The MARCH OF EVENTS

Re-Draft of Bell Trade Bill

Mr. E. D. Hester, Economic Adviser to U.S. High Commissioner Paul V. McNutt, and in charge of the Manila office during his absence in Washington, announced that the full text of the January 21st re-draft of the Bell Trade Relations Bill (H.R. 5185) has been received in Manila and copies transmitted to Malacañan.

Commenting on the differences between the re-draft and the older version (H.R. 4676), Mr. Hester said, "The basic provisions are the same. They provide for 8 years of free trade followed by 25 years of progressively increasing tariffs for most commodities, and declining quotas for others. In justice to the Islands which, for so many years have been tied to the economy of the United States, it is deemed necessary to provide for a gradual, rather than abrupt adjustment of Philippine economy to an independent position in keeping with its coming sovereignty."

The new elements in H.R. 5185, Mr. Hester said, may be summarized as follows: (1) Differences in the provisions made for ratifying the terms of the Act after independence; (2) Increase of the time required for notification of termination from two years to five; (3) While the former text sets absolute quotas for all quota commodities, the revision permits limited over-quota quantities of all but sugar and cordage to enter the United States on payment of full duties; (4) the addition of a provision in which the Philippnie government is authorized to adopt necessary laws and regulations to put quota allocations into effect; and (5) Provision that any change in the present parity between the peso and dollar must be by agreement with the President of the United States.

The provision that after independence the content of the Bell Bill is to be offered the Philippines in the form of an executive trade agreement is contained in Sec. 19 of the revision, Mr. Hester said. However, the revision also provides that the President of the United States shall proclaim a reasonable time after independence within which (a) the Philippine Congress shall ratify the agreement and (b) the Philippine Congress and people shall amend their constitution to accommodate the provisions of Section 16 of the Bill, Mr. Hester said.

Section 16, a member of the staff explained, is the section which relieves American citizens and corporations of certain disabilities which would otherwise fall on them by reason of ART XIII Sec. 1 and ART XIV Sec. 8 of the Philippine Constitution. These articles, as they now stand, he said, limit rights to acquire public domain and mineral land holdings and to operate public utilities to Filipino citizens and their corporations.

"It is important for the long range rehabilitation of the Philippines," the staff member remarked, "that it be realized that conditions which would render the Philippines unattractive to American capital would react to the mutual detriment of both the Philippines and the United States."

Mr. Hester pointed out that the formulas for allocation of quotas remain unchanged from those of the Tydings-McDuffie Act as amended. The Philippine Government would be authorized by this draft to adopt the necessary laws and regulations for putting the allocations into effect, a provision, M. Hester said, which was implied before, but never specifically stated.

In commenting on the provision that all coconut oil exported to the United States must be denatured as to render it unfit for use as food, Mr. Hester pointed out that the coconut oil industry would find a firm basis for its rehabilitation because no United States processing tax is to be collected on denatured coconut oil. In effect, the Philippines would thus be assured of practically the entire U.S. market for coconut oil for soapmaking and other industrial purposes. Normally 85% of coconut oil was utilized by such industries. He added that the denaturing provision constituted the only feasible solution for enabling the rebuilding of the coconut oil mills in Manila and Cebu.

"The re-draft of the Bell Trade Relations Bill," Mr. Hester concluded, "has not changed its purposes. It contemplates a gradual adjustment of Philippine trade economy from a condition of almost complete dependence on U.S. markets to normal competitive trade between sovereign nations. The effects of the war have added to what would have been the normal difficulties and complexities in separating the economics of the two countries. The Bill, if enacted, promises to assure stability over a period of years sufficiently long to restore and improve the domestic economy of the Philippines."

NLSA To Buy Ramie Machines

MANILA — The National Land Settlement Administration will concentrate on the production of ramie in its settlement in Koronadal, Cotabato, according to Acting Secretary of Interior Alfredo Montelibano, chairman of the NLSA board.

Montelibano said that in a recent meeting of the board, it was decided to purchase stripping machines for ramie fiber from the United States. These machines would cost the NLSA from ₱10,000 to ₱12,000 each.

The present plan to produce ramie on a large-scale basis was inspired by reports of the rich market in the United States for this product.

The NLSA will shortly undertake the rehabilitation of the Koronadal settlement. Montelibano said this agency is negotiating for the purchase of tractors from the Foreign Liquidation Commission to replace tractors commandeered by the United States Army at the outbreak of the war and by the Japanese during the enemy occupation.

Sugar Shortage Thru 1947

Hope for quick relief in the world's critical sugar situation was dismissed in a speech by U.S. Secretary of Agriculture Clinton P. Anderson before the National Canner's Association in Atlantic City.

"Sugar will be a problem throughout 1946," Mr. Anderson declared, adding: "The facts do not warrant optimism. However, gradual improvement does seem to be in sight. The crop estimates for some of the major sources of sugar are encouraging. Right now, that means Cuba and Puerto Rico principally."

The MARCH OF EVENTS

The secretary also explained that it is still too early for dependable estimates of sugar which may be produced in the United States.

Continuing, Mr. Anderson said:

"Reserves have sunk to an all-time low level, and we are not going to continue the mistake of using more sugar than we are receiving. On the other hand, we are not going to be over-cautious, and as supplies warrant, there will be loosening in sugar controls. The increases will not be sensational, because we must live within our sugar budget."

Anderson's statement before the canners was in line with the Department of Agriculture's report on the world sugar supply, which noted among other things that there would be slight recovery in the sugar industries of Java and the Philippines.

Very little progress has been made in rehabilitating the industry in either area up to January this year," the Department's report said. "The latest reports from the Philippines holds little hope for substantial relief. Paul V. McNutt, High Commissioner to the Philippines, has told newsmen in Washington that much of the agricultural rehabilitation in the Philippines is dependent on legislative measures which have been held in congressional committees for nearly two months."

FEATI Christens "City of Iloilo"

On Friday, February 1st, at a simple ceremony at the Manila terminal of the Far Eastern Air Transport, Inc. on Neilson Air field, Manila, P. I., Mrs. Esperanza L. de Osmeña, wife of the president of the Philippines, christened FEATI's flagship, "City of Iloilo." Mrs. Osmeña broke a bottle of Champagne on the ship's landing wheel. Following the christening, the blessing of the plane took place with Reverend Father Gerald officiating.

Mrs. Osmeña was accompanied by Mr. Eugenio Lopez, president of FEATI and by Mrs. Salvador Araneta. Also among those present at the ceremony were Mr. Eric T. Bradley, Chief of the Aircraft Division of the Foreign Liquidation Commission, Major Henry W. Meider, chief pilot and operations officers of FEATI and Lt. Roland M. Stanley.

After the short ceremony, Mr. Bradley handed the contract of sale to Major Meider, officially turning over to FEATI the fleet of air transports it had purchased from the Commission. FEATI is at present daily serving the public through 14 direct routes, ranging from the North to the South of the Philippine Archipelago. They have 14 C-47s in regular operation all purchased from the Foreign Liquidation Commission and in a very short time, they expect to have 11 more in service.

The Far Eastern Air Transport, Inc., was started in 1932 as the Iloilo-Negros Air Express Company by members of the well-known Lopez family of the Visayas. The INAEC, as it was then called, operated the largest air franchise in the Philippines. Using Iloilo as their main terminal, their American pilots flew Sikorskey S-41s, Stinson Tri-motored, Stinson Juniors, and Bellanca's in inter-island air traffic. However, operations were cut short on the 18th of December 1941, when the company's main airfield at Iloilo was bombed by the Japanese.

After the liberation of the islands, FEATI became the 1st customer of the Aircraft Division of the Foreign Liquidation Commission in Manila. On November 1st, the opening day of this office, they arranged to purchase 4 C-47s. Their post-war operations started 15 days later on November 16th with a flight from Manila to Iloilo, Bacolod, and Cebu. Ever since then, they have been maintaining regular inter-island air traffic.

Major Meider has been getting equipment together for 2 schools and an airplane repair shop which have already started to enroll students. One school will train airline pilots in 2 years; the second, aeronautical engineers and master mechanics in 4 years. Students of both schools will be able to observe at close range the work being done in the repair shop by the air-line.

The members of the Lopez family still own and direct the FEATI. Mr. Eugenio Lopez is the president and the General Manager; Mr. Salvador Araneta is the Vice-president; Mrs. Victoria L. De Araneta is the Treasurer; and Major Henry W. Meider, the operations officer. FEATI has its head office at 3332 Taft Avenue, Manila.

P. I. Needs Stressed

By McNutt

The Office of the High Commissioner released the text of the statement made by Commissioner Paul V. McNutt in Washington on February 5th. It follows in full:

"I have come to Washington on what I consider business of tremendous urgency. I have come to call for redemption by our Congress of the pledged words of the United States. Unless our pledges to the Philippines are redeemed, we might as well shut up shop in the Far East.

"We are pledged, by act of Congress, by the written and spoken words of the President of the United States, and by our national conscience, to bind up the wounds inflicted on the Philippines through our war with Japan. We are pledged to grant the Islands their independence on July 4. *That* pledge will be kept. But we are also pledged to prepare the Islands for independence and to insure establishment there of a free and democratic republic, which also means a prosperous, going nation. Toward that pledge we have shown strange indifference.

"The Philippines today exist in an economic blind alley. Goods are pouring in. Nothing to speak of is moving out. Filipinos are living on madework, on service charges to our swiftly-disappearing GI's and on expectations. They are not living on economically work. That we have denied them by our inaction here.

"We are not asking, on behalf of the Philippines, for a huge money grant to compensate for the damage of war. In a real sense, I cannot estimate what such a bill would be. It would be several billions of dollars, perhaps ten. But that would be uneconomic. It would not accomplish our purpose, which is rehabilitation of the Philippines. Money is not the answer. The answer is trade, the answer is production, the answer is resumption of private enterprise, of building and growing. The Philippines grow products we need; most of their products are not competitive with ours. What we must do is to provide conditions under which production can go forward. We must restore to the Philippines their pre-war economic status. I think our obligations extend beyond that, but I won't go into that matter for the moment.

(Continued next page)

(Continued from page 19)

"Free trade is the answer, an opportunity for the Philippines to market their produce in the United States, without tariff charges for as long as it is absolutely necessary to help the Islands get back on their feet economically. Then we can begin to require that their economy be adjusted along independent lines. That is the Philosophy of the Bell Bill, now in the House Ways and Means Committee, where it has been for two months. No real rehabilitation can be begun in the Philippines until that bill is passed. Its passage is now overdue. To delay further in its enactment would be to disregard the fundamental needs of eighteen million people who sacrificed everything to be our allies and faithful wards during the war. It would be to justify everything the real collaborationists and Jap-lovers and racial extremists said about us during the war. It would make our entire policy in the Orient a mockery. And make no mistake, both our friends and our enemies in the Orient, and in Europe, are watching what we do in the Philippines. They are ready to make capital of our failure, if we should fail. While you in the United States hear very little of what is going on in the Philippines other countries hear a great deal. Foreign news agencies are well represented in the Philippines.

"There is another bill in Congress that must be passed. That is the Tydings War Damage Bill, authorizing four hundred and fifty million dollars for payment of physical war damages. The payments are to be on a basis of approximately 70% of the extent of the damage. This is another *must*, although without the Bell Bill as an economic charter, the Tydings Bill cannot succeed in its avowed purpose.

"We have many problems in the Philippines: enemy collaborationists, care of veterans who fought for us, agrarian reform reestablishment of sound financial institutions, guerrilla currency, and the strengthening of the Philippine Government. We cannot proceed with any of these problems unless Congress redeems our basic obligations. It would be fruitless to move for the presentation and the improvement of democratic forms in the Philippines, if we are not going to let the Filipinos have the means of economic survival."

USCC Head Announces Textiles Received

Mr. Warren G. Libbey, head of the U.S. Commercial Company, announced today that the first large shipment of textiles to be received in the country from the United States since the outbreak of the war, has arrived in Manila in three ships.

The entire shipment consists of green herringbone twill, the same cloth of which GI fatigue clothes are made, Mr. Libbey said, adding that it is good, strong quality and particularly adaptable for work clothes. Mr. Libbey believes that the quantity will substantially aid in providing clothes for workmen not only in the Manila area but also in the provinces.

The USCC has worked out a plan of distribution so that this cloth will be available to the public at reasonable prices, Mr. Libbey said. Each wholesaler will file with the company a list of his retailers with their addresses. These will be furnished to the Commonwealth Government Price Control Administration. Mr. Libbey anticipates receiving accurate names and addresses of the retailers because high quality textiles will be received in the future by the USCC, and Mr. Libbey remarked that the dealers involved would be anxious to maintain their standing with the company.

"The public must assist in price-control enforcement," a staff-member of the High Commissioner commented, "by refusing to buy at prices higher than ceiling, plus a reasonable transportation charge in the provinces. It takes two to make a black market," he added, "and unless the individual purchaser realizes his responsibility, refuses to buy at black market prices, and reports all violations to the proper authorities, no plan of distribution, no matter how carefully guarded and set up, will be effective."

The prices per yard in Manila, according to width, are as follows:

27"	P1.30½
28"	P1.36
29"	P1.40½
31"	P1.48½
32"	P1.53
33"	P1.57
34"	P1.63
35"	P1.67
36"	P1.70
37"	P1.75½
38"	P1.81
39"	P1.86
48"	P2.29½

Mr. Libbey announced that the foregoing prices will be slightly higher in the provinces, due to transportation and re-handling charges.

The goods were brought in by the USCC, which procured the textiles from Army stocks in the United States, for the Philippines, when importers found it impossible to place orders because of an acute shortage. Besides releasing the material through importers with established outlets, who will work on a small commission paid by the USCC, a substantial quantity of the material will be distributed through the National Trading Corporation, a Commonwealth entity, Mr. Libbey said.

PEACE AND ORDER (Suggestion of a Farmer)

There is an old adage that with a nail only may another be unnailed. Also there is the modern fact that with a stronger force may all scattered wicked forces flagrantly assail peace and order everywhere be suppressed. The war that just passed over is the proof of this assertion.

Perhaps this is easy to say but hard to realize so that in this tangled question of peace and order in which so many efforts have failed and never succeeded to minimize the general impression of fear unless radical measures are taken, it will never come to an end. Under the present circumstances the following steps are recommended:

1. While the government is re-collecting all unlicensed firearms, expansion and impetus be given in licensing more firearms in favor of responsible and law abiding citizens for their personal protection.

2. Establishment of up-to-date Gun Clubs in every municipality, organized by civic citizens who are eager to defend and protect their lives, properties and happiness against marauding assailants, hold-up men and the bunch of malefactors.

3. Creation of well trained, truly honest and real brave Rural Mounted Police as they used to have in Canada and other countries. In the enlistment of officers we should be unmindful of those who say that a "dead police receives no salary" and other alibis fearing to face danger.

With this organization working at night will eradicate all desperado assailants, hold-up-men, etc.

Our peasants in the field shall remain happy again, unmolested, with their farm products in the barns and pet animals resting in the corrals, and sure to wake up the next day under the same helping sun that warmed the day before.