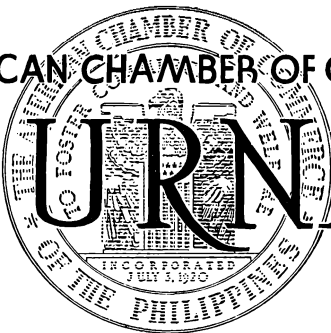


# THE AMERICAN CHAMBER OF COMMERCE JOURNAL



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*Editor and Manager*

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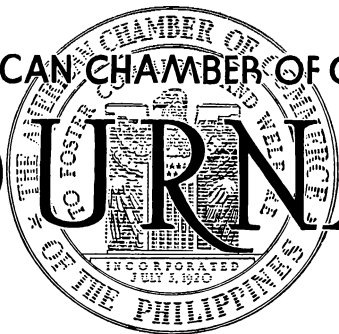


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# THE AMERICAN CHAMBER OF COMMERCE

# JOURNAL



## Editorials

*"... to promote the general welfare"*

It was with mixed feelings that the people of the Philippines,—and, besides the Filipinos themselves, especially the Americans, British, and Chinese, read in their newspapers last month, on Monday, April 28, that the peace treaty with Japan was taking effect that day. Up to this writing, it has not yet been ratified by the Senate of the Philippines.

It was on a Monday also that the war to which the treaty put an end in so far as the ratifying powers are concerned, came to this country,—Monday, December 8, 1941, the day on which various points in the Philippines were bombed from the air, from Davao City in the south to Camp John Hay at Baguio, and Clark Field in Pampanga, the airfield at Iba, Zambales, and, that night, or rather the next morning, at 3 o'clock, Nichols Field, near Manila. The attack on Davao City was the first, coming at dawn on Monday, only some six hours after the attack on Pearl Harbor, which also started at dawn, but because the International Date Line lies between the two places, it was Sunday in Hawaii and Monday in the Philippines.

But that Monday marked only the beginning of more than three terrible years, years filled with the miseries and terrors and anguish of war and invasion. The memories of those years are burned into the tissues of our brains and can not be forgotten, hardly even dimmed, and it is for this reason that though it is plain to almost every thinking person in the Philippines that it would be to the best interests of the country to accept the treaty, in conjunction with the United States and the other nations concerned, there has, as yet at least, been no strong criticism of the Senate for failing to do so.

The outside world is under the impression that the Philippines has not ratified the treaty because of the inadequate reparation provisions, and official action has indeed given grounds for such a belief. The factor does enter into the situation, but the main fact is that little if any public support of the treaty had made itself evident. There is, on the other hand, a general aversion to the resumption of normal relations with Japan chiefly because the people believe this would bring Japanese nationals into the country again.

That, we think, is the crux of the matter. Trade relations as they were conducted with SCAP after the American occupation in Japan could be continued with little or no protest, but the people simply are not ready to receive Japanese officials and Japanese businessmen, planters, and shopkeepers. The thought of the opening of large offices here by Japanese corporations or of hundreds of Japanese bazars, as before the war, is still unthinkable.

This is a hard saying, but it is the truth, and if some way could be found to reassure the people in that respect, the feeling against making peace with Japan would greatly diminish.

Last month the Special Technical and Economic Mission (to the Philippines) of the U. S. Mutual Security Agency and the Philippine Council for United States Aid observed the completion of the first year of their existence and the opening of the second year of a two-nation venture in economic and technical cooperation which already has proved fruitful and promises much more for the future.

The creation of these two bodies followed the conclusion of the Economic and Technical Cooperation Agreement signed by President Quirino for the Philippines and by Ambassador Cowen for the United States on April 27, 1951. It was ratified by the Senate of the Philippines on May 14.\*

This Agreement was negotiated in accordance with the recommendations contained in the able Report to the President of the United States by the Economic Survey Mission to the Philippines, dated October 9, 1950, and the Joint Statement made by and the Agreement reached between President Quirino and ECA Administrator William C. Foster, representative of President Truman, at Baguio, on November 14, 1950\*\*

The Economic Survey Mission was appointed by President Truman acting upon a suggestion made to him by President Quirino when he was in Washington in February, 1950. Some difference of opinion arose at first as

\*Published in full in the issue of this *Journal* for May, 1951.

\*\*Published in full in the issue of this *Journal* for December, 1950.

to whether the Mission should be wholly American in membership or a joint Philippine-American body, but this difference was happily resolved and the Mission, headed by Daniel W. Bell, banker, economist, and former U. S. Treasury official, arrived in the Philippines on July 10, 1950. (See the *Journal* issues for March, April, and July of that year.)

As we stated in the March, 1950, *Journal*, the appointment of the Mission was "probably the most hopeful development in many a moon in the field of Philippine-American economic relations".

We may again point out that "Business" played an important part in this development. As we said in that same number of the *Journal*:

"It will interest members of the American Chamber of Commerce of the Philippines to learn that the idea of forming some such commission originated in this Chamber and was taken up by the Vice-President of the Philippine-American Chamber of Commerce in New York in a letter to the members of the New York Chamber. . . . The proposal was called to the attention of Mr. Jose Yulo before he left Manila for the United States with President Quirino and was discussed with him in New York by officers and directors of the Philippine-American Chamber and the National Foreign Trade Council there. The present plans appear to be a development of this preparatory work . . ."

Later we learned that the idea assumed practical form at the suggestion of President Quirino himself, President Truman giving him full credit for this in his letter to the Philippine President dated June 1.

After the publication of the Bell Report, we stated (in the November, 1950, issue) that "the Report is of priceless value to the Philippines."

"Its honest implementation or failure to so implement it, will most likely mean the difference between success and failure in the building of the Nation".

Today the ECA and the PHILCUSA are so implementing many of the recommendations made in the Bell Report. Through the grant of funds appropriated by the American Congress, the ECA is extending both material assistance and technical advice, and the Philippine Government contributes to the program both through the appropriation of the so-called counterpart funds, approximately equal in amount to the American grants, and through the services of its own officials and Filipino technical men. The American-dollar grants are expended principally for equipment and essential supplies brought in from the United States, and the Philippine counterpart funds are expended principally in installing and utilizing the equipment and supplies brought in. Loans from the Export-Import Bank in Washington are also being made available under the ECA program.

This is truly a cooperative set-up, calling for more on both sides than a mere giving and receiving; it provides for self-help as much as for assistance; although the more direct benefits, of course, go to the Philippines, mutual interests are promoted; there is no loss of dignity on either side,—no foolish squandering of public funds on the part of the United States, or any suggestion of mendacity on the part of the Philippines.

As the *Philippines Herald* stated editorially last month,—

"This mutual assistance program, we are happy to note, has been attended by marked cordiality, harmony, and understanding between the American and Filipino officials administering it. On the basis of the past year's performance, we look forward to this great democratic partnership picking up momentum fast."

We look forward to this also but would introduce a word of caution, and that is that the ECA program, important and promising though it is, should not be taken as constituting both the beginning and end of the efforts that must be made to promote economic development. As Mr. Salvador Araneta stated (*Journal*, July, 1951), "ECA aid will be used for what might be called *stimulator projects*, designed to set off a chain of other and even greater

projects, spreading their benefits to the far corners of our economy."

There is the continuing danger that the effect of such stimulator projects will be largely offset by unwise governmental measures which definitely discourage general economic advancement and thus still threaten to nullify the valiant efforts of the ECA and the PHILCUSA; in support of this statement we refer our readers to the article by Mr. J. A. Parrish in the December, 1951, *Journal*, "Deterrents to Foreign Investment".

The Roman Catholic Church, alarmed by the spread of communism, has of recent years taken a more active interest in what is called "social justice" and, more especially, in the problems of the relationship between capital and labor. The Church has in various countries sponsored young people's "Christian workers" groups, even formal Catholic trade unions, and also labor-management schools, to all of which priests have been assigned as advisors.

This work has been extended to the Philippines, and the "labor priest", Father Walter Hogan, S.J., has lately been under attack in the newspapers for his activities in this new field of Church action. He is accused of having encouraged, if not actually led, a number of strikes, these particular strikes being regarded as having been unjustifiable because they occurred in businesses, some of them American-owned, where wages and working conditions are very much better than average.

Thoughtful and fair-minded men will agree that any great religious organization, though devoted primarily to the religious and moral welfare of man, may well take an active part in promoting the betterment of social and economic conditions. Too often, in fact, have our churches been charged not only with indifference as to the temporal or material interests of man, but of using their influence in support of the ruling and propertied classes as against the interests of the masses of the people.

The great established religious organizations everywhere have always been extremely conservative institutions which have sought to maintain the social, economic, and political, as well as the ecclesiastical *status quo*. In fact, the opposition of the Roman Catholic Church to communism may be regarded as in part dictated by this historic attitude, and its present activity on behalf of labor may be looked upon in part as evidence of a somewhat belated concession to the spirit of the times,—that spirit which imbues all honest effort toward the betterment of socio-economic conditions. Any truly progressive turn in ecclesiastical policy, therefore, is to be welcomed. And the Roman Catholic opposition to communism is to be so interpreted because communism is the most reactionary movement in history, again posing the great issue between freedom and slavery.

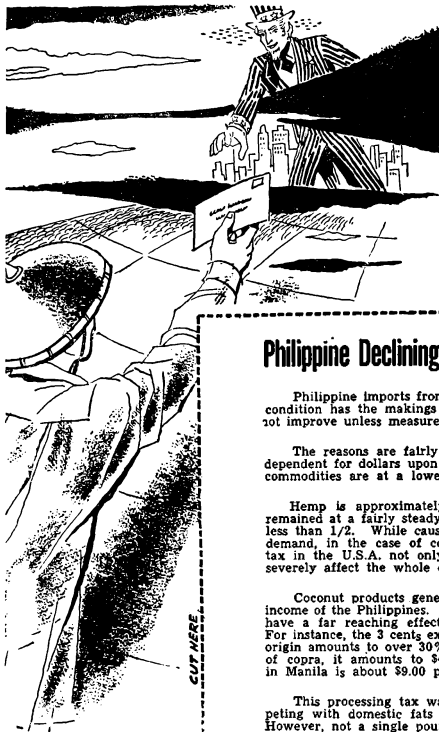
However, the Roman Catholic Church is itself, confessedly, one of the most authoritarian institutions in existence, and the danger of the new intrusion of the Church into the economic sphere is that it will tend to be a highly authoritarian and dogmatic one.

As an illustration of this, Father Hogan, in a recent address before the Manila Lions Club, stated that—

"The Church would be shirking her responsibility if she did not clearly and courageously declare the rights and duties of capital and labor. . . . The Church must teach the moral law all the way. Therefore, the Church has the right and the duty to explain clearly what is morally right and wrong in the relations between capital and labor as well as in the matter of family life."

Father Hogan added:

"The Church does not hesitate to preach that it is a *mortal sin* for anyone knowingly to *transgress* the workers' right to form an association and to bargain collectively. . . ." (Italic ours.)



## From Businessmen In The Philippines to Businessmen In The U.S.

Clip this message and send it to friends and business connections in the U. S. This is an **IMPORTANT MATTER** which concerns **EVERYONE,—including YOU!**

CUT HERE

### Philippine Declining Imports From The United States

Philippine imports from the United States are rapidly declining. This condition has the makings of a snowball and indications are that it will not improve unless measures are taken to forestall further deterioration.

The reasons are fairly simple. To a major extent the Philippines is dependent for dollars upon its exports, and current prices of major export commodities are at a lowest post-war level.

Hemp is approximately 2/3 of last year's prices and while sugar remained at a fairly steady level, copra and coconut products are down to less than 1/2. While causes may be partly attributed to the supply and demand, in the case of copra and coconut oil, the excise or processing tax in the U.S.A. not only depresses the market prices but threatens to severely affect the whole economy of the Philippines.

Coconut products generally account for more than 50% of the dollar income of the Philippines. Naturally, any slump in prices of these products have a far reaching effect upon the whole economy of the Philippines. For instance, the 3 cents excise tax in the U.S. on coconut oil of Philippine origin amounts to over 30% of the present market value of oil. In terms of copra, it amounts to \$4.00 per 100 kilos whereas the price of copra in Manila is about \$9.00 per 100 kilos.

This processing tax was imposed in 1934 when coconut oil was competing with domestic fats and oils in the manufacture of oleomargarine. However, not a single pound of coconut oil was used in the manufacture of oleomargarine in 1951, as the industry finds it no longer suitable for this purpose. This outdated and useless tax is considered by all as the biggest single obstacle in the way of increased Philippine imports from the U.S.A. and it finds substantial opposition among consumers and coconut oil mills in the U.S.A.

Representative Havenner of California recently introduced a bill (HAVENNER BILL H. R. 6292) in the United States Congress for the repeal of the three cents excise tax. Support of this bill is essential not only to the Philippines but to the American business concerns doing business with the Philippines. Unless this burden upon the coconut industry and the whole economy of the Philippines is removed, the Philippine purchases from the United States will decline further.

It is therefore essential that Havenner Bill H. R. 6292 for the repeal of the excise tax on coconut oil be supported by all businessmen in all industries here and in the United States.

All businessmen are therefore urged to request their friends and connections in the United States to write or cable to their respective congressman to support Havenner Bill H. R. 6292 when same comes up for hearing in the United States Congress.

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And asked from the floor what would be a fair wage, he delivered the *ex cathedra* opinion that a fair wage is one which enables a man to live decently; he added that "a family of 5 can live decently on ₱340 a month."

Father Hogan may or may not be what is called an "agitator", but if he tells his followers that the average worker in the Philippines with a family of 5 has a God-given right to ₱340 a month in wages, he will create a great deal of trouble, and to no good whatever. As everyone knows, the Minimum Wage Law, only recently enacted, makes ₱120 a month the minimum wage, and even this is not yet paid either by the Government itself, in many of its branches, or by many agricultural, industrial, and business entities, although, of course, the better-managed among them well exceed this wage as a minimum.<sup>1</sup>

The Philippines is not and can not, as yet, be a high-wage country. For a general discussion of the economic factors involved in minimum wage legislation, the reader is referred to the January, 1951, issue of this *Journal*.

We may talk all we like about the natural and moral "right" of a man to a wage which will enable him to live decently, just because he has been born, and this might be truly the case if a fair wage was something that needed only to be breathed in like the air, but that is unfortunately not so.

Not only men, but animals, living in a state of nature, must work if they would obtain food, the animals must spend long hours in grazing or in hunting their prey. If they do not or can not do this, they die of hunger. Primitive man, long before there was any "capital", had to work and to produce to live; if the tribe failed to produce enough, in the way of bringing in fish or game or vegetable food, there was a famine. If a savage wanted to live, decently or otherwise, he had to scratch for it; nothing on earth could guarantee him anything not obtained through his own efforts, alone or in cooperation with others.

And is it different today with us?

Can "business" justly be called upon to guarantee everybody a decent living as a "natural" or "moral" right? If one thinks of business as the "management", could these men, a small minority, accept and discharge such a mountainous responsibility for all the rest of the population? As for "capital", what is that but the accumulation of past savings, slowly and arduously built up? For how long could a decent wage for everybody be paid out of that strictly limited fund? For how many people would a decent wage (and, after that, no doubt, a decent pension), be demanded? In many countries, even today, there are many more people than can be put to work at all, even at a small wage, regardless of any supposed natural or moral right. And as the population increases?

No element in a population could undertake to guarantee a decent wage to everybody solely on the basis of right, nor could the state, least of all a totalitarian state, assume such an impossible burden at our present stage of economic development.

There is an answer to the problem of making a decent living possible to everyone, but not on the basis of any right to a wage of any given amount. This answer can be given only in a highly productive society, a society in which production comes close to equaling the demand

<sup>1</sup>If we take Father Hogan's figures and follow his estimate that the average worker must support a family of 5, then, in a population of 20,000,000, there would be 4,000,000 workers either employed or self-employed, but if, on an average, each of these workers earned the equivalent of a wage of ₱340 a month, or ₱4,080 a year, how impossible that is can be seen from comparing this figure with the estimated total annual national income which now stands at around ₱6,000,000,000 according to Central Bank figures.

After this was written, the Central Bank published a report by a United Nations technical advisor, Mr. William I. Abraham, in which the conclusion was drawn that the Bank's figures as to national production and national income have been too low. The report estimates the gross national product for 1951 at ₱4,600,000,000 and the national income at ₱7,600,000,000.

at least by necessities. The extent of the production is the iron limiting factor. With the best will in the world, this can not be exceeded in benefits. No standard can be set up that is not earned.

If workers are too numerous for the demand for labor and if they are relatively unproductive, the standards which, ethically considered, might be no more than a "decent," can not be generally achieved. There is no natural or moral right and no possible guarantee.

If the unionization of labor and collective action such as strikes and labor limitations achieve anything much out of proportion to what the wage level in a certain industry should naturally be, the gain is made, in the long run, only at the expense of other workers whose wages are correspondingly depressed, and at the expense of the consuming public which must pay higher prices for the goods produced by the unionized labor; the same, of course, holds true for services. The unionization of labor is an entirely natural development, legally recognized in every democratic country, but when unions come to constitute virtual monopolies, subject to no or hardly any check, they become as vicious as any other monopoly.

Individual workers and groups of workers may be over- or underpaid, being given more or less than they are worth with respect to their contribution to the economic processes, but labor as a whole, in a free market economy, gets exactly what it is worth, neither more nor less. The monopolistic practices of certain unions of workers which result in higher wages than they are actually worth, only robs other workers of their due.

When we speak of the worth or value of a man as a human being, as a beloved member of his family, as an individual of innate character and dignity, as the possessor of an immortal soul, etc., we speak in terms that do have meaning, but they have little direct bearing on his role in the economic processes. Such characteristics are beyond price and pricing and can not directly enter into what his labor is worth on a job.<sup>2</sup>

The qualification, "in a free market economy" was used in what has just been stated, but economic laws apply in the long run in any form of economy, including socialist, communistic, and slave economies.<sup>3</sup> These laws can not be nullified or evaded by any form of political, economic, or social organization. Put in the simplest possible terms, they may be summarized as meaning that no society can eat more bread than it bakes, and no individual can eat more bread than his contribution to the making of the bread is worth.

This unalterable fact becomes indeed horribly clear in certain primitive economies,—as among some Eskimo tribes in regions in the far north where the population, though sparse and necessarily scattered, lives under conditions of the utmost climatic rigor and food scarcity.

<sup>2</sup>This is not to say, of course, that an employer either can or should deal with the workers in his employ merely as units in the labor supply, without regard to them as human beings, each with his personal characteristics and needs. It is actually impossible to deal with human beings as if they were feelingless machines. However, if an employer asks his employer for an increase in his wage because, for instance, his workers and groupings are, the employer may well advise him that his wage can not be determined in accordance with the size of his family, but only by the answer to the question, "What are you doing for this firm that is worth more pay?"

<sup>3</sup>"The [Russian] Government has had an obvious interest in gradually raising the efficiency of this vast and ceaselessly expanding mass of laborers. For this a comprehensive and elaborate system of incentive wages has been needed. Piece-work, that classical stimulant of workers' competition, became the dominant form of payment in Soviet industry. Already toward the end of the 1930s about 75% of Soviet workers and employees were on piece-work. The fact that the Soviet trade unions, since the rates have been more and more differentiated. This alone gives a measure of the competitive climate prevailing in the Soviet factory and workshop. . . . By and large, Soviet workers still compete for the bare necessities of life. This in itself tends to make the competition much more brutal than that to which a working class living in a capitalist country but enjoying a higher standard of living would be willing to lend itself. . . . The fact that the Soviet trade unions, or the bodies that exist under that name, far from curbing the competition, do their utmost to spur it on, works in the same direction. . . . Socialist emulation, because it is only a struggle for the sake of a new name—the struggle of all against all—makes the workers mutually hostile and 'isolated from one another'. . . . Their energy, politically shapeless and undifferentiated, is therefore easily made to flow into molds operated by a single party. . . ."—Isaac Deutscher, "Socialist Competition," *Foreign Affairs*, April, 1952.

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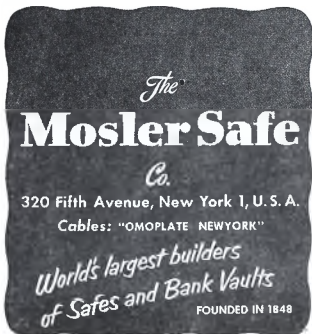


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Among these people, great for all the poverty of their existence, when a man or a woman grows old and can no longer contribute to the obtaining of food, the unfortunate is soberly conducted by his children to a place outside the snow-hut camp and left quietly to freeze to death. And most striking is the fact that those old people go willingly, as a matter-of-course. This is perhaps the most impressive demonstration anywhere on earth of the "innate worth and dignity" of man. The old give up their lives so the younger may live.

In the economies of greater abundance in other parts of the world we tend to lose sight of the fact that in the realm of economics we are dealing with the hardest facts of existence, the starkest reality; we have something more of a margin than the Eskimos, but the facts are there, and no idealism, philosophic, religious, or political, can think them away.<sup>4</sup>

The only answer to the question of a decent wage to make possible a better life, is that wise and effective cooperation between labor and management which results in increasing production,—at a rate that does more than merely offset the growth in population.

As was stated in the January, 1951, issue of the *Journal*, already referred to:

"... The best intentioned employers can not long pay much above the market rate for labor and remain in a position to compete successfully. The real cure of a low wage rests with the worker, and not the employer. To get out of the low-wage class, a worker must learn to do work in which he meets with less competition from other workers; he must become a more skilled worker, of whom there are fewer and for whom there is a greater demand. This holds true not only in the unskilled and skilled labor fields, but in the field of management and in the professions also. Minimum wage legislation, provided it is not attempted to fix the scale too high, can level off certain inequalities, but it can not alter the fundamental laws which govern the price of labor."

These economic laws can not be set aside, and if friends of labor, in their declarations and appeals ignore them, they only create further unrest and trouble, to no effect, except to make the work of the communist subversivists that much easier.

Much of the news appearing in the world press is so depressing that it would almost seem as if the words are

**Maine's Chinese "Mother of the Year"** as if the pressing of type to paper must naturally depress millions of minds.

Much of the news, world and local, leaves a wounding imprint on the mind, and the

<sup>4</sup>However, with respect to a worker and his family and their subsistence needs today, it may be said that while "labor is appraised like a commodity", with the increase in production and the rise in real wages and standards of living made possible by capitalism, the mere subsistence level does not play a part in the determination of wages, as the irreducible minimum required for survival has already been well exceeded for all, in most parts of the world at least.

world today is so full of intolerance and narrowness, as well as of hatred, that a story like the following is all the more uplifting and we gladly give it space:

"Augusta, Maine, April 8—A 57-year-old Chinese widow is this northeastern U. S. state's 'Mother of the Year'.

"She is Mrs. Toy Len Goon, mother of five sons and three daughters. She operates a laundry in Portland, Maine.

"Mrs. Goon was proclaimed 'Mother of the Year' Monday by Governor Frederick G. Payne. She was brought to this state capital city for the ceremony in the governor's automobile—a 73-mile (116-kilometer) ride.

"Mrs. Goon came to the United States from China a number of years ago. Her oldest son, Carroll, 29, is a doctor in Salt Lake City, in the western state of Utah. Richard operates a radio-television store in Lynn, Massachusetts, an eastern city. Albert is a law student at Boston University, Boston, Massachusetts. Edward is an instructor at Rensselaer Polytechnic Institute, Troy, New York. Arthur is in the U. S. Navy.

"And the daughters: Josephine is with the U. S. government in Washington, D. C., Doris assists her mother in the laundry, and Janet is a high school pupil."

In honoring this Chinese woman, the people of Maine\* were not deterred by the thought of how Americans are being dealt with in Red China, or of the fighting with the Chinese "Reds" in Korea, or, much less, by the thought of her being an "alien".

The story reminded us of something in Walt Whitman's famous Preface to his "Leaves of Grass", and we looked it up. It was this:

"Other states indicate themselves in their deputies... but the genius of the United States is not best or most in its executives or legislatures, nor in its ambassadors or authors or colleges or churches or parlors, nor even in its newspapers or inventors... but always most in the common people. Their manners speak dress friendship—the freshness and candor of their physiognomy—the picturesque looseness of their carriage... their deathless attachment to freedom—their aversion to anything indecorous or soft or mean—the practical acknowledgement of the citizen of one state by the citizens of all other states—the fierceness of their aroused resentment—their curiosity and welcome of novelty—their self-esteem and wonderful sympathy—their susceptibility to a slight—the air they have of persons who never knew how it felt to stand in the presence of superiors—the fluency of their speech—their delight in music, the sure symptom of manly tenderness and native elegance of soul... their good temper and open-handedness—the terrible significance of their elections—the President's taking off his hat to them, not they to him—these too are unrhymed poetry. It awaits the gigantic and generous treatment worthy of it.

"The largeness of nature of the nation were monstrous without a corresponding largeness and generosity of the spirit of the citizen...

"... the Union always surrounded by blatherers and always calm and impregnable..."

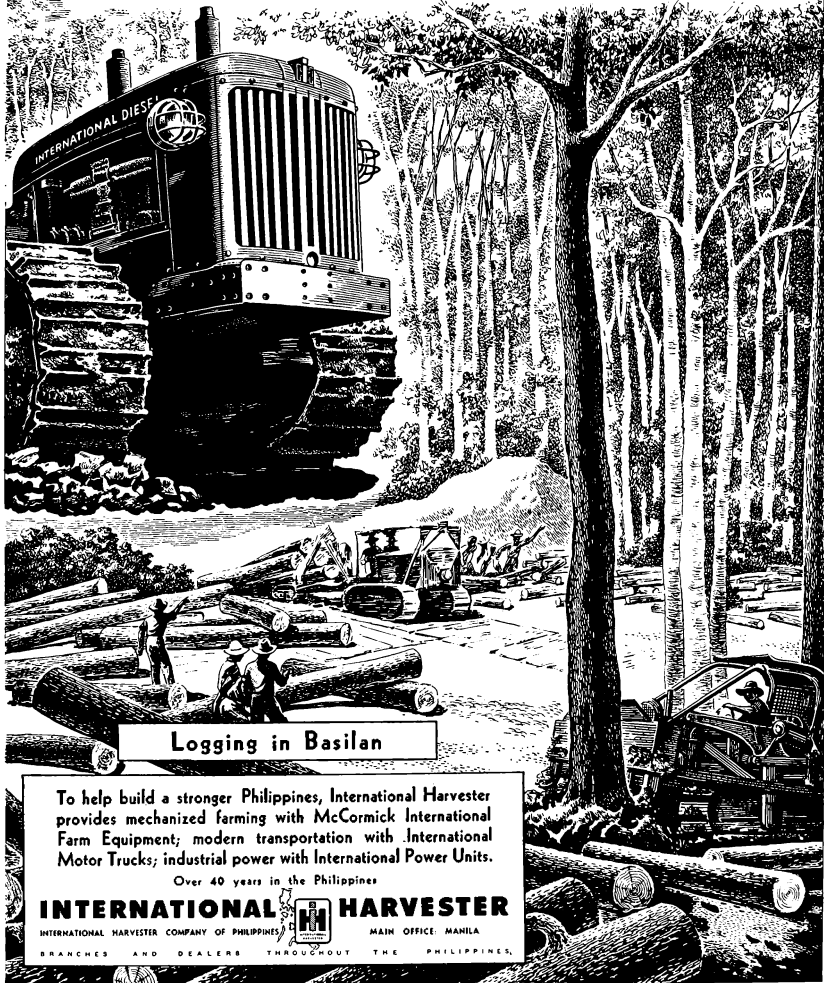
This was published in 1855 and, thank God, is still true in all essentials.

\*After this editorial was in type, the newspapers published a dispatch under date of May 5 stating that Mrs. Toy Len Goon had been named the "American Mother for 1952" in the 18th annual "American Mother" citation awarded by the national jury of the American Mothers Committee.

"... AN American columnist pointed out in June, 1950, that President Truman's decision [with respect to intervention in Korea], taken with the virtually unanimous support of the American people and their representatives in Congress, recalled the words of former Secretary of State Henry L. Stimson following what he called 'the tragedy of timidity' in the Far Eastern crisis of the early thirties [over Manchuria]: 'I broke out and said,' wrote Mr. Stimson, 'that I was living in a world where all my troubles came from the same thing... where we are constantly shut in by the timidity of governments... and I said that the time had come when somebody has got to show some guts.'"—Adlai E. Stevenson, "Korea in Perspective", *Foreign Affairs*, April, 1952.



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BRANCHES AND DEALERS THROUGHOUT THE PHILIPPINES.

# Recommendations of the Monetary Board

## From the 1951 Annual Report, Central Bank of the Philippines

1. IN the Central Bank Annual Report for 1950 it was pointed out that "the stage seems set for the Government in ways consistent with monetary stability to intensify economic development" and "in order . . . to provide against the eventuality of contracting markets more and more attention should be paid to diversification of export production and to the reduction of the import bill by domestic production of commodities which could well be supported by local resources." This recommendation appears to be more apt today than ever before.

a. With regard to exports, the efforts of government agencies concerned and of private organizations to expand the production of export crops such as sugar, abaca, and base metals, as well as the budding export industries such as copal and department-store items that so far figure insignificantly in the export schedule, should be reinforced. Government agencies concerned with the provision of incentives to encourage production of these items should be re-enforced with more staff and equipment in order that they may render more effective and ready assistance to private entrepreneurs. With regard to exports that decline in price as a result mainly of a fundamental change in demand in the consuming countries because of the discovery of substitutes. Further investment in the industry should, therefore, take the form of giving all possible encouragement to the study, exploration, experimentation, and development of ways and means of utilizing the products of the coconut in home consumption and in the development of industrial products such as construction materials, food products, fuel substitutes, etc. The announced program of the Administration to establish a coconut institute should be given impetus. All these things can immediately be done without prejudice to the meanwhile efforts to locate new markets for Philippine export products. The marketing of Philippine export products should be expanded considerably through the marketing of these products especially with countries with which Philippine terms of trade are favorable.

b. The program recently announced to push the production of foodstuffs is most welcome at this time. Here again, as in other agricultural activities, there is a patent need for improvement in the services of the government agencies concerned with the promotion of their production and marketing. Incentives whether they be extended in the form of technical assistance, extension services, standardized marketing, tax exemptions, tariff protection, or other incentives should be organized and correlated in order that they may as a collective whole give the maximum encouragement to production at the least cost. There is need for surveying, studying, correlating, and organizing the whole set of incentives already being offered to encourage agricultural production in order that those which experience has shown to be ineffective may be withdrawn and substituted with new and potent ones.

2. The President, in his message to the Congress on the State of the Nation delivered on January 28, 1952, reviewed the group of measures that the Government is taking in order to ensure greater participation of rural workers in the growing agricultural production. Among these measures is the revision of the Rice Tenancy Law to clarify existing doubts regarding the application of the 70-30 sharing provision, the land distribution and settlement projects sponsored especially in Mindanao, and the Minimum Wage Law. For its part the Central Bank, recognizing that one of the main obstacles to improvement in the productivity of the people in the rural communities is the unavailability at reasonable cost of adequate credit facilities, has undertaken during the year under review the systematic study and formulation of a rural credit proposal embodied in the form of a bill now pending before the Congress of the Philippines. The overriding importance of this project to the Philippine economy need not be stressed. The leaders of the nation were quick to perceive its significance to the solution of this phase of our agrarian problem. It is gratifying that they have uniformly given it their unstinted support. The earlier this bill is approved, the sooner will the Central Bank be able to help in the establishment of the string of institutions contemplated.

3. The need for coordinating development policies—commercial, monetary, fiscal, industrial, agricultural, as well as educational—at top levels and the implementation of these policies by different government agencies is becoming more painfully felt. This need can be effectively satisfied by the National Economic Council provided it is complemented by a planning staff adequately manned and invested with administrative authority to effect coordination in the implementation of plans. This staff could re-examine the development program, defining more clearly the scope and nature of public and private participation in its realization. It could be charged with the responsibility of determining the overall impact of government expenditures as a whole on the various real resources and of coordinating public and private demands on these resources as recommended in the 1950 Annual

Report of this Bank. Such a staff would of necessity have to take care of drawing up an import program geared to certain pre-determined health standards and to the requirements of the economic development program. Inadequacy of sound planning of projects remains an important obstacle to economic development. The limited sources of domestic capital, the uncertainty of foreign investment, the short-supply of some indispensable factors of production, the proper sequence of industrial development, the adoption of correlative commercial, fiscal, and monetary controls, all require full and centralized consideration. No project can be transformed into realization without painstaking and continuous scrutiny as to the most advantageous sources of equipment and raw materials, the availability of necessary technicians, the soundness of the proposed site, the volume and nature of demand for products or services, and other factors. An essential part of sound planning consists in the adoption of a schedule of priorities and the coordination of the time tables of the various projects to insure the smooth flow and economic use of scarce factors of production.

4. In the administration of the foreign exchange made available for imports, first priority should be given to highly essential consumption items and to essential raw materials and capital goods imports. Equally important, however, with an intelligent and flexible administration of the foreign exchange made available for imports, is efficient supervision and regulation of internal distribution, to insure at all times a normal and steady flow of commodities from the farm, the factory, and the importing houses to the market. Organized and systematic study of the distribution system in the Philippines—its characteristics, its costs, its credit requirements and sources of credit, its control, its monopoly features, the proper place of state trading in the whole system of distribution, etc.—should be undertaken immediately in order that appropriate policies to make it more efficient and responsive to the requirements of an economic development period may be intelligently formulated.

5. As recommended in the last Annual Report of this Bank "the method of accounting for government funds might be improved so that a ready classification of expenditures among such categories as economic development, social welfare, defense and internal security, general administration, capital items, etc., which would have a uniform meaning and usage for all agencies and instrumentalities, could be provided."

The recommendation for a re-examination of the tax structure by a Tax Commission to correlate existing taxes with the central objectives of fiscal policy is reiterated. Taxes which retard the growth of private investment in desirable undertakings should be abolished. Streamlining of the tax system would reduce the administrative work not only in collecting taxes but also of those who pay them. There is need, however, for continuing in force those fiscal measures which were instituted primarily to curtail import demand until such time as the Executive Agreement with the United States can be revised.

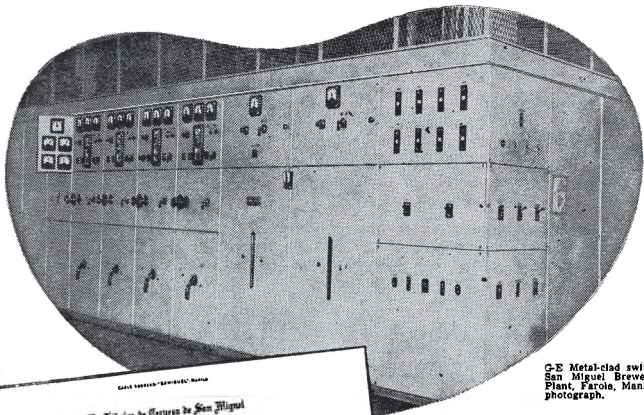
6. The banks should review their lending policies and procedures in order to effect a diversion of loanable funds to the financing of agricultural and industrial development projects in a far greater degree than heretofore. The banks as instruments of monetary policy should strive far more vigorously than they have done heretofore to discourage purely speculative commercial pursuits. This policy might not be in accord with the short-run interests of banks but would certainly result in greater dividends in the long run.

7. Educational institutions and social organizations should strive to encourage greater thrift and saving on the part of the people. Financial institutions, both public and private, especially the Postal Savings Bank, should strive to redouble their efforts in collecting effectively the increased savings.

8. To relieve the country of the difficulties being encountered in its balance-of-payments, and in order that its economic development may not be hampered, the recommendation in the last Annual Report for a revision of the Executive Agreement under the Bell Trade Act is reiterated. It is suggested that there should immediately be created a Tariff Commission charged with the duty of studying tariff rates in the light of existing domestic and international conditions and the implementation of the development program.

"OUR rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property . . . and by observing strict economy . . . Let the Government do this: the People will assuredly do the rest."—*Macaulay*.

# More Power To The Philippines



G-E Metal-clad switchgear at San Miguel Brewery Power Plant, Ferois, Manila. Actual photograph.

La Fabrica de Cerveza de San Miguel  
San Miguel Brewery, Inc.  
Manila, Philippines

March 25, 1969

General Electric (P.I.) Inc.  
130 15th Street, Port Area  
Manila

Attn: Mr. J. E. Schlotman  
Apparatus Department

Gentlemen:

This letter is in answer to your inquiry concerning the performance of the General Electric autotogear at our Ferois Power Plant.

This Power Plant has been in continuous operation since early 1969, with two 1000 KW and two 800 KW G. E. generators, all serviced by above main autotogear.

We are pleased to state that the performance of this autotogear has been entirely satisfactory, maintenance work having been very negligible.

This Power Plant serves our Glass Factory, Carton Plant, Applied Label Division, and Ice Plant, all located at our Ferois Compound.

Very truly yours,  
SAN MIGUEL BREWERY, INC.

*J. E. Schlotman*  
J. E. SCHLOTMAN

Vice President  
Engineering & Construction



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## GENERAL ELECTRIC (P.I.) INC.

PORT AREA

MANILA

# Preliminary Report on the Need for a Revision of the Executive Agreement with the United States

By the National Economic Council

## I.

**Introduction**—The Executive Agreement with the United States was entered into under the terms of the Philippine Trade Act popularly known as the Bell Act, and the Philippine Rehabilitation Act. It provides for free trade with the United States for a period of 8 years (July, 1946, to July, 1954), and gradually increasing tariffs (or declining duty-free quotas in the case of certain specified exports from the Philippines) for the remaining 20 years of the effectivity of the Agreement. On July 5, 1954, a graduated duty of 5% of the basic tariff rate, increasing by an annual average of 3%, will be in effect on all dutiable United States articles entering the Philippines, and on all dutiable Philippine articles entering the United States, with 4 exceptions: coconut oil, cigars, scrap tobacco, and pearl buttons, for which absolute and duty-free quotas are fixed, the duty-free quotas declining by an annual average of 5% during the 20-year period beginning July 5, 1954. The absolute quotas fixed for these articles are as follows:

Coconut oil.....	200,000 long tons
Cigars.....	200,000,000 pieces
Scrap tobacco.....	6,200,000 pounds
Pearl buttons.....	850,000 gross

The above absolute quotas are duty-free up to July 4, 1954. Beginning July 5, 1954, there will be a growing gap between the absolute and the duty-free quotas. During the remaining period of the Agreement, exports of these articles in excess of the duty-free quotas will be subject to the full United States tariffs.

Absolute quotas are also fixed for sugar, cordage, and rice as follows:

Sugar.....	850,000 long tons
Cordage.....	6,000,000 pounds
Rice.....	1,940,000 pounds

All other articles not specified are without quota limitation and are free from ordinary customs duties up to July 4, 1954, but will be subject to graduated tariffs after that date. No quota is fixed on United States articles entering the Philippines during the life of the Agreement. Thus, as far as the tariff provisions are concerned, the Agreement is literally and technically reciprocal; but there is no similar reciprocity with respect to the quantity limitation of exports and imports. Other provisions in which concessions granted are one-sided may be found in the following articles of the Executive Agreement:

Article V (Currency)

Article VI (Immigration)

Article VII (Exploitation of Natural Resources)

## II.

**Arguments for Revision**—The Central Bank in its Second Annual Report made the following recommendations:

(8) Basic to the cause of orientating the economy to a more diversified pattern of production and a more diversified system of trade relations is the revision of the Executive Agreement with the United States. The Central Bank urges that the Government move more expeditiously to bring about a review and reformation of this Agreement in order that it may better fit existing conditions and the objectives of our economic policy. The revision should be along lines that take into account the mutual interests of the two countries, that would enable the Philippine Government to replace the excise tax on sales of foreign exchange as a source of revenue and to continue encouraging the growth and development of promising infant productive activities.

One of the primary weaknesses of the Philippine economy is its lop-sidedness. Ever since the American Occupation, especially from the time the Philippine Tariff Act of 1939 was put into effect, export industries began to dominate the economic life of the country. This condition was the result of free trade relations with the United States. The growth of export industries was not achieved without doing damage to the rest of the economy. While incomes from exports rose at an unprecedented rate, the incomes from other sectors of the economy did not rise as rapidly and tended to decline in relative importance. The free flow of imports from the United States impeded the growth of consumer-goods industries which could not successfully compete with American mass-produced commodities.

When independence was secured in 1946, this trade relation with the United States automatically ceased, and it could have been the long-sought for opportunity for readjusting the economy along a more balanced pattern. Because of the destruction suffered during the war and the state of misery to which the people had been reduced, government leaders felt that it would be inadvisable to sever the free trade relations with the United States immediately. The country needed funds for rehabilitation and for food, shelter, and clothing for its destitute population. The Philippine Rehabilitation Act of 1946, which provided for the payment of war damages, was linked with the Bell Trade Act which defined the trade relations between this country and the United States for a period of 28 years after independence. Under

these circumstances the government leaders felt it necessary to enter into the Executive Agreement which in effect continued with some modifications the prewar free trade arrangements for a period of another 8 years.

The principal purpose of the trade provisions of the Bell Trade Act, particularly those which provide free trade for a period of 8 years from July 4, 1946, was to give an opportunity to the Philippines to rehabilitate its economy which was completely wrecked during the war. This was evident from official statements at the time the Government of the United States was considering the trade relations with the Philippines after the grant of independence.

In a statement issued on May 5, 1945, President Truman said:

"In view of the special relationship between the United States and the Philippines as created by S. J. Resolution 39, I believe that suitable reciprocal trade between the two countries should continue for such time, after independence, as may be agreed upon by the two Governments with a fair opportunity to secure its economic freedom and independence—a permanent blessing for the patriotic people of the Philippines."

In spite of the good intentions behind the Bell Trade Act and the Executive Agreement, the results have been far from satisfactory. The extent of the destruction of our production facilities and the difficulties encountered in carrying out the program of rehabilitation and reconstruction prevented this country from taking full advantage of the tariff concessions given to the export industries. Except for copra, desiccated coconut, lumber, and chromite, production for export after 6 years of the Agreement is still below prewar. Production of cordage while still below prewar as of 1951 already exceeded the United States quota. Yet the existence of such concessions have encouraged more and more investment in export industries to the extent that, as may be seen from the pattern of our economy has begun to assume the unbalanced pattern of the prewar period. The growth of the export industries which was fostered by the Agreement proceeded at a pace which inhibited full utilization of the concessions granted. It should be a matter of serious concern to us that their rehabilitation to prewar capacity will probably coincide precisely with the time when United States tariff duties and declining duty-free quotas begin to apply on Philippine articles entering their country. It should be apparent from these facts that in spite of the technical reciprocity of the free trade provisions of the Executive Agreement, the conditions obtaining during the postwar period were such that the disadvantages of tariff-free imports from the United States far outweighed the benefits derived from tariff-free exports.

The recurring balance-of-payments difficulties during the postwar period can be traced largely to the heavy postwar imports made possible by the free trade arrangement. The Bell Mission recognized this fact when it made the following statement in its report to the United States President:

"It was clearly necessary for the Philippine to have large imports in the early postwar years. That was the only way in which outside resources could make good the deficiency in home production; it was the only way in which reconstruction of the Philippine economy could begin promptly. The large imports by 1947 and even 1948 could properly be regarded as part of the recovery process. The disturbing aspect of the postwar volume of imports, however, is their continuance after 1949 and their persistence to maintain in 1950 and later years. Until fundamental measures are taken to correct the international payments difficulties, expenditures can be kept in balance with receipts of foreign exchange only by reducing sharply the amount of foreign exchange control over other payments abroad. This requires a reduction in payments abroad of about 27% from the 1949 level. In 1951, it may require an even larger reduction, probably on the order of 35% from the 1949 level."

The higher costs and prices prevailing in the Philippines compared to costs and prices in the United States induce heavy imports. The situation is aggravated by the heavy influx into the Philippines of duty-free luxuries and non-essentials which the Philippine Government is unable to discourage because of its inability to impose duty on such articles. Import control measures and the 17% tax on foreign exchange have not proved entirely effective in discouraging such imports.

The continuing balance-of-payments difficulties indicate fundamental maladjustments in the economy. The fact that imports constitute at least 20% of national expenditures; that for the 6 years since the end of the war, exports lagged substantially behind imports; and that the country had to exercise stringent controls in order to conserve its dollar reserves and assure a satisfactory pattern of imports are evidences not merely of inadequate production, but probably with more serious implications in the long run, of the inadequate production of consumer goods, especially those which undergo processing.

The industrialization of a country has never been known to flourish under conditions of free trade. An underdeveloped country has to afford protection to its essential industries if it seriously intends to substitute for the production of export raw materials, the production of processed goods for the home market. The free trade arrangements under the Executive Agreement do not provide the proper climate for such type of development.

The free trade arrangement can also be considered as a major cause for the Government's continued financial difficulties. Before the war, when this country did not have to meet the responsibilities of an independent nation, the need for new sources of revenue was not so pressing. Since war's end, however, and with the assumption of the responsibilities of an independent state, the old sources of revenue have been found inadequate. The Executive Agreement in tying the hands of the Government with respect to the imposition of tariffs on United States products, has removed one major source of revenue which no truly independent state can afford to forego. There is no present estimate available to indicate how much revenue was lost during the 6-year period of the Executive Agreement. It is estimated that the amount of revenues we can expect to derive if we were to decide to curtail the amount of tariff-free imports from the United States. An indication of its lowest limit should be the amount collected from the 17% exchange tax, which since its imposition gave the Government an average income of ₱12,000,000 monthly (exclusive of the tax on remittances and other invisibles). This additional revenue could have saved the Government from operating at a deficit. It would have made it unnecessary to secure various outside loans from the United States and the International Monetary Fund. It is quite probable that the revenues from tariffs will not only be adequate to meet budgetary deficits but may also yield sufficient surplus to finance many of our development projects.

Experience in the past few years indicates the imperative necessity of eliminating the provisions of the Executive Agreement which limit the power of the Philippine Government to control and administer the Philippine currency. The requirement that the Philippine Government should get the consent of the President of the United States before it may change the par value of the peso or restrict transactions in foreign exchange, could be productive of serious consequences to the international position of the Philippine currency. If and when either of these measures has to be taken, there is no assurance that information concerning such a plan would not leak out during the period of consultation with the authorities of the United States Government. Furthermore, on questions of exchange and monetary matters, prompt and decisive action may be necessary; any delay arising from consultation, considering that there is already a similar commitment with the International Monetary Fund, may have serious consequences to the stability of the currency.

The following comments in the report of the United States Economic Survey Mission (Bell Mission) of 1950 on this point is self-explanatory:

"One provision of the present Trade Agreement requires that no change in the par value of the peso shall be made by the Philippine Government without the approval of the President of the United States. Such a provision is not necessary to inform the United States of the intentions of the Philippine Government. The International Monetary Fund, the Philippine Government cannot change the par value of the peso until it has consulted with the Fund, and for any change in excess of 10% of the present par value it must first request the approval of the Fund. The provision for considering any proposal for a change in the par value of the peso by an international organization provides adequate protection for the interests of the United States in the Philippine currency.

"In practice, the present provision does not offer assurance against the imposition of an undesirable exchange policy. The need for exchange control or for a change in the par value of the peso may be required for reasons other than the interest of the United States has no responsibility for the fiscal, credit, and investment policies that may necessitate such action. For this reason, he ought not to be burdened with the responsibility of giving formal approval for exchange control or changes in exchange rates if they should be needed. By the time such approval is requested, the situation has become critical, and it could not be withheld without doing irreparable damage to the country.

The free trade as well as the currency provisions of the Executive Agreement, has made the hard currency movement in other directions. Because of the competitive advantages offered to United States articles, trading with other nations had been discouraged. It is highly probable that the level of prices of this country could be substantially reduced if the products of other nations were given an equal chance to compete with United States products in the Philippine market.

It is thus evident that the tariff concessions for the export industries have been secured at too much sacrifice of the other sectors of the economy. There are internal evidences, likewise, that in many cases, it was not absolutely necessary to secure tariff concessions in order to assure survival of some of the export industries.

Except during the last few months, world demand for copra had been at levels which exceeded prewar. We had a practical monopoly of abaca, which is in a ready market everywhere; and the problem with regard to this industry was to hasten its rehabilitation rather than to secure tariff preferences. Of the major exports, probably only the sugar industry benefited substantially from the free trade arrangements under the Executive Agreement. Even in the case of this industry, it was only during the last two years that production was raised to levels which would require special tariff preferences.

Studies are now being undertaken by the National Economic Council to ascertain the specific needs of every major export industry for tariff concessions in the United States. The results of this study would determine the concessions to be granted to the United States, and correspondingly, the extent of concessions we must be prepared to grant. It may not be amiss to state at this point that a more determined and vigorous industrialization program, especially involving some of the export industries such as the coconut, may minimize the need for tariff concessions, and thus reduce the area of concessions

with respect to tariff-free imports that we may be called upon to give in exchange.

### III.

*Types of Proposed Revision*—There are several schools of thought on the proposed revision. One school stresses the defects of the provisions with regards to exports, and would press for the removal of the quotas and for the continuation of 100% tariff preferences even after 1954. This school is indifferent to the fact that such a concession would mean at least equal if not more concessions with regard to imports. Another school looks only at the harmful effects that the free imports of articles from the United States bring on the economy, and would insist on our sovereignty right to impose full tariffs on American products, regardless of the consequences on the export industries. A third school attempts to reconcile the views of both. It recognizes the need for protecting and encouraging export industries, but at the same time sees the harmful effects of unfettered American exports to this country on our industrial development. The National Economic Council considers the third position as the most reasonable stand on the subject. It feels that the short-run advantages of a free market in the United States cannot compensate for the indefinite continuation of the colonial pattern of our economy. On the other hand, it is not blind to the immediate disastrous effects on the entire economy, if we should neglect to secure some sort of protection for those export industries that so require them.

Because of these considerations, it is felt that a selective free trade covering certain agreed articles only, and perhaps not exceeding an agreed amount would solve the situation both for the short-run and the long-run. This position seems to have the support of various elements in the country.

In 1949 a concurrent resolution was presented in the Philippine Senate, the purpose of which was to secure a revision of the Philippine Trade Act of 1946 (Bell Trade Act) to the effect:

"(1) That the remaining transition period of 25 years prior to the total termination of the trade between the Philippines and the United States, provided in the Trade Agreement, be amended into a period of selective free trade both ways, that is, free trade limited to a few commodities, the total amount of said free trade to be approximately equal in value to the total amount of selective trade.

"(2) That the Philippine commodities in the selective free trade should be limited to those major products which were developed primarily for the United States market under past and present trade arrangements between the Philippines and the United States, and such other products as may be negotiated between the two Governments; while American products in the selective free trade could be made up of products that can not be advantageously produced in this country for local consumption as may also be determined and negotiated between the two Governments."

The Philippine Chamber of Commerce expressed itself in 1949 as favoring a revision of the said Act with a view to securing a selective free trade.

Even in her early days of association with the United States the Philippines had always favored selective free trade. Forty-three years ago, during the debates on the Payne-Aldrich Bill which became the Act of August 5, 1909, and which first established free trade between the United States and the Philippines, the then Philippine Resident Commissioner Benito Legarda said in Congress:

"If instead of the free admission without limitation as to quantity of American products into the Philippine Islands, this bill provided only the free entry there of agricultural machinery and other commodities of prime necessity, such as cotton cloth, and which are needed for the agricultural and industrial development of those islands, or if this bill provided only for such reciprocal exchange of commodities custom-duty free as would balance the limited quantity of American products to be sent from here,—if such were the provisions of this bill, it would be our pleasant duty as representatives of the Philippine people to make manifest to this House their gratitude...."

### IV.

*Proposal for Revision*—It is assumed that negotiations for a revision of the Executive Agreement under the Bell Trade Act will have to be initiated by the Philippine Government, and that, as recommended in the report of the Bell Mission, a joint Philippine-United States Commission would be appointed to study the proposal for such revision. It is, therefore, necessary that the Philippine Government should make a decision, at least in principle, on the proposal which the Philippine members of the Commission would have to present to its American members. For this purpose, it is believed that the following changes in the trade and currency provisions of the Executive Agreement should be considered:

1. In lieu of the provisions in the Executive Agreement which impose gradually increasing rates of duty beginning 1954 on some Philippine articles and gradually declining duty-free quotas on others, provisions for a selective free trade for a limited period and applicable to a few selected commodities should be included in a new Executive Agreement.

The National Economic Council has given considerable thought to the advisability of fixing a limit to the total value or volume of the commodities that would be allowed free entry in each country, and whether it would be desirable to fix the value or volume for each commodity. The advantage of having no fixed quota besides the fact that implementation would be relatively easy, is that this would leave room for indefinite expansion of the export industries included in the free list. However, this condition would imply a reciprocal arrangement

with regard to imports, which would not be to the long-run interest of this country. Even if the import schedule should include only those essential commodities that are not presently produced at home, it might still be possible that (a) these commodities could be bought elsewhere at cheaper prices and (b) at a later date these commodities could be produced in this country. Furthermore this plan would permit excessive importation of some items, thus giving rise to possible balance-of-payment difficulties.

The fixed quota system would require more elaborate machinery for implementation. But it would assure a limit to importation, and thus improve the pattern of our economy, and avoid serious balance-of-payments difficulties.

In view of the foregoing, it is the considered opinion of the National Economic Council that in preparing the export and import schedules, attention should not be placed only on what items should be included, but also on the volume or quantity that would be allowed for each.

It is believed that in preparing the list of United States articles which should be allowed free entry in the Philippines, consideration must be given to the specific needs of the Philippine economy in the light of the development program; also to the fact that in order to develop other foreign markets for its products the Philippines might have to import a portion of the requirements from such market.

The import schedule should consist largely of machinery, equipment, and essential raw materials of industry, and some of the indispensable consumer goods. Consumer goods that are capable of being produced in adequate quantities in this country, as well as non-essential and luxury items should not be included in the import schedule.

On the export side, care should be taken to avoid including articles which are or may later be needed by domestic industries. It might, for this reason, be necessary to fix a limit in the amount of such

articles which would be included in the free list, or the Philippine Government might reserve to the right limit at any time the amount or completely ban the export of such articles. The preparation of the export schedule entails a detailed study of the cost and price structures of the various export industries as well as an analysis of the conditions prevailing in foreign markets. This study is presently being made by the Central Bank.

#### 2. Other provisions which require revision:

- a. The provision which limits the power of the Philippine Government to control and administer the nation's currency;
- b. The prohibition against the imposition of export taxes on articles for export to the United States;
- c. It may be advisable to try to eliminate Article VII (provision for the exploitation of natural resources and to substitute something less damaging to Philippine sovereignty).

While the National Economic Council is still continuing its studies with regards to the details of the proposals outlined in this report, it is recommended that action looking toward the immediate opening of negotiations for the revision of the Executive Agreement with the United States be taken as early as possible. Early revision is made more imperative by the fact that by 1954, when United States tariffs begin to apply on Philippine articles, a return to free trade even on a selective basis may no longer be possible under the terms of the GATT Agreements to which the United States is a party and the Philippines may shortly also become one; for under the GATT Agreements, it appears that a member is prohibited from increasing tariff preferences already granted although she may not be compelled to abolish existing ones. Thus, the moment the 5% of United States ordinary customs duty becomes operative, and assuming that the United States continues to be bound by the GATT Agreements, she can no longer thereafter remove this duty.

## AMERICAN CHAMBER OF COMMERCE OF THE PHILIPPINES

*ESTABLISHED 1920*

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

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

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

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

American business houses and individual Americans, not already members, are cordially invited to join the Chamber and to assist in the promotion of its purposes.

# The Business View

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

## The Government

From Official Sources

**A**PRIL 1 — The Cabinet approves compensating tax exemption on fertilizer importations financed by the U. S. Mutual Security Agency (ECA); some 33,000 tons are expected during the 1951-52 fiscal year, enough for more than 250,000 hectares of rice and corn lands.

April 2 — President Elpidio Quirino issues a proclamation declaring the second week of July of every year as National Safety and Accident Prevention Week.

April 3 — The President receives Dr. Roland B. Renne, Chairman of the MSA, and Jose Yulo, Chairman of the Philippine Council for United States Aid. Dr. Renne reporting on his recent visit to the United States and stating that Washington is favorably impressed with the progress of the development program in the Philippines. They inform him also that the plans for the reclamation of the Candaba Swamps are practically completed. This project, entailing an expenditure of around P30,000,000, will reclaim over 50,000 hectares. United States aid to the Philippines under the MSA program will total around \$47,000,000 during the 1951-52 fiscal year.

Vice-President Fernando Lopez, on behalf of the Philippine Government, and Director-General Norris Dodd of the U.N. Food and Agriculture Organization, at present a visitor in the Philippines, sign an agreement to establish and operate a training center for mechanical logging, Los Baños, Laguna, being the proposed site.

April 4 — The President, on the way to Iloilo aboard the *Apo*, makes a surprise call at Romblon and spends some time at the Romblon marble works of the Cebu Portland Cement Company which has a contract with the U. S. Army for P1,200,000 worth of marble crosses.

Announced at Malacañan that the President has signed House Bill No. 1656, now Republic Act No. 677, granting the Pan Asia Newspaper Alliance a temporary permit to establish a radio receiving station in the Philippines "for the purpose of copying for publication in the public press or newspaper press messages from radio stations exterior to the Philippines."

Reported that the ECA and the Philcusa have approved a project for rice and corn seed improvement, emphasis to be given to such rice varieties as elon-clon, wagwag, Apostol, Quezon, Ehao Shri, Macan tago, and millor, and, for corn, the yellow flint varieties.

April 5 — Iloilo Governor Mariano Pinafiorida, in introducing President Quirino to a large crowd in Iloilo City, states that he "is launching the candidacy of President Quirino for re-election in 1953 . . . because we need him to fortify his economic development program and his defense of Democracy in Asia". The President states that "everything he is doing, such as his pushing of the economic program, is for the benefit of the masses. As to his future, he states this is in the hands of the people. He grants parole to 14 repentant Huks brought before him, this action following an Iloilo court decision sentencing Jose Ma.

Nava, communist leader, to death and several others to long prison terms, for major crimes. In the afternoon the President inaugurates the P2,000,000 cement factory at Guimaras, owned by the Lopez family.

The Department of Foreign Affairs informs the President and Secretary of National Defense Ramon Magsaysay that the U. S. House of Representatives has approved a resolution authorizing the transfer of the U. S. Army Hospital at Fort McKinley to the Philippine Government.

April 7 — The President returns to Manila by air after a 4-day inspection trip to Romblon, Iloilo, and Bacolod.

April 8 — The President, in ceremonies at Malacañan, receives the credentials of Mirza Rashid Ali Baig, first Indian Envoy Extraordinary and Minister Plenipotentiary to the Philippines.

The President issues a statement on the death of Senator Emiliano Tria Tirona, stating "the country mourns the passing of a great man".

In the afternoon the President formally installs Dr. Vidal A. Tan as President of the University of the Philippines on the occasion of the 38th commencement exercises of the institution.

The President names former Secretary of Agriculture Mariano Garচিতorena as member of the Board of Directors of the National Rice and Corn Corporation, vice Jose Soriano, resigned.

April 9 — Ceremonies are held at Bataan, Bataan, in observation of the tenth anniversary of the Fall of Bataan, attended by many high officials, Filipino and American, including Ambassador Raymond A. Spruance. Messages were received from President Truman, Governor Thomas Dewey, and others.

April 11 — The President congratulates the Armed Forces of the Philippines, especially the elements of the 12th Battalion Combat Team, on an extensive action in the Nueva Ecija Sierra Madre, which has resulted in the killing or capture of a number of Huk leaders, including the capture of William Pomeroy, an American communist.

The President, in a conference with Secretary Magsaysay at the Philippine Navy resthouse at Poros, San Fernando, where he is spending Holy Week, approves the transfer to the Armed Forces of the 1000-bed U. S. Army hospital at Fort McKinley which is shortly to be turned over to the Philippine Government.

April 14 — Memorial services for the late President Manuel Roxas are held in the House of Representatives session hall. Mr. Roxas died of a stroke suffered at Clark Field on April 15, 1948.

April 15 — The Council of State creates a 5-man committee to study the proposal of Speaker Eugenio Perez to fuse the various intelligence services of the Government and the Army, such as the NICA, the NBI, and the MIS. The committee is composed of Secretary of Justice Oscar Castelo, Secretary of National Defense Ramon Magsaysay, Representative Ramon Arnaldo, Senator Esteban Abada, and Budget Commissioner Pio Joven. Secretary Magsaysay opposes the fusion of the MIS with other organizations.

April 17 — The President submits to both Houses of Congress the draft of a joint resolution formally terminating, for domestic purposes, the state of war with Germany, as of July 9, 1951, without prejudice to

**T**HE value of the benefits you derive from membership in the American Chamber of Commerce of the Philippines . . .

. . . is not to be gauged merely by . . .

- (a) what you receive regularly from the Chamber by mail,—the *Journal*, the *Bulletins*, and occasional Special Reports,
- (b) what assistance you may receive in special cases from the Chamber staff, or by
- (c) what various "house privileges" exist as in connection with the Library, the Coffee Shop, the Rest Room . . .

. . .but also and principally by . . .

- (d) the constant representation you and your business interests receive through the Chamber in *its direct and usually unpublicized dealings* with the Philippine and American government authorities, departments, bureaus, and offices, as well as with other business organizations, here and abroad.

the conclusion of a formal peace settlement. July 17, 1951, is the date agreed upon by the Allied Powers to initiate collective action in the matter.

Announced that the President has accepted the resignation of Teodoro Evangelista as member of the Board of Regents of the University of the Philippines and of the Board on Textbooks, Mr. Evangelista, a former Secretary of Education, having been elected President of the Far Eastern University.

Following the resignation of Senate President Quintin Paredes, Nacionalista Senator Camilo Osiás is elected President of the Senate by members of the Liberal Party against the opposition of members of his own party, who abstain from voting.

April 18 — President Quirino sends Senate President Osiás a message of congratulation.

April 19 — The Department of Foreign Affairs releases a statement through the Malacañan Office of Public Information that the barter trade agreement between the Philippines and SCAP will be automatically terminated on April 28, when the peace treaty between the Allied Powers and Japan becomes effective. As the Philippine Senate has not ratified the Treaty, the Department has been "exploring the possibility of effecting some sort of agreement to prevent the complete collapse of trade relations with Japan... the outcome of these efforts is uncertain."

The Department of Foreign Affairs announces that former U. S. Ambassador Emmet O'Neal, in a letter to Secretary Joaquin M. Elizalde, has said that the projected construction of a replica of the Statue of Liberty on Corregidor "will be realized sooner than expected".

April 21 — Malacañan announces the release of ₱70,000 from the Public Works Special Budget for the construction of a wharf at Nasugbu, Batangas.

April 22 — The President, in a surprise visit to the Bureau of Posts, personally views the backlog of thousands of bags of mail still unsorted because of the laying off of some 400 employees for lack of funds. Some 15,000 bags have accumulated since April 5 with some 10,000 bags more due during the next few days. Inquiring of one employee what his salary is, he was told, ₱95 a month, and the President then said that by July 1, the minimum ₱120 salary will go into effect. At a Cabinet meeting later he draws on the personnel of other offices for 300 employees to be assigned temporarily to the Post Office.

The Cabinet suspends the ban on the importation of textbooks for elementary and high schools, which was to have gone into effect on June 30, 1953, until June 30, 1954; this on recommendation of Secretary of Education Cecilio Putong who found that printing facilities are inadequate for local publication of such books and that it would take two years to obtain and install the necessary presses and other machines.

April 23 — Former Justice Claro M. Recto, Nacionalista, assumes his place in the Senate, replacing Senator Teodoro de Vera, Liberal recently unseated by the Senate electoral tribunal after a revision of the results of the balloting in several provinces during the 1949 senatorial elections. Senator Recto took his oath of office yesterday before Justice Emilio Feña of the Court of Appeals.

April 23 — Secretary of Foreign Affairs Elizalde, after conferring with the President, instructs Ambassador J. P. Melencio, Chief of the Philippine Mission in Tokyo, by radio-telephone, to endeavor to negotiate a temporary barter agreement with Japan, on the same terms as are now in effect with SCAP, for a period extending to June 30, 1952, to give the Philippine Senate sufficient time to deliberate on the peace treaty and to avoid a sudden disruption of trade; he also instructs the Ambassador to take up the possible extension of the present shipping and aviation arrangements with SCAP. The Secretary issues a statement after appearing before the Senate Committee on Foreign Relations saying in part:

"I repeat that although there are flaws and imperfections in the treaty itself, there are innumerable factors which in my humble opinion make its ratification at an early date imperative. It is my impression that even the senators who have misgivings about this treaty still maintain open minds about it and that they will ultimately make their decision taking into consideration the circumstances and conditions prevailing in this troubled world today."

April 24 — The President receives the preliminary report of the National Economic Council on the proposed revision of the Executive Agreement between the United States and the Philippines under the Bell Trade Act (published elsewhere in this issue of the *Journal*).

The President signs House Bill No. 1457, creating the Bureau of Agricultural Extension, in the presence of Dr. Roland R. Renne of the MSA and Jose Yulo of Philcusa.

The Department of Foreign Affairs announces that the operation of the present barter agreement with SCAP, which would have terminated automatically on April 28, has been extended to June 30, according to word received from the Philippine Mission in Tokyo this morning. The Mission reported that the Philippines as of April 15 had outstanding sales of \$43,000,000 and outstanding purchases of a little more than \$5,000,000 with Japan.

April 25 — The President recommends to Congress an initial appropriation of ₱3,000,000 to provide airports with medical, fire-fighting, crash, and rescue stations to minimize fatalities, with an annual appropriation of ₱300,000 thereafter for the operational expenses.

Malacañan announces the creation by executive order of a 15-man bi-partisan committee to study and to advise the President on the proposed revision of the Executive Agreement entered into under the Bell Act and to be composed of Secretary of Finance Aurelio Montinola as Chairman, and the following members: Secretary of Foreign Affairs Elizalde, Senators Lorenzo Sumulong, Vicente Madrigal, and Francisco Delgado, Representatives Diosdado Macapagal and Daniel Romualdez, Secretary of Commerce Cornelio Balmaceda, Central Bank Governor Miguel Cuadernos, Salvador Aranaeta, Conrado Benitez, Vicente G. Singson, Antonio de las Alas, and Jose P. Marcelo.

The President, traveling in the yacht Apo, visits Calapan, Mindoro Oriental, and proceeds by motor via Naujan and Pola to Pinamalayan, where he and his party reboard the yacht.

The Department of Foreign Affairs announces that the Japanese Government has agreed also to an extension of present arrangements with respect to shipping and civil aviation.

April 26 — The President arrives at Boac, Marinduque, and motors from there to Mogpo and Santa Cruz.

Malacañan announces that the President has authorized the release of ₱3,000,000 from the funds allocated to the Ambuklao hydro-electric project to cover certain supplemental budget items for the Maria Cristina project; the money, for temporary use, will be taken from the ₱42,677,000 still on deposit in the National Treasury which represents a part of the funds allocated for the Ambuklao project out of the ₱200,000,000 advanced to the Government by the Central Bank.

Secretary Elizalde gives a cocktail party in honor of 5 members of the United States Inspection Commission on a mission of inspection to check guard facilities in the Far East; they are Representatives J. V. Gary, G. Canfield, O. E. Passman, A. D. Siemsen, and E. Wilson.

Secretary Elizalde presides over a meeting of the 4th of July National Anniversary Committee; a sub-committee on finance has been created to solicit contributions for the completion of the two wings of the Luneta grandstand, the chairman being Secretary Montinola.

April 27 — The President visits Gasan, Marinduque, and then returns to Boac, from where he and his party reboard the Apo and proceed to San Jose, Mindoro. He states at a rally there: "I do not have to run for reelection. All I desire now is to run the Government properly, to carry out our program of total economic mobilization aimed at raising the living standard of the masses of our people."

April 28 — The President visits Mamburao and Paluan, Mindoro, and on his way back to Manila tells the pressman accompanying him that he will speed the release of land in the province for settlement and also take up the need of ending the plague of rats presently destroying the crops there.

April 29 — The President, speaking at the inauguration of the ₱6,000,000 steel smelting and rolling plant of the Marcelo Steel Corporation at Punta, Santa Ana, Manila, praises the spirit of Mr. and Mrs. Jose P. Marcelo and appeals to the rich to invest their wealth in the industrial development of the country, criticizing the old mental attitude of the overly cautious whom he calls the *seguristas*.

## PHILIPPINE FOREIGN TRADE, BY PORTS: 1950 AND 1951.

Bureau of the Census and Statistics  
(Value in Pesos)

Ports	Total Trade		Imports		Exports		Domestic Exports		Re-Exports	
	1951	1950	1951	1950	1951	1950	1951	1950	1951	1950
Total.....	1,790,516,663	1,377,763,798	959,032,606	712,359,034	831,484,057	665,404,764	826,057,213	656,616,070	5,426,844	8,587,894
Manila.....	1,140,775,123	810,622,600	855,523,810	618,926,367	275,251,313	191,696,218	271,848,083	184,341,392	3,403,230	7,354,826
Cebu.....	240,245,722	248,541,217	59,984,490	60,704,524	180,261,282	187,835,693	178,318,403	186,799,578	1,942,879	1,037,115
Iloilo.....	56,991,142	113,591,332	21,055,200	29,276,378	131,812,824	121,808,664	88,905,861	88,306,881	792	9,071
Tabaco.....	71,659,622	37,419,630	803,052	11,376	70,856,570	37,399,264	70,851,470	37,399,244	5,100	—
Davao.....	54,086,043	52,675,018	1,620,248	1,526,586	52,465,795	51,148,432	52,437,527	51,148,432	28,268	—
Caraga de Oro.....	36,380,293	1,783,906	1,654,380	1,651,053	47,099,639	10,132,854	47,099,639	10,132,854	—	—
Zamboanga.....	36,380,293	27,864,453	819,382	877,966	35,560,821	26,986,487	35,560,821	26,984,722	—	1,765
San Fernando.....	32,112,751	18,667,334	5,380,718	3,481,520	26,732,033	15,385,814	26,732,033	15,385,997	—	181,817
Iolo.....	6,599,116	6,765,615	—	50,004	6,599,116	6,765,615	6,599,116	6,765,615	—	3,800
Tacloban.....	3,925,313	36,050,712	—	52,222	3,925,313	35,998,490	3,925,313	35,998,490	45,575	—
Jose Panganiban.....	955,409	13,790,993	—	124	955,409	13,790,869	955,409	13,790,869	—	—



Some 500 labor representatives representing around 1000 labor unions throughout the country, call on the President accompanied by Secretary of Labor Jose Figueras and express their support of his administration.

April 30 — The President authorizes the release of ₱1,177,600 to the National Shipyards and Steel Corporation, this amount being the balance of the original ₱15,000,000 allocation; the NASSCO's drydock and shop facilities are due for inauguration early next year.

Malacañan announces the award of the Philippine Legion of Honor decoration to 8 members of the JUSMAG Airborne Instruction team "for meritorious and outstanding services" in the organization and training of the 1st airborne battalion of the Armed Forces of the Philippines.

Senator Eulogio Rodriguez, Nacionalista Party President, is elected President of the Senate by a vote of 13 to 10, Senate President Camilo Osiang and Senator Felisberto Verano both voting with the Nacionalistas. President Quirino sends his congratulations to Rodriguez, stating, in part, "I can not but see in your choice the fruition of our previous understanding that in foreign affairs and economic development, your Party and mine will approach our common problems in a bi-partisan spirit. With your leadership our country and people can not expect less. For my part and that of my Party, I tender my share in the responsibility."

The Department of Foreign Affairs announces that the United Nations Children Emergency Fund (UNICEF) has approved an allocation of ₱874,000 for the Philippines for equipping maternal and child welfare centers, providing milk and drugs and diet supplements, and expanding the yaws control program.

## Banking and Finance

By G. R. HUTCHISON  
 Manager, Port Area Branch  
 National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

ASSETS	As of	As of	As of	As of
	Dec. 31 1949	Dec. 28 1951	Dec. 29 1952	March 31 1952
	(In thousand of pesos)			
International Reserve.....	₱460,689	₱492,456	₱480,482	₱486,844
Contribution to International Monetary Fund.....	30,000	30,000	30,000	30,000
Allocation to Secure Coinage.....	113,306	107,570	107,570	107,570
Loans and Advances.....	77,047	42,323	55,433	41,473
Domestic Securities.....	92,197	241,700	240,586	239,681
Trust Account—Securities Stabilization Fund.....	—	6,848	12,233	12,234
Other Assets.....	20,390	33,063	29,548	28,502
	<u>₱793,629</u>	<u>₱953,960</u>	<u>₱955,852</u>	<u>₱946,304</u>
<b>LIABILITIES</b>				
Currency—Notes.....	₱555,576	₱592,127	₱573,332	₱568,727
Coins.....	74,384	93,128	92,775	92,648
Demand Deposits—Pesos	117,682	226,463	247,173	243,327
Securities Stabilization Fund.....	2,000	6,848	12,233	12,234
Due to International Monetary Fund.....	22,498	496	496	496
Due to International Bank for Reconstruction and Development.....	2,389	2,383	2,383	2,383
Other Liabilities.....	2,636	5,055	8,237	5,900
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	13,771	2,088	3,457
Surplus.....	—	3,689	7,132	7,132
	<u>₱793,629</u>	<u>₱953,960</u>	<u>₱955,852</u>	<u>₱946,304</u>

THE downward trend in the Central Bank's international reserve since August, 1951, appears to have been reversed in March of this year by an increase of ₱6,362,000 over the previous month-end balance. This upward movement may be only temporary, owing to greatly reduced prices now ruling on copra and abaca, main export products from this country, despite expected lower imports for the first half of 1952, based largely on the amount of foreign exchange allocated to the Import Control Commission. Reports indicate that exchange allocated to the ICC by the Central Bank for the first semester of 1952 amounted to \$190,000,000. It is to be noted that imports for the corresponding period of 1951 totalled \$205,

000,000 and for the second half of the same year, \$274,500,000.

Loans and advances last March decreased by ₱13,960,000 as compared with the February figure. Currency in circulation continued to decline with ₱661,375,000 outstanding at the end of the month, as compared with ₱666,107,000 on February 29.

Tight money persists and since April 1 a number of local banks have increased loan interest rates 1/2 of 1%. While collection experience continues to be generally satisfactory, some extensions are being requested, particularly by hardware and textile merchants, who are reported to be overstocked.

Figures released by the Economic Research Department of the Central Bank show that there was an unfavorable balance of trade ₱59,550,000 during the first quarter of this year. Imports totalled ₱232,600,000 against exports of ₱173,050,000. Compared with the corresponding period in 1951, import arrivals in 1952 were greater by ₱51,400,000 or 22%, while exports were smaller by ₱74,500,000 or 30.1%.

## Manila Stock Market

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

March 22 to April 18

THE deflationary tone of general business conditions spread to the securities market during the past month, and, apart from one or two issues, values have given way all along the line. As compared with recent months, trading activity has been very limited, due, principally, to buyers tendency to retreat as prices were marked down.

Negative factors appear to be in the ascendancy over the near future. The normal effect of Central Bank monetary policy, initiated some time ago with the object of tightening credit in order to remove one source of inflationary pressure, is being accentuated by a decline in export-income resulting from present world-market conditions. Another restraining element is the early approach of the heavy tax-paying season.

In line with general conditions, the price of gold in the free market has eased further to around ₱107.50 per fine ounce.

Commercial and Industrial securities have ruled quiet and easier.

### MINING SHARES

1951-52	Range	Low	M.S.E.	High	Low	Close	Change	Total Sales
131.53	88.11	Average	124.77	112.30	112.30	Off	12.73	6,474,608
0.37	0.16	Acme Mining Company	.275	.23	.23	Off	.045	198,000
0.0925	0.028	Autamok Goldfields	.04	.038	.038	Off	.01	125,841
7.80	4.20	Atok Elvada Mining Company	5.10	4.60	5.00	Off	.20	25,964
0.14	0.08	Bagnio Gold Mining Company	.1225	.115	.115	Off	.01	130,500
2.80	2.00	Balatox Mining Company	2.50	2.00	2.50	Up	.50	965
0.0036	.002	Batong Baitay Gold Mines	.0025	.002	.0022	Off	.0003	1,680,000
5.30	3.90	Benquet Consolidated	4.40	4.00	4.40	Up	.20	3,160
0.10	0.028	Coco Grove, Inc.	.039	.039	.039	Off	.019	360,500
0.40	0.011	Consolidated Mines, Inc.	.038	.033	.034	Off	.004	2,297,000
0.28	0.16	Hixbar Gold Mining Company	.235	.215	.23	Up	.015	136,000
0.17	0.075	Itoyon Mining Company	.10	.10	.10	Off	.01	20,000
0.06	0.01	I.X.L. Mining Company	.045	.04	.045	Off	.003	56,688
0.96	0.59	Lepanto Consolidated	.92	.80	.80	Off	.11	360,500
0.05	0.024	Masbate Consolidated	.032	.03	.03	Off	.004	130,000
0.43	0.22	Mindanao Mother Lode	.24	.22	.22	Off	.02	207,000
0.1275	0.06	Paracale Gemaus Consolidated	.1275	.1275	.1275	—	—	5,000
308.00	50.00	Philippine Iron Mines, Inc.	300.00	280.00	282.00	Off	18.00	185
0.32	0.17	San Mauricio Mining Co.	.26	.26	.26	—	—	414,500
0.365	0.22	Surigao Consolidated	.22	.195	.22	Off	.005	265,000
0.025	0.01	Suyoc Consolidated	.011	.01	.01	Off	.0005	265,000
0.13	0.05	United Paracale Mining Co.	.11	.10	.11	Up	.0075	75,000

\*—Ex-Dividend

COMMERCIAL SHARES

1951-52 Range	High	Low	High	Low	Close	Change	Total Sales
143.00	105.00		130.00	128.00	128.00	Off 2.00	92
15.00	15.00						
100.00	75.00				20.00a		
171.00	135.00				75.00b		
111.00	100.00						37
50.00	30.00		105.00	105.00	105.00		
325.00	320.00						
27.50	25.00				41.00a		
0.36	0.27		25.00	25.00	25.00		50
5.50	3.20				.30a		
0.18	0.12		3.20	3.20	3.20	Off 1.70	1,000
0.12	0.085				.20a		
0.12	0.085				.11a		
105.50	100.00		100.00	100.00	100.00		T 240
0.75	0.50				150.00b		
23.00	20.50				.50a		
7.50	7.00				24.00a		
27.50	27.50				6.00b		
0.0925	0.012		27.50	27.50	27.50		60
43.00	26.50		.065	.05	.65 Up	.015	149,100
100.00	93.00		40.50	38.50	39.50		14,090
108.00	102.00		97.00	93.00	93.00	Off 1.25	2,646
16.00	13.50		103.00	102.00	102.00	Off 3.00	70
7.00	6.50				13.00b		
					6.00b		

\*-Ex-Dividend  
T-Bond sales reported in units of P100

OVER-THE-COUNTER

Company	High	Low	Close	Total Sales
Anakan Lumber Company	P10.00	P10.00	P10.00	12
Cia. Tabacalera, 6% Bond due 1962	98.00	98.00	98.00	5,000
Demonstration Gold Mines	.021	.02	.021	45,000
Eastern Development	90.05	90.05	90.05	170,000
Hawaiian-Philippine Co.	10.00	10.00	10.00	90
Jai Alai Corp. of the Philippines	9.00	9.00	9.00	192
Kabankalan Sugar	190.00	190.00	190.00	11
Philippine American Drug Co.	140.00	130.00	130.00	106
Peoples Bank & Trust Co.	100.00	100.00	100.00	10
Williams Equipment	175.00	175.00	175.00	48

Credit

By C. W. MULLENBURG

Manager, Credit & Collection Department  
International Harvester Company of Philippines

THE Association of Credit Men, Inc. (P.I.) held its annual general meeting on April 15. H. E. Richmiller, of Colgate Palmolive Philippines Inc., outgoing President, made a full report to the membership on activities of the year, commenting especially on the *Credit Manual*, the operation of the Ledger Interchange Bureau through which members process account names to obtain ledger and credit information, and other services and activities of the Association during the year.

With a quorum of the 73 active members present, a Board of seven directors was elected. Immediately following the annual meeting the new Board held an organizational meeting with the election of C. W. Mullenburg, of International Harvester Company of Philippines, as President, J. E. Reid, of Goodyear Tire & Rubber Company of the Philippines, Ltd., Vice-President, and A. Roxas, of the National City Bank of New York, Secretary-Treasurer. Other members of the Board are A. O. Bayot, of the Shell Company of the Philippine Islands, Ltd., R. A. Callahan, Philippine Refining Company, Inc., W. J. Nichols, General Electric (P.I.) Inc., and H. E. Richmiller, Colgate Palmolive Philippines Inc.

THE *Credit Manual of Philippine Commercial Laws and Practices*, written and edited by the Association of Credit Men, Inc. (P.I.), with legal assistance of Gibbs and Chuidian, attorneys-at-law, is now off the press.

The work on this *Manual* started May 23, 1950. It has been a big project and numerous members of the Association have devoted considerable time and effort to its preparation. The guide has been prepared for the exclusive use of active members of the Association, remains the property of the Association, and is being delivered to active members upon a signed-receipt basis, receipts and *Manuals* being numbered. Each member of the Association receives at no charge a copy with leather binder. \*Members may obtain extra copies without binders at actual printing cost. The *Manual* is so arranged as to allow continuing revisions and a committee is to be appointed to see to it that all members receive current advice of changes. The distribution of this *Credit Manual* is considered by the Association as a very important event and it is with considerable pride that the *Manual* is being issued to members. The Association, however, feels the importance of considering this matter as a growing and continuing undertaking and while the biggest work has now been completed, further work must be done in the future.

As at March 31, 1951, the Association consolidated another quarterly resumé on terms, balances, had-beb losses, and other information, based upon data supplied by member firms. The majority of firms continue to report 30 days as standard terms. Of balances in trade accounts receivable as of March 31, 1951, 72.73% were current in standard term accounts, 12.82% past due 1 month, 5.87% past due 2 months, 3.22% past due 3 months, 1.58% past due from 4 to 6 months, and 3.78% past due more than 6 months. Of balances in trade accounts receivable on installment basis, 79.2% were current, 4.24% past due 1 month, 8.32% past due 2 months, 4.86% past due 3 months, 1.6% past due from 4 to 6 months and 1.78% past due for more than 6 months. The resumé showed total sales in 1951 were made up of 77.35% on standard credit terms, 18.29% for cash, and 4.36% on installment terms. During the first quarter of 1952, there was virtually no change in the percentages of most members of their cash and installment sales. Some firms have slightly increased the percentage of sales on a cash basis. General impression is that cash is tight and money increasingly short.

DUNCAN BURN\*

Manager, Association of Credit Men, Inc. (P.I.)

\*Mr. C. W. Mullenburg, editor of this column, who was elected President of the Association of Credit Men, Inc. (P.I.), at the annual general meeting held last month, telephoned the editor to say that for this month, Mr. Duncan Burn, Manager of the Association, had consented to write the column. Mr. Mullenburg will write the article for the next issue of the *Journal*, as usual.

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Treasurer, Manila Electric Company

1941 Average—16,316,000 KWH

	Kilowatt	Hours
	1952	1951
January	45,152,000	40,713,000
February	42,450,000	37,066,000
March	45,128,000*	40,117,000
April	42,820,000**	39,197,000
May		40,405,000
June		40,712,000
July		42,041,000
August		42,817,000
September		41,852,000
October		44,017,000

November.....	42,628,000
December.....	45,655,000
Total.....	497,211,000

\*Revised.  
\*\*Partially estimated.

APRIL output was 3,623,000 kwh's, or 9.2% above April, 1951. The substantial decrease from last month is due to one less day and the Easter Holidays. A steady increase in industrial use is being experienced.

## 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 April, 1952, numbered 561, with a total value of ₱5,058,052, as compared with 658, with a total value of ₱7,360,485, registered during the preceding month of March.

Of the April sales, 143, with a total value of ₱2,216,532, represented deals within Manila proper, while 418, with a total value of ₱2,841,520, were sales within the cities of Quezon and Pasay, and in the suburban towns of Caloocan, Makati, Malabon, Mandaluyong, Parañaque, and San Juan.

Among bigger sales registered during the month were:

A property with a lot of 2,867.6 square meters on Taft Avenue, Malate, sold by Jose Vidal to the Holy See for ₱250,000;

A property with a lot of 11,262.7 square meters at Magdalena Street, corner Mayhaligue Ext., Tondo, sold by Canuto Martin to the Chinese Christian Gospel for ₱248,000;

A property with a lot of 21,645 square meters at the north end of Peñafrancia Street, Paco, sold by Manila Gas Corporation to the Philippine Industrial Development Company for ₱195,000;

A property with a lot of 416.7 square meters on Echague Street, Sta. Cruz, sold by Basilio Lirang to Jose Chan for ₱170,000;

A property with a lot of 10,000 square meters in Makati sold by Ayala Securities Corporation to E. R. Squibb & Sons for ₱160,000; and

A property with a lot of 10,000 square meters on Aurora Boulevard, Quezon City, sold by J. M. Tuason & Co., Inc. to Instituto de Mujeres, Inc. for ₱100,000.

REAL ESTATE MORTGAGES registered in the Greater Manila area during the month numbered 459, with a total value of ₱12,603,056, as compared with 462, with a total value of ₱8,571,829, registered during the month of March.

Of the April total, 182, with a total value of ₱7,041,757, were deals within Manila proper, and 277, with a total value of ₱5,561,299, represented deals within the cities of Quezon and Pasay and in the suburban towns mentioned above.

### REAL ESTATE SALES, 1952

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January.....	₱6,085,610	₱1,592,939	₱197,596	₱1,285,689	₱9,161,834
February.....	2,629,939	1,052,519	274,017	2,066,314	6,022,789
March.....	3,757,283	1,809,583	366,011	1,427,608	7,360,485
April.....	2,216,532	1,249,898	352,130	1,239,492	5,058,052

### REAL ESTATE MORTGAGES, 1952

January.....	₱6,184,617	₱2,445,805	₱265,740	₱3,933,904	₱14,630,066
February.....	2,938,398	1,424,431	441,044	2,656,070	7,459,943
March.....	4,543,653	1,607,573	548,067	1,872,536	8,571,829
April.....	7,041,757	1,989,774	676,481	2,895,044	12,603,056

## Building Construction

By JUAN J. CARLOS

President, United Construction Co., Inc.  
President, Philippine Contractors' Association

DURING the month of March, the Office of the City Engineer approved building permits for construction work amounting to ₱3,465,780. For the same period

last year, the volume of work authorized amounted to ₱6,487,320, in comparison with ₱6,544,490 in 1950 and ₱6,141,230 in 1949. Among the big projects that were started during the month under review were:

A new 3-story reinforced-concrete building for the San Beda College on Mendile Street, estimated at ₱20,000.

Rehabilitation and reconstruction of the 3-story Gonzaga apartment building, at 520 San Luis, Ermita, costing ₱200,000.

A 3-story addition to the Salustiano De Building on Cordora Street, Binondo, estimated at ₱100,000.

A commercial building for Justice Sabino Padilla on Estero Cegado, costing ₱95,000.

On M. H. del Pilar Street, a 3-story apartment building for Antonio Syyp, estimated at ₱75,000.

The sharp decline in the volume of work can be attributed to the very tight money situation now prevailing in the country and to the limited amounts of the loans which the local banks are extending for construction purposes.

The supply of cement continued to be scarce and some active construction projects have had to be stopped for lack of this essential item. To remedy the situation, the PRISCO has placed an order for Japanese cement which is expected to arrive next month. The imported cement will be sold, according to announcement, at ₱4.30 a bag against the selling price of ₱3.20 of the Cebu Portland Cement Company.

## Port of Manila

By M. C. CORNELIO

Vice-President, Luzon Brokerage Company

WITHOUT complete statistics at hand, the writer estimates that the import business is showing a slight increase, especially in building materials, textiles, and foodstuffs. The importation of second-hand cars has been noticeably slow, but notwithstanding the stringent import controls, 1952 cars of different brands continued to come in steadily.

Cargoes not covered by proper licenses are being delivered to bonded warehouses, release depending upon approval of the licenses. This concerns mostly textiles and foodstuffs.

Exportation has risen to about 25% above that of the previous month.

The Mutual Security Administration brought in last month a lesser tonnage of fertilizers than in preceding months. However, larger shipments are expected to arrive during the early part of June.

Conspicuously to be noted is the improved handling of cargoes on the different piers, those in the North Harbor included.

## Ocean Shipping and Exports

By B. B. TUNOLD

Secretary-Manager  
Associated Steamship Lines

TOTAL exports for the month of March of this year, showed an increase of 60% over exports during March of last year. 124 vessels lifted 432,754 tons of exports during the month, as compared to 262,778 tons lifted by 95 vessels during the same month last year.

Commodities which have registered a sharp increase over last year's figures for the same month are: lumber from 3,986,920 to 7,094,198 bd. ft.; molasses from 9,370 to 26,121 tons; iron ores from 61,427 to 136,691 tons; sugar, cent./raw, from 47,622 to 97,189 tons; sugar, muscovado,

from nil to 1,485 tons; and tobacco from 539 to 1,472 tons.

Exports during March, 1952, as compared with exports during March, 1951, were as follows:

Commodity	1952	1951
Alcohol.....	94 tons	215 tons
Beer.....	162 "	75 "
Cigars and cigarettes.....	10 "	16 "
Coconut, desiccated.....	4,557 "	5,894 "
Coconut oil.....	7,036 "	5,243 "
Concentrates, gold.....	607 "	118 "
Copra.....	43,905 "	42,104 "
Copra cake and meal.....	6,152 "	5,425 "
Embroideries.....	244 "	190 "
Empty cylinders.....	555 "	552 "
Fish, salted.....	13 "	—
Foodstuffs.....	11 "	—
Fruit, fresh.....	65 "	354 "
Furniture, rattan.....	1,169 "	826 "
Glycerine.....	317 "	168 "
Gums, copal.....	13 "	109 "
Hemp.....	100,451 bales	106,277 bales
Household goods and personal effects.....	260 tons	366 tons
Junk, metal.....	2,487 "	9,902 "
Logs.....	14,369,429 bd. ft.	12,102,779 bd. ft.
Lumber, sawn.....	7,094,198 "	3,986,920 "
Molasses.....	26,121 tons	9,370 tons
Ores, chrome.....	36,900 "	21,503 "
Ores, lead.....	179 "	—
Ores, iron.....	136,691 "	61,427 "
Ores, manganese.....	4,534 "	—
Pineapples, canned.....	1,657 "	5,676 "
Rattan, round (palasan).....	59 "	437 "
Rope.....	422 "	698 "
Rubber.....	301 "	63 "
Shell, shell waste.....	71 "	60 "
Skins, hides.....	63 "	170 "
Sugar, cent./raw.....	97,189 "	47,622 "
Sugar, muscovado.....	1,485 "	—
Tobacco.....	1,472 "	539 "
Vegetable oil.....	28 "	34 "
Transit cargo.....	150 "	472 "
Merchandise, general.....	475 "	2,710 "

## Lumber

By PACIFICO DE OCAMPO  
Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

THE total export of Philippine logs and lumber during the month under review, March, 1952, amounting to 23,906,521 bd. ft., exhibited the considerable increase of 10,568,101 bd. ft. over the export of 13,328,420 bd. ft. during the preceding month, but was still 745,657 bd. ft. below the export during the same month a year ago. This stiff rise in the overall export of logs and lumber resulted from a greatly improved Japanese demand for logs during March, totalling 16,391,030 bd. ft., as compared to 7,113,225 bd. ft. during the previous month, or an increase of 9,777,805 bd. ft.

On the other hand, while export of logs and lumber to all other countries likewise increased by 1,439,281 bd. ft.—from 1,913,100 bd. ft. during February to 3,352,381 bd. ft. during March, 1952—that to the United States and Canada decreased by 648,985 bd. ft.—from 4,312,095 bd. ft. in February to only 3,663,110 bd. ft. in March, 1952. This decline in the United States market is partly due to various cancellations of pending orders by American importers brought about by the further increase in freight rates of \$2 per thousand bd. ft. to all coasts beginning February 1, 1952. This situation has placed Philippine woods on a non-competitive basis with other species in the United States market coming from other regions of the world. It will be recalled that, effective April 22, 1951, the original rate was increased by \$7 per thousand bd. ft. and this, followed by the recent increase of \$2 per thousand bd. ft. on February 1, 1952, makes an overall increase of \$9 within less than a year's time.

HEREUNDER are the figures for the Philippine logs and lumber inspected for export during March, 1952, as released by the Bureau of Forestry:

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Shippers	Destination	Lumber	Logs		
Agusan Timber Corporation	Japan		299,999		
Anakan Lumber Company	U. S. A.	208,117	3,398,550		
Basilar	Japan		374,999		
Lumber Company	U. S. A.	511,190	1,648,775		
Bessire Housing Corporation	Hongkong	154,064			
Bislig Bay	Guam, M. I.	65,586			
Lumber Co., Inc.	Japan		935,889		
Buena, Valeriano C.	U. S. A.	279,346			
Butuan Sawmill, Inc.	U. S. A.		68,127		
Cipriano Luna Enterprise	Japan		500,454		
Dahican Lumber Company	U. S. A.	800,000	1,958,233		
Dee Cho Lumber Company	Guam	4,569	226,057		
General Enterprise, Inc.	Japan		499,988		
Getz Bros. & Company	South Africa	48,382			
Gulf Lumber Company, Inc.	Hongkong	296,694			
G. S. Mañalac Enterprise	Japan		995,274		
Insular Lumber Company	South Africa	1,096,138	1,240,030		
Macaibay, Jose T.	U. S. A.	605,949			
Misamis Lumber Co., Inc.	Hawaii	179,357			
Nasipit Lumber Company, Inc.	U. S. A.		126,201		
North Camarines Lumber Co., Inc.	Japan		1,050,000		
North Star Lumber Company	Japan		1,285,076		
Ortante Sawmill	Hongkong	24,000			
Pan Asiatic Co., Inc.	Japan		500,032		
Schnabel & Cuerva	Guam		2,608		
Sison, Ed. M.	Guam		14,000		
Sta. Clara Lumber Company, Inc.	Japan				1,121,023
Tagtag Sawmill Co., Inc.	Hawaii			64,427	
Valderrama Lumber Mfrs. Co.	U. S. A.			73,178	
Western Mindanao Lumber Co., Inc.	Japan				360,024
Woodcraft Works, Ltd.	South Africa			257,816	
Woodworks, Incorporated	South Africa			36,496	
Zuellig & Company, Inc.	Hongkong			345,348	
	U. S. A.			79,370	
	Germany				462,900
TOTALS		5,757,207	18,149,314		

RESUMÉ of Exports to:			
	Lumber (Bd. ft.)	Logs (Bd. ft.)	Total (Bd. ft.)
Japan	—	16,891,030	16,891,030
United States	2,867,726	795,384	3,663,110
Other Countries	2,889,481	462,900	3,352,381
Totals	5,757,207	18,149,314	23,906,521

Trend of Exports to:							
	This Month		Month Ago		Year Ago		
	Lumber (Bd. ft.)	Logs (Bd. ft.)	Lumber (Bd. ft.)	Logs (Bd. ft.)	Lumber (Bd. ft.)	Logs (Bd. ft.)	
Japan	—	16,891,030	450	7,112,775	—	12,887,266	
U.S. & Canada	2,867,726	795,384	3,136,751	1,175,344	3,855,259	4,114,891	
Other countries	2,889,481	462,900	1,745,031	188,069	2,789,049	1,505,713	
Totals	5,757,207	18,149,314	4,882,232	8,456,188	6,144,308	18,507,870	

COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF FEBRUARY AND MARCH, 1952

Period	Lumber in Board Feet				Logs in Board Feet				Grand Total	
	Western States	Eastern States	Gulf States	All Others	Western States	Eastern States	Gulf States	All Others		
February, 1952	2,284,484	627,516	15,297	201,885	3,129,588	989,837	185,517	—	1,175,344	4,304,927
March, 1952	2,527,009	258,363	—	82,354	2,867,726	501,057	294,327	—	795,384	3,663,110
Difference (Increase—Decrease—)	242,125+	369,153—	15,297—	119,532—	261,857—	488,770—	108,810+	—	379,960—	641,817—

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**SUMMARY OF EXPORTS DURING MARCH, 1952, ARRANGED BY COUNTRIES OF DESTINATION IN THE ORDER OF VOLUME OF SHIPMENT TO EACH COUNTRY**

Countries of Destination	Lumber (Bd. ft.)	Logs (Bd. ft.)	Total (Bd. ft.)
Japan	—	16,891,030	16,891,030
United States	2,867,726	795,384	3,663,110
South Africa	1,438,832	—	1,438,832
Hongkong	1,120,102	—	1,120,102
Germany	—	462,900	462,900
Hawaii	243,784	—	243,784
Guam	86,763	—	86,763
Total	5,757,207	18,149,314	23,906,521

**A**RRIVALS of logs and lumber in Manila during the month under review amounted to 14,000,000 bd. ft., an increase of over 2,000,000 bd. ft. as compared to something over 11,000,000 bd. ft. which arrived during February.

The local wholesale lumber market, which lapsed into an easy undertone at the end of February, with prices closing at P140-P150 for white lauan, P155-P160 for apitong, and P180-P190 for red lauan, turned weak during the opening week of March, when the arrival of the first shipments of the 14,000,000 bd. ft. of logs and lumber saturated the local market. Sustained arrivals of logs and lumber in big quantities kept prices receding throughout the month of March.

Opening, thus, at P140-P145 per 1000 bd. ft. for white lauan, P150-P155 for apitong, and P175-P185 for red lauan, these prices gradually receded week by week and closed at P130-P135, P140-P147 and P165-P170, respectively, during the last week of March ending on the 29th.

## Mining

By NESTORIO N. LIM

*Mining Engineer, Secretary-Treasurer  
Chamber of Mines of the Philippines*

**A**TENTION has been called by some members of the Chamber of Mines of the Philippines to the fact that the mining industry is facing the risk of closing down the majority of its base-metals operations if the Barter Trade Agreement between Japan and the Philippines is not renewed or extended after April 28, 1952, the termination of its effectivity.

The Philippines is dependent on the Japanese market for the sale of all its iron ore, about 70% of its manganese, and some of its chromite, copper, lead, and zinc. At present, there are no other buyers of Philippine iron ore except Japan. Manganese, chromite, lead, zinc, and copper may be exported to the United States if a good quality can be produced to suit the American smelters.

The local iron-ore producers which would be badly affected are the Philippine Iron Mines, Inc., which exports about 80,000 tons a month and employs over 2,000 people, the Samar Iron Mining Company which exports about 60,000 tons a month and employs about 1,500 people, and the Marinduque Iron Mines which is now exporting 20,000 a month and employs about 500 people.

The Guindulman, Bohol, manganese operations would be badly affected as most of the manganese production there is exported to Japan. The newly rehabilitated Hixbar Mining Company which recently signed a contract with Japan to sell its copper ore there, would also have to look for a new buyer of its medium-grade copper ore. Other producers of manganese and chromite would have to

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produce higher-grade ore to be able to sell their products in the United States markets.

Total Philippine mineral exports to Japan in 1951 were estimated to be ₱17,000,000. For 1952, mineral exports to Japan could be expected to double the 1951 figures. The iron commitments alone, for the year 1952, amount to nearly ₱30,000,000.

## Copra and Coconut Oil

By H. DEAN HELLIS

Vice-President, *Philippine Refining Company, Inc.*

March 16 to April 15

**D**URING the period under review, Philippine copra and coconut oil have continued weak and to decline further, again largely as a result of consumer interest abroad being extremely thin. Supplies, on the other hand, have held up fairly well for this time of the year, so much so, in any event, that there still continues a surplus in excess of requirements.

Trading, for the most part, has been done on a very limited scale, particularly with Europe where prices presently are far too unattractive in comparison with even the small amount of business that is available with the United States and elsewhere. It is reported that stocks of all oils and fats in the United States continue abundant, with a greatly decreased export demand from Europe owing to a heavy unsold position there of whale oil and other fish oil. Buyers in the United States are said to be generally operating on about a 60-day cover only, preferring not to increase their inventories even at present low prices. Thus it is pretty much of a hand-to-mouth business from start to finish, with the surplus of supplies always weighing heavily on the market.

**O**F the limited amount of business that has been done during the past month, dealers and resellers, as usual for some time past, have accounted for a very fair portion of the total. They have continued to offer for forward positions at prices well below most exporters, then covering in their requirements when necessary, even though at such time they may actually pay a premium in order to do so. It is generally acknowledged that this has been a very profitable speculative operation for some little time back, but it can only be so as long as the markets are subject to rather sharp and continued fluctuations. As soon as prices tend to level themselves out, this particular type of operation becomes unprofitable and extremely dangerous.

Although, as stated earlier, the markets during the period under review have continued to decline on balance, there has been very recently a temporary improvement from the low point reached, all as a result of the necessity for short-covering in an operation such as we have described above. From a low of \$110 c.i.f. Pacific Coast during March for May/June shipment copra, as high as \$130 c.i.f. Pacific Coast was paid during the first half of April for immediate to prompt loadings, all of which, however, was probably still profitable business to the buyer who had chanced to sell short for April shipment perhaps back in February when the price was \$140 c.i.f. or higher.

Almost immediately after this short position for April commitments was filled, however, the market at close for the period is again at around \$110 to \$115 c.i.f. Pacific Coast, dependent upon nearby or future shipment.

**T**HUS it may be said that whereas during recent months the decline has been anywhere from \$15 to \$20 per ton in terms of c.i.f. Pacific copra, the net decline during the month presently under review only amounts to \$5 to \$10 per ton, which might be interpreted by some as an

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encouraging sign that perhaps we are at or near bottom, with possibilities of the market leveling off, at least for the time being, at somewhere around current prices.

The European market for Philippine copra during the month was generally inactive, with very little business resulting, at prices from \$140 c.i.f. down to approximately \$132.50 c.i.f., with one or two small scattered trades reported even as low as \$130 c.i.f.

Local prices in the Philippines likewise suffered a decline during the month from approximately P20.50 to P19.50 per 100 kilos at close, with a few small sales having been made earlier at as low as P18.50 per 100 kilos delivered warehouses in Manila.

THE coconut oil market in the United States also followed the general trend downward, and although there was some temporary improvement, the same as copra about mid-point, prices fell on balance from about 8-1/4 cents per pound f.o.b. tank cars Pacific Coast at opening to 7-3/8 cents per pound at close. Bulk coconut oil on the Atlantic Coast was quoted nominally down from 9-1/4 cents per pound c.i.f. as of mid-March, to sellers but no buyers at 8-1/2 cents per pound a month later.

COFRA cake and meal values, however, have improved since last month's review from a low of about \$72 per short ton c.i.f. Pacific Coast to a fair demand presently at around \$80 per ton. Indications are that this particular by-product market may improve even further in the near future.

COFRA exports during March, 1952, were as follows:

To United States Pacific Coast .....	21,390 long tons
United States Atlantic Coast .....	619 " "
United States Gulf Ports .....	3,065 " "
Canada, Pacific Coast .....	3,250 " "
Europe .....	10,268 " "
Japan .....	2,083 " "

Israel .....	1,500 " "
South Africa .....	180 " "
West Indies, Central and South America ..	1,550 " "

43,905 long tons

This compares with 50,973 tons (i.e., corrected figure) of copra exported during February, 1952, and 42,104 tons shipped during March of last year. The total exports for the first three months of 1952 are now 161,561 long tons, as against 169,827 long tons during the same period last year.

With regard to shipments of coconut oil, total exports during March, 1952, were as follows:

To United States Atlantic Coast .....	4,801 long tons
Europe .....	1,236 " "
South Africa .....	503 " "
India .....	312 " "
Australia .....	184 " "

7,036 long tons

By way of comparison, the February, 1952, exports of coconut oil amounted to 6,898 long tons, while during March, 1951, the total was only 5,243 tons. The corrected total for January/February/March, 1952, now amounts to 20,338 long tons, as against 17,422 tons during the same period in 1951.

IN summary, again we feel very much at a loss to attempt to forecast the future of copra and coconut oil prices. Statistically the markets continue very weak, with no apparent support being evidenced anywhere from abroad. On the other hand, however, one would almost assume that prices must surely now be at or near bottom, which if true, would be encouraging indeed. At the same time, though, and again if true, we presently see no reason whatsoever for anyone to assume any major improvement in prices for the time being. If our "guess-timate" is worth anything at all, it would be that perhaps we have now

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reached a point where the market can reasonably be expected to level off somewhat for the immediate future, subject to only very minor to moderate fluctuations in either direction, which, in turn, may be largely dependent upon the necessity from time to time of shorts covering their requirements.

## Desiccated Coconut

By VIRGIL F. MURRAY  
Provincial Manager  
Peter Paul Philippine Corporation

TOTAL shipments of desiccated coconut for the month of March of 5,260,725 pounds, while only about 74% of March shipments for 1951, show a slight gain (5%) over last month's shipments of 5,557,760 pounds. It is probable that April production and shipments will be much lower, with the customary shut-down of all plants over the Holy Week and the expected shut-down of two. Extended shut-downs, necessitated by the low demand for the product in the United States market, have however been utilized by plants, to advantage, for purposes of repair, replacement, or installation of modern, more efficient, labor-saving equipment and power plants; this last, to offset the tremendous advantage enjoyed by Ceylon producers, with their lower wage rates and salary levels.

It is reliably reported that the Department of Agriculture and Natural Resources has finally made its selection and is negotiating for the purchase of land for the coconut experiment station mentioned in previous columns. It is situated midway between Tiaong and Candelaria, Quezon Province, in the heart of the coconut region, and comprises some 50 hectares planted to approximately 6,500 coconut trees. The site conveniently borders the much-travelled highway connecting San Pablo City and Lucena, Quezon, and passing motorists will have the advantage of observing improvements in culture practices and yield. Planter anticipation is high in regard this project.

At this writing, House Bill No. 2243, creating a Philippine Coconut Institute is still with the Committee on Government Enterprises. Conditions being what they are in the desiccated coconut industry, or for that matter any industry dependent upon coconut, the Committee will do well to ponder long and thoughtfully the Bill's imposition of a further tax burden upon these industries.

House Bill No. 2493, which would provide badly needed relief for the industry by exempting desiccated coconut from the 2% tax required by Section 189 of the National Internal Revenue Code, has been unanimously approved by the Committee on Ways and Means of the House of Representatives. Legislators appear to have become aware of the necessity for expeditious handling of this Bill, and its ultimate passage seems probable. To delay action on this piece of legislation would be to further damage the Philippine economy since we would thus risk the loss of more of our market to highly competitive suppliers; we have too great a need for dollars and too large a portion of Philippine labor is dependent upon this industry for us to risk that.

Following are the shipping statistics for the month of March:

Shippers	Pounds Shipped
Franklin Baker Co. ....	2,142,625
Blue Bar Coconut Co. ....	774,600
Peter Paul Philippine Corp. ....	0
Red V Coconut Products, Ltd. ....	1,878,900
Sun-Ripe Coconut Products, Inc. ....	0
Standard Coconut Corp. ....	0
Cooperative Coconut Products, Inc. ....	464,600
Tabacalera. ....	0
Coconut Products (Phil.) Inc. ....	0
Total .....	5,260,725 lbs.

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## Sugar

By S. JAMIESON  
Secretary-Treasurer  
Philippine Sugar Association

**T**HIS review covers the period from April 1 to April 30, 1952.

*New York Market.* The market throughout April was in general quiet but steady, and moderate quantities of duty-free Philippine and Porto Rican sugar and some Cuban parcels were sold. Cuban holders generally were not inclined to sell in volume below 6.40¢; on the other hand, refiners were reserved, buying only when obliged to do so. Exchange futures for July, September, and November positions held firm at about the equivalent of 6½¢, New York, basis 96°, the closing quotations being several points higher than those at the beginning of the month. Sugar deliveries in the United States from January 1 to April 19 were 2,340,075 short tons, raw value, an increase of 237,016 short tons compared to deliveries for the corresponding period last year.

On April 1, the market opened steady. There were sellers at 6.35¢ to 6.40¢ for prompt deliveries, but buyers held off. 2,500 tons Philippines, May/June shipment, and 2,000 tons, April/May shipment, were sold to operators at 6.40¢ and 6.37¢, respectively. Spot was 6.35¢. On the 3rd, there were further sales of Philippines for May/June shipment, operators taking 2,500 tons at 6.42¢ and 9,500 tons at 6.40¢. For the next few days the market was firmer, sellers offering at 6.40¢ to 6.45¢, and buyers indicating 6.35¢. The market turned easier before the Easter holiday, and on the 8th there were sales of 17,000 tons of Philippines, Porto Ricos, and Cubas, April/May arrival, at 6.35¢, and some prompt Cubas at 6.30¢. Spot fell to 6.30¢ on the 9th and to 6.25¢ on the 10th, on which date 14,000 tons Philippines, May arrival, were sold to refiners at 6.25¢. The market was still easy on re-opening after Easter. There were sales on the 14th of 3,500 tons Cubas, May arrival, at 6.25¢, and on the 15th and 16th small lots of prompt Cubas at 6.23¢. Spot was 6.23¢. On the 17th the market was firmer, and 1,000 tons Philippines, April/May shipment, and 2,500 tons, late July arrival, were sold to operators at 6.35¢ and 6.38¢, respectively. Spot advanced to 6.30¢ on the 21st and to 6.40¢ on the 22nd, on which date there were sales of 12,000 tons Philippines, Porto Ricos, and Cubas, May arrival, at 6.40¢, 2,500 tons Philippines, June arrival, at 6.43¢, and 2,500 tons Philippines at 6.43¢ for early July arrival and 6.45¢ for late July arrival. There were substantial offerings at 6.40¢ but buyers hesitated to make further commitments. On the 23rd there were sales of 2,000 tons Philippines, May/June shipment, to operators at 6.46¢, and 5,000 tons Porto Ricos, May/June shipment, at 6.35¢. Spot fell to 6.35¢ on the 24th and to 6.30¢ on the 25th, on which date 9,000 tons Philippines, early May arrival, were sold to refiners at 6.30¢, and 4,000 tons, late May shipment, to operators at 6.42¢. On the 28th operators took 2,750 tons Philippines, May/June shipment, and next day 2,000 tons, July arrival, both at 6.45¢. The market closed with a sale of prompt Cubas to refiners at 6.34¢, and sellers but no buyers at 6.40¢ for May arrival. Spot closed at 6.34¢.

We give below quotations on the New York Sugar Exchange for Contract No. 6 as of April 30, and, for comparison, the peak quotations during the month:

	Closing quotations	Peak quotations
July . . . . .	5.99¢	5.99¢—April 30
September . . . . .	6.03	6.04—April 29
November . . . . .	6.04	6.05—April 28
March . . . . .	5.66	5.66—April 30

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World market Contract No. 4 quotations closed on April 30 as follows:

May	4.28¢
July	4.35
September	4.35
October	5.32 (nominal)
January, 1953	3.98 (nominal)
March	3.86
May	3.86

The world market spot price on April 30 was 4.28¢ compared to 4.30¢ on March 31. Total sales of Cuban sugar in the world market were 1,255,000 tons up to March 31.

**Local Market.** (a) Domestic Sugar. Demand was good, and prices were better. The month closed with buyers at ₱14.00 to ₱14.25 per picul, ex mill warehouse, for ordinary centrifugal, and ₱16.00 to ₱16.25 for the regular grades of washed. Higher grade washed was quoted at ₱17.00 to ₱17.20.

(b) Export Sugar. The local market was again active, and except for a brief period around Easter, the trend of prices was upward. At the close of the month there were buyers at ₱14.50/₱14.60 per picul, ex mill warehouse, for prompt delivery, and ₱14.65/₱14.70 for June delivery. Heavy sugar shipments will be made to the United States during May and June.

**General.** (a) Sugar Freight Rate. Effective from May 1, 1952, to the end of the season, the freight rate on raw sugar from the Philippines to United States Atlantic and Gulf Ports will be reduced from \$20 to \$18 per long ton, n.w.d. Including the stevedoring differential, the effective rate will be \$18.42.

(b) 1951-52 Milling. Thirteen mills have already finished. These mills represent approximately one-half of 1951-52 production, and in the aggregate their actual production shows a reduction of approximately 4-1/2% compared to the revised estimates made shortly after the December typhoon "Amy". Indications are that the final out-turn of the 1951-52 crop will be about 1,040,000 short tons.

(c) 1952-53 Crop. It is too early to forecast results, but on the whole the outlook is promising, though rain is needed in most districts.

(d) European Beet Crop. The first estimate of European 1952 beet sowings indicates an increase of 6% over those for 1951.

## Manila Hemp

By MERLE S. ROBBE

Vice-President and General Manager

Columbian Rope Company of Philippines, Inc.

**T**HIS review covers the period from March 15 to April 15. Prices for Manila hemp in all consuming markets were very weak at the start of this period and have continued to decline even further; at the end of the period there was still no indication that the decline had been checked. This situation can be attributed largely to continued poor rope business in the United States, a further decline in Europe in the amount of dollars available for the purchase of Manila hemp, very spotty demand from Japan and other miscellaneous markets, a further drastic reduction in sisal prices which is the principal competing fiber, and continued high production in the Philippines, particularly in Davao. It is the opinion of the writer that, if there had not been substantial buying during the period under review for stockpiling purposes in the United States, prices would have dropped even more drastically than they did.

Considerable concern was felt by exporters in mid-April regarding the situation which might develop with regard to future exports of Manila hemp to Japan at the

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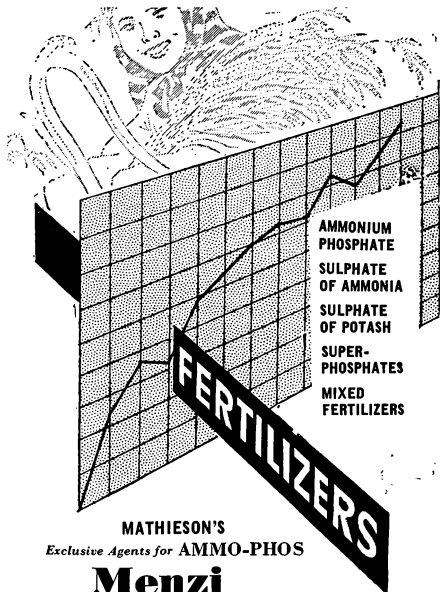
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expected termination of the Philippines-Japan trade agreement. However, it has now been learned that in all probability, the trade agreement will be extended for an additional 60 days which alleviates fears of a possible abrupt shut-off of this market. However, the question of how this agreement will be terminated and in what manner trade will be conducted afterward, is still a problem which has only been postponed and not solved. It appears at the moment that Japan will be equally as short of dollars for the purchase of Manila hemp as are the European countries. Also, present stocks of Manila hemp in Japan are at a quite satisfactory level and in addition, stocks of both sisal and Manila hemp which have been held by various government or semi-governmental agencies are now in the process of liquidation and this will further depress the market in Japan, and, consequently, lower the demand from this country.

A particular feature of the period under review has been a considerable improvement in grading standards in Davao, this having resulted in a higher proportion of the grades "G" and below being available; generally speaking, the decline in selling values of these grades has been much sharper than in the grades "G" and above. Production continued at a very satisfactory level for both Davao and non-Davao hemp for the month of March, but there is every indication, particularly in the Bicol area, that there will be the usual seasonal decline in balings during April and May. However, there is no indication at the moment that even if balings were to fall off that there would be any appreciable improvement in the market. All indications point to the fact that a further decline is to be expected. There have been reports emanating from the United States that there will be a substantial carry-over in the baler twine manufactured for this season's consumption, sisal production throughout the world has continued at high levels, and so it has been necessary for abaca producers in the Philippines to go through this difficult period of adjustment which will continue until we reach a level of prices where the market will again be stabilized.

Below are the comparative figures for balings and exports for the months of January-March for the years 1947-1952 inclusive.

	BALINGS—JANUARY-MARCH INCLUSIVE				
	1952	1951	1950	1949	1948
Davao.....	129,356	122,446	75,456	54,729	55,010
Albay, Camarines, and Sorsogon.....	56,099	86,356	50,790	36,569	66,623
Leyte and Samar.....	50,625	49,803	31,598	31,741	32,280
All other non-Davao.....	20,469	27,627	20,402	23,458	36,046
	256,549	286,232	178,246	146,947	189,959
	EXPORTS—JANUARY-MARCH INCLUSIVE				
	1952	1951	1950	1949	1948
United States and Canada.....	91,974	188,079	61,080	49,049	91,766
Continental Europe.....	50,792	50,919	23,384	33,561	91,765
United Kingdom.....	37,095	41,707	17,240	7,447	37,060
Japan.....	26,307	33,990	31,688	47,428	24,404
South Africa.....	3,450	2,820	780	750	300
China.....	3,425	1,555	3,850	3,629	1,800
India.....	1,430	2,290	1,775	326	—
Korea.....	—	—	700	—	—
Australia and New Zealand.....	350	—	625	—	42
All other countries.....	160	—	—	80	1,930
	214,983	321,360	141,122	142,270	190,383

## Tobacco

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

**T**OBACCO purchasing has already started in Pangasinan and La Union, and in the Visayas; prices paid are lower than at the end of last year's buying season.

This year will be the bottom-price year since Liberation. The crop in general is shorter than expected due to insufficient moisture, which means smaller, thicker, heavier and stronger tasting tobacco leaf. Purchasing is going on at a very slow pace as there are sufficient stocks left over from the last crop in the hands of local dealers and the local demand is light.

Buying in the Cagayan Valley is expected to start during late May or early June and, as in Pangasinan, La Union, and the Visayas, prices will be low. Stocks from the 1951 crop there are larger in proportion than in the other tobacco producing regions.

One reason why prices are lower than for last year's crop is that in a stunted crop the percentage of wrapper and binder leaf is very low in proportion to filler and cigarette leaf. Some choice lots with a high percentage of wrapper, binder leaf will be paid well for, but in general prices will continue low in part because of the disproportionate percentage of filler leaf.

The damage to the 1951 tobacco by *Laziodermis* keeps on increasing unchecked.

THERE is a bill pending in Congress to revive the defunct National Tobacco Corporation. This Corporation was ordered dissolved approximately a year ago and cannot be liquidated because it could not get over 40% of purchase price on its 1950 stocks of leaf tobacco. It occurs to me that if the Government has money to waste on the revival of the National Tobacco Corporation, why not, instead, give the funds to the Department of Agriculture to utilize for building fumigation barns and for more effective pest and worm control. That would really be helping the farmers, merchants, and the tobacco industry in general.

## Imports

By S. SCHMELKES  
Mercantile, Inc.

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

Commodities:	March, 1952	March, 1951
Automotive (Total).....	1,792,906	653,802
Automobiles.....	171,032	194,196
Auto Accessories.....	—	2,883
Auto Parts.....	271,483	184,223
Bicycles.....	3,188	1,561
Trucks.....	175,102	7,261
Truck Chassis.....	628,633	119,642
Truck Parts.....	178,210	46,050
Building Materials (Total).....	3,315,021	2,206,316
Board, Fibre.....	46,158	—
Cement.....	21,011	52,218
Glass, Window.....	736,811	684,330
Gypsum.....	—	140,613
Chemicals (Total).....	18,985,752	10,836,086
Caustic Soda.....	613,297	392,556
Explosives (Total).....	691	176,807
Firearms (Total).....	1,145	7,677
Ammunition.....	261	7,398
Hardware (Total).....	2,598,542	4,029,054
Household (Total).....	423,407	835,165
Machinery (Total).....	2,030,203	1,646,746
Metals (Total).....	6,835,269	4,674,815
Petroleum Products (Total).....	98,837,060	71,172,760
Radios (Total).....	11,405	7,706
Rubber Goods (Total).....	958,627	918,850
Beverages, Misc. Alcoholic.....	5,641	5,627
Foodstuffs, (Total-Kilos).....	22,430,775	36,512,466
Foodstuffs, Fresh (Total).....	38,802	77,561
Apples.....	8,120	12,556
Oranges.....	11,628	25,509
Onions.....	4,037	8,085
Potatoes.....	7,695	17,395
Foodstuffs, Dry Packaged (Total).....	24,892	36,683
Foodstuffs, Canned (Total).....	273,667	399,831
Sardines.....	55,923	118,092

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Milk, Evaporated.....	123,015	89,051
Milk, Condensed.....	25,523	69,884
Foodstuffs, Bulk (Total).....	571,115	627,353
Rice.....	—	102,070
Wheat Flour.....	507,877	476,791
Foodstuffs, Preserved (Total).....	7	23
<hr/>		
Bottling, Misc. (Total).....	432,561	671,031
Cleansing and Laundry (Total).....	10,671	35,982
Entertainment Equipment (Total).....	6,596	3,580
Livestock-bulbs-seeds (Total).....	6,604	2,349
Medical (Total).....	332,042	333,216
Musical (Total).....	55,580	26,886
Office Equipment (Total).....	42,939	53,724
Office Supplies (Total).....	43,495	49,570
Paper (Total).....	4,178,158	4,277,270
Photographic (Total).....	27,519	42,490
Raw Materials (Total).....	1,009,445	580,879
Sporting Goods (Total).....	5,980	23,083
Stationery (Total).....	95,631	215,274
Tobacco (Total).....	1,389,227	302,237
<hr/>		
Chucheria (Total).....	36,398	67,624
Clothing and Apparel (Total).....	130,095	201,583
Cosmetics (Total).....	8,919	112,545
Fabrics (Total).....	571,662	1,257,628
Jewelry (Total).....	61	—
Leather (Total).....	66,161	118,872
Textiles (Total).....	1,478,610	1,617,999
Twine (Total).....	19,011	138,228
Toys (Total).....	5,820	2,557
General Merchandise (Total).....	345,358	294,578
Non-Commercial Shipments (Total).....	58,031	40,190
Advertising Materials, Etc. (Total).....	9,034	20,439

## Food Products

By C. G. HERDMAN  
*Director, Trading Division*  
*Marsman & Company, Inc.*

**T**HERE has been no change whatsoever in conditions during April in the Philippine market for foodstuffs. Stocks of wheat flour continue to be ample and selling prices continue to be well below the ceiling. At the beginning of May, the Import Control Commission announced the flour quotas granted to producers (bakeries) and to new importers. A large number of those included in the lists have made corresponding applications for import licenses, but at this writing the licenses have not yet been issued. It is probable that they will be issued during the week beginning May 5. It now appears probable that the licenses still to be issued will provide for sufficient flour to cover the Philippine demand until the new crop-year begins on August 1, 1952.

**I**NFORMATION received from both the United States and Canada indicates that the export quotas under the International Wheat Agreement of those two countries, and particularly the United States, are almost exhausted. There is a strong probability that if licensing of the remainder of the flour under the Philippine import quota of IWA is delayed, it will be found impossible to secure the flour under IWA and that flour for the rest of this crop-year will only be available at the full market price, which means that it would cost importers here more than one dollar additional per hundred pounds.

**A**MPLÉ quantities of evaporated and sweetened condensed milk have arrived during April. While there is no serious overstock, there is no probability of a shortage in the market at present. Evaporated milk costs advanced \$.25 per case from the United States recently and selling prices ex stock in the Philippines have been increased a corresponding amount. Evaporated milk from Europe is at present being offered at prices below those ruling from the United States, even after including the amount of the customs import duties.

Stocks of milk powder continue to be far in excess of present demand. This situation is further complicated



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by the fact that considerable quantities of powdered milk imported by the Social Welfare Commission continue to be disposed of through commercial channels at a price far below the actual cost of such milk arriving for the legitimate importers.

THERE have been still further arrivals of canned fish brought in by various importers, contracted for previously under the expectation that ceiling prices would be raised to conform to actual landed costs. Unfortunately, the request of food importers associations for reconsideration of the presidential ruling some weeks ago on increased ceiling prices was denied. The matter is again being taken up with the proper authorities. Practically all stocks of canned fish now held in the Philippines have actually cost the respective importers considerably in excess of the present government ceiling prices. Many importers have withdrawn from sale until the matter is finally determined. Those who are disposing of their stocks are forced to take a very serious loss on such sales or to course their merchandise through the blackmarket. In the meantime, little or no further quantities of canned fish are being booked abroad and it will only be a very short time until a serious shortage of canned fish here will exist. This is a very serious matter as canned fish is a basic food in the Philippine diet.

ARRIVALS of canned meats have been very light. The market continues to be heavily overloaded with Vienna sausage, potted meats, etc. Stocks of corned beef, however, are on the light side and will be exhausted in the near future. There is a world-wide shortage of this item and costs have advanced far beyond the present government ceiling price. Under these circumstances no further importations are expected.

VERY small quantities of canned fruits and vegetables have been received recently and shortages in the Philippines will become constantly more noticeable.

## Textiles

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

THE local market as well as the New York market remained featureless during the month of April. Local market prices remained virtually unchanged as did prices in the New York market.

On April 4, the Import Control Commission approved Resolution No. 74 requiring that all applications for licenses covering textiles be accompanied with "reference samples". While in most instances relating to both cotton piece goods and rayon piece goods this requirement can be readily complied with, in some instances it may lead to difficulties. In the instance of special printings, that is, where an importer intends to use his license for

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printed goods to be supplied in patterns which still have to be engraved on the copper rollers used in the industry, it will not be possible to furnish samples of the finished goods because these can only be obtained after the design has been engraved and the printing started. This fact would also result in a stalemate in the instance of many local importers who design their own patterns for their exclusive use; printers in the United States and elsewhere will not undertake the expense of engraving the printing rollers until letters of credit are in hand, and, in turn, the establishment of letters of credit depends on the existence of a valid approved license which now depends on the "reference samples". Also, in the instance of many types of cotton and rayon remnants, goods are sold on the basis of broad categorical descriptions without any "reference samples" whatsoever. It is the opinion of the trade, however, that the ICC will take these factors into consideration and will adjust matters to the satisfaction of all concerned.

During April, arrivals from the United States totalled 16,237 packages, which is almost double the March arrivals and which represents the approximate local consumption for one month.

The arrivals from the United States included 6,266 packages of cotton piece goods, 3,572 packages of rayon piece goods, 1,430 packages of cotton remnants, and 1,805 packages of rayon remnants. Included were 299 packages of sewing thread and 1,158 packages of cotton knitting yarn.

Arrivals of all types of textiles from countries other than the United States totalled 2,520 packages. Included were 610 packages from China, 344 packages from Japan, and 935 packages from Europe, the latter consisting largely of jute cloth and jute bags; 631 packages of jute cloth arrived from India.

## Legislation, Executive Orders, and Court Decisions

By E. E. SELPH

Ross, Selph, Carrascoso & Janda

THE following acts of Congress were approved on the dates indicated:

- |           |  |               |
|-----------|--|---------------|
| R. A. 674 | S. 109   | Mar. 12, 1952 |
|           | (Vacation and sick leave of Sanitary Division employees) |               |
| R. A. 675 | S. 250   | Mar. 14, 1952 |
|           | (Fixing salaries of physicians)                          |               |
| R. A. 676 | S. 267   | Mar. 20, 1952 |
|           | (Aborland Agricultural High School in Palawan)           |               |

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R. A. 677	H. 1656 (Pan Asian Newspaper Alliance radio franchise)	Apr. 3, 1952
R. A. 678	H. 1964 (Creating Municipality of Malik, Isabela)	Apr. 8, 1952
R. A. 679	H. 1126 (Employment of women and children, maternity leave of 14 weeks at 60% pay)	Apr. 15, 1952
R. A. 680	H. 1457 (Bureau of Agricultural Extension)	Apr. 24, 1952

Two decisions of the Philippine Supreme Court on labor matters have recently been released. In the case of Liberal Labor Union vs. Philippine Can Company, G. R. No. L-4834, March 28, 1952, the Court said:

"But in the present case there is more than a mere violation of a collective bargaining agreement. Here we find that the majority opinion predicated the illegality of the strike not merely on the infringement of said agreement by the union but on the proven fact that, in carrying out the strike, coercion, force, intimidation, violation with physical injuries, sabotage and the use of unnecessary and obscene language or epithets were committed by the top officials and members of the union in an attempt to prevent the other willing laborers to go to work. We hold that a strike held under these circumstances cannot be justified in a regime of law for that would encourage abuses and terrorism and would subvert the very purpose of the law which provides for arbitration and peaceful settlement of labor disputes. As aptly said in one case: 'A labor philosophy based upon the theory that might is right, in disregard of law and order, is an unfortunate philosophy of regression whose sole consequences can be disorder, class hatred and intolerance' (Greater City Masters Plumbers Association v. Kahme (1937) 6 N. Y. S. (2nd) 589)."

In the other case, Union of the Philippine Education Employees (NLU) vs. Philippine Education Company, G. R. No. L-4423, March 31, 1952, the Supreme Court said:

"... these employees blocked the company's entirely legitimate efforts to explain to its personnel the precarious state of its business. Fabroa's and Carandang's actions were all the more unwarranted, in our opinion, because Gunnell's memorandum sounded reasonable and was couched in sympathetic and conciliatory language, and the projected meeting did not in any way tend to prejudice or compromise the employees' interest. On the contrary, it was to have been a good occasion for them to air their grievances, if they had any, and to state their reasons why the contemplated layoff should not be carried out. If the Union must have spokesmea Fabroa and Carandang were there and there was nothing to prevent representatives of the national organization from being summoned.

"Since the walkout was launched for the sole reason that Fabroa and Carandang had been dismissed, the right of the striking employees to backpay can be no greater than the right of Fabroa and Carandang to remuneration during their separation. A stream can not run higher than its source.

"Until all the remedies and negotiations looking toward the adjustment or settlement of labor disputes have been exhausted, the law does not look with favor upon resorts to radical measures, the pernicious consequences of which transcend the rights of the immediate parties.

"All things considered, we are of the opinion that the court committed no error in holding that the strike was voluntary as it was unnecessary and in denying the employees' claim to remuneration for the period they did not report for work."

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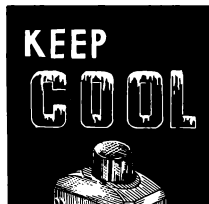


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**COST OF LIVING PRICE INDEX OF WAGE EARNER'S  
FAMILY\* IN MANILA BY MONTH, 1948 TO 1952\***

(1941 = 100)

Bureau of the Census and Statistics  
Manila

1948	All Items (100)	Food (63.43)	House Rent (11.96)	Cloth- ing (2.06)	Fuel, Light and Water (7.73)	Miscel- lanous (14.44)	Purchas- ing Power of a Peo
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	309.7	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	265.9	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	2668
November	368.7	394.4	453.9	202.0	281.6	258.7	2712
December	365.9	389.9	453.9	202.0	282.4	258.9	2732

1949

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	258.9	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	337.5	351.2	453.9	196.3	266.6	241.2	2963
September	333.6	345.1	453.9	190.3	264.8	243.1	2998
October	332.9	343.3	453.9	199.9	264.8	245.0	3004
November	339.6	356.1	453.9	191.1	258.4	239.8	2945
December	329.6	335.9	453.9	202.9	255.9	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	287.8	292.6	2950
April	331.8	328.6	453.9	237.7	252.9	301.2	3013
May	320.2	308.6	453.9	244.7	249.7	309.1	3125
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	337.2	249.7	334.5	2835
November	354.4	363.2	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	339.5	2740
June	367.8	372.0	453.9	399.5	247.5	337.7	2719
July	366.3	370.1	453.9	382.0	247.5	339.0	2730
August	365.1	371.4	453.9	354.0	247.5	329.1	2739
September	363.0	369.0	453.9	356.4	247.5	325.4	2755
October	358.1	361.1	453.9	350.4	247.5	326.7	2793
November	351.1	351.1	453.9	343.8	247.5	323.3	2848
December	349.0	348.9	453.9	335.2	247.5	319.4	2865

1952

January	355.1	357.8	453.9	323.0	247.5	324.6	2816
February	348.0	349.8	453.9	282.9	243.4	318.3	2874
March	344.3	345.1	453.9	273.7	243.4	315.0	2904
April	342.7	342.7	453.9	276.1	243.4	313.8	2918

\*Average number of persons in a family = 4.9 members.

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

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# The "LET YOUR HAIR DOWN"

## Column

THE editor received one of Ifor B. Powell's occasional letters the other day, Mr. Powell, being as many *Journal* readers know, a British authority on Philippine matters. He wrote, in part:

"It is high time that I wrote to you again to thank you for your kindness in sending me your *Journal*. I don't have to emphasize to you how much I appreciate your doing so and how glad I am to receive it. I must congratulate you on the way you keep up the standard month after month. Like other of your readers, I was also impressed by your editorial, 'American Power and Prestige' (July, 1951), a very true and timely article. I have also been glad to read the items on the Friar Land Estates, which appeared, if I remember rightly, in five different issues and which are most valuable to the historian. The documents you publish are always useful, and I have been glad to read the texts of the Mutual Defense Treaty and the ECA Agreement. Your note on Intramuros in the January, 1952, issue, which has just arrived, led me back to your vivid description of Manila five years ago, which appeared in the July issue of last year and which is also a real contribution to history.

"I have always been interested in the problem of Philippine land tenures and the large landed estates, and that is why I appreciate the information you have published about these. In consequence, I should like to read C. M. Hoskins' report, to which you refer and which he summarized for the *Journal*. Do you think you could persuade him to send me a copy? I should very much like to have one.

"Like everyone else, I also enjoy the gossip column. From your chat in the August number, I learned that the Ely's are back in Manila, about which I hadn't heard. Your reference to sloe gin in the next issue, reminded me of a story of Van Stein Calenfels whose visit to Doc (H. Otley) Beyer you will, like me, remember well. Sometimes in the early 30's, S.C. was in this country and was entertained to dinner at one of the Cambridge colleges. One of my friends at this College has told me how the conversation got around to sloe gin, which we make in this country as a home-made 'wine'. I have sloes on the black-thorn bushes at the bottom of my garden, though I never trouble to do anything with them. But one of the dons at this Cambridge College prided himself on the sloe gin which he made and ordered some up from the College cellar so that S. C. might sample it and that it might afterward be passed around the table for the other diners to try also. The bottle was brought, put by the side of S. C.'s glasses for him to help himself first. He not only did so,—but kept the bottle there and in due course drank the lot, not turning a hair of his head or his beard!

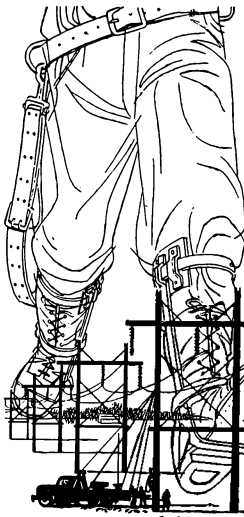
"This leads me to Holland. My wife and I had two weeks there last September and we had a most enjoyable time. It was our first visit. We hope it won't be our last. We stayed at The Hague, visited Delft, had a long week-end at Leyden, and also stayed at Amsterdam, visiting Hoorn and Enkhuizen from there. It was very much a historical pilgrimage for me,—on the trail of the East India Company. A Britisher is, of course, immediately at home in the Netherlands. We found the people so friend-

ly, almost everyone spoke English, and we were fascinated by the towns. Still it was Indonesia in Holland that interested me most, and in this respect the visit was a profitable one for me. I learned a lot, and made some good friends.

"... Mentioning Chatham House leads me back three years. At that time, they were thinking of subscribing to one of the Manila daily papers and I sought your advice about this. In the end they had to abandon the idea, as there wasn't enough money available. But now it seems they might at last subscribe to one. May I trouble you again for your advice? They wish to take a Filipino paper. Which should it be,—the *Manila Chronicle*, the *Manila Times*, or the *Philippines Herald*? Would you be good enough to give me your advice, and also to let me know what the subscription would be, so that I may pass this information on

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the Chatham House? Thanks a lot for this, and also for everything else. With kindest regards, Ever yours, etc."

"It certainly is good," said the editor, "to have such a careful reader of the *Journal* as Mr. Powell, and one who takes the trouble to tell you what he thinks of the various articles brought out. Nothing is more helpful."

"What did you advise as to the *Chronicle*, *Times*, and *Herald*?" we asked.

"It might be as much as my life is worth to tell you that," said the editor, "or so you probably think," said the editor accusingly. "Fact of

the matter is, I avoided making a direct recommendation. I merely wrote Mr. Powell something about all the different dailies in Manila, as fairly as I could, and left it to him to make his own choice... And don't ask me for a copy. I didn't make one."

We often receive proof that many member of the Senate and the House of Representatives read the *Journal* very carefully. Most recent was a letter from Representative Esteban Bernido, of the Third District of Bohol, who wrote:

"I am sending over my secretary to secure copies of the American Chamber of Commerce *Journal* for the months of July, September, and November, 1950. If these issues are still available, will you kindly please spare me the same? I need these very badly for reference.

"Thanking you so much for the favor, and with assurances of my personal esteem and respect, I am, etc."

We gave Mr. Bernido the copies he wanted, and, wondering why he had asked for these particular numbers for reference, we noted that the June, 1950, issue contains the Philippines foreign trade statistics for 1949 and 1948, but also editorials on "The New Import Control Act" and "The Proposed New Taxes"; the September issue contains the preface to the ECAFE report for 1949 ("Economic Survey of Asia and the Far East") and the Report of the Department of Economic Coordination on the reorganization of government corporations, and also editorials entitled, "The Philippine National Business is International", "Syphoning Off" (another editorial on the tax problem), "Note for our Economic Planners", "Alien Registration and Other Fees", and "Reimbursing Enemy-confiscated American bank deposits as an Aid to the Philippine Economy"; the November issue contains both articles and editorials on the Bell Report, an article on the "Problem of the Redemption of Japanese Military Notes", and editorials entitled "Chamber Action re Import Control", "Why Lanzones Cost as much as Oranges", "Abolish Import Control", and "Shifting the Source of Philippine Imports". There is therefore quite a large range for guessing what Representative Bernido wanted these issues for. This summary of the principal contents of three past issues of the *Journal* also shows, we think, the *Journal* also shows, we think, the value of material to be found in the *Journal* files.

We received an appreciative and appreciated note from Mr. O. J. McDiarmid, Director of the Fiscal and Trade Policy Division of the Mutual Security Agency, as follows:

"Thank you very much for sending us the copies of your publication for April, 1952, in which you were good enough to publish the brief article by Mr. Albers and myself on the Mutual Security Agency's essential supplies program. The Mission is very grateful for this means of disseminating information on this aspect of the MSA program through your very excellent *Journal*. Sincerely yours, etc."

We were equally pleased to publish this enlightening article, which was written for the *Journal* at the editor's request.

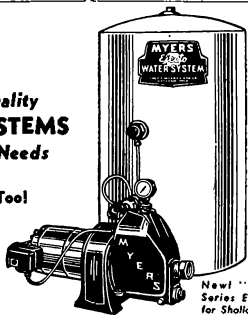
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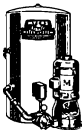
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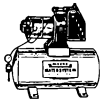


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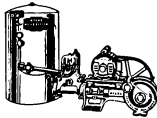
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The following letter was received during the month from our valued contributor, Mr. S. Jamieson, editor of the *Journal* column on Sugar:

"Enclosed is our sugar market review for the May issue of the American Chamber of Commerce *Journal*.

"I am leaving on May 12 for a trip abroad and will return to the Philippines about the end of September. Mr. G. H. Wilkinson, President of Theo. H. Davies & Co., Far East, Ltd. and 2nd Vice-President of the Philippine Sugar Association, has kindly agreed to write the monthly reviews for your *Journal* during my absence.

"With best wishes, etc."

Our best wishes to Mr. Jamieson for a prosperous journey, outward and return, and our welcome to Mr. Wilkinson.

Illustrative of one way in which the *Journal* circulates among other than subscribers, is the following request for extra copies of the April issue from Getz Bros. & Company:

"We would appreciate it very much if you would send us ten (10) copies of the April issue of the American Chamber of Commerce *Journal* for distribution to our various branches."

An inked asterisk was written after the words "send us" and, at the bottom of the letter, also in handwriting, "plus bill to cover". Very good!

We sent an almost complete set of the post-war *Journal*,—unfortunately two or three numbers are out of print, to the American Historical Collection (Historical Committee of the American Association) at the Embassy during the month, and received an acknowledgment of the "valuable donation" from Mr. W. G. Solheim, the librarian and curator.

"HA!" said the editor, "I don't suppose you remember that a year or two ago (September, 1950, issue) we ran in the 'Hair-Down' column a letter of mine addressed to a prominent financier and economist in New York, asking him whether very intensive studies were not already being made as to the probable effects of the coming use of atomic power not only in the public utilities and the various fuel industries, but in banking and finance. The reply of this gentleman was (I have no authority to mention his name) that while the questions I raised were of tremendous importance, his organization had as yet begun no real study of the subject and that his personal opinion was that 'commercial production of atomic power, on a basis competitive with

other fuels, probably lies farther ahead than many of the popular articles appearing in the press would lead us to believe."

"And now look at this April 28 issue of *Newsweek*! It tells of the organization of the Walter Kidde Nuclear Laboratories, Inc., and its announcement that it is going into the atomic-power-plant business. Listen:

"Brash as this enterprise might seem, it was anything but amateurish. The new laboratories were backed by three solid firms: Walter Kidde & Co., famous for fire-extinguishers; Walter Kidde Constructors, industrial plants; and a subsidiary, the

Bloomfield (N. J.) Tool Corp. . . The organization does not intend to invade the utilities business directly. The aim is to design and build economical atomic-power plants for others to operate—a job which is outside the scope of the Atomic Energy Commission. . . The actual building jobs will be farmed out, very likely to the three parent companies."

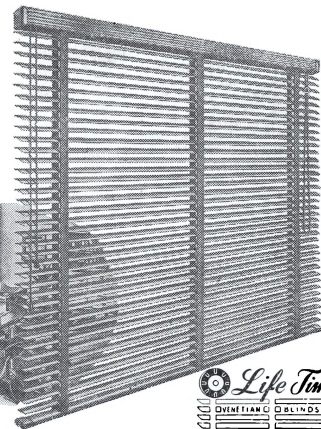
"The Vice-President of the firm is Dr. Karl Paley Cohen, a scientist prominent in the atomic field, and, according to *Newsweek*—

"Cohen last week was confident of success. He admitted that EAC's reactors could not produce power at a profit. 'However,' he said, 'the high investment for government production plants, which have costly features resulting from military requirements, may not necessarily carry over

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"That was just what I was saying!  
ing!" said the editor.

**Philippine Safety  
Council**

By FRANK S. TENNY

*Founder and Executive Director*

NEW memberships continue to pour in at a most satisfying rate. Since the last issue of the *Journal*, the following company members have been accepted: Caltex (Philippines) Inc., National Life Insurance Company of the Philippines, Occidental Life Insurance Company of California, Insurance Company of North America, and the Union Insurance Society of Canton, Ltd. A total of 72 firms now belong to the Council, of which 21 are in the insurance field.

Safety Engineer Steven S. Rivers recently completed a safety-inspection trip for San Miguel Brewery bottling and ice plants in Iloilo, Bacolod, Cebu, and Cagayan.

Plans for the observance of National Safety and Accident Prevention Week in July are taking shape, two organizational meetings have already been held, with 25 firms or agencies so far committed to participate.

The following local leaders were elected to serve on the Council's Board of Directors beginning this month: Jose Razon, Hyman Levine, F. V. Borromeo, Manuel M. Aycardo, Jr., E. Villacorta, Manuel Barredo, Joseph A. Thomas, Joseph L. Klar, Arthur H. Henderson, Victor H. Bello, and Frank S. Tenny.

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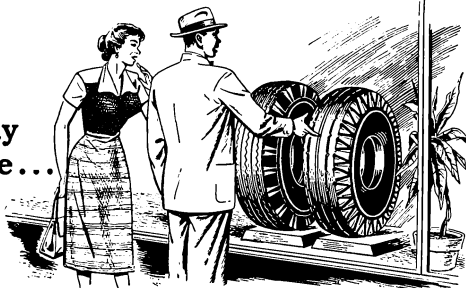
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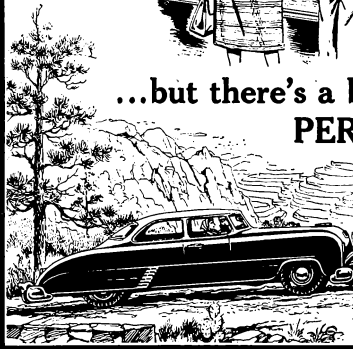
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