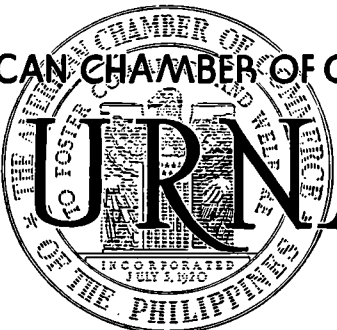


# THE AMERICAN CHAMBER OF COMMERCE

# JOURNAL



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**A. V. H. Hartendorp**  
*Editor and Manager*

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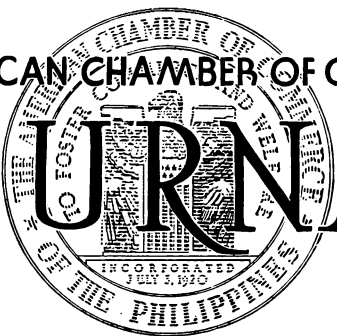
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# JOURNAL



## Editorials

"... to promote the general welfare"

Senate Bill No. 329, just introduced into Congress by Senators Primicias and Magalona, is entitled, "An Act recognizing and making effective the rights of the Filipino

### Employees as "Industrial Partners" Sharing in Profits

laborer as an industrial partner," and would entitle "Filipino" laborers, in addition to their wages, to a "fair and equitable share" in the annual net profits of their employers in an amount not to exceed 25%.

For any legislation thus to disregard the distinction between a laborer and industrial partner and to "recognize" one to be the other can be compared to "recognizing"  $x$  to be not  $x$ , but  $y$ .

As everyone knows, partnerships are formed between two or more men with the greatest caution; the liability of each partner, in the matter of debts, for example, being unlimited, any one of the partners being liable for the full amount of the debt, partners are chosen with the utmost care for their ability and trustworthiness. The selection of a partner in business is one of the most important acts in the life of any business or professional man. Although, most often, the partners contribute an equal amount of capital to the partnership, there are various types of partners; there are managing partners and silent partners and there are also *industrial partners*. An industrial partner often does not put in any capital, but in lieu of that brings into a partnership something accepted as its full equivalent,—perhaps some special knowledge or skill, some rare ability, or sometimes, say, a high reputation. Now this partnership may employ an office staff, skilled workers of various kinds, ordinary laborers, and so on, but can any of such people, hired from among many others more or less casually and sometimes only on a temporary basis, be considered, as "industrial partners", like the member of the firm who is justly entitled to that distinction? Granted that all employees do needful work, that most of them do it well, and that they are entitled to a fair compensation; but the truth is that very few, if any of them, contribute anything to the enterprise that could not be done as well by many others who could be employed. They take no risks, they labor under no grave liabilities,

in so far as the business is concerned, they do little if any planning, they make no important decisions on which the success of the whole enterprise may depend, they are paid for the work they actually do and their pay is secure as long as the business prospers and their work is satisfactory. They are employees, and no legislation can do anything but *pretend* to convert them into "industrial partners." If any worker wants to become an industrial partner, he is free to make the effort; let him be ready to make the necessary valuable contribution to some possible partnership and be accepted by the others as being able to do so. It is up to him.

**T**HE foregoing is only the *a, b, c* of one branch of economics,—in fact, it is only common sense. There is a little more excuse for the conception of the capital factor in production "sharing profits" with the labor factor, erroneous though this conception is. There is such a thing as a business enterprise taking a part of what would otherwise be profits and distributing this among the employees, but as soon as this is done, the amount becomes merely an added expense to the employer and a bonus to the employees. It is a gift, which, while not a wage, must be added to the cost of labor. Profits can go only to an entrepreneur as a reward of his enterprise; simultaneously with his turning over any part of his profits to the workers, he is handicapped by just so much in his competition with other employers.

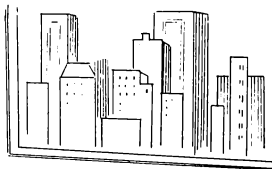
As we stated in these columns some month ago,\* such "extra wages" are usually spent by the workers (and very excusably so) in consumption and are thus eliminated from, and do not take part in the process of capital formation, as do the profits of the entrepreneur who uses them in extending his business or in capitalizing some new venture. No wage-earner can make any real profits unless he saves enough to become an entrepreneur or an investor himself, even if in only a small way, by risking his money in the purchase of a few shares of stock in some enterprise which he hopes will make or continue to make profits in which he will then, and only then, share.

\*See the editorials, "The Wage and the Worth of a Man" and "Wages and the Ability-to-Pay" Fallacy," in the issues of this *Journal* for May and June, 1952.

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the World Federation of United Nations Associations also had an observer at the conference. Austria sent two "distinguished visitors".

This roster alone indicates how the ECAFE has grown and how greatly the interest in the trade of this region has increased. As Secretary Balmaceda said in his closing statement, the Conference stands out as one of the most widely attended conferences ever held for the promotion of international commerce.

The Conference took up four main subjects: (1) Marketing research as an aid to trade, and (2) Methods of improving trade promotion machinery, both subjects being assigned to a committee called Committee A; (3) Methods of increasing exports, taken up by Committee B, and (4) Import needs and export availabilities, taken up by Committee C. Though these three separate committees were set up, all delegates and observers were invited to send representatives to the committee meetings.

Since the closing date of the Conference was so near to the "copy dead-line" for the February issue of this *Journal*, it is not possible now even to summarize the conclusions and recommendations of these various committees, but we hope to do so in the April issue.

We join Secretary Balmaceda in saying that the Conference was a most successful one and that it "fully achieved its announced objective of giving the participating nations an opportunity for a full discussion and free exchange of views on the problems of international trade."

## End of the Three-Ply Taxation

**F**OR once the Americans in the Philippines have won a little victory,—or perhaps not so little.

Over a year and a half ago, in the August, 1951, issue, this *Journal* said:

"Increasing protest is being voiced against the imposition by the Philippine Government, since the enactment in March of this year of Republic Act 601, of the 17% exchange tax on the remittances by Americans here of their income tax payments to the United States Government.

"As is well-known, Americans abroad pay a double income tax,—one to the government of the country in which they reside, and the other to the United States Government. This has always constituted a serious handicap to Americans and American corporations in foreign countries where they must compete with others who bear no such double burden. The burden is lessened only in part by the fact that the United States tax is paid only on so-called 'unearned' income,—that derived from earnings on investments, and not on 'earned' income (below a certain maximum), and by the fact that the amount paid in income taxes to the foreign government may be deducted from the United States tax.

"But now injury has been added to injury by the additional imposition of the 17% foreign exchange tax on these income tax remittances to the United States. Act No. 601 provides for certain exemptions, such as on remittances for a few staple foodstuffs and fertilizer, certain types of insurance payments, etc., but the drafters of the law seem not to have thought of the need of exempting these tax remittances (or did they?), although it is clear enough that such remittances fall outside the type of remittances it is the avowed purpose of the law to lessen,—remittances for imports.

"Appeals for relief have been addressed to the Central Bank, but the Bank's reply has been:

"As Republic Act No. 601 does not provide for an exemption of this nature, the said remittance is subject to the payment of the exchange tax."

We reported in the October, 1951, issue of the *Journal* that Mr. Allison J. Gibbs, Manila attorney, had informed us that, with respect to the sequestration of the banks accounts for Sequestered Bank Accounts and other credits of American nationals

and firms in the Philippines by the Japanese during the enemy occupation, Mr. A. S. Hyman, General Counsel of the U. S. War Claims Commission, had recommended the inclusion of a statement in the Commission's recommendations to the United States Congress that these nationals and firms should be compensated for their losses.

Mr. Gibbs has now informed us that the Supplementary Report of the Commission, just received in Manila, does contain a recommendation to this effect. A typewritten copy of the statement of the Commission on the subject runs to 9 pages and was received too late for publication in this issue of the *Journal*. In a letter accompanying the excerpt, Mr. Gibbs wrote:

"You will recall that the Chamber sponsored the efforts made by this (Mr. Gibbs') office to approach the War Claims Commission on this subject with a view to eventually securing remedial U. S. Congressional legislation. I consider the enclosed recommendation of the War Claims Commission as the first major step toward the successful prosecution of its effort.

"Now that the War Claims Commission has submitted its favorable recommendation, every effort should be made by the different claimants to contact their respective U. S. Congressman with a view to prevailing on them to endorse the War Claims Commission's recommendation."

The total amount involved, according to the Commission, is approximately \$7,500,000.

"Yet while the interpretation of the law has been so strict in this connection, the Bank appears readily to have agreed to certain other exemptions such as, for instance, in the case of the purchase of foreign exchange by foreign embassies, legations, and consulates.

"But this latter concession would seem to offer a way out, as has already been suggested by Mr. E. A. Perkins in a letter to Ambassador Cowen. The American Embassy in Manila could be authorized by the United States Government to collect the tax locally from Americans here, on the lawfully established and supposedly guaranteed basis of 2 pesos to 1 dollar, which Act No. 601 has in effect converted into a ratio of 2.34 to 1. . .

"We have pointed out in the past that what is, in effect, a one-sided devaluation of the peso, constitutes a most serious drain on every one in the Philippines because everyone has to pay around one-fifth more for everything that is imported from abroad; but for Americans the exchange tax additionally means the piling up of government taxes on them three-deep, contrary to all reason and equity."

Thanks largely to Mr. Perkins' intelligent proposal and the indefatigable efforts of Mr. Amos G. Bellis and a number of others, and also to the interest taken in this matter by Ambassador Spruance, this inequity has now been corrected.

The Central Bank of the Philippines issued a "Memorandum to Authorized Agents," dated February 17, 1953, stating in part:

"Subject to the conditions stated below, Authorized Agents may accept from the U. S. Embassy in the Philippines and forward to the Exchange Control Department applications for exchange license to cover payment to the appropriate United States Director of Internal Revenue of U. S. income tax due from Philippine resident American citizens, for the purpose of effecting remittances thereof free from the 17% exchange tax. . ."

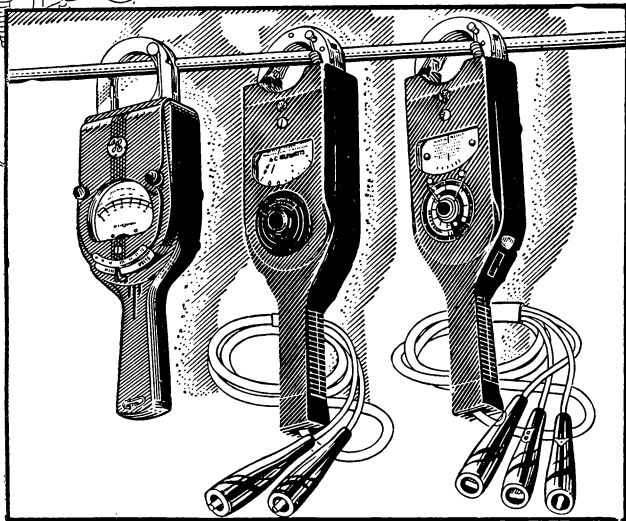


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MANILA

# Short History of Industry and Trade in the Philippines

## The War Damage and American Aid

By A. V. H. HARTENDORF

IT is hardly too much to say that the Philippines emerged from the enemy occupation and the war for liberation with a loss of what amounted to a major part of the national wealth with the exception only of the bare natural resources of the country and a virtually naked population.

At least four-fifths of Greater Manila was razed to the ground, but this represented only a part of the loss. Of many other cities,—Bacolod, Baguio, Cavite, Cebu, Davao, Iloilo, Quezon, San Pablo, and Zamboanga, and many of the larger towns, there was little left but the names and the sites. The destruction of public works throughout the country was well-nigh complete. This was because the country suffered not only the destruction incident to battle, but because what was probably the major part of the destruction was deliberately perpetrated. General Eisenhower, who visited Manila in May, 1946, was reported to have been stunned by the spectacle of ruin which Manila presented and to have exclaimed, "With the exception of Warsaw, this is the worst destruction I have ever seen!" It will be remembered that Warsaw was deliberately destroyed by the Germans for having offered resistance.

A month before the American landings along the shores of Lingayen Bay, the Japanese placed demolition charges in most of the large buildings in Manila, both public and private, as well as under all the piers and bridges. And immediately, on the night of February 3, 1945, when the first American contingents entered the city in a surprise maneuver, liberating Santo Tomas and taking Malacañan Palace, the Japanese started blowing up factories and warehouses in Tondo and setting fire to the residence sections, working from the waterfront inward, without warning to the people and machine-gunning those who tried to put out the fires or establish fire-lines. Within 48 hours, during those dreadful days, the Japanese had set off the dynamite charges in all the big buildings and under the bridges over the Pasig River in a planned series which destroyed the heart of the business district. The debris of toppled buildings lay thirty feet deep on the Escolta and on Dasmariñas Street. The destruction was extended into Quiapo, San Miguel, and Sampaloc, but the enemy, fortunately, was not given much time in this part of the city and withdrew to the south side of the River. In South Manila, from Pasay and Singalong and Paco down, they converted practically every concrete building, including churches and convents and school buildings and private mansions as well as government edifices, into strong-points from which only artillery could dislodge them. After the first bombing in September, 1944, by the way, the Japanese had seized practically all of the churches for use as warehouses and depots. The larger part of the Japanese suicide force made a final stand in the ancient Walled City, with certain units also in the three large and beautiful government structures, two of which had been completed only just before the war,—the Legislative, Finance, and Agricultural Buildings, a short distance southeast of the Walled City. When the fighting was over, in the second week of March, there was hardly a stone left on top of another within the old Spanish walls, the beautiful Legislative Building was an obscene pyramid of brownish dust, with only the shell-riddled narrow central section recognizable, the other two buildings also were mere skeletons, and over the whole of Pasay, Malate, Paco, and Ermita it was hardly possible to make out even where the streets had been.

Manila lay waste, stinking with the thousands of dead

of massacre as well as battle. It had lost its piers, docks, and bridges, its electric light and power and gas plants, its telephone exchanges, radio-stations, and newspaper plants, its factories and warehouses and office-buildings, its schools and universities, libraries, museums, churches, and theaters, its hotels and apartment houses, nine-tenths of its private homes, even its parks and avenues and streets. A great city, of a million inhabitants, a metropolis, three hundred years in building, was gone.

*The Early Estimates of the War Damage.*—The original U. S. Army estimate of the physical damage done throughout the Philippines, as reported in the post-liberation Army newspaper, *Free Philippines*, was \$1,500,000,000, and this was later stated to have been scaled down to \$1,000,000,000.

In March, 1945, the War Damage Corporation (established on December 13, 1941, as a subsidiary of the U. S. Reconstruction Finance Corporation), sent a special mission to the Philippines which submitted a report estimating the losses to private, public, and church property at around \$800,000,000 spread over 750,000 claims, as follows:

	Total loss	Estimated number of claims
Public property	\$195,347,595	1,000
Catholic property	125,000,000	100
Other church properties	14,000,000	15
Private properties	464,420,000	738,000
<b>Total</b>	<b>\$798,767,595</b>	<b>739,115</b>

Figures of the damage compiled by the Bureau of the Census and Statistics during the earlier part of 1945, and then still incomplete, totaled ₱5,589,580,005, distributed as follows:

Real estate improvements, including government buildings, private residential and commercial structures, churches and other religious institutions	₱539,374,320
Government corporations (not including buildings)	81,756,232
Industrial and commercial properties	512,950,454
Agriculture	281,170,790
Public works improvements (excluding damage in the provinces of Agusan, Batanes, Bukidnon, Cantanduanes, Cotabato, Palawan, and Zamboanga)	244,988,081
Personal effects, such as clothes and linen, house furniture, fixtures and utensils, cars, jewelry, books, etc.	262,831,683
Government offices, exclusive of buildings	125,663,477
Libraries (from reports of 2 public and 4 private libraries in Manila only)	5,624,968
Prewar value of Japanese notes issued in exchange for goods and services	335,200,000

### Stated the Report:

"As shown above, the damage to real estate improvements is the heaviest. Replacement cost of the destroyed structures at 5 times the prewar value will amount to ₱2,696,876,600. In Manila alone the prewar value of damaged structures is ₱222,853,000."

The Report itemized the estimated damage to industrial and commercial properties, by establishments (December 8, 1941 to July 4, 1945), as follows (exclusive of the values of buildings):

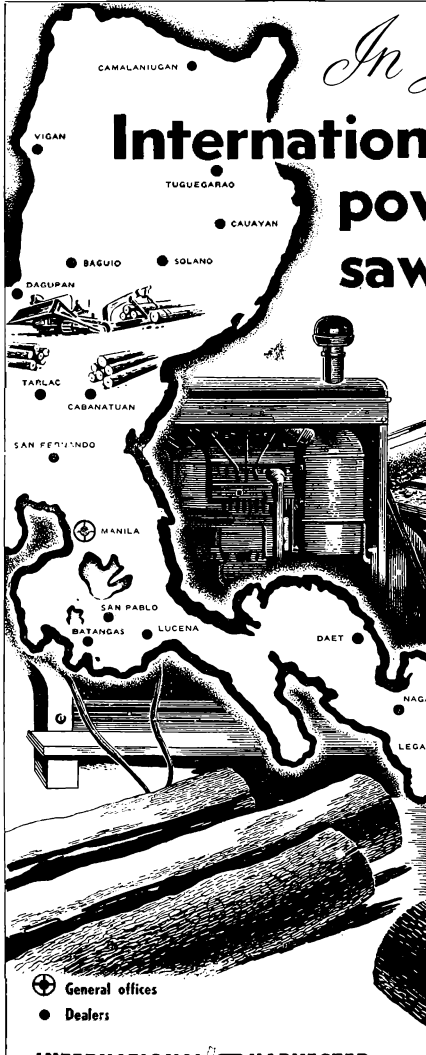
Manufactures	₱135,267,434
Trade	115,304,145
Transportation and communication	94,064,082
Mines and quarries	83,662,805
Service firms	51,158,773
Lumber and sawmills	11,628,535
Finance, banking, and insurance	7,211,596
Professional	3,850,320
Fishing industries	1,097,243
All others	9,705,521

Office of War Information.

This figure was later raised to ₱356,523,214.

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**The Reparations Demand of \$16,000,000.—**

As is well-known, the Philippine Government later posed a reparations claim of \$16,000,000. This may be compared to the national income of \$4,350,000,000 in 1946 and of \$7,586,000,000 in 1951. It may also be compared to the 3,000,000,000 gold marks annually, for 35 years, demanded from Germany after World War I,—about \$720,000,000 a year on the basis of the prewar value of the mark, which, of course, never was or could have been paid. Also to the equivalent of \$300,000,000 (in 1938 dollars) demanded in reparations from Finland by Russia,—and actually paid in 8 years time in equipment, goods, etc.

It is, however, not the intention of the writer to support any reparations claim of any given amount, but only to give some conception of the enormous losses suffered by the Philippines.

The \$16,000,000 reparations claim was based on the following itemization:

I. Ocean and coastwise shipping properties.....	\$ 196,130,000
II. Industrial and commercial properties (excluding government corporations and transportation and communication facilities, but including fishing industries together with fishing craft (value of buildings excluded).....	366,149,660
III. Government corporations (excluding buildings).....	82,280,890
IV. Air and land (together with inland water transportation and communication facilities including installations.....	299,384,722
V. Highways and other public works improvements (including value of buildings).....	231,746,736
VI. Agriculture, etc.....	425,589,590
VII. National, provincial, and municipal institutions and enterprises (excluding buildings).....	125,663,477
VIII. Household articles and personal effects, etc.....	385,510,123
IX. Government and privately owned homes and buildings.....	547,220,393
X. Value of commandeered goods and services.....	11,148,642,000
XI. Public, college, and university libraries.....	5,624,968
XII. Damage and loss not included in the foregoing categories.....	9,524,000
XIII. Indemnity for loss of human lives during the war (based on 1,111,938 casualties).....	3,335,781,000
<b>Total.....</b>	<b>\$16,159,247,959</b>

Item II, Industrial and commercial properties, which is of special interest to businessmen, was itemized in greater detail as follows:

1. Manufactures (former value was \$135,275,914, but \$75,196,564, representing Sugar centrals, was transported to Group VI where it properly belongs).....	\$ 60,080,350
2. Trade.....	115,333,237
3. Mines and quarries.....	83,662,805
4. Service firms.....	51,194,588
5. Sawmills and loggings.....	14,948,000
6. Finance, banking, and insurance.....	7,211,596
7. Professional.....	3,868,563
8. Fishing industries including fishing craft.....	20,145,000
9. All others.....	9,705,521
<b>Total.....</b>	<b>\$366,149,660</b>

Item VI, Agriculture, referred to under "I" in the foregoing table, was itemized as follows:

1. Agricultural crops.....	\$183,787,240
2. Livestock and poultry.....	68,137,520
3. Farm implements.....	7,599,140
4. Crops abandoned and trees destroyed or cut down due to war operations.....	21,646,890
- 5. Productive structures.....	75,196,564
a. Sugar centrals.....	5,154,000
b. Rice mills and hullers and threshing machines.....	1,140,000
c. Desiccated coconut factories.....	5,600,000
d. Coconut oil mills.....	2,604,800
e. Copra driers, including warehouses and other establishments.....	2,500,000
f. Abaca stripping machines.....	1,000,000
g. Abaca stripping sheds.....	20,000
h. Abaca denting machines and knives.....	1,200,000
i. Hemp presses for baling.....	1,200,000

j. Tobacco curing barns.....	4,360,000
k. Rice, abaca, and tobacco warehouses.....	7,600,000
l. Irrigation systems.....	2,500,000
m. Other farm improvement.....	35,543,436
<b>Total.....</b>	<b>\$425,589,590</b>

**The Philippine Rehabilitation (Tydings) Act of 1946.**—With the exception of Item X, Value of commandeered goods and services (as measured by the issue of Japanese war notes), and Item XIII, Indemnity for loss of human lives, the \$16,000,000 reparations claim may be checked against the public and private claims adjudicated by the U. S. Philippine War Damage Commission which was created under the terms of the Philippine Rehabilitation (Tydings) Act, approved April 30, 1946.<sup>3</sup>

This Act, to which further reference will be made in due course, authorized the Commission to expend a total of \$400,000,000 in payment of private war-damage claims. The Act provided for another \$120,000,000 for the restoration of public property, but of this amount only \$57,000,000 was allotted to the Commission, the balance being allotted as follows: \$40,000,000 to the U. S. Public Roads Administration for the rehabilitation of roads and bridges in the Philippines; \$18,000,000 to the Corps of Engineers, U. S. Army, for the rehabilitation of ports and harbors; and \$5,000,000 to the U. S. Public Health Service for the restoration and improvement of the health services. The Act furthermore provided for the transfer of \$100,000,000<sup>4</sup> in "surplus property of the United States in the Philippines." The total, thus, provided, was \$620,000,000, or \$1,240,000,000.

The funds provided for war damage compensation were to be taken, according to the terms of the Act, "out of any money in the United States Treasury not otherwise appropriated", but it was also provided that—

"any money or bullion... and any other property received by the United States from the Japanese Government or the Japanese people, whether by way of reparations or restitution on account of war losses in the Philippines,"

might be transferred by an executive order of the President of the United States to cover the amounts thus appropriated, but, as everyone knows, the Treaty of Peace with Japan, negotiated some years later, provided that—

"except as otherwise provided... the Allied Powers waive all reparations claims of the Allied Powers and their nationals arising out of any actions taken by Japan and its nationals in the course of the prosecution of the war..."

This meant that the whole, or virtually the whole of the war damage payments made in the Philippines came from the American Government, that is to say, the generous American people.

**The War-Damage Payments by the United States.**

—According to the final (1951) report of the U. S. Philippine War Damage Commission, the Philippine Government submitted claims for destroyed and damaged national, provincial, and municipal government property in the amount of some \$380,000,000, but inasmuch as the Commission itself had only a total of \$57,000,000 to dispose of for this purpose, the compensation was limited to this amount and the payments actually made totaled some \$110,500,000. Roughly itemized, the Government received some \$68,600,000 in compensation of damage done to the public schools; \$13,840,000 for damage to national government buildings; \$9,200,000 for damage to hospitals and dispensaries; \$8,300,000 for damage to provincial and municipal buildings; \$6,100,000 for damage to waterworks and irrigation systems; and \$4,400,000 for damage to various government corporations.

<sup>3</sup>Public Law 370, 79th Congress.

<sup>4</sup>The value of the surplus U. S. Army property turned over to the Philippine Government was much greater (the procurement cost of the property actually transferred was estimated at \$1,121,400,000), but due to the difficulty of guarding and storing it, the spoilage and the looting, and the corruption which entered into the disposal, the Government realized only a small fraction of the real value.

The damage done to private property was of course much greater than that to public property and hence a much larger sum (\$400,000,000) was provided in compensation. Some 1,250,000 separate claims were filed, the total damage claimed amounting to ₱2,250,000,000.

Of these claims, according to the Commission's report,—

"nearly 1,000,000 were for \$500 or less; approximately 247,000 were from \$500 to \$25,000; more than 1,600 were from \$25,000 to \$50,000; those from \$50,000 to \$250,000 totaled 1,360; and there were 320 for more than \$250,000."

Claims totaling some ₱1,084,433,000 in value were approved, but as there was only some ₱800,000,000 available for payment, claimants ultimately received (in two payments) some 52.5% of the approved amounts of their claims in excess of \$500.

Of the payments exceeding \$25,000 in value, the following is an itemization by type of industry:

Agriculture.....	₱ 38,812,000
Manufacturers and dealers.....	23,004,000
Mining companies.....	18,001,000
Sugar centrals.....	13,433,000
Public utilities.....	9,840,000
Health, education, and religion.....	8,657,000
Sawmills and lumber companies.....	3,560,000
Other claimants.....	15,670,000
<b>Total.....</b>	<b>\$125,377,000</b>

The writer earlier referred to the destruction wrought in the cities other than Manila. The following tables, based on the final report of the Commission, will give some idea of the comparative damage. The figures are given in round numbers:

#### Public Property Claims

City	Number of Claims	Amount of Claims Pesos	Number of Claims Approved	Total Payments Pesos
Bacolod.....	7	722,000	3	375,000
Begio.....	5	6,390,000	1	949,000
Cavite.....	4	758,000	3	348,000
Cebu.....	10	6,070,000	2	1,500,000
Davao.....	2	553,000	2	628,000
Iloilo.....	11	3,215,000	2	1,237,000
Quezon.....	27	55,610,000	2	9,840,000
San Pablo.....	1	664,000	1	503,000
Taagaytay.....	2	149,000	1	39,000
Zamboanga.....	3	872,000	2	750,000
Manila.....	171	152,875,000	27	32,577,000
Undistributed.....	8	31,177,000		

#### Private Property Claims

Bacolod.....	7,337	16,554,000	7,020	4,099,000
Begio.....	4,167	50,451,000	3,480	5,514,000
Cavite.....	1,378	6,074,000	1,081	1,814,000
Cebu.....	16,428	75,822,000	14,215	23,882,000
Davao.....	7,418	16,514,000	6,924	5,772,000
Iloilo.....	6,886	29,156,000	5,920	6,470,000
Quezon.....	1,160	5,981,000	1,153	2,188,000
San Pablo.....	2,865	10,399,000	2,541	2,342,000
Tagaytay.....	546	390,000	195	120,000
Zamboanga.....	8,936	19,526,000	8,251	5,290,000
Manila.....	33,529	485,941,000	34,880	124,550,000
Undistributed.....	2,162	249,000,000	712	10,979,000

The amounts of the private property claims paid by the Commission in the various provinces, give some idea of the relative as well as the widespread nature of the damage. Negros Occidental, the great sugar province, led the list with ₱77,000,000. Then followed in order: Iloilo Province, ₱30,000,000; Mountain Province, the premier mining province, ₱28,000,000; Rizal, ₱23,000,000; Nueva Ecija, ₱23,000,000; Cebu, ₱22,000,000; Lanao, ₱20,000,000; Pampanga, ₱20,000,000; Leyte, ₱19,000,000; Camarines Sur, ₱16,000,000; Cagayan Province, ₱15,000,000; Batangas, ₱15,000,000; Samar, ₱15,000,000; Capiz, ₱15,000,000; Cotabato, ₱15,000,000; Pangasinan, ₱14,000,000; Tarlac, ₱13,000,000; Bataan, ₱12,000,000; Camarines Norte, ₱11,000,000; Laguna, ₱11,000,000; La Union, ₱11,000,000; Ilocos Sur, ₱10,000,000; Isabela, ₱10,000,000; Quezon Province, ₱10,000,000; Sulu, ₱9,000,000; Misamis Oriental, ₱9,000,000; Negros Oriental, ₱8,000,000; Masbate, ₱8,000,000; Albay, ₱8,000,000; Bukidnon, ₱8,000,000; Davao Province, ₱6,000,000; Antique, ₱6,000,000; Zamboanga Province, ₱6,000,000; Zambales, ₱6,000,000, and so on.

The largest government claims were paid in the provinces of Iloilo, Cebu, Capiz, Pangasinan, Negros Occidental, Rizal, Mountain Province, and Leyte.

There was hardly a province, city, or town which was spared the devastation of war.

In comparing the figures of claims presented to and adjudicated by the Commission with the figures compiled by the Bureau of the Census and Statistics later used as the basis for the reparations demand on Japan, it should be understood that the Philippine Rehabilitation Act allowed compensation—

"for tangible real and personal property only and enumerated the perils which must have caused compensable loss or damage. It required that the claimant had to have an 'insurable interest' in the property under claim on or before December 7, 1941 [start of war], and continuously to the date of loss or damage. Furthermore, it provided that the Commission must adjudicate claims on the basis of the 'actual cash value' of the assets at the time of loss, or on the postwar replacement cost, whichever was lower. With high reproduction costs in the postwar period, all claims were settled on the basis of actual cash value at the time of loss which the Commission determined to be representative prewar value less depreciation." (Commission's final report.)

While the Philippine Government figures embraced what was more or less the total damage suffered by the whole country and all its people, the Commission's approved damage figures did not include the vast damage suffered by several large classes of persons, though their losses were as "tangible" as those who did receive compensation. According to the Commission's report:

"Total disallowances were made on slightly more than 91,000 claims, principally because the claimants were ineligible nationals who were not covered by the Rehabilitation Act. The law provided that the Commission could pay, in addition to citizens of the Philippines and the United States, only those nationals of friendly nations which granted reciprocal war damage payments to American citizens resident in those countries. It proved further that to be eligible such nationals must have resided in the Philippines for 5 years prior to December 7, 1941. The Commission determined that only citizens of Australia, Canada, Switzerland, Nicaragua, and Sweden could qualify under these provisions of the law and they filed relatively few claims; the number filed by ineligible nationals, however, was substantial."

There must have been many foreign nationals in the Philippines who did not even present a claim, knowing that they were not eligible to receive compensation. It will be noted that the provisions of the law excluded British and Spanish and Chinese nationals, and their losses, together, must have been as great or greater than the losses of American nationals at least.

The Rehabilitations Act made no distinction between American and Filipino claimants and beneficiaries, but it did provide that payments in excess of \$500 were not to be made until an executive agreement had become effective between the United States and the Philippines with respect to future trade relations pursuant to the terms of the companion act, Public Law 371, generally known as the Bell Trade Act, which will be referred to again later in this "Short History". This provision in effect discriminated in favor of the smaller against the larger claimants. Not knowing, at the beginning, how many claims would be presented, and in what amounts, the Commission also early determined that a margin must be provided to insure that at least some payment would be made on all approved claims so that the whole \$400,000,000 would not be exhausted before all legitimate claimants would be assured of at least a portion of the intended benefits. It therefore decided that no payments would exceed \$250 to begin with; later this was raised to \$500, which figure was maintained until after all claims had been filed and analyzed. Of the 1,250,000 claims filed, approximately 1,000,000 were for \$500 or less, and these claimants were paid a total of around \$132,000,000. About a third of the money, therefore, went to the smaller claimants who were practically all Filipinos. But this was not all. Of all the claims filed, some 1,240,000 were filed by Filipinos, while only 2,618 were filed by Americans,—around 1/5 of 1%. And while the Filipino claims totaled ₱2,243,700,000, the American

claims totaled only \$110,708,000. (Some 5,400 Chinese claims totaled \$55,666,000; 178 Spanish claims, \$8,554,000; 256 British claims, \$19,271,000; 104 Hindu claims, \$3,085,000; 81 Swiss claims, \$2,020,000; 26 Dutch claims, \$1,424,000; 19 French claims, \$1,285,000. There were even 2 German claims, for a total of \$10,267!)

The Rehabilitation Act made no provision for compensation for losses suffered through the gigantic issues of Japanese military notes. These issues, as first estimated by the Bureau of the Census and Statistics, came to a total of approximately ₱8,000,000,000, but a revision, by a Japanese liaison officer in Tokyo, in September, 1945, of the figures for the monthly issues from January to July, 1945, increased the total to over ₱11,000,000,000.

**The Japanese Military Note Issues.**—The manner in which the Japanese shoveled out their war notes (called "Mickey Mouse" money during the occupation) is clearly shown by the itemized monthly issues.

During the first three months of 1942, the issues were only from around ₱9,000,000 to ₱10,000,000 a month, but the monthly issues during that year were so heavy that the total for 1942 in December brings the total circulation at the end of that year to around ₱14,000,000. The monthly issues increased still more rapidly during 1943, rising from around ₱17,000,000 in January to over ₱38,000,000 in December, which brought the total circulation at that time to around ₱480,000,000. The issues increased from ₱51,000,000 in January, 1944, to ₱119,000,000 in April, and from then on mounted rapidly to ₱866,000,000 in November and to over ₱1,000,000,000 in December; the total circulation then stood at nearly ₱5,000,000,000. The January, 1945, issue amounted to more than ₱1,500,000,000 for that month alone. After January, 1945, the Bureau of the Census and Statistics figures were a nominal ₱250,000,000 monthly up to and including July, but the Japanese officer referred to estimated that the issue for February was over ₱1,300,000,000, for March ₱1,100,000,000, for April ₱888,000,000, for May ₱675,000,000, for June ₱462,000,000, and for July ₱250,000,000. The total in circulation was thus brought up to ₱11,148,642,000,—the figure used for the item "Value of commandeered goods and services" in the Philippine reparations claim.

An interesting point in this connection is supplied by the statement that has been hazarded in some quarters that the issue by the United States Army of notes counterfeiting the Japanese war notes added materially to the Japanese-created "inflation". The fact is that counterfeit Japanese war notes were brought to the Philippines on American submarines and distributed to the guerrillas in various parts of the country. Official information on this subject is still "classified" (secret), but the writer has it on first-hand authority that this was done only during the latter half of 1944, mostly after the American landings in Leyte, and that the total thus distributed ran only to between ₱50,000,000 and ₱100,000,000. This was therefore but a drop in the "Mickey Mouse" flood.<sup>5</sup>

The "value" of the Japanese war notes at various periods during the enemy occupation in terms of the prewar Philippine peso was studied soon after the liberation by a number of experts, including Mr. Isadore Alk of the Foreign Funds Control Section of the U. S. Treasury Department and Mr. Frank N. Belgrano, Jr., of the Bank of America, who was financial advisor to U. S. High Commissioner McNutt. At the request of President Osmeña, Mr. D. L. Ballantyne, of the Chase National Bank in the Philippines in 1945 as Special Economic Advisor to the President. Mr. Ballantyne developed a schedule by which sums in Japanese currency can be evaluated in terms of the prewar peso, this being necessary in the calculation of the real value of various business transactions conducted during those years,—involving mostly the payment and collection of debts. The Ballantyne schedule is substantially the same as the schedules recommended by others who worked on the problem and later came to have the force of law in matters of the exchange concerned.<sup>6</sup> The schedule follows:

1942	All months	1.00
1943	January	1.05
	February	1.10

<sup>5</sup>This counterfeit money was distributed to the guerrillas to finance their local activities, but it is freely available to them, with no exchange required. It was printed in all the Japanese denominations from 1 to 20 "pesos," later 100, and finally 500, but the latter bill was little used. The Psychological Warfare Branch of the American Army at the time considered flooding the country with this counterfeit by dropping it in large quantities, "millions" at a time, from airplanes, with the idea of rendering the Japanese army notes so entirely worthless that they could no longer be used by the enemy to "buy" their supplies. It was found, however, that the Japanese themselves had already so inflated the currency that any American contribution toward that end was unnecessary.

<sup>6</sup>See article by E. Selph in the August, 1949, *American Chamber of Commerce Journal*.

March	1.15
April	1.20
May	1.25
June	1.30
July	1.40
August	1.50
September	1.60
October	1.70
November	1.80
December	2.50

1944	January	4.00
	February	5.00
	March	6.00
	April	9.00
	May	12.00
	June	15.00
	July	20.00
	August	25.00
	September	30.00
	October	40.00
	November	60.00
	December	90.00

1945	January	120.00
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With respect to item X in the Philippine reparations claim, a note appended to the document from which the writer took his figures states:

"As reported in the Memorandum of the Bureau of the Census and Statistics to the Chairman, Philippine Reparations Mission, dated May 28, 1946, the value of commandeered goods and services paid for in Japanese war notes may be deflated, if necessary, by using the Ballantyne-Tucker scale, to the aggregate prewar monetary value of such goods and services, estimated at ₱535,220,000."

**The Indemnity Claimed for Loss of Life.**—The Rehabilitation Act made no provision for compensation for the loss of life. Item XIII in the Philippine reparations claim, "Indemnity for the loss of human lives", was based on an estimate of the Department of Health and Public Welfare, submitted under date of November 29, 1946, of 1,111,938 casualties and an indemnity of ₱3,009 a head, "as provided in the Revised Civil Code."

**The U. S. War Damage Commission.**—The U. S. Philippine War Damage Commission<sup>7</sup> performed its duties in the Philippines with notable integrity, efficiency, and dispatch, and although the compensation paid fell far short of even only the material damage suffered, the amount of nearly a billion and quarter pesos which flowed into the Philippines under the terms of the Tydings Rehabilitation Act made possible a physical rebuilding of the Philippines within a few years that might otherwise have taken decades. Though private property-claim payments did not begin until around April, 1947, and did not assume any great volume until June, 1948, the final payments not being made until near the close of 1950, prospective beneficiaries were enabled in many cases to obtain needed credit to begin the rehabilitation of their businesses long before they received their compensation.

**Enemy Property Turned over to the Philippine Government.**—The value of the enemy property in the Philippines, turned over to the Philippine Government by the United States after the war,—in the form of lands, buildings, machinery, sunken ships, cash, etc., amounts to a considerable total, still being added to, but as the appraisals were in many cases nominal, no satisfactory total figure can be arrived at. Additionally, and of no small importance, is the fact that the turning over of the pre-war Japanese landholdings, in Davao especially, put an end, it is to be hoped permanently, to the "Japanese problem" there which plagued the country for so many years.

The first Office of the Enemy Property Custodian was a purely military one set up within the headquarters of the U. S. Army in the Philippines during the period of the liberation, but soon afterward General MacArthur requested the establishment in Manila of a branch office of the Alien Property Custodian of the United States to administer here the Trading with the Enemy Act, as amended. This Office<sup>8</sup> was established on September 12, 1945, a week or so after the surrender of Japan.

<sup>7</sup>Frank A. Waring, Chairman, Francisco A. Delgado, John A. O'Donnell, Phillip L. Charles, Secretary.  
<sup>8</sup>Roger E. Brooks, Manager.

The Tydings-McDuffie Act of 1934, which established the Philippine Commonwealth, provided that the United States, by proclamation of the President on July 4, 1946, surrender all rights of sovereignty in and over the territory of the Philippines and of possession of all United States Government property here with the exception of certain military reservations, naval fueling stations, and designated properties suitable for United States diplomatic establishments. The authority of the United States Alien Property Custodian in the Philippines would therefore have ended upon the proclamation of independence, and as both American and Philippine Commonwealth officials realized that certain problems concerning alien property required solution before that time, the United States Congress in accordance with an agreement between the two countries, enacted the Philippine Property Act of 1946, approved July 3. This Act provided that the Trading with the Enemy Act would continue in force in the Philippines, and to this end the President of the United States, by executive order, established the Philippine Alien Property Administration as an independent agency under his Office, effective October 14, 1946.<sup>9</sup>

Some five years later, on June 29, 1951, the rights, functions, etc. of the Philippine Alien Property Administration were terminated by another executive order and transferred to the U. S. Attorney General, these rights and functions to be administered by him or by such officers and agencies of the U. S. Department of Justice as he might designate. The Attorney General designated the Office of Alien Property, U. S. Department of Justice, and the present Philippine Office of this agency was established on June 30, 1951.<sup>10</sup>

Under the program thus carried out, title to enemy property in the Philippines was taken by the United States Government in accordance with the provisions of the Trading with the Enemy Act, which provided for a return of property so seized to those persons who were not enemies and could prove that they were the owners prior to the vesting action by the United States, and also that Americans and Filipinos to whom there were debts due from enemies whose properties were seized would be reimbursed out of the proceeds of their debtors' vested properties. It can be understood that all this called for a great deal of investigation and legal work. The Philippine Property Act provides that the enemy property or the proceeds thereof remaining after disposition of such claims and the costs of administration are to be transferred to the Republic of the Philippines.

Accordingly there has been transferred by the United States Government to the Philippines approximately the following:

80,000 hectares of agricultural land	} chiefly abaca lands in Davao Province
150,000 hectares of agricultural land in which the Japanese had leasehold interest	
400,000 square meters of residential and commercial land	} mostly in or near Manila
50 buildings	
3,000 items of machinery and other personal property	
135 sunken vessels and, in cash, ₱4,550,000.	

This represents from 70 to 75% of the enemy property in the country which was vested. Roughly 10% was disposed of in the satisfaction of proved claims and for costs of administration. The remainder, or approximately 20% of enemy property in the Philippines is still held by the Office of Alien Property pending the disposition of remaining claims and litigation. As these are disposed of, there will be still further transfers of property and cash to the Philippine Government.

The Great Non-Assessable Damage.—Both the Philippine Government's figures and those of the War Damage Commission covered only the more or less tangible damage,—damage capable of being appraised. There was vast damage which, though intangible, was equally real,—the virtual destruction of the country's established organization as a functioning whole and the weakening of all its social institutions,—political, economic, educational, religious, and the family itself; and, concomitant thereto, the physiological and mental and moral damage suffered by the entire population without exception, whether young or old and extending even to the unborn.

The spread and depth of this ruin was not immediately apparent, but showed itself gradually in the continuing high death rates and incidence of disease, the general lawlessness and contempt of government, the violence and criminality, marked by a barbaric disregard of the value of human life, the general blunting of the moral sense and abandonment of ethical standards, and the cancerous corruption in both public and private spheres.

To understand this it should be realized that the Philippines, though it resisted the enemy, not only passively but by force of arms, throughout the length of the occupation, and finally joined in the battle for liberation, had not, by itself, fought a victorious war. The Philippines suffered defeat and lay well nigh helpless under the heel of the conqueror for more than three years. War, although it brings its evils to the victor as well as the vanquished, is, for the victor, a tonic national experience, but defeat and forced submission to a cruel enemy for such a length of time is unmitigated evil. For every tortured man there was a tortured family; with every broken home, a dream died; with the death of every one of the hundreds of thousands of those slain in battle, murdered by the secret police, or massacred in the final frenzy, the nation died a little. Not alone the fear and the hatred, but the humiliation and the shame bit deep into every heart. The liberation by America was a matter for delirious joy, for a few weeks; then bitterness, or, worse, the apathy of a sense of irreparable loss, returned again. The people were not only naked and hungry and in countless cases utterly bereft, but sick and confused. The damage was to the soul, the spirit,—psychotic. Recovery from this, the greatest damage of all, will take a generation or more. America sought to heal these wounds, too.

*The Rehabilitation of Human Lives.*—The principal agencies in this effort were—are, the U. S. Veterans Administration and the U. S. War Claims Commission.

In monetary terms, the U. S. Veterans Commission, from the year 1946 to the end of 1952, disbursed over ₱615,000,000 in payments to war veterans and their widows and orphans,—or about half the amount which came into the Philippines under the terms of the Tydings Rehabilitation Act.

These disability and death compensation payments, pensions, etc. of the Veterans Administration, do not include the retirement pay disbursed by the U. S. Army, Navy, and Airforce in the Philippines, which amounted to some ₱600,000 in 1941, but since the war to more than three times that amount annually.<sup>11</sup>

The War Claims Commission, in payments principally to interned civilians and prisoners-of-war and their widows and orphans, has now disbursed some ₱8,000,000 to residents in the Philippines.

<sup>11</sup>Not to do any of these payments of the Veterans Bureau or the retirement pay just mentioned, disbursed by the American armed forces, include the "arrears in pay," paid to the USAFFE for the period from July 30, 1942, to the time of the processing back into the service in 1944 and 1945; or to the "current pay" paid from 1946 on until June 30, 1946, or earlier. Some of the recognized guerrillas also shared in this back pay and current pay. According to figures obtained by the writer from the Philippine Army, the total back pay disbursed to the USAFFE and the guerrillas amounted to ₱773,390,457.33 and the total current pay to ₱159,401,114.36, or a total of ₱932,791,571.69, all paid by the United States Government. And these figures, of course, did not include the pay of the Philippine Scout organization, which was an integral part of the U. S. Army itself. These payments can not be looked upon as "aid" to the Philippines, as they arose out of contractual obligations, yet the disbursement of such large sums to Filipinos did constitute indirect assistance to the country.

<sup>9</sup>James Mcl. Henderson, appointed Philippine Alien Property Administrator, December 9, 1946.

<sup>10</sup>Stanley Gilbert, Manager.

Additionally, the Manila Branch of the Bureau of Employees' Compensation, U. S. Department of Labor, has, since, 1946, been expending annually around ₱2,000,000 mainly in disability and death benefits to United States Government employees in the Philippines, employees working for contractors on U. S. defense bases, and civilian American internees victimized in the war.

All this was in rehabilitation of human lives rather than property.

**The U. S. Veterans Administration.**—The Veterans Administration in the United States, which operates as an independent agency responsible direct to the President, had an office in the Philippines ever since 1922, except during the war years, but before the war it was small and the local beneficiaries numbered only some 7,500. Since the war the number had greatly increased and payments are now being made regularly and monthly to more than 100,000 persons widely scattered throughout the Philippines. The Veterans Administration in the Philippines<sup>12</sup> is by far the largest in any part of the world outside the United States, and the Philippine establishment is unique in that more than 2/3 of its business is with Filipinos and not Americans. Up to the end of 1952, the Administration here had received a total of nearly 210,000 separate claims, of which some 128,000 were based on service in the Philippine Army and recognized guerrilla units. Death compensation claims numbered 105,000 and some 25,000 living veterans have filed claims. National Service Life Insurance claims numbered 74,000.

Death compensation goes to the widows, orphans, and dependent parents of men who lost their lives in wartime service or from serviced-incurred disability. Disability compensation goes to living, but disabled veterans. Hospital treatment is also authorized for service-connected disabilities and some 900 veterans are at present confined in about 40 different hospitals in the Philippines. In time the hospitalization will be carried out in the great hospital to be built at Diliman, Quezon City. Vocational rehabilitation and education benefits have been going to veterans of the U. S. Army and Navy and Philippine Scouts (enlisted prior to October 6, 1945), the veterans receiving a subsistence allowance as well as the cost of tuition and supplies; some 6,000 former Scouts have been receiving this training, but the number of beneficiaries is now decreasing rapidly with the completion of the program. The other forms of payment, however, will continue for a long time, throughout the life of the beneficiary in many cases and in some cases throughout the lives of the next generation.

The first considerable payments of the Veterans Administration in the Philippines began in 1946, the total, including administrative expenses, being ₱2,599,000 that year, but this amount appears small in comparison to the more than ₱172,164,000 disbursed in 1952.

A detailed table of USVA disbursements from 1946 to 1952, inclusive, follows:

USVA DISBURSEMENTS BREAKDOWN  
—by Calendar Year—

Year	Disability and Death Compensation	Insurance Benefits	Subsistence Payments to Student Veterans	Salary and Other Administrative Expenses	Totals
1946	₱ 503,258.00		₱ 618,229.46	₱ 1,477,062.34	₱ 2,599,077.80
1947	11,270,685.44	11,157,191.98	4,980,320.04	2,417,569.36	29,825,766.82
1948	34,389,189.26	24,977,759.36	14,046,501.35	3,200,070.48	75,733,520.32
1949	11,616,342.32	40,175,202.10	21,909,445.82	3,572,802.04	117,283,792.38
1950	48,622,271.14	41,919,313.32	27,327,441.36	4,016,855.14	115,885,880.82
1951	73,489,237.34	33,778,479.66	21,524,830.22	6,490,422.26	131,288,769.48
1952	113,033,747.94	40,556,130.38	10,171,585.80	8,404,345.54	172,165,809.66
<b>Total</b>	<b>₱232,935,210.99</b>	<b>₱191,664,076.80</b>	<b>₱70,576,133.62</b>	<b>₱29,585,326.16</b>	<b>₱464,762,567.48</b>

The average monthly payment for the VA in the Philippines is ₱160,000 but in January, 1950, reached ₱220,628.02. (More money has been paid out in other months but not regularly.) Other administrative expenses includes (a) retirement payments to the PVB for the veteran hospitalization program under Public Law 865; (b) tuition, books, and supplies for student veterans; and (c) maintenance expenses of the VA itself. The increase in these expenses after 1950 was due to the increase in the interim hospitalization program, for, actually, expenditures for salaries of employees have decreased since then.

**The U. S. War Claims Claims Commission.**—The War Claims Act of 1948 provided for the payment of compensation to civilian American citizens interned or in hiding in the Philippines and a number of other Pacific areas during the war in the amount of \$60 a month (\$25 in the case of minors); to members of the U. S. Armed Forces (interpreted to include the Filipinos in the USAFFE) held as prisoners-of-war, \$1 a day; and to religious organizations functioning in the Philippines and affiliated with religious organizations in the United States, the fair value of relief supplies (food, medicines, etc.) furnished to civilian American citizens or members of the U. S. Armed Forces in the Philippines. The Act created the U. S. War Claims Commission to receive, adjudicate, and provide for the payment of these three types of claims, the deadline for the submission of which was set as of March 31, 1952.

Public Law 303 of the 82nd Congress, approved April 9, 1952, amended the War Claims Act by entitling prisoners-of-war to an additional \$1.50 a day for each day of imprisonment, the deadline for this type of claim being set as of April 9, 1953. Act 303 also entitled the religious organizations to compensation for damages suffered by their educational or welfare institutions (hospitals, schools, orphanages, but not churches), the deadline for submission of these claims being set as of October 1, 1952.

It is worthy of note that while the U. S. Philippine War Damage Commission paid claims on the basis of the pre-war value of the destroyed structures, less depreciation, Public Law 303 provided for the payment of the claims of the religious organizations on the basis of the "postwar cost of replacement."

The War Claims Commission<sup>13</sup> opened offices in Manila on November 1, 1950, and received over 10,000 claims from civilian internees and persons who had remained in hiding during the war, over 128,000 claims from military personnel, and over 10,000 claims from various religious organizations, all under the original Act. Under the Act as amended, it received 85 claims from the religious organizations for damage to their educational and welfare institutions, within the specified period which has now expired, and up to February 13, of this year, it had received 36,000 claims from former prisoners-of-war for the additional compensation allowed them.

By the end of last year (1952), the Commission had paid over \$2,500,000 to American citizens in the Philippines who were interned or who managed to remain in hiding for longer or shorter periods of time, and over \$1,500,000 to Filipino prisoners-of-war. The life of the Commission is limited to March 31, 1955, and it is expected that before that time is up it will have paid to residents in the Philippines, former internees and prisoners-of-war, and to various religious organizations a total estimated at over \$60,000,000.

**The Bureau of Employees' Compensation, U. S. Department of Labor.**—The War Claims Act of 1948, already referred to, delegated to the Bureau of Employees' Compensation, U. S. Department of Labor, the responsibility for the payment of disability and death benefits to American civilian internees, but the Manila branch of this Bureau<sup>14</sup> began operations in the Philippines even before that time, in September, 1945, in connection with claims which come under several different Acts as administered by the Bureau.

The largest number of claims, some 15,000, came under the Federal Compensation Act of 1916 (as amended), as this Act provides for workmen's compensation to United States Government employees for accidental injury or death sustained while in the performance of duty; aliens, also, are paid compensation under a special schedule which provides compensation payments in line with local compen-

<sup>13</sup> Paul F. Kinnare, Director of Philippine Operations.

<sup>14</sup> Joseph Gelfo, Assistant Deputy Commissioner.

<sup>12</sup> Brig. Gen. Ralph B. Lovett, Manager.

sation laws. The majority of the local claims arose out of the war operations at the Cavite Navy Yard, Corregidor, Manila Port Area, and Bgtaan, as there were large numbers of civilians employed at these places and many were killed and injured. The bulk of these claims has already been paid.

Under the U. S. Defense Bases Act, the Bureau has handled over 4,000 claims in connection with payments by insurance companies or self-insurers, this law applying only to employees working for contractors on a defense base.

Under the War Claims Act of 1948, the Bureau has received some 1,272 claims up to this writing (February 20, 1953) in connection with disability and death benefits for American civilian internees; the adjudication of some 500 of these can not be affected until after the War Claims Commission had paid the internee detention benefits of \$60 for each month of internment or in-hiding.

As already stated, beginning with the year 1946, the Manila branch of the Bureau of Employees' Compensation has been disbursing some ₱2,000,000 annually on claims reported here.

The payments of this Bureau, together with the compensation paid by the War Claims Commission, have done more to rehabilitate individual American internees, especially, than the payments of the U. S. Philippine War Damage Commission. The payments of the latter were for property destroyed, and were only part payments at best. The detention and the disability payments and the death compensation paid to widows and orphans, were paid, in many cases to persons who had had little material wealth, even before the war, and helped those who in illness and bereavement needed help the most.

**Social and Cultural Rehabilitation.**—Among the non-assessable damage was that done not only to the morale of the people but to their cultural institutions,—the press and the radio, the libraries, the schools. This, also, received American attention from the very beginning.

**The Office of War Information.**—The Office of War Information (OWI) was established by order of President Roosevelt during the war in June, 1942, and was attached to the Psychological Warfare Branch, GHQ—AFPAC, in October, 1944,—the month of the Leyte landings, and from Brisbane, Australia, the radio section of this organization sent daily short-wave broadcasts beamed to the Philippines, news-items being given at dictation speed so that radio-owners, listening in secret, could jot them down and pass the information on to their friends. The press and publications section of OWI also printed "tactical" leaflets in hand-drawn Japanese calligraphy for the purpose of attacking the morale of the enemy troops; a monthly picture magazine, *Photo Review*, was printed too, and was smuggled into the Philippines by submarines.

A vanguard of the OWI, headed by Frederic (Fritz) S. Marquardt, of the *Philippines Free Press* in pre-war days, took part in the Leyte invasion and came into Manila with the liberation forces. The fighting in Manila still raged when on February 9, 1945, the OWI issued "No. 1 of Vol. 1" of the *Manila Free Philippines*, a 1-page tabloid distributed free; later 4 pages. It was printed in the shop of Manuel Manahan, now publisher of the *Bagong Buhay*; subsequently the paper was printed in the Carmelo & Bauermann plant on Azcarraga Street,—50,000 copies, five times a week, together with some 50,000 copies of the *Photo Review*, and nearly 2,000,000 copies weekly of a 1-sheet Japanese newspaper which was dropped over the enemy forces still fighting. In addition to this, more than 30,000,000 leaflets a week were being printed toward the end of the war mainly for propaganda among the enemy troops not only in the Philippines but throughout East Asia and in Japan, this vast production being made possible by the

OWI's assisting in the rehabilitation of other printing plants in Manila. About the middle of March, a charge of 5 centavos a copy was made for the *Manila Free Philippines* as by that time a number of privately published newspapers had sprung up. On the 17th, the *Free Philippines* announced that it would go out of business and that the issue of the 20th would be the last, but on the 22nd the paper "resumed" publication because of a "city-wide protest" following its discontinuance. The last actual issue was that of September 3, 1945, by which time Manila already had a multitude of small, privately-printed newspapers, many of which, by the way, were adventurous and irresponsible.

The USAFFE, when it was withdrawing from Manila in late-December, 1941, ordered all radio broadcasting equipment destroyed, but the Japanese were able within a short time to rehabilitate the 10,000-watt KZRH station, which had its studios in the Heacock Building, first appropriating its call-letters but later using the letters "PIAM". For three years this station spouted nothing but enemy lies. The OWI radio section, operating under the call-letters KZFM, established itself immediately in the half-ruined City Hall of Manila and began broadcasting in English, and also in Japanese. Soon after the end of the war, the facilities were turned over to the Philippine Government, which operates the station today.

The motion-picture section of the OWI, to which the internees in Santo Tomas owed the first pictures they saw in the Camp after Liberation, assisted in restoring moving-picture theaters in the Philippines and in making American films once more available. Before that, the people were generally made welcome to view the pictures shown at the various Army encampments throughout the country.

Meanwhile the OWI's library section was established in the Soriano Building, on Plaza Cervantes, which structure was somewhat less damaged than most others in the area. It was formally opened in September, 1945, as the "United States Information Library", with more than 4,000 books on its shelves.

**The United States Information Service.**—President Truman dissolved the OWI on August 31, 1945, and directed the State Department to carry on existing information functions under the Interim International Information Service (IIIS), and by the end of that year the Office of International Information and Cultural Affairs (OIC) had been established to administer the peace-time information program. Since 1945 the overseas operation has been known as the United States Information Service (USIS), and it was this organization which took over the peace-time functions of the OWI in the Philippines. It centered its efforts on assisting the Commonwealth Government in establishing or reestablishing various informational and educational facilities, the Library, especially, extending its activities and helping in the establishment of new libraries throughout the country. When the Philippines became independent, in July 4, 1946, the USIS was invited by the Government to continue its activities in assisting the new Republic in its educational program.

When it became apparent that Soviet Russia was not living up to its pledges to work with the other nations in achieving universal peace and set out openly to destroy the free way of life everywhere, USIS was called upon to promote an understanding of the aims of the United States and the United Nations, and early in 1947 the USIS in the Philippines was considerably reinforced. After the outbreak of the Russian-directed aggression in Korea, in 1950, the USIS was given the added task of unmasking this treachery through the "Campaign of Truth."

The USIS is now maintaining 5 principal programs,—concerned with libraries, the press, motion pictures and other audio-visual aids to instruction, radio, and an ex-

change of professional men and students. These programs are being carried out through some 18 USIS centers in various parts of the Philippines, the work being aided by some 23 "mobile units" in an effort to reach the remotest barrios. Through posters and pamphlets, various types of displays, motion pictures, and even stage plays, through releases to the press and the radio-program, "The Voice of America", and working mainly through the public and private schools, numerous civic organizations, and the Armed Forces of the Philippines, the USIS is carrying on not an "Americanization", but a "democratization" effort which has probably never before been equalled in the Philippines, and which, certainly was never more needed except perhaps during the earliest days after the American occupation of the country in 1898. The USIS is playing a most important role in counteracting the evil effects of more than three years of Japanese rule and propaganda here.

The OIC operated for two years without other Congressional authorization than the appropriation acts, and for the fiscal year, 1947-48 its operating funds were severely cut. But in January, 1948, Congress passed the Smith-Mundt Act which authorized the continuance of overseas information activities.

*The U. S. Educational Foundation in the Philippines.*—Closely related to the work of the USIS is that of the U. S. Educational Foundation of the Philippines; in fact, the two services are inter-related,<sup>15</sup> the basic documents which created the Foundation being the Fulbright Act, approved August 1, 1946, and the Fulbright Agreement between the United States and the Philippines, signed March 23, 1948. Under their provisions and in accordance with the policies of the Board of Foreign Scholarships, appointed by the President of the United States to supervise Fulbright programs all over the world, the Foundation in the Philippines prepares a program each year providing for grants to some 40 Filipino graduate students and 2 lecturer-researchers, enabling them to study and to carry on special work in American institutions of higher learning, and, conversely, providing also each year for some 9 American visiting lecturers, 2 advanced research scholars, 4 teachers, and 6 graduate students to come to the Philippines. An amount of ₱400,000 is received each year by the Foundation to finance this 10-year educational exchange program. During the past 5 years, from 1948 to 1952, Filipino researcher-lecturers sent to the United States numbered 13, and Filipino graduate students sent to the United States numbered 198. The Americans sent here in exchange numbered 48 visiting lecturers, 14 teachers, 8 advanced research scholars, and 24 American graduate students. These Americans were assigned to various Philippine institutions,—the University of the Philippines, the Bureau of Education, the Philippine Normal College, various provincial normal schools, the Philippine School of Arts and Trades, the Bukidnon National Agricultural School, the Philippine Women's University, Silliman University, the Ateneo de Manila, and the Central Philippine College.

Under the Smith-Mundt Act, already mentioned, during the 5 years from 1948 to 1952, inclusive, 36 Filipinos were awarded travel and observation awards, which

<sup>15</sup>Dr. James L. Mender was the first head of USIS as Chief Public Affairs Officer, American Embassy, from 1947 to September, 1952, when he was succeeded by RALPH R. BUNICK. The Chief Public Affairs Officer is concurrently Chairman of the U. S. Educational Foundation in the Philippines. The Honorary Chairman is the American Ambassador. Acting Chief Public Affairs Officers during the interim period, 1945-1947, included Edward Kramer, Catherine Porter, and Willard A. Hanna.

unlike the Fulbright grants, do not provide for formal training, but for a period, usually 6 months, of travel to different parts of the United States where arrangements are made for them to observe the typical operations in the field of their particular interest. Among the Filipinos granted the awards were 8 newspaper-, radio-, and motion-picture men, 9 Labor Department men and labor leaders, 7 school officials and teachers, 5 social welfare workers, 4 men engaged in various Philippine agricultural institutions, 2 other government specialists, and 1 librarian.

Under the Smith-Mundt teacher education program, awards were additionally made to 24 other Filipino educators for short periods of training in American universities. Smith-Mundt funds have furthermore been used to supplement Fulbright travel grants in 55 cases. Last year (1952) a program was begun, under the Act, to bring a number of American specialists to the Philippines.

The educational exchange programs under the Fulbright and Smith-Mundt Acts are entirely distinct from the training received by over 700 Filipinos sent to the United States during a period which ended in mid-1950, under the provisions of the Philippine Rehabilitation (Tydings) Act, at a total cost of around ₱7,200,000, as a part of the rehabilitation of various government departments, bureaus, and services, among them public works engineers, public health officials, merchant marine officers, aeronautics specialists, meteorologists, coast and geodetic survey men, fisheries experts, etc.

Even under the "pensionado" system adopted by the Philippine Government in the early days of the American occupation, no such numbers of Filipinos were ever sent to the United States, and in the old days they were usually young people, undergraduates. Those sent after the war were chiefly adults, many of them already occupying technical posts and positions of leadership in various fields. Because of the aging and death during the war, the Filipinos could not wait for the leisurely training of young people. It needed men trained on the job and for the job, as soon as possible.

The writer has not been able to obtain any data on the overall cost of the work of the OWI, the USIS, and the USEF in the Philippines, but the cost, all borne by the United States, must have been great, running into many millions of dollars.

*Other Aid, and First-Aid.*—Other aid given the Philippines, especially to the Philippine Armed Forces, will be taken up in course, also the great program of the U. S. Mutual Security Agency (MSA), first called the Economic Cooperation Administration (ECA). This came later. In fact, all the aid so far described began only some years after the Liberation. The rebuilding of the country could not wait that long. It had to start in Manila in February, 1945.

Manila was without a single public utility service; there was no light or power, no gas, no telephone service, no transportation, little shelter, no food, and, most serious of all, there was no water.

What was done? What was done immediately was done by the American Army. The Army not only rescued, but it saved. And if the whole cost were counted, we should find that the total far exceeded the Philippine ₱16,000,000 reparations claim. Reparations were waived by the United States, but it footed the bill.

(To be continued)

# AMERICAN CHAMBER OF COMMERCE OF THE PHILIPPINES

*ESTABLISHED 1920*

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

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

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

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

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

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F. H. Stevens  
P. H. Wood  
J. A. Parrish  
J. L. Manning

\*Deceased



## The Government

From Official Sources

**FEBRUARY 1**—President Elpidio Quirino officially opens the Philippines International Fair, scheduled to run from this date to April 30.

**Feb. 2**—The President approves the release of ₱188,720 for the operation of hospitals, chargeable against the lump-sum appropriation of ₱807,655 set aside for this purpose. He also authorizes the release of ₱4,211,335 for the reconstruction or repair of public buildings destroyed by typhoons in 1951 and 1952 in various parts of the country.

The Supreme Court rules unanimously that Commonwealth Act 671, enacted shortly after the attack on Pearl Harbor and the opening of war with Japan, has been rendered inoperative by the termination of the emergency it was designed to meet and by operation of the constitutional provision that such delegation of power should be for only a limited period and that therefore the continued exercise of these powers is unconstitutional, and accordingly nullified two recent executive orders (Nos. 545 and 546) appropriating ₱49,000,000 for public works and typhoon relief. Nine justices held that House Bill 727, which last year repealed the Emergency Powers Act but which was vetoed by President Quirino, and its purpose and should be considered as a concurrent resolution withdrawing the emergency powers from the President despite its having been vetoed.

**Feb. 3**—Malacañan issues a press release stating that the Philippines was among the 16 nations with forces fighting in Korea, which were given advance notice of President Eisenhower's decision to end the neutralization of Formosa; the notice was served to the Philippines by the American Embassy through the Secretary of Foreign Affairs.

The President issues Proclamation No. 365 during the period from February 15 to 21 of each year as National Press Week. He also issues Proclamation No. 364, revoking Proclamations Nos. 358 and 397 of 1938 and 1939 which set aside certain parcels of land for a military reservation and a laborers' barrio in Baguio.

**Feb. 4**—The President holds a breakfast conference with Ambassador R. A. Spruance aboard the Apo at which the Eisenhower action with respect to Formosa was discussed; later, President Quirino was reported to have said that "for our defense and security, this decision is resounding."

The President issues Executive Order No. 562 fixing new ceiling prices on imported canned sardines and locally manufactured nails.

**Feb. 5**—According to a Malacañan press release, of the ₱37,850,000 appropriated under Executive Order No. 545 issued late last year, only some ₱4,000,000 had been released, and that was on the day of the announcement, a few hours later, of the Supreme Court's decision.

**Feb. 6**—At a conference with the President, Import Control Commissioner Primitivo Lovina strongly recommends the extension of the life of the Import Control Commission to protect "new and young industries."

The President tells a delegation from the Bicol region that he issued the executive orders appropriating funds for public works and typhoon relief in response to a petition of 56 members of the House, including 10 Nacionalistas, and that he regrets that these funds have been cut off when they are most needed. Secretary of Public Works and Communications Pablo Lorenzo reports to the President that of the total appropriation under Executive Order No. 545 of ₱37,850,000, the President had approved the budgeting of ₱16,860,765, but that of this amount only ₱3,810,155 had been released by Fund Release Control Committee.

**Feb. 7**—The President as head of the Liberal Party presides jointly with Speaker Eugenio Perez, President of the Party, at a caucus attended by 7 senators and 33 representatives aboard the Apo, which unanimously decides to support a bill legalizing the appropriations contained in the two executive orders issued by the President to provide relief to the typhoon-stricken areas.

**Feb. 9**—The President in Executive Order No. 563 formally classifies the newly-created provinces of Zamboanga del Norte and Zamboanga del Sur as first and second class, respectively, based on their estimated annual income.

A special committee headed by Secretary of Finance Aurelio Montinola, created by the President to consider the exportation of "C" sugar to other countries in the United States, has recommended, according to a Malacañan press release, that no sugar be exported to other countries until the Philippines has filled its United States quota of 952,000 short tons to the United States and the domestic quota of 280,000 short tons, and that the question of exporting "C" sugar to other countries be held in abeyance until April 15, 1953, when most of the sugar will have been milled and it will be possible to determine whether there will be any excess production.

**Feb. 10**—The President's son, Captain Tomas Quirino, and his son-in-law, Lieut. Chito Gonzalez of the Air Corps, leave for service in Korea.

**Feb. 11**—The President issues a proclamation reserving some 8,920 hectares of public land in the municipalities of Angatdanan and Echague, Isabela, for settlement under the administration of EDCOR (Economic Development Corps) of the Army, the first of its kind in Luzon.

The President issues Executive Order No. 564 fixing the ceiling prices of certain drugs and medical preparations, chiefly biotics.

The President receives delegates of the Philippine-Japanese Youth Conference, including a group of four Japanese headed by Miss Hideko Yamamoto, to conduct a 6-day meeting in Manila.

**Feb. 12**—The President receives a delegation of the National Federation of Filipino farmers, headed by Demetrio Santos, who submits a resolution recommending the purchase of palay by the Government at ₱11 a cavan.

**Feb. 13**—Secretary of Foreign Affairs J. M. Elizalde tells newsmen that the 19-man reparations committee will complete its work by the end of the month; he states that the \$8,000,000,000 reparations claim against Japan dates back to the Osmeña regime but that the only time it came up was during a conference more than a year ago with Ambassador Tashima; he adds:

"I understand this figure was an overall estimate of losses the Philippines had sustained... When I presented it, it was never understood by me that it was our demand for payment inasmuch as it is obvious to anyone with knowledge of the Japanese position and the state of the economy that such a huge amount could never be collected... The Foreign Office wants to collect the maximum amount which we can get from Japan by stretching and liberalizing Article 14 of the Japanese Peace Treaty, which must serve as the basis of reparations whether the Treaty is accepted or rejected..."

**Feb. 14**—Announced at Malacañan that the President yesterday decided to allow Deputy Commissioner of Customs Melecio Fabros to resign and ordered the reprimand of Commissioner of Customs Alfredo V. Jara, and that he also approved the recommendation of Secretary of Finance Montinola for the separation from the service of four others and the reprimand of three; the action was taken in connection with the smuggling in of 62 cases of fire-crackers consigned to the Soria Trading Company as fresh butter; the President designated Faustino Sy-Changco, Deputy Budget Commissioner, as acting Deputy Collector of Customs for the Port of Manila and ordered him to carry out a thorough overhauling of the Customs House.

The President signs an executive order remitting 50% of the 1952 taxes on the proposed importation in Nagaa. He also issues a proclamation designating the period from March 15 to 21 of every year as Philippine Industry Week.

**Feb. 16**—Announced that the Department of Foreign Affairs is making "much headway" in re-opening trade with former enemy countries, including Germany, drafts of proposed trade and financial agreements between the Philippines and West Germany having been completed, similar to the barter agreements with Japan; however, it is pointed out that the establishment of normal diplomatic relations with West Germany must depend on the termination of the still existing state of war and that this could be accomplished by a joint resolution of Congress; such a resolution was introduced last year but was not acted upon for lack of time.

Secretary of Public Works and Communications Lorenzo reports to the President that the Bureau of Public Works saved ₱278,350 by importing 5,000 tons of liquid asphalt direct without the intervention of dealers and that another 10,000 tons will be ordered; he states the Government would still save money even if the Bureau would have to pay the 2% import license fee, the 17% foreign exchange tax, the 7% sales tax, and the 1% municipal tax, all of which have been waived.

**Feb. 17**—The President receives Toru Nakagawa, chief of the Japanese Mission in the Philippines, who, on invitation, called to pay his respects for the first time since the establishment of the Mission several months ago; he was accompanied by Secretary of Foreign Affairs Elizalde. The invitation followed a similar invitation extended to Jose F. Imperial, head of the Philippine Mission in Tokyo, and his call on Emperor Hirohito.

Members of the visiting 5-man group here to evaluate the work of the Mutual Security Administration for the Eisenhower administration call on Secretary Elizalde; the group is headed by Frank N. Belgrano and the other members are Richard Walberg, William H. Dennick, Stephen Chadwick, and David L. Grove, one of the 11 MSA teams named by MSA Director Harold E. Stassen to find out how the American foreign aid program can be improved.

**Feb. 18**—The President receives the members of the MSA evaluation group, accompanied by Ambassador Spruance.

The President, after a discussion with some 50 student leaders from the Student Councils Association of the Philippines, approves their request that up to 10,000 hectares of land be set aside for settlement by students in the Rizal Province region now being administered by the National Land Settlement and Development Corporation. "I am glad you have accepted my challenge," he said. "This is your opportunity."

Ang Chio Kio, a fugitive from justice, who seized control of a Philippine Air Lines plane on December 30, shooting the pilot and the

purser, later arrested when the plane landed on an island under the control of Nationalist China, is brought back to the Philippines from Formosa to undergo trial.

The President signs a number of executive orders reducing the 1952 taxes in Sorsogon and Marinduque.

Feb. 19 — The President receives Archbishop Rufino J. Santos, recently appointed to the office by Pope Pius XII; he was accompanied by Papal Nuncio Egidio Vagnozzi.

The President also receives a delegation from the Filipino Printers Association, headed by Ramon C. Ordoñez, who presents a resolution requesting the ratification of the ruling recently adopted by the Cabinet that after June 30, of this year, no more [primary and intermediate] textbooks printed abroad for use in Philippine public and private schools be permitted entry into the country.

Feb. 21 — The President authorizes the establishment of formal Philippine diplomatic relations with the Republic of Korea, as recommended by the Secretary of Foreign Affairs, and at the invitation of the Korean Government; it is anticipated that the President will accredit Maximino Bueno, Philippine alternate representative to the United Nations for the Unification and Rehabilitation of Korea, as charge d'affaires.

Feb. 23 — The second ECAFE (Economic Commission for Asia and the Far East) Conference on Trade Promotion opens a 10-day session in the Manila Hotel, and Secretary of Commerce and Industry Cornelio Balmeaceda is elected Chairman of the Conference. In the evening, President Quirino entertains the 200 delegates at Malacañan and voices his welcome. ECAFE Executive Secretary Dr. P. S. Lokanathan expressed the thanks of the delegates for the reception.

Foreign Minister Alberto Martin Artaño of Spain arrives in the Philippines on an 8-day state visit on invitation of the Philippine Government.

Feb. 24 — The President receives Spanish Foreign Minister Artaño and his entourage. (Official receptions and dinners followed on succeeding days.)

The President directs Budget Commissioner Joven to dispose of some 25,000 metric tons of Burma and Siam rice bought by the National Rice and Corn Corporation to supplement the local production which has shown an unexpected increase; the proceeds will be used to settle the MARIC'S indebtedness to the Philippine National Bank.

The President approves the release of ₱5,600,000 for the construction and maintenance of national and provincial and chartered city roads, streets, and bridges, the sum to be taken from the undistributed collections of the Motor Vehicle Fund.

Feb. 26 — The President accepts the decoration, "Gran Collar de la Orden de Isabel la Católica," conferred on him by the Government of Spain through the visiting Spanish Foreign Minister. The Minister also presented him, as a gift to the Filipino people, with a number of items of Rizaliana, consisting of documents about Rizal in Spain.

Feb. 27 — The President approves the release of ₱1,567,353 for the construction and development of irrigation projects to increase rice production.

The President signs an executive order creating a decoration to be known as the "Order of Sikatuna" (commemorating the first treaty—*Pacto de Sangre* or the "Blood Compact," between Legaspi and the Bohol Chief Sikatuna, in 1565). The first award is to be made to the Spanish Minister of Foreign Affairs shortly. There will be four ranks in the Order,—Raja, Lakan, Maginoo, and Maharlika.

Feb. 28 — The President receives George Peabody, public relations counsellor of the Philippine Association in the United States, who reports that while two years ago more than 85% of the news from the Philippines appearing in American newspapers was of an unfavorable nature, this has now dropped to less than 2%, based on a 6-month survey of over 50,000 news stories.

## Banking and Finance

By W. M. SIMMONS  
Manager

The National City Bank of New York

### COMPARATIVE statement of condition of the Central Bank:

Assets	As of Dec. 31, 1949	As of Nov. 28, 1952	As of Dec. 29, 1952	As of Jan. 30, 1953
	(In thousands of Pesos).			
International Reserve.....	₱460,689	₱472,172	₱454,157	₱451,359
Contribution to International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	113,306	107,570	106,940	106,940
Loans and Advances.....	77,047	50,180	54,165	54,140
Trust Account—Securities Stabilization Fund.....	—	—	—	—
Domestic Securities.....	92,197	231,857	235,438	235,233
Other Assets.....	20,390	41,428	42,279	41,338
	₱793,629	₱918,207	₱922,979	₱919,010
<b>Liabilities</b>				
Currency—Notes.....	₱555,576	₱546,280	₱579,584	₱561,630
Coins.....	74,384	90,309	89,945	89,433
Demand Deposits—Pesos.....	117,682	235,135	205,899	219,305
Securities Stabilization Fund.....	2,000	12,233	12,233	20,545
Due to International Monetary Fund.....	22,498	496	497	496
Due to International Bank for Reconstruction and Development.....	2,389	2,383	2,383	2,380
Other Liabilities.....	2,636	2,811	2,733	3,546
Deferred Credits.....	—	3,652	568	1,199
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	4,464	7,776	12,005	343
Surplus.....	—	7,132	7,132	10,133
	₱793,629	₱918,207	₱922,979	₱919,010

The International Reserves as of January 31, 1952, were as follows:

Central Bank International Reserves.....	\$225,679,402.00
Net FX Holdings Other Banks.....	66,722,446.00
Japan Open Account.....	8,617,523.00
Total.....	\$301,019,371.00

This is a decline of \$4,857,545 from the preceding month.

Currency and coins issued total ₱651,064,057.

Black market dollars are quoted about ₱275. Open market rates on fine tael bars reached ₱120 per ounce on January 20, but have since receded to a present market of ₱110.

Combined balance sheets of all banks as of the end of December, 1952:

	(In thousands of Pesos)
	Resources
Loans and Discounts.....	394,072
Overdrafts.....	211,960
Cust. Liab. Accept. under L, C and T, R.....	105,674
Stocks, Bonds and Other Securities.....	101,499
Other Real and Chattel Property Owned.....	2,083
Banking House, Furniture and Fixtures.....	5,375
Due from Banks.....	233,097
Cash.....	33,602
Checks and Other Cash Items.....	5,237
Other Resources.....	68,706
<b>Total Resources.....</b>	<b>1,171,287</b>
	Liabilities
Capital Stock.....	39,899
Surplus Reserves and Undivided Profits.....	64,184
Due to Banks.....	25,036
Cashiers', Managers' and Cert. Checks.....	4,561
Dividends Payable.....	375
Individual Deposits Subject to Checks.....	304,838
Savings and Time Deposits.....	312,054
Deposits of Public Funds.....	216,842
Bills Payable.....	46,199
Other Liabilities.....	157,299
<b>Total Liabilities.....</b>	<b>1,171,287</b>

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

## Manila Stock Market

By A. C. HALL  
Hall, Picornell, Ortigas & Co.

January 24 to February 20

DURING the period of this review, with the notable exception of San Mauricio, which advanced sharply on good development news, the mining share market has displayed an easier tendency, with most of the leading issues registering modest losses. The market action appears to be in the nature of a normal technical correction following the previous month's gain.

Consolidated Mines, a leader for some time past, was easier as a result of lowered production due to stoppage of night-shift work through inability to control high silica-content ore under artificial light conditions. This situation is considered temporary.

The price of gold in the local free market declined during the past four weeks about as fast as it had advanced in the previous month, thereby confirming the old adage that what goes up must come down. Commencing with opening sales at ₱117 per fine ounce, the price moved steadily downward to close today at ₱107.50.

In the commercial and industrial section, sugars were mixed in more active trading; otherwise conditions were quiet and about unchanged.

## Credit

By C. W. MULLENBURG

Manager, Credit and Collection Department  
International Harvester Company of Philippines

The active participation of the American International Underwriters for the Philippines, Inc. in the Association of Credit Men, Inc. (P.I.) in January increased insurance firm membership to a total of four. A more active participation of insurance firms can prove particularly beneficial both to those insurance members themselves and to other members of the Association. Increasing interest in the Association is being shown by insurance companies.

While most credit and collection executives complain of difficulty in collections, and some insist the general situation is slightly more difficult than ever, a few have indicated some slight improvement recently. Several credit and collection men have reported some improvement due to sugar-money now coming in, but still report collections very slow. One credit man reports that his firm usually experiences some improvement in collections about this time of year, primarily because of briskness in construction, with purchasers of construction materials doing a good volume of profitable business. He states that this condition extends beyond construction items and improvement is shown in other lines handled. One credit man reports his own collections have improved, but gives credit to a more serious and conscientious effort exerted and not to any improvement in general conditions. Another collection executive, who reports he is selling still on practically straight cash, has noted some slight improvement recently in collections and can offer no explanation but is quite pleased with the improvement noted.

Surveys recently conducted suggest textiles have been rather dull due to sudden arrivals of many shipments. The situation is clearing as the stocks are being absorbed, and some improvement is already noted. A similar situation has resulted in drugs, especially anti-biotics. On a smaller scale, this also has been evidenced in kitchen utensils and household wares. The result is that most merchants dealing in the lines noted are in an overstocked position and payments have been slow and extensions have been asked for. Some wholesale dealings have been at very low prices, but retail prices have shown no noticeable decline.

Suppliers of motor vehicles and allied equipment and supplies, such as tires, batteries, spare parts, and fuel, are feeling the usual seasonal tightness due to the semi-annual license fee payments, which take up most of the available funds.

Some shipments of sugar abroad at good prices have resulted in some improvement and, with more sugar shipments due, the general collection situation should improve still more as a direct result. Copra is holding up. Rice prices are generally lower than at any time since the War but are expected to go up in the next 90 days.

Many growers are trying to hold stocks for better prices.

### MINING SHARES

1952-53 Range High	Low	Close	Change	Total Sales
131.53	92.09			
M. S. E. Mining Share				
Average	107.42	101.61	102.67	Off 3.91 10,655,100
Acacia Mining Co.	.26	.24	.25	Up .01 1,238,000
Alamang Mining Co.	.042	.039	.04	Up .002 85,000
Atoro Big Wedge Mining Co.	2.50	2.45	2.40a	Off .35 5,000
Baguio Gold Mining Co.	.08	.07	.07	Up .01 151,250
Balaton Mining Co.	2.10	2.10	2.05a	— 1,100
Batang Buhay Gold Mines	—	—	.0015b	—
Benguet Consol.	4.60	4.40	4.50	Off .10 30,100
Coco Grove, Inc.	.03	.029	.03	Up .006 85,000
Consolidated Mines, Inc.	.044	.037	.039	Off .003 3,960,000
Hibzar Gold Mining Co.	.205	.19	.19	Up .03 100,000
Itegan Mining Co.	.10	.09	.095	Off .01 180,000
I. X. L. Mining Co.	.06	.05	.05	Off .02 38,000
Lepanto Consol.	.85	.81	.81	Off .02 300,000
O. S. H. Consol.	.048	.04	.048	Up .008 1,310,000
Mindaco				
Lode	.1375	.13	.1375	Off .0025 343,500
Paracale Gumaua Consol.	.1075	.1075	.1075	Off .025 40,000
Philippine Iron Mines, Inc.	2.60	2.45	2.50	Off .15 70,500
St. Mateo	.28	.20	.28	Up .09 152,000
Surigao Consol.	.265	.24	.25b	Off .02 286,000
Suyoc Consol.	—	—	.009b	—
Union Paracale Mining Co.	.055	.0525	.055	Up .0025 20,000

### COMMERCIAL SHARES

1952-53 Range High	Low	Close	Change	Total Sales
140.00	120.00			
Bank of the Philippine Islands	—	—	140.00b	—
Binalabagan-Isabela Sugar Co.	—	—	20.00b	—
20.00	15.00			
Bogo-Madellin Milling Co.	20.00	15.00	20.00	Up 5.00 1,600
90.00	78.00			
Central Azucarera de Bata, Inc.	—	—	70.00b	—
150.00	100.00			
Central Azucarera de la Carlota	—	—	107.00b	—
110.00	100.00			
Central Azucarera de Pilar	105.00	100.00	100.00	Off 2.00 520
50.00	37.00			
Central Azucarera de Tacloban	37.00	37.00	37.00	Off 1.00 1,016
325.00	320.00			
China Banking Corp.	—	—	280.00b	—
12.00	10.00			
Cia. de Celulosa de Filipinas	12.00	11.50	12.00	— 4,500
27.50	25.00			
Fil. Cia. de Seguros Industrial	—	—	23.00b	—
12.00	8.30			
Mfg. Co. P.I.	9.00	9.00	9.00	— 6,200
0.30	0.25			
Manila Mercantile Co.	—	—	.25b	—
4.90	3.20			
Manila Wine Merchants	—	—	3.00b	—
—	—			
Mayon Metal, class "B"	—	—	.06b	—
Mayon Metal, class "A"	—	—	.06b	—
107.00	100.00			
Meralco, 6-1/2%	103.00	102.00	102.00	Off 1.00 T 1,620
Metropolitan Insurance Co.	—	—	150.00b	—
22.50	20.50			
Pasudeco	20.50	20.50	20.50	Off .50 300
7.00	5.00b			
Philippine Air Lines, Inc.	—	—	5.00b	—
0.0925	0.038			
Philippine Oil Development Co., Inc.	.05	.04	.043	Off .003 2,323,000
1.10	0.96			
Philippine Ice Club, Inc.	—	—	.90b	—
—	—			
R & D, 4% Bonds—1959	—	—	99.50b	—
36.00	28.00			
San Miguel Brewery, com.	31.50	30.50	31.00	— 20,939
101.00	93.00			
San Miguel Brewery, pfd.	100.00	99.00	100.00	Up 2.00 373
108.00	102.00			
San Miguel Brewery, 8% pfd.	106.50	106.50	106.50	— 82
Treasury Milling Co.	—	—	13.50b	—

### OVER-THE-COUNTER

Company	High	Low	Close	Total Sales
Atlantic Gulf & Pacific Co. of Manila	₱500.00	₱500.00	₱500.00	6
Demonstration Gold Mines	0.02	0.02	0.02	10,900
Philippine Lode Distance Tobacco Co.	—	—	—	—
6% bonds (1956)	100.00	100.00	100.00	₱2,900.00
Polo Coconut Plantations Co., Inc.	700.00	700.00	700.00	17
Victoria Milling Co., Inc.	140.00	140.00	140.00	150

# Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Treasurer, Manila Electric Company

1941 Average—16,316,000 KWH

## Kilowatt Hours

	1953	1952
January	50,107,000*	45,152,000
February	45,520,000**	42,450,000
March		45,128,000
April		42,798,000
May		45,580,000
June		45,223,000
July		47,542,000
August		47,988,000
September		47,216,000
October		50,073,000
November		47,652,000
December		50,656,000
Total		557,458,000

\*Revised

\*\*Partially estimated

FEBRUARY output was at a higher daily average rate than January. The increase over last year was 3,070,000 KWH, or 7.2%. However, last year was leap year, with 29 days in February. On a comparable basis output was about 11% above last year.

## Real Estate

By ANTONIO VARIAS

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

REAL ESTATE sales registered in the Greater Manila area during the month of February, 1953, numbered 638 with a total value of ₱6,798,475, as compared with 653, with a total value of ₱7,331,703, registered during the preceding month of January.

Of the February sales, 190, with a total value of ₱3,460,932, represented deals within Manila proper, and 448, with a total value of ₱3,337,543, were sales within the cities of Quezon and Pasay, and in the suburban towns of Makati, Caloocan, Mandaluyong, Malabon-Navotas, Parañaque, and San Juan.

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

A factory-warehouse situated at the north end of Cristobal Street, along the Pasig River, Paco, on a lot of 21,918.9 square meters, sold by Johnson Pickett Rope Company to Antonio Roxas Chua for ₱500,000;

A property, with a lot of 952.85 square meters, on Ongpin, corner T. Pinpin streets, Binondo, sold by Ban Chuan Realty Company to Pacific Shoe Supply Company for ₱420,000;

A parcel of 2,081.2 square meters, situated at the corner of Padre Faura Street and Dewey Boulevard, Ermita, sold by Jose Reyes to Leoncia Ang for ₱245,000;

A parcel of 1,666.2 square meters, on San Luis Street, corner San Carlos Street, Ermita, sold by Tong Biao to A. Magsaysay, Inc. for ₱170,000;

A parcel of 2,879 square meters, on Isaac Peral Street, Ermita, sold by Compañía General de Tabacos to the Capital Insurance and Surety Company for ₱143,000;

A tract of 14,143 square meters, in Makati, sold by ESSO Investments, Ltd. to Martiniano G. Abad for ₱110,000;

A parcel of 4,611 square meters on Herran Street, Sta. Ana, sold by W. Ick to the City of Manila for ₱101,499.

REAL estate mortgages registered in the Greater Manila area during the month of February numbered 592, with a total value of ₱11,399,816, as compared with 514, with a total value of ₱7,331,720, registered during the preceding month of January.

Of the February total, 274, with a total value of ₱5,560,707, represented deals within Manila proper, while 318, with a total value of ₱5,839,109, were mortgages in Quezon City, Pasay City, and in the suburban towns of Caloocan, Makati, Mandaluyong, Malabon-Navotas, Parañaque, and San Juan.

REAL ESTATE SALES, 1953

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January	1,499,139	1,477,332	213,490	4,141,742	7,331,703
February	3,460,932	1,286,414	341,023	1,710,106	6,798,475

## REAL ESTATE MORTGAGES, 1953

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January	3,691,913	1,377,690	245,200	2,016,917	7,331,720
February	5,560,707	2,196,329	718,300	2,924,480	11,399,816

## Building Construction

By JUAN J. CARLOS

President, United Construction Co., Inc.

DURING the month of January, the Office of the City Engineer approved building permits for construction work amounting to ₱3,742,310. During the same month in 1952, the volume of work authorized amounted to ₱4,921,570 in comparison with ₱4,796,840 in 1951 and ₱6,065,600 in 1950.

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

A 4-story reinforced concrete school building for the Mapua Institute of Technology on Muralla, Walled City, costing ₱500,000;

For Mrs. Maria G. Vda de Ampil, a 3-story commercial building on M. de los Santos street, Binondo, estimated at ₱350,000;

A 3-story apartment building for Litton & Co., Inc., on L. Guerrero street, Ermita, costing ₱170,000;

For Dr. Nicanor Padilla, a 3-story commercial building on M. de los Santos and Tabora streets, Binondo, estimated at ₱150,000;

On Rizal Avenue, corner Carriedo street, a 5th-floor addition to the Gonzaga Building, costing ₱120,000;

A 3-story commercial building on Rosario street, Binondo, for Dee Chian Hong & Sons, estimated at ₱90,000.

Besides the private construction work mentioned, there are several big government building projects that were let out for bidding during the period under review.

The construction of a 2-story office building for the Price Stabilization Corporation (PRISCO), estimated at about ₱1,000,000, on Muelle de la Industria, Binondo, near the Cebu Portland Cement Company building, was started.

Bids for 17 3-story apartment buildings to be financed jointly by MSA-Philcusa and erected on Zamora Street, Pandacan, were received. Aside from the critical materials to be supplied by the MSA, this low-cost housing project will cost about ₱1,100,000.

Other big projects in line are the construction of several warehouses for the Philippine Army at Cavite and Camp Murphy, costing more than ₱1,000,000; rehabilitation of the former University of the Philippines buildings on Padre Faura Street and Taft Avenue; and the ₱18,000,000 Veterans Hospital project in Quezon City.

## Port of Manila

By L. R. WENTHOLT

Vice-President, Luxon Brokerage Company

DURING the month of February some 82,000 tons of general cargo were discharged on piers and on lighters, among which was a shipment of 8,000 tons of asphalt for the Bureau of Public Works to be used for the pavement of roads.

Some pilferages of textiles were again reported, proving that the originators are still working on the pier. As before, bales of old newspapers were used to substitute the stolen textiles.

The pier for the Caltex Refinery in Batangas is now ready for deliveries and the *President Fillmore* will be the first vessel to call direct at this port.

Some congestion was experienced on Pier 9, but due to appropriate measures this was soon relieved.

# Ocean Shipping and Exports

By B. B. TUNOLD  
Secretary-Manager  
Associated Steamship Lines

Products of Manufacture	33,343	36,749	(3,406)
Merchandise less than by car-load	9,405	9,625	(220)
Total	147,869	126,912	20,957

**T**OTAL exports during the month of January of this year showed an increase of 71,000 tons over exports during January of last year.

114 vessels lifted 336,790 tons of exports during the month, as compared to 265,782 tons lifted by 90 vessels during the same month last year.

Commodities which registered sharp increases over last year's figures for the same month are: desiccated coconut from 1,914 to 3,009 tons; molasses from 8,087 to 14,050 tons; chrome ore from 28,400 to 43,468 tons; sugar from 49,819 to 76,087 tons; and tobacco from 1,869 to 3,798 tons.

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

Commodity	1953	1952
Beer	209 tons	472 tons
Cigars and cigarettes	19 "	15 "
Coconut, desiccated	3,009 "	1,914 "
Coconut oil	3,292 "	6,586 "
Concentrates, copper	778 "	— "
Concentrates, zinc	156 "	472 "
Concentrates, gold	109 "	— "
Copra	35,550 "	66,683 "
Copra cake and meal	3,850 "	5,335 "
Embroideries	223 "	182 "
Empty cylinders	472 "	620 "
Fish, salted	10 "	13 "
Furniture, rattan	871 "	881 "
Glycerine	16 "	42 "
Gums, copal	76 "	26 "
Hemp	81,284 bales	70,787 bales
Hemp, knotted	116 tons	— "
Household goods and personal effects	252 "	234 tons
Junk metals	20 "	— "
Logs	13,859,915 bd. ft.	8,056,914 bd. ft.
Lumber	5,956,943 "	3,845,310 "
Molasses	14,050 tons	8,087 tons
Ores, chrome	43,468 "	28,400 "
Ores, iron	93,591 "	51,486 "
Ores, manganese	345 "	2,000 "
Plywood and plywood products	23 "	33 "
Pineapples, canned	3,435 "	5,085 "
Rattan, round (palasan)	364 "	72 "
Rope	302 "	398 "
Shells, shell waste	67 "	24 "
Skins, hides	61 "	— "
Sugar centrifugal, raw	76,087 "	49,819 "
Sugar, muscovado	237 "	— "
Tobacco	3,798 "	1,869 "
Merchandise, general	465 "	404 "

Carloadings for January, 1953, showed an increase of 605 cars, or 9.66%, over the corresponding month last year, and a corresponding increase of 20,957 tons. Tonnage for January, 1953, was 147,869 tons compared with the previous month (December, 1952) of 98,344 tons, or an increase of 19,764 tons. Of the 43 items considered in this review, 22 items registered increases with an aggregate total of 30,689 tons, while 21 items caused an aggregate decline of 9,732 tons.

The principal items which showed increases were sugar cane, 24,062 tons; palay, 500 tons; gravel, 776 tons; other mine products, 700 tons; wood fuel, 780 tons; gasoline, 1,227 tons; cement, 1,199 tons; or a total increase of 29,233 tons. On the other hand, the principal items which caused the decline were copra, 710 tons; other mill products, 630 tons; lumber, 555 tons; petroleum, 822 tons; other oils, 506 tons; desiccated coconut, 527 tons; centrifugal sugar, 1,640 tons; molasses, 849 tons; and miscellaneous manufactures, 1,379 tons, aggregating 7,618 tons.

Products of agriculture registered the largest increase because of the sugar cane and palay harvest season. Although there was a decrease in the carloadings for rice, this was not caused by a decrease in production, but by the lack of freight cars, which could not be supplied due to the large number of cars needed to move centrifugal sugar for export. Sugar cane and sugar being dependent on railroad facilities, are being given priority. Products of the mines increased for the month under review because of the increased tonnage of crushed rock for construction and the exportation of ores through San Fernando, La Union. The decrease in animal products has been due to the restrictions imposed on their movement by provincial authorities to avoid depletion of the number of work animals, especially in the Bicol region. The decrease in logs and lumber shipments was not due to decrease in their exportation but also because of insufficiency of cars. It may be mentioned that wood-fuel shipments have continued to increase since November, 1952, up to the present writing. Products of manufacture showed very little decrease, although there has been a decrease in the importation of these articles. Centrifugal sugar shipments for export have been delayed, causing decreased carloadings for the month. It is expected that more sugar will move by rail during the coming months.

The increase in carloadings, in general, will continue for February and next month, as indicated by heavier bookings for sugar and molasses which will then begin to move. Only the lack of rail equipment will prevent the Railroad from hauling more tonnage and increasing the revenue so much needed for the Company's continued operation.

## Freight Car Loadings

By JOSE B. LIBUNAO

Traffic Manager, Manila Railroad Company

**L**OADINGS of revenue freight in the month of January, 1953, totaled 6,870 cars. This was an increase of 605 cars, or 9.66%, over the 6,265 cars in January, 1952.

### Revenue Carloadings by Classes

Revenue freight carloadings by general classes of commodities for the month of January, 1953, are shown below.

Commodity	TONNAGE		Increase or (Decrease)
	1953	1952	
Products of Agriculture	93,540	90,190	23,350
Animal Products	401	662	(261)
Mineral Products	2,916	1,055	1,861
Forest Products	8,264	8,631	(367)

## Lumber

By PAFICICO DE OCAMPO  
Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

**T**HE Philippine log and lumber export during the month under review, January, 1953, totalling 3,365,346 bd. ft., registered an increase of 3,058,629 bd. ft. over the export during the preceding month. The increase was the result of improved shipments to the United States by 836,315 bd. ft. and to other countries by 2,496,752 bd. ft., against only a slight decrease in shipment to Japan. It is heartening to note that the total export for the month under review far exceeded, by 13,918,160 bd. ft., that of January, 1952.

Hereunder are the figures for logs and lumber inspected for export during January, 1953, as released by the Bureau of Forestry:

Shipper	Destination	Volume in Board Feet	
		Lumber	Logs
Aguinaldo Development Corp.	U. S. A.	199,935	799,392
Agusan Lumber Corp.	Japan	1,000,000	770,675
American Asiatic Co.	Japan	200,000	6,300
Anakam Lumber Company	U. S. A.	600,000	340,345
Atlantic Gulf & Pacific Co.	Japan	1,134,172	340,345
Basilan Lumber Company	U. S. A.	134,704	364,746
Bialig Bay Lumber Co., Inc.	Hongkong	327,010	850,045
Cipriano Luna	Japan	1,005,595	900,000
Dahican Lumber Co.	Japan	14,544	34,281
Dee Cho Lumber Co.	Okinawa	34,281	1,000,279
F. E. Zuellig, Inc.	Hongkong	1,000,279	262,317
Findlay Millar Timber Co.	Okinawa	1,000,279	417,696
General Enterprises, Inc.	U. S. A.	1,162,960	294,494
General Lumber Co., Inc.	Formosa	1,162,960	437,680
G. S. Manilac	Taiwan	294,494	601,984
Golden Ribbon Lumber Co., Inc.	Japan	437,680	400,000
Hercules Lumber Co. Inc.	Japan	601,984	400,000

Lumber Company	Country	Volume in Board Feet	
		Lumber	Logs
Iligan Lumber Co.	Japan	711,101	389,288
Insular Lumber	U. S. A.	80,860	61,961
Johnston Lumber Co., Inc.	Belgium	65,375	1,876,727
Martha Lumber Mill	Hawaii	800,000	1,115,000
Misamis Lumber Co., Inc.	U. S. A.	46,264	1,000,000
Nasipit Lumber Co., Inc.	Japan	884,694	854,996
Pan Asiatic Commercial Co., Inc.	U. S. A.	17,950	2,670,000
Sta. Clara Lumber Co., Inc.	British Col. Japan	302,032	347,486
Sanchez Logging Co.	Japan	1,449,953	1,499,500
Shell Co. of P. I., Ltd.	Indonesia	48,104	311,131
Tagtag Sawmill Co., Inc.	U. S. A.	103,405	713,701
Taligaman Lumber Co.	Hawaii	1,225,524	514,401
Tirador Lumber Co.	Japan	1,225,524	514,401
T. H. Valderrama	Japan	514,401	99,980
Western Mindanao Lumber Co., Inc.	U. S. A.	181,175	221,690
Woodworks, Incorporated	Hongkong	221,690	
<b>Totals</b>		<b>6,084,630</b>	<b>25,280,716</b>

COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF DECEMBER, 1952, and JANUARY, 1953

Period	Lumber in Board Feet					Logs in Board Feet					Grand Total
	Western States	Eastern States	Gulf States	All Others	Total	Western States	Eastern States	Gulf States	All Others	Total	
December, 1952	3,703,427	214,548	186,145	230,267	4,325,387	1,011,931	400,000	250,000	50,000	1,411,931	5,736,318
January, 1953	2,511,234	645,084	336,796	139,279	3,633,293	1,705,082	999,997	250,000	50,000	3,005,079	6,638,362
Difference (Increase + Decrease—)	1,192,193—	429,336+	152,651+	80,988—	691,104—	693,151+	599,997+	250,000+	50,000+	1,593,146+	802,044+

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THERE was again a slight increase of 863,123 bd. ft. in the arrivals of logs and lumber in Manila, from 10,614,356 bd. ft. in December, 1952, to 11,477,479 bd. ft. in January, 1953.

A steady lumber market prevailed during the month under review, with prices of white lauan, apitong, and red lauang firming at ₱177.50, ₱172.50, and ₱202.00 per 1,000 bd. ft., respectively, from the opening to the close of the period.

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

Countries of destination	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan.....	—	20,763,779	20,763,779
United States.....	3,633,283	3,005,079	6,638,362
Formosa.....	—	1,162,960	1,162,960
Okinawa.....	1,000,279	6,300	1,006,579
Hongkong.....	717,685	—	717,685
South Africa.....	389,288	—	389,288
Taiwan.....	—	294,494	294,494
Hawaii.....	168,780	—	168,780
Belgium.....	80,860	—	80,860
Erie.....	61,961	—	61,961
Indonesia.....	—	48,104	48,104
British Colony.....	17,950	—	17,950
Guam.....	14,544	—	14,544
<b>Total.....</b>	<b>6,084,630</b>	<b>25,280,716</b>	<b>31,365,346</b>

**Trend of Export to:**

	This Month		Month Ago		Year Ago	
	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Lumber (Bd.Ft.)	Logs (Bd.Ft.)
Japan.....	—	20,763,779	—	21,038,217	—	8,873,578
United States and Canada.....	3,633,283	3,005,079	4,340,122	1,461,925	1,932,674	3,257,331
Other Countries.....	2,451,347	1,511,858	1,466,453	—	1,582,132	1,801,471
<b>Totals ...</b>	<b>6,084,630</b>	<b>25,280,716</b>	<b>5,806,575</b>	<b>27,500,142</b>	<b>3,514,806</b>	<b>13,932,380</b>

The local producers, spearheaded by the Philippine Lumber Producers' Association, Inc., continue the campaign to bring about tax reforms through the elimination and reduction of certain taxes and charges. It is believed in business circles that a revision of the tax pattern affecting the industry would bring about a considerable increase in the development of forest areas, more opportunities for employment, and an increase in tax collections from enlarged output. Whatever direct revenues the Government would lose in the meantime, would be more than offset by the results obtained. The problem should be solved on this basis, which would undoubtedly be to the nation's benefit.

## Mining

By HENRY A. BRIMO  
President

Philippine Gold Producers Association, Inc.

INTEREST among gold producers, and for that matter among all those interested in mining in the Philippines, is currently centered on the industry's campaign for tax relief. At this date, the gold producers, heavily backed by figures and information from foreign countries and treatment being accorded abroad to help the respective gold-producing mines there, and aided by the understanding efforts of the Bureau of Mines, have presented their case before the Allas Ways and Means Committee of the House of Representatives and received assurances of aid.

However, the problem of the type of aid, and amount, is something on which no agreement has been reached, nor is there any likelihood of immediate agreement on the subject. Both the Bureau of Mines and the gold producers

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presented their versions of an amendment to the Ad Valorem Tax, main target of the gold producers, while the gold producers additionally presented amendments to the 17% Excise Tax and 7% Compensating Tax designed to relieve them of these import levees, at least during the duration of the current emergency. The Allas Ways and Means Committee, in an executive session, thereupon agreed to completely eliminate the Ad Valorem Tax on gold producers but denied their further petitions, at least for the present. This is where matters stand today.

Meanwhile, as more and more information is received from mining associations abroad, the surprising magnitude of the consideration being offered to the gold mines in each country is revealed. Canada, for instance, in a single year, paid in direct subsidy to its gold mines the total sum of \$9,250,000, notwithstanding the fact that its gold mines were operating profitably as a whole, and then decided to increase its subsidy during the current year. In fact, in a single year, Canada's gold producers earned almost 30% on its working capital, with government subsidies contributing 35% of that profit.

On the other hand, preliminary figures for 1952 submitted by Philippine gold mines show that the entire industry ended its operation in the red to the tune of close to a million pesos. It will be interesting, therefore, to see how the gold producers' campaign develops in the light of the 1952 record of the industry. The idea of aiding mining companies, as developed principally abroad, has always been to encourage the development of new mines. It is an idea that has always paid off. For the time being, at least, the Philippines has failed to support its mines in the same manner, with the result that new mining ventures are being neglected. The question of the hour remains: Will our Government take the highroad leading to new development and new encouragement, or will it continue to expect, as in 1952, to reap P9,500,000 in taxes while

forcing the industry to operate at a loss? If it chooses this path, mining in the Philippines is destined for an early death and the vast mineral resources in this fair land will be left undeveloped and the corresponding income taxes unearned.

Fortunately, there are evidences of a belated, but real, awakening to the plight of the gold producers. Some sort of aid is assured, but the question of the type and amount will be decided during the present Congressional session.

## Copra and Coconut Oil

By DOUGLAS C. KELLER

Manager, Philippine Refining Company, Inc., Cebu

January 16—February 15

THE general theme of the period now under review was one of dullness and inactivity as buyers withdrew from a market generally considered as artificially high. Trading throughout the period was confined mostly to spot purchases by buyers operating on a "hand-to-mouth" basis. This was particularly true of coconut oil which rose to a level completely out of line with the prices and easy availability of other oils and fats and therefore caused consumers to reduce their usage to a minimum and allow their inventories to become dangerously low.

Philippine crushers and copra exporters appreciated the fact that the market was top-heavy and endeavored to either keep a balance position or sell for forward shipment. This latter course proved practically impossible since the only buying interest was for spot parcels or unsold copra and oil already afloat. It would appear, then, that the only factor which prevented the market falling to more reasonable levels was the disappointingly low production of copra. Low production was not confined to

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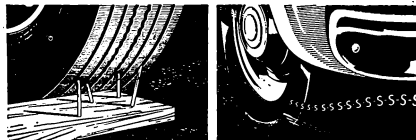
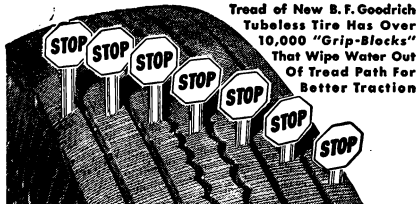
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any one area but appears to be general throughout the Philippines and is blamed largely on a crop of nuts which recently have proved to be unusually small and to contain a very thin meat content. The reason for this is impossible to determine and we can only lay the blame on one of those unaccountable cycles of poor production plus the fact that we are now getting the effects of the bad period of drought experienced in the Visayas and Mindanao some months ago. There is the usual conflict of opinions about the extent of the falling-off of supplies but our own estimate is that in comparison with 1952 the total copra and coconut-oil equivalent exports will be reduced for the first 6 months of 1953 by anything from 20 to 25% and for the last half of the year by a maximum 5%.

**Copra.** Copra, for spot shipment, was traded at the beginning of this period at \$220 per ton c.i.f. Pacific Coast, while the next sale which came a week later was traded at \$215. Further sales, all for spot or prompt shipment, were reported at this level and after a small parcel changed hands at \$220 during the first part of February. The market settled back to \$215 around the middle of February. In Europe the market for Philippine copra was practically nominal all through the period and, as far as we know, only one parcel of first-hand copra was traded and that at \$230 c.i.f. usual continental ports, for February March shipment. At the close, sellers were generally asking \$240 per ton c.i.f. for February March without arousing much interest as European buyers remained withdrawn.

Near the end of this period, the steamer *Anthony* went aground off the coast of Palawan with approximately 6,500 tons of copra aboard, some of which was damaged by sea-water. The condition of the cargo is presently unknown, but initial reports indicate that a substantial portion of the copra can be salvaged. The immediate effects of this news were bullish and the market at the close of the period was firm.

Local prices for copra, which at the opening of the period were quoted at ₱41 per 100 kilos, climbed to ₱42 around the third week of January and then dropped back to ₱41, which, give or take 50 centavos, remained constant until the middle of February. As usual, however, some very fancy prices, i.e., ₱43 and ₱43.50, were reported paid for reasonably-sized parcels available for spot shipment.

**Coconut Oil.** As previously mentioned, the main demand for coconut oil during this period was confined to spot parcels in New York and on the Pacific Coast or bulk oil afloat and already nearing destination. Crushers in the Philippines found it impossible to sell forward oil except at a suicidal discount. This latter fact, plus low arrivals of copra in Manila, resulted in a considerable reduction of local crushing activities.

At the beginning of this current period, coconut oil in tank-cars was traded at 16-1 4 cents f.o.b. Pacific Coast and with only slight variations remained constant throughout. Bulk oil was traded at 15-3 4 cents c.i.f. New York at the beginning, but before the end of January afloat oil sold first at 16-1 4 and the following day another afloat parcel was traded at 16 cents. The end of the first week of February saw oil, again afloat, sold at 16-1 4 cents. Buyers were generally uninterested in forward oil except at a discount of around 1¢ per pound.

In Europe demand for coconut oil was completely non-existent as quotations from the Philippines persistently ruled much higher than offers of the better grade oil from Ceylon and Singapore. A purely nominal price of \$350 per ton c.i.f. Continental ports was quoted without change at intervals during the period.

During the first half of February, European buyers purchased some 140,000 tons of Norwegian whale oil, part of which came from unsold stocks of the 1952 catch while the rest was derived from the 1953 catch. Sold at an average

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equivalent price of \$200 per ton, this whale oil proved a very attractive buy in comparison with the generally overpriced coconut oil.

**Copra Cake and Meal.** Trading in copra meal was not very excited and on the low side during the period; reduced supplies due to curtailed copra-crushing resulted in sellers not being over-anxious to dispose of their small stocks, while West Coast buyers appeared, on the surface, unaffected by low supplies. Around the middle of January, meal was at \$80 per ton c.i.f. Pacific Coast, and by the end of the month the price had crept slowly to \$81.50, at which level a small parcel changed hands. Thereafter sellers were asking \$83 and declining bids of \$82, but by the middle of February both ideas had been reduced by one dollar, i.e., sellers—\$82, buyers—\$81.

Copra exports during the month of January, 1953, are reported as follows:

To United States Pacific Coast .....	10,394 long tons
United States Gulf Ports .....	6,811 " "
Europe .....	12,850 " "
Israel .....	1,500 " "
Venezuela, South America .....	1,000 " "
West Indies .....	2,995 " "
<b>Total .....</b>	<b>35,550 long tons</b>

This compares with 53,625 tons of copra exported during December, 1952, and 66,683 tons shipped during January, 1952.

With regard to shipments of coconut oil, total exports during January, 1953, were as follows:

To United States Atlantic Coast .....	2,460 long tons
West Indies .....	582 " "
<b>Total .....</b>	<b>3,042 long tons</b>

By way of comparison, the December, 1952 exports of coconut oil amounted to 4,012 long tons, while during January, 1952, the total was 6,586 tons.

## Desiccated Coconut

By HOWARD R. HICK

President and General Manager

Peter Paul Philippine Corporation

**T**HE following are the first shipments of desiccated coconut manufactures for January, 1953.

Franklin Baker Company .....	2,059,100 lbs.
Blue Bar Coconut Co. ....	519,280 "
Peter Paul Philippine Corp. ....	1,000,000 "
Red V Coconut Products .....	2,534,000 "
Sun Ripe Coconut Products, Ltd. ....	243,700 "
Cooperative Coconut Products, Inc. ....	—
Standard Coconut Products, Inc. ....	—
Tabacalera .....	—
Coconut Products (Phil.) Inc. ....	—
<b>Total .....</b>	<b>6,256,080 lbs.</b>

## Sugar

By J. H. D'AUTHREAU

Theo. H. Davies & Co., Far East, Ltd.

**T**HIS review covers the period February 1 to February 28, 1953.

**New York Market.** The disagreement between Cuban mills and planters has been resolved by a temporary compromise and the appointment by the President of a technical commission to study mills' and growers' costs. Final settlement will be on the basis of the Commission's findings. Grinding got off to a poor start, but by the end of the month 157 (all but four) mills had begun operations against 161 at the same date in 1952. Production to February 14, 1953, was reported at 300,000 Spanish tons, against 1,375,000 Spanish tons on the same date in 1952. In Porto Rico milling was also reported to be in full swing.

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Throughout the period under review, both Cuban and Porto Rican sugar markets were firm, with little offering despite the weakness and limited activity of world raws. Selective business was done in small lots of Cubans, Portos, and Philippines for February and March arrival at prices ranging between 6.10¢ to 6.20¢, duty-paid basis, while some 10,000 tons Philippines were taken up by operators at 6.30¢ for mid-June arrival. The market undertone is generally firm, with refiners thought to be a little short of requirements for March meltings but still awaiting Cuban offers.

Reported sales of actuals totalled approximately 70,000 tons, of which approximately 40,000 tons were Philippines. Exchange operations for the period totalled 275,800 tons. The March contract was liquidated uneventfully and well in advance of the closing date, for the most part by orderly switching. Refined deliveries for the month totalled approximately 530,000 short tons, as compared with 633,574 short tons for January and 489,927 short tons for February, 1952. Trade buying continues on a day-to-day basis. Refined prices in all territories remained unchanged. Opening and closing quotations on the No. 6 Contract were as follows:

	March	May	July	Sept.	Nov.
February 2.....	5.62¢	5.68¢	5.86¢	5.93¢	5.96¢
February 27.....	—	5.71	5.86	5.91	5.94

Average spot price for the period was approximately 5.64¢.

**Local Market.** (a) Domestic Sugar. For most of the period there was no change from January. Little interest and prices unchanged, with supply well in excess of demand, but large holders firm at ₱14.00 per picul ex Negros warehouse for mill-run centrifugals. Toward the end of the month, increased interest from the side of buyers was noted and moderate business is reported at ₱14.00/₱14.20.

(b) *Export Sugar.* The gradual advance in price for spot and February/March delivery continued throughout the month with exporters at the close paying ₱15.20 per picul, ex warehouse. Volume of business done at these prices, however, is limited, only due to growing confidence on the part of sellers that prices will advance further yet. Due to the substantial volume of 1952-53 Philippine export sugar already sold, sellers generally are well placed to wait. Exporters in response to this sentiment are quoting ₱15.30/35 for May delivery but business reported is insignificant.

Total shipments to the United States for the month are estimated at 60,000 long tons, making a total of 220,000 long tons already shipped of an estimated production to date of 702,167 short tons, of which approximately 175,541 short tons are for domestic consumption.

**1952-53 Milling.** Production of the 23 Centrals now milling up to February 22, 1953, amounted to 649,675 short tons. The average of juice purities to date is 84.00.

## Manila Hemp

By T. W. JURIKA

Act'g. General Manager

Columbian Rope Company of Philippines, Inc.

**FEBRUARY** opened with prices ruling generally firm throughout the Philippines. Speculators raised buying prices of loose fiber in the Bicol, anticipating an imminent reduction in balings from that area as the full effects of last October's destructive typhoon began to be felt. Rather than decrease, however, February balings in the Bicol showed an increase of 5,140 over January's figure of 31,937. This rather unexpected production may have been due in large part to over-stripping of abaca plantings to offset farmers' loss of income from negligible copra resources. In any event, speculators soon found

themselves unable to handle the additional volume, and in the face of stiff resistance in consuming markets, selling prices overseas declined several dollars per bale.

Dealers in Davao continued their holding tactics and were able to freeze supplies to the extent of forcing buying prices up to the highest point since February, 1951. Values were entirely out of line with competing fibers, and manufacturers in all world markets adamantly refused to support the new high levels in spite of rather short inventories. It would appear that a more realistic appreciation of true values by producers is necessary before Davao abaca prices itself out of the market, as there are indications that moderately priced synthetics are becoming available and may supplant abaca to a large extent in the next few years.

Balings in Davao for February amounted to 33,806 bales, as compared with 34,414 for January. Considering the short month and the hoarding by dealers, February in effect indicated an improvement in production. It is anticipated that March pressings will exceed 43,000 bales, which should result in dealers being unable to freeze supplies to any great extent. Any drop in prices should see renewed buying in consuming centers as manufacturers are only awaiting a return to reasonable levels.

We attach hereto baling and export figures for the month of January:

## BALINGS—JANUARY

	1953	1952	1951	1950	1949
Davao .....	38,060	44,606	40,025	22,822	19,278
Albay-Camarines Sur .....	27,875	15,220	25,813	14,966	9,724
Leyte and Samar .....	8,484	13,319	14,821	9,618	9,111
All other Non-Davao .....	9,024	6,390	10,268	6,710	8,684
<b>Total .....</b>	<b>83,443</b>	<b>79,535</b>	<b>90,927</b>	<b>54,116</b>	<b>46,797</b>

## EXPORTS—JANUARY

	1953	1952	1951	1950	1949
United States and Canada .....	22,136	38,466	43,153	21,704	13,903
Continental Europe .....	17,799	15,683	14,887	5,619	10,773
United Kingdom .....	12,364	14,306	9,650	9,546	1,849
Japan .....	29,445	8,500	4,910	9,464	17,877
South Africa .....	700	1,300	970	80	300
China .....	200	1,120	310	550	1,904
India .....	512	520	300	500	200
Korea .....	—	—	—	—	—
Australia and New Zealand .....	400	—	—	625	—
All other countries .....	20	—	—	—	—
<b>Total .....</b>	<b>83,576</b>	<b>79,895</b>	<b>74,180</b>	<b>48,088</b>	<b>46,806</b>

## 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:	December,	
	1952	1951
Automotive (Total) .....	1,305,935	2,926,920
Automobiles .....	223,689	232,801
Auto Accessories .....	76	1,860
Auto Parts .....	184,022	363,271
Bicycles .....	256	99
Trucks .....	45,495	32,243
Truck Chassis .....	250,956	519,395
Truck Parts .....	92,091	103,144
Building Materials (Total) .....	3,499,043	3,506,546
Board, Fibre .....	20,952	—
Cement .....	33,981	389,247
Glass, Window .....	362,117	191,627
Gypsum .....	1,009,072	—
Chemicals (Total) .....	6,637,828	14,081,179
Caustic Soda .....	364,125	885,721
Explosives (Total) .....	61,376	—
Firearms (Total) .....	2,410	9,270
Ammunition .....	2,398	9,270
Hardware (Total) .....	4,253,773	4,461,954
Household (Total) .....	898,656	1,406,755
Machinery (Total) .....	1,828,102	2,334,086

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Metals (Total).....	9,334,778	8,487,562
Petroleum Products (Total).....	77,427,220	79,879,226
Radios (Total).....	17,492	13,168
Rubber Goods (Total).....	902,751	1,600,525
Beverages, Misc. Alcoholic.....	3,684	6,045
Foodstuffs, (Total Kilos).....	30,064,923	27,506,266
Foodstuffs, Fresh (Total).....	120,027	150,320
Apples.....	32,922	28,036
Oranges.....	19,001	12,608
Onions.....	6,628	39,132
Potatoes.....	2,457	22,156
Foodstuffs, Dry Packaged (Total).....	35,986	70,724
Foodstuffs, Canned (Total).....	383,429	246,887
Sardines.....	97,386	103,314
Milk, Evaporated.....	147,181	1,200
Milk, Condensed.....	19,100	14,149
Foodstuffs, Bulk (Total).....	616,485	542,681
Rice.....	563,992	490,500
Wheat Flour.....	2,437	1,179
Foodstuffs, Preserved (Total).....	693,286	882,898
Bottling, Misc. (Total).....	96,269	70,647
Cleaning & Laundry (Total).....	2,147	21,996
Entertainment Equipment (Total).....	25,877	13,172
Livestock-bulls-seeds (Total).....	437,534	409,562
Medical (Total).....	20,713	26,284
Musical (Total).....	59,892	25,609
Office Equipment (Total).....	46,234	79,335
Office Supplies (Total).....	4,559,658	7,610,556
Paper (Total).....	26,783	30,666
Photographic (Total).....	1,933,481	801,764
Raw Materials (Total).....	19,924	27,063
Sporting Goods (Total).....	153,866	288,244
Stationery (Total).....	1,111,797	792,120
Tobacco (Total).....	47,795	79,902
Chucheria (Total).....	595,569	605,895
Clothing and Apparel (Total).....	33,438	33,917
Cosmetics (Total).....	824,928	594,181
Fabrics (Total).....	334	—
Jewelry (Total).....	85,506	134,335
Leather (Total).....	2,856,769	3,729,443
Textiles (Total).....	23,934	46,660
Twine (Total).....	18,444	113,490
Toys (Total).....	1,240,393	742,305
General Merchandise (Total).....	110,431	72,001
Non-Commercial Shipments (Total).....	44,226	38,471
Advertising Materials, Etc. (Total).....		

## Food Products

By C. G. HERDMAN

Vice-President, Marsman &amp; Company, Inc.

**A**LTHOUGH several bills have been presented in the present Congress which would extend the life of the Import Control Law beyond the present expiry date of June 30, 1953, no decisive action of any nature has as yet been taken, nor are there positive indications as to what action, if any, will be taken, although undoubtedly some such action will be taken before the present Congress adjourns.

During February, the Import Control Commission started issuing licenses covering imports for the present semester and such licenses have been coming out in good volume as far as pertains to controlled essentials and non-essentials. There has been very considerable delay, however, in issuing the licenses for decontrolled goods.

**F**LOUR imports licensed for the present semester amount to an average of 533,000 bags (50 lbs. each) for shipment monthly, January to April inclusive, and 580,000 bags monthly during May and June. These quantities include approximately 1/6 of non-IWA flour, the remainder being the unshipped portion of the Philippine allotment for the present crop-year under the International Wheat Agreement. These quantities are far short of the 700,000 bags, average monthly imports, for the year 1952. However, quantities considerably in excess of immediate requirements were either in hand or afloat at the beginning of the year. A shortage is now beginning to develop on flour stocks, particularly in Manila, and the most popular

brands are today selling in Manila at prices above ceilings. Stocks in the southern ports are still more than ample to cover immediate requirements, but there are signs that a shortage will develop in the South well within the next few weeks, and it appears positive that stocks of flour in the Islands will be far short of requirements during May at the latest, probably in April. The ICC and the PRISCO have been approached on this subject and the suggestion has been made that they permit the 580,000 bags previously licensed for June shipment to be sent forward and shipped, instead, one-half in April and the other half in May so as to insure against the shortage of this essential commodity which otherwise appears inevitable. If this plan is carried through, it will be necessary that the Central Bank provide additional funds for flour imports to be effected during the month of June, which should be in a quantity not less than 600,000 bags. All of this flour, of course, will have to be non-IWA, as the Philippine quota will have been exhausted under IWA.

Meetings of the representatives of the various exporting and importing countries under the International Wheat Agreement started in Washington, D. C. on January 30. These meetings deal with the possible renewal or extension of the IWA, which will expire at the end of the present crop-year, July 31, 1953. The meetings are still continuing up to the present (March 3), and no decision has yet been arrived at, but it appears probable that IWA will be extended or renewed for a 2-year period. No official announcement has been made, but it is rumored that delay in decision is due to the fact that exporters and importers can not agree upon the maximum price to apply under the Treaty. During the present IWA, the maximum price has been \$1.80 per bushel. This has resulted in a very serious loss to the principal exporting countries, Canada and the United States. In the case of the United States, it is reported this loss has averaged \$200,000,000 per annum, which is paid out in the form of subsidies to flour and grain exporters to compensate them for the difference between the maximum IWA price and the actual cost of such grain in the market. It is rumored that the United States and Canada are now holding out for a maximum price of \$2.25, whereas the importing countries are trying to have this figure set at \$1.95, or a maximum of \$2.00. There are certain indications that a compromise figure of \$2.15 may be the final figure. If the wheat price is pegged at \$2.15 for IWA, an increase of \$35 per bushel over the present maximum, and figuring Philippine importations at 650,000 bags monthly, which would seem to be the absolute minimum requirement, this would mean an additional cost to the Philippines for its flour supplies of almost \$300,000 monthly.

Stocks of canned milk in the Philippines continue to be ample, with the sole exception of non-fat dry milk solids, which are in very short supply. It has been recommended this item be included with the other varieties of milk as "decontrolled." It is of very high food-value and is essential in the bakery and ice-cream trades. At the same time it is the lowest-costing of all the various varieties of milk. It is difficult to understand why non-fat dry milk solids should not be decontrolled, particularly in view of the fact that modified milk, the most expensive of all milk varieties, has recently been included among the decontrolled items.

There have recently been arrivals in considerable quantities of canned meats and supplies of this item for the present appear to be normal.

Fruits and vegetables, both canned and fresh, are in short supply, and prices of nearly all items are extremely high.

The shortage of canned fish continues to be very acute. The prices charged consumers, particularly in provincial



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districts, are well above ceilings. This shortage will be much more severely felt during the coming typhoon season, when supplies of locally caught fish are very greatly reduced. Supplies of canned fish in all producing countries are the smallest in many years, and it is doubtful if sufficient quantities can be purchased anywhere to satisfy the minimum requirements of this country between now and next October, regardless of price.

**Textiles**

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

**B**OTH the Manila market and the New York market experienced fractional declines during February insofar as finished goods were concerned, although prices of raw cotton and other natural and synthetic fibers remained practically unchanged. The declines in New York were the usual seasonal ones which follow Christmas and precede the Easter buying season. Locally the large arrivals for February, totalling about 21,000 packages, were also contributory to the declines.

The Import Control Commission began the issuance of first-semester licenses around the 15th of February and has apparently achieved a certain degree of success in its objective of having import-license applications processed in a speedier and more efficient manner than heretofore.

Arrivals from the United States during February totalled 20,883 packages, which is about 5,000 packages above the average monthly consumption. Arrivals from the United States included 8,640 packages of cotton piece goods, 4,301 packages of rayon piece goods, 1,431 packages of cotton remnants, 1,580 packages of rayon remnants, and 2,914 packages of knitting yarn. Included also were 845 packages of sewing thread, 202 packages of cotton twine, and 250 packages of cotton duck.

Arrivals of all types of textiles from countries other than the United States totalled 3,034 packages. Included were 679 packages from China, consisting mainly of cotton knitting yarn and cotton piece goods, and 714 packages from Japan, consisting principally of cotton piece goods. There were 37 packages from Europe and 1,604 packages from India, the latter consisting entirely of jute cloth and jute sugar bags.

*The Import Control Law and Textiles*

**T**EXTILES are the principal item of import in the Philippines. More dollars are spent every year on importing textiles than any other item, including food, construction materials, fuel, or any of the other necessities of life. In the face of declining foreign reserves, the Philippine Government found it necessary to sharply curtail textile imports. We believe that no businessman can quarrel with the overall necessity to save our foreign exchange by limiting imports in general and textiles in particular.

However, under the supplementary regulations and appendices of Republic Act 650, cotton textiles have been

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placed in the luxury or non-essential category while rayon textile items including expensive luxury items such as Sharkskin suitings, have been included in the category of essential imports. One does not have to be a textile expert to recognize the incongruous nature of such regulations. If you look about, you will see that the very shirt on Juan de la Cruz' back, the dresses worn by Mrs. Juan de la Cruz, and the children's clothes worn by the sons and daughters of Juan de la Cruz are almost always made of cotton. This preference for cheap cotton goods is natural to the peoples of South-east Asia. Cotton is cheaper and longer-wearing than its rayon counterpart. It can be laundered time and time again and is a more absorbent and more healthful material for wearing in tropical climates than rayon.

In the Philippines, consumer statistics show that the normal textile consumption of the Filipino consumer is 4-1/2 square yards of cotton to 1 square yard of rayon. Despite this very obvious consumer preference for cheap cotton goods, the interpretation given to Republic Act 650 has sought to reverse the trend and to grant nearly three times as many dollars for imports of rayons as for imports of cottons. In the first semester of 1953, the rayon (controlled essential) quotas of old importers have been set at 15% of 1949 imports whereas the cotton (controlled non-essential) quotas of old importers have been set at only 5% of 1949. Furthermore, for new importers who are desirous of importing textiles, 75% of their quotas must be used for rayon imports while only 25% may be used to import cotton goods.

Why should Republic Act 650 virtually force the Filipino consumer to buy more rayons than cottons and induce him to spend his hard-earned dollars on rayons rather than on cotton staple items?

This peculiar attempt to reverse the normal textile-consumption pattern of the Filipino people may be due to representations made by the National Development Company Textile Mills to protect its textile production from the competition of imported goods.

Although the NDC Textile Mills are among the most efficiently-run of government corporations and among the few to show a profit in operation, the fact of the matter is that the NDC Textile Mills are simply too small to provide more than a drop in the bucket of the cotton textile requirements of the Philippines. The total weaving capacity of the NDC is only 5,500,000 yards of cotton cloth per annum as against an average annual consumption of 150,000,000 square yards of cotton textiles, or approximately only 4% of the normal national requirements for cotton textiles.

Under the peculiar interpretation given textile imports by Republic Act 650, the Philippines is being forced to spend more dollars for rayons than for cottons at a time when dollar for dollar many more yards of cotton textiles could be purchased than rayon textiles because of the fact that cotton textiles are cheaper.

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When Republic Act 650 comes up for review at the present session of Congress, this incongruous situation should be brought under scrutiny as it is believed that the Philippines is the only country in the world where rayons are considered as an essential clothing item while cottons are classified as a non-essential. At present the Filipino consumer is being forced to wear the more expensive rayons whether he likes it or not because three times as many dollars have been allocated for rayons than for cottons. Such a situation appears to be contrary to the public welfare and it is believed that the authorities will not be content to let this situation continue.

## Legislation, Executive Orders, and Court Decisions

By E. E. SELPH

*Ross, Selph, Carrascoso & Janda*

**T**HE Committee on Labor in the House of Representatives has recommended approval of *House Bill No. 3254* which provides for a gratuity fund for employees made up by withholding 5% of the compensation of the employee and the contribution by the employer of an equal amount. There are four grounds for payment to the employee of separation pay in the amount of one month's pay for each year of service. These grounds are:

- (1) resignation; (2) death; (3) retirement after 60;
- (4) incapacity not his own fault, abolition of his position, or other reason independent of his will.

*House Bill No. 3569* provides for a division of Drug and Cosmetic Control in the Bureau of Health. There will be a Board of Drugs and Cosmetics empowered to conduct investigations and set up standards.

*House Bill No. 3583* provides for amendments to the emergency medical and dental treatment laws and reduces the number of employees for which the services of physicians, nurses and dentists, and clinics and infirmaries may be required.

*House Bill No. 3513* provides for the establishment of an Industrial Research Institute and maintenance of the same by a 1/2% fee on all imports, to be collected in the same manner as the exchange tax.

*House Bill No. 3594* provides for the elimination of the import of foreign leaf-tobacco at a rate of 20% per annum of the 1953 imports, so that by the end of 5 years no further importations would be allowed.

**T**HERE is a recently published decision of the Patent Office to the effect that "Nylon" is a generic term and cannot be the subject of a trade-mark registration, (*In re* 20th Century Nylon Shirt Factory, October 9, 1952) any more than silk, cotton, ramie, or linen.

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**COST OF LIVING PRICE INDEX FOR WAGE EARNER'S  
FAMILY IN MANILA BY MONTH, 1948 TO 1952\***

(1941 = 100)

Bureau of the Census and Statistics, Manila

1948	All Items (100)	Food (63.43)	House Rent (11.96)	Clothing (2.04)	Fuel, Light and Water (7.73)	Miscellaneous (14.84)	Purchasing Power of a Peso
January	390.7	427.6	453.9	224.5	304.6	249.9	2560
February	369.8	394.0	453.9	223.8	301.1	254.4	2708
March	349.4	361.0	453.9	214.6	308.1	255.9	2862
April	354.6	374.1	453.9	209.4	289.7	254.8	2820
May	349.8	360.2	453.9	214.2	289.7	271.6	2859
June	354.3	370.4	453.9	205.2	283.2	262.9	2823
July	351.2	361.2	453.9	201.3	281.6	260.6	2806
August	363.6	385.7	453.9	199.8	281.6	261.7	2751
September	370.6	397.2	453.9	199.2	279.6	260.6	2698
October	374.9	404.0	453.9	204.8	283.2	257.9	2668
November	368.7	394.4	453.9	202.0	281.6	258.7	2712
December	365.9	389.9	453.9	202.0	282.4	258.9	2732
1949	343.7	357.9	453.9	198.4	272.9	251.1	2910
January	363.8	386.8	453.9	202.0	279.0	258.9	2750
February	343.8	355.5	453.9	203.0	277.5	258.9	2909
March	345.3	358.2	453.9	202.0	276.3	258.5	2896
April	348.7	362.6	453.9	197.6	287.5	257.1	2868
May	348.8	362.8	453.9	197.2	287.5	257.1	2867
June	349.0	362.9	453.9	203.9	287.5	257.2	2865
July	351.7	374.0	453.9	194.2	265.8	240.5	2844
August	351.2	351.2	453.9	196.2	261.8	241.2	2963
September	333.6	345.1	453.9	190.3	264.8	243.1	2998
October	332.9	343.3	453.9	199.9	264.8	245.0	3004
November	339.6	356.1	453.9	191.1	258.4	239.8	2945
December	329.6	335.9	453.9	202.9	259.5	256.2	3035
1950	337.5	333.7	453.9	270.7	252.0	313.8	2963
January	332.3	336.8	453.9	238.0	253.1	269.3	3010
February	336.9	340.2	453.9	233.3	257.8	284.1	2969
March	339.0	341.4	453.9	236.7	257.8	292.6	2950
April	331.8	328.6	453.9	237.7	252.9	301.2	3015
May	320.2	308.6	453.9	244.7	249.9	309.1	3123
June	323.1	310.9	453.9	243.5	249.7	319.1	3095
July	322.0	322.4	453.9	252.6	249.7	328.7	3012
August	334.4	325.9	453.9	258.7	251.1	328.4	2990
September	331.2	321.9	453.9	241.3	249.7	327.5	2930
October	352.8	351.1	453.9	337.3	249.7	334.5	2835
November	354.1	353.2	453.9	332.8	249.7	335.9	2825
December	352.2	350.5	453.9	325.2	249.7	334.8	2839
1951	360.1	361.4	453.9	365.3	248.0	336.5	2777
January	355.2	355.0	453.9	331.5	249.7	334.6	2816
February	358.4	359.9	453.9	342.8	249.7	334.1	2790
March	352.4	349.3	453.9	379.4	248.8	334.3	2838
April	361.2	362.6	453.9	398.6	247.5	334.7	2769
May	365.0	367.0	453.9	410.4	247.5	339.5	2740
June	367.8	372.0	453.9	399.5	247.5	337.7	2719
July	366.3	370.1	453.9	382.0	247.5	339.0	2730
August	365.1	371.4	453.9	354.0	247.5	329.1	2739
September	363.0	369.0	453.9	356.4	247.5	325.4	2755
October	358.1	361.0	453.9	350.4	247.5	326.7	2823
November	351.1	351.1	453.9	343.8	247.5	323.3	2848
December	349.0	348.9	453.9	335.2	247.5	319.4	2865
1952	346.4	347.4	453.9	280.6	244.1	317.7	2887
January	355.1	357.8	453.9	323.0	247.5	324.6	2816
February	348.0	349.8	453.9	328.9	243.4	318.3	2874
March	345.1	345.1	453.9	273.7	243.4	318.3	2904
April	342.7	342.7	453.9	276.1	243.4	313.8	2918
May	342.2	341.8	453.9	279.9	243.4	313.8	2922
June	345.4	346.3	453.9	277.1	243.4	316.3	2895
July	347.6	349.5	453.9	273.6	243.4	318.3	2877
Aug.	347.9	349.4	453.9	276.1	243.4	320.4	2874
September	348.3	350.0	453.9	274.8	243.4	320.5	2871
October	344.5	344.6	453.9	276.2	243.4	317.8	2903
November	347.5	349.3	453.9	274.7	243.4	318.3	2878
December	347.9	348.9	453.9	271.5	247.5	321.2	2874

The index for Miscellaneous went up slightly from 321.4 to 322.3 points. The index for House Rent remained stationary at 453.9. Due to the decline of the over-all index, the purchasing power of the wage earner's peso adversely rose from P.300 (January) to P.3029 (February) or a gain of P.0125.

The items which brought about the decline of the Foodstuffs index are the following: rice, meat, eggs, and vegetables. Rice which is heavily weighted, principally gave rise to the downward trend of the over-all cost of living price index. The average monthly price of rice for January was P1.66, while that for February, P0.53 a catta. The items for denim and khaki (long pants, ready-made) under Clothing, and kerosene under Fuel-Light-Water also registered minor decreases.

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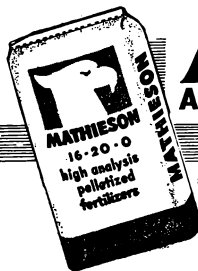
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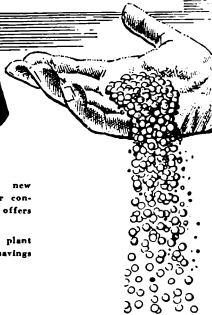
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\*\* For explanatory note, see the August, 1951, Journal.

#### EXPLANATORY NOTES FOR THE FEBRUARY COST OF LIVING PRICE INDEX

THE cost of living price index for February, 1953, went down by 14.2 points, or 4.12%, as compared with that for January, 1953. The January over-all index was 344.3 while the February over-all index is 330.1. Responsible for the sharp decline are the budgetary groups for Foodstuffs which dropped from 341.2 to 321.1 points, down by 21.1 points, or 6.44%, clothing from 271.0 to 268.8, a decrease of 2.2 points; and Fuel-Light-Water from 247.5 to 243.4, a decrease of 4.1 points.

# The "LET YOUR HAIR DOWN" Column

THE National Economic Council does not seem to be able to keep its files of the *Journal* complete,—perhaps members carry issues away with them. At the request of the Council's librarian, we recently supplied quite a large number of back issues,—without charge, and received the following acknowledgement:

"I have the honor to acknowledge, with thanks, the receipt of copies of the following

issues of the *American Chamber of Commerce Journal*:

Vol. 22, 1945-1946, Nos. 1-4 and 6-8

Vol. 23, 1947, Nos. 2-7

Vol. 27, 1951, Nos. 1-2

Vol. 28, 1952, Nos. 1-2 and 4-12

"These copies are valuable additions to the National Economic Council Library.

"Very respectfully,

For the Acting Executive Secretary

(Sgd.) FRANCISCO P. MONGE

"Economic Research Coordinator  
In-Charge."

Well, we do not know of any group in the Philippines, other than the members of the National Economic Council, unless it be the members of the Senate and the House, whom we would rather have read the *Journal*.

During the month the editor also received a letter which, according to the letter-head, was from the "Osmeña Estate", Cebu City. It read:

"I wish to thank you for the complimentary copies of the *American Chamber of Commerce Journal* which you send my father. I find your magazine highly informative and instructive. . .

"Sincerely yours,

"Edilberto Osmeña."

WE mentioned in this column some months ago that the U. S. Mutual Security Agency had asked permission to mimeograph, for distribution among its American staff members, the article on "Eastern and Western Psychology", published in the June issue of this *Journal*. Permission, of course, was readily granted. Last month, the same compliment was paid the *Journal* by the Guy F. Atkinson Company, a San Francisco firm of contractors and engineers, which won the bid for the tunneling and other work to be done for the National Power Corporation at Ambuklao. The firm will employ several thousand people to be recruited locally, but will also necessarily bring in a number of American technical men, and it was these that the Company's area manager, H. S. Booth, believed would benefit from a reading of the same article; so, with a covering letter, it was mimeographed as "Inter-Office Correspondence" and addressed to "All American employees,—Ambuklao Project." The *Journal* was given full credit, and Mr. Booth stated, "We believe that you will find this article very helpful in your efforts to understand the Filipino as well as seeing yourself as the Filipino sees you."

AN official of the U. S. Veterans Administration, who was kind enough to read an advance draft of this month's instalment of the "Short History. . .", wrote:

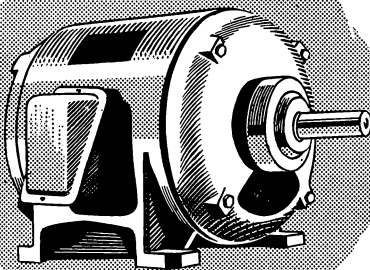
"I made two small changes. . . It's an excellent article. I should like to have several copies when available. . . Regards."

An official of the U. S. War Claims Commission wrote:

"This is the most informative article I have ever read on the activities of the organizations concerned. It contains a great amount of statistics, but is still easily readable and is most interesting. I have made a few small corrections. . . The total sums disbursed by the War Claims Commission to American prisoners-of-war and to American internees residing elsewhere than the Philippines is much greater than those I have given you, but I believe you were primarily

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interested in payments which actually benefited the Philippine economy and for that reason I gave you the breakdown I did. In regard to your question concerning the compensation paid religious organizations by the U. S. Philippine War Damage Commission, I can not answer with certainty. I presume these payments will be deducted from the payments made under our Act, but I have nothing to do with the adjudication of claims and know of no claim paid to date in which this question has arisen."

In response to a request for certain information with respect to the Philippine Long Distance Telephone Company for a subsequent instalment of the "Short History..." Mr. J. T. Naylor, General Manager of the Company, wrote in a covering letter:

The United States  
subscription rate to  
the *Journal* sent by  
ordinary mail for  
one year, is \$5.00.

For \$15.00 a year  
the *Journal* Office  
will send monthly  
any selected page-  
clipping by air-mail  
in addition to send-  
ing the whole issue,  
as usual, by ordinary  
mail.

"Please accept our compliments for the splendid record which I have had the pleasure of following in the American Chamber of Commerce *Journal*."

With further reference to the "Short History..." the editor received the following letter from Mr. C. G. Herdman, of Marsman & Company, Inc.

"Just a line to let you know how much I have enjoyed your articles, 'Short History of Industry and Trade in the Philippines', which have been appearing in the American Chamber of Commerce *Journal*. I sincerely hope that these articles will be reprinted in book form and trust that due announcement will be made if they are, as I should like to place an order for several copies if and when available."

This is just a line to express the editor's appreciation of the foregoing letter. As for a re-print in book form, this would be an expensive undertaking and is still undecided upon. The safest thing would be for readers to preserve their copies of the *Journal*,—as they otherwise are likely to do anyway. We can still furnish some extra copies to those who want them.

"THE sweetest music ever heard!"  
said the editor.

"What?"

He pointed to some lines in the February 16 issue of *Time*, heavily underscored:

"The Economy... The New Freedom...  
By week's end the Administration has moved to:

"Take off ceilings on...

"Abolish all wage and salary controls...

"Dismiss 1,700 employees of the Wage Stabilization Committee, and eventually abolish the jobs of 6,000 other controllers."

"Whoopie! Whoopie!"

"Aren't you a bit sorry for so many persons losing their jobs, their means of livelihood?" we asked.

"I am not!" he said. "It is those controllers of all varieties, in every country, who have cost millions of men their jobs. Now let these supermen go out and make a living on their own in a healthy competitive world. Let's see what they can do other than ruining others with the greatest of ease! They and their little brief authority! And who gave it to them? That's what gets my goat! We did! Or we permitted it! We have fought for centuries to gain political liberty and then we threw away our economic liberty, which is basic to the other. Don't ask me to be sorry for a controllers losing their jobs! Whoopie! Whoopie! Yeow!"

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## American Association of the Philippines

**T**HE following were elected to serve as officers for the fifth year of the Association. President, Ewald E. Selph; Vice-President, Joseph A. Thomas; Recording Secretary, Miss Helen Boyle; Treasurer, Theo. L. Hall, J. F. Cotton; Corporate Secretary, Miss Natividad Y. Ortiz.

Committee chairmen appointed by the President are: Procedure, Ewald E. Selph; Patriotic Events and Veterans Committee, Mr. Harry Fonger; Social Welfare, Mrs. Esther Gibbs; Fil-American Matters, Paul Verzosa; Finance, W. D. Arnold, Theo. H. Hall, John F. Cotton; Public Relations and Social Events, Mrs. Marie Wilkins; Historical, Joseph A. Thomas; Membership, Roy G. Davis; Medical Advisory, Mrs. Margaret Stevenson; Community Center, Frank S. Tenny.

The annual meeting of the American Association was held on January 5, 1953, at the American Embassy. The meeting was called to order at 5:30 P.M. by President Ewald E. Selph. President Selph then introduced the Ambassador, Admiral Spruance, who spoke a few words of welcome to the members of the Association. President Selph then introduced Mr. Wm. S. B. Lacy, Deputy Chief of Mission, who gave a short message about the work the Association was doing and offered the help of the Embassy in any way it possibly could.

After the committee reports, President Selph called upon Consul Benninghoff to make a few remarks. Consul Benninghoff said this was the fifth or sixth American Association he has been associated with in the last 25 years and that by and large the problems of each one of them were similar. The Consul also stated that this is the largest colony of Americans in the world, which raises unusual problems, and the Association members were to be complimented on the manner in which they are meeting the situation. He said that unfortunately, as many know, neither Congress nor the American Government appropriates funds for the relief of Americans in foreign countries and the Consulate is not provided with funds that they can use for that purpose.

Mr. Sison made a motion, seconded by Mr. Canson, that the membership dues in the Association be raised from P5.00 to P10.00 a year. The President said he would refer this matter to the Board of Directors for consideration. The meeting adjourned at 7:45 P. M.

There was a poor attendance of members at the meeting; present were as many naturalized Americans as native born Americans.

—From the *American Community Newsletter*, January-February, 1953.

**W**E should be pleased if *Journal* readers and advertisers would go through this number of the *Journal*,—or any *Journal* issue, for that matter, and ask themselves in what other publication anyone interested in Philippine business could find so much up-to-date and authoritative information conveniently presented for immediate reading and for future reference.

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

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

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

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

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## OFFICERS AND DIRECTORS, 1953

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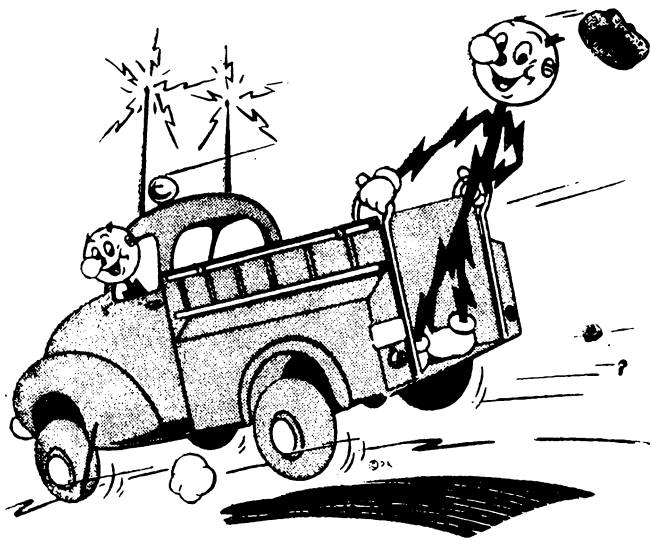
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