

as pollen from the Virginia plants produces a more yellowish color in the native tobacco. La Union tobacco especially is very much appreciated abroad, and with a mixture of Virginia, it might lose some of its burning qualities.

One of the principal difficulties in cultivating Virginia tobacco is obtaining genuine seed. Most Virginia-growing States in America prohibit the exportation of their seed. Local seed tends to affect the native tobacco for the reason stated.

Prices of local Virginia were rated at ₱1.80 to ₱2.60 per kilo for the highest quality, and from ₱1.60 to ₱2.00 per kilo for the lower quality. Local manufacturers claim that some of the local Virginia is good, but that not enough time is given to maturing it. In the United States it is considered that the ideal time between planting and manufacturing is three years, while in the Philippines, tobacco of this year's crop will be used immediately by the factories.

Cigar and Cigarette Factories. Local factories are very much alarmed over the increase in "colorum" (illegal) cigarettes which are sold in many provinces without internal revenue stamps, making for a stiff competition for legal factories which pay all the taxes. In several provinces, even those near to Manila, such as Batangas, "colorum" cigarettes are being sold without any apparent interference by the proper authorities. Some factories are called "50/50 colorum", that is, they sell some of their products with stamps in the city of Manila (where there is a certain vigilance) and the "colorum" in the provinces. The estimated loss to the Government is figured at about ₱28,000,000 annually.

Rice

By CHARLES O. HOUSTON, JR.

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THE month of August opened with characteristic vigorous action by President Magsaysay when he ordered the Philippine Constabulary to be used in a campaign against rice profiteers and hoarders. At the same time he requested legal advice as to whether or not he could fix and enforce low prices for this commodity. This move was prompted by the quite evident failure of the NARIC and the PRISCO to halt the rapidly rising prices throughout the nation noted during July (see this column in the July issue of the *Journal*). A day following, the President castigated Juan O. Chioco, manager of NARIC, for the situation in connection with the so-called "rotten rice" purchase (which was hinted at in our column for July), in which some 32,000 tons of edible rice, classified as "rotten", had been sold by the NARIC to the Farm Implements and Machinery Co., at a great financial loss to the Government. The *Bulletin* in its editorial for August 5, entitled "A National Conspiracy", echoing this column's observation, in July, stated that mis-management and hoarding is practiced by a large number of people including "men of substance and influence". This observer, as well as journalists who have become increasingly concerned over the situation, have been reluctant to pinpoint responsibility and it was only on September 7, that what many have believed might be the case appeared in the local press (see *Manila Times* article, col. 3) which reported the indignation of the President "over the alleged attempts of certain members of the NARIC board of directors to sabotage his efforts. . ." and "who have deliberately abetted rice profiteers and speculators. . . by delaying action. . ." The press also stated that it was reported that the President was ready to dismiss "particularly those NARIC board members who are large landowners' and have been known also as big rice producers".

Replying to criticism, several officials, as reported in the *Bulletin* (August 6 article, col. 4), attempted to shift the blame to the Budget Commissioner for refusing

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“to release the funds needed for a newly authorized price enforcement agency”,—patently incorrect in view of the legislation and authority granted in the past for this activity. One official was reported to have stated that Aytona was reluctant to release funds for this agency because “this was useless”,—an observation completely justified in the light of past efforts along this line.

The investigation, throughout the month, of the activities of the NARIC (whose abolition was recommended by former director Belmonte), revealed a situation not likely to enhance its reputation in the eyes of the consuming public and, to complicate matters, the month saw also severe criticism directed against the ACCFA for alleged failures in the provinces where rice stocks were being bought up by NARIC in a vain effort to lower the price in large consuming areas, leaving few enough stocks needed for producing-areas which were hard-hit by the severe drought that continued throughout much of the month. The President established new ceiling prices (70¢ per ganta, wholesale, imported, macan equivalent, NARIC old stock, remilled; 75¢ per ganta, retail) on August 10, after receiving a list of alleged hoarders who were holding some 3,500 cavans (or about 1/4 of the monthly Manila consumption).

Each week during the month saw an increase in price: The first week was marked by an increase in all varieties (except 2nd class wagwag and stocks from Davao), ranging from 10¢ to 50¢ per sack, macan *palay* increasing by 70¢ (to ₱9.70,—44 kilos), and wagwag *palay* increasing by the same amount to ₱11.70. The second week saw increases in all varieties (except Thailand and 1st and 2nd macan) ranging from 10¢ to ₱1.00 per sack, with macan 2nd class being unquoted on the market (with stocks apparently being held by millers who were reluctant to release them in the face of ceiling prices). This Thailand rice is generally considered by dealers as 2nd class macan, and was sold at this time at a loss of 20¢ per sack (₱18.40-₱19.30). The third week saw an increase in the old crop ranging from 50¢ to ₱1.00, per sack, which caused the new crop (from Davao and Cotabato) to follow this level, ranging from 5¢ to 30¢ per sack (for macan and wagwag, elonelon being absent from the market). During this third week, President Mag-saysay ordered the immediate sale of 2,600 tons of edible rice selected from the old imported stocks in NARIC bodegas at a wholesale price of 55¢, and retail price of 60¢, per ganta; he ordered also the use of the facilities of the PRISCO to distribute this rice in the provinces, where prices soared to an alarming degree during that week and the last week of the month (especially in the Bicol, the Ilokos region, Isabela, some eastern Visayan regions, and southern Luzon). Despite this move, prices continued their rise, and by the first of September had reached calamity proportions, causing the President to issue a proclamation declaring the existence of a calamity in Negros on September 3 and to direct the Constabulary to take stern steps in that province to meet the situation.

The drought suffered by rice-producing regions throughout the month was one of the most severe in recent years and may have exerted an inflating pressure on prices, which rose the sharpest in provincial centers. By September 5, the price of *ordinario palay*, in Nueva Vizcaya, had reached ₱11.00, a rise of ₱1.30 in one month, and, in areas where “Magsaysay rice” was as yet unavaible, retail prices of first class macan had reached ₱1.10-₱1.15. Elonelon and first-class wagwag were absent from the market.

The effects of this drought upon futures will be severe. Planting took place extraordinarily late (in non-irrigated sections), which will mean a delayed appearance of the first crop for 1954-55, and will undoubtedly mean a shorter crop than the previous year. This increases the danger to the crop from late typhoons, since major producing areas fall in the zone of 16% to 32% typhoon-frequency (the greater percentage of which occur during the months of October and November—78 out of 123 major typhoons

between 1903-1934 occurring in the months August-November). If the "unusual" weather characteristic of 1954 continues, perhaps the farmers will be spared the disaster attendant upon these typhoons, but certainly importation of stocks will be necessary and this will have to achieve a fine balance between need on one hand and danger to price levels for local producers on the other. It would seem, therefore, that a high level of prices can be expected for the remainder of the year.

This column repeats its recommendations of July and adds an additional one: the pump irrigation program of PHILCUSA should be accelerated even beyond the goals already established.

RICE PRICES
(Per sack-56 kilos)

Week of:	Aug. 2-7	Aug. 9-14	Aug. 16-21	Aug. 28
Macan				
1st class:	20.00-21.00	20.50-21.00	20.50-21.50	Unquoted (P11.00)r
2nd class:	19.50-20.50	20.00- Unq	Unquoted	"
		19.50 20.50	19.50-20.50	"

Elonelon	Aug. 2-7	Aug. 9-14	Aug. 16-21	Aug. 28
1st class:	22.50-23.00	22.50-23.50	23.00-Unq.	Unquoted (but rising)
2nd class:	21.50-22.50	22.00-23.00	22.50-Unq.	"

Wagwag	Aug. 2-7	Aug. 9-14	Aug. 16-21	Aug. 28
1st class:	23.00-24.00	23.00-25.00	24.00-26.00	26.00-27.00
2nd class:	22.00-23.00	22.00-24.00	23.00-25.00	25.00-26.00
Davao:	21.00-22.60	21.60-22.80	21.60-23.00	23.50-24.50
Cotabato:	unq.	23.00-23.50	23.00-24.00	24.50-25.00

Week of Aug. 2-7:	This week	Week Ago	Month Ago	Year Ago
Macan: 1st class:	20.00-21.00	19.50-20.50	19.20-19.50	18.80-19.30
2nd class:	19.50-20.50	19.00-20.00	18.80-19.10	18.30-18.80
(Palay—Ordin.):	9.00- 9.70	9.00	8.50 9.00	8.50- 8.80

Week of Aug. 9-14:	This week	Week Ago	Month Ago	Year Ago
Macan: 1st class:	20.50-21.00	20.00-21.00	19.20-19.50	18.50-19.30
2nd class:	20.00-20.50	19.50-20.50	18.80-19.10	18.00-18.80
(Palay—Ordin.):	9.70	9.00	8.50- 9.00	8.80

Week of Aug. 16-21:	This week	Week Ago	Month Ago	Year Ago
Macan: 1st class:	20.50-21.50	20.50-21.00	19.20-19.50	18.80-19.30
2nd class:	unquoted	20.00-20.50	18.80-19.10	18.30-18.80
(Palay—Ordin.):	9.70 (r.)	9.70	9.00	8.50- 8.80

Aug. 28:	1st class:	2nd class:	Palay (Ordin.):
Macan:	unquoted	21.00-21.50	19.50-20.00
(Palay—Ordin.):	9.70-11.00	9.70	9.00
			8.50- 8.80

RICE and PALAY (Per ganta)

Week of Aug. 2-7	Week Ago	Month Ago	Year Ago	Pre-war (1941)
Macan: 1st class:	.95	.93	.93	.29
2nd class:	.90	.88	.85	.29
Wagwag:				
1st class:	1.15	1.15	1.15	1.20
2nd class:	1.07	1.05	1.05	1.10
Elonelon:				
1st class:	1.06	1.03	1.03	1.08
2nd class:	1.05	.98	.98	1.03
Palay (Ordin.):	.48	.48	.48	.55

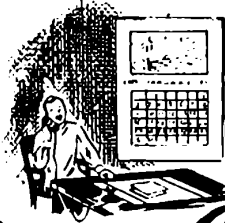
Week of Aug. 9-14:	Week Ago	Month Ago	Year Ago	Pre-war (1941)
Macan: 1st class:	.95	.93	.93	.29
2nd class:	.90	.88	.85	.28
Wagwag:				
1st class:	1.15	1.15	1.15	1.20
2nd class:	1.08	1.07	1.05	1.10
Elonelon:				
1st class:	1.08	1.06	1.03	1.08
2nd class:	1.03	1.05	1.98	1.03
Palay (Ordin.):	.48	.48	.48	.55

Week of Aug. 16-21:	Week Ago	Month Ago	Year Ago	Pre-war (1941)
Macan: 1st class:	.95	.93	.93	.29
2nd class:	unq.	.90	.88	.28
Wagwag:				
1st class:	1.15	1.15	1.15	1.20
2nd class:	1.08	1.08	1.05	1.10
Elonelon:				
1st class:	1.08	1.08	1.03	1.08
2nd class:	1.03	1.03	.98	1.03
Palay (Ordin.):	.48	.48	.48	.55

Aug. 28:	1st class:	2nd class:	Palay (Ord.):
Macan:	(1.00-1.10)		
Palay (Ord.):	(.50-.55r)		

NOTE:
 Each cavan of palay weighs 44 kilos.
 Each cavan of rice weighs 56 kilos.
 "r" stands for "rising"
 "o" means "opening"
 "c" means "closing"
 "Unq." means "unquoted" and indicates that the item was not carried in market quotations because of either uncertain supply (or absence of supply) or that prices were rising so rapidly they could not be averaged.
 All quotations are based upon weighted averages (from a distributional pattern) and in some areas and in some markets (even in Manila) will be at variance with actual prices quoted by sellers. The so-called "Magsaysay rice" (selling at .60 per ganta) is not included in these quotations, since it is released only at the NARIC center.
 Figures in parentheses are those secured by the writer (as of September 5) from local division markets and from provincial sources.
 "Ordinario" when used with "palay" indicates the classification of the raw rice as it is generally sold.

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