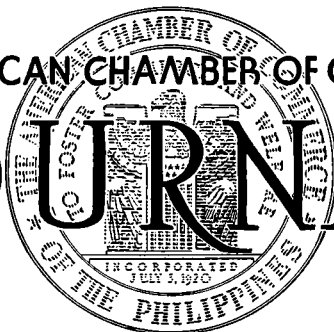


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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Contents

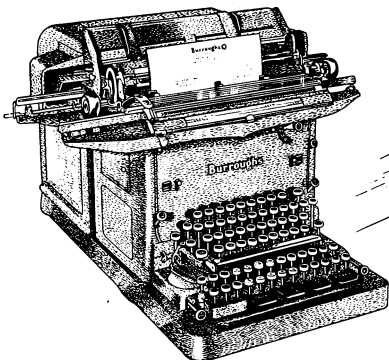
Editorials—

The Iran Oil Dispute.....	179
The "De-control" Dilemma.....	180
The E.C.A. Agreement and Import Control.....	181
"Report and Recommendations of the Advisory Committee on Large Estates Problems".....	181

Highlights of the Landed Estates Committee Report.....	C. M. Hoskins.....	182
--	--------------------	-----

The Business View—

Office of the President of the Philippines.....	Official Source.....	183
Banking and Finance.....	G. A. BENSON.....	184
Manila Stock Market.....	A. C. HALL.....	185
Credit.....	W. J. NICHOLS.....	186
Electric Power Production.....	J. F. COTTON.....	186
Real Estate.....	A. VARIAS.....	186
Building Construction.....	J. J. CARLOS.....	186
Port of Manila.....	R. L. MOORE.....	187
Ocean Shipping and Exports.....	J. G. LLAMAS.....	188
Mining.....	N. N. LIM.....	188
Copra and Coconut Oil.....	K. B. DAY AND D. C. KELLER.....	189
Desiccated Coconut.....	H. H. CURRAN.....	190
Sugar.....	S. JAMIESON.....	191
Manila Hemp.....	F. GUETTINGER.....	192
Tobacco.....	L. A. PUJALTE.....	193
Imports.....	S. SCHMELKES.....	194
Food Products.....	G. L. MAGEE.....	195
Textiles.....	W. V. SAUSSOTTE.....	196
Legislation, Executive Orders, Court Decisions.....	R. JANDA.....	199
U. S. Government Agencies—U. S. Veterans Administration.....	U. S. Information Service.....	202
Cost of Living Index, 1946-1951.....	Bureau of the Census and Statistics.....	204
The "Let Your Hair Down" Column.....		205



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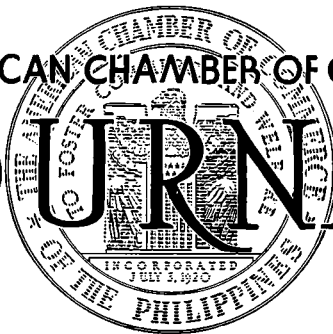
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THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

“... to promote the general welfare”

It is a dangerous thing that the Washington State Department, in the serious Iran oil dispute, is again displaying an attitude which may be and no doubt is being interpreted as indicating that it lacks the courage of its convictions.

The Iran Oil Dispute

On May 19, the State Department in a formal note “appealed for friendly negotiations between Iran and Britain to keep oil flowing to the ‘free world.’” The note also stated, more firmly, that “the United States would ‘strongly oppose’ any arbitrary action”.

A “National Front” leader declared that this was “American interference” and another Government spokesman said that “Britain and the United States are pushing Iran closer to Russia and a communist revolution by opposing oil nationalization”.

A few days later Secretary of State Dean Acheson told a press conference that he was “greatly surprised at Iranian resentment”.

“He said that the United States had absolutely no intention to challenge Iran’s sovereignty or oppose her right to control her natural resources such as oil, but he reaffirmed the American Government’s hope that Iran would not take any unilateral confiscatory action against British oil interests there. The Secretary said that he hoped the Iranians would realize that the United States is their sincere friend. He added that the United States had helped Iran in the past and intended to do so in the future...”

On the 25th, the Iranian Government sent an “ultimatum” addressed to the “former” Anglo-Iranian Oil Company, giving this company, which is controlled by the British Government, one week “in which to talk things over or face nationalization with no representation at all”.

“The ultimatum referred to the Iranian note of May 20, which informed the Company that Iran was prepared to discuss ‘legitimate claims’ by the A.I.O.C. and called for the appointment of a British representative immediately”.

Probably no one in the Philippines is, or could be, fully informed as to details of the situation in Iran. It is known that the cost of oil production there is low, as compared to the costs in other oil regions, and that the royalties and taxes paid by the British company might well be higher.

But ignorant as one may be of details, there are certain principles, accepted by the whole civilized world, which, legitimately applied, will lead nevertheless to clear and correct conclusions.

In this case, a formal, legal agreement exists,—a 60-year concession negotiated in 1933 (a revision of the original 1901 agreement), duly and voluntarily entered into between the two parties, and this can obviously not be violated by either party.* If the agreement allows for possible future nationalization at all, then this could justly be effected only by mutual agreement and upon due compensation which, actually, the Iran Government would be quite unable to pay. British investments in the Company are said to come close to \$1,000,000,000, and such vast amount, or, for that matter, any capital, may not just be confiscated and appropriated by any government or government administration. That is not “nationalization”, but simply a crime, and the bolder and vaster the robbery, the greater the crime.

To think that any great corporation, representing thousands of stockholders, and especially a corporation 56% of the stock of which is held by a powerful government, would tamely submit to such a criminal attack, is impossible. That there will be and must be resistance is a foregone conclusion.

But more than that, the present dispute affects not merely a corporation, or the British Government, but the interests of the whole world as by far the greater part of all the oil used in Europe, both crude and refined, comes from the Near East and the Iran production is the largest in all of the countries of that region. There is furthermore the danger that the Iran example will fire the “nationalists” in these other countries, where American oil companies also have large holdings. Military authorities state that without the oil from the Near East, “Europe would be well-nigh indefensible”.

*A Supplemental Agreement in 1949, rejected by the Persian parliament, would have raised the Company’s contribution last year to 43% of the total budget revenue of the country.

If it were merely a matter of keeping the Iran Government within proper bounds, the situation would not be so serious. Reason could be brought to bear, for this "nationalization," even if it could legitimately be carried out, would not be of any advantage to Iran itself, and if reason proved ineffective, then political pressure; certain police action could be taken if necessary. But what is most vicious about the situation is that the Iran extremists who appear to control the Government are making use of the menace of the world-threatening Kremlin regime as a shield in this gigantic looting attempt. An anti-Russian newspaper in Teheran has already reported that "a large number of Russian officers and civilians are slipping in disguise into northern Iran to commit crimes and stir up further unrest." It has been authoritatively said that Russia could do the West more harm in Iran than on almost any other front.

There can not be the slightest question that the loss, or even the threat of the loss, to Russia, of Western control over the Iran oil industry would precipitate another world war.

That being so, this is no time for any mousy words. Britain and the United States, together, should make it absolutely clear that they will not permit the Iranian Government to continue on its present course, both because it is wrong in itself and because it holds such terrible danger to the entire world.

Great wisdom as well as common sense is frequently embodied in everyday speech. The expression, "nip in the bud", means to check some evil sharply as best to prevent its progress or fulfillment. That is what should be done in Iran, and our Government should not wait until the bud unfolds any further.

This no time to speak of our own friendship and good intentions and of merely our hopes. The United States must tell Iran, and Russia, too, exactly where we stand, and take immediate action if that does not suffice.

AFTER the foregoing editorial was written, press reports indicated that the American State Department attitude was stiffening. Later, President Truman himself addressed a letter on the subject to the Iranian Premier.

During the month, an old textile importer called our attention to the fact that he had noted from a list published

The "De-Control" PRISCO has issued a large number of licenses for the importation of cotton thread. He took the trouble to add up the dollar amounts,—the items together made a two-foot-long strip on the adding-machine, and the total came close to \$2,000,000. Later we learned that with other licenses issued for cotton thread lately, the total comes to around \$4,000,000,—far in excess of any present needs and enough, in fact, for two whole years.

Formerly, cotton thread was imported principally by only five firms, all of them with long experience in the business. Now, under government encouragement, there are hundreds of new importers of this item, very few of whom know what they are doing. Due to the artificial scarcity in thread, brought about, as in other such cases, by the Import Control, many of these new importers, seeing visions of great profits, have applied for licenses to import this item. Wise importers, looking at the lists in the newspapers, will probably cut down their orders, but many of the new importers will not. The result will be a glut, prices will go 'way down, and many persons will "lose their shirts."

Such over-ordering,—and other examples could be cited, and its results, may serve as a salutary lesson, but the general effect will be bad because it means at least a temporary destruction of good business in various lines of import, the bankruptcy of many inexperienced importers, and a useless waste of much-needed dollar-exchange.

The sudden "de-control",—or, rather, relaxation of control within definite limits, forced as this was because of the dangerous scarcities and the exorbitant prices brought about by past control policies, now also threatens great loss to those importers who ordered goods during past months. Licenses then were almost impossible to get legitimately, and they were virtually forced to pay high premiums for them, in order to stay in business at all, to the so-called "ten-percenters" who obtained them through various illegitimate means. These importers calculated on being able to cover this added cost in the prices they would be able to charge under continuing conditions of scarcity. The threatened flooding of the market now, at least in some lines, will catch them with dearly bought merchandise which they will not be able to dispose of except at a large loss. We have been informed that this situation is worrying Manila bankers.

As for the license-peddlers, who have been obtaining licenses not with the intention of importing themselves but merely to sell at a high premium to bona fide importers, these people are now unable to dispose of them and, having paid the two-percent license fee, are at much out of pocket. It is said that instead of demanding several thousand pesos for turning over a license to an importer, they are now offering a few hundred pesos to the importer to take it off their hands, as in this way they will cut their loss! That these parasitic intermediaries should get their fingers burned is one good thing in the situation.

Yet harmful as any present over-ordering may be, what else can PRISCO and the Import Control Office do now to relax the controls which have created such havoc with business and driven up prices to such impossible heights?

Were PRISCO, in the case of cotton thread, for instance, to take a past annual importation figure and announce that it would release licenses only up to that amount in value, the mad scramble for these limited licenses would start all over again and the ten-percenters would have another heyday. It is indeed far wiser for PRISCO to do just what it is doing,—throw the field as open as possible, even at the cost of the damaging effects which we have pointed out. And certainly it is not the function of PRISCO, or of the Import Control Office, to advise importers as to the wisdom or unwisdom of their orders; if that were made a function, it would be found a super-human one.

In coming to such a conclusion, it may be thought that this editorial lacks point as it seems that we have argued both against continuing the controls and against relaxing them.

Actually what we have done is to show that the Government is impaled on the two horns of a dilemma. Government trade controls do great damage at the time they are imposed and while they are imposed, and they do renewed damage when they are relaxed or removed.

The imposition of government controls over the automatic, delicately adjusted, self-regulating system of free enterprise, is always too coarse and rude an interference. It is like suddenly jamming on the brakes on a smoothly moving vehicle. Then, when the brakes are removed, further damage is done as the vehicle again leaps forward.

The bull's horns wound as they pierce the body, and they wound again when they are withdrawn.

In last month's issue of the *Journal* we reprinted in full the "Economic and Technical Cooperation Agreement" between the American and Philippine Governments. This Agreement was signed by President Quirino and Ambassador Cowen on April 27 and was ratified by the Philippine Senate on May 14.

There was no time for comment in last month's issue and at this time there is not much left for us to say except that we are very happy about the Agreement. Judging by what the E.C.A. (Economic Cooperation Administration) has accomplished in Europe, it should accomplish a great deal here. It means aid, and, more than that, aid wisely administered. And, more than that, it means true cooperation; provided, of course, that the Agreement is carried out in good faith by both parties, as we have no doubt will be the case.

There is one important section in the Agreement that gives us especially high hope,—Section 5 of the Annex which is officially an integral part of the Agreement. This reads in part:

"Trade Arrangements

"The Government of the Philippines will cooperate with other countries to reduce barriers to international trade and to take appropriate measures singly and in cooperation with other countries to eliminate public or private restrictive practices hindering domestic or international trade. It is understood that such restrictive practices referred to above mean those which:

(a) Fix prices, terms, or conditions to be observed in dealing with others in the purchase, sale, or lease of any product;

(b) Exclude enterprises from, or allocate or divide, any territorial market or field of business activity, or allocate customers, or fix sales quotas, or purchase quotas;

(c) Discriminate against particular enterprises. . ."

To our mind, this Section of the Agreement outlines several features of the present Import Control, if not, indeed, the Import Control itself,—and precisely those features which have been doing the country the greatest damage.

It will be not merely interesting, but a matter of vital importance to see how this part of the Agreement will be transformed into practice.

We may talk all we like about mechanizing our agriculture, industrializing, etc., and they are important, but

"Report and Recommendations of the Advisory Committee on Large Estates Problems"

and Recommendations of the Advisory Committee on Large Estates Problems".

Such independent small farmers, prosperous and contented, comprise still far too small an element in our population, and far too large an element is that comprised of depressed tenant farmers, victims of absentee landlordism and, too often of late, of criminal communist leadership.

We shall never have a soundly based economy, nor true democracy in this country until the problem presented by this wretched class has been solved, and it can be solved only by transforming it into a class of small farmers working their own land.

The Report alluded to is that of a group of Manila realtors, invited by Dr. Salvador Araneta, Administrator of Economic Coordination, to submit their recommendations on this major economic, and social, and political, problem. The Committee, headed by Mr. C. M. Hoskins,

has done an outstanding piece of work. A short summary of the Report, written for the *Journal* by Mr. Hoskins, is published in this issue.

Reading the Report, one is struck by its comprehensiveness and competence, and one wonders why it never occurred to anyone before to ask a group of trained and experienced real-estate men to submit their recommendations. The Committee merits high praise for its work, but the Manila Realty Board also for offering to make the study, and Dr. Salvador Araneta for promptly accepting the offer.

The *Journal* has touched on the problem in the February, April, and May issues, and facts and figures have been published showing that after the large and successful purchase and subdivision of the so-called friar lands, during the Taft administration nearly fifty years ago, the Government virtually stood still in the matter until 1938 when the Government, under President Quezon, again began the purchase of large landed estates and ultimately acquired some thirty of them, together comprising an area of considerably less than one-third of the area of the Taft purchases. The war, of course, interrupted this activity, but even up to the present time, only 16 of these estates have been subdivided, 8 have been "partially" subdivided or are "in progress" of being subdivided, and nothing has as yet been done in subdividing the other 6, these including some of the largest. And whereas the friar land purchases amounted to around ₱14,000,000, and over ₱25,000,000 was collected from the tenant-buyers, the later, though more limited, purchases amounted to nearly ₱18,000,000, on which, however, only around ₱3,628,000 has been collected.

The Rural Progress Administration, which made and administered these later purchases, was recently abolished by President Quirino and its functions were turned over to a Landed Estates Division created for the purpose in the Bureau of Lands, but the Report of the realtors' committee points out that the Bureau of Lands is not organically suited to administer landed estates problems and instead recommends the creation of some entity for the purpose similar to the National Land Settlement Administration (LASEDECO).

The Report recommends that purchases of large estates in the troubled areas be given priority. It recommends against the purchase, however, of lands of marginal quality unless this is due to the impoverishment of a soil that can be restored. It also recommends in general against the purchase of estates of less than 1,000 hectares in area because this is a sound economic unit for certain types of agriculture. As for the size of the lots to be sold to the present tenants, the Report recommends only such units as can be farmed by one family,—two or three hectares in the case of rice-lands. To avoid the partitioning of such small units into still smaller units through inheritance, the Report suggests that the landed estates agency should be authorized to finance the purchase by the oldest son of the interests of the other heirs.

While it is realized that the Government has done far too little to solve the country's tenancy problems, the Report points out the still more alarming fact that the present manner of disposing of public lands is leading even to an extension and augmentation of tenancy conflicts. Says the Report:

"Some thirty years ago vast areas of public domain in Nueva Ecija were opened up for settlement. Many of these large tracts are now critical centers of tenancy conflicts. A similar situation is developing in Mindanao. The Government should immediately give consideration to this tendency to perpetuate tenancy conflicts and to promote absentee landlordism through the disposition of public lands."

In connection with the landed estates statistics published in this *Journal* in the issues already mentioned, an effort was made to obtain figures as to the number and areas and locations of outside landed estates throughout

* Published by the Office of Economic Coordination.

the Philippines and it was found that no organized data on this matter exists. The Committee discovered this also and recommends that a census of such landholdings be made forthwith, which, it believes, could be done through a microfilming process of assessment and title records, but the writer wonders whether data adequate to the matter could not be obtained more rapidly by a mere listing of the larger landed estates by the municipal authorities throughout the country who could be instructed to send such lists to Manila for compilation.

One of the most interesting and valuable sections of the Report covers the offer of a number of civic-spirited realtors in Manila to form a group to administer a "Landed Estates Pilot Project" if an available estate can be found reasonably near the city. States the Report:

"They do not expect to make any direct profit from their services. They are very eager to see ethical real-estate practices extended to the rural areas, which heretofore have not enjoyed the services of competent real-estate brokers and appraisers. If such a plan were carried out, opportunity would be given for the government officials concerned to observe all details of the operation."

Such a Pilot Project would provide for a practical test of the plans outlined in the Report, and our hope is that the Government will accept the offer and have such a project undertaken without loss of time.

We have not attempted to review the whole Report and even Mr. Hoskins' article in this issue covers only a few of the "highlights". The Report should be read in its entirety and to this end we hope that sufficient printed copies will be made available for the study of all who are interested in the question. Within its field, it ranks with the Bell Report in importance.

Highlights of the Landed Estates Committee Report

By C. M. HOSKINS

Chairman, Advisory Committee on Large Estates Problems

AMONG the many recommendations in the Report of the Economic Survey Mission to the Philippines, popularly called the Bell Mission, there appears the following:

"A broad program should be inaugurated of acquiring large estates at fair value for resale in small holdings to tillers of the soil."

This recommendation was in line with a long-standing demand of the people of the Philippines, which was finally confirmed by the Constitution. The Constitution specifically authorizes the expropriation, with just compensation, of lands to be subdivided into small lots and conveyed at cost to individuals.

Before the war, agencies had been set up to carry out such a program, but progress was slow. The procedures were unsatisfactory to land owners and the results brought little added prosperity to the buyers of lots in the rural estates.

Last February, Dr. Salvador Araneta, Administrator of Economic Coordination, was guest-speaker at a meeting of the Manila Realty Board. The realtors criticized the slow progress of the Government in carrying out this phase of land reform, and Dr. Araneta tossed the problem right back into the laps of the realtors by asking for an advisory committee from among their members to submit a report and recommendations on this major social and economic problem. The Manila Realty Board accepted this challenge to public service, and on February 28, 1951, Dr. Araneta named a Committee consisting of Realtor C. M. Hoskins, as Chairman, and Realtors Quirino Gregorio, L. R. Ildefonso, Celso B. Jamora, and C. S. Gonzales as members. He gave the Committee but a month to submit its report, so it immediately got busy, held numerous meetings, and consulted as many individuals and books and documents as it could, to throw light on the subject. The Report was finished on April 5, 1951, and has now been published. It runs to 68 pages which, only those directly interested in the subject may have the patience to read, but a summary of the Committee's findings and recommendations should be of interest to everyone, even in Manila. We all know that Manila prospers only to the extent that the agricultural sections of the country prosper.

The Committee came to the conclusion that the mere redistribution of land would not alone bring contentment to the small farmer. With it, there must be a distinct improvement in his prosperity-level, through better farming

methods, crop-diversification, more crops per year, use of fertilizer, the extension of irrigation, and subsistence farming. Furthermore, it is stated that an improved social environment is necessary to bring greater contentment to tenant-purchasers, including recreational facilities.

It is recommended that the Government follow the practice of city subdividers in developing an estate properly before lots are sold. Where necessary, irrigation should be provided, barrio roads built, depleted soil restored to richness, and the land otherwise improved, before sale, so that the buyer can start out with a fair chance of success. All of these improvements would be added to the cost of the land, to be paid for over a term of years. By preparing the land for greater production prior to sale, the tenant-purchaser's income would be raised and consequently his paying capacity.

To minimize losses to the Government and to the purchaser, group life-insurance is recommended for all those who buy farms on the instalment plan. Thus, in case of death, the obligation to the Government would be met, and the widow or children would obtain a clear title to their farm.

The Report emphasizes the "Family Farm,"—of a size sufficient to support one family, as the basic unit of estate subdivision. Yet to bring about a distinct rise in the living-level, supplementary occupations are needed. The Committee recommends an aggressive campaign to encourage home industries as a means to this end; also the encouragement of industrial enterprises to locate in rural areas.

Heretofore purchasers of lots in landed estates have been given 10 years in which to pay. This has proved so unrealistic that an alarming percentage of buyers are today far behind in their payments. It is therefore recommended that this term be changed to 30 or 40 years, which would bring the annual payments closer to the paying capacity of the small farmer. It is also urged that sales-contracts heretofore entered into be amended to grant this longer period of time.

The financing of estate-purchases is given considerable attention. Competent valuation before attempting a purchase is emphatically recommended. The basic policy of the Government should not be to determine how cheaply an estate can be acquired by forcing the owner to sacrifice values, but rather to discover what would be a fair and just price as determined by expert valuation.

The Business View

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

Office of the President of the Philippines

From an Official Source

MAY 1—President Elpidio Quirino signs House Bill No. 1569 extending the Price Control Law for another year,—up to June 30, 1952.

May 2—In a brief talk with newsmen, President Quirino states that the Government intends to press its reparation claims against Japan.

"If Japan is not at present in a position to make good the original \$8,000,000,000 reparation claim of the Philippines, it could at least start considering payment of the \$2,000,000,000 unsatisfied private war-damage claims filed by Filipinos."

Regarding the distribution of fertilizers to be received here shortly in connection with the ECA assistance program, he states it will be undertaken by a committee of representatives of the Philippine Council for United States Aid and the ECA Special Mission here, proceeds of the sale to go to the Counterpart Fund.

May 4—The President signs the Death and Disability Gratuity Bill before 5,000 cheering servicemen of the Armed Forces of the Philippines brought together at Malacanang for the occasion.

The President confers with Secretary of Economic Coordination Salvador Araneta and Secretary of Justice Jose P. Bengzon on the recent resignation of Col. Andres Soriano as General Manager of the Philippine Air Lines.

May 5—The President on receiving a delegation of the Philippine Air Lines' employees association, states that the Government wishes to retain the services of Colonel Soriano as general manager of PAL and is trying to persuade him to remain.

May 7—The President tells a group of wives of officers and men of the 10th Battalion Combat Team in Korea that replacements are being sent there as fast as the available transportation makes this possible; two fresh companies have already reached Korea and two more are on the way.

The Committee proposes that bonds be floated to finance estate purchases, believing that if the terms are made attractive, there would be a local market for such bonds. To make them attractive, it is proposed that they should be tax-exempt, and pegged to the dollar.

The Advisory Committee warns the Government against permitting new agrarian problems to develop or to spread in selling large tracts of the public domain. Such problems are already becoming acute in parts of Luzon and Mindanao which not so long ago were public domain. Buyers of these public lands are steadily extending the traditional tenancy system to these new holdings!

Hand in hand with landed estates redistribution, the Committee calls for better enforcement of tenancy laws, and better rural-credit facilities. It advocates converting the rural money-lenders into rural bankers by giving them rediscount facilities sufficient to make rural banks highly profitable. The Committee criticizes past attempts to extend credit to small farmers, as being centralized in Manila or entrusted to municipal employees without sufficient training. It believes that rural banking facilities should be operated at the grass-roots level by capitalists who know local values and local credit reputations. Manila intervention should be largely in the rediscounting of the loans made by the rural banks.

One difficulty that confronted the Advisory Committee was the lack of adequate factual data on the extent of large landed estates operated under the *kasama* or tenancy system. No long-range program is possible unless the probable total financial and operational needs are known. The Committee knows that there is agrarian unrest of a dangerous character in many estates operated under the

May 8—Malacanang announces the reinstatement of suspended Governor Vicente L. Pimentel of Surigao following his acquittal by the Court of First Instance of a charge of arson.

Following a Cabinet decision favoring the move, the President instructs Secretary of Foreign Affairs Carlos P. Romulo to negotiate with the United States Government toward securing title to the sunken ships in Philippine waters. Because of United States claims of ownership, the Philippine Government has been unable to clear Manila Bay of these derelicts considered a menace to navigation.

May 10—The President appoints an eleven-man committee to study the draft of a peace treaty with Japan proposed by the United States, composed of a number of members of Congress and of the Cabinet and Judge Guillermo Guevara and Mr. Gil Puyat.

The President refers the draft of a management contract to be entered into by the Government and Colonel Soriano to Secretary of Justice Bengzon for study.

May 11—Following a Cabinet discussion, the President signs instructions to the Price Stabilization Corporation "de-controlling" 19 types of imports as against some 40 items as recommended by the Monetary Board, Secretary of Commerce and Industry Cornelio Balmeida and Secretary Araneta pointing out that certain of the Board's items were already "de-controlled" or not subject to any "ceiling".

May 12—The President attends the inauguration of Roxas City (formerly Capiz) and delivers a tribute to the late President. The President signs House Bill No. 1382, which becomes Republic Act No. 613, authorizing the President of the Philippines "to control, curtail, regulate, and/or prohibit" the exportation or reexportation of materials and supplies including foodstuffs and medicines suitable for military use.

Following the decision of Judge Oscar Castelo, of the Manila Court of First Instance, yesterday, ending a 6-months' trial and condemning 6 communist "politburo" men and women to death, 9 others to life imprisonment, and 11 more to shorter prison terms, 3 others being acquitted, on charges of rebellion, with multiple acts of murder, robbery, and arson, the President certifies as urgent two bills before Congress which would increase the penalties for the crime of rebellion and insurrection and augment certain powers of peace agents.

tenancy system, but how many such estates there are and how many people are involved nobody knows. Therefore an immediate, speedy, complete, and inexpensive census of land-holdings throughout the Philippines is recommended. This, it is thought, can be done by micro-filming all assessment and title records, and gathering the precise information needed by machine-sorters in Manila.

The Committee briefly reviews the redistribution of land in other countries. The most recent national land reform has been in Japan, where in two years, under a directive of General Douglas MacArthur, the Japanese Government has revolutionized land tenure. The absentee landlord has disappeared and land operated by tenants in Japan has dropped from 46% to only 12% of the cultivable area. In his desire to further democratic processes in Japan, SCAP saw to it that the program was implemented at the municipal level. Over 11,000 municipal agrarian commissions carried out the task. Speaking at the United States Senate hearing recently, General MacArthur declared: "I don't think that since the Gracchi effort at land reform in the days of the Roman Empire has there been anything of that nature quite as successful [as the Japanese land reform]."

The Advisory Committee on Landed Estates Problems considers its Report preliminary in the sense that it was prepared in but a short period of time. Many major phases need amplification and detailed study as to procedures. The members hope that their efforts will prove of some value to the nation. The realtors of Manila are second to none in their zeal to see the rural populations developed into a more prosperous, more contented, and more law-abiding citizenry.

May 13—The President directs Secretary of Foreign Affairs Romulo to initiate action with the American Embassy for the setting up of a joint commission on claims which the two Governments have against each other, as recommended in the Bell Report.

The Philippines has a total of \$282,000,000 pending claims against the United States. This includes the claims of the Armed Forces amounting to \$200,000,000, and \$82,000,000 claims of various units and instrumentalities of the Government, for rentals, damages to property, or services rendered.

May 15—The President signs a number of bills of minor importance.

May 17—The President designates Secretary of Justice Bengzon to investigate charges of trafficking in dollars by certain officials of the Central Bank.

The President, speaking before members of both Houses of Congress gathered at Malacanang for the traditional luncheon, states that the Congressional session which will end tomorrow has been "fruitful of fundamental legislation" and expressed his gratitude to the members for their "cooperation in the Government's program of economic development and military security."

May 18—Congress having adjourned today still dead-locked on the 1952 appropriations bill, the President issues a call for a 10-day special session to open immediately.

The Philippine Embassy in Washington has informed the Government that the United States Congress has extended the period of existing charters of U.S. Maritime Commission vessels to Philippine citizens up to 1954.

May 19—The President, accompanied by Secretary of Defense Ramon Magsaysay, Brig. Gen. Calixto B. Duque, and others flies to Zamboanga on the *Laong Laan* on the first leg of a trip south.

May 20—The President, now on the S. S. *Apo*, visits a number of plantations on Basilan, including that of the American Rubber Company and the rubber plantation of the University of the Philippines there where some 1,000 trees are already being tapped.

May 21—The President and his party reach Jolo.

May 22—The President and his party visit the Turtle Island group, southernmost Philippine outpost, turned over by the British in October, 1947. Later in the day the party reached Sandakan, British North Borneo, and, met by Governor Sir Ralph Hone, is given a rousing welcome.

May 23—The Presidential party leaves Sandakan and visits Cagayan de Sulu.

May 24—The party visits Brooks Point, south-eastern Palawan, and sails for Puerto Princessa.

May 25—The Presidential party returns to Manila by plane. The President informs the Cabinet of his desire to promote legitimate trade between the Philippines and Borneo as this would help to bring the large-scale smuggling between Sandakan and Jolo to an end. He instructs the Department of Health to assign charity doctors to Cagayan de Sulu and Brooks Point where at present the people are without doctors. He instructs the Armed Forces to assign a patrol launch to the area to check the smuggling there.

The President issues Proclamation No. 253 designating the period from July 4 to July 10 as "Fifth Anniversary Week."

May 26—The Philippine Association, a group of leading Philippine businessmen, will observe the Fifth Anniversary Week as "Philippine Achievement Week"; the executive committee is headed by Secretary Romulo who is also President of the Philippine Association.

Malacanang announces that Maj. Gen. Mariano N. Castañeda, who returned from the United States a few days ago, "offered to retire to give a chance to Brig. Gen. Duque to continue his good work as Chief of Staff," and that he is now on terminal leave.

The President instructs Secretary of Commerce Balmaceda, who leaves today for Montreal, Canada, to head the Philippine delegation to the International Civil Aviation Organization Conference there, to "establish working relations with Philippine consulates and legations abroad for the active and vigorous promotion of the Philippine export trade".

May 27—Malacanang announces that the Government has granted the request of the Aluminum Fiduciaries, Ltd., of Canada that it be permitted to send a resident representative to Manila to facilitate the introduction of an aluminum-using industry here to supply the local demand for aluminum products; the Company proposes to send Dr. J. C. Hsia, formerly its branch manager in Shanghai. The Government acted on the recommendation of Economic Coordination Administrator Arana.

May 28—The President inducts Florencio Selga as Chief of Constabulary, with the permanent rank of Brigadier General.

May 29—Congress adjourns its special session after passing the General Appropriations (Budget) Bill providing for an outlay of \$366,849,771 during the fiscal year beginning July 1. The Department of National Defense appropriation is the largest,—\$175,760,691, with the Department of Education appropriation as the second largest,—\$135,102,525. [The President originally requested a total of \$415,000,000, and the Bill as passed carries \$15,000,000 less than the original House measure but \$2,000,000 more than the Senate version.] The controversial item of \$500,000 for Malacanang technical advisers, which the Senate reduced to \$250,000, this being the chief stumbling-block to the passing of the Budget, was finally approved in full by the joint

committee. Other money bills, including the \$51,000,000 Public Works ("Porte Barre") Bill, the \$50,000,000 "Counterpart Fund" Bill, \$6,000,000 for expenses in the coming November election, \$25,000,000 for the creation of 10 additional combat battalions, etc., will swell the total outlay for the fiscal year to around \$532,000,000. Government expenditures during the fiscal year 1950-51 were estimated in the Bell Report at \$506,310,000, with an estimated deficit of \$190,750,000.

A breakdown of the general appropriations bill according to the various executive departments and the other branches of the government follows:

1. Ordinary Expenditures:
 1. Senate, \$2,272,120.
 2. House of Representatives, \$4,363,550.
 3. Office of the President, \$6,831,560.
 4. Office of the Vice President, \$7,312,500.
 5. Department of Agriculture, \$1,546,690.
 6. Department of Finance, \$5,999,950.
 7. Department of Justice, \$9,088,350.
 8. Department of Agriculture and Natural Resources, \$4,713,320.
 9. Department of Public Works and Communications, \$11,303,420.
 10. Department of Education, \$124,382,525.
 11. Department of Labor, \$2,649,690.
 12. Department of National Defense, \$119,612,595.
 13. Department of Health, \$1,585,500.
 14. Department of Commerce and Industry, \$3,051,470.
 15. Office of Economic Coordination, \$446,720.
 16. General Auditing Office, \$1,123,420.
 17. University of the Philippines, \$3,267,200.
 18. Philippine Normal College, \$42,720,000.
 19. Central Luzon Agricultural College, \$29,445.
 20. Commission on Elections, \$121,560.
 21. Supreme Court, \$4,180.
 22. Court of Appeals, \$526,170.
- II. Extraordinary Expenditures:
 1. Office of the President, \$476,100.
 2. Department of Finance, \$285,750.
 3. Department of Justice, \$54,120.
 4. Department of Agriculture, \$2,543,800.
 5. Department of Public Works, \$43,200.
 6. Department of Education, \$719,000.
 7. Department of National Defense, \$56,147,056.
 8. Department of Health, \$2,128,250.
 10. Department of Commerce and Industry, \$192,000.
 11. Office of Economic Coordination, \$48,000.

The President instructs Budget Commissioner Pio Joven, Chairman of the Liquidation Commission, to expedite the sale of former Japanese landholdings in Davao to veterans settled there; the lands cover some 34,000 hectares planted to abacá and coconuts.

A three-man committee,—Col. Mariano Azurin, Army Chief of Ordnance, a representative of the Auditor-General's office, and a representative of the private dealers in firearms has been appointed to fix a purchase price for the firearms deposited by local dealers with the Philippine Constabulary at Camp Crame, as it has been decided that the Government will buy the arms for resale to various government agencies that need them. The arms were deposited with the Constabulary following an order in December, 1949, prohibiting the sale to private individuals of arms of more than .22 caliber. Some 13,000 firearms of various types are now on deposit together with some 2,500,000 rounds of ammunition, and the dealers have protested about the loss involved. Some \$2,000,000 will be needed to purchase the arms.

May 30—A new contract is signed at Malacanang with Col. Andres Soriano for the management of the Philippine Air Lines. Secretary of Justice Bengzon signing for the PAL board. Colonel Soriano states the contract reaffirms the powers originally given him and "respects the historic right of management to manage." At the same time the contract continues to recognize, as in the past, the policy-making functions of the Board of Directors.

The President signs the ad interim appointment of Ambassador Domingo Imperial as Chairman of the Commission of Elections, vice Vicente de Vera, deceased. Imperial is now in Djakarta as Ambassador to Indonesia and is expected to return to the Philippines shortly.

The President administers the oath of office to Luis Manslang as acting director of the newly created Placement Bureau of the Department of Labor.

May 31—The President, at ceremonies in Malacanang, receives the credentials of the new British Minister Frank S. Gibbs.

Banking and Finance

By G. A. BENSON
Sub-Manager, Port Area Branch
National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

ASSETS	As of	As of	As of	As of
	Dec. 31 1949	Feb. 28 1951	March 31 1951	April 30 1951
International Reserve.	\$460,689	\$554,565	\$579,119	\$583,098
Contribution to International Monetary Fund.	30,000	30,000	30,000	30,000

(In thousands of Pesos)

Account to Secure Coinage.....	113,306	113,306	107,570	107,570
Loans and Advances.....	77,047	49,418	55,863	47,338
Domestic Securities.....	92,197	164,181	163,088	163,197
Trust Account—Securities Stabilization Fund	—	6,848	6,848	6,848
Other Assets.....	20,390	53,619	56,562	61,208
	P793,629	P971,937	P999,050	P999,259

LIABILITIES				
Currency—Notes.....	P555,576	P655,634	P664,360	P671,052
Due to Coins.....	74,384	91,713	92,680	93,735
Demand Deposits—Pesos	117,682	175,494	194,213	173,224
Securities Stabilization Fund.....	2,000	6,848	6,848	6,848
Due to International Monetary Fund.....	22,498	496	497	499
Due to International Bank for Reconstruction and Development.....	2,389	2,385	2,383	2,383
Other Liabilities.....	2,636	17,461	21,275	33,671
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	10,290	3,105	4,157
Surplus.....	—	1,616	3,689	3,689
	P793,629	P971,937	P999,050	P999,258

CONTINGENT ACCOUNT

Forward Exchange Sold. P	6,460	—	—	—
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THE international reserve again increased in April by P3,979,000. Notes and coins in circulation also increased by P6,692,000 and P1,055,000, respectively.

The small change shortage was somewhat easier during May as the first shipments of the new paper currency in 5-, 10-, and 20-centavo denominations arrived by air. As further shipments are received, the situation should continue to improve.

On May 11 the Government relaxed import restrictions on another long list of essential goods. Government authorities believe that the easing of controls on essential items will not endanger the nation's foreign exchange position due to the appreciable improvement of the international reserves of the Central Bank since December, 1949. This improvement in dollar reserves has been accounted for largely by the favorable trend in foreign trade.

With the relaxing of import restrictions, PRISCO and ICA issued a substantial volume of import licenses with the result that banks made substantial remittances and opened a large volume of credits. The cost of remittances, margins on credits, plus the 17% excise tax on sales of foreign exchange have taken a corresponding amount of cash out of the hands of merchants. Money, however, continues relatively easy.

THE records of the Securities and Exchange Commission show the following amounts of capital actually paid in at the time of registration of new corporate enterprises in the post-war period: 1948—P9,600,000; 1946—P20,600,000; 1947—P25,400,000; 1945—P17,500,000; 1949—P17,300,000; 1950—P44,000,000. The figures for 1950 indicate that import and exchange controls have had a favorable effect in stimulating investments in new manufacturing enterprises as the amount of paid in capital so invested in 1949 was P1,900,000, whereas the figure jumped to P20,000,000 in 1950.

Manila Stock Market

By A. C. HALL
Hall, Picornell, Ortigas & Company
April 23 to May 18

DURING the past two weeks, the inflationary pressures which have been adversely affecting the economy for some months past have perceptibly slackened, and the outlook, meantime, has changed to one of mild

disinflation. In sympathy with the foregoing, also some tightness in the speculative money supply due to tax payments, mining shares have developed an easier tendency.

The local market price for gold has also declined and is now quoted around P145 nominal per fine ounce, as buyers have retired to the sidelines for the present.

In the Commercial and Industrial section of the market, values have held steady to firm, with the leading sugars showing some advances on investment buying.

1950-51 Range	MINING SHARES					
	High	Low	Close	Change Total Sales		
126.83 61.71	M. S. E. Mining Share	104.51	98.12	98.12	Off 3.32	6,253,091
0.295 0.09	Aceite Mining Company	.26	.245	.25	Up .005	367,000
0.05 0.012	Ancojo Gold Mining	.05	.035	.05	Up .015	607,248
0.68 0.26	Atok Big Wedge Mining Co.	.315	.285	.29	Up .005	354,900
0.13 0.04	Baguio Gold Mining Company	.13	.12	.12	Off .0075	570,000
3.50 1.78	Balacost Mining Company	2.15	2.00	2.00	Off 1.5	4,415
0.0051 0.0027	Berong Buhay Gold Mining	.0035	.0035	.0035	Up .0005	100,000
5.30 2.50	Butug Consolidated	5.00	4.50	4.50	Off .60	24,996
0.985 0.212	Coco Grove, Inc.	.0825	.07	.07	Off .01	275,000
0.017 0.0078	Consolidated Mines, Inc.	.017	.014	.014	Off .002	1,730,000
0.25 0.08	Harar Gold Mining Company	.21	.195	.195	Off .01	95,800
0.135 0.042	Itoyan Mining Company	.13	.11	.11	Off .02	303,000
0.08 0.025	IXL Mining Company	.04	.035	.04	Off .005	67,000
0.90 0.17	Lepanto Consolidated	.69	.64	.64	Off .03	41,000
0.05 0.016	Masaka Consolidated	.052	.03	.0314	Up .001	145,000
0.455 0.205	Mindanao Mother Lode	.375	.345	.345	Off .03	408,000
0.20 0.01	Misamis Chromite, Inc.	.014	.011	.014	Off .001	60,000
0.09 0.06	Paracale Guamas Cons.	.09	.09	.09	—	36,000
0.27 0.14	San Mauricio Mining Co.	.205	.205	.205	Off .055	5,000
0.345 0.12	Surgao Consolidated	.28	.255	.255	Off .005	335,750
0.038 0.01	Suyoy Consolidated	.03	.027	.037	Off .003	50,000
0.10 0.045	United Paracale Mining Co.	.085	.0725	.0725	Off .0075	185,500

		COMMERCIAL SHARES					
		High	Low	Close	Total Sales		
P119.00	P78.00	Bank of the Philippine Islands	119.00	119.00	120.00	Up 2.00	40
90.00	55.00	Central Azucarera de Bais	90.00	87.00	90.00	Up 4.00	735
209.00	118.00	Central Azucarera de La Carlota	171.00	165.00	165.00	—	1,419
135.00	90.00	Central Azucarera de Pilar	100.00	100.00	100.00	Up 10.00	65
40.00	20.00	Central Azucarera de Tarlac	33.00	33.00	33.00	Off 5.00	100
235.00	189.00	China Bldg. Corp.	—	—	225.00	—	—
27.00	27.00	Filipinas Cia. de Seguros	—	—	26.50	—	—
—	—	Inular Life Assurance Co.	—	—	5.50	—	—
1.00	.35	Manila Broadcasting Co.	.36	.36	.34	Off .01	55,400
3.80	2.00	Manila Wine Merchants, Inc.	—	—	3.40	—	—
1.00	0.18	Maresman & Co., Inc.	—	—	.20	—	—
0.40	0.25	Maresman & Co., Inc. Pref.	—	—	.25	—	—
0.10	0.085	Mayon Metal 7%	—	—	.085	—	—
0.14	0.085	Mayon Metal 7% Pref.	—	—	.085	—	—
103.00	100.00	Mexico 1/2%	103.00	103.00	103.00	—	T 20
150.00	135.00	Metropolitan Insurance Co.	—	—	143.00	—	—
20.00	20.00	Pasacode	20.00	20.00	20.00	—	1,833
—	—	Peoples Bank & Trust Co.	—	—	65.00	—	—
27.50	25.00	Philippine Guaranty Co., Inc.	—	—	26.50	—	—
0.1075	0.012	Philippine Oil Development Co., Inc.	.012	.012	.012	Off .001	20,000
1.44	1.20	Philippine Racing Club, Inc.	1.44	1.44	1.44	Up .02	2,000
38.00	25.50	San Miguel Brewery	35.00	33.00	33.50	Up .50	35,154
100.00	94.00	San Miguel Brewery 7% Pref.	100.00	100.00	100.00	—	1,983
105.00	100.00	San Miguel Brewery 8% Pref.	104.00	103.00	103.00	—	85
16.00	16.00	Universal Insurance & Indemnity	—	—	16.00	—	—
8.50	6.00	Williams Equipment Co., Corp.	7.00	7.00	7.00	Up .50	356

*-Ex-Dividend
**-Ex-Stock Dividend
Realty Investment

2-Bond sales reported in units of P100

OVER THE COUNTER

	High	Low	Close	Total Sales
Gloco Co., Inc.	P0.04	P0.04	P0.04	32,500
Jai Ajai Corporation	4.00	4.00	4.00	1,540
Manila Jockey Club	2.25	2.25	2.25	522
Philippine Iron Mines—Com.	0.01	0.01	0.01	90,000
Philippine Iron Mines—Com.	70.00	70.00	70.00	541
Realty Investment	5.00	5.00	5.00	1,850
Victoria Milling Co.	180.00	170.00	180.00	672

Credit

By W. J. NICHOLS

General Manager, General Electric (P.I.) Inc.

DURING the past few months, collection problems of indentors and wholesalers have not been too serious. Restrictions in the granting of import licenses resulted in liquidations of working stocks of merchandise on hand and corresponding increases in the amounts of cash available for settlement of debts. As inventories decreased and shortages developed, many importers adopted a strictly cash basis to reduce collection expenses. The last quarterly survey of its members by the Association of Credit Men indicated that almost 37% of sales were for cash while about 80% of receivables were in current condition. On March 31, total trade accounts, as shown by the survey, were equivalent to an average of only 25 days' billing.

We look for an increase in the amount of credit granted in the near future. Recent de-control of certain necessary commodities, coupled with the imposition of the 17% excise tax on purchases of exchange and collection of advance sales-taxes, have all contributed to reduce accumulations of cash. Unusually long deliveries from foreign suppliers may also help to tie up funds and reduce inventory turnover.

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Treasurer, Manila Electric Company

1941 Average—15,316,000 KWH

	KILOWATT HOURS	
	1951	1950
January.....	46,713,000	37,661,000
February.....	37,086,000	33,828,000
March.....	40,117,000	38,107,000
April.....	39,197,000*	35,378,000
May.....	40,420,000**	37,611,000
June.....	37,529,000	35,299,000
July.....	38,774,000	38,774,000
August.....	39,872,000	39,872,000
September.....	38,791,000	38,791,000
October.....	40,657,000	40,657,000
November.....	39,268,000	39,268,000
December.....	41,099,000	41,099,000
Total.....	458,576,000	458,576,000

*Revised
**Partially Estimated

MAY output was 2,809,000 kwh, or 7.5% over May, 1950. The rate of increase over the previous year appears to be slowly decreasing.

During May the United States Army cancelled our contract for the 30,000 kw. Floating Power Plant *Impedance*. At present, plant capacity is sufficient to carry the load but the system reserve capacity has been seriously reduced.

Real Estate

By ANTONIO VARIAS

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

REAL ESTATE sales in the Greater Manila area registered during the month of May numbered 688, with a total value of P6,306,233, as compared with 759, with a total value of P8,676,696, registered during the preceding month of April.

Of the May total, 186, with a total value of P2,586,055, represented deals within Manila proper, while 502 sales,

with a total value of P3,720,178, were sales within the cities of Quezon and Pasay, and in the suburban towns of Caloccan, Makati, Malabon, Mandaluyon, Parañaque, and San Juan.

Among the bigger sales registered during the month in the City of Manila were:

A property with a lot of 537.50 square meters on Azcaraga Street, San Nicolas, sold by Far Eastern Investments Corporation to Antonio Begrado Dy & Company for P265,000;

A property with a lot of 3,217.54 square meters on Recuperada Street, Paco, sold by Isabel Farre Andres to Domingo Yu Chu for P100,000;

A property with a lot of 1,645.39 square meters on Dakota Street, Malate, sold by Jesus Medina to Celestino Mendiola for P100,000;

A property with a lot of 1,328.6 square meters on Legarda Street, Sampaloc, sold by Mariano Tuason y Angeles to Ambrosio Padilla for P80,000; and

A property with a lot of 530.20 square meters on Pennsylvania Street, Malate, sold by Cesareo Grau to Manuel Teves, Inc., for P78,000.

Real estate mortgages registered in the Greater Manila area during the month of May, 1951, numbered 405, with a total value of P6,508,347, as compared with 358, with a total value of P5,289,762, registered during the month of April.

Of the May total, 233, with a total value of P2,754,456, represented deals within the cities of Quezon, Pasay, and in the suburban towns, while 172, with a total value of P3,753,891, represented deals within Manila proper only.

REAL ESTATE SALES

(January to May, 1951)

	Manila	Quezon City	Pasay City	Suburbs	Total
January.....	P4,466,475	P1,267,690	P743,346	P1,453,264	P7,939,775
February.....	3,549,050	3,775,341	709,598	1,411,773	8,445,762
March.....	4,562,104	1,698,970	645,878	1,814,525	8,721,477
April.....	5,272,052	1,178,036	487,954	1,738,654	8,676,696
May.....	2,586,055	1,394,514	819,779	1,505,885	6,306,233

REAL ESTATE MORTGAGES

(January to May, 1951)

	Manila	Quezon City	Pasay City	Suburbs	Total
January.....	P2,105,600	P490,457	P272,300	P1,051,546	P3,919,903
February.....	5,636,640	1,106,948	869,100	1,722,790	8,334,848
March.....	3,817,877	1,373,880	245,760	1,970,627	7,408,114
April.....	3,140,154	902,932	188,750	1,057,926	5,289,762
May.....	3,753,891	1,150,614	372,032	1,281,810	6,508,347

Building Construction

By JUAN J. CARLOS

President, United Construction Co., Inc.

THE approximate value of construction work applied for in the City of Manila during the period from January 1 to April 30, 1951, has declined from P20,376,880, for the same period last year, to P19,373,435, or a decrease of P1,003,445, approximately 5%. The following table which was compiled in the Office of the City Engineer of Manila shows the comparative monthly values of work for the years 1949, 1950, and 1951.

	1949		1950		1951	
	Value	Value	Value	Value	Value	Value
January.....	P 5,754,750	P 6,065,600	P 4,796,840			
February.....	7,179,980	4,018,690	3,632,250			
March.....	6,141,230	6,544,490	6,487,320			
April.....	5,558,248	3,748,100	4,457,025			
Total.....	P24,634,208	P20,376,880	P19,373,435			

Although the decrease in values does not seem to be drastic, the number of new construction jobs has declined considerably due to the increase in costs of essential materials brought about by the various controls in effect as well as by the increase in prices at the source of imported materials, new taxes, etc.

Three big projects which were started early this year, namely, the 4-story College of Medicine building of the

University of Santo Tomas, the 5-story reinforced concrete office building for the Philippine Trust Company at Plaza Goiti, and the Philippine Manufacturing Company office building on the Luneta, which all together are estimated to cost around ₱3,000,000, account for part of the year's value of construction.

An examination of the individual costs of the most essential items extensively used in most building projects reveals that present prices are from 10% to more than 100% higher than the prices last year.

1. At the close of last year, galvanized iron roofing sheets, gauge 26, were being sold at ₱7.32 each. At present, the price is ₱10.06, when available.
2. Steel bars, then priced at ₱.33 to ₱.38 per kilo, are at present selling at ₱.43 to ₱.47 per kilo, when available.
3. Common wire nails increased in price from ₱27.00 to ₱40.30 per keg of 45 kilos.
4. Water-closets and lavatories, class A, increased in price from ₱90 to ₱155 and from ₱60 to ₱95, respectively.
5. Insulation boards for ceilings are now being sold at ₱7.30, instead of ₱6.00.
6. One item which has increased considerably in price is electrical wire which is quoted at from ₱40 to ₱48 per roll of 500 feet, against ₱10 to ₱15 some five months ago.
7. Painting materials have increased in price from ₱10 to ₱20 per gallon.
8. Imported floor-tiles for bathrooms and kitchens registered an increase in price of from ₱1.40 to ₱3.50 per square foot.
9. Even sand and gravel, obtained locally, increased in price from 10% to 15%, due to the increased cost of tires, truck spare-parts, and fuel.

With the recent transfer to PRISCO of the licensing of construction materials, it is expected that prices will

come down within the next 60 days. Labor costs during the period have been stationary, but beginning August 13, when the Minimum Wage Law takes effect, an increase of at least 20% in labor cost may be expected.

Port of Manila

By R. L. MOORE

Treasurer, Luzon Brokerage Company

IMPORTS continue on a high level and export space is very tight. Presently it appears that imports will continue to be strong and that there has been some easing of the overall problem of getting merchandise into the Islands.

Customs has recently inaugurated a policy of total inspection on all exports, including those bound for the United States. This has been a tremendous burden on all departments. First, it is a great time-consumer, causing many delays in shipment. Secondly, it has opened up a new avenue for "extra" expense items that must be charged to the customers.

Customs has started using Pier 5. We realize the Bureau needs more space, but we are wondering why it did not make a swap with the Philippine Naval Patrol on Pier 7 so that there would be a consolidation within the immediate customs zone. The present arrangement necessitates extra personnel from every entity to cover this pier.



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Ocean Shipping and Exports

By J. G. LLAMAS
Acting Assistant-Secretary
Associated Steamship Lines

TOTAL exports for the month of April of this year showed an increase of more than 100% over exports during April of last year.

118 vessels lifted 364,466 tons of exports during the month, as compared to 178,535 tons, lifted by 89 vessels, during the same month of last year.

Commodities which have registered a sharp increase over last year's figures for the same month, are: alcohol from 11 to 225 tons; copper concentrates from 3,120 to 9,450 tons; copra from 34,939 to 76,970 tons; hemp from 58,980 to 113,808 bales; logs from 1,594,107 to 17,535,913 bft.; molasses from 4,544 to 10,529 tons; iron ores from 9,131 to 57,996 tons; rope from 195 to 604 tons; tobacco from 2 to 819 tons, and transit cargo from 305 to 1,982 tons.

Exports during April, 1951, as compared with exports during April, 1950, were as follows:

Commodity	April	
	1951	1950
Alcohol.....	225 tons	—
Beer.....	195 "	25 tons
Cigars and cigarettes.....	15 "	—
Coconut, desiccated.....	6,191 "	9,845 tons
Coconut oil.....	6,428 "	5,502 "
Concentrates, copper.....	9,450 "	3,120 "
Concentrates, gold.....	606 "	430 "
Copra.....	76,970 "	34,939 "
Copra cake meal.....	4,031 "	4,342 "
Embroideries.....	281 "	153 "
Empty cylinders.....	331 "	382 "
Fish, salted.....	11 "	12 "
Fruits, fresh.....	540 "	228 "
Furniture, rattan.....	885 "	766 "

Glycerine.....	142 "	127 "
Gums, copal.....	141 "	70 "
Hemp.....	113,808 bales	58,980 bales
Hemp, knotted.....	71 tons	—
Household goods.....	3,708 "	494 tons
Junk metals.....	1,477 "	593 "
Logs.....	17,535,913 bft.	1,594,107 bft.
Lumber, sawn.....	5,296,168 "	3,308,110 "
Molasses.....	10,529 tons	4,544 tons
Plywood and plywood products.....	54 "	47 "
Ores, chrome.....	28,200 "	17,725 "
Ores, lead.....	64 "	—
Ores, iron.....	57,996 "	9,131 "
Pineapples, canned.....	4,304 "	5,153 "
Rattan, palasan.....	317 "	149 "
Rope.....	604 "	195 "
Rubber.....	92 "	63 "
Shells, shell waste.....	19 "	31 "
Skins, hides.....	228 "	77 "
Sugar cent., raw.....	86,968 "	52,572 "
Tobacco.....	819 "	2 "
Vegetable oil.....	34 "	97 "
Transit cargo.....	1,982 "	305 "
Merchandise, general.....	2,087 "	1,928 "

Mining

By NESTORIO N. LIM
Secretary, Chamber of Mines of the Philippines

THE figures for the April gold production follow. Production figures for the base-metal production were still unavailable at the time of this report.

GOLD MINES PRODUCTION FOR THE MONTH OF APRIL, 1951

Name of Mine	Tonnage Milled	Ounces Produced	
		Gold	Silver
Atok-Big Wedge.....	13,170 S.T.	3,840	2,389
Balabot Mining Company.....	39,486 S.T.	7,768	5,035
Benguet Consolidated Mining Co.....	32,684 S.T.	8,119	5,263
Lepanto Consolidated Mining Co.....	28,013 S.T.	3,125	2,098
Mindanao Mother Lode Mines Inc.....	10,000	4,771	4,737

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EDITOR'S Note:—According to a *Manila Daily Bulletin* report, the recent drive of the National Bureau of Investigation and other police and security services against the illegal export of gold has "virtually paralyzed the local market for gold bullion and posed a serious threat to the Philippines' mining industry." Under an agreement reached last year, producers are allowed to sell 75% of their output in the "free market" at prices above the official \$35 an ounce (P70). The price of gold in the local market reached a high of P168 per ounce in April, but during the first week in June was down to P142, and the buyers, chiefly Chinese, frightened by government raids and confiscations carried out in the belief that the gold went ultimately to China, have virtually stopped buying.

Copra and Coconut Oil

By K. B. DAY AND D. C. KELLER
Philippine Refining Company, Inc.

April 16—May 15

THE period under review has been marked by further sharp declines for both Philippine copra and coconut oil, particularly in America where buyers have withdrawn to a degree that almost amounts to a buying holiday. Copra offered at \$245 per ton c.i.f. Pacific Coast on April 16 went unaccepted and had fallen by \$40 to \$205 per ton on May 15 with buyers still holding off.

The European market also evinced very little interest in Philippine copra. A similar decline was reported during the same period, prices having dropped from \$292-1/2 to \$250 per ton c.i.f. While we are sure that these prices were attractive to Europe, we can only conclude that a shortage of dollars was responsible for the very small volume of business effected. Our restriction to trading with a dollar market and its adverse effect on Philippine economy, is brought very forcibly to our notice with reports of sub-

stantial trading between Europe and Indonesia, and to a lesser extent the Straits, where even at prices some \$50 per ton higher than local quotations the following sales of copra were reported:

Indonesia to Great Britain	50,000 tons
Holland	30,000 "
Germany	25,000 "
Denmark	7,500 "
Norway	1,000 "
Total	113,500 tons

With these purchases European buyers are comfortably covered for the time being. Ceylon also had a good inning with its sale to Germany of 3,600 tons of coconut oil in Sterling at an equivalent of \$506 per ton c.i.f. when Philippine oil was unsuccessfully offered at \$430 c.i.f.

Damage caused by the unseasonable typhoon of May 5-6 indicated an average loss for the area north of Tacloban of some 10% of the current crop. Little damage occurred south of Tacloban and our information is that the overall damage to the Philippine crop might be placed at from 3 to 5%. This was insufficient to check the local market decline, which kept more or less in line with the decreases registered on the Pacific Coast and fell from P46 per 100 kilos on April 16 to P38 on May 15.

A sharp downward trend was also experienced in the coconut oil market during this period and was prompted by the complete absence of any buying interest. Offers at the beginning of 19¢ per pound c.i.f. New York which had not aroused any interest, fell to 16-1/4¢ by May 15 and remained unsold. Oils prices in Europe accompanied copra in the downward spiral. Quotations on April 16 of \$450 c.i.f. had not attracted the buyers and with only a negligible amount of business done during the period, May 15 found offers of \$378 refused, but this, as we mentioned previously, was largely due to a dollar shortage. The lack of interest in Europe can also be attributed to a certain extent to the



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lessening of the threat of an immediate major war which has caused the necessity of large-scale stock-piling to become less acute. In America the consumptive demand for soap and other products containing coconut oil is very much down and processors' inventories are therefore spread over a longer period.

A brighter spot in this otherwise gloomy report is the small increase registered in the copra meal market which rose from \$59 per short ton c & f at the beginning of the period to \$61 c & f on May 15. Throughout the period a steady and satisfactory amount of business was done, mostly with the Pacific Coast, for which a reasonable amount of shipping space is available.

This last point brings us back to one of our regular "moans", i.e. space for Europe; in spite of the fact that Europe has recently displayed more interest in Indonesian copra and coconut oil, the fact remains that several promising enquiries have been set at naught because of the impossibility of obtaining shipping space. An unpleasant aspect of this problem is that while the necessary ships are calling at Manila they are leaving here with their deep tanks empty and loading oil at Singapore and Ceylon on the homeward journey to Europe. From information received from usually reliable sources it would appear that the Philippines are not getting a fair share of available space.

Figures submitted for March shipments are as follows:

Copra		Coconut Oil	
	L. T.		L. T.
Guam	13,070	Atlantic	3,843
Pacific	12,857		
Atlantic	4,679	China	262
Canada	1,800	Holland	861
Japan	639		
Italy	3,950	South Africa	937
Belgium	2,700		
Denmark	2,700	Venezuela	300
Norway	1,500		

Holland	3,050	Europe	
Gulf Ports	9,976	(unspecified)	225
Israel	2,500		
France	1,000	Total	6,428
Sweden	3,000		
Europe unspecified	1,950		
Venezuela	5,600		
Colombia	5,999		
Total	76,970		

As the period closes, outside markets were very weak and buyers were backing away as markets declined. Consumptive demand in the United States was at a standstill and European buyers were largely covering their requirements elsewhere in Sterling or Guilders. Philippine sellers of copra were fairly well committed, but heavier production was expected within a month or so. In spite of all this, there is a good chance that the recent decline is being overdone. In European markets coconut oil is priced on a normal parity with tallow and in American markets the differential is less than it has been for a long time. Consumptive retail demand may well pick up by July. For that reason it would not be surprising if markets should soon level off and perhaps even advance a little, although there is nothing in the picture at the moment which would point to substantially higher prices.

Desiccated Coconut

By HOWARD H. CURRAN

Assistant General Manager

Peter Paul Philippine Corporation

THIS report covers the period from April 15 to May 15 during which time most factories ran at reduced production or not at all. With the drop in raw-mate-

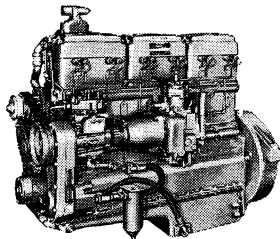


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rial prices, most factories expect to continue on a limited scale.

No further information has been received as to the new price-control order which was reported being drafted in Washington.

Shipping statistics for the month of April follow:

Shipper	Pounds
Franklin Baker Company	3,573,300
Blue Bar Coconut Co.	1,117,890
Peter Paul Philippine Corp.	800,000
Red V Coconut Products	821,800
Sun Ripe Coconut Products	839,000
Standard Coconut Corp.	75,000
Cooperative Coconut Products	—
Tabacalera	—
Coconut Products (Phil.) Inc.	—
	7,226,990

Sugar

By S. JAMIESON

Secretary-Treasurer

Philippine Sugar Association

THIS review covers the period from May 1 to May 31, 1951, inclusive.

New York Market. During the month, the New York market for raws was firm and very active. Prices moved upward, influenced by the exceptionally heavy distribution of refined and a sustained demand from other countries for the remaining Cuban "world" stocks at prices substantially higher than those for U.S.A.-quota deliveries.

On May 1 the market opened firm, with light offerings at 6.10¢ for prompt and 6.25¢ for July-August arrival.

Refiners indicated 6.00¢ for May arrival, and operators were buyers at 6.15¢ for July arrival and 6.20¢ for August. Spot was quoted at 6¢. On the 3rd, there were sales of 19,500 tons of Philippine, Cuban, and Porto Rican sugar at 6.10¢ for May arrival, and 20,000 bags of Portos at 6.15¢ for early June shipment. 12,000 tons of prompt Philippines and Portos were sold next day at prices ranging from 6.10¢ to 6.20¢, and the following day 2,000 tons Philippines for June arrival at 6.25¢. On the 7th, there were sales of 21,000 tons of Portos and Philippines for May/June arrival at 6.25¢ and 3,000 tons Philippines for June/July shipment at 6.30¢. On the 8th, 3,000 tons Philippines for June/July shipment were taken by an operator at 6.35¢, while refiners took 36,000 tons of Cubas, Portos, and Philippines for May/June arrival at 6.30¢ and 5,000 tons Philippines for July arrival at 6.35¢. On the 9th, there were sales of small lots of Portos at 6.35¢ for May and June arrival and 4,000 tons Philippines for June arrival at 6.30¢. On the 10th, 25,000 tons Cubas, Portos, and Philippines for June/July arrival were sold at 6.40¢, 15,000 tons Philippines June/July shipment at the same price, and 2,000 tons Philippines July/August shipment at 6.45¢. Next day there were sales of a further 1500 tons Philippines for July/August shipment at 6.45¢ and 3,000 tons Cubas, late May loading, at 6.40¢. Then the tone of the market became easier. On the 15th, 20,000 bags of Portos for late May shipment were sold at 6.35¢; on the 17th, 2350 tons Philippines for July arrival at 6.39¢; and on the 18th a cargo of Portos for June shipment at 6.40¢. By the 21st, the market had again firmed up, and the following day 55,000 tons of Portos, Philippines, and Cubas were taken at 6.50¢. On the 23rd, operators bought 5,000 tons Philippines for June shipment at 6.55¢, and next day 10,000 tons of Cubas, Portos, and Philippines for late June arrival were sold at 6.60¢. A rumor that the U. S. Department of Agriculture might increase the United States consumption

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quota in an effort to curb prices unsettled the market, and on the 25th 3,000 tons Philippines for July-August shipment and another 3,000 tons for June/July arrival were sold at 6.45%. For a day or two the market was hesitant, but by the close of the month it had recovered confidence and closed fully steady, with offerings at 6.60% and buyers indicating 6.50%. Spot, which had reached a peak of 6.60% on the 24th, closed at 6.45%.

We give below the quotations on the New York Sugar Exchange as of May 31 for Contract No. 6:

July	6.03¢
September	6.05
November	6.07
March, 1952	5.65

The world market Contract No. 4 quotations closed on May 31 as follows:

July	6.98¢
September	6.98
March, 1952	5.35
May	5.35
July	5.35

The world "spot" market price on May 31 was 7.00% as compared with 5.90% on April 30.

Local Market. (a) Domestic Sugar: Prices advanced steadily during the month as keen competition continued among dealers for the available supplies. We give below the Bureau of Commerce quotations as of May 30:

Centrifugal 97" —	₱15.30 to ₱15.40	per picul
98" —	₱16.20 to ₱16.30	" "
99" —	₱17.40 to ₱17.50	" "

(b) Export Sugar: During the month the local market for export sugar was quite active at advancing prices. Stocks of export sugar remaining uncontracted are now quite limited. At the close there were buyers at a base price of ₱14.85 per picul ex mill warehouse.

Manila Hemp

By FRED GUETTINGER
Vice-President and General Manager
Macleod and Company of Philippines

THIS review covers the period from April 16 to May 15, during which time all terminal markets ruled weak. A fair business was done in New York during the first half of the period at prices only slightly lower than those prevailing at the close of the previous period; however, during the last two weeks prices began to decline more sharply and the market closed on the average 2¢ lower. Business to Europe continued fair on the decline but demand slackened toward the end of the period and prices weakened further. Negotiations for an increased quota to Japan were concluded in the early part of the period under review, resulting in moderate business at reduced prices. Prices in the Philippine provincial markets declined from ₱6 to ₱7 per picul.

Production of abaca is still being maintained at a high level, with April pressings at 101,677 bales, the best month in the post-war period. A comparison with the pressings for the same month last year is as follows:

	1951	1950
Davao, Camarines, and Albay, Sorsogon, and Leyte and Samar.....	42,263 bales—42%	26,862 bales—48%
All other non-Davao...	28,375 bales—28%	15,504 bales—28%
	19,726 bales—19%	7,933 bales—14%
	11,313 bales—11%	5,404 bales—10%
Total bales.....	101,677 bales—100%	55,703 bales—100%

Pressings for the first 4 months this year amount to 387,909 bales, up 153,960 bales from the same period last year, and up 151,945 bales from January/April pressings in 1947, which was the best year post-war. Contrary to expectation, the April pressings of non-Davao fiber ex-

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ceeded the average of the previous 3 months, indicating that no seasonal decline, which usually commences in April, has taken place so far this year.

The following are the comparative figures for balings for the first 4 months of 1947 through 1951:

	Balings—January-April inclusive				
	1951	1950	1949	1948	1947
Davao.....	164,709	102,318	73,154	76,921	114,935
Albay, Cagayan, and Sorsogon....	114,731	66,294	48,055	85,181	80,811
Leyte and Samar....	69,529	39,531	42,751	45,527	23,036
All other non-Davao.....	38,940	25,806	30,660	46,170	17,182
Total bales.....	387,909	233,949	194,620	253,799	235,964

Exports remain high, amounting to 108,360 bales in April, with 51,517 bales, or 48%, going to the United States and Canada; 19,101 bales, or 17%, to United Kingdom; 20,127 bales, or 19%, to Continental Europe; 14,953 bales, or 14%, to Japan, and the remaining 2,662 bales, or 2%, to various other countries. Exports during the first 4 months were 429,720 bales, exceeding the pressings by 41,811 bales. The following are the comparative figures for exports for the first 4 months of 1947 through 1951:

	Exports—January-April inclusive				
	1951	1950	1949	1948	1947
United States and Canada.....	239,596	91,967	64,935	122,340	145,928
Continental Europe.....	71,046	30,414	38,995	40,250	46,770
United Kingdom....	60,808	26,052	9,742	43,905	5,235
Japan.....	48,943	35,841	61,487	36,068	—
South Africa.....	3,420	1,310	1,746	810	1,700
China.....	2,005	5,315	4,468	3,070	606
India.....	3,202	3,200	526	—	1,800
Korea.....	—	950	—	—	—
Australia and New Zealand.....	700	625	—	42	—
All other countries.....	—	—	80	2,453	400
	429,720	195,674	181,979	248,938	202,439

Tobacco

By LUIS A. PUJALTE
Secretary-Treasurer
Manila Tobacco Association, Inc.

I have on hand a copy of a bill passed by the House of Representatives, limiting the importation of leaf tobacco, which read as follows:

"H. No. 1850

"Introduced by Congressman Cases, as per Committee Report No. 744

"AN ACT TO LIMIT THE IMPORTATION OF FOREIGN LEAF TOBACCO

"Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

"Section 1. The importation of foreign leaf tobacco shall be limited to the following schedule:

"For 1951—seventy-five per cent of the total importation in 1950

"For 1952—fifty per cent of the total importation in 1950

"For 1953—forty per cent of the total importation in 1950.

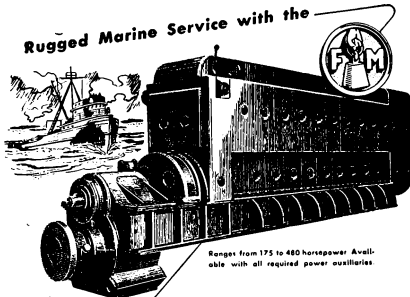
"Succeeding years—twenty-five per cent of the total importation in 1950.

"Sec. 2. This Act shall take effect upon its approval."

In my opinion it is regrettable that such a one-sided and incomplete piece of legislation should pass the House.

The reason for the introduction of this bill, I understand, is to protect the small group of farmers in La Union province which has started planting Virginia-type tobacco. This is still in the elementary experimental stage; so far only two experimental crops have yielded fair results, and both under the most abnormal circumstances, i.e., under the Japanese occupation and the import and exchange controls. Whether Virginia-type leaf could be grown in the Philippines under normal conditions on a competitive basis is a question that has still to be answered. And yet, under these circumstances, the bill might still pass Congress.

The base-year for the successive annual limitations



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would be 1950, which was the peak-year for the importation of leaf-tobacco after the Liberation, but what entities would be entitled to import is not stated. I.C.A. regulations permit only manufacturers to import leaf-tobacco, while a great portion of the 1950 import was brought in by dealers.

Then there is that very important part of the local tobacco industry, which, if this bill becomes a law, will be completely ruined,—the cigar industry. During 1950, the imports of cigar wrapper-leaf were negligible due to the import and exchange controls.

The present requirements of the industry are not very large, as exports are very small as yet, but even so this bill would not allow the importation of wrappers for the small actual production. Let us not forget either that the duty-free quota to the United States under the Bell Act is 200,000,000 cigars and that those cigars need imported wrappers. The bill would leave no hope for the raising of our existing cigar industry to even pre-war level, but would kill it.

Why the Philippine tobacco industry was not given a chance to express its views before the House passed the bill, is incomprehensible.

Imports

By S. SCHMELKES
Mercantile, Inc.

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

COMMODITIES

	APRIL, 1951		APRIL, 1950	
Automotive (Total)	1,215,733	1,400,917		
Automobiles	129,952	258,637		
Auto Accessories	1,901			
Auto Parts	279,790	291,981		

Bicycles	2,023	13,336
Trucks	10,215	42,180
Truck Chassis	81,517	414,026
Truck parts	40,146	58,929
Building Materials (Total)	5,441,306	8,997,776
Board, Fibre	1,502	92,434
Cement	445,387	2,897,933
Glass, Window	649,767	1,528,722
Gypsum	1,257,671	518,542
Chemicals (Total)	6,733,973	4,459,444
Caustic Soda	691,844	810,375
Explosives (Total)	—	216
Firearms (Total)	—	6
Ammunition	4,498	—
Hardware (Total)	4,896,128	4,663,939
Hardware (Total)	1,135,947	653,569
Machinery (Total)	1,932,601	2,236,498
Metals (Total)	6,251,787	8,052,317
Petroleum Products (Total)	79,192,173	86,438,559
Radios (Total)	6,951	30,473
Rubber Goods (Total)	1,020,903	815,978

Beverages, Misc. Alcoholic	3,320	9,170
Beverages, Misc. (Total)	36,150,068	18,608,040
Foodstuffs, Fresh (Total)	38,152	171,871
Apples	550	62,106
Oranges	10,536	15,003
Onions	3,389	47,961
Potatoes	7,294	16,099
Foodstuffs, Dry Packaged (Total)	26,155	15,722
Foodstuffs, Canned (Total)	373,198	248,670
Sardines	82,872	67,684
Milk, Evaporated	155,137	68,349
Milk, Condensed	69,265	40,498
Foodstuffs, Bulk (Total)	577,151	206,450
Rice	139,820	34,492
Wheat Flour	395,849	118,612
Foodstuffs, Preserved (Total)	193	51

Bottling, Misc. (Total)	716,810	1,549,572
Cleaning and Laundry (Total)	80,027	958,347
Entertainment Equipment (Total)	39,226	3,001
Livestock-bulbs-seeds (Total)	484	15,196
Medical (Total)	627,845	687,807

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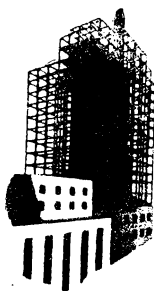
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Musical (Total).....	35,876	15,543
Office Equipment (Total).....	28,446	145,898
Office Supplies (Total).....	33,196	43,117
Paper (Total).....	4,537,558	6,052,852
Photographic (Total).....	14,651	94,416
Raw Materials (Total).....	2,532,004	576,648
Sporting Goods (Total).....	17,764	13,816
Stationery (Total).....	221,665	344,865
Tobacco (Total).....	175,775	1,458,507
<hr/>		
Chucheria (Total).....	65,440	97,928
Clothing and Apparel (Total).....	243,154	87,343
Cosmetics (Total).....	104,335	57,051
Fabrics (Total).....	499,044	844,325
Jewelry (Total).....		105
Leather (Total).....	99,348	159,385
Textiles (Total).....	2,423,955	1,268,428
Twine (Total).....	53,296	2,373
Toys (Total).....	9,197	3,534
General Merchandise (Total).....	382,603	510,510
Non-Commercial Shipments (Total).....	36,602	42,142
Advertising Materials, Etc. (Total).....	13,190	41,715

Food Products

By G. L. MAGEE
Trading Division
Marsman & Company, Inc.

WITH the arrival in the market of quite large importations of food products for which licenses had been issued during early April, especially canned fish and evaporated milk, market demand eased off, prices below ceilings were quoted in many instances, and substantial reserve stocks were accumulating in importers' warehouses. "De-controlling" of essential commodities has resulted in their plentiful supply, achieving the PRISCO objective to break black-marketing and making plentiful supplies available to consumers at reasonable retail prices. The rapidity with which this situation was achieved caught many small importers off guard, with the result that various parcels of evaporated milk and canned fish were offered below the usual market prices.

Evaporated milk arrivals during the first half of May amounted to more than 100,000 cases, with further substantial quantities on the way. Selling effort was extended into all parts of the Islands with indication that milk supplies would be ample in every section of the country. PRISCO continues freely to approve license applications for milk, both evaporated, condensed, and powdered, and conservative estimates reveal that stocks are in hand or due to come forward, to supply the country needs for four months or longer.

There have been substantial importations of canned fish, which on top of stocks remaining unsold from first-quarter importations, will insure plentiful supplies for several months. With the beginning of the rainy season, consumer demand for this commodity, however, will increase, while further importations during the third quarter will be small since California packers have nothing further to offer and the packing season is several months away.

PRISCO licenses have been issued for substantial quantities of canned meats such as Vienna sausage, potted meats, and similar products, first shipments of which are already here and some due early June. Since there has been a decided shortage of such foodstuffs for the past 18 months, early arrivals will move out rapidly to retailers and into consumption. Fair quantities of corned beef were received during May but no over-supply exists or is in prospect.

PRISCO'S flour purchases at IWA prices continue to arrive with regularity, the last lots being due in June and early July. In an endeavor to provide that all flour stocks will move out before the opening of the next crop-year, PRISCO offered bakers the opportunity to contract ahead for three months' supply at regular ceiling prices, requiring 10% deposit for the deferred deliveries. Importers showed



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continued interest in placing contracts for flour at prices outside IWA, permitted under the present policy of de-control. PRISCO had approved license applications on this basis for substantial quantities during May, with other licenses pending. This higher-priced flour will be arriving during June, July, and August and will relieve any possibility of shortage.

PRISCO also authorized during the month the sale of flour from its stocks to retailers in order to make flour available to private consumers who previously had difficulty in obtaining flour in small parcels for household use.

Announcements were made in the United States that the IWA schedule on wheat flour for the new crop-year would be announced early in June. No shipments, however, will be possible until after August 1, which will mean first possible arrivals in this market of new crop-year flour around mid-September.

On account of the tremendous volume of license applications which PRISCO had to process, there has been some delay in final approval. This applies to such essential commodities as baking powder, poultry feeds, and concentrates now in short supply.

Substantial quantities of coffee beans have been licensed, with prospect of plentiful stocks to take care of the requirements of local coffee-processing plants.

Practically no licenses are in prospect for such commodities as dried fruits, canned fruits, and vegetables, fresh and tinned butter, with the exception of pork and beans, which means a dearth of these foods in the market when the present stocks are exhausted.

As far as the food requirements of the country as a whole are concerned, there will be plentiful supplies of those products most generally in demand so that food costs for the average consumer are likely to show a downward trend.

Textiles

By W. V. SAUSSOTTE
Acting General Manager
Neuss, Hesslein Co., Inc.

ON March 16, 1950, some three months after the import and export control measures of late 1949 were adopted, President Quirino mentioned in a fireside chat to the nation that to combat our enemies "...we must bestir ourselves morally and physically—morally, by acquiring the spiritual disciplines of civic duty and national unity, and physically, by engaging in every useful and productive enterprise in order to provide for every family food, clothing, and shelter in an atmosphere of peace that inspires internal security".

While the manner in which the import control regulations, Executive Order No. 295, later replaced by Republic Act No. 426, have been administered has frequently been subject to question, these regulations together with the exchange control regulations of the Central Bank now appear to have accomplished, partially at least, their principal objective, namely, improvement in the dollar-reserve position of the nation, in a shorter time than was originally expected. The dollar reserves reached a point at the beginning of the year at which it became possible to remove from import control certain basic food and medicinal articles.

By the 1st of May, the position had still further improved so that it was possible for President Quirino, upon recommendation of the Monetary Board of the Central Bank, to instruct PRISCO, through a letter dated May 11, to "de-control" additional essential commodities, including not only producers' goods but consumers' goods,

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among them certain cotton textiles of the lower qualities, in order to bring down the costs of local production and the notoriously high cost of living as well.

The President's "de-control" letter of May 11 may be regarded as partial fulfillment of the implied promise made to the nation in the fireside chat quoted.

The letter directs PRISCO to issue such rules and regulations in respect of the "de-controlled" commodities as will "meet the needs of the public". Accordingly, on May 14, PRISCO defined the "de-controlled" textiles as consisting of any bleached cotton cloth for embroidery purposes, cotton ducks, filter cloths, rubberized cotton fabrics, raw cotton, mercerized yarns, and cotton threads and cotton twines, all of which may be regarded mainly as essential producers' goods. In addition, cotton goods in the piece, with a thread-count less than 142 threads per square inch and all cotton remnants not exceeding 10 yards in length irrespective of construction, were defined by PRISCO as "de-controlled" items which may be regarded mainly as consumers' goods. These definitions are contained in PRISCO'S Supplementary Rules and Regulations No. 6 of May 14 which also contains instructions for the submission of import-permit applications for these de-controlled items.

On May 18 PRISCO issued Supplementary Rules and Regulations No. 5-B concerning controlled cotton textiles which consist of all remaining textile fabrics not de-controlled. Within a week of the issuance of these regulations, PRISCO began the issuance of licenses. It is evident that PRISCO acted with speed in implementing the licensing of the cotton textile items affected by the President's letter of May 11.

On May 10 PRISCO held a meeting with representatives of the textile trade with a view to revising their price-ceilings as per Executive Order No. 373 of November 27, 1950, so as to bring them in line with present-day costs abroad and to reconcile them with the various new local taxes which have become effective since November 27, 1950. It is expected that the revised price-ceilings will shortly be announced by means of a Presidential Executive Order [Executive Order No. 443, effective June 1].

The Central Bank's cost-of-living index reveals that between the period of November 27, 1950 to March 31, 1951, the overall cost of living rose from 319.5 points to 362.3 points, or a rise of 42.8 points, whereas the specific index for clothing rose, during the same period, from 243.5 points to 389 points, or a total of 145.5 points, which was more than 3 times greater than the average rise in all the items included in the basic index. This condition was brought about by the severe controls which not only restricted the importation of luxury textiles, but also those cheaper textiles required for the mass of the population.

Combined with the price controls of the Office of Price Stabilization in the United States, the expected new local PRISCO revised price-ceilings which will enable merchants to make a reasonable profit, the realistic de-control of the lower constructions of cotton textiles and all classes of remnants has already resulted in a noticeable reduction in local prices. During the two weeks since the release of the President's "de-control" letter, local prices have dropped some 20 or 25% and will undoubtedly decline still further. While goods against the PRISCO licenses which are being issued will not begin to arrive until late July, the de-control announcement and the prompt issuance of PRISCO licenses have already served to drive prices downward.

It is rumored that an effort was made to have the list of de-controlled cotton textile items include only a very narrow range of articles on the ground that this was necessary to protect the National Development Company's textile mills. However, if any curtailment in the actual de-control list had been realized, the reductions in local prices indicated above would not have occurred. In

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the *Philippine Export-Import Review* of April, 1951, an article appears under the by-line of an official of NADECO which states that during 1950 their textile mills produced 5,364,242 yards of grey cloth and 7,995,772 yards of finished goods. This is compared with 2,090,399 yards of grey goods and 3,619,282 yards of finished goods during 1949. The 1950 production represents an increase of about 130%, attributable to the import restrictions of Executive Order No. 294 and Republic Act No. 426 which created a shortage of goods and made local prices rise to a point where NADECO's production could be sold at profit. However, it is to be noted that the average annual importation of all types of piece goods for 1938, 1939, and 1940 was 158,000,000 square yards, and for 1947 and 1948, 148,000,000 square yards. Since NADECO's production under the import controls of 1950 amounted to about 11,500,000 lineal yards, it can be seen that any plan to restrict the importation of textiles in order to protect NADECO is without economic foundation because its maximum production constitutes less than 8% of the total requirements of the country, while its costs of production are much higher than those of equivalent imported goods.

Any effort to increase NADECO's productive capacity, which we believe is already at its maximum, would be thwarted by the fact that raw cotton is under export allocation from the United States. Even if all other requirements for increased production might be met, it is simply not

possible for NADECO to increase its present output because of the world-wide shortage of raw cotton.

If the attempts to restrict the de-controlled textile items had been successful, it not only would have resulted in an economic absurdity but it would have violated the President's announced policy that the Government should not stay in business at the expense of private business.

PRISCO is issuing licenses to all comers in respect to the "de-controlled" textile items. As regards "controlled" goods, PRISCO has established, by Supplementary Rules and Regulations No. 5-B, a quota of P5,000 for each new importer applicant. Old importers, defined as those who imported during 1948, will be given a second quarter 1951 quota of \$10,000 if their importations of "controlled" cotton textiles during 1948 was up to \$100,000; a quota of \$20,000 if their importations were from \$100,000 to \$200,000; a quota of \$35,000 if their importations were from \$200,000 to \$500,000; a quota of \$50,000 if their importations were from \$500,000 to \$1,000,000; a quota of \$65,000 if their importations were from \$1,000,000 to \$2,000,000; and a quota of \$80,000 if their importations exceeded \$2,000,000.

While this will mean an influx of goods which will result in losses for some holders of PRISCO licenses, it will also serve the purpose of burning the fingers of those applicants who have applied for licenses merely to sell them or who have entered into the business "on a shoe-string"; the net result will probably be that the marginal operators

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will be weeded out and only those importers, both new and old, who are sufficiently well qualified business-wise will be able to survive in the competitive field which "de-control" has again opened.

The basic objective of de-control,—to reduce the high cost of living, seems assured, and as an incidental corollary, business as a whole should benefit because the license-peddlers and the marginal operators and their satellites will no longer enjoy a climate in which they can thrive. The broad promise of the recent actions of President Quirino, the Monetary Board of the Central Bank, and PRISCO may be regarded as already partially fulfilled.

DURING March, arrivals from the United States totalled 13,868 packages, including 3,819 packages of cotton piece goods and 2,667 packages of rayon piece goods. Included also were 669 packages of cotton seine twine and wrapping twine and 273 packages of cotton sewing thread.

Arrivals of all textiles from other countries, including made-up goods, consisted of 343 packages from Japan, 156 packages from China, 729 packages from Europe, and 547 packages from India, the latter consisting almost entirely of Hessian cloth.

April's total arrivals from all sources amounted to 15,144 packages representing the largest arrivals for any month thus far during 1951. This figure compares with the annual monthly average arrivals of 22,600 packages for 1949 and 12,600 packages for 1950.

Mr. L. W. Wirth, President of Neuss, Hestlein & Co., Inc. of Manila, former editor of this column, who left the Philippines last December 8, returned on May 15 after having visited the Company's branch offices and agents in Hongkong, Bangkok, Singapore, Djakarta, Osaka, and Tokyo. He will be leaving again about the middle of June for New York, via Manchester, England, where he will visit the British Neuss, Hestlein Company and its mills.

Legislation, Executive Orders, and Court Decisions

By **ROBERT JANDA**
Ross, Selph, Carrascoso & Janda

IN the case of *Filipinas Compañia de Seguros vs. Christern, Huenefeld & Co., Inc.*, G. R. No. L-2294, the Supreme Court passed upon the liability of the insurance company under a pre-war policy for a fire loss incurred during the Japanese occupation. The company contended that the insured was an enemy national for, although it was a Philippine corporation, most of its stock was owned by German nationals and that, consequently, the insurance contract was voided upon the outbreak of war between the United States and Germany. The insurance company had been compelled to pay the policy during the occupation but contended that the payment was made under duress and brought action for recovery of the amount paid following the American reoccupation. The Supreme Court upheld the position of the insurance company and allowed recovery of the value of the payment made under the policy as determined under the Ballantine Scale less the amount of the premium in Philippine currency corresponding to the unexpired part of the policy at the time it was voided.

IN the case of *Timbol vs. John Martin*, G. R. No. L-3469, the Supreme Court held that the insolvency of a debtor could not be pleaded in avoidance of the debt moratorium, the Court stating that it was the purpose of the moratorium law to give individuals, temporarily insolvent by reason of the war, an opportunity to rehabilitate themselves without being pressed with respect to their pre-war obligations.

IN the case of *Pauley vs. Atkins, Kroll & Co., Inc.*, C.A.G. R. No. 4687-R, the Court of Appeals held that where an employee was prevented from carrying out the terms of

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his employment by reason of the outbreak of war and his internment, he could not collect his agreed salary from his employer in the absence of an express provision in the employment contract allowing him to do so, as no employee is entitled to demand salary for a period during which he does not render services to the employer unless there be a clause to that effect in the contract of employment.

THE Philippine Congress adjourned its regular session on May 17, 1951, without enacting all of the President's legislative program. A special session lasting ten days confined itself to approval of the General Appropriation Bill. Among the bills passed during the regular session were the following:

A bill providing that beverage bottlers and manufacturers who place their names or other marks of ownership upon their bottles or containers may register with the Patent Office the name or mark so placed and that thereafter it would be unlawful for any person to fill or use such containers for the purpose of sale or to sell or deal in such containers or destroy the same. Possession of the containers by a junk dealer or a dealer in such containers or their use by a person other than the registered owner is made prima facie evidence that such use or possession is unlawful.

A bill creating the Philippine Sugar Institute as a semi-public corporation to promote the interest of the sugar industry in the Philippines.

A bill authorizing the Price Stabilization Corporation to prescribe as a condition for the issuance of any license to import wheat flour from abroad that the importer shall buy cassava flour in such proportions not exceeding 30% of wheat flour by weight as may be prescribed by the Administrator of Economic Coordination and the importer is required to sell cassava flour and wheat flour in such proportions. Violation of the measure is ground for refusing any license to import wheat flour and any importer found to have sold wheat flour without the corresponding proportion of cassava flour shall have his license cancelled and shall be disqualified from engaging in the importation of wheat flour for five years.

A bill condoning interest due government owned or controlled corporations from the 1st of January, 1942, to the 31st of December, 1945, on all debts and obligations outstanding on the 8th of December, 1941, in the cases as specified where the debtor was unable to pay the obligation because of the refusal of the creditor to accept payment or to open for business during the period set forth; where the debtor was unable to make payment by reason of his activities in the resistance movement; where the debtor could not pay because of penalty caused by the ravages of war, etc., or where he could not pay the obligation because his assets were under the administration of the Japanese Enemy Alien Property Custodian or other

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enemy instrumentality. The bill further provides that if foreign payment is made before December 31, 1952, of the principal, interest on the obligation for the period prescribed shall be condoned.

A bill making certain amendments in the Securities Act, first exempting from registration any security issued or guaranteed by the Government of the Philippines or any political subdivision or agency of said government, or any security issued or guaranteed by any banking institution authorized to do business in the Philippines, and any security issued or guaranteed by a foreign government with which the Philippines is, at the time of sale, maintaining diplomatic relations, including securities issued by political subdivisions of such foreign state.

The Securities Act is also amended to provide for the review by the Supreme Court of orders revoking the right to sell securities and of all orders issued by the Commission in any proceeding under the Act.

Republic Act No. 613 makes it unlawful to export or re-export machinery and spare parts, scrap metals, medicines, foodstuffs, abaca seedlings, gasoline, oil, lubricants, and military equipment or supplies suitable for military use without a permit from the President issued in accordance with the provisions of the Act. Applications for permits to export are filed with the committee composed of the Secretary of Agriculture and Natural Resources, the Secretary of National Defense, and the Administrator of Economic Coordination. Applications must be considered and disposed of in the chronological order in which filed. A unanimous finding that the export will not prejudice national security or the Government's program of agricultural and industrial development is necessary to a recommendation by the committee for approval of the permit by the President. The recommendations must be published two weeks in a newspaper of general circulation and if no objection is received the permit is to be signed by the President within ten days. If objection is made, the Act provides for a hearing before the permit can be issued. The Act terminates at the end of the next regular session of Congress unless sooner terminated by concurrent resolution of Congress. Violation of the Act is punished by imprisonment.

A bill providing that no commodity except those not subjected to control may be imported into the Philippines without an import control license issued by an instrumentality to be set up by the President in accordance with the provisions of the measure. The President may, by executive order, remove any class or kind of commodity from import and exchange control. The measure continues in effect until June 30, 1953.

Under the new Import Control Bill the Monetary Board of the Central Bank, at six months' intervals, certifies the dollars which shall be available for imports for the

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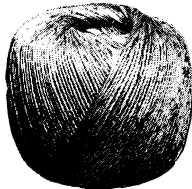
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corresponding period and no license may be issued without available foreign exchange to cover the license. The available dollars are apportioned by the Import Control Board among importers. The Bill provides that the Import Control Board shall encourage and protect essential industries in the importation of machinery, equipment, and raw materials, giving first priority however to government agencies charged with the duties of stockpiling essential articles, goods and commodities or with the stabilization of prices and to meet essential government needs. Second priority is to be granted to bona fide producers as regards capital equipment and raw materials, and the balance of the available exchange is to be distributed among bona fide business firms and importers in proportion to their individual average imports in the year 1949 including such reasonable allocation for bona fide new Filipino importers as would encourage them to participation in importation.

The following may be imported without license:

Used personal effects of a value of not exceeding P5,000 and gifts from abroad not exceeding the value of P100 for each gift;

Commodities brought by persons returning to the Philippines and not brought for commercial purposes in a value not exceeding P1,000.

Import licenses are required to be granted for imports for capital investment when no exchange is required, subject to the requirement that the proceeds from these goods shall be deposited in a bank and shall not be withdrawn therefrom except for investment in the Philippines; and second, goods imported from countries with which the Philippines has a foreign trade agreement, preference to be given to producers who export to these countries.

Import licenses granted to importers who are not producers must provide that the importer shall reserve not less than 50% of his imports for sale to bona fide Filipino merchants on the same terms as granted to his regular outlets.

The Bill contains the usual provisions for issuance of regulations and punishment of violators and repeals all prior import control laws.

Of the foregoing only Republic Act No. 613 had been approved by the President at the time this article was written. The Import Control Bill is almost sure to be approved and to become law. It is not certain what action will be taken with respect to the other bills.

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U.S. VETERANS ADMINISTRATION

Manila Regional Office

THERE are 76,540 regular beneficiaries of the U. S. Veterans Administration in the Philippines who receive an average payment of P76.43 a month, Brig. Gen. Ralph B. Lovett, USVA Manager, announced. This represents a total monthly outlay of P5,849,064.34 according to the latest tabulations.

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This huge total does not include initial payments, those accrued benefits which are included in the first check paid to new beneficiaries. Frequently, these initial individual checks amount to more than ₱3,000.00. Including the initial payments, the most recent figures show that a grand total of ₱8,190,909.62 was paid to beneficiaries in February, considered a fair average, Lovett said.

By localities, more beneficiaries receive more money in the City of Manila than any single province or combination of four provinces. There are 14,437 beneficiaries in Manila who receive ₱1,508,031.56 monthly in regular payments.

Pangasinan boasts the greatest number of beneficiaries of any province, with Rizal second. However, while there are 8,354 beneficiaries in Pangasinan compared to 6,207 in Rizal, total monthly payments to the Rizal beneficiaries are ₱540,371.86 as compared to Pangasinan's ₱493,467.72. This is explained by the larger number of Philippine Scouts residing in Rizal, who receive larger payments than Philippine Army and guerrilla personnel, as well as the fact that a great number of living veterans are studying under the G. I. Bill of Rights in Manila but living in Rizal. Subsistence payments to student-veterans generally exceed payments to survivors of deceased veterans.

The beneficiaries of the USVA are spread all over the Philippines, some in each of the 49 provinces. Batangas has the third greatest number of beneficiaries but stands fifth in total payments. Pampanga is third in total outlay and fourth in number of beneficiaries. La Union is fourth in amount of outlay but fifth in number of beneficiaries.

Beneficiaries of the USVA include living veterans of the Spanish-American War, World War I, and World War II, the survivors of deceased veterans of these wars as well as student-veterans. At present there are about 6,507 of these student-veterans receiving a total of ₱1,468,933.02 monthly, or an average monthly payment of about ₱115.00.

The following is a breakdown by provinces of the number of beneficiaries of the USVA in the Philippines and amounts paid to beneficiaries in the respective provinces:

Province	Number of Beneficiaries	Amount Paid Monthly Pesos			
Abra.....	504	₱ 33,469.02	Leyte.....	2,368	160,731.48
Agusan.....	66	4,414.62	Manila.....	14,437	1,508,031.56
Albay.....	1,779	109,805.44	Mariquinae.....	102	16,122.74
Antique.....	290	21,639.36	Marikina.....	138	8,042.18
Bataan.....	272	25,255.36	Mindoro.....	382	26,167.12
Batanes.....	9	475.58	Misamis Occidental.....	202	13,929.36
Batangas.....	3,368	177,157.46	Misamis Oriental.....	211	13,373.50
Bohol.....	566	34,782.98	Mountain Province.....	212	13,373.50
Bukidnon.....	55	10,825.32	Negros Occidental.....	800	92,666.80
Bulacan.....	1,916	89,248.50	Negros Oriental.....	2,086	122,583.58
Cagayan.....	696	49,030.94	Negros Occidental.....	731	49,217.18
Camrinas.....	193	10,908.34	Nueva Ecija.....	2,551	150,965.92
Canocina.....			Nueva Vizcaya.....	441	49,950.56
Sur.....	1,231	84,511.98	Palawan.....	166	13,121.12
Capiz.....	579	44,657.38	Pampanga.....	3,233	273,010.40
Candaguas.....	304	14,737.04	Pangasinan.....	8,354	492,467.72
Cavite.....	1,874	146,732.20	Puroron.....	1,266	79,154.82
Cebu.....	1,638	128,706.26	Rizal.....	6,207	540,371.86
Cotabato.....	214	14,398.84	Negros Occidental.....	90	5,561.86
Davao.....	200	19,574.70	Samar.....	671	55,454.86
Ilocos Norte.....	1,368	141,837.86	Sorogon.....	874	40,904.68
Ilocos Sur.....	2,054	134,537.08	Sulu.....	52	3,977.02
Iloilo.....	1,776	151,557.56	Surigao.....	74	4,663.26
Ispabela.....	567	40,117.08	Tarlac.....	2,618	153,570.76
La Union.....	3,026	180,090.62	Zambales.....	1,330	127,853.42
Legaspi.....	1,233	79,156.62	Zamboanga.....	513	66,083.56
Lanao.....	92	8,436.62	Grand Total.....	76,540	₱5,849,064.34

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COST OF LIVING INDEX OF WAGE EARNER'S FAMILY* IN MANILA BY MONTH, 1946 TO 1951

Bureau of the Census and Statistics
Manila

1946	All Items	Food (59.15)	House Rent (8.43)	Clothing (6.93)	Fuel, Light and Water (13.94)	Miscellaneous (17.86)	Purchasing Power of a Peso
January.....	603.4	759.2	236.4	984.0	363.8	434.8	1.657
February.....	547.2	656.3	236.4	940.3	369.5	460.5	1.827
March.....	525.9	631.0	236.4	940.1	340.4	445.2	1.802
April.....	556.2	684.1	236.4	910.3	345.5	435.9	1.798
May.....	545.1	675.6	236.4	762.5	342.3	409.6	1.835
June.....	538.7	666.4	236.4	737.9	343.3	404.2	1.856
July.....	552.7	704.3	236.4	598.9	341.3	364.6	1.809
August.....	477.9	590.0	236.4	484.7	320.9	346.3	2.092
September.....	477.9	591.3	236.4	378.7	314.5	347.2	2.092
October.....	487.4	587.2	236.4	382.7	405.8	342.7	2.052
November.....	484.8	607.8	236.4	406.4	346.5	305.2	2.063
December.....	461.9	570.8	236.4	371.9	344.7	302.1	2.165

1947	(100.00)	(63.43)	(11.96)	(2.04)	(7.73)	(14.84)	
January.....	426.2	368.2	453.9	381.9	326.2	282.5	2.346
February.....	418.5	454.9	453.9	356.2	344.8	281.4	2.389
March.....	406.8	440.1	453.9	295.2	334.7	279.4	2.458
April.....	387.7	413.3	453.9	269.2	328.9	271.6	2.579
May.....	381.0	404.4	453.9	250.9	325.4	269.4	2.625
June.....	386.3	414.4	453.9	236.8	316.6	268.6	2.589
July.....	393.4	426.8	453.9	217.7	309.3	269.9	2.542
August.....	387.4	419.8	453.9	210.2	292.0	269.1	2.581
September.....	368.9	392.1	453.9	216.4	283.3	266.8	2.711
October.....	358.7	376.3	453.9	212.7	280.5	267.7	2.788
November.....	358.0	376.3	453.9	219.1	280.5	265.3	2.792
December.....	371.9	395.8	453.9	219.1	298.2	262.9	2.689

1948							
January.....	391.2	428.3	453.9	224.5	304.6	249.9	2.556
February.....	368.5	392.0	453.9	223.8	301.1	254.4	2.714
March.....	349.4	361.0	453.9	214.6	308.1	255.9	2.862
April.....	356.1	374.1	453.9	209.4	289.7	254.8	2.808
May.....	349.8	360.2	453.9	214.2	289.7	271.6	2.859
June.....	351.0	370.4	453.9	205.9	282.4	269.9	2.823
July.....	356.4	374.2	453.9	201.3	281.6	262.4	2.806
August.....	363.6	385.7	453.9	199.8	281.6	261.7	2.751
September.....	370.6	397.2	453.9	199.2	279.6	260.6	2.698
October.....	374.9	404.0	453.9	204.8	283.2	257.9	2.668
November.....	368.7	394.4	453.9	202.0	281.6	258.7	2.712
December.....	365.9	389.9	453.9	202.0	282.4	258.9	2.732

1949							
January.....	363.8	386.8	453.9	202.0	279.0	258.9	2.750
February.....	343.8	355.5	453.9	203.0	277.5	258.9	2.909
March.....	346.3	358.2	453.9	202.0	276.3	258.5	2.896
April.....	348.7	362.6	453.9	197.6	287.5	257.1	2.868
May.....	348.8	362.8	453.9	197.2	287.5	257.1	2.867
June.....	349.0	362.9	453.9	203.9	287.5	257.2	2.865
July.....	351.7	374.0	453.9	194.2	265.8	240.5	2.844
August.....	337.5	351.2	453.9	196.3	266.6	241.2	2.963
September.....	333.6	345.1	453.9	190.3	264.8	243.1	2.998
October.....	332.9	343.3	453.9	199.9	264.8	245.0	3.004
November.....	339.6	356.1	453.9	191.1	258.4	239.8	2.945
December.....	329.6	335.9	453.9	202.9	259.5	256.2	3.035

1950							
January.....	332.3	336.8	453.9	238.0	253.1	269.3	3.010
February.....	336.9	340.2	453.9	233.3	257.8	284.1	2.969
March.....	339.0	341.4	453.9	236.7	257.8	292.6	2.950
April.....	331.8	328.6	453.9	237.7	252.9	301.2	3.015
May.....	320.2	308.6	453.9	244.7	249.7	309.1	3.123
June.....	323.1	310.9	453.9	243.5	249.7	319.1	3.090
July.....	332.0	322.4	453.9	252.6	249.7	328.7	3.012
August.....	334.4	325.9	453.9	258.7	251.1	318.4	2.995
September.....	341.3	335.0	453.9	317.4	252.5	327.5	2.930
October.....	352.8	351.1	453.9	337.3	249.7	334.5	2.835
November.....	354.1	353.2	453.9	322.8	249.7	335.9	2.825
December.....	352.2	350.5	453.9	325.2	249.7	334.8	2.839

1951							
January.....	355.2	355.0	453.9	331.5	249.7	334.6	2.816
February.....	358.4	359.8	453.9	342.8	249.7	334.4	2.790
March.....	353.2	349.3	453.9	379.4	248.8	339.3	2.832
April.....	361.2	362.6	453.9	398.6	247.5	334.7	2.769
May.....	365.0	367.0	453.9	410.4	247.5	339.5	2.740

* Average number of persons in a family = 4.9 members.
† Revised in accordance with the new survey on "Levels of Living in Manila" by Department of Labor and the Bureau of the Census and Statistics conducted in December, 1946.

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The

"LET YOUR HAIR DOWN"

Column

AN imposition of tax on tax—
is that legal?

"May 10, 1951

American Embassy

Dewey Boulevard, Manila

"Attention of Mr. Julian F. Harrington,
American Minister

"Dear Sirs:

"Under date of January 30, 1951, I sent you a letter, as per attached copy, with reference to difficulty in securing authority from the Central Bank to purchase a draft in favor of the Bureau of Internal Revenue, Baltimore, Maryland, to cover payment of income taxes due by me and my wife, for the amount of \$23,733.04. After considerable delay I finally received about the middle of February, authority from the Central Bank to purchase a draft for half of this amount, and in accordance with their instructions I submitted another application to purchase a draft for the remainder.

"About two weeks ago I finally received their authority to purchase a draft for the balance, but on making application for the necessary draft I was informed that same would be subject to an exchange tax of 17% in accordance with Republic Act No. 601. On taking this matter up with the Central Bank, they advised that there is no authority in said Act to eliminate payment of said exchange tax.

"As payment of this income tax has been pending for several months, I made an application for the purchase of the necessary draft and informed the Central Bank that I was paying the 17% exchange tax "UNDER PROTEST", as per attached copy of my letter addressed to them under date of April 27th, 1951.

"The imposition of this exchange tax on taxes and debts due the Federal Government by American citizens residing in the Philippines is unfair and unjust. I am also informed that the imposition of a tax upon a tax is illegal.

"In view of the fact that the United States Government is sending to the Philippine Government a large amount of U. S. dollars under the ECA provisions, to say nothing of amounts for other purposes, would it not be possible to make some arrangements whereby a certain amount is withheld to cover payment of taxes due the Federal Government by Americans residing in the Philippine Islands?

"Trusting that you will give this matter your kind attention, I am,

"Yours very truly,

"AMOS G. BELLIS
c o J. P. Heilbronn Co.
Port Area, Manila"

FOLLOWING the publication of the May issue of the *Journal*, the editor sent out the following letter, together with a sample copy of that issue, to around half of the members of the Chamber of Commerce of the Philippines (we couldn't send out more because we ran out of extra copies):

"Dear Sir:

"A goodly number of members of the Chamber of Commerce of the Philippines are subscribers to the monthly *Journal* of the American Chamber of Commerce, just

as members of the latter organization are subscribers to the monthly publication *Commerce of the Philippine Chamber*.

"We are writing to all the members of the Philippine Chamber to inform them of this and to assure them that *Journal* subscriptions are open to them. It is not true, as some believe, that one must be a member of the American Chamber to entitle him to subscribe to the *Journal*.

"Neither is it necessary to be a member of the American Chamber to advertise in the *Journal*.

"The *American Chamber of Commerce Journal* would be very happy to serve you either as a reader of or as an advertiser in its columns.

"Very sincerely yours,

"Etc."

We are pleased to say that as a result quite a number of new subscriptions came in.

Probably also as a result of this letter and the accompanying sample copy of the *Journal*, the editor received a letter from Mr. Juan J. Carlos, which read as follows:

"Dear Mr. Hartendorf:

"I noticed in your magazine that 'Building Construction' is the only business not being reviewed. I am therefore sending you here with a write-up on the subject prepared by myself. If you will let me know what your

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monthly dead-line is, I hope to make it every once in a while.

"Sincerely yours,
"Erc."

Now there was a display of the spirit of true cooperation. Mr. Carlos' article will be found in "The Business View" section. The editor wrote him his thanks as follows:

"Dear Mr. Carlos,

"I am very much obliged to you for your interesting and timely article on building construction and for your offer to write such an article for the *Journal* from time to time, an offer I am glad to accept.

"We have had a 'Building Construction' column off and on during the past few years, under the editorship, first, of Mr. O. A. Boni, of the Atlantic, Gulf, and Pacific Company, and then under Mr. H. H. Keys, but Mr. Boni was unable to continue the work and Mr. Keys has now left the Philippines. I had up to the present found no one to continue the column, so your volunteering is most welcome, the more so because of your high standing in the construction business, your position as a member of the Board of the Chamber of Commerce of the Philippines, your membership in the Rotary Club, and your membership in both the Philippine Society of Civil Engineers and the Philippine Contractors Association, of which you are a past President, all of which connections indicate that what you write has such authority behind it as we like to have for our 'Business View' columns.

"Our deadline for copy each month is on or about the 25th."

"There is nothing that makes an editor happier than finding a good, new writer. Why, it lights up his whole day," said H.

Mrs. Willimont received the following note a few days after the May issue of the *Journal* was sent out:

"Dear Mrs. Willimont,—I was surprised to see those drunken, maudlin paragraphs in the 'Hair-Down' column this month. I always thought better of the editor. Is whisky so important to him? Is he a drunkard?"

When this was shown to the editor, he said that to the question, "Is whisky important to him?" the answer is a groaning "Yes", but that that does not make him a drunkard. "At my age, and in these present times especially, it is a matter of a needed assuagement of passions and furies." As for those "drunken, maudlin paragraphs", he said that he was a sober as a judge when he wrote them, had not had a drop to drink. "It was pure art!" "However," he added, "I thank the fair writer for her interest and hope, profoundly, that I may continue to be worthy of her better thoughts".

STUART Symington, new head of the U. S. Reconstruction Finance Corporation, after discharging a branch manager for cause, told the press that it didn't matter to him whether the "deal" the man was convicted of was legal, but, he went on, "I am dead certain that it was improper; so he is out!"

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1951 SPEEDWAY CLASSIC STOP LEE WALLARD WINNER SET NEW RE

126.244 MILES HOUR

Wallard Captures 500-M Speedway

INDIANAPOLIS, Indiana (AP)—Lee Wallard of Altamont, New York, won the annual 500-mile speedway race Wednesday in a record time.

Record Set At Speedway

INDIANAPOLIS, May 31 (AP)—Joe Wallard of Tampa, Fla., set a record-breaking pace today to win his first 500-mile Memorial Day race at the Indianapolis speedway.

Some 50,000 spectators screamed encouragement as Wallard roared over the finish line ahead of the seven other drivers remaining in the race.

40-Year-Old Sets New US Car Race Speed Mark

By TED SMITS

INDIANAPOLIS, May 31 (AP)—Lee Wallard, a relaxed grinning streak in a car of gold and black, won the 30th annual 500-mile Memorial Day speedway race today at the ripe age of 40 and set a new track record for blazing automobile speed. Wallard took the lead at the start, surrendered it to several others early in the race, but he

drove the last 30 miles without one shock absorber. He averaged 126.244 miles per hour for the long, hot grind around the famous two and one-half mile track. Wallard's time was 3:57:38.05, the first lap in 1:12:00.00.



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you've been smoking... Open a pack... smell
that milder Chesterfield aroma. Prove -
tobaccos that smell milder smoke milder.

Now smoke Chesterfields—they
do smoke milder, and they leave
NO UNPLEASANT AFTER-TASTE

as VIRGINIA MAYO and GREGORY PECK
Starring in
"CAPTAIN HORATIO HORNBLOWER"
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Written by Technicolor



★ VIRGINIA MAYO enjoys her coffee and
a Chesterfield while the hairdresser arranges
her hair between scenes in the shooting
of "CAPTAIN HORATIO HORNBLOWER."

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They're Milder and leave no unpleasant after-taste."

Virginia Mayo

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