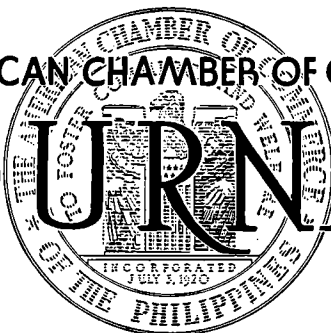


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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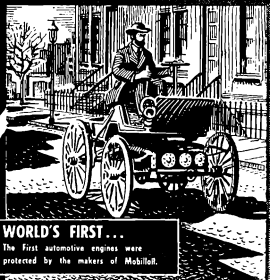
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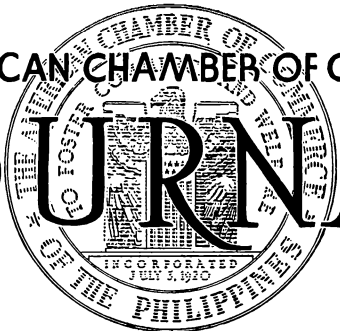
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Editorials

"... to promote the general welfare"

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 remittance 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 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."

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 to 1, which Act No. 601 has in effect converted into a ratio of 2.34 to 1.

To be sure, a foreign exchange tax was recommended in the Bell Mission Report and the President of the United States approved this measure, his approval being necessary in the case of any Philippine legislation which sets aside the 2 pesos for 1 dollar ratio fixed by a provision in the Bell Act of 1946. But neither the Bell Mission nor the President can have foreseen that Act 601 would mean forcing Americans to pay a tax on the money they have to remit to their own Government, this being, also, a second Philippine tax on Philippine income they have already paid the Philippine income tax on.

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 every one 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.

That the Philippines is the most important world-trade market of Los Angeles County, was a statement made in Manila by Mr. John A. Sowers, Assistant Manager and Director, Far East Division, World Trade Department, of the Los Angeles Chamber of Commerce. Mr. Sowers' title gives an idea of the highly developed organization of the Los Angeles Chamber. His tour of the Far East, during which he visited or will visit, besides the Philippines, also Japan, Formosa, Hongkong, Thailand, Malaysia, and Indonesia, gives an idea of the wide-spreading interest of that one division of one department of the Los Angeles Chamber.

From a Franciscan mission, established in 1771, and a Mexican pueblo established ten years later, Los Angeles became for some years the capital of California, over which the American flag was first raised in 1846, when war broke out between the United States and Mexico. Though attractively situated between the mountains and the sea, and with a delightful climate, there was lack of a natural harbor, and the population in 1900 was still only 100,000.

But with the opening of the Panama Canal in 1914, the construction of an inner harbor by the city government, completed that same year,—this having been preceded by the building of a breakwater by the Federal Government, the discovery of a great oilfield, and the development of numerous manufacturing enterprises, the city increased its population faster than any other city in the United States. Today the population numbers over 2,000,000, with a total of 5,000,000 in the whole metropolitan area. The two excellent, man-made ports are capable of docking a hundred large ships at one time.

There is, notably, a fenced-off, Customs-guarded foreign trade zone, where foreign merchandise may be landed, stored, re-exported, re-packed, sorted, mixed, or otherwise manipulated with a minimum of Customs control and without customs bond or payment of duty, pending re-shipment of goods abroad or entry into the United States.

During the period from 1940 to 1948, the number of registered industries increased from 5,500 to 11,000, representing an annual added value by manufacturing of over \$2,000,000,000. The annual payrolls amount to \$3,500,000,000. The annual world trade amounts to over 22,000,000 tons, valued at more than \$650,000,000.

According to the 1947 Census (figures furnished us by Mr. Sowers, as were also the foregoing), the Los Angeles industrial area ranks first nationally in the manufacture of aircraft and aircraft parts, motion pictures, pumps and compressors, refrigeration equipment and machinery, and canned sea-food; it ranks second in women's and misses' outerwear, pressed and blown glass, concrete and plaster products, automobile assembly, automobile tire and tube production, storage batteries, jewelry and silverware, heating and plumbing equipment, millwork (wood), and oil-field machinery and tools; it ranks third in women's and misses' underwear, miscellaneous fabricated textiles, miscellaneous wood products, household furniture, newspaper publishing, petroleum refining, pottery and related products, non-ferrous foundries, tractors and farm machinery, construction and mining machinery, and conveyor equipment.

Are these facts and figures dull? Certainly they are not to anyone who senses the human courage and creativeness, the initiative, enterprise, and energy behind them, also the great reward in wealth and wellbeing, spread throughout the community in the form of personal independence, employment opportunity, dependable incomes, comfortable homes, good schools, libraries, museums, theaters, parks . . . all making for the good life, the vital, generous, hopeful living of America.

It is interesting to note that the population of Los Angeles is not "all American" in the narrow sense. About 17% was Latin and Oriental and about 15% was foreign-born white, according to the 1930 Census figures which are the latest we have available. It is not without significance that the populations of most of the great cities of America are exceedingly mixed and that many varied human strains have contributed to the vigorous activity of these industrial and business centers.

There is inspiration in that fact for Manila, for here too we have a population composed of many varied elements, all of which contribute richly to the Philippine life, if they are not short-sightedly deterred.

Depressing and often alarming as much of the world news is in these times, and particularly worrying as are the long-drawn-out cease-fire negotiations in Korea, one report from the United Nations Advanced Headquarters in Korea early this month, could furnish a certain intellectual enjoyment. In view of the gravity of the issue in Korea, this form of appreciation may be trifling and frivolous, but the fact remains that at one stage of the prolonged negotiations over the point where the armistice line should be drawn, the so-called Socratic irony was employed in its full perfection by both sides.

The present United Nations line, as everybody knows, runs some 35 miles above the 38th parallel in the east and center and some distance below it in the west. The Communists still demand (at this writing) that the United Nations forces withdraw to the 38th parallel, the wholly artificial boundary between North and South Korea which is difficult to defend and across which the North Koreans launched their initially successful attack a year ago. The United Nations representatives declare that such a withdrawal would involve a political question which they have no authority to decide and that the United Nations forces will remain where they are, in a defensible position.

Vice-Admiral C. Turner Joy, therefore, at the seventh successive session dealing with this point alone, summed up:

"The United Nations Command has no intention of violating the military armistice agreed upon, but neither will the United Nations Command place itself in an indefensible position in the event of an armistice violation by the other side."

Then came Lt. Gen. Nam Il's "final question":

"If you sincerely desire peace, and intend to observe the armistice, why are you talking about defensible positions?"

It was reported that this question had been anticipated and that the reply had been prepared in advance.

Promptly it came, also in the form of a Socratic question:

"Do you or do you not agree that the security of his forces is a responsibility of each commander during a military armistice?"

According to the report, Nam Il avoided a direct answer and Joy repeated his question a second and a third time.

"When Joy put the question a third time...it caused a flurry on the Communist side. The two Chinese in the five-man Red delegation conferred with each other apparently attempting to find an answer for Nam. The question was becoming something of a dilemma to him.

"For his part, Nam asked Joy five times during the day whether he had anything further to say. The first time he asked it somewhat hopefully...Each time the Admiral said no.

"All evidence indicated Nam's mission at the moment is to keep the conference going while he awaits instructions from higher authorities."

Note how well both questions, and especially Joy's, meet the following dictionary definition of "Socratic irony":

"Pretended ignorance or willingness to learn from others assumed for the sake of making their errors conspicuous by means of adroit questioning. Socrates is represented by Plato as employing this method in his tilts with the Sophists."

Note also the dictionary definition of the word "dilemma":

"An argument which presents an antagonist with two or more alternatives (or 'horns'), but is equally conclusive against him, whichever alternative he chooses."

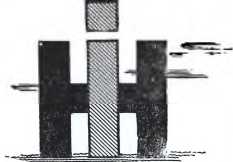
There was an easy, direct answer to the "final question" posed by the North Korean General,—that the keeping of the truce does not depend solely on the United Nations' sincerity of desire for peace, but depends equally on the Communists' sincerity.

But there was no easy answer to Joy's question. Had the Red General said he did not agree, this would have

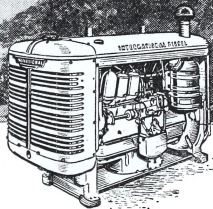
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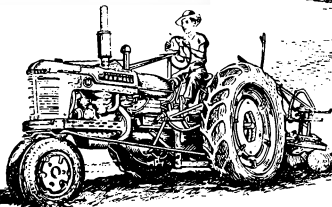


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meant that he himself felt no responsibility for the security of his forces during a truce. And if he had said that he did agree, he would have given his whole case away.

He could have asked Joy: "Could you not find an equally defensible line south of the 38th parallel?" But this would have involved the political issue.

Much more than a game of wits is being played at Kaesong. In that small village, the will and determination of two vast and poised aggregations of power are being tested. The outcome of that test will not, in all probability, be decisive, but it will be of deep significance with respect to future world developments. Power in all its manifestations will determine the final issue, but among these manifestations of power, and especially in the fight to win men's minds and hearts, dialectical skill.—the art of reasoning about matters of opinion, is one of the most important.

The Socialists and the Communists have recognized

the importance of dialectics from the outset. Many of their advances have been won by mere argument. Democrats have tended to think that the facts spoke loudly enough, and have been scornful of disputation and debate as well as having, rightfully, felt themselves above resorting to such a foul thing as propaganda. But the two are very different, and skill in argument and the proper presentation of argument could perhaps still save a lot of bloodshed.

Fortunately, the democracies generally, and the United States, also, have recognized the truth of this. Today, American officials and other prominent Americans are delivering carefully thought-out addresses on world topics much more frequently than formerly and these are given wide dissemination over the radio and through the United States Information Service. "The Voice of America" broadcasts are also proving very effective.

Monetary and Credit Developments

January to May, 1951

By M. CUADERNO, SR.
Governor

Central Bank of the Philippines

THIS is an analysis of monetary, credit, and fiscal developments since the beginning of the year, as reflected in the accompanying schedule of statistics.*

Factors Affecting the Purchasing Power (Domestic) of the Peso

Prices, Cost of Living.—Although indexes of retail prices and the cost of living up to May, 1951, show a rising inflationary trend, the rate of climb appears to have decreased in May and to have turned into a recession early in June. The decontrol of several items of commodity imports and the drop of about ₱18 million in money supply have undoubtedly contributed greatly to this development.

Money Supply.—Money supply which has risen to an all time high of ₱1,293,980,000 in April, 1951, dropped to ₱1,275,699,000 in May. This level is still slightly above that of January, 1951. The reduction in money supply is probably due to the heavy volume of imports and import commitments since May, the payment of taxes, and the considerable improvement in the finances of the Government. The recession in the level of money supply at this time is a healthy trend.

Bank Credit.—Loans and discounts, overdrafts and customers' liability-acceptances increased by ₱24 million between January 1 and April 30, 1951. This is partly accounted for by the increase in the loans to PRISCO and private importers for stockpiling of essential commodity imports. Voluntary credit control which is being observed by the banks gives assurance that inflationary pressure from this source is being minimized.

Excess Bank Reserves.—Excess bank reserves is a potential source of credit expansion. Since credit expansion is inflationary, sterilization of a portion of the excess reserves of banks could be effected by increasing the reserves which the banks must maintain with the Central Bank. However, such a measure appears unnecessary inasmuch as the excess reserves of banks dropped from ₱135.6 million as of December 29, 1950, to ₱29.4 million as of May 25, 1951. This drop has been due largely to heavy financing of imports which required heavy purchases by banks of foreign exchange from the Central Bank.

Central Bank Credit.—Ordinarily, when inflationary conditions exist, the Central Bank is and should be averse to the granting of credit to banks. However, in order to facilitate their financing of exports as well as of imports (control on which has been relaxed lately as an anti-inflationary measure), the Monetary Board has authorized some bank loans for these purposes only. As indicated in the attached schedule, banks' purchases of foreign exchange from the Central Bank in May had been quite heavy.

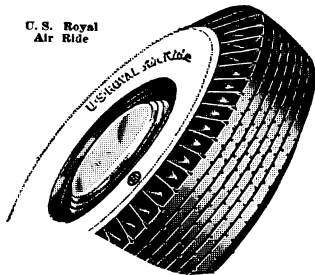
On account of the improved condition of the finances of the Government,¹ borrowings from the Central Bank to meet operating expenses have been greatly reduced compared to last year's. However, ₱86,218,913.83 were released to the Government from January to May 31, 1951, in order to complete the construction of the Maria Cristina power and fertilizer plants, the Ilocos Textile plant, the National Shipyards, to continue the work on the Ambuklao Hydroelectric power projects, and for other development projects. Although not all of these funds will be spent this year, the release had to be made as the power of the Central Bank to make such advances will expire on June 30 this year.

¹As of May 31, the National Government had total cash assets of ₱70.2 million compared to ₱43.8 million as of December 29, 1950. The moderate change is significant because it represents a reversal of previous years' trends.

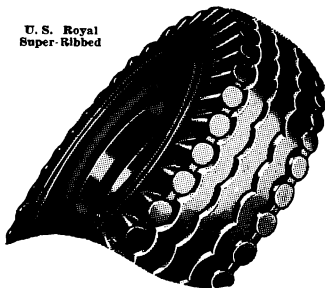
IN the accompanying clear and concise article, taken from the *Central Bank News Digest* of July 7, Central Bank Governor Miguel Cuaderno answer a question which greatly concerns our businessmen,—whether the recent relaxation of import controls and the consequent increase in imports, together with the recent decline in the prices of our principal exports, will be reflected in a decline in the international reserves to the extent that the import controls would again be stiffened. Governor Cuaderno's answer is, in brief, that "it is not believed that . . . the probable diminution in the international reserves . . . would be large enough to make a reversal of our import policy immediately necessary". His whole analysis is in other respects, too, most encouraging.

*Editor's note: Not reprinted herewith.

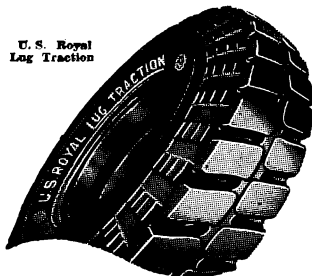
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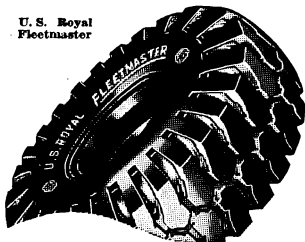
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Factors Affecting the External Value of the Peso

International Reserves.—Between January 1 and May 31, 1951, international reserves increased by \$34.5 million, bringing the Nation's reserves up to \$390,440,000 on May 31, 1951, as compared to \$250,620,000 as of December 9, 1949, when exchange controls were first put into effect. During the month of May, 1951, however, a slight decline (less than \$1 million) occurred. This decline is expected to continue in the following few months due mainly to relaxation of import controls during the second quarter of the year.

Blackmarket in U. S. Currency.—According to reports, the dollar blackmarket price has dropped to ₱2.40. This is undoubtedly due to the recent liberal import policy, the refusal of the Import Control Board and the PRISCO to permit so-called non-dollar imports, and the campaign being waged relentlessly by MIS, NGI, and CB agents against blackmarketeers of U. S. currency.

Decline in Wholesale Prices of Exports.—Starting with 326.2 in January, the index numbers for all items of the major commodity exports rose to 342.4 in February; to 352.2 in March, and then dropped to 329.7 in April, and 310.0 in May.

Compared to the index numbers for April, in May copra lost 50 points; abacá, 18 points; coconut oil, 36 points; desiccated coconut, 16 points; canned pineapple, 6.5 points; and leaf tobacco, 119 points. On the other hand, sugar gained 15 points; lumber 7 points; cordage 15 points; and logs, 7 points. The balance of trade in May was still in favor of the Philippines.

The Longer Outlook

Developments during the first five months of the year, as can be gleaned from the accompanying statistics and the foregoing analysis, indicate a steady upward trend of inflationary forces until April after which there appeared the following deflationary influences: (1) a decline in wholesale prices of several export products; (2) a decline in retail prices; (3) a decline in money supply; (4) an improvement of the peso position in the blackmarket; and (5) an improvement in the financial position of the Government.

On the other hand, there is reason to believe that these influences would be only temporary because (1) of the enlargement in fiscal year 1951-52 of the U. S. defense program with the consequent additional cuts in civilian production; (2) of a possible setback in the gains already made in the financial position of the Government. The

possible termination of the Korean war at this time would hardly be considered a permanent recessionary factor as long as the cold war continues unabated and the great powers continue with their rearmament programs. The weight of economic opinion is that there are strong and dangerous inflationary forces which would make it unwise to relent on measures for combating inflationary pressures.

Measures Recommended

In line with the foregoing analysis and with a view to maintaining economic stability, observance of the following policies are recommended:

With the approval recently of several tax measures designed to increase government revenues, a relentless campaign of tax collection should be pursued. The present policy of the Government of keeping to a minimum bank borrowings should be continued. Non-productive and postponable expenditures should be avoided.

Every facility should be extended to legitimate importers of essential commodities in line with the policy of relaxing import controls in order to curb hoarding and blackmarketing of such commodities. The increasing difficulty of procuring essential commodities from foreign sources attests to the soundness of the policy recently adopted of relaxing control on the import of essential commodities; otherwise a paralyzation of the country's industrial and agricultural activities might have ensued and price inflation might have continued unabated. If the decline since May in the prices of some of the major items of exports should continue, it would, undoubtedly, be reflected in the international reserves. However, unless the rearmament policy of the major powers is reversed, it is not believed that the probable diminution in the international reserves due to a possible continued reduction in export receipts would be large enough to make a reversal of our import policy immediately necessary.

Economic stability in the Philippines depends not only upon factors arising within the country but also upon the economic developments in the international field. The Central Bank is thus confronted with the delicate and difficult problem of having to adopt policies for domestic monetary stability which may, and often do, run counter to the international stability of the currency. It is for this reason that the authorities of the Central Bank hope that the close coordination between monetary and fiscal policies which now exists will be continued, and that the adoption of measures which would endanger economic stability will be avoided.

"THE Great Sea, the brood of islands, Polynesia, the coast beyond;

The coast you henceforth are facing,—you Libertad! from your Western golden shores...

The countries there, with their populations...

From Thibet,—from the four winding and far-flowing rivers of China,

From the Southern peninsulas, and the demi-continental islands,—from Malaysia;

These, and whatever belongs to them, palpable, show forth to me, and are seiz'd by me,

And I am seiz'd by them, and friendlily held by them,

Till, as here, them all I chant, Libertad! for them and for you."

—WALT WHITMAN

Text of Draft of Proposed Tripartite Security Treaty among the United States, Australia, and New Zealand

For consideration by the governments of Australia, New Zealand, and the United States of America:

THE parties to this treaty,

Reaffirming their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments, and desiring to strengthen the fabric of peace in the Pacific area,

Noting that the United States already has arrangements pursuant to which its armed forces are stationed in the Philippines, and has armed forces and administrative responsibilities in the Ryukyus, and upon the coming into force of the Japanese peace treaty may also station armed forces in and about Japan to assist in the preservation of peace and security in the Japan area,

Recognizing that Australia and New Zealand as members of the British Commonwealth of nations have military obligations outside as well as within the Pacific area,

Desiring to declare publicly and formally their sense of unity, so that no potential aggressor could be under the illusion that any of them stand alone in the Pacific area, and

Desiring further to coordinate their efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the Pacific area,

Therefore declare and agree as follows:

Article I—The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

Article II—In order more effectively to achieve the objective of this treaty the parties separately and jointly by means of continuous and effective self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack.

Article III—The parties will consult together whenever in the opinion of any of them the territorial integrity, political independence, or security of any of the parties is threatened in the Pacific.

Article IV—Each party recognizes that an armed attack in the Pacific area on any of the parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Article V—For the purpose of Article IV, an armed attack on any of the parties is deemed to include an armed attack on the metropolitan territory of any of the parties, or on the island territories under its jurisdiction in the Pacific, or on its armed forces, public vessels, or aircraft in the Pacific.

Article VI—This treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

Article VII—The parties hereby establish a council, consisting of their foreign ministers or their deputies, to consider matters concerning the implementation of this treaty. The council should be so organized as to be able to meet at any time.

Article VIII—Pending the development of a more comprehensive system of regional security in the Pacific area and the development by the United Nations of more effective means to maintain international peace and security, the council, established by Article VII, is authorized to maintain a consultative relationship with states, regional organizations, associations of states, or other authorities in the Pacific area in a position to further the purposes of this treaty and to contribute to the security of that area.

Article IX—This treaty shall be ratified by the parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of Australia, which will notify each of the other signatories of such deposit. The treaty shall enter into force as soon as the ratifications of the signatories have been deposited.

Article X—This treaty shall remain in force indefinitely. Any party may cease to be a member of the council established by Article VII one year after notice has been given to the Government of Australia, which will inform the Governments of the other parties of the deposit of such notice.

Article XI—This treaty in the English language shall be deposited in the archives of the Government of Australia. Duly certified copies thereof will be transmitted by that Government to the Governments of each of the other signatories.

The American and the Japanese "Conquests" of the Philippines

By A. V. H. HARTENDORP

A leading Filipino, a member of the opposition, recently wrote an article, published in the daily press, in which he made the following statement which would seem to require an answer. He wrote:

"... the original Filipino 'collaborators' were those who collaborated with the American invaders when in 1901 they constituted here, as the Japanese did in 1942, after suppressing Filipino organized resistance, an occupation government. The only difference was that the Americans came to stay, while the Japanese were thrown out. But the beginning was exactly the same..."

In connection with this statement, it will be of interest to know that there were Americans who were saying very much the same thing during the first part of the Japanese occupation! They were among the Americans in the Santo Tomas Internment Camp, and their expression of this opinion started many an argument. This so bothered the writer at the time that he took note of it and wrote a few pages on the subject in his history of Santo Tomas, which readers of the *Journal* know is still in manuscript. Those years of anguish were a time of much soul-searching, and conclusions reached then are perhaps of all the more interest for that reason.

The following was written about the middle of the year 1943:

THERE were those in the Santo Tomas Camp who, hostile as was their attitude to the enemy, would not [at that time] join in any moral condemnation of Japan, saying with a proud show of detachment, that America had itself seized the Philippines by force of arms in 1898. They saw the difference, of course, between the American and Japanese policies, but thus sought to rule out the moral factor, probably because they wished to justify, not Japan, but America, even at the cost of accepting the principle of conquest. But even the Japanese tried to establish a moral justification for their aggressions by claiming that their aim was to end Western imperialism in Eastern Asia and establish the "Co-Prosperity Sphere". The various peoples of Eastern Asia were to be welded into a family of nations, with Japan as the leader; independence was specifically promised the Burmese and the Filipinos. However, the actual Japanese policy and the various measures adopted by the Japanese in the occupied areas did not square with this propaganda, nor did they

show 'any promise of ever squaring with it. Had Japan's policy been what the Japanese propagandists claimed it to be, evidence of this would have been discernible in those areas where Japan had been longer established, as in Korea and Manchuria.

Self-justification is an essential of human nature. The evolution of man has been not only a physical one, but social and moral. The course of evolution leads up from the brute, the savage, the child, the self, to the family-member, the citizen, the patriot, the cosmopolitan, the humanitarian. All human enterprise has its ethical components. Ethical conceptions are the highest of which man is capable. They may not ever completely rule, but they colour and inspire.

The establishment of American sovereignty over the Philippines did not come as a result of bald, premeditated aggression and conquest. Regardless of the ulterior motives of certain American empire-builders of that time, the American people went to war to liberate the nearby island of Cuba from a misrule against which they had protested for many years and which at last became intolerable. In the course of that war, the Spaniards in the Philippines were attacked and defeated. There was a strong feeling in America at the time that the independence of the Philippines should be recognized. But there was also the opinion that, by occupying the Philippines, America had assumed certain responsibilities which required that the Filipinos should pass some years under American protection and tutelage. There is not the least doubt that if America had not adopted the latter course, the Philippines would have been seized by some other power, most likely Japan or Germany. That the Philippines would be held temporarily and prepared for ultimate independence, was the policy adopted, and this at a time when such a conception was a new one in statecraft. Though it was attacked by other colonial powers, that policy was never departed from. And though contrary to America's isolationist traditions, the policy was wholly in line with American idealism. The only question that ever arose concerning it was that of the time required, and this soon became merely a political question. The relations between America and the Philippines were almost from the first the most amicable. There was good faith and confidence. From the beginning, America steadfastly did everything in its power to help the Philippines toward its goal. It was a case of the tutelage of a small nation by a great one, and although some few individual Americans profited, to America as a whole the guardianship over the Philippines was only a responsibility, such advantages as were derived from it with respect to larger world-interests, being indirect. It was a collaboration in civilization. The progress made in the Philippines was phenomenal, in education, in health, in political development. Economic development was, in fact, held quite secondary. The American example became a world-ferment. In 1935, the time when the Philippines was to enter the family of nations as a sovereignty entity was set for 1946.

That was the American case. America could stand on it proudly. There was no need to rule out the ethical aspects for America to justify itself.

Japan stood in a very different case. The Japanese attack on America's position in the Pacific was "provoked" only by America's efforts to bring about an end to Japan's aggressions in China. Japan's attack on the Philippines meant an attack on and the subjugation of a people who stood on the threshold of independence. The Japanese claim that they were making war only on America in the Philippines and not on the Filipinos, was belied by every measure which they adopted. The systematic terrorization of the people, the destruction of all autonomous political institutions, the seizure of not only all economic control, but of lands, mines, and factories, the efforts at the Japonification of the schools and churches, the press and

the radio,—every development proved that the Japanese intended the measures they took to be of permanent force and effect.

Here was not the displacement of a more backward culture by a highly developed one; here was the forcible substitution of a lower, indeed a barbaric regime for one culturally and ethically among the highest in the world. Here was destruction, tyranny, slavery, foul and cruel, reactionary and degenerate. Here was a blight, a disease, a rot which, starting in the Nazi dens of Germany, had spread to the East and now invaded a region that was still under the protection of the American Flag. Never would the overlords of Japan have dared to make this attack if they had not believed that Germany was on the point of overwhelming Russia and Great Britain, which, they conceived, would make it impossible for America to bring its forces to bear in the western Pacific. In their greed and envy, in their vanity and ignorance, urged on by Germany, they miscalculated, struck treacherously, and while now glorying in their easy successes over small local forces, which they conceived of as great victories, that glory was certain to be brief.

The Japanese propagandists heavily stressed the idea that the Filipinos are an "Oriental" people, and Vargas was made to say in one speech which, accompanied by Japanese officers, he was made to repeat word for word in three different provincial capitals:

"We should be proud that Japan considers us a potential member of the Co-Prosperity Sphere. It proves that Japan recognizes in the Filipinos not an inferior people, as do the Occidentals, but a brother and an equal."

Every step the Japanese took in the Philippines gave this the lie. There is no brotherhood or equality under autocracy and totalitarianism other than a common slavery. The Japanese attempted to stamp out individualism and liberalism and democracy in the Philippines under the pretense that these detested principles were American. They did not recognize that they were, although originally in a more primitive form, also Filipino and had been since those remote times when the people now known as Filipinos populated the country from across the seas in the *barangays*, each a boatful of men in pursuit of happiness and determined to be free.

The Japanese wanted to stamp out these hated tendencies in the Filipinos not so much because they were American, not so much because they were un-Oriental (the greatest country in Asia, China, is also highly individualistic and basically democratic), but because they were characteristics which unfitted the Filipinos for the slavery Japan planned for them.

The false strains of the Japanese Army's propaganda corps could not put the Filipinos to sleep. Every measure and act of the invaders showed them to be undisguised oppressors and exploiters.

Compare the Japanese pronouncements quoted in this book to the Instructions of President McKinley to the Philippine Commission (April, 1900) already referred to. Though he said that the Commission should bear in mind that the government it was to establish was designed "not for our satisfaction or for the expression of our political views, but for the happiness, peace, and prosperity of the people of the Philippine Islands", and that the measures to be adopted "should be made to conform to their customs, their habits, and even their prejudices", he went on to say:

"At the same time, the Commission should bear in mind, and the people of the Islands should be made plainly to understand, that there are certain great principles of government which have been made the basis of our government which we deem essential. . . ."

The Japanese might have said that. America was after all going to insist on its own way in the Philippines! But what was that way?

"... which we deem essential to the rule of law and the maintenance of individual freedom."

A strange way certainly for a "conqueror" to talk! And did President McKinley deny that the Filipinos knew anything about the freedom he wanted for them? No. He went on to say:

"... the rule of law and the maintenance of individual freedom, of which they have been unfortunately denied the experience possessed by us...."

Was he planning to cram this experience down the throats of an unwilling people? Again, No. He said:

"It is evident that the most enlightened thought of the Philippine Islands fully appreciates the importance of those principles [of democratic government], and they will inevitably within a short time command universal assent."

The Americans understood the Filipinos better than their "fellow-Orientals", the Japanese; treated them far more as "brothers and equals" than they.

What in fact were the "Western impositions" laid on the Filipino people? McKinley listed them,—all drawn from the Constitution of the United States, which was to protect the Filipinos like it protected the Americans themselves:

McKinley said:

"Upon every division and branch of the government of the Philippines, therefore, must be imposed these inviolable rules:

"That no person shall be deprived of life, liberty, or property without due process of law; that private property shall not be taken for public use without just compensation; that in all criminal prosecutions the accused shall enjoy the right to speedy and public trial, to be informed of the nature and cause of the accusation, to be confronted with the witnesses against him, and to have the assistance of counsel for his defense; that excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted; that no person shall be put twice in jeopardy for the same offense, or be compelled in any criminal case to be a witness against himself; that the right to be secure against unreasonable searches and seizures shall not be violated; that neither slavery nor involuntary servitude shall exist except as a punishment for crime; that no bill of attainder, or ex-post-facto law shall be passed; that no law shall be passed abridging the freedom of speech or of the press, or the rights of people to peaceably assemble and petition the government for a redress of grievances; that no law shall be made respecting an establishment of religion, or prohibiting the free exercise thereof, and that the free exercise and enjoyment of religious profession and worship without discrimination or preference shall forever be allowed...."

Of every one of these great guarantees, certainly as desirable for Orientals as for Occidentals, the Filipinos were forthwith deprived by their "fellow-Orientals", under the pretext of the desirability of wiping out "Anglo-Saxonism". Yet the Malolos Constitution of which Felipe A. Calderon is regarded as the principal author, and which was adopted by the Revolutionary Congress in January, 1899, contained much the same provisions.

What are the differences between Orientals and Occidentals? Do the Orientals love freedom less and oppression more? What was the "materialism" which the Japanese so sternly rebuked in the Filipinos? Is it Oriental not to want to live well? What was this "simplicity" which they insisted the Filipinos must return to? Is it Oriental to settle down forever in thatch huts, ride behind a carabao, and toil for 20 centavos a day? What was this "thrift" and "self-denial" they extolled as such admirable qualities? Is it Oriental to sacrifice oneself and one's children for the benefit of foreign masters? What was this unquestioning "obedience" they demanded from the Filipinos? Is it Oriental to surrender body, mind, and soul? ... What was this "cooperation", in which the Japanese summed up all this, but collaboration in self-destruction?

The difference between the Orient and the Occident and between Orientals and Occidentals are largely imaginary. Traveling philosophers and contrivers of romantic tales have conjured up separating gulfs and mysteries where none exist. As compared to the early stages of savagery of all men, there are only slight differences in civilization and culture between the East and the West. As compared to the average human type, there are only slight differences in physique and temperament which

everywhere merge into each other. With the rapid advance in world organization which may be expected to accelerate after the war, the people of the East and West will soon be thinking of each other in much the same way as the people of northern Europe now think of the people of southern Europe. Men are everywhere moved by the same instincts, appetites, and desires; they have in general the same aims and purposes, hold much the same beliefs and opinions, and all cherish the same dreams. Such differences as exist are more a matter of class than of race, and of education more than of class. Just now the Japanese are more like the Nazi Germans than they are like any other Oriental people. The Filipinos, fortunately for everybody, are more like Americans.

There is no reason why the Americans and the Filipinos, "Occidental" and "Oriental" though they may be, should not walk on in history arm-in-arm. There is every reason that they should.

Geographically, the Philippines are of the Pacific more than of Asia. Ethnologically, the Filipinos are affiliated with the Malaysian-Indonesian races,—with the people of the great island groups that lie to the south and the people of Southeastern Asia, including Indo-China, Siam, and Burma.

Culturally, the same connections hold good, except that the three centuries of Spanish rule in the Philippines resulted in the development of a culture that is in many respects similar to the culture of Latin America. This is no "vener", but an incorporation chiefly evident in religion, morals, and manners. This complex was further enriched and modernized by the American contribution during the past half century chiefly with respect to the scientific, economic, and political facets of culture.

Economically, Philippine ties with the West are far stronger than those with Japan or other Asiatic countries and they would remain so under conditions of natural development. Due to the uneven distribution of natural resources in the continents of the world, trade-lines do not run naturally north and south so much as east and west and diagonally across the world's oceans. It is an absurdity of the Japanese school of geopolitics that the northern and southern regions of the hemispheres can be made complementary in any exclusive and autarchic sense.

The culture of the Philippines is a more or less balanced complex of great richness and promise for the future. The Filipinos definitely belong to the freedom-loving, democratic, advancing portion of mankind.

America's coming to the Philippines was far more than a matter of passing "imperial strategy", and the relations between the United States and the Philippines will not be determined in the long run by the temporary interests of shifting pressure-groups. The deep cultural interests of mankind can not be so easily subordinated. The great issue of History has always been the struggle between despotism and freedom...

So far the excerpts from the Santo Tomas book. But the sense of the last sentence leads to the thought that that great historic issue today means continued collaboration between the United States and the Philippines in the Pacific. The underlying logic of history seems today also to point to a collaboration with the nation so recently an enemy of both,—Japan, though this would come hard at first.

As for invasions and conquests, certainly, they are not always evil in themselves, and there are differences; they are not all alike either in origins or in consequences. Indeed, during those terrible years of the Japanese occupation, the people of the Philippines movingly demonstrated that they recognized this difference, even though our friend, quoted at the beginning of this article, whose gift of sarcasm is known sometimes to carry him too far, pretends otherwise. There are conquests as liberating as the conquests of love.

Oil Production and Trade*

By J. A. PARRISH

General Manager, Standard-Vacuum Oil Company
President, American Chamber of Commerce of the Philippines

It is understood by me that I am your guest speaker today in the capacity of President of the American Chamber of Commerce.

Consequently, I may have been expected to speak on a subject with which trade organizations ordinarily concern themselves. With your permission, however, I have chosen to talk about something which may appear far removed from your day-to-day activities. My announced subject is applicable to my text in an indirect way only, but it is easy to see how the Philippines fits into the picture. I refer to the geographic location of the proved oil resources of the world and the importance to be attached to the future control and disposition of this most strategic resource. Russia and the satellite countries are excluded throughout these remarks. To an ever greater degree it is being impressed upon everyone that oil has become fundamentally an international commodity. The wide distribution of this great source of energy, which has been found in quantity in widely separated areas of the globe, has brought it within the power of all people to take advantage of its potentialities.

To do justice to the subject I should first be able to put you in a frame of mind to appreciate fully the contribution which oil makes to your individual lives and to the security and economic well-being of your country. I might begin by telling you that no less than 50% of all energy generated in the world today results from the consumption of oil. This figure is naturally greater or smaller in the individual country, depending on the possession of good supplies of coal and the extent to which the use of the electric power has been possible. None of you need be told, however, that your motor cars and trucks, your tractors, your planes, and your ships, and to a great extent your mills and factories operate on oil. The process products, the chemicals, the industrial and agricultural applications which derive from oil are too numerous to name, but the volume of such products is huge and the part they play in the better life we all live is of far greater value than I can indicate in this paper. Civilization will continue to advance and political and economic stability in each country will increase with the number of people owning and enjoying the material things which result from the application of petroleum energy in the field of industry. Industry will continue to grow as the geologist and the technologist find and produce more oil and as the chemist and engineer succeed in further breaking down the mysterious molecules of this substance so that they may be regrouped or combined with other substances to serve a yet wider range of uses to mankind.

It should be noted, however, that oil-producing and oil-marketing companies of the world have performed a great public service in making possible the use of petroleum for such a multitude of purposes. As a matter of fact, the use of oil and its derivatives has reached such proportions and has become such a determining factor in economic and social advancement that the per capita consumption of oil can almost be taken as a measure of the standard of living the world over.

The reality of this contention appears to be borne out by a few simple comparisons. In the most prosperous and stable country of the world, which is the United States, the consumption of petroleum products currently runs at about 600 gallons per annum for each person enumerated in the census. This figure compares with 101 gallons per person in Britain and 63 gallons per person in France and perhaps somewhat less for the rest of free Europe. The average for the world as a whole proves little, but you will be impressed by the fact that in Asia the present rate of consumption of oil per annum is probably less than 10 gallons per person living in that vast area. That immense land area commonly referred to as Asia, and comprising everything between the Persian Gulf region and the Pacific Ocean, covers 1/3 of the surface of the earth, contains 35% of the world's population, and yet accounts for less than 5% of the world's resources and consumes oil at the rate of about 6 gallons per person per year, or about 2-1/2% of the total oil produced.

The immediate deduction which can be drawn from these statistics is that the potential consumption requirements of Asia are tremendous. Being presently far behind the Western countries in industrialization and mechanization, the rate of increase in demand in Asia should exceed that of other countries over the next several decades.

It is an error, however, to assume that well-being can be engendered or supported in any area by an excessive degree of industrialization. There is a correct balance to be sought in every country between industrial activity on the one hand and the promotion of enterprises of an agricultural nature on the other. In both of these fields, however, the maximum degree of mechanization should always be achieved. The substitution of mechanical energy for human energy means greater per man output of the things that comprise wealth and satisfy the desires of the people. This fact goes far toward explaining the cause-and-effect relationship existing between the high standard of living which has been attained in the United States and the per capita consumption of petroleum products there.

As the present, the total proved oil reserves of the world, stand at approximately 86 billion barrels—a barrel being the equivalent of 42 U.S. gallons. These proved reserves are divided almost equally

between the Eastern Hemisphere and the Western Hemisphere. While the Western Hemisphere holds roughly 50% of the world's proved oil reserves, it is producing and supplying 75% of the world's present-day requirements.

Of the 43 billion barrels of oil located in the Western Hemisphere, about 30 billion barrels lie within the borders of the United States. The remainder of Western Hemisphere oil is found in Mexico, Central and South America, and Canada. With approximately 1 1/3 of the proved oil reserves of the world, the United States is producing more than 75% of the world's present-day oil output. At the same time, consumption of oil in the United States amounts to 2 1/3 of the total oil in the world. Further than that, if the present trend of consumption-increase in the United States continues, that country alone in two decades will be consuming more oil than the entire free world produces today. That is indeed a situation of the greatest significance and points up the extent to which the world's largest producing nation is already dependent on oil which comes from outside its own boundaries.

From the figures just quoted, it might appear that in the not distant future the world will run out of oil. As a matter of fact, however, experts in geology are not presently so concerned about this possibility as they were several years ago. It is true that consumption is increasing by leaps and bounds, but so is new discovery. The prolific new fields of Canada, of Central Sumatra, and in some hitherto unknown regions in the United States have recently added substantially to the already known reserves. Development of additional oil in the Middle East is more than meeting expectations.

The Eastern Hemisphere holds 50% of the world's proved oil reserves and produces 25% of present world consumption. Of the 43 billion barrels of oil reserves known to exist in the Eastern Hemisphere, 41 billion barrels lie under the sands of the area known as the Middle East. The remainder of Eastern Hemisphere oil is found principally in Indonesia and British Borneo with small quantities being produced in Burma, Egypt, and Free Europe. The Middle East producing area comprises the countries of Iran, Saudi Arabia, Iraq, and the Sheikdoms of Kuwait, Bahrain, and Qatar. Not only is the Middle East the greatest known source of oil in the world today, it is also the least known source. Development of that region, however, did not begin until 1904 with the first oil well in the area. The commercial well in the country now known as Iran. Despite the known potential and the accelerated scale of development since the war, the Middle East fields have as yet hardly been touched. With its vast holdings, equal to 47-1/2% of world reserves, this particular region produces currently only about 17% of the world supply. Proved reserves there are 1-1/2 times the reserves in the United States and estimates place its reserves at more than twice the United States potential. To review the overall figures then, the Western Hemisphere holds 50% of the free world's oil and produces 75% of requirements. The Eastern Hemisphere holds 50% of reserves and produces 25% of world demand. Obviously, therefore, the oil reserves of the Western Hemisphere are being depleted at a much more rapid rate than is true in the rest of the free world.

Since the current trend in depletion of reserves in the Western Hemisphere can not be materially altered in the foreseeable future, a suitable harm to defense measures and standards of living everywhere, it becomes absolutely essential that oil presently being produced and the great stores of oil yet in the ground in the Middle East continue to be available to those countries where economic life is dependent upon this oil. In a very great sense the great growth in the use of oil around the world tends to bind all peoples together and to make all nations interdependent. Through the medium of oil the economy of Europe is woven into that of the Middle East. In turn, the Middle East is dependent upon the industrial nations to transform its great oil resources into products which are in demand and which can be used for the betterment of life all around. Industrial nations need the Middle East oil no more than the Middle East needs the capital and skills required to bring out and convert an otherwise dead resource into products that have value.

Anxiety in some quarters regarding oil reserves does not concern itself so much with the sufficiency of oil now in existence and yet to be found, as it does with what may happen to some of these reserves which up to the present have been at the disposition of all free countries. To be more specific, should the 45% of the world's proved oil reserves which lie in the Middle East, or any substantial part of this, come to be denied to the free world for any reason, the result would be disastrous.

Should the Middle East oil or any important portion of it disappear behind any kind of curtain, the Western Hemisphere would find it extremely difficult to supply its rapidly growing needs and have enough left to meet even the minimum peacetime requirements of Europe alone. Loss of Middle East oil would present the United States itself with the unpleasant choice of curtailing its current preparedness activity and rationing its own citizens or turning its back on Europe

where, since the last war, the American people have poured out several billions of dollars to promote economic welfare and contentment among the people.

This does not mean that in case of an emergency some countries would have as much oil as they needed and others would have correspondingly less. After the last war, it was demonstrated to the satisfaction of all free countries, whether oil was produced within their borders or not, that so far as could possibly be arranged, each country received a fair share of the oil that was available. It can be anticipated that this would be the case again in the event of a shortage in oil supply. While this reassuring fact does not provide against the hardships which always attend petroleum rationing, it does point up the extreme importance of maintaining the maximum of the world's oil resources under the control of those nations which can be depended upon not only to protect them with all the force at their command but to continue to share these resources under all circumstances with other countries which are devoted to liberty and free enterprise.

It is American and British interests which have explored and developed the oil resources of the Middle East under arrangements which have been freely entered into with the governments of those countries. These accomplishments have been achieved at tremendous expense and at the risk of enormous amounts of capital. Success in these instances can be attributed primarily to two factors. One of these is the intensely competitive character of the oil industry operating under private control. The other has been the prevalence generally of conditions that encouraged private capital to take the risk attendant on the hazardous business of searching for oil. Petroleum executives and military minds of the United States and Britain have been aware of the strategic value of Persian Gulf oil for the past half century. It is only within the last few months, however, that the importance of these resources has been brought forcibly to the attention of the rest of the world.

It is a matter of serious concern to all democratic nations that in this group of small countries, bordering on a powerful Communist state, but without the strength to protect their own frontiers, it to be found roughly 1/2 of the world's oil supplies.

Who owns the oil pools of the Middle East is not necessarily of major importance to consuming countries. Who controls the distribution of this most vital material, however, occupies a position of the greatest responsibility. Because of the fundamental importance of petroleum in all phases of industrial activity and especially in military operations, it becomes a matter of the greatest necessity that provision be made for the protection of all important sources of supply, of transportation routes and of plants in which it is manufactured into essential products.

In this connection, no matter what weight is given to other segments of the picture, there will always remain the extremely important truth that inequality of oil supplies available to the two sides in a world conflict could and undoubtedly would spell victory for the side which is the more fortunately situated. It was Lord Curzon of England who said after the first World War that the Allies had floated to victory on a sea of oil. The significance of that observation was proved even more clearly in the last conflict. It is a matter of record that in World War II out of every three tons of supplies shipped to the Allied Forces overseas, two tons consisted of petroleum products. I daresay it would now be the confession of military men that without the oil supplies which the Allies were able to draw from the relatively near-by Middle East fields, the last war in Europe might not have been brought to a satisfactory conclusion.

It is further agreed by military experts that in another war of world dimensions, involving operations in both hemispheres, two to three times the petroleum consumed in the last war would be required, due largely to multiplication of planes and high-powered weapons which would be brought into use. Perhaps these circumstances will throw some light on the oil policies which have been followed by the United States and Britain with regard to the foreign oil holdings of their nationals, and will help explain the exhaustive efforts that are

being made to arrive at a just settlement of the oil problem which has recently presented itself in Iran.

Since the last war, it has been generally accepted that no nation can live alone in this world—not even the most powerful nation. All of us need friends to survive. Not only must we be strong but our friends must also be strong and we should strive to have it that way. That, I understand, is the object of the Marshall Plan, the Point Four Program, and other similar undertakings. The development and maintenance of strength among our friends should present us with a greater feeling of security with regard to our own future.

By this time you may be inclined to ask at what point do these circumstances affect the Philippines. And it may appear to you that oil for the Philippines is merely a routine factor of world trade. Let us, therefore, take a look at the flow of oil in world trade. We may start with the fact that the vast production of oil in the United States has no effect on world oil trade because it is all consumed at home, and a great deal more besides. On the other hand, of the 3-1/3 million barrels of oil which moved in international trade every day in 1950, nearly 1/2 came from the fields of the Middle East. Of the oil which was exported from the Middle East last year, 60% went to supply 3/4 of the requirements of Europe. The remaining 40% of Middle East production was distributed over much of the rest of the world, including the United States and the Philippines.

To come back home for the few minutes remaining, I have been asked many times whether my company thought there was oil in the Philippines. The only possible answer to that question is that we do not know and I feel equally certain that no one knows. If it were known, there would surely be a thundering stampede to the locality of it. Like gold, oil is where you find it. Whether or not it exists in the substructures of the Philippine Archipelago can only be determined by more exhaustive geological and geophysical examination than has yet taken place. Even then, no one can be sure that oil is present anywhere until a hole is drilled into the earth at the prospective locality.

A good deal of geological work and some drilling has been done in the Philippines and I believe all the useful data collected in these examinations and tests have been placed at the disposition of the Government. At this time, however, and on the basis of data already gathered, it probably could not be stated positively that geological conditions of the land area of the Philippines are favorable to the occurrence of oil in commercial quantities.

A few things about oil exploration are known with certainty, and they are, that it costs a great deal of money, takes years of time, requires expert personnel, and can only be accomplished under stable political conditions in the country. Whether or not exploration takes place anywhere will always depend upon the conditions to which the exploring investor must subscribe. When an experienced oil company comes to consider the feasibility of undertaking oil exploration in any country, it naturally measures the necessary capital outlay and the risk involved against the prospect of securing a reasonable return on the venture. If know of no other formula by which capital can be persuaded to employ itself in any enterprise. There can be no doubt, however, that when conditions under which oil exploration can be undertaken in this country are found to be favorable, experienced and reliable oil companies will manifest their interest. Negotiations to that end between the Government and one oil company were continued over a period of two years following the close of the last war but an agreement was not reached.

For the foreseeable future, therefore, the Philippines must depend for its oil requirements on sources which lie outside of this country. Because of that fact, and the other conditions I have mentioned, I repeat an observation which I have already implied to the effect that it would appear to be to the best interest of the Philippines if assurance could be established that the presently known oil reserves of the world would continue to be distributed under the auspices of those nations which have developed them and which have shown no disposition to withhold this essential commodity from the free channels of world trade.

"TODAY, the Philippines and the United States are working together in a free partnership in order to promote and protect the interests common to both... Filipinos and Americans, by continuing to work together in mutual confidence and respect, can proudly show the whole world what cooperation among free democratic nations can achieve."—Ambassador Myron M. Cowen.

The Business View

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

The Government

From an Official Source

JULY 1 — President Elpidio Quirino issues Executive Order No. 456 creating the new Import Control Commission to assist him in the execution of Republic Act No. 650.

July 2 — The President issues Administrative Order No. 159 prescribing the policies, rules, and regulations for the enforcement of Act No. 650, and it is announced that he has appointed Demetrio Santos, former Import Control Commissioner, as the executive officer of the new Import Control Commission. The President approves the amount of \$137,000 as available for all controlled commodity imports during the semester ending December 31, 1951, of which amount \$43,000,000 will be for items not listed in Appendix A of Act No. 650 and not decontrolled, and \$94,000,000 for essential items listed in the Appendix.

The Department of Foreign Affairs announces that the President of the United States has appointed Dr. Roland R. Renne, President of the University of Montana, as Chief of the E. C. A. Mission in the Philippines.

The Philippine Council for United States Aid announces that a large public health program will be launched before the end of the year, made possible by an ECA grant of \$393,233 and the Government's counterpart fund of P885,000, which will cover intensified medical and dental services in the schools, malaria control in new settlement areas, and augmentation of the facilities of the Alabang serum and vaccine laboratories.

July 3 — The President administers oaths of office to the newly created Import Control Commission composed of Alfredo Montelibano, Chairman, and Alfonso Calalang and Francisco Ortigas, members, and to Demetrio Santos as Executive Officer.

At the annual review held in honor of the Commander-in-Chief, at Fort McKinley, the President speaking before a composite regiment representing all the major commands, commends the Armed Forces of the Philippines "not only for strengthening the people's faith in their Government but also for its splendid record in the Korean battlefields".

On the eve of the fifth anniversary of the Philippine Republic, the President extends conditional pardon to 55 prisoners.

The PHILCUSA announces that with ECA aid amounting to \$196,000, a geological survey will shortly be undertaken, including the investigation of coal fields in connection with the expansion of operations in the Malangas Coal Mines (Zamboanga) will be given priority.

July 4 — The President receives congratulations on the occasion of the fifth anniversary of the Republic from President Harry S. Truman, President Syngman Rhee (Korea), the King of Siam, President Chiang Kai-Shek, the King of Denmark, and others.

The Fourth of July is celebrated and the opening of National Achievement Week is initiated with ceremonies on the Luneta, a great military and civic parade, and an address by the President; concerts, public stage shows, a popular ball on Plaza Santa Cruz, and fireworks displays follow in the evening. Agricultural, industrial, and art exhibits mark the whole week.

July 6 — At a Cabinet meeting the President instructs Secretary of Foreign Affairs Carlos P. Romulo to advise groups of Moros planning to make the annual pilgrimage to Mecca against going this year because of the unsettled conditions in the Middle East. In connection with the vacancy in the International Court of Justice at The Hague, the Philippines having been asked to nominate a candidate, the Cabinet decides to recommend the nomination of Dr. Jorge Bocobo to the nominating committee created in 1948 which is composed of Justice Ramon Avanceña, Justice Sabino Padilla, and Dr. Jose P. Laurel. The Cabinet approves a plan, first suggested by the President, to construct a boulevard from the new Luneta grandstand to Ayala Boulevard.

July 7 — The President delivers an address at the final meeting of the 3-day labor-management conference held in connection with Achievement Week and presided over by Judge Arsenio Roldan of the Court of Industrial Relations.

The President removes Director of Labor Felipe Jose from office for "abuse of authority, violation of his oath of office, and conduct highly unbecoming in an official of his rank".

July 8 — Alfredo Montelibano, Chairman of the Import Control Commission, announces that all import control licenses approved by the old ICA and PRISCO will be recognized but that their release will have to await the organization of the new office as estimates that the approved licenses not yet released total around P22,000,000 in value.

July 9 — Announced at Malacañan that the President has suspended Manila Councilor Amado Hernandez pending the disposition of the case against him on charges of rebellion.

July 10 — The President recommends to Congress the passage of a joint resolution terminating the state of war with Germany in line with the invitation of the United States, Britain, and France to the

other allied nations to consider domestic measures to facilitate the "integration of the German Federal Republic (West Germany) into the community of peace-loving peoples"; Administrative Order No. 150 creates an inter-departmental committee composed of representatives of the Departments of Foreign Affairs, Justice, Commerce and Industry, and National Defense to consider the necessary steps.

Following conferences with Moro leaders, Malacañan announces that the annual pilgrimage to Mecca will be permitted but that the pilgrims will go in one group instead of several.

The United Nations Plaza at Wallace Field, Manila, is inaugurated with a flag ceremony, with Mrs. Victoria Quirino Gonzalez, daughter of the President, raising the Philippine flag; the United Nations flag was raised by two representatives of the 10th Battalion Combat Team who were both wounded in Korea.

The MacArthur Bridge, on the site of the former Santa Cruz Bridge, Manila, is officially inaugurated.

July 12 — The President announces that he has instructed Secretary Romulo to call a meeting of the Japanese peace treaty committee stating that "in view of the fact that the latest draft (of the treaty) presented to us practically side-tracks our claims for reparations, I consider it necessary that the different representative elements that have assisted me to define our stand be consulted anew."

July 13 — The President at a Cabinet meeting appoints an inter-departmental committee to take measures to promote various cottage industries.

July 14 — The President, in an address at the inauguration of the Tonsuya bridge, renamed the Quirino Bridge, in Malabon, turned over to the Government today by the U. S. public roads bureau, reasserts the Philippine demand of reparations from Japan.

Announced that the Government, with the approval of the United States Government, has decided to permit the export of not to exceed 5% of the present sugar production (equivalent to around 40,000 long tons) to neighboring Asiatic countries; Philippine sugar interests have opposed the move in view of the fact that the full Philippine quota in the United States has not yet been filled, but it is believed that the 1952-53 production may do so.

July 15 — The President creates the Board of Directors of the reorganized National Rice and Corn Corporation (NARIC) which had previously been merged with the Price Stabilization Corporation (PRISCO). Board is composed of Pablo Lorenzo, Chairman, and Servillano de la Cruz (former NARIC manager), Dr. Jose Soriano (a Negro Occidental planter), Eufronio Caluag (a Bulacan rice planter), and Juan Bigornia.

July 16 — Foreign Secretary Romulo conveys to the President the decision of the 15-member Japanese Peace Treaty Committee to maintain its stand that the draft treaty is unacceptable.

The President, in a conference with the members of the Import Control Commission, approves the allocation of \$137,000,000 to cover imports for the remainder of the year and also the plan to turn over all records of the licenses issued by PRISCO to the ICC which will handle the future issuance of all licenses.

July 17 — The Council of State formally endorses the stand of the President and his foreign policy advisers against the proposed peace treaty in its present form; the President, who presided, held a half-hour conference with American Ambassador Myron M. Cowen just before the meeting.

The PHILCUSA submits a progress report to the Council of State on the \$15,000,000 interim ECA aid to the Philippines, allocations of this amount having been completed and the first shipment of supplies procured under these allocations, 4000 tons of fertilizer, having arrived in Manila on July 12.

The Department of Foreign Affairs announces that a West Germany trade delegation will arrive in Manila on July 25, to stay here for a week.

Contrary to the President's admonitions, a crowd of young people in Plaza Moriones burns a portrait of Ambassador John Foster Dulles, chief author of the Japanese peace treaty draft.

July 18 — The President administers the oath of office to former Governor Gabriel Belmonte of Nueva Ecija as General Manager of the revived NARIC.

July 19 — At a Malacañan luncheon given in honor of Governor Thomas Dewey of New York, here on a 3-day visit, the President states in part:

"May I say to Governor Dewey that first and foremost it is our security which is in the balance today. . . . It is our security that I hope we can impress on Governor Dewey as he returns to the United States he can stress to his countrymen that Philippine security must be given America's preferential attention. We in the Philippines initiated the idea of a Pacific Pact in 1949. We hope that now we will be able to go on when he returns to America. The Philippines must be the anchor of such a Pacific security pact. . . ."

Governor Dewey answered in part:

" . . . I have no instructions from my Government since I do not represent it. In fact, I am the Administration's most vigorous critic. . . . Regarding my presence here . . . I am simply a curious American. . . . As to the question of the security of

the Philippines, I think it quite significant that so far as I can recall, there has never been a time in the history of the United States that the President officially announced as the policy of the United States that if a given nation was invaded, the United States would immediately go to war. Such proposals made in connection with the Atlantic Treaty were bitterly contested, bitterly opposed, bitterly fought, and finally adopted by divided vote and implemented only after they had been ratified by the rest of the countries affected. But when the President of the United States announced the official policy of our Government that the Philippines should not be invaded, the United States would immediately go to war, not one voice in the United States Congress or anywhere was raised against that. . . . I am sure that the relationship between our country and the Philippines should be made the cornerstone for the ultimate realization of the dream first launched by President Quirino of a united Pacific against aggression."

The President names 5 ad interim members of the Board of Directors of the Philippine Sugar Institute.—J. Amado Araneta, Oscar Ledesma, Manuel Elizalde, Ernesto Santoso and Jose L. Manzano. The Institute will undertake research work for the industry in connection especially with the improvement in yield and the production of by-products, and will buy and operate the Insular Sugar Refinery Company of the National Development Company at Mandaluyong. For its operating expenses, the law which created the Institute imposes a tax of ₱.10 per picul on sugar.

July 20 — The President announces the appointment of Aurelio Quitoriano as ad interim Under-Secretary of Labor. The President authorizes the Collector of Internal Revenue to make public the income tax returns for 1950 of all members of the Cabinet.

July 21 — The President issues Executive Order No. 459 lifting the control on the prices of all kinds of wheat flour and establishing new ceiling prices for certain canned meats and for locally prepared coffees.

Malacañan announces that the President refused to reconsider his March 22 order for the deportation of 33 Chinese nationals convicted of profiting in prime commodities by the Manila court of first instance; however, he suspended the deportation of 59 other Chinese nationals and 1 Indian merchant pending a rehearing by the Deportation Board.

July 24 — Announced that the NARIC will import 25,000 tons of rice from Siam to bolster the local supply.

July 25 — The President confers with Defense Secretary Ramon Magaysay concerning the peace and order campaign in various parts of the country in connection with his expressed desire to lift the suspension of the right of *habeas corpus* before the forthcoming elections. Following several conferences between Secretary Remulo and Ambassador Cohen, the Peace Treaty Committee, after receiving Remulo's report on the status of conversations between Manila and Washington, agrees unanimously to insist on its original stand that the treaty draft in its present form is unacceptable to the Philippines. The discussions centered about both security and reparations.

(Continued on page 282)

Banking and Finance

By G. A. BENSON

Sub-Manager, Port Area Branch
National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31 1949	As of April 27 1951	As of May 31 1951	As of June 29 1951
(In thousands of Pesos)				
ASSETS				
International Reserve	₱460,689	₱583,098	₱561,326	₱544,207
Contribution to International Monetary Fund	30,000	30,000	30,000	30,000
Account to Security				
Coinage	113,306	107,570	107,570	107,570
Loans and Advances	77,047	47,338	18,645	19,608
Domestic Securities	92,197	163,197	234,959	234,536
Trust Account—Securities Stabilization Fund	—	6,848	6,848	6,848
Other Assets	20,390	61,208	59,982	65,898
	<u>₱793,629</u>	<u>₱999,259</u>	<u>₱1,019,330</u>	<u>₱1,008,667</u>
LIABILITIES				
Currency—Notes	₱555,576	₱671,052	₱656,523	₱634,443
Coins	74,384	93,735	93,722	93,682
Demand Deposits—Pesos	117,682	173,224	203,478	202,970
Securities Stabilization Fund	2,000	6,848	6,848	6,848
Due to International Monetary Fund	22,498	499	496	496
Due to International Bank for Reconstruction and Development	2,389	2,383	2,383	2,383
Other Liabilities	2,635	33,671	36,966	46,726

Capital	10,000	10,000	10,000	10,000
Undivided Profits	6,464	4,157	5,225	7,430
Surplus	—	3,689	3,689	3,689
	<u>₱793,629</u>	<u>₱999,259</u>	<u>₱1,019,330</u>	<u>₱1,008,667</u>

The international reserve figure declined for the second consecutive month as a result of excess sales of foreign exchange to cover imports. Heavy arrivals of import bills the next few weeks, coupled with lower prices for exports and the end of the sugar export season, will doubtless continue this trend in the reserves for the immediate future.

The prevailing tight money conditions have not yet been reflected in higher interest rates.

Substantial cash margins required by banks to open credits plus the 17% excise tax has siphoned off considerable amounts of cash from merchants, who report resistance against cash sales all along the line. Collections generally are slower. It is anticipated that, with heavy import arrivals the next few weeks, banks will be asked to carry a good portion of the inventories.

A monetary report just released by the Central Bank covering the January-May, 1951, period shows that:

(1) The money supply reached an all time high of ₱1,293,980,000 in April, but dropped to ₱1,275,699,000 in May.

(2) Loans and discounts, overdrafts and customers liability-acceptances for Philippine banks increased by ₱24,000,000 between January 1 and April 30.

(3) Excess bank reserves dropped from ₱135,600,000 as of December 29, 1950, to ₱29,400,000 as of May 25, 1951.

(4) The Monetary Board has authorized some loans to banks in order to facilitate their financing of exports and imports (control on which has been relaxed lately as an anti-inflationary measure). Ordinarily, when inflationary conditions exist, the Central Bank is averse to the granting of credit to banks.

(5) On account of the improved condition of the finances of the Government, borrowings from the Central Bank to meet operating expenses have been greatly reduced compared to last year's. However, ₱86,218,900 was released to the Government from January 1 to May 31 in order to complete the construction of the Maria Cristina power and fertilizer plants, the Ambuklao hydro-electric power project, and other similar projects. These funds will not all be spent this year, but the release had to be made because the power of the Central Bank to make such advances expired on June 30, 1951.

Credit

By W. J. NICHOLS

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

THE survey of members conducted by the Association of Credit Men for the quarter ending June 30, 1951, indicated that 74% of the balances in trade-accounts were in current condition. This was equivalent to an average of 33 days billings. This represents an increase over the previous quarter and shows that turn-over of receivables, as reported by the Association members, is decreasing, considered a normal trend at this time. Recent decontrol of many essential commodities has led to tying up large amounts of cash for imports.

Demand for credit has accordingly increased in the last few months very noticeably. It is anticipated that the trend will continue at least for the immediate future.

Manila Stock Market

By A. C. HALL

Hall, Picornell, Ortigas & Company

June 16 to July 13

PEACE prospects in Korea together with a recovery in the local free-market gold price to around ₱123 per fine ounce combined to set off a sharp advance in mining shares during the first two weeks of the period under review. However, there has been no follow-through to the buying, and it is evident that the movement was a rebound from a temporarily oversold condition, and not the start of a broad upward movement.

During the past two weeks the market has been quiet and easier, with moderate offerings being absorbed at gradual small price concessions. The principal factor in the mining section of the market at present is the tighter money situation which has developed over the past month or two as a result of the Government's liberalization of import restrictions coinciding with the need for cash for tax payments. The second income tax payment is due in the middle of August, and it seems doubtful if the position will improve to any extent until after that date.

In the commercial and industrial section of the market, San Miguels have continued to attract investment demand, and a substantial volume of shares has changed hands. Business in other equities, however, has been slow.

Fixed interest securities continue firm, mainly on institutional buying.

OVER-THE-COUNTER

	High	Low	Close	Total Sales
	P100.00	P100.00	P100.00	P100.00
H. E. Hancock & Co.	4.00	4.00	4.00	50
Jai Alai Corp.	165.00	165.00	165.00	64
Philippine American Drug Co.	98.00	98.00	98.00	130
Philippine Electrical Manufacturing Co.	180.00	180.00	180.00	115
Victoria Milling Co., Inc.				

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Treasurer, Manila Electric Company

1941 Average—16,316,000 KWH

KILOWATT HOURS

	1951	1950
January	40,713,000	37,661,000
February	37,056,000	33,828,000
March	40,117,000	38,107,000
April	39,197,000	35,378,000
May	40,405,000	37,611,000
June	40,712,000	37,529,000
July	42,090,000**	38,774,000
August		39,872,000
September		38,791,000
October		40,657,000
November		39,268,000
December		41,099,000

TOTAL 458,576,000

*Revised
**Partially estimated

A new output record was set in July. The total was 42,090,000 KWH, or 8.3% above July, 1950. The highest daily output previously recorded in December, 1950, was also exceeded on July 31, the new record being 1,477,900 KWH. There is every reason to believe that August and succeeding months will show continued record outputs.

Real Estate

By ANTONIO VARIAS

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

REAL ESTATE sales in the Greater Manila area registered during the month of July numbered 574, with a total value of P6,101,064, as compared with 651, with a total value of P6,601,585, registered during the preceding month of June.

Of the July total, 168, with a total value of P2,839,423, represented deals within Manila proper, while 406 sales, with a total value of P3,261,641, were sales within the cities of Quezon and Pasay, and in the suburban towns of Calocan, Makati, Malabon-Navotas, Mandaluyong, Parañaque, and San Juan.

Among the bigger sales registered during the month were:

A whole block in Intramuros bounded by Legaspi, Muralla, San Francisco, and Real streets, was sold by the Hospital de San Juan de Dios to the Lyceum of the Philippines, Inc., for P360,432.

A damaged 2-story concrete building on an improved lot of 13,487 square meters in Baclaran, Parañaque, was sold by Doña Margarita Zobel de Ayala to Francisco Villaroman Foundation for P260,000.

A tract of 23,660 square meters in Guadalupe, Makati, was sold by the Provincia de Santissimo Nombre de Jesus to the Roman Catholic Archbishop of Manila for P170,000.

A property with a lot of 600 square meters at Zurbaran, corner O'Donnell Street, Sta. Cruz, was sold by the FEATI Institute of Technology to Rogelio Gonzales for P100,000; and

A parcel of 6,554.49 square meters at Cristobal Street, Paco, was sold by Florencio Reyes to Domingo Yu Chu for P90,000.

REAL ESTATE mortgages registered in the Greater Manila area during the month of July, numbered 396, with a total value of P6,696,648, as compared with 409, with a total value of P11,800,888, registered during the month of June.

MINING SHARES

1950-51 High	Range Low	Company	High	Low	Close	Change	Total Sales
126.83	61.71	M. S. E. Mining Shares	98.63	92.25	93.27	Up 1.28	4,593,411
.295	0.09	Acoje Mining Company	.26	.215	.235b	Up .035	472,400
0.36	0.012	Antamco Goldfields, Inc.	—	—	.04b	—	—
0.58	0.045	Atok Big Wedge Mining Co., Inc.	.24	.21	.21	Up .03	475,500
0.13	0.04	Bagoas Gold Mining Co.	.1025	.10	.1025	—	45,000
3.50	1.78	Balato Mining Company	—	—	2.00b	—	—
0.0051	0.002	Batong Buhay Gold Mines	.002	.002	.0022b	Off .0008	250,000
5.30	2.50	Betong Consolidated	.065	.055	.07b	Up .01	295,000
0.085	0.012	Coco Grove Inc.	—	—	—	—	—
0.017	0.0078	Consolidated Mines, Inc.	.014	.0135	.014	Up .0005	1,325,000
0.25	0.008	Hisbar Gold Mining Co.	.21	.195	.195	Up .035	57,000
0.135	0.042	Itoyan Mining Company	.1025	.10	.11b	Up .0075	232,000
0.08	0.025	I. X. L. Mining Company	.042	.04	.04	Off .002	65,000
0.90	0.17	Lepanto Consolidated*	.64	.62	.62	Un .02	414,850
0.05	0.018	Mabate Consolidated	.03	.027	.028	Off .002	135,000
0.455	0.04	Mindanao Mother Lode	.36	.325	.325	Up .01	177,500
0.20	0.01	Misamis Chrome, Inc.	—	—	.011b	—	—
0.09	0.06	Paracale Cinnamon Co.	—	—	.08b	—	—
0.27	0.14	San Mauricio Mining Co.	—	—	.17b	—	—
0.345	0.12	Surigao Consolidated	.32	.28	.295	Up .03	420,250
0.038	0.01	Suyco Consolidated	.029	.029	.029	Up .002	20,000
0.10	0.045	United Paracale Mining Co.	.0675	.06	.06	Off .01	37,000

*Ex-Dividend

COMMERCIAL SHARES

1950-51 High	Range Low	Company	High	Low	Close	Change	Total Sales
128.00	78.00	Bank of the Philippine Islands	128.00	126.00	129.00b	Up 9.00	217
90.00	55.00	Boyo-Medellin Milling Co.	—	—	7.00b	—	—
209.00	118.00	Central Azucarera de Bais, Inc.	90.00	90.00	90.00	—	100
135.00	90.00	Central Azucarera de la Carlota	170.00	165.00	165.00	Off 5.00	100
40.00	20.00	Central Azucarera de Pilar	—	—	100.00b	—	—
235.00	189.00	Central Azucarera de Tarlac	38.00	30.00	38.00	Up 5.00	540
27.50	27.00	China Banking Corp., Inc.	—	—	270.00b	—	—
—	—	Filipinas Cia de Seguros	—	—	26.00b	—	—
—	—	Insular Life Assurance Co.	—	—	5.50b	—	—
1.00	0.27	Manila Broadcasting Co.	.27	.27	.27	Off .09	13,000
4.35	2.00	Manila Wine Merchants, Inc.	4.35	4.00	4.35	Up .55	1,750
0.18	0.18	Maraman & Co., Inc.	—	—	.20a	—	—
0.40	0.25	Maraman & Co., Inc.	—	—	.25a	—	—
0.10	0.085	Mayon Metal	—	—	.09b	—	—
0.14	0.085	Prof. Mayon Metal 7 1/2%	—	—	.09b	—	—
105.00	100.00	Meralco 8 1/2% Debenture	105.00	105.00	105.00	Up 2.00	2,340
150.00	135.00	Metropolitan Insurance Co.	—	—	150.00b	—	—
7.50	7.50	PAL	—	—	6.00b	—	—
0.75	0.30	Pampanga Bus Co.	—	—	.50b	—	—
27.50	25.00	Philippine Guaranty Co., Inc.*	—	—	26.50b	—	—
.1075	.012	Philippine Development Co., Inc.	.015	.015	.015	Up .003	100,000
38.00	25.50	San Miguel Brewery Company*	35.00	33.50	34.00	—	30,714
100.00	94.00	San Miguel Brewery 7 1/2%	100.00	98.00	98.00	Off .25	1,110
105.00	100.00	San Miguel Brewery 8 1/2%	103.50	103.00	103.50	Up .50	680
16.00	16.00	Universal Insurance & Indemnity	—	—	19.00a	—	—
8.50	6.00	Williams Equipment Co. Common	—	—	6.50b	—	—

*Ex-Dividend

T-Bonds sales reported in units of P100

of the July total, 135, with a total value of ₱3,233,375, represented deals within Manila proper, and 261, with a total value of ₱3,463,273, were deals within the cities of Quezon, and Pasay, and in the suburban towns mentioned above.

REAL ESTATE SALES (January to July, 1951)

	Manila	Quezon City	Pasay City	Suburbs	Total
January..	₱4,466,475	₱1,267,690	₱743,346	₱1,453,264	₱7,939,775
February	3,549,050	3,775,341	709,598	1,411,773	8,445,762
March....	4,562,104	1,698,970	645,876	1,814,525	8,721,477
April....	5,272,052	1,178,036	487,954	1,738,654	8,676,696
May.....	2,586,055	1,394,514	819,779	1,505,885	6,306,233
June.....	2,793,341	1,435,895	578,954	1,793,395	6,601,585
July.....	2,839,423	1,066,942	497,387	1,697,312	6,101,064

REAL ESTATE MORTGAGES (From January to July, 1951)

	₱2,105,600	₱490,457	₱272,300	₱1,051,546	₱3,919,903
January..	5,636,640	1,106,948	869,100	1,722,790	8,334,848
February	3,817,877	1,373,820	245,760	1,970,627	7,408,114
March....	3,140,154	92,932	188,750	1,057,926	5,289,762
April....	3,753,891	1,150,614	372,032	1,231,810	6,508,347
June.....	4,215,944	5,184,350	869,144	1,531,450	11,800,888
July.....	3,233,375	1,188,026	351,750	1,925,497	6,696,648

Building Construction

By JUAN J. CARLOS

President, United Construction Co., Inc.

A total of 503 building permits with an approximate value of ₱5,152,480 was issued by the City Engineer's Office during the month of June, in comparison with ₱3,776,630 for the same month last year, ₱4,809,250 in 1949, and ₱10,217,840 in 1948. Several big projects which were started during the month of June account for the unusual increase of the construction volume at the beginning of the rainy season. A five-story reinforced concrete edifice owned by Salustina Dee will rise in the lot formerly occupied by the La Insular Cigar Factory on Plaza Binondo. The construction of two textile markets, one on Herosa Street, Tondo, and the other on Florentino Torres Street, Sta. Cruz, owned by Carmen de Ongsiako and William Li Yao, respectively, and costing about ₱1,000,000, have been started. Along Reina Regente Street, work on a reinforced-concrete warehouse, belonging to Gonzalo Gow Hok, has begun.

With the approval of the plans for the proposed Veterans Hospital by the Washington Office, local builders are preparing to bid for this big project, which it is estimated will cost about ₱30,000,000, by forming syndicates.

Prices of building materials continued on the downward trend. Essential items which were almost impossible to find in the local market two months ago are now being sold below their landed costs. It may be expected that a further decrease in prices will be seen as more shipments arrive.

Port of Manila

By R. L. MOORE

Vice-President, Luzon Brokerage Company

ESGUERRA & Company was awarded the in-transit bond storage contract, as was predicted in this column last month. The Company's rate has been brought down from ₱0.80 a ton per day to ₱0.25 a ton per day for the first three days and thereafter ₱0.50 per ton.

The ECA fertilizer is presently stored across the street in the Pier 7 sheds. Delgado Brothers are in the course of bagging and marking it. After much to-do, the landed-cost figures were brought down considerably and the issue has just about become history on the waterfront.

The Import Control Office has temporarily authorized the release of all personal effects, including automobiles and household effects, coming into the Philippines from the United States on the IC-7 form. The Office no longer requires the import license that has been necessary in the past. We are of the belief that this is only temporary, but in any event it certainly simplifies clearance at this time.

Yours truly is going fishing for several months and Shagg Schedler has returned from the United States and has resumed control in our office. It will be his pleasant duty to keep all interested parties advised of waterfront activities as we see them from Luzon Brokerage Company.

Ocean Shipping and Exports

By B. B. TUNOLD

Secretary-Manager

Associated Steamship Lines

TOTAL exports for the first half of 1951 amounted to 2,022,947 tons, as against 1,180,859 tons for the first half of 1950, or almost 100% more this year than last year.

Commodities which have registered sharp increases over last year's figures for the first 6 months, are: logs from 15,354,188 to 86,020,654 board feet; lumber from 15,354,487 to 30,384,313 board feet; molasses from 29,131 to 78,955 tons, and iron ore from 175,701 to 404,556 tons.

Total exports for the first 6 months of 1951, as compared with the first 6 months of 1950, were as follows:

Commodity	1951	1950
Alcohol.....	574 tons	162 tons
Bees.....	825 "	161 "
Buntal fiber.....	23 "	93 "
Cigars and cigarettes.....	63 "	47 "
Coconut, desiccated.....	35,067 "	57,191 "
Coconut oil.....	34,002 "	22,479 "
Concentrate, copper.....	25,518 "	15,393 "
Concentrates, gold.....	2,845 "	2,586 "
Copra.....	346,953 "	230,084 "
Copra cake and meal.....	29,920 "	26,904 "
Embroideries.....	1,498 "	967 "
Empty drums, cylinders.....	2,773 "	2,523 "
Fish, salted.....	83 "	74 "
Food, canned.....	11 "	13 "
Fruits, fresh.....	1,207 "	789 "
Furniture, rattan.....	4,622 "	4,482 "
Glycerine.....	884 "	871 "
Gums, copal.....	554 "	351 "
Gums, elemi.....	40 "	27 "
Hemp.....	560,698 Bales	343,941 Bales
Hemp, knotted.....	171 tons	101 tons
Household goods and personal effects.....	2,396 "	2,627 "
Junk, metal.....	31,742 "	11,661 "
Kapok.....	100 "	139 "
Logs.....	86,020,654 Bdft.	15,354,188 Bdft.
Lumber.....	30,384,313 "	16,411,487 "
Molasses.....	78,955 tons	29,131 tons
Plywood and plywood products.....	504,030 Sq. Ft.	265,114 Sq. Ft.
Ores, chrome.....	123,280 tons	108,908 tons
Ores, lead.....	159 "	387 "
Ores, iron.....	404,556 "	175,701 "
Ores, manganese.....	15,716 "	18,083 "
Pineapples, canned.....	39,738 "	27,531 "
Rattan, palasan.....	2,313 "	849 "
Rope.....	3,141 "	1,404 "
Rubber.....	562 "	1,258 "
Shell, shell waste.....	325 "	190 "
Shell, buttons.....	26 "	74 "
Skin, hides.....	1,015 "	519 "
Soap.....	38 "	31 "
Sugar Cent./Raw.....	495,728 "	304,806 "
Tobacco leaf.....	3,834 "	1,035 "
Vegetable oil.....	124 "	284 "
Transit cargo.....	6,176 "	2,677 "
Merchandise, general.....	12,501 "	18,715 "

Mining

By NESTORIO N. LIM

Secretary, Chamber of Mines of the Philippines

THE Philippine mining industry had the best year in 1950 with a total production valued at ₱81,370,291, broken down as follows:

Gold.....	333,991 oz.....	Value ₱33,399,100
Silver.....	216,034 oz.....	309,984
Iron Ore.....	599,095 M.T.....	7,633,494
Chromite (Met.....	1,484 M.T.....	1,474,813
(Ref.....	208,665 M.T.....	4,173,100
Lead Metal.....	679 M.T.....	497,580
Manganese.....	29,877 M.T.....	1,161,463
Copper (Metal.....	10,384 M.T.....	8,254,164
Non-Metallics.....		24,466,593
Total.....		₱81,370,291

The production figures for the first 5 months of 1951 showed a relative increase over corresponding figures in 1950, and the mining companies hope to continue better production the rest of the year.

The 1950 production was favored by the high price of gold in the free market within the Philippines which ranged from ₱110 to ₱145 per ounce for 75% of the mines' production; with 25% turned over to the Central Bank at ₱70 per ounce, the average price was ₱112 per ounce. The base metals continued to be in demand with much better prices than the year before.

Cement, — in the manufacture of which limestone, shale, gypsum, and coal are utilized, constituted almost 50% of the value of the non-metals. Rock asphalt, a product of the Manila Rock Asphalt Company, whose mine is at Villaba, Leyte, accounted for a production of 52,817 tons valued at ₱1,056,340. Sand, gravel, salt, lime, and other non-metals totalled ₱8,227,472.

GOLD was produced from rehabilitated pre-war mines destroyed during the war. The Baguio District now has four gold mines in production: the Atok-Big Wedge Mining Co., Inc., Lepanto Consolidated Mining Co., Balatoc Mining Co. and Benguet Consolidated Mining Co., all of which paid dividends in 1950.

Two other gold mines in the Baguio district which are expected to produce shortly are the Itogon Mining Co. and the Baguio Gold Mining Co. Both companies have almost fully rehabilitated their mines and are now installing power plants and mills with a 300- and a 400-ton capacity, respectively.

In the Paracale district, Coco Grove, San Mauricio, and United Paracale are starting to reopen their mines.

In the Surigao district, only the East Mindanao Mining Co., one of the pre-war producers, has not been rehabilitated. All other mines, such as the Mindanao Mother Lode Mines, Inc., Surigao Consolidated Mining Co., Inc., Surigao Placer Syndicate, Tambis Gold Dredging Co., Inc., and Nor-Min Venture are now gold-producers.

Two new mines were started in the Surigao district in 1950; one is a copper mine at Lanuza and the other is the lode mine of the Tambis Gold Dredging Co. A small rich silver deposit is being prospected at Linguid, but so far no production has been reported.

In general, throughout the Philippines, no new gold mines have been started. Several prospects have been reported under exploration, but none has gone into actual development. Venture capital is timid about going into such developments because of the unsettled peace and order situation. This, together with the unstable local free-market in gold, additional burdens in the form of increased taxes and higher wages, with the official price of gold remaining the same, have proved deterrents to the opening of new mines.

The ore-reserve position of the producing gold mines as of January 1, 1951, is much better than the year before. With two more gold mines about to go into production, the gold mines will certainly have bigger production in 1951.

THE Lepanto Consolidated Mining Co. is the biggest copper producer in the Far East today. The mine, located in Mankayan, Lepanto, Mountain Province, has doubled its pre-war capacity and is now treating 1,000 tons of ore a day. The mine with its present mill capacity is assured of over 6 years of life on the basis of its present ore-reserve.

Another pre-war copper producer which will soon come into the production is the Hixbar Mining Co. The mine is on Rapu-Rapu Island, southeast of Albay province.

Copper concentrate is produced as a by-product by the Mindanao Mother Lode Mines and the Surigao Consolidated Mining Co., Inc.

There are several large, known copper deposits in the Philippines and one-man copper mines can be counted by the hundreds. These copper prospects are located chiefly in Luzon.

IRON is next to copper in volume of production. The three iron mines, which were pre-war producers, are now shipping iron ore to Japan. These three mines carried on extensive diamond drilling during 1950 and found substantial ore reserves for future operation. The only market for iron ore is Japan. The price of ore is from \$6.15 and up per dry metric ton f.o.b. Philippine ports.

Several new iron deposits have been reported and could be a possible producers if the E.C.A. aid would make the building of necessary roads possible.

CHROMITE is the third base-metal export from the Philippines and has a market in both the United States and Japan. Chromite is sold in two grades, —refractory and metallurgical. All the refractory ore is exported to the United States and only a few thousand tons of metallurgical ore go to Japan. The metallurgical grade is produced by the Acoje Mining Co. and the Luzon Stevedoring Co. Misamis Chromite was a producer in 1950. Refractory chromite is produced by the Benguet Consolidated Mining Co. from the property of Consolidated Mines at Masinloc, Zambales. The Company is now recovering the fines produced during the mining of lump ore. One heavy-media plant is in operation which produces 1,000 tons of concentrate a day.

THERE is a big demand for manganese both in the United States and in Japan. Pre-war manganese mines now in production are the Luzon Stevedoring Co., Inc., Amalgamated Minerals, Inc., Fernandez Hermanos, and Compañía Mineral de Filipinas. New producers are the General Base Metals, Inc., the Philippines Base Metal Mines, Inc., and several other new companies which have been producing only intermittently.

Big mining operations are being carried out on the islands of Busuanga, Palawan, and on Guindulman and Anda, Bohol. Reported good deposits are found in Baybay, Leyte, Samar, Surigao, and on the mainland of Palawan.

Philippine manganese occurs in lenses, bedded deposits, and residual concentration. The manganese in lenses is generally broken up or folded and many times faulted. This type of ore is high-grade, from 48% to 52% Mn. The bedded deposits are seldom pure manganese ore and are mixed with boulders or conglomerate. The manganese may constitute only from 10% to 50% of the rock mass. The ore, when beneficiated, may run from 26% to 45% Mn. Sometimes, the lumps are of a high ore. The residual type of ore is mostly nodular in character. It is generally mixed with clay but clean ore may occur.

By LUIS J. REYES

Philippine Representative, Penrod, Jurden & Clark Co.

Philippine deposits are generally small, but big deposits have been explored. Manganese deposits are found on almost all the islands of the Philippines, both near the shore-lines and atop high mountain ranges, like those on Mt. Data in the Mountain Province and those in the Cordillera Mountains between Nueva Ecija and Quezon. Deposits of small tonnage, from less than 50 to as much as 10,000 tons, have been mined. Lower-grade manganese, from 10% to 30% Mn, is known to occur in big deposits.

The Philippines is as rich a mineral country as any country of its size in the world. What little mining has been done has been just a scratching of the ground. Only the high-grade surface deposits near the coast lines have been explored and mined, while inland deposits, far from the ports, have been neglected. Big unexplored deposits of gold, silver, copper, zinc, lead, iron, chromite, manganese, and coal are known today. Finds of other minerals, like molybdenum, stibnite, platinum, and nickel are not unheard of.

Venture capital is needed to develop the mining industry. The risks involved are manifold, to be sure, but enterprise would pay big dividends. It is reported that foreign capital, mostly from America, wants to come in to develop the mining industry. Such mining development is essential to our whole economic development. If our own capital is insufficient or hesitant to take the risk, then let us offer inducements for foreign capital to come in,—reasonable taxation, proper labor legislation, provision for the withdrawal of matured venture capital, unrestricted distribution of dividends to foreign investors, and above all, protection for life and property which is especially necessary in isolated interior mining places.

PHILIPPINE GOLD PRODUCTION

June, 1951

Gold Mines	Production
Atok-Big Wedge Mining Company	Gold 3,488 oz. Silver 1,899 "
	Tonnage Milled 12,913 "
Balatoc Mining Company	Gold 7,925 " Silver 5,330 " T. M. 36,940 "
Benguet Consolidated Mining Company	Gold 7,897 " Silver 5,225 " T. M. 35,380 "
Lepanto Consolidated Mining Company	Gold 3,724 " T. M. 28,987 "
Mindanao Mother Lode Mines, Inc.	Gold 4,262 " Silver 4,387 " T. M. 9,600 "
Surigao Consolidated Mining Company	Gold 3,450 " Silver 3,175 " T. M. 9,427 "
Surigao Placer Syndicate	Gold 121 " Yardage 40,000 cu. yd.
Nor-Min Venture	Gold 222 oz. Silver 5 " Yardage 25,500 cu. yd.

BASE METAL PRODUCTION

June, 1951

	Metric tons
Consolidated Mines	Ref. Chromite 25,750
Lepanto Consolidated Mining Co.	Metallic Copper 963
Mindanao Mother Lode Mines, Inc.	" " 21
Philippine Iron Mines, Inc.	Iron Ore 61,023
Samar Mining Company	" " 40,207
Marinduque Iron Mines, Inc.	" " 3,490
Acote Mining Company	" " 1,750
Luzon Stevedoring Company	Metallic Chromite " 1,000
Surigao Consolidated Mining Co.	Metallic Lead 24
Luzon Stevedoring Company	Manganese Ore 1,900

*Production figures from the Bureau of Mines

AS in the month of May, Japan led all other countries in the volume of logs taken, while the United States took the most sawn lumber, from the Philippines. An interesting feature of our lumber export is the fact that South Africa imported over 600,000 board feet of our timber, although African mahogany competes with Philippine mahogany in the United States market. It appears that the lumber industry in equatorial Africa, where most of African mahogany come from, is not as well developed as the lumber industry in the Philippines. South Africa even before the war imported fair quantities of Philippine mahogany from us.

The United States Army in Okinawa took 1,119,305 board feet of sawn lumber and this had a normalizing effect on prices in the Philippine markets. It slowed down the closure of small and medium-sized mills which at this time of the year nearly always close down because of too low prices.

The amount of logs shipped to Japan during the month of June was still considerable, although less by 4,000,000 board feet than in May. Late reports are to the effect that during the month of July exports to Japan will be smaller because of an oversupply of low-quality logs. It is also to be noted that the shipment of lumber to America was only about half that of the previous month.

Future shipment to Japan, Korea, and Okinawa will depend upon the outcome of the cease-fire conference now being held; no doubt peace in Korea would be followed by a heavy demand for sawn lumber to be used for reconstruction. A similar increase in the export of logs could be expected.

A report on lumber and logs exported during the month of June as released by the Bureau of Forestry, follows:

Shipper	Destination	Lumber Bd. Ft.	Logs Bd. Ft.
Agusan Timber Corporation	Japan		1,549,981
Anakan Lumber Company	U.S.A.		553,248
Inc.	Japan		1,240,948
Basilan Lumber Company	U.S.A.	952,481	375,401
Inc.	S. Africa	23,118	
	Hong Kong	60,611	
Boix, Francisco	Japan		281,869
Bitlig Bay Lumber Co., Inc.	Japan		1,151,912
Bueno, Valeriano C.	Canada		226,956
Cagayan Red Lumber Co., Inc.	Okinawa	307,537	
Cuerva & Schnabel	Guam	6,305	
Dahlan Lumber Co., Inc.	Okinawa	311,768	
East Asiatic Company, Ltd.	Israel		7,196
Eustaquio, Arturo	Japan		659,914
Frieder, Robert	Japan		544,756
Getz Bros. & Company	U.S.A.		26,149
Gulf Lumber Company, Inc.	U.S.A.		1,111,020
Hercules Lumber Co., Inc.	Japan		999,895
Iligan Lumber Co., Inc.	Japan		499,970
	U.S.A.	981,641	
	Canada	57,225	
	Belgium	62,213	
	S. Africa	379,724	
Insular Lumber Company	Japan		800,000
Kiwalan Lumber Co., Inc.	Japan		950,009
Lacson, M. R.	Japan		1,659,730
Luna, Cipriano & Company	Japan		1,090,000
Mañalac Enterprises	Japan		
Marsman Development Com- pany	U.S.A.	195,687	500,026
	Japan		200,216
	U.S.A.		300,000
Martha Lumber Mill	Japan		200,064
	S. Africa		848,210
Misamis Lumber Co., Inc.	Japan		552,002
Pan Asiatic Commercial Co.	Japan		
Pata Mills	Okinawa	500,000	
Philippine Merchant Corp.	Japan		250,088

Reynaldo Lumber Co., Inc.	Japan	499,989
Sta. Clara Lumber Company	U.S.A.	99,140
Surigao Timber Company, Inc.	Japan	1,250,052
Tirador, Jorge J.	U.S.A.	600,053
Valderama Lumber Manufacturing Co.	Japan	256,192
Villamin, Porferio G.	Japan	209,604
Western Mindanao Lumber Co., Inc.	U.S.A.	1,523,049
Woodcraft Works, Ltd.	Japan	101,625
Woodworks, Inc.	Hongkong	235,519
		223,261
		760,478
		299,932
Totals		99,252
		4,138,327
		22,437,689

A résumé of exports follows:

	Lumber Bd. Ft.	Logs Bd. Ft.
Japan	18,231,195	3,772,278
United States	2,330,574	1,119,305
Okinawa	402,842	200,064
South Africa	159,863	7,196
Hongkong	57,225	62,213
Canada	6,305	
Guam		
Israel		
Belgium		
Total	4,138,327	22,437,689

Wholesale prices in the local markets remain the same as in the previous month, namely ₱180 to ₱185 for white lauan and apitong, ₱200 to ₱205 for tangle. These prices are ₱20 to ₱25 higher than normal at this time of the year. This is due to large purchases made by the United States Army for use in Okinawa and Japan. From the fact that new contracts have been signed between the United States and Philippine producers for delivery during the next few months, we may expect prices to remain firm during August and September.

Copra and Coconut Oil

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

June 16—July 15

THE period under review has seen further declines in prices for both copra and coconut oil in all markets abroad, but as the period closes, there is a slight indication that American prices may firm up a little, following sellers' resistance to bids which have been actually lower than pre-Korean levels. Opposed to this, however, we have reports of huge cotton and soya crops in America that must naturally influence most American markets and in turn have an adverse effect on European prices. In Europe the market continued to fall in line with America until rumors of a further "Ausschreibung" for Germany caused sellers in the sterling area to withdraw, and the market steadied temporarily.

In spite of falling prices and the general feeling that the market has just about reached "bottom", there has been little demand for copra or coconut oil and we have not heard of recent really substantial business.

Copra prices on the Pacific Coast opened at \$175 per ton c.i.f., but had fallen by July 15 to \$157.50 in the face of a determined and prolonged buying resistance. A parallel decline was observed in Europe where prices fell from \$220 per ton c.i.f. to \$202 with the same lack of buying interest. In Manila the local market fought a losing battle with world prices and dropped from ₱33 per 100 kilos to ₱27 on July 15, when it became apparent that suppliers were not very interested at anything below this level.

During this same period coconut oil prices fell from 13-1/4 cents per lb. f.o.b. Pacific Coast, at the opening, to 11-3/4 cents per lb. f.o.b., at the close, and only small re-sales of tank-cars were reported at even these low prices.

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European markets reported a drop of \$40 per ton, i.e., from \$330 per ton c.i.f. on June 16 to \$290 per ton on July 15; only a small volume of business was reported during the period and was not, as is usually the case, due to a dollar-shortage, because the soft currency areas of Ceylon, Indonesia, and Malaya were similarly neglected during the same period.

The copra meal market continued to rise slightly, but steadily, and helped to enliven what was otherwise a very dull and inactive period. A strong demand from the Pacific Coast resulted in prices rising from \$64 per short ton c. and f. on June 16 to \$67 per short ton at the close of the period. Substantial buying by Denmark, made possible by an E.C.A. dollar allocation, at around \$80 per long ton c.i.f. Copenhagen, helped to keep trade brisk and lively and resulted in the Pacific Coast being somewhat neglected and Philippine demands unsatisfied. We think it likely, therefore, that this demand, which is presently being met, will continue to keep meal prices at a reasonable level.

THE recent dull trading period has resulted in a reversal of the shipping situation and space for both copra and coconut oil in bulk is now comparatively easy even to Europe.

Commitments, effected some months ago, before the recent slump, and not shipped until June showed an increased export tonnage for that month as follows:

Copra	Long Tons
United States	
Pacific Coast	19,087
Atlantic Coast	1,000
Gulf Ports	4,194
Europe	20,482
Canada	600
Japan	591
South Africa	254
Venezuela	5,000
Algeria	670
Total	51,878

Coconut oil	Long Tons
United States	1,523
Atlantic	3,009
Europe	206
China	421
India	876
South Africa	6,035
Total	6,035
Copra cake and meal	
United States	3,416
Europe	900
Total	4,316

STATISTICS for the first half year show an increase of almost exactly 50% in shipments as compared to the first half of 1950. Against 230,034 tons of copra shipped in 1950, the 1951 figures show 346,953; and oil exports increased from 22,479 tons to 33,267. All this bears out our opinion that 1951 will prove an excellent copra year.

RUMORS of Korean peace, the temporary recession in business in general and consumer demand in particular, as well as the prospects of another series of bumper crops in the United States, have all contributed to the vertical decline in fats and oils. While coconut oil has perhaps suffered the most, tallow, cottonseed oil, and soya oil have also taken sharp drops. It is now questionable whether the adverse factors have not already been well discounted and whether long inventories are not less unwieldy. Certain it is that a reaction, if only temporary, is overdue, and surely needed by the Philippine economy. When the producer has to pay more for a bag of rice than he receives for 100 kilos of copra, his return is not too satisfactory.

Markets may eventually range lower, particularly if European support is withdrawn in favor of surpluses in Indonesia and Malaya. But American buying has been

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far below average for several months now, and even though we are in the midst of a good copra season, we look for a breathing spell from the monotony of decline, and in all probability some moderate upward reactions. No spectacular increases, however, seem likely, unless world conditions change overnight, and acts of God or man upset normal reactions.

Desiccated Coconut

By HOWARD R. HICK
President and General Manager
Peter Paul Philippine Corporation

THIS report covers the period from June 15 to July 15. During this time most desiccated factories continued on reduced production. Sales in the United States continue low and the price is reported to have been lowered.

Following are the shipping statistics for the month of June:

Shippers	Pounds
Franklin Baker Company	2,633,900
Blue Bar Coconut Company	954,320*
Peter Paul Philippine Corporation	2,590,000
Red V Coconut Products, Ltd.	773,000
Sun Ripe Coconut Products, Inc.	489,750
Standard Coconut Corporation	179,600
Cooperative Coconut Products, Inc.	393,600
Tabacalera	0
Coconut Products (Phil.) Inc.	216,375
Total	8,230,545

*Note:

Zamboanga factory production	333,100 lbs.
Lusacan factory production	621,220 "
Total Blue Bar production	954,320 "

Manila Hemp

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

THIS review covers the period from June 16 to July 15. During this time the weakness of the previous period ended and both Philippine provincial prices and terminal market prices remaining relatively unchanged. Declines of 1/4¢ to 1/2¢ per lb. in terminal markets during the middle of the period were not reflected in Philippine markets and appear likely to be nullified as the period closed with a firmer tone and upward tendencies. The main reason for this static condition was the reluctance of United States buyers to continue buying at a rate that would sustain present prices while awaiting the outcome of the Korean truce conference. Any decline that might have been the result of this hand-to-mouth buying in the United States, however, was prevented by continued demand in the Japan and London markets for non-Davao and the lower Davao grades. The demand for these grades in the United Kingdom and Europe continued brisk as the prevailing high price of African and Portuguese sisal and the earlier shipment position of Philippine hemp established a value on Philippine hemp in excess of present prices. This demand did no more than prevent a further decline, however, as it is still restricted by the scarcity of dollar exchange throughout Europe. These influences remain thin, nonetheless, and any movement, up or down from present prices, depends on the final effect the outcome of the Kaesong conferences will have on the worldwide rearmament program.

June pressings at 82,815 bales were the lowest for 1951 and a continuation of the decline noted in May. Non-Davao balings were relatively unchanged with only a nominal



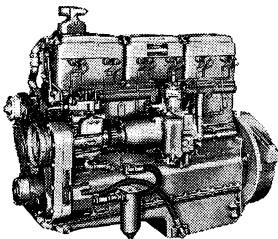
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decline. Davao balings at 43,752, a decline of almost 3,000 bales, provided the bulk of this month's reduced balings. This decline may in part be caused by the normal seasonal lay-off during the working of other crops, but there is some evidence that indicates that it also reflects the effect of overstripping by small planters during January and February in order to take advantage of the extremely high prices ruling at that time.

Total pressings for the first half of 1951 were 559,840 against 354,094 bales during the same period last year; an increase of 58%, a slight reduction over the percentage of increase maintained during the first five months of 1951.

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

	Balings — January-June inclusive				
	1951	1950	1949	1948	1947
Davao.....	254,895	166,038	112,701	116,744	187,923
Albay, Camarines and Sorsogon.....	151,245	89,343	63,449	112,069	119,514
Leyte and Samar.....	97,887	58,436	60,853	65,038	39,562
All other non- Davao.....	55,813	40,277	44,638	68,395	34,585
Total bales.....	559,840	354,094	281,641	362,246	381,584

Exports during June were 82,561 bales, which places them practically in balance with pressings for this month. As usual, the largest share, 58%, was exported to the United States.

The following are the comparative figures for exports for the first half of 1947 through 1951:

	Exports—January-June inclusive				
	1951	1950	1949	1948	1947
United States and Canada.....	330,913	157,669	100,092	166,279	271,057
Continental Europe.....	92,687	55,296	59,597	57,926	64,955
United Kingdom.....	93,729	37,204	17,688	47,185	18,570
Japan.....	69,913	50,724	75,777	83,175	1,600
South Africa.....	9,590	2,885	2,616	1,460	2,000
China.....	2,145	7,960	7,673	5,988	1,006
India.....	3,442	3,830	2,181	490	4,850
Korea.....	—	3,100	—	—	—
Australia and New Zealand.....	1,300	625	350	42	—
All other countries.....	—	—	80	2,853	710
Total bales.....	603,719	319,293	266,054	365,398	364,748

Sugar

By S. JAMIESON

Secretary-Treasurer

Philippine Sugar Association

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

New York Market. As stated in our previous review, Korean "cease-fire" negotiations affected the sugar market adversely and caused a sharp break in prices for raws in both spot and futures. Cuban holders were hopeful that the market would soon recover, believing that United States refiners had still to make heavy purchases of raws to cover fully their August and September requirements, and that, since the refiners' main source of supply was Cuba, they had only to stand firm to get their price. Against this view, however, the fact emerged that the trade had built up substantial invisible refined inventories from the heavy buying in April/May/June. Dyer, a well-known New York sugar house, estimated that the trade and householders were carrying 500,000 tons more invisible inventories than normal, and, with the higher refined prices, the trade evidently decided to reduce its inventories to normal in the expectation that a possible "cease-fire" in Korea would lead to lower prices both in raws and refined,

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thus enabling them, if necessary, to replenish their refined stocks cheaper later. This resulted in drastically reduced refiners' deliveries during July compared with the preceding month as well as compared with the corresponding period last year, and for the first time this year the total deliveries were running behind last year, being 4,467,572 tons, raw value, as of July 21, compared with 4,676,571 tons in the similar period last year. These contending factors caused a somewhat irregular market during July. As there appeared to be no urgent need or inducement for refiners to enter the market for large scale buying of raws, Cuban holders became more anxious to sell and the ultimate trend of prices was definitely downward.

The market opened on July 2 with a sale of 2,000 tons Philippines for August arrival at 6.25¢, and light offerings of other sugar at 6.30¢ for which buyers' ideas were 6.25¢. Spot was 6.25¢. On the 3rd there was a steadier market, sellers and buyers indicating 6.40¢ and 6.30¢, respectively, and spot advancing to 6.30¢. By the 6th the market was firmer; a small lot of Porto Ricos for August arrival was sold at 6.40¢, and there were light offerings for prompt delivery at 6.45¢. Cubas for August shipment were offered at 6.75¢, with possible buyers at 6.40¢. Spot had advanced to 6.40¢. On the 10th, 2,000 tons of Philippines for July/August shipment were sold at 6.42¢, and 4,500 tons of Cubas for July shipment at 6.43¢. Spot rose to 6.42¢. For the next few days the market was quiet but steady, and on the 13th spot reached 6.50¢. Thereafter it went into a decline, which persisted until the end of the month. On the 16th some Cubas were sold at 6.45¢, and spot had dropped to 6.45¢. On the 19th, 12,000 tons of Philippines and Cubas for August arrival were sold at 6.40¢. Cuban holders were anxious to sell more at this price, but buyers indicated only 6.35¢. On the 18th buyers withdrew and spot fell to 6.30¢. For the next week the market was weak. On the 26th, 1,033 tons Philippines afloat were sold at

6.10¢, and 8,000 tons of Cubas and San Domingos at 6.05¢. Spot fell to 6.05¢. On the 30th there was a slight improvement, spot advancing to 6.10¢, but it did not last. On the 31st there was a sale of Porto Ricos for August arrival at 6.05¢ and spot closed at 6.05¢.

We give below quotations on the New York Sugar Exchange for Contract No. 6 as of July 31, and, for comparison, the peak quotations during the month:

	Closing quotations	Peak quotations
September.....	5.58¢	6.01¢—July 12
November.....	5.59	6.00 — " 12
March, 1952.....	5.48	5.54 — " 16
May.....	5.48	5.52 — " 16

World market Contract No. 4 quotations closed on July 31 as follows:

September.....	6.22¢
January, 1952.....	5.85
March.....	5.34
May.....	5.34
July.....	5.34
September.....	5.35

The world market spot price on July 31 was 6.25¢, compared with 6.95¢ on June 29. Cuban sales in the world market included the following:

July 6—40,000 tons (*new crop*) to British Ministry, February/March shipment, at from 5.40¢ to 5.50¢ f.a.s. Cuba
 July 12—15,000 tons (*old crop*) to British Ministry, August/September shipment, at 7.00¢ f.a.s. Cuba

Local Market. (a) Domestic Sugar. The market was firm. Prices for the ordinary centrifugal grade remained practically unchanged, while those for 98° and 99° advanced about ₱1.00 per picul. Bureau of Commerce quotations as of July 26 were as follows:

Centrifugal 97°—	₱15.75 to ₱15.80 per picul
" 98°—	₱17.20 to ₱17.30 " "
Washed 99°—	₱18.50 to ₱18.60 " "



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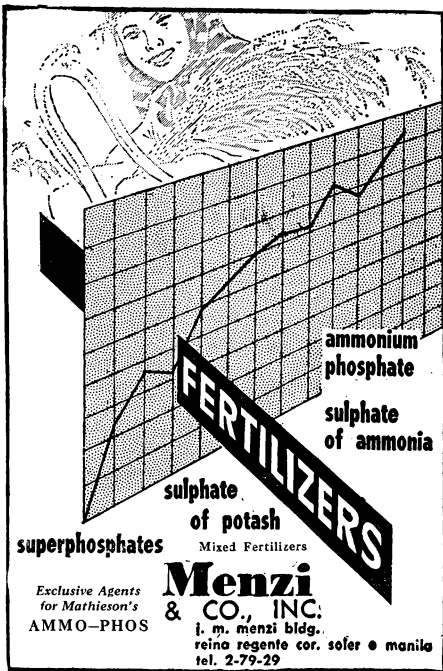
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(b) Export Sugar. Very little 1950/51 export sugar was available. The market opened with buyers at ₱14.15 per picul, ex warehouse, Victorias basis, and reached a peak of ₱14.80 at the middle of the month. Thereafter it weakened in keeping with the downward trend of the New York market, and the closing price was ₱13.75. Small quantities of export sugar were purchased above the parity of the New York price for conversion into domestic to cover local refining losses in processing.

There were buyers of new crop export sugar at ₱13.45, Victorias basis, for delivery up to January 31, 1952. The quantities contracted so far have been insignificant, sellers generally not being disposed to contract ahead at the price offered.

General. Export of Philippine Sugar to Other Countries. The Philippine Government rescinded its recent decision to divert 40,000 tons of 1950/51 export sugar from the United States to Far Eastern countries. This found favor with the National Federation of Sugarcane Planters and the Philippine Sugar Association, both of which have consistently advocated a policy of first completely filling the United States quota of 952,000 short tons before exporting to other countries.

It is understood that in the negotiations for a new World Sugar Agreement the Philippine Government will request a quota of 200,000 tons for export to countries other than the United States in anticipation of our sugar



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production exceeding the United States quota and domestic requirements in the not too distant future.

Porto Rico. The 1951 crop is estimated at 1,225,000 short tons.

Fertilizers. We are informed that the Sugar Producers Marketing Agency has concluded the purchase of substantial quantities of the various fertilizers for planters' 1952-53 requirements.

Tobacco

By LUIS A. PUJALTE
Secretary-Treasurer

Manila Tobacco Association, Inc.

TYPHOON "Louise" chose to cross northern Luzon through the Cagayan Valley, leaving destruction and misery behind her. If the reports are correct that a major part of the corn planted has been destroyed, this would mean that the farmers, next crop-year, will have to plant more corn and rice to make up for the loss and that the acreage given to tobacco will be less. The tobacco crop has been harvested, but depending upon the extent of the total damage, speculators may resume purchasing wildly and prices may rise beyond expected levels.

Of interest to all tobacco people is a United States report of June 18, which I received from Messrs. J. E. Bohannon Co., Inc., and am pleased to quote:

"Within the past ten days general rains and showers have prevailed through the entire states of Tennessee and Kentucky and it is now estimated that around 90% to 95% of the Burley has been transplanted with an average stand. In fact, early transplanting has been reset and it now appears that the entire allotted acreage will be planted.

"The same weather conditions have prevailed in the One Sucker, Green River, and Dark Fired districts and these crops are practically transplanted in their entirety with an average stand. It is our understanding that the full allotment of acreage in all three of these types will be planted.

As to Flue Cured, from all reports we get, all transplanting and resetting has been completed. The dry weather retarded the growth in some sections but there have been general rains in all belts within the past ten days and the crop is fully average in growth for this time of year. On the whole unless something unforeseen happens, the crop promises to be of good quality and the full allotted acreage has been planted, therefore, we should anticipate an increase in poundage over last year of from 10% to 14%."

Imports

By S. SCHMELKE
Mercantile, Inc.

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

Commodities	June, 1951	June, 1950
Automotive (Total).....	877,725	1,241,216
Automobiles.....	195,087	51,493
Auto Accessories.....	80	1,733
Auto Parts.....	127,315	223,845
Bicycles.....	132	1,161
Trucks.....	34,489	
Truck Chassis.....	104,021	543,305
Truck Parts.....	82,188	68,564
Building Materials (Total).....	3,533,462	17,811,719
Board, Fibre.....	34,973	78,069
Cement.....	121,589	11,482,379
Glass, Window.....	525,390	271,311
Gypsum.....	80,739	1,214,871
Chemicals (Total).....	9,483,675	5,031,869
Caustic Soda.....	395,403	835,665
Explosives (Total).....	133,984	113,394

Firearms (Total).....	9,063	—
Ammunition.....	9,060	—
Hardware (Total).....	9,343,391	6,608,002
Household (Total).....	620,213	788,391
Machinery (Total).....	3,130,605	2,857,044
Metals (Total).....	11,048,864	9,114,618
Petroleum Products (Total).....	96,397,632	91,785,978
Radios (Total).....	14,082	25,787
Rubber Goods (Total).....	1,361,095	411,013
Beverages, Misc. Alcoholic.....	7,390	8,993
Foodstuffs, (Total) (Kites).....	44,098,044	32,966,328
Foodstuffs, Fresh (Total).....	101,569	107,136
Apples.....	1,305	3,260
Oranges.....	14,569	20,353
Onions.....	37,079	37,073
Potatoes.....	26,905	13,880
Foodstuffs, Dry Packaged (Total).....	19,995	22,841
Foodstuffs, Canned (Total).....	1,041,151	472,572
Sardines.....	27,225	173,925
Milk, Evaporated.....	558,807	198,101
Milk, Condensed.....	63,576	23,000
Foodstuffs, Bulk (Total).....	586,042	706,791
Rice.....	12,501	—
Wheat Flour.....	493,036	673,113
Foodstuffs, Preserved (Total).....	83	249
Bottling, Misc. (Total).....	1,022,876	1,524,472
Cleansing and Laundry (Total).....	51,016	674,078
Entertainment Equipment (Total).....	2,300	17,117
Livestock-bulbs-seeds (Total).....	1,776	608
Medical (Total).....	496,630	666,768
Musical (Total).....	13,775	39,757
Office Equipment (Total).....	14,113	107,474
Office Supplies (Total).....	36,043	84,164
Paper (Total).....	7,062,209	7,933,463
Photographic (Total).....	30,492	63,238
Raw Materials (Total).....	1,477,818	753,630
Sporting Goods (Total).....	27,080	14,684
Stationery (Total).....	351,601	709,338
Tobacco (Total).....	458,832	6,314,861
Chucheria (Total).....	55,784	99,089
Clothing and Apparel (Total).....	267,249	175,269
Cosmetics (Total).....	50,843	24,864
Fabrics (Total).....	1,193,447	1,380,903
Jewelry (Total).....	156	—
Leather (Total).....	72,421	148,963
Textiles (Total).....	998,100	1,590,018
Twine (Total).....	136,995	23,847
Toys (Total).....	16,003	23,698
General Merchandise (Total).....	457,209	611,323
Non-Commercial Shipments (Total).....	104,235	45,777
Advertising Materials, Etc. (Total).....	71,908	98,097

Food Products

By G. L. MAGEE
Trading Division

Marsman & Company, Inc.

AS a result of a glutted market on certain imported food products such as evaporated milk, canned meats, canned fish, and a few other commodities, including coffee beans, local prices on these commodities have dropped alarmingly to a point where many importers and dealers are sustaining substantial losses.

As soon as the de-control order was announced for these foodstuffs, there was a rush for PRISCO licenses to permit importation. Heavy commitments were entered into by established importers, as well as many new firms, some of whom are now in financial difficulties since they are unable to dispose of the merchandise promptly on arrival at prices to permit reasonable profits. At present indications, it will be several months before stocks now in distributors' and wholesalers' warehouses have been reduced to normal.

Evaporated milk is one of the commodities which is in particularly heavy supply. Importations during the preceding three months have amounted to well over 1,000,000 cases, with the result that market needs are covered

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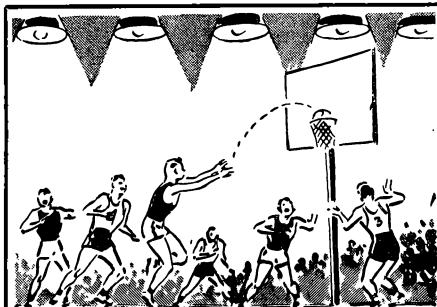
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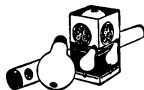
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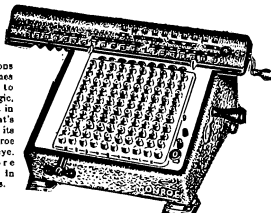
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for at least 4 months even if no further shipments arrived. The larger part of milk importations covered by the PRISCO second-quarter licenses have apparently arrived in the market, however, and it is unlikely that importers will be eager to bring in further stocks for some time to come. Losses realized on some of the lesser known brands of milk have been reported amounting to as much as \$5 per case, while even the better known and more salable brands are selling at greatly reduced prices.

During July there were also large shipments of tinned meats received in the market and although dealers' shelves have been bare of these products for many months, they have now rapidly filled up so that the saturation point had been reached as far as retail demand is concerned, with substantial reserves in the hands of wholesalers.

The canned-fish market is in much the same condition although some packs are reported in short supply and will remain so until the beginning of the new packing season, now but a few weeks off. Provincial retailers are all reported to be well stocked with canned fish as well as other food products now in over-supply, with consumer demand showing the usual lag for this season of the year.

As of August 1, no announcement has been made with reference to the manner of handling the flour business under IWA contracts for which are now possible for shipments beginning August 1. The recent decision of the Supreme Court in the flour importers' case, upholding the right to old importers to a share in the IWA quota of flour importations, will undoubtedly be taken into consideration in connection with the next allotments. Flour stocks at present in the market are undoubtedly sufficient for at least 6 or 8 weeks, since these comprise not only the direct IWA shipments to PRISCO which arrived in June and July, but also fairly large quantities of flour bought at prices outside IWA by private importers who acted under the opportunity given them by the de-control order.

As the result of a new selling arrangement entered into by PRISCO with a group of Filipino businessmen, large quantities of PRISCO flour stocks were moved from PRISCO warehouses into the hands of flour dealers and wholesalers, so that flour has now become available to the bakery trade without the necessity of direct buying from PRISCO. Flour ceiling-prices have also been removed so that various brands are now being offered at prices in accordance with supply and demand. At present, flour dealers are making no more than normal profits and in some instances, on some brands, slight losses are being taken in an effort to move out over-supplies. It seems important, however, that licenses be made available soon to importers, either through the channel of PRISCO or the new Import Control Commission, to insure the market's flour requirements.

DURING the previous month, there were large shipments of Japanese onions received in the market, amounting to around 40,000 crates. Several thousand bags of Japanese potatoes were also received.

Rice importations for July amounted to 33,000 bags of Bangkok rice consigned to PRISCO and another smaller lot of Saigon for a private importer.

Fairly adequate quantities of California fresh fruits arrived during the month, mostly oranges, and in addition, smaller lots of grapefruit and lemons.

The market continues in short supply of certain food-stuffs classed as luxuries and semi-luxuries, such as canned fruits, vegetables, cheese, fresh butter, and other commodities. Some of this shortage is being cared for by PRISCO direct importations, including canned soups, spices, dairy products, etc., supplies of which recently arrived, and allotments of which have been made largely to leading Manila retail grocers. Further supplies of this character are arriving later, some part of which will be assigned for provincial dealers.

Textiles

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

THE new Import Control Commission still has not published the final form of its "Rules and Regulations of the Import Control Commission, Implementing Republic Act No. 650. As a consequence there has been no filing of applications for import licenses for cotton textiles since June 12, when PRISCO stopped receiving applications for decontrolled and controlled cottons for importers and textile items of any type intended as raw materials for essential dollar-producing and/or dollar-saving industries; on the other hand, applications for licenses from importers of rayon textiles and textile items other than cotton piece goods and pound goods, the issuance of which was not transferred to PRISCO but remained with the old Import Control Administration, have not been received since the middle of June.

One of the effects of the foregoing is that the downward price tendency noted during May, June, and July has stopped and local prices have remained steady at the levels they reached during mid-July.

Another factor which has contributed to halt the recent price decline is that on July 2 the new Import Control Commission ordered suspension of the release of all previously approved licenses which were listed in the newspapers as having been approved by both the ICC and PRISCO but which were not called for on or before June 30. It has been reported that approximately 1,500 licenses for textiles, totalling about \$17,000,000 in amount, were involved in this suspension. On August 1, however, the ICC authorized the release of approximately 700 of these previously approved licenses, in the amount of approximately \$6,000,000. It is further reported that the purpose of the suspension of the release of these previously approved licenses was that the ICC felt that certain ones were approved which should not have been. Accordingly, the ICC reviewed all these licenses and latest reports are that a number of the already approved licenses will not be released.

Some of these licenses covering such open-weave fabrics as Leno Shirtings, Marquissettes, and Dotted Swiss which, even though coming within PRISCO's Supplementary Rules and Regulations No. 6 of May 14 defining decontrolled cotton goods as any cotton goods in the piece with a thread count less than 142 threads per square inch and all constructions of cotton remnants not exceeding 10 yards in length, are now reported in the process of being cancelled.

Additional previously approved licenses falling into the same category are some licenses also for decontrolled goods which have been disallowed because "prices are too high", even though the President's Decontrol Proclamation of May 11 (changed on June 15 to Executive Order No. 446) does not impose any price limitation nor do any of the relevant PRISCO regulations which governed the issuance of textile licenses at the time.

In view of the fact that Section 17 of Republic Act No. 650 specifies "All valid quotas and licenses regularly approved by the previous Import Control Administration, the Import Control Board, and the Price Stabilization Corporation before the effectivity of this Act shall be recognized and given full force and effect", it is maintained by many who have been adversely affected that the cancellation of any previously approved licenses, or the indefinite suspension in their issuance having the effect of cancellation, is contrary to this Section 17 of the Act, which does not give the ICC discretionary power in connection

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with previously approved licenses but makes its course of action solely ministerial.

All previously approved licenses for *controlled* cottons have been released.

Due to the stoppage in the issuance of licenses for textiles and the fact that the ICC has not announced to the public when it will begin to receive applications for new licenses, it is possible that in the near future there will again develop a situation which could lead to the resurrection of the old license-peddlers who thrived during 1950 and the early part of 1951. If the new ICC goes through with its rumored plan not to issue new licenses for decontrolled textiles until next year, September or October could well present the proper type of climate for the re-animation of the old ten-percenters and license peddlers.

Prices in the United States began to decline during the middle of June and on July 8 the Government issued its cotton acreage report showing that approximately 29,000,000 acres had been sown, the report accelerating the decline which had already started. This, however, did not affect all types on cotton goods but to some extent affected certain rayon goods which declined in sympathy. Contributing also to the price decline in the United States, have been the cease-fire negotiations in Korea.

Prices in the United States are at present close to their lowest probable levels. On August 8 the United States Government will announce the cotton crop, which the industry presently believes will amount to about 17,000,000 bales. If the production report reveals a larger quantity, raw cotton and finished goods prices may decline a little more, but the decline will be limited because the price of raw cotton will then approach the Government loan level which will protect it from any further drastic decline. Some rayons and cottons are actually below replacement value in the New York market, so that if the production report of August 8 reveals a quantity less than 17,000,000 bales, there should be a slight increase in price in respect of those items which are now being marketed below their replacement values.

DURING July, arrivals from the United States totaled 10,842 packages, including 4,483 packages of cotton piece goods and 807 packages of rayon piece goods. Included also were 1,385 packages of cotton seine twine and wrapping twine and 619 packages of sewing thread. Arrivals of all textiles, including made-up goods from other countries, consisted of 1,389 packages from Japan, almost entirely goods other than cotton fabrics for wearing apparel, 164 packages from China, and 603 packages from Europe.

July's total arrivals from all sources amounted to 13,008 packages, which was approximately the same as arrivals for May of this year and compares with the annual monthly average arrivals of 22,600 packages for 1949 and 12,600 packages for 1950.

Legislation, Executive Orders, and Court Decisions

BY ROBERT JANDA

Ross, Selph, Carrasco & Janda

DURING the past month the Supreme Court promulgated a number of decisions of interest to the business community. In the case of Isaac vs. Mendoza, G. R. No. L-2820, the Court held that an attorney who refused to receive from the post office copy of a pleading sent to him by registered mail would be deemed to have notice of the pleading to the same extent as though he had actually received it. The Court refused to set aside a

default judgment on the ground that the client should not be prejudiced by an attorney's neglect but indicated an action would lie against the attorney for damages.

In the case of American Far Eastern School of Aviation vs. Ayala & Company, G. R. No. L-2376, the Supreme Court again considered the effect to be given to a lessee dispossessed by the Japanese military authorities. The Court held that the dispossession and the turning over of the properties to a German national did not constitute a breach of the lessor's warranty of quiet possession since the dispossession amounted to a trespass by the Japanese, and the Court consequently held that the dispossession did not operate to extend the period of the lease.

In the case of De Tangco vs. Court of Appeals, G. R. No. L-3754, the Court had before it a contract for the construction of a dwelling. The contractor subcontracted the work and ordered certain extras which were actually incorporated into the house. The Court held that the owner, not having ordered this work or having knowledge that it was incorporated in the building with the understanding that it would be paid for, was not liable to the subcontractor.

In the case of Villazor vs. Camon, et al., G. R. No. 8551, the Court held that a quitclaim deed on a piece of registered real estate which was duly filed with the Register of Deeds and entered by him in his entry or diary book but which was not noted on the certificate of title, did not operate to transfer title to the property nor to give notice to a subsequent purchaser in good faith. The Court distinguished the effect of entry in the diary of voluntary instruments such as deeds from the entry of involuntary documents such as attachments, the Court holding that while entry of the first type of documents was ineffective, yet entry of the second would protect the proper parties even though not registered on the certificate of title.

In the case of Manufacturers Life Insurance Co. vs. Meer, plaintiff was endeavoring to recover a tax on premiums collected by the Bureau of Internal Revenue under the automatic loan provisions of a policy which were given effect during the Japanese occupation by the home office of the company. The company argued that application of the loan clause was not in effect payment of a premium and that collection in any case was made in Canada and not in the Philippines and, consequently, was not subject to local taxes. The Supreme Court did not accept these arguments and held that the tax had been properly collected.

In the cases of Wise & Co., Inc. vs. PRISCO, G. R. No. L-4403 and Chinese Flour Importers Association vs. PRISCO, G. R. No. L-4465, the Supreme Court held that the acts of PRATRA (now PRISCO) in attempting to allocate flour quotas exclusively to new importers of Philippine nationality was contrary to the provisions of Republic Act No. 426, the Court holding that flour quotas should be allocated on the same basis as the Act provides with respect to quotas of other types of merchandise. The Supreme Court held that it was not the intent of the Import Control Law to deprive foreign importers of all flour quotas and stated that construction of the Act in this manner would result in the Act's making an unconstitutional delegation of authority to an administrative official since no proper standards were established to guide the PRATRA (later PRISCO) officials in their distribution of flour quotas.

DURING the month important new regulations have been issued by the new Import Control Board (Administrative Order No. 159), by the Export Control Board (Executive Order No. 453), and by the Wage Administration Service (Rights and Obligations of Employers under the Minimum Wage Law).



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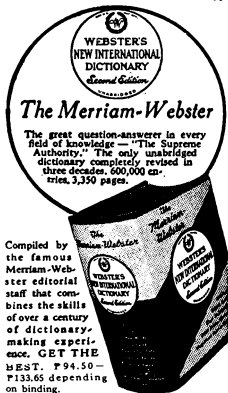


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Philippine Safety Council

By FRANK S. TENNY
Executive Director

THE Council's activities during the past month were almost equally divided between cooperation with government and public safety projects and developments of industrial safety services to members.

Two notable developments in the latter field were those of an announcement of an extraordinary safety-record accomplished by the Pepsi Cola Bottling Company, whose employees recently completed a six-months' period of no lost-time accidents, and of a two-day safety program conducted at the Pangasinan Transportation Company's terminal in Dagupan City. This program covered elements of driver training, fire protection, and accident prevention.

Intensive traffic safety lectures continue for the BMC taxi drivers and Rural Transit Company bus drivers. Safety inspections of various operations of the San Miguel Brewery and the Manila Electric Company continue. Much progress has been made in accident-prevention work connected with the Arrastre operations of the Delgado Brothers. Specialized security programs are being successfully conducted for the Ayala y Cia., Colgate Palmolive Philippines, and Luzon Brokerage Company. Monthly inspections continue at the Philippine Iron Mines operation in Camarines Norte and the Isaac Peral Bowling Alley in Manila. Considerable safety engineering work and employee safety committee activity is in progress at the Atlantic Gulf and Pacific Company plant.

Thirty employees of PSC member-companies graduated this month from a first-aid training course conducted in cooperation with the Philippine National Red Cross. An advanced course of this nature will begin this week. The Council has obtained the cooperation of the Philippine Motor Association in planning for driver-safety lectures to independent groups of professional jeepney drivers. Both of these training activities are PSC projects conducted without cost.

Activities of the Taxicab Inspection Service will soon broaden to include some twelve more Manila taxicab companies, thus placing about 75% of local taxicabs under this form of safety inspection and control. The TIS will begin its third year of operation next month. Leaders in this field have been the pre-war taxicab operator members of the Manila Taxicabs and Garages Association.

Current PSC projects include liaison with the ECA in safety matters, broadening of the Council's "safety-award badge" plan to include employees in all fields, actual formation of provincial chapters of the PSC, considerable work in conjunction with the Fire Prevention Board at Malacañan, and finalization of a new traffic code for submission to the Manila City Government.

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COST OF LIVING PRICE INDEX OF WAGE EARNERS' FAMILY¹ IN MANILA BY MONTH, 1948 TO 1951
(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	356.4	374.2	453.9	201.3	281.6	262.4	2806
August	363.6	385.7	453.9	199.8	281.6	261.7	2751
September	370.6	397.2	453.9	199.2	279.6	260.6	2698
October	374.9	404.0	453.9	204.8	283.2	257.9	2658
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

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	357.5	381.2	453.9	191.3	266.2	241.2	2763
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

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	249.7	309.1	3123
June	323.1	310.9	453.9	243.5	249.7	319.1	3095
July	332.0	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	341.3	335.0	453.9	317.4	252.5	327.5	2930
October	352.8	351.1	453.9	337.3	249.7	334.5	2835
November	354.1	353.2	453.9	322.8	249.7	335.9	2825
December	352.2	350.5	453.9	325.2	249.7	334.8	2839

1951

January	355.2	355.0	453.9	331.5	249.7	334.6	2816
February	358.4	359.8	453.9	342.8	249.7	334.4	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	338.5	2740
June	367.8	372.0	453.9	399.5	247.5	337.7	2719

¹ Average number of persons in a family = 4.9 members.

Explanatory Notes

THE cost of living index, which will henceforth be called the "Cost of Living Price Index," calculated by the Bureau of the Census and Statistics, is intended to measure from month to month the changes that take place in the levels of retail prices of goods and services which are customarily consumed by wage earners' families from one period to another. The index is not applicable to families of wage earners in the provinces nor to families in the higher income bracket anywhere in the Philippines. The index should not be "confused with, or changed to become, an index set up to measure from time to time changes in total family expenditures." As it is, the cost of living price index merely serves as a barometer of the changes in the retail prices of goods and services which are customarily consumed by the average wage earner's family in Manila.

In order that the relative importance of the different goods and services may be reflected in the index, weights are provided based upon a previous survey of the living pattern of workingmen's families in Manila. The commodities listed are only the most essential necessities of the family mentioned; for this reason, the family's pattern of living is considered the "minimum of subsistence level." It should be in this light, therefore, that any computed amount of expenditures derived from the index should be regarded.

In the computation of the index, the Bureau of Commerce weekly quotations of retail prices of foodstuffs, clothing, fuel, medicines, and other miscellaneous items are used. The Bureau of the Census and Statistics does not have its own price quotations. The reason is obvious. It does not want to duplicate the functions of the Bureau of Commerce which is another office of the Government. Prices of services, such as light, water, transportation, house rent, hair-cut, etc., are gathered from other sources.

The method of computation used is by weighted arithmetic average for foodstuffs and by weighted and unweighted geometric mean of price-relatives for other components of the index. Base: 1941 = 100.

Components of the index consist of 29 items for food; 1 item for rent; 12 items for clothing; 4 items for fuel, light, and water; and 23 items for sundries.

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The Government . . .

(Continued from page 263)

Under-Secretary of Health, Dr. Regino Padua, returning from the World Health Organization in Geneva, reports to the President that the WHO regional meeting will be held in Manila next September to be attended by 14 member nations in the Western Pacific area.

The President issues Proclamation No. 267 declaring the late President Manuel Quezon's 73rd birthday anniversary, which falls on Sunday, August 19, a special public holiday.

July 26 — Announced that the President has approved a compromise draft of Article 14 of the peace treaty draft approved by the Committee on the Japanese Peace Treaty on July 16 and presented to Ambassador Cowen on July 22. It reads:

"(a) It is recognized that Japan should pay reparations for the damage and suffering caused by the war and should make adequate reparation to the Allied Powers.

"Therefore, Japan agrees to promptly enter into negotiations with Allied Powers so desiring, whose present territories were occupied by Japanese forces, for the purpose of determining the amount of reparation to be paid by her, the manner of payment, the commencement and period of the time within which payment shall be made, and such other terms as may be necessary for the purpose of complying with her obligation; Provided, however, that the agreement to pay reparations shall take into account the ability of Japan to pay, during the period to be stipulated, and shall avoid the imposition of additional liabilities from other Allied Powers. In case of disagreement between Japan and any one of the Allied Powers on any matter or subject of negotiations, the same shall be referred to the International Court of Justice for settlement and final decision. The jurisdiction of the International Court of Justice over all questions referred to it for settlement under this article shall include the authority to issue orders, judgments, or an organ or agency of the United Nations for the enforcement of its orders or decision."

The President receives the newly elected officers of the Philippine Chamber of Commerce, headed by Antonio de las Alas, new Chamber President, Sergio Osmeña, Jr., Vice-President, and Dr. Jose Katigbak, Francisco Delgado, Luis Abaza and Ernesto Delgado, directors; Judge Antonio Quirino, another director, was not with the group as he is on a business trip to the United States.

The Board of Regents of the University of the Philippines elects Dr. Isidoro Panlasigui, head of the Department of Psychology, as Dean of the College of Education to take the place of the late Dean Francisco Benitez.

July 27 — In line with a resolution adopted by the Collective Security Measures Committee of the United Nations in November, 1950, recommending that member states maintain within their national armed forces such elements as could promptly be made available as a United Nations unit or units upon recommendation of the Security Council of the General Assembly, the Cabinet approves such maintenance; the Department of National Defense, however, considers that for the present in view of the conditions prevailing in the Philippines, the Philippine expeditionary force now serving in Korea can be considered as a fulfillment of the "Uniting for Peace" resolution.

July 28 — The President appoints Daniel M. Salcedo as ad interim Assistant Director of Private Schools, a position which has long been vacant. The President discharges Bernardo Bagamaspad, provincial treasurer of Cotabato, for irregularities committed by him as ex-officio agent of the Philippine National Bank granting huge crop loans to unqualified and insolvent borrowers; the Supreme Court recently affirmed a decision of the Cotabato court of first instance holding him responsible for losses amounting to ₱699,803; in February 1948, he was suspended as provincial treasurer of Cotabato.

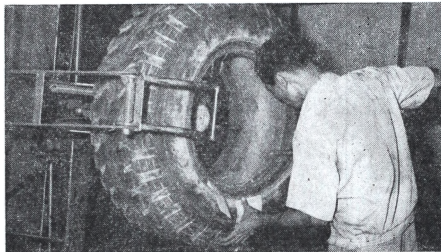
The Department of Foreign Affairs announces that a delegation from the Export-Import Bank will leave Washington for the Philippines on August 1 to study various aspects of Philippine economy "for the purpose of coordinating and integrating the extension of grants and loans to productive enterprises with the aid being extended to the Philippines by the E.C.A." The members are: L. U. Stambaugh, E. S. Lynch, W. K. Graves, and V. F. Haseoehrl.

The Philippine Embassy in Washington reports that the Office of International Trade will resume consideration of applications for export licenses for automotive parts, shipments having been suspended some time ago to 7 Far Eastern countries, including the Philippines, to prevent transshipments to unauthorized destinations.

July 30 — The President approves the release of ₱1,888,825, obtained from the sale of the 4% Rehabilitation and Development Bonds of 1951 to be allocated to the National Shipyard and Steel Corporation and the National Development Company for the national shipyard and graving dock and for the construction of vessels.

July 31 — The Administration's stand with respect to the Japanese draft peace treaty is endorsed in a resolution adopted at a Manila convention of 49 provincial governors and the mayors of 24 chartered cities.

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The

"LET YOUR HAIR DOWN"

Column

We can't exactly call this a formal United Nations tribute to the *Journal*, yet it appeared in a letter under a United Nations letterhead:

"Dear Sirs: In the course of its work on current economic documentation for Asia and the Far East, our Secretariat has found your periodical to be a very useful source of reference. We find, however, that the under-mentioned numbers have not been received though subsequent numbers have reached us. We shall appreciate it very much if you will kindly send them to us at your earliest convenience."

The letter was signed by the Librarian of the Economic Commission for Asia and the Far East in Bangkok. The missing numbers were those of July, November, and December of 1950. We are certain that these issues were duly mailed as we have an automatic addressograph system, and they must therefore have been lost in the mail. But of course, as requested, we sent replacement copies.

A good many readers of the *Journal* save their copies and even have them bound in annual volumes instead of allowing them to get lost, as periodicals generally do. Even when care is taken to preserve them, however, certain numbers still may prove to have been mislaid, and in that case we can help. During the month we received a letter from the well known Manila lawyer, Mr. Ramon Diokno:

"Enclosed please find my check, in the amount of ₱5.00, in payment for one year's subscription to the *Journal*, to commence with your July, 1951 issue.

"I would like to complete my collection of the *Journal* and would like to know if you have back issues and, if so, how much each back issue costs."

We make a practice of keeping a small supply of all back issues,—around 100 to begin with, and can still supply copies of all but a few of the post-war issues at a charge of 50 centavos a copy.

THE editor received the following letter from a prominent Manila business regarding the July issue of the *Journal*:

"Dear Mr. H—:

"Please accept my highest commendations for the excellence of the July issue of the *Journal*. Your editorial, 'American Power and American Prestige', should be read by a lot of people who, I am afraid, will not see it. If you can spare me five additional copies of the *Journal*, there will certainly be a few other people in the United States to read that editorial.

"It was good to be reminded of William Cullen Bryant's famous poem on Freedom.

That should be required reading by every American and Filipino one time per annum.

"Your reminiscences on Manila five years ago also provided me with a half hour of most interesting and informative reading. I wish you would publish your unpublished history of Santo Tomas Camp and the Japanese occupation. What is holding that up?"

"Do not forget to send me the five extra copies, if you can spare them.

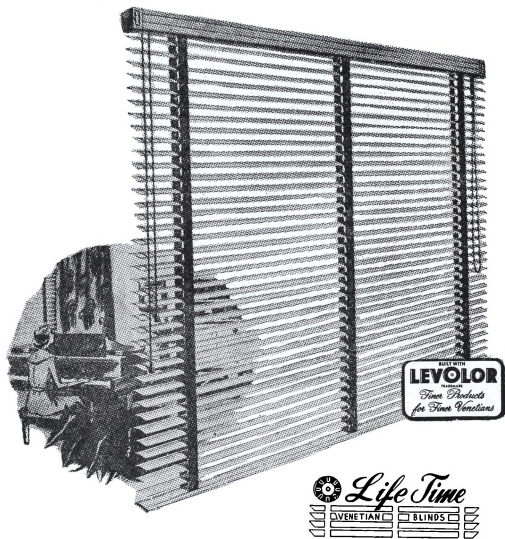
"Sincerely yours, etc."

The reply follows:

"Dear Mr.—

"Thanks very much for your kind letter of July 21. It is very heartening. It isn't, as one might think, so satisfactory to me because I am always looking for or wanting and inviting praise. Of course, I greatly prefer an appreciative letter because, most important, it goes to show that as editor I am heaving to the line; but for the same reason, even a critical letter is valuable; and, anyway, almost any kind of response from the readers of a publication is preferable to a dead silence. I know that in many lines of important work, men work quietly and well and hardly ever get a word of commendation although they may get their promotions right along. They would consider it a weakness to court expressions of recognition. But as I have sometimes said, an editor is to

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some extent in the position of an actor or musician or any kind of man who must make his appeal to an audience or a public. And it is very necessary for all of them to get a recognizable and quick response or they simply do not know where they are at,—whether they are doing whatever they are doing right. So again I thank you, personally for the kind words and professionally for the help.

"As to my history, the reason it has not found a publisher,—I have tried it on several, including Macmillan's, is that it is very long and detailed and probably not generally interesting except in parts. It would run to some 2000 closely printed pages and would cost a good deal of money to print. If I had been willing to write a short book of ten or fifteen easy, snappy chapters, I could easily have found a publisher. But my book was written during the internment, beginning

on the very first day and continued in misery and danger because writing was forbidden, and my aim was to write for *the record* as long as I could get away with it. I certainly was never in the mood to attempt a "popular" book at the expense of all the suffering in the camp and in the country, and still don't want to convert my long tome into anything of the kind. You inadvertently used the word "reminiscences", but that is exactly what the book is not. All of it was written at the time and on the spot from day to day, and that is really what I feel makes it valuable. The whole Camp part of it was written on a "noiseless" typewriter, set on a folded blanket on a cane-seated chair to further deaden the sound, and always with friends around to warn me of the approach of any Japanese guard.

"Yours, etc."

WE recently received an 88-page pamphlet on the very important subject of soil management prepared and published by the International Harvester Company of Philippines. It contains a preface by Vice-President Fernando Lopez, who is concurrently Secretary of Agriculture and Natural Resources, and acknowledgements are made to such authorities as Messrs. Marcos M. Alicante, Jesus P. Mamisao, Dominador Z. Rosell, Nemesio B. Mendiola, Mariano Manas y Cruz, Leopoldo Uichanco, Juan Salcedo, Jr., Florencio Tamesis, Eduardo R. Alvarado, etc. It is fully illustrated with maps, diagrams, and truly striking photographs and contains also numerous useful tables. It is, in brief compass, a handbook on the subject of soils and their utilization and conservation, fertilization, irrigation, and drainage, with practical instructions also concerning erosion control, reforestation, damming, terracing, contour layout, use of farm machinery and heavy equipment, etc. It is the sort of manual which every farmer and planter here should have at hand. The International Harvester Company is to be congratulated on getting out such a valuable work. Its publication is indeed an example of constructive public service.

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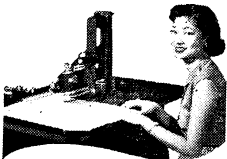
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THE editor complained the other day that the newspapers gave very poor coverage to a really interesting social affair. "None of the society editors were even there," he said; "they were all off to some dress show!"

"A fashion showing of originals," he was informed, "and very good, too!"

"Well, I grant you women have to dress, but that most enjoyable social evening at the Army and Navy Club, provided through the thoughtfulness and kindness of Mr. and Mrs. Albino Z. SyCip, deserved some good write-ups."

"Why don't you say something about it then? You're a writer, of sorts," said we.

"I'm no society reporter, by gad," said the editor, "but I can tell you this: that there hasn't been such a party since Carson Taylor gave his blow-out at the Santa Ana Dance Hall, two or three years ago in celebration of his fifty years in the Philippines."

"It was a buffet supper given by the SyCips in honor of Mr. and Mrs. Richard R. Ely, who recently arrived from Washington to join the Embassy here. Dick Ely and I both arrived in the Philippines on the same ship thirty-four years ago. The lady who is now his wife came here the following year to marry him... Ely was a teacher but transferred to the Office of the Governor-General, was here for years under succeeding Governors and High Commissioners and then went to Washington where he became head of the Philippine division in the State Department. Of course, he still has many friends here among the old-timers, Americans and Filipinos, and that night it seemed like all of them had been invited.

"I asked Mr. SyCip how he had made up his guest-list, which some might have taken as an impertinent inquiry, but wasn't meant so and wasn't taken as such. Mr. SyCip said that Mr. Ely and he had gotten together and put down the names of all the old friends they could remember, but that, unfortunately, the names of some friends had escaped them and were recalled too late.

"There were many there you don't often see anywhere anymore, former high Filipino officials who have more or less dropped out of things, Americans, many of them retired or semi-retired,—anyway, from 'society'. And it was so obvious that they were all so glad to see each other. Filipinos and Americans chatted together in groups and sat around the tables, and many a talk turned to reminiscence. And the talk was very frank, in the old way, everybody

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saying just what he thought, and no offense. There was mutual respect and trust.

"It was like one of the old Malacañan receptions of long ago, in miniature, with everybody knowing everybody else and everyone of real place in the world, based on constructive, honorable achievement.

"I had a "lovely" time," said one elderly American almost tearfully on going home.

"So did we all."

"But," said we, "you haven't said anything about who was in the reception line, you haven't said any-

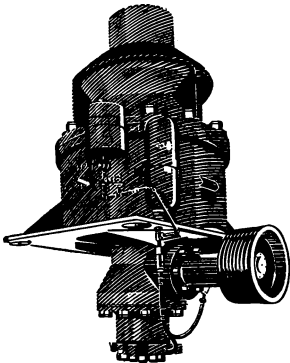
thing about the ladies' dresses, you haven't said anything about the decorations, you haven't said anything about the food, you haven't even said about how many were there and you haven't mentioned any names . . . You're a hell of a society reporter!"

"Does it matter?" asked the editor? "There were around two hundred there, but I didn't count them . . . If you really want to know, there was more there than anything you can put in names and numbers. There was a past youth . . . and hope . . . not yet quite dead . . ."



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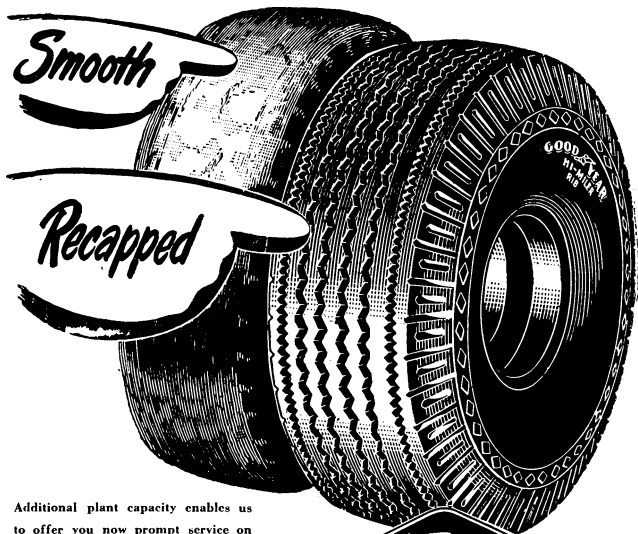


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