever nations have thrown off such controls, the results have been phenomenal, notably in Canada. Since Canada freed its dollar in 1951, the value has risen from 90¢ in U.S. money to as high as \$1.03, and is currently at par with the dollar. With money, as with tariffs, the best stimulant for greater world trade is the least possible restriction upon freedom."—
"Money Black Markets—True Yardsticks of Solvency,"
Time, June 22, 1953.

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The Sinking of the S.S. *Corregidor*

December 17, 1941

The Story of Some of the Survivors in the Santo Tomas Internment Camp

By A. V. H. HARTENDORP

EARLY Wednesday morning of the second week of the war, a little more than an hour after midnight (December 17), there occurred the greatest marine disaster in Philippine history,—the sinking of the S.S. *Corregidor*.¹ With some 1500 people aboard, the 900-ton ship, a former English cross-channel ship, hit a mine just outside of Manila Bay, three hours after leaving the piers, and sank within four or five minutes, carrying over 1000 people to their deaths.

Among the Santo Tomas internees were four men and two women who were among the survivors in this shocking mishap which, with the destruction of Cavite from the air a week before, prefaced the catastrophe which was so soon to overwhelm Manila and all the Philippines.

President Quezon was quoted in the Manila press as saying: "I am shocked. . . so many lives lost! My heart goes out to the families of those who perished in this terrible accident, some of whom were my dear personal friends who rendered signal service to our country and people." Among those lost were several members of the Legislature² and many other prominent Filipinos and hundreds of college students who, because all schools had been ordered closed, were going to their homes in the South.

It was reported that while some 800 people had been sold tickets and there were also 150 Filipino soldiers aboard, many others had crowded into the ship without tickets an hour or so before it sailed. The *Corregidor* was the first passenger vessel to leave Manila for Cebu and Iloilo after the start of the war.³ Besides its human cargo, the ship also carried a large shipment of quartermaster supplies, including ammunition (stored in the bow) and there was a consignment of empty oil-drums on the lower deck.

Officials of the *Compañía Marítima*, the owners, said afterward that they had done all they could to prevent overcrowding, and that they had sold as many tickets as they had only because of the "irresistible pleading" of people who wanted to get away from Manila. All words of warning had been useless and passengers willingly signed statements that they were sailing at their own risk.

The *Manila Daily Bulletin* reported, after the accident, that the passengers and crew members "listed" totaled only 326, but one of the survivors in Santo Tomas said that the afternoon before the sailing a *Marítima* official had told him that some 800 tickets had already been sold. He had also been asked to sign a statement acquitting the Company of responsibility, and had done so.

The ship cast off at 10 o'clock in total darkness, as there were no special black-out facilities provided. Many of the passengers had boarded the ship in the afternoon,

but due to the lack of lights even in the dining saloon, no supper was served. The bar was closed and it was impossible to obtain even drinking water. There were 8 air-conditioned cabins and some 20 other cabins, all taken, of course, and the whole ship, including the three decks, was jammed with people. They made their way about with electric flashlights.

There were but a few Americans aboard, Mr. and Mrs. Jack Fee, Mr. and Mrs. T. Ellis, F. Lambert, F. E. Williams, Col. Frank Griffin, a retired army officer, 70 years old, and a colored American, "Dixie", who was an employee of the *Compañía Marítima*. There were also two American army officers. All but Williams were saved. Mr. Fee was manager of the Cebu office of the Standard Vacuum Oil Company, and had come to Manila to attend a Company staff meeting. He and his wife had left their one-year-old baby behind with friends in Cebu. They did not see the child again until a year later, when she was brought to the Santo Tomas Internment Camp with the internees from Cebu. The Ellises also had left a fifteen-year-old daughter in Cebu.

The American civilians spent the earlier hours of the night together in the lounge, and seeing people on the deck appropriating life-belts from the racks, they also supplied themselves. The fear of an enemy submarine attack was in every mind. There were not enough life-belts to go around, by far, and the ones the Fees got hold of were old, with the canvas worn away in spots and the cork showing. About midnight, Mr. and Mrs. Fee retired to their air-conditioned cabin on the port side, it taking them 20 minutes or so to find a cabin-boy to unlock the door. They lay down in their beds without undressing. They had left their life-belts beside their chairs in the lounge, but found two under their beds which were comparatively new.

Around 1 o'clock, Fee noticed that the ship's engines had stopped and got up to look out of the port-hole. He saw a signal-light flashing from *Corregidor Island*, which he judged had been already passed and lay some five miles off. He thought the fortress must be communicating with the ship. He went back to bed when the engines started turning again, and then, almost immediately, he heard an explosion. The detonation came from the other side of the ship and sounded muffled in the air-conditioned room. The Fees thought it was some kind of warning shot, but got up and made their way back to the lounge. As they passed through the corridors they heard a kind of tinkling sound, as of an Eolian harp, which was explained to them afterward as having been caused by water striking the hot boilers.

The Ellises had remained in the lounge and were picking themselves up from the floor. "I'll be darned!", said Ellis, "it blew me out of my chair!" He thought the ship had been hit by a torpedo. The windows had been blown in and there was broken glass everywhere. They ran out on the promenade deck, where they saw people crowding to get into the life-boats. Fee saw that his wife had not brought her hand-bag and turned to go back to the cabin to get it when he noticed that the ship was already listing to starboard and sinking by the stern. The end was coming too swiftly for any great panic to develop among the passengers. Hundreds were still below-deck and must have been trapped there.

¹The sinking of the S.S. *Corregidor* was not only the greatest marine disaster in Philippine history, but one of the greatest in the world, not including losses incurred in military or air action. The loss of life in the sinking of the *Titanic* on colliding with an iceberg in the North Atlantic on April 15, 1912, was 1,513; the loss in the sinking of the *Empress of Ireland* in a collision in the St. Lawrence River on May 29, 1914, was 1,024; earlier losses were those of the *Sultana*, sunk in the Mississippi River following a boiler-explosion on April 27, 1865, 1,450, and of the *General Slocum*, which burned in New York Harbor on June 15, 1904, 1,021. The loss of life in the sinking of the liner *Lusitania*, on May 7, 1915, by a German submarine, was 1,986. The *Corregidor* disaster thus ranks third or fourth.

²According to the *Manila Tribune*, of December 18, 1941, among those who lost their lives were Representative Juan Reyes, of Capiz, and Representative Atanacio Ampig, of Iloilo. Three other legislators, Representatives Jose E. Romero, of Negros Oriental, Calisto Tanabe, of Zamboanga, and Dominador M. Tan, of Zamboanga, were saved, but the latter lost his wife, two children, and a sister. Representative Ramon A. Arnaldo lost his son Edgar. The American survivors interned a few weeks later in the Santo Tomas Camp told the writer that Dominador M. Tan, especially as to the number of lives lost which, according to them, was very much greater than was reported.

³The S.S. *Elicano* had sailed for Cebu on the 10th, with army supplies, including gasoline and fuel-oil, but had taken no passengers.

"My God, she's sinking! Get your shoes off!" Fee shouted, as he put his foot up on a rung between the shrouds from the mast. His wife later remembered that he had said something else: "Let's orient ourselves. There are the lights from the island, over there!" The ship was already sliding under, and he gave his wife a strong push upward and outward into the water, but his own foot was caught between the shrouds. He felt himself dragged down as he struggled to extricate his foot. After a long moment of panic, he succeeded, and guiding himself toward the greenish glare in the water, originating from the great Corregidor search-light thrown on the scene of the explosion, swam upward with all his strength. He estimated that he must have been down more than fifty feet, for he was gulping water before he reached the air. He saw nothing but debris and empty oil-drums popping to the surface, which was white and foamy with air-bubbles. He saw nothing of his wife, or any other swimmers, although he could hear cries for help. He swam away from the flotsam until he found the splintered gunwhale of a life-boat, a jagged piece about 10 feet long and 2-1/2 feet wide, to which he clung. It smelled nauseatingly of burned explosives, and must have been part of a life-boat blown up in the explosion. After a while he saw two or three Filipino survivors about in the water, supporting themselves by pieces of wreckage. The search-light from Corregidor was still playing over the scene and he decided not to try to swim, but to wait for rescuers. He was able to get hold of two other life-belts floating in the water, and fastened them under his knees.

As he drifted farther seaward, he came upon a Filipino woman and a child with their heads barely out of the water. First he saw only the woman's eyes as the search-light fell on them, and thought he was looking at some sea-monster. Her face was entirely black. He then felt of his own face and realized that it, too, was coated with fuel-oil. He helped the woman and the child, who proved to be a little boy about four years of age, to lay hold of his own raft. Later he learned that the woman's husband and the twin of the child had been drowned.

After some two hours in the water, they were picked up by a 60-foot mosquito-boat from Corregidor,—No. 32. They had seen it at work for some time, but the rescuers first picked up those who were swimming unsupported. Some twenty people had already been taken into the boat when, first the child, then the woman, and then Fee were pulled in, but he was the first American. Evidently, the officer in command had asked no questions of the others, for he asked Fee what ship it was which had been sunk. When he understood it was the *Corregidor* and that some 1500 people had been aboard, he swore and signalled Corregidor to send additional help, and after a time two more mosquito-boats appeared on the scene. Each boat carried a crew of seven or eight men, three in the wheel-house and one in the engine-room, and as they were therefore somewhat short-handed, Fee was allowed to help in the rescue work as soon as they found out he was strong enough to do so.

Only one life-boat seemed to have been successfully launched from the *Corregidor*, and though it had capsized, people still clinging to it were saved. Some ten or twelve life-rafts had also floated free and each of them supported from eight to ten persons. On one of these rafts, the people became so frantic when the rescue-boat neared, that they upset the raft, but all of them were hauled aboard. A man on one raft had a suitcase with him, which he was ordered to throw into the water. Another one had a cigar-box under his arm which he said contained pencils and drawing instruments. He seemed heart-broken when that was thrown over-board. One of the American army officers was dragged out of the water, and he also helped with the work when he had gotten his strength back.

The deck of the mosquito-boat was about three feet above the water and flared outward, and it was hard to draw a man in because his life-belt would catch. Covered with fuel-oil, bodies were so slippery that it was impossible to lay hold of them except by the hair. As the first boat (No. 32) stayed near the center of the wreckage, it gathered in a number of people who had been badly injured in the explosion. One man's leg was shattered and was dangling by the flesh. Crew-members stopped the bleeding and put the leg in splints. Another man was very severely burned and his body was immediately daubed all over with tannic acid. The boat was excellently equipped for first-aid work.

Ellis was found after he had been about four hours in the water; he was all in. The second American army officer was the last man taken into the boat. He was swimming with a life-belt around him and, to his own surprise, was still wearing his side-arm. Some 150 people had been picked up by No. 32 boat, but two of them died of their injuries before it reached Corregidor a little after daylight. Fee, and later Ellis, too, had scanned each figure pulled out of the sea in the hope of recognizing their wives, but they had been disappointed every time. Ashore, they met Lambert, who had been picked up by one of the other boats, but they could not find either of the women.

The survivors were taken by electric tram to an underground first-aid station, and from there the Americans and a number of Filipino army officers were taken to the large hospital on the hill. Here they had a bath,—they had to use scouring-powder to get the oil off, and were provided with pajamas. A breakfast of oatmeal, scrambled eggs, and coffee was served to them, but there was hardly one among them who could eat. An hour later, however, Fee and Ellis were made very happy by an army colonel who had been making inquiries and told them that Mrs. Ellis was in an under-ground emergency hospital on the island and that Mrs. Fee had been picked up and was at Mariveles.

Later in the morning, the survivors who had been taken to Mariveles were brought to Corregidor, and in the afternoon all of them were taken from the island to Manila on the *Kanlaun II* ferry-boat. They arrived in the city about 2 o'clock and were taken to various hospitals there.

Mrs. Fee who was a good swimmer told the following story: She had felt herself turning over and over in the suction of the sinking ship, but had been guided to the surface by the same greenish glare her husband had seen. The drag was so strong as to strip off the slacks she was wearing, though they had been fastened with a safety-pin as well as the usual buttons. When she came to the surface, the ends were still clinging to her feet, and she kicked them off. She screamed for her husband several times, "Jack! Jack!" but fearing she might become hysterical, she stopped. She heard cries and groans and prayers from people around her, but knowing she could not help them, she swam away lest she lose her own courage. She felt strongly that her husband would be all right and that in any case one of them had to reach the shore for the sake of the baby in Cebu. She noticed that she was swimming against the current and the wind. The sea was rough and the water was cold, though it was beautifully phosphorescent, she said. It was very dark, but she saw a few stars. There was no moon. Fish brushed against her and nibbled at her legs, but they did not bite; afterward she could see no marks on her body. They appeared to be fairly big fish, about two feet long. That was the worst of her experience, she said, although she also got very cold and developed a pain in her side. That she was two months pregnant, caused her anxiety.

After three hours in the water, she was picked up by one of the mosquito-boats. With about 50 survivors aboard, the boat ran to Mariveles and put them on the S.S. *Sinkiang*, a French ship which was anchored there for protection against enemy bombers. The mosquito-boat went back to continue the search. The rescued people were treated with the greatest kindness on the *Sinkiang* which, some days later, was sunk by Japanese bombs.

Old Colonel Griffin had been picked up by one of the mosquito-boats after he had spent some five hours in the water. He had jumped overboard without waiting for the ship to sink, immediately after the explosion, taking his electric flashlight with him. This he had used in attracting the attention of his rescuers. One of the officers on the mosquito-boat made a joke about his green signal-light. Griffin said that it wasn't green, but white, but when he looked at it he saw that it was green because of the film of oil over the lens.

The Ellises had been washed right off the deck and had been saved by their life-belts. In fact, nearly all the people who were saved had life-belts. If there only had been enough to go around! The rescuers threw them back into the sea on the chance that they might help yet others. Mrs. Ellis had been badly cut on the arm by window-glass at the time of the explosion, but she did not know this until it was called to her attention by her rescuers.

Lambert, just before the sinking, had started down the steps to go to his cabin to get a movie-camera he had borrowed and wanted to save. But he was met by a wave of water, swept back into the lounge, and flung into a corner in a tangle of chairs. He kicked himself away from the wall and was carried through the door, past the bridge, and over the side, hitting and cutting his head against a stanchion. The last he saw of the ship was a smoke-stack and then the propellers in the air. It appeared that while the ship had started to sink by the stern, the weight of the ammunition in the bow had pulled the ship down bow-foremost again as the water flooded in. Lambert was a good swimmer and was picked up three hours later.

MANILA Bay had been mined for some six months before the opening of the war. There were loop, or electrically-controlled, mines on the Corregidor side, supervised by the Army, and the Navy had laid a field of live

mines on the Mariveles side. Throwing on the current, converts loop mines into live mines. A channel for shipping was marked out by buoys, but the channel, too, was laid with loop mines, it therefore being safe only when these mines were switched off. A ship-master in Santo Tomas said that he believed he remembered that a few days before the *Corregidor* sailed, the newspapers had contained a notification to the effect that live mines had also been laid on the Corregidor side, but no one in the Camp knew whether the captain of the *Corregidor*, Apolinar Calvo, had been personally notified of this. The signalling fee thought he saw may have been only the usual signal of the light-house which exchanges routine signals with every passing ship.

Officers at the fortress the next morning said that they threw the switch off immediately after the explosion,—something which the commanding officer of mosquito-boat No. 32 did not know while the rescue-work was being carried on. The officers said that they had not been notified of the sailing of the *Corregidor*, and that the ship, after hitting the mine, sank so swiftly that they were unable to obtain information as to its identity. They said the ship was blown up by the "No. 2 mine in from the buoy", and that it had weighed 200 pounds. They were at first unaware of the scale of the disaster.

Captain Calvo went down with his ship, as did most of his officers.

Only some 280 people were saved. A full list of the dead and missing could never be compiled. Despite the fearful loss of life, the sinking of the *Corregidor* seemed soon little more than an incident in the war. The disaster was almost forgotten in the great catastrophe of the defeat and the enemy conquest.

THE *Corregidor* was the fastest ship in the Philippine merchant marine. As the *Engadine*, it had been a scouting-ship during the first world war, carrying the seaplane which reported the emergence of the German fleet preliminary to the Battle of Jutland.

MRS. Fee had her second baby while under internment in Santo Tomas, several months before she saw her first-born again. She had feared that her experience might have an injurious effect on the unborn child, but the baby proved to be a healthy and lively a little girl as could be.

ON Restrictive Practices.—The Chamber endorses the promotion of greater production and wider distribution of goods at lower prices to all peoples from all sources of the world to improve the level of world prosperity and to promote a rising standard of living throughout the world.

“The existence of unreasonable tariffs and any unreasonable form of discrimination whether through exchange controls, quotas, preferential treatment, monopolies, subsidies, bilateral trade and exchange agreements, or other trade restrictions seriously obstruct such wider production and distribution.

“The continuance of legislative riders and other devices commonly called ‘Buy American legislation’ is opposed as contrary to the public interest and as being relics of depression psychology.

“The Chamber urges that the United States Government adhere to the principle of non-discriminatory multilateral economic relations as the basis of the foreign economic policy of the United States, and declare itself opposed to restrictive practices in the administration of its own foreign trade policy, consistent with the maintenance of a healthy American economy.”—*The Chamber of Commerce of the United States, Washington, D. C.*

Philippine Industrialization and Trade*

BY COL. ANDRES SORIANO

PATTERN of Philippine Industry before the War.—Free trade relations between the Philippines and the United States, which started in 1909 under the Payne-Aldrich Tariff Law, favored the production of primary export goods that would be sold in the American market at an advantage over competing products from other countries. This led to an industrial pattern which leaned heavily on agriculture, first sugar mills, and during and after World War I, coconut oil mills. In the middle thirties gold mining entered an era of remarkable expansion after the official price of gold had been increased. The development of processing and manufacturing activities, although making progress, was comparatively slow. Two-thirds of the manufacturing activities consisted of handicrafts. In 1941 approximately three-fourths of the labor force of the Philippines was engaged in primary industries, such as agriculture, fishing, and forestry; 10% in secondary industries, i.e., manufacturing and mining; and 15% in tertiary industries which included trade, professions, clerical work, and service industries.

The income from exports of agricultural crops, gold, base metals, and manufactured goods processed from primary products was more than sufficient to pay for imports of manufactured articles and food, mostly from the United States, duty-free and available at low prices. The balance of foreign trade was consistently favorable throughout the pre-war years, except in 1938 and 1940.

Under the generally favorable conditions which existed, there was little interest in the development of new industries. However, a program of increased productivity, which envisaged moderate industrialization, had already been recommended in 1938 by the Joint Preparatory Committee on Philippine Affairs in anticipation of the economic adjustments which would have to be made on attaining full independence.

Effect of War and Japanese Occupation.—What the war and Japanese occupation did to Philippine agriculture and industry is too well-known to bear repetition. According to figures given in the Report of the Special Investigating Mission of the War Damage Corporation in September, 1945, the total losses for the country were estimated at approximately \$800,000,000. Physical damages suffered by different industries were calculated at ₱582,470,000. The industries most affected in terms of the capital invested were mining, sugar, and rice. War-damage payments under the Philippine Rehabilitation Act amounted to approximately \$550,000,000, of which about 80% was paid for private claims and the rest for the reconstruction of hospitals, schools, public buildings, public roads, and other public facilities. The figures estimated in 1945 by the War Damage Corporation proved to be very low in the light of the capital which was required for rehabilitation. According to the Report of the U. S. Economic Survey Mission (the Bell Mission), released in October, 1951, the amount of new investment made from 1946 to 1949 in all sectors of the economy was approximately ₱4,000,000,000, a considerable part of which was essential for restoring agriculture, industry, transportation, public utilities, public works, roads, and for providing the physical facilities to resume production and trade.

The Bell Report gives comparative figures between the production in 1946 and in 1937, a typical pre-war year, to illustrate more accurately the extent of economic disruption caused by the war. Total production in 1946 was less than 40% of the 1937 volume. In manufacturing it was only 21%, and in mining, only 2%. In agriculture the 1946 production was 58% of that of 1937, with foodstuffs at 3/4 and export crops at 1/4 of the pre-war volume.

Post-War Industrial Rehabilitation and Reconstruction.—The immediate problems facing industry at the end of the war were lack of capital and the difficulty—due to United States controls—of obtaining construction materials, machinery, equipment, and supplies. Furthermore, as a result of the war, prices of every class of goods had risen sharply and replacement costs were considerably higher than the original investment.

To take stock of the situation and formulate an over-all program for rehabilitation and recovery, the Governments of the Philippines and the United States created a joint Philippine-American Finance Commission in September, 1946. It was necessary not only to restore pre-war productivity and financial stability, but, at the same time, to provide for an expansion of these in order to enable the Philippines to adjust herself to the eventual elimination of free trade with the United States and the gradual decrease of dollar disbursements by the United States Government which had been, and still are, a very important factor in the balance of payments.

Among the recommendations made by the Joint Finance Commission were the creation of the Central Bank and the imposition of import controls. The Commission also recommended, in view of the difficulty of raising funds to finance rehabilitation and development,

* Speech delivered on August 27 before the Manila Rotary Club at the plant of the Industrial Textiles Manufacturing Company.

that the Philippine Government apply to the Export-Import Bank and to the International Bank for Reconstruction and Development for the foreign-exchange requirements on a project-to-project basis. An application was thereafter made to the International Bank for a loan to finance the foreign-exchange requirements of the National Power Corporation's hydro-electric power and fertilizer projects, which were considered vital for increasing food production and lowering the cost of power for existing as well as new industries.

The rehabilitation of public roads and bridges had to be undertaken with the least possible delay to re-establish land communications. This task was expeditiously and creditably accomplished by the U. S. Public Roads Administration (now U. S. Bureau of Public Roads) headed by Mr. Frank C. Turner from 1946 to 1949, by Mr. Robert S. Johnson from 1949 to 1951, and most ably by Mr. Alfonso Taylor from 1951 to date.

In February, 1949, the National Economic Council recommended approval of a short-term program of rehabilitation and development which the World Bank, upon review, had found to be well conceived. Top priorities were given to the production of agricultural crops, livestock, forest products, mining, transportation, fertilizer plants, small industries, and handicrafts. In 1950 the five-man Economic Mission headed by Mr. Daniel W. Bell, after completing its survey of Philippine conditions, made a number of recommendations, among them the following:

Diversify the national economy by encouraging new industries; provide adequate power and transportation facilities as needed for further economic development.

Restrict imports by levying a special emergency-tax for two years on imports of non-essentials. Conclude a treaty of Friendship, Commerce and Navigation between the Philippines and United States, and re-examine the Bell Trade Act in the light of the new conditions.

While we may have had different views regarding the approach to some of the problems, I do believe that we are in agreement with the recommendations in the order cited.

The Philippine Government relied on private capital to participate to a substantial extent in the undertaking of the projects outlined in its rehabilitation program. Through loans granted to private corporations, the Rehabilitation Finance Corporation, the Philippine National Bank, and private banks have made possible by their financial aid the rehabilitation and expansion of post-war industry.

According to statistics at the Security Exchange Commission, the number of industrial enterprises established in the Philippines during the period January, 1946, to July, 1953, add up to the incredible total of 745, with a combined authorized capital of ₱192,392,240. This does not include industrial expansion of those corporations which were already in existence prior to the war, and whose expansion, both in diversification and capital, represents a very substantial part of the total growth. It is gratifying to note that approximately 80% of the new industrial enterprises have been formed with Filipino capital.

To a large extent, the post-war diversification of industry—the venturing into the more complex field—has been the contribution of private initiative and capital, as the Government program had refrained from encouraging the creation of long-term heavy industries or industries which were not based on the processing of primary products.

Pattern of Industry Suited to the Philippines.—May I say, with due modesty, that during the past 35 years since I returned from college to my I had devoted much thought to the development of industry in the Philippines.

I sincerely believe the following considerations and basic principles in the order indicated are essential to the success of an industrial plan:

1. In the Philippines, rich in primary products, the natural approach to industrialization is by way of processing local raw materials to a point where cost of transportation is reduced sufficiently to permit shipment and sale to as many domestic and foreign markets as possible at competitive prices. This was the best pattern of industrial development in the Philippines before and during the Commonwealth period. It is still the best and safest pattern for this nation. Industries of this type help to produce and save dollars.

2. The next step is to manufacture articles or component parts that are used by those industries which are already established. This gives the manufacturer an established market. Industries of this type help to save dollars, and if the products made can be sold to neighboring countries where primary industries exist, they can also produce dollars.

3. Major industries which manufacture finished products from a combination of local and imported raw materials should be attempted only when adequate capital and expert technical advice are available.

4. Careful selection should always be made of those industries which, on the basis of the probable volume of sales, can produce at a unit-cost which will permit selling at prices which are competitive with those of the imported product.

5. However, competitiveness should not be limited to selling prices, for it is equally important—essential, I would prefer to say—that it should extend to standards of quality, particularly, to overcome the habitual and natural preference for imported goods. The public, the Government, and industry are of the opinion that such standards be maintained. This may be attained by the creation of a Bureau of Standards as it exists in the United States.

6. Technical "know-how", especially with respect to new industries, is indispensable for the attainment of quality and low cost of production, i.e., operating efficiency. In this regard, the Monetary Board of the Central Bank has shown vision by permitting dollar remittances for payment of foreign technicians needed here, at least, during the initial stages of a new industry. Only by producing quality products at competitive prices can local industry perform its function, never at the expense of Juan de la Cruz".

With the establishment of minimum wages, which in the case of several large corporations were already being paid before the Minimum Wage Law went into effect, the purchasing power of the people has increased, thereby enlarging the market for locally made products.

Government Protection of Infant Industries.—The progressive attitude of the Philippine Government and the Legislature toward fostering industrialization is shown by the tax relief afforded, originally under R. A. 35, and since June, 1953, under R. A. 901, which has eliminated the tax on the profits of such industries with the scope of tax relief and the period of exemption. Under Act 35 new industries were exempted from only internal revenue taxes for a period of 4 years. Under Act 901, new and necessary industries are exempt from all taxes, including customs duty, for a period of 10 years, with a gradual application of these taxes after the 6th year.

Another piece of protective legislation recently enacted is R. A. 909 which affords tax relief for a period of 3 years to the gold mining industry.

The policy of protection of new and necessary industries is in force in a number of other countries where conditions are similar to those in the Philippines, notably Porto Rico.

Paper Industry and I.T.E.M.C.O.P.—Industries of major importance and great magnitude, such as the manufacture of pulp and paper, require exhaustive research and experimentation with respect to available raw materials and local conditions.

ITEMCOP—which you have visited today—is an example of a necessary industry to serve the requirements of other local industries long-established. For many years, the Philippines has been paying a substantial amount for foreign import bags needed by the sugar, rice, and coconut industries. The creation of an industry to fill an existing need is—as I have already stated—one of the logical and soundest approaches to industrialization. In projecting ITEMCOP plans, we first looked to the United States as a source of machinery and technical "know-how" and were surprised to find that the only place in that nation where hessian or fiji cloth is woven is in the San Quentin State Penitentiary, near San Rafael, California. The reason for this is no doubt that the cost of labor in the United States is too high for this industry—apart from that—the raw material has to be imported. We, therefore, had to look to a foreign source for the purchase of our machinery. Although we still have to import our raw material in the form of jute fiber, the amount of dollars needed is less than 50% of that required for importing finished bags and hessian cloth. Besides, this new industry is providing additional employment. The growth and development of kenaf in the Philippines, which shows promising indications, will eventually make the bag-making industry self-sufficient. The crop to be harvested in the next few months is estimated to yield over 400 tons of kenaf fiber, which is equivalent to about 8% of the quantity of fiber consumed in a year by ITEMCOP at the present rate of production. This year's crop is considerably greater than that of 1952, which was the initial year of experimentation. (1952 crop was 37 tons; estimated 1953 is more than 400 tons, or 12 times larger.)

Other New Industries.—The participation of San Miguel Brewery in the development of new industries will be further increased by the implementation in the near future of the following projects:

1. An agreement was entered into with the Standard Brands of the Philippines, Inc., Delaware, for the manufacture of active dry yeast for use in the baking industry. Since 1935 the manufacture under license of compressed yeast has been undertaken in conjunction with this Company. Sales of compressed yeast—the pre-war product—were limited to the few centers of population where refrigerating facilities were available; however, the new product which does not require refrigeration will be distributed throughout the Archipelago.

2. The plant for production of Vitamin B₁₂ in line with an agreement signed with Pacific Yeast Products, Inc., California, began operations in the early part of August of this year. This product will be used in poultry and other animal feed, either mixed with spent dried grain and yeast from our breweries, or in its basic form.

3. An agreement was concluded for the establishment of a plant for the manufacture of collapsible metal tubes which are used as containers for toothpaste, cosmetics, creams, sulphur, menthol, and other ointments, lubricants, and food-pastes and condiments, with the Sun Tube Corporation, New Jersey.

4. An agreement was concluded with the W. A. Sheaffer Company, Iowa, for the exclusive manufacture of the quality-brand of ink, "Strip",

in the Philippines, on behalf of the Philippine Writing Fluid Co., Inc., a 100%-owned subsidiary, which will be a large consumer of glass and carton containers.

5. Another agreement was signed with Consolidated Cork Corporation, New York, which will make available their experience in this industry, supplying complete blue-prints for the installation of a crown cork plant in the Philippines and assisting in the acquisition of all equipment. The capacity of the plant will enable us to fill our own requirements as well as those of other companies which manufacture bottled products requiring crown corks.

Industry as a Complement to Exports.—As I see it, the balance of foreign trade should be maintained on a favorable basis principally by endeavoring to increase exports. This is the prime and most constructive approach. Secondly, a favorable balance of trade can be secured and maintained through curtailment of imports of those goods which can be produced here. The pattern of industry which is developing in the Philippines accords with both of these objectives. We should avoid an industrialization program tending toward complete self-sufficiency—an "autarchy" which would eventually reduce to insignificance our imports from those countries which are the best customers for our export products. By a prudent combination of exports and local industry, the greatest possible number of people can be employed and the standards of living maintained at a higher level in the cities and considerably improved in the barrios and the country.

Since the advent of import and exchange controls, the improvement in the balance of foreign trade has been most noticeable and noteworthy, particularly when one considers that from 1949 to 1952 the proportion of capital goods imported in relation to consumer goods and raw materials has increased progressively.

In 1949, the value of capital goods imported was only 9.4% of the total brought into the country. In 1952, this percentage was 17.8.

The percentage of consumer goods imported in 1949 was 64.4% of the whole, a proportion which in 1952 came down to 48.4%.

Raw materials represented 26.2% of the total in 1949. This proportion increased to 33.8% in 1952. It is logical that the importation of raw materials should increase with the expansion of industry.

If we view our foreign trade of the last three years in the light of the pre-war pattern, when capital goods and raw materials were imported in small quantities, and consider only the value of our imports of consumer goods, we find that after 1949 we have been enjoying a comparatively favorable balance of trade. This is so even if, for the sake of being conservative, we treat the value of raw materials as goods to be consumed after being processed. In 1950, the total value of our exports was ₱655,404,764, against which we imported ₱600,317,961 worth of consumer goods and raw materials; in 1951, the value of exports was ₱831,484,057, while that of consumer goods and raw materials totaled ₱609,775,477; and in 1952 the respective figures were ₱704,812,419 against ₱691,612,190.

It is true that we use up dollars for importing capital goods, but aside from the fact that these goods are for the expansion of industry, which increases productivity, capital goods are in the nature of fixed assets and in a sense they replace the wealth represented by the dollars used to pay for them. This point was aptly brought out in an editorial entitled "Our International Reserves" which appeared in the *Manila Daily Bulletin* of July 8, 1953.

Incidentally, to give you an idea of how the productivity of the Philippines has increased in recent years, I would like to point out that the total value of exports in 1940 amounted to only ₱311,800,000, a figure which has been more than doubled since 1948. Another yardstick of physical volume of production is the fact that over-all production in 1951 was 107% of that of 1937. This proportion had been reduced to 38.7% in 1946 as a result of the war. Since 1951, total production has further increased and by now we are well above the pre-war level.

Although import and exchange controls have caused serious inconveniences, we must give credit to these measures for the increased activity in local industrialization. It cannot be denied that one of the favorable consequences has been the establishment in the Philippines of a number of plants by large United States manufacturers for the purpose of converting bulk or partly processed materials into finished products which have a market here. (Examples: Colgate, Squibb, Vick's, Standard Brands, Columbia Records, Reynolds, RHEEM and PEMCO.)

On the other hand, import and exchange controls are emergency measures, and we must not forget that they should be temporary. One can never build solidly by ignoring the basic law of supply and demand.

Wisdom of Reciprocity in Foreign Trade.—Bearing in mind that the prosperity of the Philippines, as that of other countries, is to a large degree dependent on the sale of its own products, principally agricultural products—we should exercise good judgment in the development of our industries by purchasing machinery and raw materials preferably from those countries which represent the best markets for our export products. It follows from what I have said that, as the United States is the best export market for Philippine products, that country is entitled to a preferential share of our imports of machinery, raw materials, and consumer goods. Reciprocity is the best assurance of continuing trade, and friendly trade relations beget good will which, in

itself, a valuable commodity. I would like to state that it is my considered opinion that in the matter of maintaining good will abroad, the Philippine Association has been successful and helpful to our foreign trade.

Conclusion.—It is fitting and proper to state that since liberation and independence, Filipino capital has participated in greater

measure in the industrialization of the nation, contributing its rightful share to the development of the remarkable wealth of its natural resources. We stand ready, as ever in the past, to cooperate, and dedicate our resources and facilities to the end that *free enterprise*, which fortunately exists in this nation, will attain its objectives, contributing thus, in a great measure, to the betterment of the life of the Filipino people.

JUST OFF THE PRESS

SHORT HISTORY OF INDUSTRY AND TRADE OF THE PHILIPPINES

From pre-Spanish times until the end of the Roxas Administration

A reprint, revised, of a series of articles

published in the *American Chamber of Commerce Journal*, August, 1952, to June, 1953

By

A. V. H. HARTENDORP

Editor, American Chamber of Commerce Journal

Published by

The American Chamber of Commerce of the Philippines, Inc.

Limited edition (500 copies); cloth cover, 288 pp., P10.00.

AMERICAN CHAMBER OF COMMERCE OF THE PHILIPPINES

ESTABLISHED 1920

PURPOSES. The promotion and development of American trade, commerce, and industry in the Philippines and the Far East;

The provision of means for the convenient exchange of ideas in this promotion and development;

The cultivation of friendly relations between Americans and Filipinos and other peoples of the Far East;

The enrolment of all American citizens residing in the Philippines with a view to bringing about closer association in the achievement of the purposes set forth.

MEMBERSHIP. *Active membership* is limited to (1) commercial, industrial, and other organizations, partnerships, and corporations organized under the laws of the Philippines or of the United States of America which are controlled by American citizens, the responsibilities and privileges of this class of membership being exercised by individual representatives of the member-entities who must rank among their senior members but need not be American citizens; (2) individual Americans residing in the Philippines, other parts of the Far East, or the United States. *Associate membership* is limited to individual American citizens who may be either Residents (residing within 100 kilometers of Manila), or Non-residents (residing in the Philippines outside this radius or elsewhere in the Far East or in the United States).

OFFICERS AND DIRECTORS, 1953

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The Business View

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

The Government

From Official Sources

AUGUST 1—Announced that President Elpidio Quirino is showing decided improvement and has been receiving liquid food by mouth since yesterday when all stomach and intestine tubes were removed.

Announced that the President's Office has been investigating copies of import licenses being peddled down-town bearing numbers much higher than the last number validated in the Import Control Office when it closed on June 30.

The Supreme Court issues a writ of preliminary injunction forbidding the arrest of Senators Claro M. Recto, Jose P. Laurel, and Lorenzo Tanada and Mayor Arsenio H. Lacson on charges of rebellion and murder, acting on petition of these men who claimed that they were threatened by arrest on the bases of warrants issued or to be issued by a justice of the peace in Nueva Ecija.

Aug. 3—Liberal Party leaders criticize the Supreme Court for allowing itself to be "dragged into the political machinations of the Nacionalistas" and Department of Justice officials deny the existence of any such arrest orders as claimed by Senator Recto et al.

Solicitor General J. R. Liwag presents a motion to the Supreme Court to dissolve the injunction on the ground that it is "without basis."

Major Generals Albert Pierson and Robert M. Cannon respectively outgoing and incoming Chief Advisor to the Joint United States Military Advisory Group (JUSMAG), make a courtesy call on Acting Secretary of Foreign Affairs Felino Neri; later they call on Vice-President Fernando Lopez.

Announced that the Philippine Consulate in Karachi, Pakistan, was raised to a legation as of July 1, Consul T. Q. Sotto to act as charge d'affaires ad interim.

Aug. 4—The Cabinet approves the release of ₱400,000 to the National Shipyards and Steel Corporation (NASSCO) for the operation of the steel mill at Iligan, Lanao, to be inaugurated next month. It also approves the admission of a Japanese expert to give instruction in the operation of machines to produce rayon and nylon and women's lingerie imported from Japan by Atkins Kroll & Company for the Pacific Rayon Tricot Company.

The Finance Department and the General Auditing Office are reported to have come to an agreement on the procedure for the refund of over-paid income taxes, it being agreed that it will not be necessary to submit the income tax returns to the Auditing Office; there are some 12,000 taxpayers who have submitted claims for refund.

At a meeting of Secretary of Finance Aurelio Montinola, Secretary of Public Works Pablo Lorenzo, Acting Auditor-General Pedro Gimenez, and Executive Secretary Marciano Roque, immediate release of ₱42,000,000 for public works is agreed upon in order to avoid unnecessary delay in public works construction which could result from a provision in the Public Works Act which prohibits release of such funds during the 45 days immediately before the general elections.

The Supreme Court unanimously justifies the injunction issued against the arrest of four opposition men, but sets August 14 as the date of a public hearing.

Aug. 5—Librado Cayco, Foreign Affairs Officer, leaves Manila to assume an assignment as Consul in the New York Philippine Consulate General.

Aug. 6—Announced that President Dwight E. Eisenhower has appointed Harry A. Hann, Chief of the Special Technical and Economic Mission to the Philippines, replacing Dr. Roland R. Renne. On August 1 the Mutual Security Administration (MSA) was succeeded by the Foreign Operations Administration which has taken over all American overseas assistance programs.

President Quirino in Baltimore has designated Minister Emilio Abello and Minister Salvador P. Lopez as ad interim charge d'affaires of the Philippine Embassy, Washington, and as Acting Permanent Delegates to the United Nations, New York, respectively, according to an announcement of the Office of Foreign Affairs. Dr. Urbano Zafra, Commercial Councillor, in Washington, was appointed Acting Consul General in New York.

Two supplemental agreements under the United Nations Expanded Technical Assistance Program are signed in the Office of Foreign Affairs covering the services of one specialist in labor inspection and another

in child welfare, the first signed for the Philippines by Secretary of Labor Jose Figueras and the second by Commissioner of Public Welfare Asuncion Perez; J. P. B. Ross, newly appointed Acting Resident Technical Assistance Representative, signed for the United Nations.

Aug. 7—Representative Hermenegildo Atienza, Liberal Party emissary to President Quirino, returns to Manila and states that the President is definitely not withdrawing his candidacy and that he resents a reported move on the part of Liberal Party leaders to ask him to withdraw because of the state of his health.

Aug. 8—The Department of Foreign Affairs releases the text of the Joint Policy Declaration signed by the Philippines with other nations with forces participating in the United Nations action in Korea, the Declaration being to the effect that the signatories will fully and faithfully carry out the terms of the armistice and expect the other parties to the agreement to do likewise, that they will support the efforts of the United Nations to bring about "an equitable settlement in Korea based on the principles which have long been established by the United Nations and which call for a united, independent, and democratic Korea"; that they will support the United Nations in its efforts to assist the people of Korea in repairing the ravages of war, and that, "in the interests of world peace, if there is a renewal of the armed attack, we should again be united and prompt to resist"; "the consequences of such a renewal of the armistice would be so grave that, in all probability, it would not be possible to confine hostilities within the frontiers of Korea"; "Finally, we are of the opinion that an armistice must not result in jeopardizing the restoration and safeguarding of peace in any other part of Asia." The Declaration was signed on July 27 by the diplomatic representatives of all 16 nations participating in the Korean action.

Executive Secretary Roque and Army Chief of Staff Maj. Gen. Calisto Duque announce that two army transport planes, carrying a medical evacuation team, will fly to Tokyo on August 10 to bring home the released Filipino prisoners-of-war.

Aug. 9—President Quirino is reported to have informed Executive Secretary Roque that he has proclaimed August 19 a national holiday in honor of the late President Quezon's birthday anniversary.

Aug. 11—Announced by the Department of Foreign Affairs that it was informed today by the British Minister of the decision of his Government to terminate the Philippine-United Kingdom Air Agreement, signed in Manila, January 7, 1948, "following inconclusive negotiations lasting more than a year for the amendment of the agreement." The Department states that "in view of the limited traffic rights allowed by the British Government to the Philippine-designated air-carrier (Philippine Air Lines) between Europe and London, the Philippine Government has found it difficult to grant the British air-carrier (British Overseas Airways Corporation) desiring to operate the new trunk route (the London-Tokyo "Comet" Service) full traffic rights, that is, without any limitation whatsoever, between Europe and Manila."

Announced that Minister Bueno, Philippine representative to the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) has assumed the Chairmanship during the current month in accordance with the standing rules that the chairmanship is rotated monthly among the 7 members of the Commission (Philippines, Thailand, Turkey, Australia, Netherlands, Pakistan, and Chile). UNCURK replaced the United Nations Commission on Korea (UNCOK) on October 7, 1950, which itself had replaced the United Nations Temporary Commission on Korea (organized November 14, 1947) on December 12, 1948.

Aug. 11—The Bulacan Court of First Instance acquits Senator Recto from a charge of bigamy brought against him in May during the height of his controversy with Acting Secretary of National Defense Oscar Castelo.

Aug. 12—Announced that President Quirino is scheduled to leave Johns Hopkins Hospital on August 15 and to be in Manila the first week of September.

Secretary Castelo leaves for the United States reportedly at the call of President Quirino.

Aug. 13—Announced that the President will leave Johns Hopkins Hospital on the 15th and will proceed to Washington where he will remain until the 24th when he will fly to San Francisco; he will leave for Honolulu on the 29th, remaining there until September 2 and will arrive in Manila on September 4.

"THE Chamber recognizes the value of American Chambers of Commerce abroad in the development of foreign commerce.

We urge that all American firms interested in foreign commerce lend their support to these Chambers by membership and by participation in their work."—Chamber of Commerce of the United States, Washington, D.C.

Aug. 14—Malacanang announces that the President will conduct only informal conversations with American officials in Washington as his visit is unofficial. President Eisenhower is on vacation in Denver.

Aug. 15—The President delivers a short "radio chat", taped-recorded at Baltimore and beamed to Manila from San Francisco, expressing thanks to God for his recovery, stating that he is preparing to return home but that meanwhile he will have the opportunity—

"to study the solution of many problems pending settlement between the Philippines and the United States arising from our long-standing special relations in peace and war. I have set my heart, even in the midst of my illness, to have these matters studied and settled. We need their satisfactory solution in order to enable us to concentrate on our program of stabilizing and strengthening our economic and political position. I am confident that I am now in a position to make more effective the measures adopted to insure our goal. I have determined to dedicate this new vigor—this new life—with unwavering purpose and increased devotion to the welfare of our country and our people to whom I have unselfishly and freely given of myself in my long years of public service."

The President will meet Secretary of National Defense Castelo in Washington tomorrow; and the Secretary arrived in San Francisco yesterday.

Secretary of Foreign Affairs Neri issues a statement calling attention to the importance of two events: the assumption by Admiral Arthur W. Radford of the chairmanship of the Joint Chiefs of Staffs in Washington tomorrow and the opening of the 7th session of the United Nations General Assembly on the 18th.

Aug. 18—Executive Secretary Roque administers the oaths of office to the members of the newly-created Tariff Commission, charged with the revision of the country's tariff laws.—Montano Tejan, senior economist in the Department of Finance, as acting Chairman, and Eleuterio Capapas, Deputy Collector of Customs for Manila, and Cesar Lanuza, economics counsellor in the Department of Foreign Affairs; the Commission will hold office in the Customs Building.

Aug. 22—The directorates of the Nationalista and Democratic Parties announce that agreement has been reached on a coalition, between them; Ambassador Carlos P. Romulo and Vice-President Fer-

nando Lopez will withdraw as candidates for president and vice-president, respectively, and the latter will run instead for a seat in the Senate; present line-ups of candidates for the Senate and the House will be revised.

Twenty-five Filipino ex-prisoners of war arrive in Manila and are given a public welcome; 9 more were left behind in Japan.

Aug. 24—Harry Brown arrives in Manila and assumes his duties as Chief of the Foreign Operations Administration (formerly M.S.A.).

Aug. 26—Secretary of Foreign Affairs Neri issues a statement on possible Philippine participation in trade operations in Korea; it is understood that the procurement requirements of the Republic of Korea will be undertaken by the United Nations Korean Reconstruction Agency (UNKRA), which was established by the General Assembly in 1950 and operates under an agent-general who works in collaboration with the Unified Command and the Government of Korea; offers are submitted to the Division of Procurement, UNKRA, New York.

"A few months ago, UNKRA informed the Philippine Government of its \$70,000,000 procurement program, giving a list of items for which offers were solicited from suppliers...among them logs, lumber, machinery, and medical supplies."

The Department of Foreign Affairs announces that President Quirino has approved the technical details for the implementation of the ship salvage agreement between the Philippines and Japan, concluded March 12, 1953, and approved by the Japanese Diet on July 29, 1953.

Aug. 29—President Quirino arrives in Honolulu on his way to the Philippines.

Aug. 30—Upon instructions from the President, Executive Secretary Roque authorizes the release of ₱150,000 for the purchase of machinery and for operation and maintenance of a pilot plant for the manufacturing of wood and roofing material from coconut husks; it will be operated by the Institute of Science and Technology as the National Coconut Corporation (NACOCO), which initiated the project, has been abolished.

Banking and Finance

By W. M. SIMMONS

Manager

The National City Bank of New York

COMPARATIVE STATEMENT OF CONDITION OF THE Central Bank.

Assets	As of Dec. 31, 1949	As of May 29, 1953	As of June 30, 1953	As of July 31, 1953
	(In thousands of Pesos)			
International Reserve...	₱460,689	₱483,265	₱466,827	₱451,428
Contribution to International Monetary Fund...	30,000	30,000	30,000	30,000
Account to Secure Coinage...	113,306	106,940	106,941	106,940
Loans and Advances...	77,047	36,380	35,860	31,226
Trust Account—Securities Stabilization Fund...	—	—	—	—
Domestic Securities...	92,197	234,310	232,236	229,205
Other Assets...	20,390	44,171	42,264	49,806
	₱793,629	₱935,066	₱914,128	₱898,426
Currency —Notes...	₱555,576	₱565,019	₱545,179	₱540,570
Coins...	74,384	87,761	87,316	86,434
Demand Deposits—Pesos...	117,682	228,871	227,482	215,823
Securities Stabilization Fund...	2,000	18,115	18,158	18,154
Due to International Monetary Fund...	22,498	496	497	496
Due to International Bank for Reconstruction and Development...	2,389	2,377	2,377	2,377
Other Liabilities...	2,636	6,325	5,782	6,191
Deferred Credits...	—	3,630	4,603	1,221
Capital...	10,000	10,000	10,000	10,000
Undivided Profits...	6,464	2,329	6,601	7,027
Surplus...	—	10,133	10,133	10,133
	₱793,629	₱935,066	₱914,128	₱898,426

The International Reserves as of July 31, were as follows:

Central Bank International Reserves...	\$225,237,115.05
Japan Open Account (due from)...	12,927,605.02
Net FX Holdings Other Banks...	51,054,620.75
	\$289,219,340.82

This is a decrease of \$5,413,594.88 from June 30, 1953.

Currency and coins issued totalled ₱627,004,621.

Money continues in short supply, and this condition has been aggravated by the second and final income-tax installment which fell due on August 15, 1953. Merchants report slow sales and slow collections.

The import licensing system under the Central Bank is gradually improving as top-level decisions affecting the establishment of certain principles are passed on to the Bankers Committee. The amount of paper-work involved in drawing up schedules of previous imports, dividing them into their respective categories in accordance with the new code, and other Central Bank requirements, have placed a very heavy burden on commercial banks. The Bankers Committee continues to meet practically every day and sessions frequently run from three to four hours.

FOREIGN exchange rates in U.S. dollars or cents per unit in the New York market as of September 1 were as follows:

Canada (dollar)	1.01-5/16
England (official)	2.81-1/8
(unofficial)	2.65-2.68
(30-day futures)	2.81
(90-day futures)	2.80-1/2
Australia (pound)	2.25-1/8
N. Zealand (pound)	2.80-1/2
S. Africa (pound)	2.81-5/8
Belgium (franc)	2020-1/2
Denmark (kroner)	14.05
France (official)	2028-5/8
Holland (guilder)	2635
Norway (kroner)	14.05
Italy (official)	00161
Portugal (escudo)	0350
Spain (peseta)	0233
Sweden (kroner)	1935
Switzerland (franc)	2334-1/2
German (D-mark)	2385

Note:—The information contained herein has been derived from responsible sources, but the National City Bank of New York assumes no responsibility for its accuracy.

Manila Stock Market

By J. J. ORTIGAS

Hall, Picornell, Ortigas & Co.

July 25 to August 21

THE mining-share market has fluctuated within narrow limits during the period under review, with the exception of Philippine Iron Mines, Inc. which ruled easier following the announcement of new stock issue at

₱2.00. Share prices in general in the Manila Stock Exchange are near what they were a month ago, with the mining share average at 86.91, as compared to 88.29 on July 25. The volume of business remains small.

The price of gold in the local free market has ruled steady throughout the period. Prices per ounce for gold bullion have ranged between a high of ₱100.25, a low of ₱98.50, closing at ₱100.25.

In the commercial and industrial section of the market, quietly steady conditions have prevailed. Fixed interest securities continued firm.

Antamok Goldfields and I.X.L. Mining Co. were dropped from the Exchange listing as of August 17, 1953, on account of their dissolution and eventual merger with the Masbate Consolidated Mining Co. which will be re-organized by a change of its name to Atlas Consolidated Mining & Development Corporation.

Credit

By R. A. CALLAHAN
Accountant and Office Manager
Philippine Refining Company, Inc.

THE Association of Credit Men, Inc. (P.I.) held its regular directors' meeting on August 18. The membership committee which was appointed in July is processing the papers of new applicants. The printed index of the *Credit Manual* has been distributed to all members and many have made complimentary comments on this valuable addition to the *Manual*. Arrangements are being considered for the popular Annual Dinner Meeting which will be held in November. As a result of discussions the directors are arranging slight changes in the Ledger Interchange Bureau process-forms in order to clarify the payment terms of "cash". This step should provide important help to members.

The Manager of the Eastern Inspection Bureau who also handles the office of the Association returned recently from a business trip abroad during which he held discussions with executives of leading commercial reporting organizations especially in the United States.

It is interesting to note that the Eastern Inspection Bureau starts its fifteenth year this month. Since its organization in September, 1939, the Bureau has been in continuous operation except for the period of the Japanese occupation. Its offices were re-established in the Wilson Building, Manila, in March, 1946, and it has continued to provide pertinent commercial and credit reports to an increasing number of clients in the Philippines and abroad. With its experience the Eastern Inspection Bureau has revised, improved, and extended its services. A new oral service should be of interest to credit executives. The Eastern Inspection Bureau has correspondent relations with various leading foreign mercantile organizations through which credit reports can be obtained from virtually any point in the world.

Most credit executives reported quite depressed business during the several weeks up to about the middle of August. Shortly after mid-August some improvement was noted. During the depressed period a considerable increase was noted in the use and frequency of post-dated checks. By the end of August some improvement was noted in respect to the checks being presented for deposit and in the reduction of the use of post-dated checks. By the last week of August collections also had improved. Some merchants selling certain foodstuffs and other essentials reported selling at a loss prior to mid-August and admitted profits on sales during the latter half of August. Some improvement is beginning to be felt as a result of official amendments permitting the substituting of non-essentials for essentials in some quotas. It is expected that improvements will be more noticeable during September and October and will reach a peak thereafter—possibly even carrying on until early in the new year. Thus some business improvement is anticipated in spite of the drop in the export market. Sugar exports are over, lumber is not too good, and there seems to be no improvement in coconut oil. The export market affects business and financial circumstances especially in the provinces, which in turn affects city business. The price of *palay* is beginning to rise slowly and in small proportions, which, combined with the recent business improvement, should be noticeable also in the provinces.

MINING SHARES

1952-53 Range	High	Low	Close	Change	Total Sales	
131.53 86.91						
0.315 0.16	M.S.E. Mining Share	89.03	85.91	86.91	Off 1.48	4,066,365
0.065 0.038	Averca Mining Co.	.26	.24	.24	Off 01	200,000
6.20 1.50	Antamok Goldfields	.047	.045	.046b	Off 01	70,000
	Ataka Bay Gold Mining Co.			1.60a		
0.13 0.06	Baguio Gold Mining Co.	.07	.07	.07		20,000
2.65 1.30	Balatoit Mining Co.	1.40	1.30	1.30	Off .20	12,100
0.0035 0.0013	Batong Buhay Gold Mines			.0014b		
4.80 3.40	Benguet Consolidated	3.70	3.40	3.40	Off .30	3,700
0.07 0.02	Coco Grove, Inc.			.025a		
0.048 0.028	Consolidated Mines, Inc.	.042	.041	.042	Up .001	2,470,000
0.32 0.25	General Base Metals & Refining Co.	.265	.26	.265	Off .005	27,000
0.29 0.16	Golden Gate Mining Co.			.18a		
0.155 0.0575	Igoon Mining Co.	.0625	.0575	.0575	Off .005	105,000
0.01 0.008	Isabela Mining Co.	.05	.05	.05	Off .005	85,000
0.95 0.65	Lepanto Consolidated	.68	.66	.68	Off .01	195,916
0.8875 0.028	Masbate Consolidated	.0675	.06	.065	Off .005	261,000
0.30 0.075	Masbate Mother Lode	.075	.075	.075		230,000
0.1275 0.075	Paracale Gumamot Consolidated	.0775	.0775	.08b	Off .0075	10,000
3.26 2.15	Philippine Iron Mines, Inc.	2.30	2.20	2.15a	Off .15	34,500
0.32 0.17	San Mauricio Mining Co.	.25	.24	.24	Off .01	34,000
0.285 0.18	Saragani Consolidated Mining Co.	.19	.18	.185	Off .01	102,000
	x Ex-Dividend					
	xx Ex-Rights					

COMMERCIAL SHARES

1952-53 Range	High	Low	Close	Change	Total Sales	
₱160.00 120.00						
20.00 15.00	Bank of the Philippine Islands	160.00	160.00	160.00	Up 5.00	32
90.00 70.00	Bogo-Medical Milling			15.00a		
150.00 100.00	Central Azucarera de Bicol, Inc.	70.00	70.00	70.00	Off 5.00	104
50.00 32.00	Central Azucarera de la Carlota	106.00	106.00	106.00		142
325.00 320.00	Central Azucarera de Tarlac	34.00	34.00	34.00	Up 2.00	20
12.00 10.00	Central Baining Corporation			280.00b		
12.00 7.50	Cia. de Celulosas de Filipinas	11.00	10.00	11.00	Up .50	300
27.50 22.00	Industrial Textiles Mfg. Co. Phils.	7.50	7.50	7.50		200
7.00 7.00	Manila Cement Co., Inc.	22.00	22.00	22.00	Off 1.00	150
0.30 0.25	Manila Broadcasting Co.			.23b		
4.90 3.00	Manila Wine Merchants	3.35	3.35	3.35		513
0.30 0.30	Maraman & Co., pref.			.16a		
	Maraman & Co., pref.			.29a		
31.00 20.50	Metropolitan Insurance Co., Inc.	31.00	31.00	31.00	Up 8.00	147
7.00 5.00	Philippine Air Lines, Inc.			5.00b		
0.0925 0.02	Philippine Oil Development Co., Inc.	.02	.02	.02		179,000
1.10 0.90	Philippine Racing Club, Inc.	.90	.90	.90		12,000
100.00 99.50	R & D 4% Bonds, 1959	99.50	99.50	99.50		9
36.00 28.00	San Miguel Brewery, com.	30.00	30.00	30.00		13,068
101.00 93.00	San Miguel Brewery, 7% pref.	94.00	94.00	94.00	Off 2.00	274
108.00 102.00	San Miguel Brewery, 5% pref.	105.00	104.00	104.50	Up .50	160
13.00 13.00	Talaya Silt Milling			11.00b		
8.70 6.00	Williams Equipment, com.			7.50b		

OVER-THE-COUNTER

Company	High	Low	Close	Total Sales
Manila Jockey Club	2.00	2.00	2.00	3,000
Philippine Long Distance Telephone Co. 6% Bonds, 1965	99.00	99.00	99.00	₱10,000
Tabacalera 6% Bonds, 1962	99.00	99.00	99.00	10,000
Victoria Milling Co., Inc.	90.00	90.00	90.00	90

Electric Power Production

(Manila Electric Company System)

By J. F. CORTON

Treasurer, Manila Electric Company

1941 Average—16,316,000 KWH

	Kilowatt Hours	
	1953	1952
January.....	50,107,000	45,152,000
February.....	45,501,000	42,450,000
March.....	50,789,000	45,128,000
April.....	49,159,000	42,798,000
May.....	52,042,000	45,580,000
June.....	31,304,000	45,223,000
July.....	53,877,000*	47,542,000
August.....	54,210,000**	47,988,000
September.....		47,216,000
October.....		50,073,000
November.....		47,652,000
December.....		50,656,000
Total.....		557,458,000

*Revised

**Partially estimated

AUGUST output was 6,222,000 kwh, or 13% above August, 1952. A new peak of 132,300 kw was recorded on August 25 and 26, while a new daily high of 1,951,900 kw was registered on August 20.

There is every indication that the large increases over previous years will continue for some while.

Real Estate

By ANTONIO VARIAS

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

REAL ESTATES sales registered in the Greater Manila area during the month of August, 1953, numbered 515, with a total value of ₱4,516,165, as compared with 639, with a total value of ₱7,012,621, registered during the preceding month of July.

Of the August sales, 164, with a total value of ₱1,840,321, represented deals within Manila proper, and 351, with a total value of ₱2,675,844, were transactions in Quezon City, Pasay City, and in the suburban towns of Makati, Caloocan, Malabon-Navotas, Mandaluyong, Parañaque, and San Juan.

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

ERMITA
CITY OF MANILA
 Ermita A. Mabini St. A property with a lot of 959.4 sq. m. sold by Paciano L. Tongco to Francisco Torres for ₱97,675.

QUIAPO
 Evangelista St. No. 165 A property with a lot of 196.7 square meters sold by Gregorio Leynes to Jose B. Roxas for ₱80,000.

R. HIDALGO ST. A property with a lot of 639.1 square meters sold by Basilio A. Vda. de Cruz to the Heirs of M. Ruino, Inc. for ₱230,000.

DILIMAN
 Timog Ave. A property with a lot of 3,880 square meters sold by Mercedes H. Hidalgo to Virginia Reyes for ₱60,000.

SUBURBAN TOWNS
 Caloocan A. Mabini St. A tract of 69,392 square meters sold by James L. Chiongbia, etc., to the Mabini Subdivision for ₱219,000.

MAKATI
 Provincial Road. A tract of 6,651 square meters sold by Dy Buncio and Co. to Juan Ymuel and Co., Inc. for ₱254,253.

MANDALUYONG
 Shaw Boulevard. A tract of 15,346 square meters sold by E. S. Baltao to Flor de Iris Houston, et al, for ₱52,500.

PASIG
 Shaw Boulevard (Bagong Ilog). A tract of 15,549 square meters sold by Doña Julia Vda. de Ortigas to the Philippine American Life Insurance Co. for ₱77,745.

SAN JUAN
 Santolan Road. A tract of 13,546 square meters sold by Augusto Gonzales to Ortigas, Madrid y Cia. for ₱81,276.

REAL ESTATE mortgages registered in the Greater Manila area during the month of August, 1953, numbered 488, with a total value of ₱5,366,683, as compared with 606, with a total value of ₱7,203,863, registered during the preceding month of July.

Of the August mortgages, 183, with a total value of ₱2,578,404, were deals in the City of Manila proper, while 305, with a total value of ₱2,788,279, were mortgages in the cities of Quezon and Pasay, and in the suburban towns of Caloocan, Makati, Malabon-Navotas, Mandaluyong, Parañaque, and San Juan.

REAL ESTATE SALES, 1953

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January.....	1,499,139	1,477,332	213,490	4,141,742	7,331,703
February.....	3,460,932	1,286,414	341,023	1,710,106	6,798,475
March.....	3,775,675	1,643,140	680,593	1,649,801	7,759,209
April.....	3,481,727	1,322,975	213,465	1,947,750	6,965,917
May.....	2,980,713	1,657,605	200,299	1,218,360	6,065,977
June.....	3,200,302	1,066,751	277,416	1,295,511	5,389,980
July.....	3,744,881	1,456,079	434,581	1,377,080	7,012,621
August.....	1,840,321	1,186,969	113,147	1,375,728	4,516,165

REAL ESTATE MORTGAGES, 1953

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January.....	3,691,913	1,377,690	245,300	2,016,917	7,331,720
February.....	5,560,707	2,196,329	718,300	2,924,480	11,399,816
March.....	7,586,190	2,419,165	553,800	1,503,942	12,063,097
April.....	5,069,966	1,973,705	184,500	1,976,673	9,204,844
May.....	4,962,183	2,026,850	1,219,800	2,645,032	10,853,865
June.....	4,465,288	2,062,071	457,000	2,096,738	9,081,097
July.....	3,602,235	1,395,078	564,709	1,641,841	7,203,863
August.....	2,578,404	961,540	190,000	1,636,739	5,366,683

Building Construction

By JUAN J. CARLOS

President, United Construction Co., Inc.

DURING the month of July, the Office of the City Engineer approved building permits for construction work amounting to ₱7,091,415. For the same period in 1952, the volume of work authorized amounted to ₱3,478,360, in comparison with ₱2,591,750 in 1951 and ₱2,487,550 in 1950.

Some of the big projects that were started during the month of July were:

A 3-story office building for the Manila Electric Co. on San Marcelino Street, estimated at ₱1,800,000;

On the Muelle de la Industria, fronting the Pasig River, an office building for the Price Stabilization Corp. (PRISCO), costing ₱900,000; An embassy building for the Republic of China along Dewey Boulevard, estimated at ₱300,000;

For the Bethel Temple Association of God Inc., on General Luna Street, Ermita, a church building, costing ₱250,000;

An apartment building on M. H. del Pilar Street, for Ramon Diokno, estimated at ₱170,000.

The proposed Meralco office building which was formerly intended to be erected on San Luis Street, Ermita, but which site was abandoned after a long drawn-out controversy with the Municipal Board, will now be constructed on San Marcelino Street, in the Meralco compound. According to information, the proposed building will be one of the most modern edifices in the city. Likewise, the million-peso PRISCO office building will embody the latest conveniences. These two big new constructions account for the increase in this month's cost of new projects.

IF the present policy of the licensing office of the Central Bank, not to allow contractors and builders to import vital construction materials on the strength of their signed contracts with commercial firms and private owners, is not changed, it can be safely predicted that there will be a great shortage of essential items in the near future. During the existence of the different former import control agencies, contractors who had existing contracts for the construction of buildings were given facilities to import materials which they needed and were not available locally, like acoustic materials for theaters, doors for banking offices, plumbing fixtures for hospitals, etc.

To remedy the great shortage of portland cement, which is delaying the completion of existing projects, the PRISCO imported from Japan about 300,000 bags.

Port of Manila

By L. R. WENTHOLT

Vice-President, Luzon Brokerage Company

THE total amount of cargo discharged on Manila piers and lighters was about 76,000 tons of general merchandise.

Deliveries were very much handicapped by continuous rains which caused congestion on the piers.

The discharge of vessels was also much delayed.

Some cases of pilferage were reported but no arrest made. The Collector of Customs is considering appointing a committee to study this matter.

The labor situation has grown rather tense due to the fact that a new stevedore union started discharging a vessel loaded with cement. There was some fighting at Pier 11, but the Harbor Police prevented further clashes. The situation is still tense but so far no further incidents have occurred.

Three vessels which were supposed to discharge direct at Batangas for the Caltex Refinery, could not proceed due to heavy seas and had to discharge their cargo on lighters in Manila instead.

The first German vessel to call at Manila since the war, inaugurated a regular service between the Far East and Germany.

Ocean Shipping and Exports

By B. B. TUNOLD

Secretary-Manager

Associated Steamship Lines

TOTAL exports during the month of July this year showed an increase of 97,511 tons over exports during July of last year.

155 vessels lifted 498,105 tons of exports during the month as compared with 400,594 tons lifted by 120 vessels during the same month last year.

This increase is mainly attributed to an increase in the export of logs.

Exports during July, 1953, as compared with exports during July, 1952, were as follows:

Commodity	1952	1953
Beer.....	89 tons	213 tons
Concentrates containing copper, gold, silver, lead.....	537 "	17 "
Cigars and cigarettes.....	21 "	6,012 "
Coconut, desiccated.....	6,177 "	8,017 "
Coconut oil.....	4,931 "	721 "
Concentrates, copper.....	185 "	406 "
Concentrates, lead.....	406 "	55,519 "
Copra.....	4,824 "	42,657 "
Copra cake and meal.....	428 "	8,333 "
Embroideries.....	188 "	339 "
Empty cylinders.....	11 "	314 "
Fruits, fresh.....	572 "	13 "
Furniture, rattan.....	91 "	1,033 "
Gums, copal.....	21 "	19 "
Gums, elemi.....	72,635 bales	70,168 bales
Hemp.....	395 tons	325 tons
Household goods and personal effects.....	25 "	485 "
Junk metals.....	53,288,364 bd. ft.	12,195,793 bd. ft.
Logs.....	4,498,125 "	5,486,632 "
Lumber, sawn.....	15,161 tons	12,574 tons
Molasses.....	44,631 "	65,308 "
Ores, chrome.....	121,216 "	109,204 "
Ores, iron.....	2,928 "	3,842 "
Ores, manganese.....	10,980 "	22,157 "
Pineapples, canned.....	25 "	298 "
Rattan, palasan.....	521 "	337 "
Rope.....	46 "	295 "
Rubber.....	61 "	37 "
Shell, shell waste.....	84 "	39 "
Skins, hides.....	95,253 "	62,746 "
Sugar, cent./raw.....	90 "	— "
Veneer.....	1,697 "	1,056 "
Tobacco leaf.....		

Vegetable oil.....	20 "	29 "
Transit cargo.....	306 "	115 "
General merchandise.....	954 "	2,832 "

Freight Car Loadings

By JOSE B. LIBUNAO

Traffic Manager, Manila Railroad Company

LOADINGS of revenue freight in the month of July, 1953, totaled 1,966 cars. This was a decrease of 256 cars, or 11.52% less than the loadings in July, 1952, which ran to 2,222 cars. The decrease in the number of cars used was due to the release of some 250 cane cars for the movement of sugar cane, and some 100 box-type freight cars for the transportation of centrifugal sugar which now has practically stopped. The increase in car loadings of some 10,623 tons, in spite of the decrease in the number of cars used, is indicative of heavier loading per car, if not of the movement of more solid freight trains.

Revenue Carloads by Classes

Revenue freight carloadings by general classes of commodities for the month of July are shown below:

Commodities	Tonnage—July	
	1953	1952
Products of agriculture.....	4,499	5,039
Animal products.....	1,647	293
Mineral products.....	1,681	684
Forest products.....	13,702	5,948
Products of manufacture.....	18,296	16,648
Merchandise less than by carloads.....	8,508	9,098
TOTAL.....	48,333	37,710

There were 31 items of articles which moved in July, 1953, compared with only 28 items in July, 1952. Of these items, 20 registered increases while 15 showed decreases. Among the items which registered increases were livestock, 1,455 tons; stone, gravel, and sand, including manganese ore, 655 tons; fuel oil, 2,704 tons; desiccated coconut, 1,154 tons; and, other miscellaneous manufactures, 1,531 tons; or a total of 7,499 tons. On the other hand, of the items which showed decreases were rice, 303 tons; copra 213 tons; coconuts, 416 tons; gasoline, 3,103 tons, centrifugal sugar, 434 tons; wines, liquors, and beer, 382 tons; and, merchandise less than by carload, 590 tons; or a total of 5,441 tons. The aggregate increase in carloadings was 10,623 tons.

A greater increase in tonnage than was anticipated has favored the carloadings for July, 1953, compared with the same month of the previous year. The increases are ascribable to the greater production and consumption of corn due to the shortage of rice in the Bicol region; the better price for desiccated coconut; a greater movement of livestock, especially cattle and pigs, and of crushed rock for construction, and manganese ores; an increased tonnage of logs, lumber, and firewood due to availability of freight cars released from the transportation of sugar cane and centrifugal sugar; an increased importation of fuel oil; and, the generally increased business activity during July this year.

Mining

By HENRY A. BRIMO

President

Philippine Gold Producers Association, Inc.

The following is a direct quotation of the latter portion of a speech delivered by Mr. Brimo before the Baguio Rotary Club, on August 29. We present this portion in lieu of the usual article because the issue covered therein has become a leading subject of discussion.

ONLY two remedies remain. Either a subsidy-form of direct help, or a method through which the premium price of gold can be increased to a level above the

current ruinous price of ₱98.50 to ₱100.00 per ounce. The average cost of production of all our Member-Mines during the first semester of this year was in the neighborhood of ₱106 per ounce, during which time our mines together lost a quarter of a million pesos notwithstanding the fact that the average price of gold during the period was ₱5 to ₱6 higher than it is today.

This does not mean that our losses will increase during the current second semester due to the lower prevailing gold price, the reason being that our recently granted tax relief should offset the lower gold price, but it does mean that our industry cannot continue on the average as at present unless it is willing to sacrifice half of its producers who are losing rather heavily. For instance, during the first 6 months of 1953, four of our mines lost important sums while one was a marginal loser. Of the remainder, only one or two companies could be said to have barely made a profit commensurate with invested capital. And don't forget the ever-present danger of gold prices declining further and completely wiping the industry off the map!

Although a subsidy arrangement has its advantage and many adherents, I personally believe we have a plan which should be tried first, which is actually feasible, and which should help to increase the price of gold not only without cost to our nation but very likely with profit.

This plan, in principle, is an offer from the gold producers to attempt to channel part or all of their newly-mined gold to the Central Bank at the exact pre-war and current official price of \$35 per ounce, in return for Certificates of Import of various denominations totalling the dollar-value of the gold thus sold to the Bank from time to time. These certificates would provide for the entry of imports free of the excise and compensating taxes. If this clause surprises you, please remember that it would not cost our Government a single cent because at present our gold is not being sold to Central Bank and its dollar and tax values are therefore being entirely lost even while the Bank is supplying the industry with its dollar-import needs.

Under our plan, the Central Bank would continue to supply the dollar needs of the industry, something it is now doing, but would almost certainly reap the full dollar-value of the total gold production, something that it is now losing!

This plan, be it known here and now, is not wholly a new one. It has already been tested in some form or other in several other countries and is still in use in these countries. It has already been broached to our Monetary Board officials but the absence of one of its ranking members has made it impossible for our Association to pursue discussions. We hope in the near future, however, to deal more thoroughly with the matter and to persuade our financial authorities to give our plan at least a fair trial.

It may be asked how the gold producers expect this measure to benefit the industry. Well, this is not difficult to explain. We expect the import allocations to be worth in the neighborhood of ₱40 per ounce of gold or slightly more under current conditions and circumstances. This is because the elimination of the import taxes on these certificates would be worth some ₱21 per ounce of gold due to the saving of approximately 30% in these taxes. Then again, since import allocations presently are in short supply, it is to be expected that those desiring such allocations would be willing to pay a premium for their use, perhaps as high as 30%. In this manner, the gold producer should finally net a total of ₱110 or slightly more per ounce of gold sold.

It must be emphasized, however, that the gold producers are not offering to forsake the current premium market in Manila. Rather, we are attempting to supplement it with another market that we expect would greatly redound to the mutual benefit of both our Government and our industry. Any industry dependent on a single limited sales-outlet is bound to suffer, hence the necessity of creating a second market and keeping both available.

Naturally, several objections can be raised against this plan. One is that it may disturb our national economy, but our gold production totals only 4 or 5% of the annual total dollar allocations for imports, so how can such a fraction greatly affect the whole? It can be claimed that our new industries would face competition, but imports of a competitive nature could be regulated, or if need be, completely banned. Again, it can be claimed that importers utilizing our import certificates would compete with regularly licensed importers, but how could they, after paying such a premium price? Or an objection can be made against the transfers of import certificates, but we all know that import licenses are continually changing hands, nor is there a law in existence today that forbids this.

The objection can also be made that these import certificates would be used to bring in non-essentials or certain luxuries, and we say, "Yes, that may be so". At present our gold is disappearing, and we believe it far better that our gold be used to finance legitimate imports, even of non-essentials and other merchandise, than to continue literally wasting it, especially if in so doing the net result would be an increase in the price of gold to a point at which the gold producers could earn enough to compensate them for their huge risks and investments, and the life of the industry would be prolonged. The mining industry needs this type of encouragement, else our vast natural resources will continue underdeveloped. And be it remembered that whatever profit the industry nets, our Government will share to the extent of 28% through the corporate income tax.

When one pauses seriously to consider the alternative, that is, the present system of allowing gold producers to sell their gold to nobody-knows-who, and who in turn does nobody-knows-what, until the gold disappears forever, how can there be the slightest doubt about the efficacy of our plan? The plan would, in effect, subsidize the gold producers at the expense of our wealthier people, and our Government would directly share in our profit instead of having to pay the burden of a direct subsidy!

Another objection, and one which appears to worry some of our higher authorities, is a fear that if the gold producers were to be allowed to operate under such a scheme, other industries or producers would lose no time beating a direct path to the Central Bank to demand the same privilege. One or two industries are already asking for the privilege, it is said, and yet I cannot, for the moon, draw a parallel between gold producers asking for this privilege and the managers of any other industry. Bear with me for a moment and I will explain.

In the first place, the gold producers are offering to sell their product at exactly the *same price* as that which prevailed before the war. What other industry can make such an offer? In the second place, the gold producers are offering a product that is *not perishable*, that can be *easily stored*, and whose value is *fixed and guaranteed!* What other industry can offer such a product? And what other commodity but gold is used to settle international obligations?

But the biggest difference between gold and any other exportable commodity or product raised or manufactured in the Philippines, is that gold is *not now giving dollars to our country*. In other words, that advantage of the gold producer *already exists*. Our plan would, in effect, use the dollar-value of gold, whereas it is now not being used. There would therefore be no sacrifice on the part of our Government in accepting our offer; rather there would be a gain!

Mind you, I am not necessarily arguing against the grant of a similar privilege to other industries or commodities, but merely emphasizing that gold should not be denied the privilege it is asking because of fear that other industries would ask for the same privilege. There is absolutely no

similarity between gold and any other commodity; that is my argument.

I have spoken today in all frankness and sincerity. The speech has been made to you, but its message is meant also for the Honorable Members of the Monetary Board of the Philippines. I trust that we shall receive their wholehearted cooperation, at least to the extent that a fair trial, which would only require a simple directive, will be ordered. I firmly believe that with wisdom and guidance, and with the cooperation which we shall endeavor at all times to faithfully give to the Monetary Board, our plan would be a success.

I do not say our plan is a permanent cure, because much in the future will depend on our balance of trade, but I do believe that in the meantime, it is the simplest solution to the problems of the gold-mining industry, which the industry requires to avoid early extinction. That the simple solution suggested here today should be so readily available, will, I hope, be the beginning of a new and happier dawn for our gold producers.

Lumber

By PACIFICO DE OCAMPO
Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

DURING the month under review, July, 1953, the Philippines exported 58,860,770 bd. ft. of logs and lumber, 1,646,673 bd. ft. more than the preceding month. This increase was mainly due to the shipment of logs to Japan—from 49,337,497 bd. ft. in June to 50,712,129 bd. ft. in July, or an increase of 1,374,632 bd. ft. The export to United States and Canada decreased by 804,394 bd. ft., from 6,792,039 bd. ft. in June to 5,987,645 bd. ft. in July. Export to all other countries

increased by 1,076,435 bd. ft., from 1,084,561 bd. ft. in June to 2,160,996 bd. ft. in July.

The following are the figures for logs and lumber in bd. ft. inspected for export during July, 1953, as released by the Bureau of Forestry:

Shipper	Destination	Volume in Board Feet	
		Lumber	Logs
Abarro & Sons, Inc.	U. S. A.		485,752
Aguinaldo Development Corporation	Japan		267,204
Agusan Timber Corp.	Japan		1,051,827
Alberto Liorente	Japan		3,127,996
American Rubber Co.	Japan		701,556
Anakan Lumber Co.	Japan		870,231
A. Soriano y Cia.	Japan		5,670,000
Basilan Lumber Company	U. S. A.	971,134	308,134
Bislig Bay Lumber Co., Inc.	Hongkong	154,701	585,050
Bislig Bay Lumber Co., Inc.	Japan		1,985,834
Bislig Bay Lumber Co., Inc.	U. S. A.	490,936	
Brigido R. Valencia	Hongkong	406,172	
Cagayan Red Lumber Co.	Japan		1,930,868
Cipriano Luna Lumber Enterprises	Japan		746,947
Cia. Gen. de Tabacos de Filipinas	Japan		459,734
Davao Stevedores Terminal	Spain	1,954	
Dolores E. de la Rosa	Japan		601,741
Dy Bun Chin	Japan		399,976
Dy Pac Co., Inc.	Japan		1,241,089
Findlay Millar Timber Co.	Japan		909,557
General Enterprises, Inc.	Japan		1,270,221
General Lumber Co., Inc.	Formosa		504,978
Getz Bros. & Co.	Africa	4,070	
Golden Ribbon Lumber Co., Inc.	Formosa		136,364
Go Hee	Japan		335,003
Gonzalo Puyat & Sons, Inc.	Japan		276,973
G. S. Manalac Enterprises	U. S. A.		250,035
	Japan		3,260,085

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Higan Lumber Co., Inc.	Japan		1,875,423	Vic Corporation	Japan		505,294
Insular Lumber Company	U. S. A.	946,372		Visayan Sawmill Co.	Japan		1,000,329
	Africa	448,071		West Basilan Lumber, Inc.	Japan		500,000
	Canada	20,353		Western Mindanao Lumber Co., Inc.	U. S. A.	38,829	
	Hawaii	27,337		Woodworks, Incorp.	Japan		1,100,079
Jebenaour & Co., Inc.	Japan		632,679	Woodcraft Works, Ltd.	U. S. A.		334,986
Jorge J. Tirador	Japan		250,000		Hongkong		227,000
Jose G. de Castro	Japan		565,971		Netherlands		37,557
Jose G. Sanvictores	Japan		2,017,479		Africa		2,697
Johnston Lumber Co., Inc.	Japan		638,883	Totals		5,288,728	53,572,042
Martha Lumber Mills	Japan		1,658,636				
M. R. Lacson	Japan		221,299				
Misamis Lumber Co., Inc.	Japan		1,112,988				
Nasipit Lumber Co., Inc.	U. S. A.	90,647	422,793				
	Japan		4,857,996				
North Catinaries Lumber Co., Inc.	U. S. A.	251,725	99,766				
P. B. Dionisio	Japan		299,854				
P. F. Gocheo & Co.	Africa	19,600					
Ralph Dempsey	U. S. A.	443,204					
Redwood Co.	Japan		480,453				
Serra & Co.	Japan		600,000				
Sta. Clara Lumber Co., Inc.	U. S. A.	3,000	498,701				
	Canada	3,000					
Sanchez Logging Co.	Japan		696,657				
Standard Sawmill	Japan		2,019,854				
Taggat Sawmill Co., Inc.	U. S. A.	138,318	700,000				
	Hawaii	95,473					
Taligaman Lumber Co.	Japan		691,619				
Valeriano C. Bueno	Japan		257,844				
Valderrama Lumber Mfrs. Co., Inc.	U. S. A.	131,592					
T. H. Valderrama & Sons	Japan		1,366,032				

RESUMÉ of Exports to:

	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	50,712,129	50,712,129
United States and Canada	3,864,096	2,123,549	5,987,645
Other countries	1,424,632	736,364	2,160,996
Totals	5,288,728	53,572,042	58,860,770

SUMMARY OF EXPORTS DURING JULY, 1953, ARRANGED BY COUNTRIES OF DESTINATION IN THE ORDER OF VOLUME OF SHIPMENT TO EACH COUNTRY

Countries of Destination	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	50,712,129	50,712,129
United States	3,840,743	2,123,549	5,964,292
Hongkong	787,873	—	787,873
Formosa	—	736,364	736,364
Africa	—	474,438	474,438
Hawaii	—	122,810	122,810
Netherlands	—	37,557	37,557

COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF JUNE AND JULY, 1953

Period	Lumber in Board Feet					Logs in Board Feet					Grand Total
	Western States	Eastern States	Gulf States	All Others	Total	Western States	Eastern States	Gulf States	All Others	Total	
June, 1953	2,537,483	1,117,803	224,862	423,290	4,303,438	1,778,289	85,312	425,000	200,000	2,488,601	6,792,039
July, 1953	2,903,127	604,609	333,007	—	3,840,743	1,037,839	—	617,005	468,705	2,123,549	5,964,292
Difference (Increase +; Decrease -)	365,644 +	513,194 -	108,145 +	423,290 -	462,695 -	740,450 -	85,312 -	192,095 +	268,705 +	365,052 -	727,747 -

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Canada.....	23,353	—	23,353
Spain.....	1,954	—	1,954
Totals.....	5,288,728	53,572,042	58,860,770
<i>Trend of Exports to:</i>			
	<i>This Month</i>	<i>Month Ago</i>	<i>Year Ago</i>
	<i>Lumber Logs (Bd.Ft.)</i>	<i>Lumber Logs (Bd.Ft.)</i>	<i>Lumber Logs (Bd.Ft.)</i>
Japan.....	50,712,129	—	49,337,497
United States and Canada.....	3,864,096	2,123,549	4,303,438
Other countries..	1,424,632	736,364	1,081,998
Totals.....	5,288,728	53,572,042	51,828,661
			6,163,700
			20,714,376

Arrivals of logs and lumber in Manila during the month under review, aggregating 13,337,358 bd. ft., increased by 510,215 bd. ft. as compared to arrivals during the previous month of 12,827,143 bd. ft.

The upward trend in lumber prices in the local wholesale trade continued unabated, as white lauan, apitong, and red lauan scored further price increases during the month under review, July, 1953, as compared with the previous month—from ₱160-₱170 to ₱175-₱180 for white lauan; from ₱172.50-₱180.00 to ₱180-₱185 for apitong, and from ₱187.50-₱195.00 to ₱205-₱210 for red lauan per 1000 bd. ft.

Copra and Coconut Oil

By EDWARD F. UNDERWOOD
Manager, Copra Buying Department, Philippine
Manufacturing Company

BULLISH and bearish factors offset each other in copra during the month of August, resulting in the second successive month of relative price stability. Prices eased early in the month but rallied somewhat on persistent European demand despite increasing arrivals.

Heavy production on the one hand and improved European demand on the other, kept the market in a precarious balance throughout the period under review. The

most significant development of the month was the narrowing of discounts for futures copra.

Indonesia sold substantial quantities of copra to Europe but European buyers continued to absorb the increased offerings at improved prices. European buying interest derived support from soaring lard prices which advanced another 35% during the month.

Copra Prices. Copra prices declined early to a low of \$174.00 per short ton net c.i.f. West Coast for immediate, and \$167.50 per long ton landed weights Europe net f.o.b., for September shipment. Prices rallied later with forward positions gaining the most ground. On August 31, spot copra was quoted at \$180.00 nominal c.i.f. Pacific Coast, up \$2.50 for the month. European buyers at the close were quoting \$182.50 f.o.b. for immediate, and \$180.00 for September and October shipment.

The local price in Manila for fresh copra resecada basis for 30-day delivery at the end of August, was about ₱33.00, or up 50¢ per hundred kilos from the July 31 level of ₱32.50.

Coconut Oil Prices. Coconut oil prices closed 14-1/4¢ per pound f.o.b. tank cars Pacific Coast for immediate delivery, up 1/2¢ per pound, with sellers offering 13-1/2¢ for September shipment and 13-3/8¢ for October shipment.

Coconut oil for immediate shipment to the East Coast was quoted at 14¢ per pound, up 1/4¢ from July 31.

Copra Cake and Meal Prices. In line with weakness in feed grains and other meals, copra cake and meal prices declined from \$4 to \$5 per ton. For the first time in almost two years, Europe bought positions as far forward as December shipment. At the end of August, cake and meal prices were \$62 to \$66 per short ton c.i.f. West Coast.

Copra Statistics

PHILIPPINE COPRA AND COCONUT OIL EXPORTS (In Long Tons)

Copra	June	July
United States.....	25,178	24,429



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Europe	10,150	25,487
Other countries	4,213	5,573
Total	39,541	55,489
Coconut Oil		
United States	4,942	4,931
Other countries	—	—
Total	4,942	4,931

PHILIPPINE AND INDONESIAN COPRA EXPORTS

	Philippine Copra Exports*			Indonesian Copra Exports		
	Metric Tons	Percentage		Metric Tons	Percentage	
	1953	1952/1952		1953	1952/1952	
January	41,025	77,050	53.2%	14,230	32,657	43.6%
February	38,672	84,884	45.6%	18,094	34,931	75.5%
March	50,168	55,549	90.3%	19,559	24,518	56.7%
April	48,745	55,405	88.0%	17,258	33,771	51.1%
May	36,536	56,053	65.2%	5,854	28,364	20.6%
June	48,144	59,876	80.4%	17,265	35,696	48.4%
July	64,329	55,756	115.4%	29,586	19,773	149.6%
Total	327,619	444,573	73.7%	122,637	209,710	58.5%

*Includes coconut oil exports converted to copra

MANILA AND CEBU COPRA ARRIVALS*

(In Metric Tons)

	Manila		Cebu		Manila & Cebu		Percentage
	1953	1952/1952	1953	1952/1952	1953	1952/1952	
January	8,448	14,775	15,682	16,303	21,130	31,678	68.0%
February	7,741	16,570	13,029	11,795	20,770	28,275	73.5%
March	6,897*	14,223	17,991	10,092	24,888	34,325	102.3%
April	8,305	12,411	13,380	9,587	21,685	21,998	98.6%
May	9,202	15,523	10,164	14,018	19,366	29,541	65.6%
June	10,541	14,808	14,462	15,581	25,023	30,389	82.0%
July	13,620	18,441	18,182	16,914	31,892	35,355	90.0%
August	14,641	15,933	20,413	19,411	35,054	35,344	99.2%
Total	79,395	122,604	126,303	113,611	199,698	236,305	84.5%

* Manifested arrivals only. Unmanifested arrivals are usually estimated at 10% of manifested.

** Does not include 1,800 tons of damaged copra from the SS "Anthony."

Production and Future Prospects. Production hit a new high for the year in August, to approach levels of a year ago. Cebu arrivals were especially heavy. Continued high production for at least early September is expected. However, arrivals should taper off in October if the normal seasonal pattern is to be followed this year.

Price prospects for copra in the next two months are dependent in large part on the over-all commodity price trend in the United States and especially on the price prospects for lard, cottonseed oil, and soybean oil. Up to this writing, it is not clear just what the U.S. Commodity Credit Corporation intends to do with its huge stocks of cottonseed oil.

Barring increased international tension or typhoon damage, copra prices are unlikely to advance too far. Bearish factors, on the other hand, would have to be significant enough to overcome the normal strong seasonal upturn at this time of the year. A moderate irregular rise in prices is likely in the coming month.

Desiccated Coconut

By HOWARD R. HICK

President and General Manager

Peter Paul Philippine Corporation

THIS report covers the period from July 15 to August 15. Copra remained low and as Stateside quotations weakened, Philippine copra continued down but did not reach the equivalent low. Locally, buying and speculation kept local copra at slightly higher than equivalent prices.

Raw-nut prices reached a new low for the year and supplies seemed excellent, both as to raw nuts and copra. Higher tree-yields and better quality nuts seem to indicate that the bad effects of last year's typhoons had disappeared.

Furthermore, the picture for the next 30 days appears to be that supplies will continue to be abundant and prices may go down slightly.



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id	25's Boite Nature	11.50	
id	50's Boite Nature	22.00	

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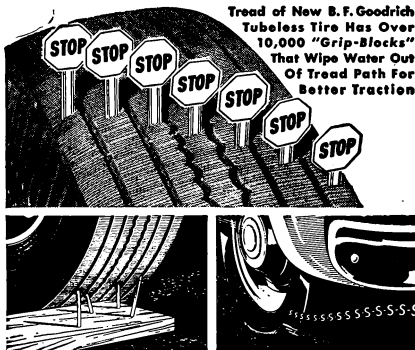
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Desiccated-coconut shipments showed a nice increase over the previous month, about 20%, indicating that the business prospects for the last half-year seem better than was the first half. Also that the industry is gearing up for the annual high consumption which takes place from September through December. •Production for the year 1953 looks as though it will be about 110,000,000 pounds, and if it does reach this point it will be a return to normal production and consumption.

The following statistics show the shipments for the month of July and the total shipments for the year to date:

Shippers	July Shipments	To Date
Franklin Baker Company	5,296,350	26,197,905
Blue Bar Coconut Company	821,269	6,386,030
Peter Paul Philippines Corp.	1,299,200	7,449,600
Red V Coconut Products, Ltd.	3,592,200	18,288,925
Sun Ripe Coconut Products, Inc.	851,000	2,288,100
Cooperative Coconut Products, Inc.	133,900	537,700
	11,993,910 lbs.	61,148,260 lbs.

Sugar

By S. JAMIESON
Secretary-Treasurer
Philippine Sugar Association

THIS review covers the period August 1 to August 31, 1953.

New York Market. In the beginning of the month, the market was under the influence of a large quantity of unsold Philippine alofts in the hands of operators, due to arrive between the middle of August and the middle of September, and a large "open" futures position in September that had to be closed out in two or three weeks. By the end of the first week, the alofts had been taken up by refiners at 6.40¢, and by the 20th the futures position had been pretty well liquidated at better prices than were expected. This gave the market a firmer tone which a reallocation of a United States beet deficit of 100,000 tons did not disturb. Buyers and sellers resumed their waiting game, with Cuban sellers generally standing firm at 6.45¢ and refiners taking up odd lots that came into the market at a few points below this price.

Reported sales of actuals totalled approximately 112,905 long tons, of which approximately 37,876 tons were Philippines. Exchange operations for the period approximated 183,000 tons. Deliveries of refined for the period July 26 to August 22 totalled 725,970 tons as compared with 748,098 tons for July, 1953, and 699,717 tons for August, 1952. Distribution for the year to August 22 was 5,351,985 short tons (raw value), against 5,387,778 for the same period last year. On August 15 refiners stocks were at 181,565 long tons, as compared with 237,817 for the same date last year.

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

	Sept.	Nov.	Jan.	March	May	July	Sept. 1954
August 1	5.88¢	5.90¢	5.78¢	5.57¢	5.60¢	5.71¢	—
August 31	5.89	5.78	5.52	5.56	5.68	5.73¢	—

Average spot price for August was 5.902381¢.
Average spot price January 1 to August 31 was 5.808698¢.

Sales of 9,000 tons new-crop Philippines for November/December shipment, made during the month to a Trade house at 6.10¢, are of special note, these being the first recorded sales of 1953-54 sugar.

Local Market. (a) Domestic Sugar. The market was steady, with prices unchanged on the basis of P15.30 per picul, ex-warehouse, for mill run 97°. Domestic stocks on hand are thought to be sufficient for over three months' requirements, and, in view of this, Sugar Quota Office is expected to permit all new-crop sugar produced up to November 15 to be used for export to the United States

against the unfilled balance of the Philippine quota for the calendar year 1953. Dealers are indicating interest in new-crop domestic sugar at from ₱14.00 to ₱14.25 per picul, ex-warehouse, for mill run 97°. The 1953-54 domestic quota has been set at 280,455 short tons, the same as last year's quota.

(b) **Export Sugar.** The local market was firm with buyers continuing to pay a full price for the limited quantities available. The closing price was ₱15.70 per picul, ex-warehouse, Victorias basis.

A buyer offered to purchase new-crop sugar for delivery up to November 20 at ₱15.10 per picul, ex-warehouse, Victorias basis, but planters were not interested and he subsequently withdrew his offer.

Total export shipments for the month are estimated at 55,174 long tons, making a total of 799,816 long tons against the 1952-53 crop, and a total of 589,816 long tons for the period January 1 to August 31. New York reports show Philippine arrivals for the period January 1 to August 15 of 566,386 long tons as against 596,986 long tons for the same period in 1952.

1952-53 Milling. Three mills are still grinding their 1952-53 crops. The 22 mills which have finished milling produced a total of 941,535 short tons, and the three still milling are estimated to have a final production of 189,359 short tons, a total of 1,130,894 short tons, or a shortage of 101,106 short tons in the combined United States and domestic quotas.

1953-54 Crop. An estimate of the 1953-54 crop compiled by the Philippine Sugar Association from figures furnished by the Centrals, indicates a production of 1,325,498 short tons, but it is believed that weather conditions must continue favorable between now and harvesting to realize this estimate. Several mills will start grinding in October.

Freight Rate. The freight rate for the 1953-54 crop is now being negotiated and indications are that an "open" rate may be declared.

General (a) International Sugar Conference. At the International Sugar Conference recently concluded in London, the Philippines were allocated a quota of 25,000 metric tons in the world market under a new Agreement which will be later submitted to the Philippine Government for ratification. Those 25,000 tons are exclusive of muscovados, exportation of which is unrestricted. Notwithstanding the conclusion of this Agreement, the price trend in the world market has been downward, spot on August 31 being 3.38¢ compared with 3.56¢ on July 31.

(b) Cuban sales in the world market to July 31 are estimated unofficially at 1,908,000 long tons. Free world-quota supplies in the hands of producers for disposition during 1953 were about 2,150,000 tons. It would therefore appear that only about 242,000 tons are left unsold. (Lowry & Company's market report, August 3).

(c) **Molasses.** In the United States 221,600,000 gallons of molasses were used in the production of ethyl alcohol during the 12-month period ended June 30, 1953, compared with 158,400,000 gallons used during the previous fiscal year.

All of Cuba's exportable molasses has been reported sold.

Manila Hemp

By J. DEANE CONRAD
President, Conrad & Co., Inc.

THE continued decline during the first 7 months of this year has finally resulted in a falling off of production during the month of August, and with the decline in production prices in the Philippines have firmed considerably. The Davao market was quiet during the first few days of the month and closed very firm. In non-Davao fiber, prices have increased considerably, particularly for grades G and below.

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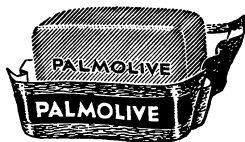
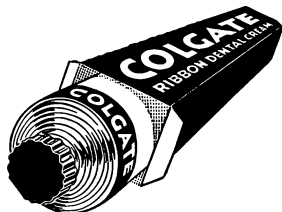
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MAKATI, RIZAL

The Japanese market is the most lucrative one for Philippine exporters. They have advanced their ideas considerably since late July and a fairly large volume of business has been done in this market. The Philippines-Japan Barter Agreement expires on September 30, but it is our opinion that it will again be extended for another three or four months.

While the New York market has not advanced to the same extent as Japan, they have been forced to alter their ideas and at the end of the month were prepared to pay 1½ to 1-1/2¢ per lb. more for the better grades than they were offering to buy earlier during August.

In London, prices have been forced up a little by the increased demand from Japan, but London buyers have been reluctant to increase values to the extent offered by Japanese buyers.

In our last report, we indicated that export figures for June, 1953, had not yet been published. In order to bring the statistics up to date, we detail below the export figures for January to June, inclusive, for the years, 1949 through 1953, and a separate tabulation for export figures from January to July, inclusive, for the years 1949 through 1953. The baling figures are as indicated below.

	Exports—January/June,			Inclusive		1949
	1953	1952	1951	1950	1949	
United States and Canada	165,861	170,017	330,913	157,669	100,092	
Continent of Europe	100,399	86,621	92,687	35,296	59,597	
United Kingdom	60,499	56,394	93,729	36,647	17,688	
Japan	122,466	59,843	69,913	51,281	75,777	
South Africa	3,460	5,800	9,590	2,985	2,816	
China	1,345	4,808	2,145	7,950	7,673	
India	3,850	2,670	3,442	3,630	2,181	
Korea	—	—	—	3,100	—	
Australia and New Zealand	1,200	850	1,300	625	350	
Others	370	160	—	—	80	
Total	462,390	380,363	603,719	319,293	266,054	

	Balings—January/July,			Inclusive		1949
	1953	1952	1951	1950	1949	
Devaoo	302,529	316,719	298,682	200,611	129,123	
Albay, Camarines, and Sorsogon	122,532	98,408	165,289	99,917	71,883	
Leyte and Samar	64,815	80,846	108,273	56,461	66,783	
All others Non-Davao	58,915	50,250	63,091	46,019	49,487	
Total	548,891	546,223	635,335	403,008	317,266	

	Exports—January/July,			Inclusive		1949
	1953	1952	1951	1950	1949	
United States and Canada	195,783	202,187	395,171	194,575	113,663	
Continent of Europe	114,592	96,726	103,450	71,213	64,498	
United Kingdom	68,333	55,835	111,240	44,945	23,207	
Japan	137,214	76,382	72,333	55,662	79,735	
South Africa	5,820	6,350	11,243	3,675	2,896	
China	1,645	5,028	2,845	8,491	8,641	
India	4,940	3,300	4,032	3,930	2,800	
Korea	1,580	—	—	3,100	—	
Australia and New Zealand	1,900	950	1,300	625	350	
Others	370	160	—	—	80	
Total	532,187	447,128	701,614	385,313	295,870	

Imports

By S. SCHMELKE
Mercantile, Inc.

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

Commodities:	July, 1953	July, 1952
Automotive (Total)	1,796,942	1,016,843
Automobiles	260,223	137,125
Auto Accessories	8,505	1,671
Auto Parts	230,834	220,075
Bicycles	3,863	5,083
Trucks	200,752	89,785
Truck Chassis	688,546	153,547
Truck Parts	64,308	164,402
Building Materials (Total)	3,862,071	4,284,750
Board, Fibre	166,915	302
Cement	47,810	70,058
Glass, Window	287,456	1,195,900
Gypsum	—	200,000
Chemicals (Total)	9,321,063	12,762,817

Caustic Soda.....	545,310	93,504
Explosives (Total).....	154,745	—
Firearms (Total).....	14,366	1,244
Ammunition.....	13,047	1,117
Hardware (Total).....	6,809,221	4,393,501
Household (Total).....	2,045,454	763,746
Machinery (Total).....	2,860,747	2,427,440
Metals (Total).....	9,105,225	7,508,496
Petroleum Products (Total).....	90,466,703	92,934,510
Radios (Total).....	48,278	29,921
Rubber Goods (Total).....	1,188,858	906,399
Beverages, Misc. Alcoholic.....	6,173	5,535
Foodstuffs (Total Kilos).....	31,566,944	54,040,566
Foodstuffs, Fresh (Total).....	49,609	102,814
Apples.....	1,450	—
Oranges.....	20,885	10,166
Onions.....	3,000	59,324
Potatoes.....	8,529	11,683
Foodstuffs, Dry Packaged (Total).....	43,743	38,398
Foodstuffs, Canned (Total).....	530,100	306,485
Sardines.....	3,942	43,660
Milk, Evaporated.....	239,438	155,243
Milk, Condensed.....	23,081	37,410
Foodstuffs, Bulk (Total).....	591,585	892,048
Rice.....	—	294,854
Wheat Flour.....	549,302	533,831
Foodstuffs, Preserved (Total).....	1,553	4,327
Bottling, Misc. (Total).....	1,584,071	597,538
Cleaning and Laundry (Total).....	229,419	73,444
Entertainment Equipment (Total).....	2,224	12,757
Livestock—bulbs—seeds (Total).....	364,532	184
Medical (Total).....	817,873	403,817
Musical (Total).....	59,379	42,885
Office Equipment (Total).....	92,073	64,292
Office Supplies (Total).....	45,113	67,538
Paper (Total).....	8,809,261	3,789,280
Photographic Materials (Total).....	70,460	23,192
Raw Materials (Total).....	4,138,957	458,482
Sporting Goods (Total).....	32,709	69,705
Stationery (Total).....	443,715	250,688
Tobacco (Total).....	1,650,577	2,206,436

Chucheria (Total).....	90,629	63,405
Clothing and Apparel (Total).....	689,437	269,768
Cosmetics (Total).....	71,380	17,618
Fabrics (Total).....	613,123	1,117,095
Jewelry (Total).....	—	—
Leather (Total).....	189,441	101,352
Textiles (Total).....	4,335,773	2,637,904
Twine (Total).....	95,114	23,932
Toys (Total).....	28,933	9,171
General Merchandise (Total).....	927,673	548,795
Non-Commercial Shipments (Total).....	132,519	110,684
Advertising Materials, Etc. (Total).....	9,587	16,835

Food Products

By W. E. M. SAUL

Manager, Food Products Department
Marsman & Company, Inc.
Trading Division

FLOUR arrivals during July and August have been substantial and somewhat in excess of immediate requirements. For the first time since more than one year, this country has a reserve of around 600,000 50-lb. bags of flour, which is close to a one month's supply. However, such a reserve is normal; as a matter of fact essential, because the slightest disruption of flour shipments could cause a serious shortage of flour if no reserves were available. In spite of the adequate flour supply, the Price Stabilization Corporation is still rationing the flour to bakeries and many bakeries still cannot increase production because of the limited allocations granted by PRISCO. On the other hand, flour importers complain of the slow movement of their stocks, mostly unknown and lesser known brands of flour, which bakeries do not want.

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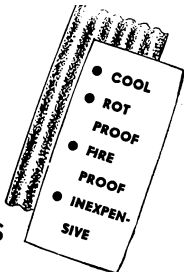
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Local selling prices are well within government ceilings and some reports indicate sales of unknown brands considerably below ceilings.

THERE are still substantial reserves of all kinds of milk in the hands of importers and selling prices are below government ceilings. American export prices of milk have remained stable for the last two months and no immediate change of price is expected.

Canned Fish: Supplies continue to be adequate in all the size packs with the exception of 15 oz. ovals. However, prices have again dropped, more probably due to lack of buying power.

Canned Meats: Fair quantities of second grade corned beef are available and here again prices have dropped for the same reason as above. The same remarks apply to other canned meats.

Imported Fruits and Vegetables: These are in fair supply in all grocery stores, while locally grown fruits and vegetables are plentiful at reasonable prices.

Textiles

By **W. V. SAUSSOTTE**
General Manager

Neuss, Hesslein Co., Inc.

THE August cotton-crop report of the U.S. Department of Agriculture was announced on August 10 and forecast a 1953 crop amounting to 14,600,000 bales. This is approximately 500,000 more bales than was expected, and while a more accurate figure will be obtained when the Department announces its estimate on September 8, the raw-cotton market in New York nevertheless reacted to the August 10 forecast. However, the decline in the New York cotton market was very small. This is because raw-cotton prices are already at approximately loan-support levels, below which market prices will not descend.

During this period, the textile market remained firm, although during the latter part of August there were slight declines in denims and other colored woven goods, but print cloths and other staple cottons remained steady. August was practically featureless insofar as rayon and other synthetic fibers are concerned as well as the piece-goods made therefrom.

During August, the local trade associations invited the attention of the Central Bank authorities to the situation reported last month wherein only blue denims are

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regarded as essential items, whereas the Price Administration Board regards all low-cost textile items as essential. The suggestion was advanced that the Central Bank should regard as essential the same items which are so classified by the Price Administration Board, and the Central Bank is expected to announce its decision within the next fortnight.

ARRIVALS from the United States totalled 16,561 packages, which is the smallest monthly arrival since January of this year. This is the first noteworthy result of the new Central Bank import regulations insofar as textiles are concerned. Under these new regulations, allowable importations of textiles were reduced by approximately 50% in comparison with textile allocations under the Import Control Commission and Republic Act No. 650. From now on, it is expected that monthly arrivals will drop below 18,000 packages per month, which is approximately the normal minimum monthly consumption. As a consequence of these reduced arrivals, the local market strengthened slightly during the latter part of August, and while sharp upward tendencies are not expected during September, it is the consensus in the trade that in October and November there will be a marked rise in local prices as a consequence of shortages.

Included in the 16,561 packages which arrived from the United States during August, were 6,580 packages of cotton piece goods, 1,798 packages of rayon piece goods, 2,137 packages of cotton remnants, and 1,409 packages of rayon remnants. There were 3,088 packages of cotton yarn, 190 packages of cotton twine, 580 packages of thread, 280 packages of oil-cloths, and 180 packages of cotton duck.

Arrivals from countries other than the United States totalled 3,360 packages. Included were 667 packages from China, consisting about equally of cotton piece goods and cotton yarn, 1,190 packages from Japan, which included 631 packages of cotton piece goods, 155 packages of rayon piece goods, 62 packages of knitted goods, 193 packages of blankets, and 29 packages of underwear. Arrivals from Europe totalled 632 packages, consisting almost entirely of thread, while arrivals from India totalled 871 packages and as usual consisted entirely of jute cloth and/or jute sugar bags.

THE arrivals from Japan are significant. According to the so-called "Barter" Trade Agreement with Japan, only the following "Textiles and Manufactures" are supposed to be imported:

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- Twine thread
- White cotton filler cord
- Filter cloth
- Grey cloth—exclusive for National Development Company as per Executive Order 328

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The foregoing is furthermore explained by the following footnote:

"For purposes of this regulation, cotton prints, colored yarns, denims, khakis, herringbone twills, and/or bleached and dyed assorted sheetings are not included in the term 'textiles and manufactures.'"

As the present Japanese-Philippine Trade Regulations do not specifically allow the importation of rayon piece goods and blankets, the question as to how the 155 packages of rayon piece goods and the 193 packages of blankets were imported, is automatically raised. Of even more concern, however, is the importation of the 29 packages of underwear and the 62 packages of knitted goods, as these two items directly compete with the 14 recently established knitting mills now in production in the Philippines.

Legislation, Executive Orders, and Court Decisions

BY ROBERT JANDA

Ross, Selph, Carrascoso & Janda

DURING the month of August, there were no decisions of the Supreme Court of outstanding interest to the business community, but the following cases are worthy of comment:

In the case of *Nacua v. Intestate Estate of Zacarias Afo*, G. R. No. L-4933, the Supreme Court was considering whether a pre-war decision by a Court of First Instance, which was on appeal at the time the war broke out but which had not been decided due to the war, was final. The Court found that the records of the Court of First Instance were still intact but that all records of the Court of Appeals had been destroyed. No steps had been taken by either party to reconstitute the records in the Court of Appeals and the time within which the records could be reconstituted had expired. The Court held that the responsibility to reconstitute the records lay with both parties and that it would be unjust to require the parties to again litigate their dispute in view of the existence of the complete records of the Court of First Instance. The Court, therefore, held that the defeated party in the Court of First Instance should be granted a period of 30 days within which to perfect his appeal from the decision below.

In the case of *Treasurer of the Philippines v. Encarnacion*, G. R. No. L-6056, plaintiff sought to compel the Treasurer of the Philippines to pay him by virtue of Republic Act No. 724 the sum of ₱3,056 which he claimed to be due him according to the graduated scale of the said law for certain Philippine National Bank notes deposited by plaintiff with the defendant. The Court found that

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under Section 5 of Republic Act No. 831 which amended Republic Act No. 724, the Treasurer was prohibited from redeeming any notes until he had made a master record of all the registrants all over the Philippines showing the amount of the bank notes registered by or under the name of any individual and that of his spouse, ascendants, descendants, employees, servants, or agents of any kind. The Treasurer alleged that he was still in the process of assembling, compiling, and tabulating the necessary data, and the Court therefore held that the action was premature. It stated that the amount appropriated for redemption of the PNB notes had not been segregated from the mass of public money so as to make it subject to suit, and that the holders of the notes had acquired no proprietary right to any part of these funds which could be paid as a ministerial or discretionary duty on the part of the Treasurer of the Philippines.

In the case of *Sipin, et al. v. Rojas, et al.*, G. R. No. L-5214, an action was brought under the Workmen's Compensation Act in the Justice of the Peace Court of San Nicolas, province of Ilocos Norte, where the accident happened which killed the employee whose dependents were claiming the benefits of the Act. The venue of the action was questioned. The Supreme Court held that the action had been properly dismissed since an action to collect compensation under the Workmen's Compensation Act was personal and may only be brought in the court of the city or municipality where defendant resided.

In the case of *Jacinto v. Amparo*, G. R. No. L-6096, plaintiff had attempted to take defendant's deposition by way of discovery under the provisions of the Rules of Court. The taking of the deposition was postponed twice at defendant's request, and defendant then served a petition requesting that the deposition be not taken at all, setting the motion for hearing on the date the case was set for trial. The trial court took the position that plaintiff could examine defendant during the trial and that the deposition would be unnecessary. The Supreme Court affirmed, stating that the taking of a deposition is not a matter of right but is largely discretionary with the trial court.

Philippine Safety Council

By FRANK S. TENNY
Founder and Executive Director

GOVERNMENT interest in traffic matters, although spasmodic and uncoordinated, is evidenced by attention to such factors as conditions of roadways, safety talks to jeepney drivers, stricter enforcement of traffic laws, and a move to create a better traffic code. At least this demonstrates an awareness that the public is dissatisfied with "the traffic problem" and that something beneficial had better be done.

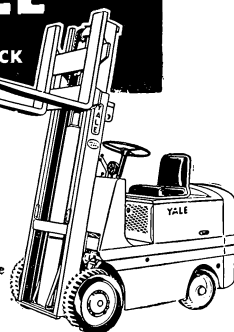
After much negotiation, Maj. Frank C. Young, Manila traffic chief and graduate of the Northwestern University

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Traffic Institute, has consented to serve as the Safety Council's consultant on traffic matters. This should prove to be of great advantage to all concerned, including the public.

The Fire Prevention Board at Malacañan will once again call a meeting of theater operators in an effort to elicit cooperation in the matter of the blocking of aisles and exits and other violations of fire regulations. Legal action is contemplated if improvement is not attained.

The new Security Delivery Service (armored car and airplane cash-transportation service) has immediately proved to be popular. There is no doubt that it is filling a long-felt need in the business community. Plans are being made to acquire a second car.

Inquiries have been received from a Rotary Club in Mindanao, a Jaycee Chapter in the Visayas, and a police department in the Bicol, requesting technical assistance in beginning safety campaigns in those areas. The Council is furnishing advice and materials.

Industrial and business firms now conducting specialized safety or security programs under direction of the Council's technical staff include—San Miguel Brewery, Manila Electric Co., Elizalde and Co., Atlantic Gulf and Pacific Co., Earnshaw Docks and Honolulu Iron Works, Philippine Iron Mines, Pangasinan Transportation Co., Pepsi-Cola Bottling Co., Fabar Automotive Service Center, Colgate Palmolive, Phils., 7-up Bottling Co., Luzon Brokerage Co., American International Underwriters, Manila Taxicabs Association, Security Delivery Service, Delgado Brothers Arrastre Service, and Standard-Vacuum Oil Co.

The Manila Electric Co. is contemplating an intensive educational campaign aimed at reducing violations of regulations or unsafe acts leading to electrical accidents. This will be a public service.

The "Free Car Safety-Check" plan continues in the Manila Trading, Fabar, and Ramcar shops. This opportunity is open to everyone under no obligation. White safety-stickers are given to vehicles passing the tests.

MRS. GONDER OFF TO UNITED STATES

MRS. Virginia Gonder, Executive Vice-President of the American Chamber of Commerce of the Philippines, left on September 17 on a combined business and pleasure trip to the United States, to be gone about six weeks. Among other things, Mrs. Gonder will attend the American Chamber of Commerce Executives Convention in Oklahoma City, late this month; she is Chairman of the Conference Attendance Committee for the Philippines. She will also attend the Far East-America Council of Commerce and Industry Conference in New York.

During Mrs. Gonder's absence, Chamber affairs will be handled somewhat more directly than ordinarily by the President, Mr. J. H. Carpenter (Colgate-Palmolive Philippines, Inc.) and by the Treasurer, Mr. R. J. Baker (Manila Electric Company). Routine matters will be handled by the staff as usual.

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COST OF LIVING PRICE INDEX FOR WAGE EARNER'S FAMILIES IN MANILA, BY MONTH, 1948-1953
(1941=100)

Bureau of the Census and Statistics

1948	All Items (63.43)	Food (100)	House Rent (111.94)	Clothing (7.04)	Fuel, Light and Water (7.73)	Miscellaneous (14.84)	Purchasing Power of a Peso
January	390.7	427.6	453.9	224.5	304.6	249.9	2560
February	369.8	394.0	453.9	223.8	301.1	254.4	2708
March	349.4	361.0	453.9	214.6	308.1	255.9	2862
April	354.6	374.1	453.9	209.4	289.7	254.8	2820
May	349.8	360.2	453.9	214.2	289.7	271.6	2859
June	354.3	370.4	453.9	205.2	283.2	262.9	2823
July	356.4	374.2	453.9	201.3	281.6	262.4	2806
August	363.6	385.7	453.9	199.8	281.6	261.7	2751
September	370.6	397.2	453.9	199.2	279.6	260.6	2698
October	374.9	404.0	453.9	204.8	283.2	257.9	2668
November	368.7	394.4	453.9	202.0	281.6	258.7	2712
December	365.9	389.9	453.9	202.0	282.4	258.9	2732
1949	343.7	357.9	453.9	198.4	272.9	251.1	2910
January	363.8	386.8	453.9	202.0	279.0	258.9	2757
February	343.8	355.5	453.9	203.0	277.5	258.9	2900
March	345.3	358.2	453.9	202.0	276.3	258.5	2896
April	348.7	362.6	453.9	197.6	287.5	257.1	2868
May	348.8	362.8	453.9	197.2	287.5	257.1	2869
June	349.0	362.9	453.9	203.9	287.5	257.2	2865
July	351.7	374.0	453.9	194.2	265.8	240.5	2844
August	337.5	351.2	453.9	196.3	266.6	241.2	2963
September	333.6	345.1	453.9	190.3	264.8	243.1	2998
October	332.9	343.3	453.9	199.9	264.8	245.0	3004
November	339.6	356.1	453.9	191.1	258.4	239.8	2945
December	329.6	335.9	453.9	202.9	259.5	256.2	3035
1950	332.9	333.7	453.9	270.7	252.0	282.8	3004
January	332.3	336.8	453.9	238.0	253.1	269.1	3009
February	335.3	340.2	453.9	233.3	257.8	273.0	2982
March	336.6	341.4	453.9	236.7	257.8	276.6	2971
April	329.1	328.6	453.9	237.7	252.9	283.1	3039
May	317.4	308.6	453.9	244.7	249.7	290.4	3151
June	319.3	310.9	453.9	243.5	249.7	293.5	3132
July	326.3	322.4	453.9	252.6	249.7	290.4	3065
August	327.3	325.9	453.9	258.2	251.1	280.2	3055
September	334.2	335.0	453.9	317.4	252.5	279.4	2992
October	345.5	351.1	453.9	337.3	249.7	285.4	2894
November	346.7	353.2	453.9	322.8	249.7	286.6	2884
December	344.9	350.5	453.9	325.2	249.7	285.7	2899
1951	352.6	361.5	453.9	365.3	248.0	285.7	2836
January	347.9	355.0	453.9	331.5	249.7	285.6	2874
February	351.7	359.8	453.9	342.8	249.7	289.0	2843
March	346.4	349.3	453.9	379.4	248.8	293.6	2887
April	355.3	362.6	453.9	398.6	247.5	294.6	2815
May	359.2	367.0	453.9	410.4	247.5	300.6	2784
June	360.5	372.2	453.9	399.5	247.5	288.5	2774
July	359.0	370.1	453.9	382.0	247.5	290.2	2786
August	357.8	371.4	453.9	354.0	249.0	290.0	2795
September	357.3	369.0	453.9	356.4	247.5	279.7	2808
October	351.0	361.1	453.9	350.4	247.5	279.0	2849
November	344.1	351.1	453.9	343.8	247.5	275.8	2906
December	341.9	348.9	453.9	335.2	247.5	272.1	2925
1952	339.4	347.4	453.9	295.9	244.1	268.4	2946
January	342.8	350.9	453.9	330.8	247.5	269.7	2917
February	341.2	349.8	453.9	311.2	243.4	268.5	2931
March	337.9	345.1	453.9	301.1	243.4	268.1	2959
April	335.9	342.7	453.9	300.7	243.4	264.6	2977
May	335.1	341.8	453.9	293.2	243.4	264.4	2984
June	338.1	346.3	453.9	290.2	243.4	265.5	2958
July	340.4	349.5	453.9	286.6	243.4	268.1	2938
August	340.7	349.4	453.9	289.1	243.4	269.9	2935
September	341.1	350.0	453.9	287.7	243.4	279.7	2932
October	337.6	344.6	453.9	289.3	243.4	269.4	2962
November	340.5	349.3	453.9	286.2	243.4	269.8	2937
December	340.9	348.9	453.9	284.4	247.5	272.3	2933
1953							
January	337.3	343.2	453.9	283.7	247.5	272.4	2965
February	323.0	321.2	453.9	281.5	243.3	273.3	3096
March	318.6	314.3	453.9	281.5	243.4	272.4	3139
April	317.6	312.8	453.9	281.1	243.4	272.2	3149
May	314.3	307.8	453.9	280.9	243.4	271.1	3182
June	313.1	306.0	453.9	277.8	243.4	271.1	3194
July	316.0	311.0	453.9	277.8	243.4	269.5	3165
August	316.1	311.9	453.9	277.8	243.4	266.4	3164

NOTE: Clothing revised from February, 1952, to May, 1953, and Miscellaneous from 1950, to May, 1953.

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The "LET YOUR HAIR DOWN" Column

Mrs. Virginia Gonder, Executive Vice-President of the Chamber, received a very pleasant letter during the past month from the American Chamber of Commerce Executives, an organization with headquarters in Washington, D. C., of which she is a member. An annual convention will be held in Oklahoma City this year, in the fall (i. e. autumn; a word we had almost forgotten),

and the letter came from Mr. Albert C. Boyd, of the Saginaw, Michigan, Chamber of Commerce, who is Chairman of the ACCE "Better Quarters" Committee. Mr. Boyd congratulated our Chamber on the fine photographs he had seen of our quarters here and asked for a floor plan of the offices to be entered in the "Better Quarters" Exhibit. Sample copies of the *Journal* and of the

periodical *Bulletin* of the Chamber were forwarded some time ago to be entered into an "appraisal" which is to be held in connection with the ACCE Convention.

THE Chamber received a gratifying letter from Robert L. Kinney, Director of the Labor and Social Welfare Division of the M.S.A. (we note the M.S.A. letter-head is still used, although the name of the organization was recently changed to the Foreign Operations Administration), which read:

"I had heard from someone in the Embassy that the June issue of the *Journal* had carried a very good editorial on the Industrial Peace Act, but how good I didn't know until this morning, when I finally received a copy.

"I'm not in the habit of writing fan letters, but I believe this calls for, even demands one. The editorial generally shows a splendid insight into the problems of building healthy labor-management relations in the Philippines and displays a fairness and objectivity that are altogether commendable. Yours cordially, etc.

When this letter reached the editor, he blushed and told us it would be less than candid not to say that in the preparation of that editorial he had the assistance of an American labor expert in the Philippines to whom the chief credit should go, but that he does not feel at liberty to give his name. Credit also should go to the Board of Directors of the Chamber which approved the editorial for publication, he said.

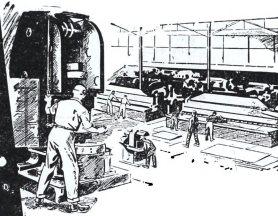
IN connection with the plans for the rehabilitation of Korea, and the part the United States Armed Forces are to take in this work, the U.S. Information Service (USIS), Manila, recently sent out a long radiogram (over 1000 words) summarizing data on the Army rehabilitation work following the liberation of the Philippines, largely based on the material contained in the April and subsequent *Journal* instalments of the "Short History of Industry and Trade of the Philippines."

The opening paragraph read:

"Bracket note following material was furnished to USIS by A.V.H. Hartendorp, editor of American Chamber of Commerce *Journal* in Manila and author of an unpublished 'History of the Japanese Occupation of the Philippines'. It is being sent as background for stories on U.S. rehabilitation work in Korea with the object of indicating President's policy there is in line with traditional American policies in Asia unbracket para."

The 1000 word summary was a very skillful one and covered the destruction of Manila, the work of the PCAU, Army work in connection with the restoration of the water supply, electric power, telephone service, land and water transportation, the clearing of mountains

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of debris from the streets, the building of Bailey bridges, etc.

We thank the USIS for the handsome "credit" note.

THE editor showed us one of his editorials for this issue of the *Journal*. "Please read this and tell me," he said somewhat worriedly, "whether this means anything to you. Is it not, perhaps, too theoretical, too general, too abstract?"

We read it, when we got around to it. "Perhaps" was not the word! It was positively all that the editor said that perhaps it was. We told him so.

"But you understood it?"

"Oh, yes," we said.

"Well, that's something."

"Huh?" we said, with what novelists call a rising inflection, but, deciding not to take offense, we remarked, "It is all abstract enough, certainly, but still it is interesting. It gives the reader a very broad view, a large historical world landscape, and you bring out something rather wonderful, in a way."

"Why, why... how gratifying," he said. "Thank you."

He became a little confidential.

"You know, every once in a while I like to write something general and universal like that. It helps to give me a sort of perspective which, after I have thought a matter through (or I think I have), I myself find enlightening... Furthermore," and then he grinned, "I can say things in the abstract that I could not always get away with in more concrete terms!"

"Ah! a light dawn!" said we.

We gazed a while into space. Then we said to the editor, "Tell me... I was thinking a while ago as I read that editorial... granted that two men can produce more than one man, and two hundred million can produce more than one hundred million, within the same area of land, through the improvement of the methods of production... What of it? More food, principally, more eating, more consumption of everything, for you, for me, for everyone. But why? Why more people..."

"Yeah," he interrupted, "and more rats and mice and grass-hoppers, and flies, and ants, and fish, cattle... You might as well get them all in. That is life."

"Well, sticking to man," we said, "why more of them and more food, more clothes, more houses, more buses, more movies, more radios... Isn't it kind of sickening?"

"Sickening?" asked the editor. "Are you sick or something? So to deny

human progress, existence, life? Remember, so far, most of the people of earth do not yet have more and more... many haven't even enough to eat to keep them strong and well, or enough clothing and housing to make them comfortable. We're here, that's all; like, say, you had moved into a house and you wanted, naturally, to furnish it adequately for your comfort and happiness and that of your family; you wanted to make a home and keep it clean and safe and inviolate. That is what we have to do on a bigger scale in the world. Children come into the home, children come into the world every-

where. What is there sickening about that? Fie! oh, fie!"

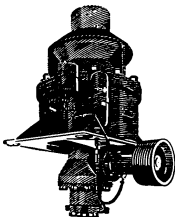
"Fie on you!" said we. "You haven't answered my question."

"I know it," said the editor. "Only God could answer that question. Fortunately, we need not stop for that. We know that life is good; we cling to it. We know now that increase in numbers strengthens the race. We know that we can take care of such increase for a long time to come. For most of humanity, the fear of inevitable starvation has been removed. Let us be of good cheer." And so speaking, he downed the rest of his morning egg-nog!



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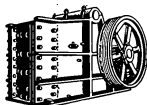
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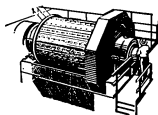
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A well-known Philippine old-timer who has retired and now lives in the United States, wrote the editor during the month as follows:

"The June issue of the *Journal* brings to a close your excellent 'Short History of Industry and Trade in the Philippines.' I am sorry that you decided to stop at that point and thereby to omit reference to the Quirino Administration, but I can understand why. Firstly, the events are too recent, and se-

condly, you may have no asbestos paper available for printing.

"If you decide to publish the short history in book form please send me 3 bound copies.

"With best regards, Yours very sincerely, etc.

"P.S. What has become of my good friend Charlie Herdman? He no longer writes the articles on food products?"

To answer the question, Mr. Herdman went on vacation a few months ago, but is due back soon; in fact, Mr. W. E. M. Saul, who has been conducting the Food Products column in his absence, has informed us that he is "now on the water."

Journal readers here will know that it was decided to put the Short History out in book form. We are glad to have our old friend's order for 3 bound copies. We are beginning to doubt that we ordered enough copies printed.—500. At this writing (before the publication date), we have orders from two members of the Chamber for 10 copies each. If this keeps up, the 500 copies may not last very long,—so get in your orders quickly.

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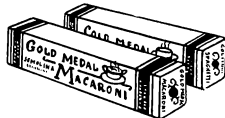
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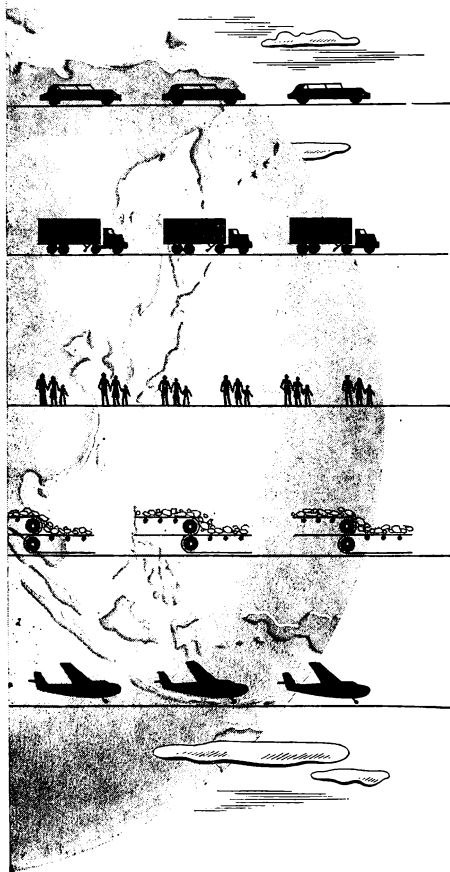
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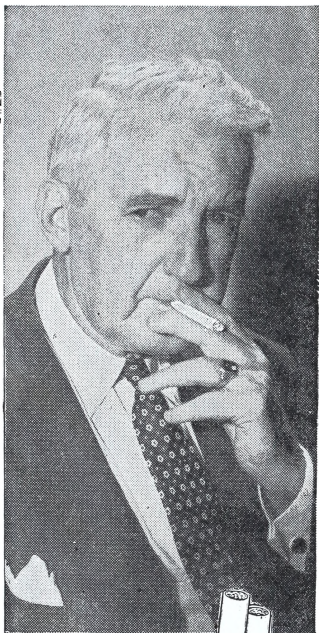


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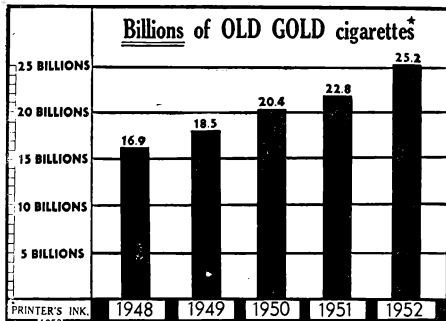
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