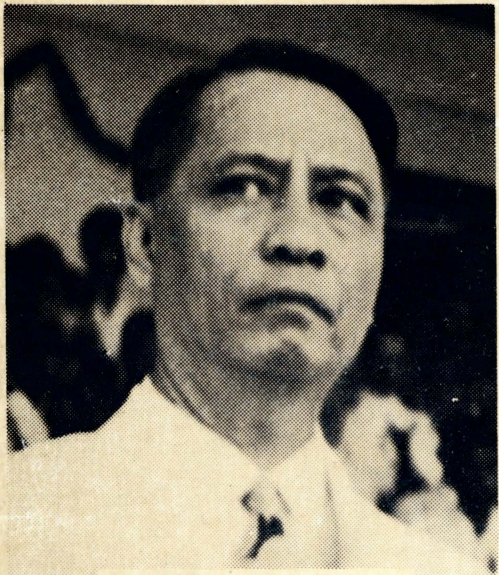


Philippines Commerce

VOLUME 44 (YEAR 42)

JUNE, 1948

NUMBER 6



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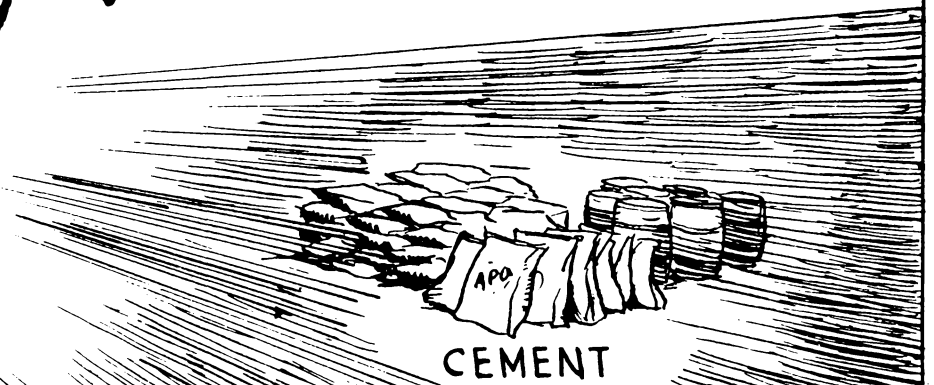
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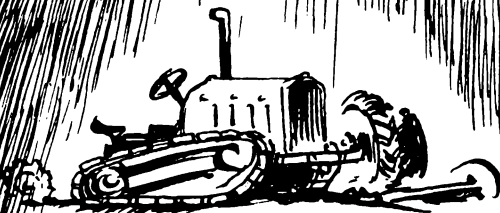
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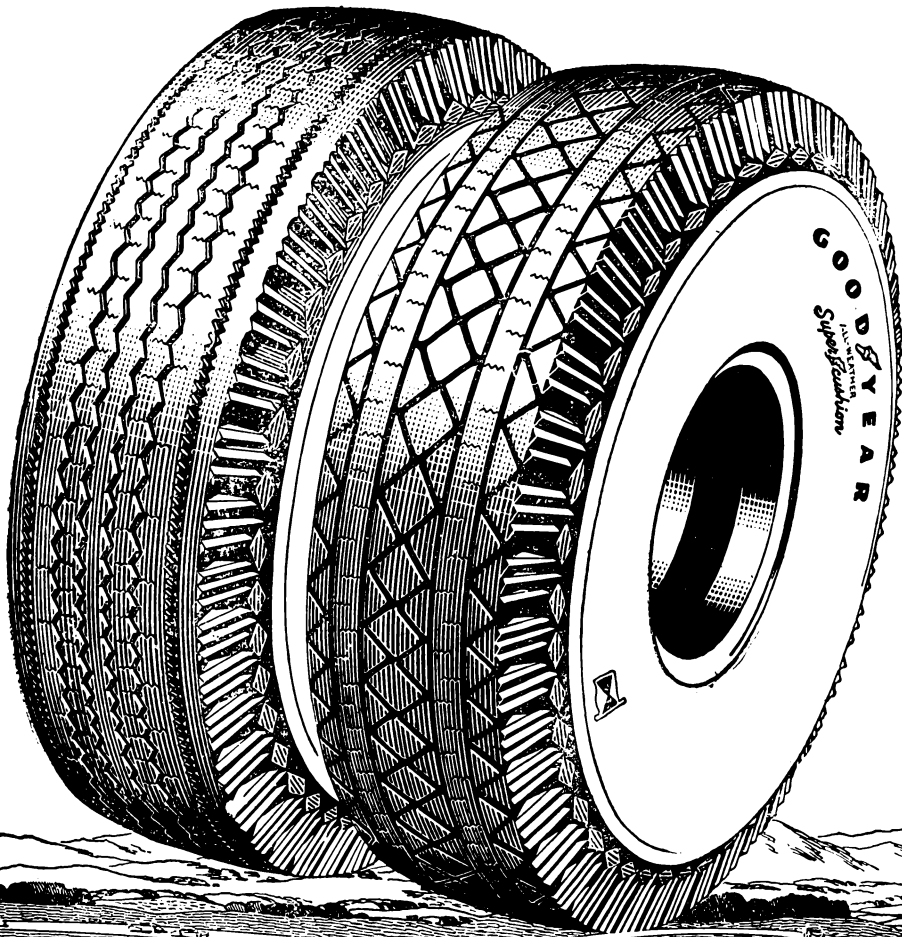
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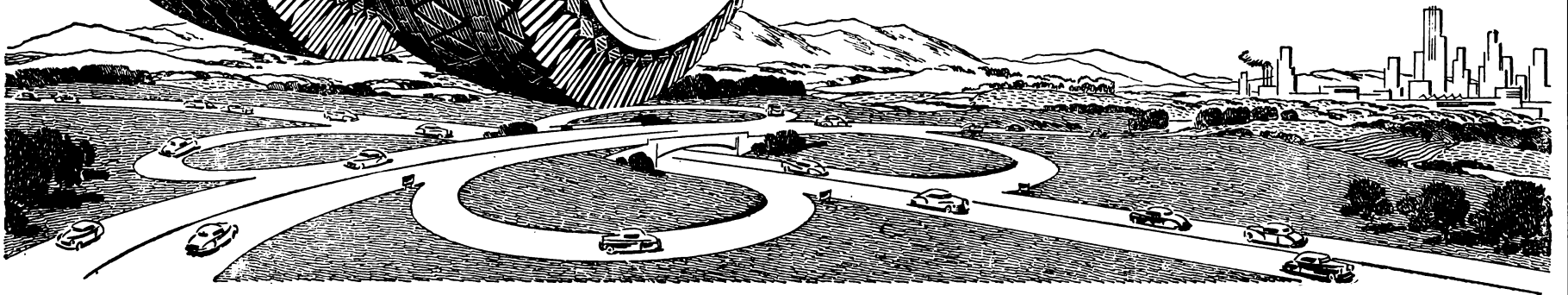


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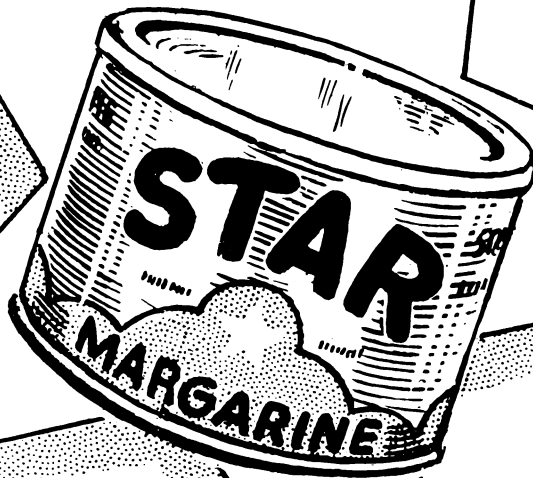
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EDITORIALS

WELCOME TO MANILA

MEMBERS of the Chamber of Commerce of the Philippines are glad to extend a fraternal welcome to the delegates of the chambers of commerce of San Francisco, Seattle and Honolulu to the first Regional Trade Conference to be held this month in Manila.

Responsible for bringing about this happy event is the widespread desire of both peoples on each side of the broad Pacific to know each other intimately and trade with one another amicably. The City of San Francisco's present drive to build itself as a World Trade Center has struck a sympathetic chord in Manila which, by its strategic position, also expects some day to be the Doorway of the Orient.

There is enough of this thought to consume the whole time of the delegates during their two-day conference with representative businessmen in Manila. As a matter of fact, we firmly believe that the first exchange of impressions on this subject among the delegates, will be decidedly for giving the backing and support necessary to enable these metropolises to become the centers of world trade in their respective spheres as they ought to be.

Meanwhile, however, it is most desirable that a thorough study of the trade as presently existing between the United States and the Philippines be made by men actually engaged in business and trade. This should include an exploration of the minutest details of friction and misunderstanding

as well as their adequate treatment and solution. Too often lack of proper background information and too hasty action lead to disastrous and regrettable results. The agenda of the conference, prepared separately by both sides, coincides surprisingly on all the main points at issue, which is indicative of the fact there is recognition on both sides of the problems requiring immediate solution.

It is not for us to advance opinions and solutions with respect to these problems. It is for the delegates in the conference to thresh all these out. Our hope is that goodwill and understanding will always guide the conference. With the future of Philippine-American trade at stake and the fate of San Francisco and Manila as world trade centers closely involved, we have no doubt that the delegates will approach the problems presented to them at the conference with good high-mindedness and understanding.

Finally, we like to assure the visiting delegates that we are welcoming them not only as guests, but as representatives of the great American nation from which we owe so much not only politically but commercially and industrially as well. We mean to strengthen our economic bonds together, now that we have attained our political sovereignty, on ties that will reflect forever the friendship and goodwill of both peoples as could be made humanly possible through a fair and intelligent exchange of the products and resources of the good earth and the labor and skill of both peoples.

The Regional Trade Conference

By GIL J. PUYAT

President, Chamber of Commerce of the Philippines

THE arrival of the delegates from the San Francisco, Seattle and Honolulu Chambers of Commerce to attend the Regional Trade Conference in Manila will set in motion a week of intensive activities which have been prepared by the Chamber of Commerce of the Philippines.

Sometime ago during his last visit here, Consul General Roberto Regala reported to us the plan of the San Francisco Chamber of Commerce to hold a Regional Trade Meet in that bay metropolis and extended to us the invitation of that body to send delegates.

My quick reaction to the invitation, and so those of my colleagues, was "Why not hold it here?" Consul Regala, who also shared our views, thought it logical that any trade conference affecting Pacific trade should be held here for the Philippines has, during recent years, become the terminal of trade in this part of the world. Moreover, it would give the American delegates an opportunity to see with their own eyes our huge need for rehabilitation and reconstruction materials.

Here you have the genesis of the reason why the Chamber of Commerce of the Philippines is

playing host to this important Regional Trade Conference which will be held in the Convention Hall of our newly re-constructed building at Magallanes Drive on July 8th and 9th.

In a way the Manila Regional Trade Conference is a continuation of the one held in San Francisco, under the auspices of the Chamber of Commerce of that city, as part of the World Trade Week, where this chamber was represented by Messrs. Florencio Reyes, Heriberto Aguinaldo, Francisco Genato, Jose M. Hernandez and Leon Lazaga. But it is expected that this trade conference will be more than a round-table discussion of problems affecting business in the Pacific basin. More than anything it is hoped that this meeting will be instrumental in bringing Philippine-American trade collaboration on a more secure, permanent and stable basis. I am happy to say that our minds, and those of the visiting delegates, run parallel on this score.

Without previous consultation, the Committee in charge of the conference for the Chamber of Commerce of the Philippines prepared, discussed and agreed upon an agenda which coincides "*mutatis mutandis*" with that prepared and suggested by the San Francisco Chamber of Commerce. With this common understanding of the mutual problems that lie in the path of our trade intercourse, I feel justified in harboring the most sanguine expectations for the success of the conference.

Our entire membership is urged to attend and participate in all the activities, most specially the two-day sessions of the conference, where they are enjoined to act as observers. Although this is an affair of our chamber, we have extended an invitation to the American Chamber of Commerce and the chambers of other nationalities to participate in the program of activities and to send delegates to act as observers in the sessions of the conference.

Wanted: An Even Chance

By BALDOMERO T. OLIVERA

BY the time the visiting delegations of businessmen from San Francisco, Seattle and Honolulu take off for home after the Regional Trade Conference, they will have gained more confidence in the stability of American business in the Philippines. And we hope they will fly back convinced that there is perfect justification for the current Filipino attitude as regards the role he should play in his own country within the framework of the international business community.

This prediction is based on our confidence that once our visitors see the local situation at first hand, they will readily understand our position. And our forecast, furthermore, is predicated on our strong belief that the delegations would dig into our mutual problems with an open mind and would not permit their perspective to be warped by influences of another era which would cling on doggedly to the decadent concept of Asiatic colonialism.

Whether our guests discuss the matter with the top level in the Philippine government or at the Filipino businessmen's level, they cannot fail to notice that far from wishing to discriminate against Americans or against any other aliens willing to do business with a modicum of social conscience, we in this country actually have gone out of the way—in the case of the Americans, at least—to offer legal and economic guarantees to protect their interests, especially if their activities contribute to the country's economic rehabilitation.

We welcome the visit of the delegations from across the Pacific if only because they will see for themselves that there is nothing dangerously ultra-nationalistic in such acts and proposals as our Flag Law, our Import Control measure and our Labor Nationalization proposal.

For soon enough they will find out for themselves that in our own country we Filipinos do less than 15 per cent of the import-export business, to cite just an instance. They soon enough will discover that the country's vital trade and industrial enterprises are dominated by non-Filipinos—a situation which, they will agree, is not any too reassuring to a people who have aspirations to stable sovereignty.

So that when our Legislature sought to remedy this situation, it really was not so much with the intention of harming aliens, who, anyway, may by now be beyond harming from their already entrenched positions, as an effort to create a

situation in which the Filipinos themselves may have an even chance to enter fields vital to their country's economy.

And that is what we would like to underscore for the benefit of our visitors: *all we want is an even chance in our own country.*

Happily, our American visitors are, by tradition and by training, psychologically prepared to appreciate our stand. In sports as in many lines of endeavor, the average American is for the underdog. He likes to play fair. And he generally believes that sound business relationships can be developed only when the contracting parties are willing to meet one another half-way. It's the time-tested principle of give and take.

And so, on that score, too, we are happy to welcome our guests. For they will have occasion to learn that in actuality we Filipinos are not at all begging for relief or one-way assistance.

We fully appreciate the spirit in which the war damage payments, for example, are being made. But we feel that every cent of this was earned in priceless blood and actual loss of property in a war not exactly our own.

We now propose that a morsel of the Marshall Plan billions should be allocated to the Philippines because we believe that in exchange for the benefits we expect to derive therefrom, we would be able to buttress the American strategic and political position in Asia. We believe, too, that any increase in our national income resulting from our economic recovery through a Marshall Plan for the Philippines would more directly redound to the benefit of the United States which now enjoys virtual monopoly of our foreign trade.

We feel, in other words, that our relationships with our American friends are based on a dignified foundation of even trade. And we do not doubt that our American visitors at the Regional Trade Conference will see that point.

That is why we are optimistic as to the results of the Regional Trade Conference. We believe that before the discussions are over, it will have become clear to our visitors that all we want in our own country is a basis for respectable partnership.

We are confident that in time our guests will, of their own accord, rally behind our drive for just an even chance.

Regional Trade Meet in Manila

MORE than twenty American members of the Chambers of Commerce of San Francisco, Seattle, Honolulu and Oakland will exchange trade views with members of the Chamber of Commerce of the Philippines at the two-day regional trade conference to be held starting July 8 at the Chamber's building on Magallanes Drive.

The primary purpose of the visit of the American businessmen is to further develop the already friendly relationship now existing between the Philippines and the United States. They are also interested in developing a plan by which the United States and the Philippines can work together to restore good trade conditions, prosperity and peace in the whole Pacific area.

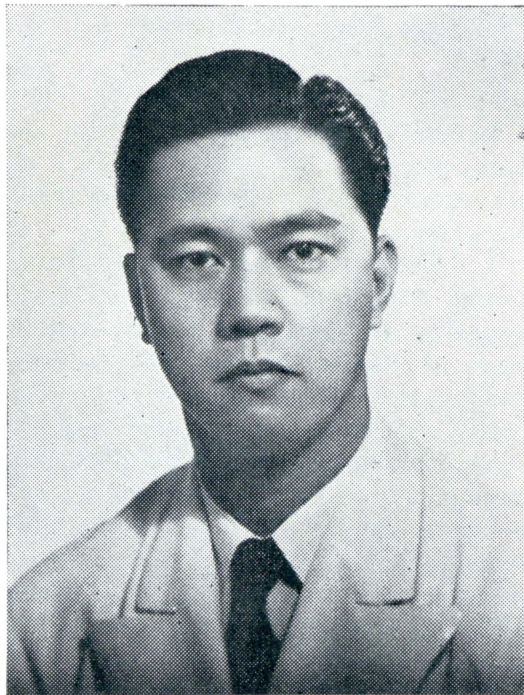
The visiting group is expected to arrive in Manila on a Philippine Air Lines DC-6 plane on July 2, and will leave on July 11 after fulfilling a heavy schedule of flying trips outside Manila and entertainments which the Chamber has prepared.

The delegates will call on President Quirino on the afternoon of their arrival. Mayor Manuel de la Fuente will later give a cocktail party in their honor at his office in the City Hall from 5 to 7 p.m. The following day, they will fly to Baguio to visit the Atok-Big Wedge Gold Mines accompanied by Messrs. Eliseo Quirino, Baldomero Olivera and Amando B. Isip. On July 4, they will attend the Independence Celebration of the Republic at the grandstand on Luneta as guests.

Other sightseeing trips which the delegates will make from July 5 to 7 will take them to the Canlubang Sugar Central at Calamba, Laguna; the College of Agriculture and School of Forestry of the University of the Philippines, and the National Park at Los Baños, Laguna; the abaca plantations in Davao as guests of the National Abaca and Other Fibers Corporation and the Philippine National Bank branch in Davao; and Bacolod where they will be guests of Mr. Ben Gaston at a luncheon party.

Conferences between the delegates and the members of the Chamber of Commerce of the Philippines will be held from July 8 to 9. During the meetings the following topics will be discussed:

1. Marshall Plan for the Philippines by Vicente Sabalvaro, general manager of the National Development Company.
2. Legislations and Other Regulations Detrimental to Philippine Trade by Gil J. Puyat, president of the Chamber of Commerce of the Philippines.
3. Obstacles to the Normal Flow of



GIL J. PUYAT
President, Chamber of Commerce of the Philippines

Trade Between the United States and the Philippines by Aurelio Montinola, president of Amon Trading Co.

4. Office of International Trade (OIT) Regulations as they affect Filipino Businessmen by Ildefonso Coscolluela, manager of the Philippine Relief and Trade Rehabilitation Administration.

5. Possibility of making Manila the main source of supply and distribution for American products in the Far East and neighboring countries by H. Menzi, Malacañan technical adviser.

6. Philippine Tourist Trade by Sergio Bayan, manager of the Manila Railroad Company.

7. Philippine Securities and Investment Opportunities by P. Ledesma, president of the Manila Stock Exchange; and

8. Stabilization of Currency by A. Calalang, member of the Central Bank Council.

The San Francisco Chamber of Commerce suggested that the following matters which were discussed during the World Trade Week in San Francisco be taken up at the regional trade meet here:

1. Financial and Economic Matters;
2. Minimizing Trade Barriers;
3. Trade Opportunities and Business Trends; and
4. Making Manila a Free Port or Zone.

"Our principal objective," the San Francisco Chamber of Commerce said, "is to find ways and means to aid in the strengthening of the Philippine Republic economically and to establish the best

possible trade relations between the Philippine Republic and the United States, and this can be started through the trade conference itself."

The chamber also asserted that it is to the interest of the United States that the Philippines should grow industrially, politically and economically because (1) a strong and free Philippine Republic will be a vital force in stabilizing and developing the whole Pacific area; and (2) a prosperous Philippine Republic with a higher economic standard of living will be able to supply many useful materials to the United States and will create a larger market for Pacific Coast and other American products.

The following are the delegates to the trade conference:

San Francisco Chamber of Commerce

W. P. F. Brawner, President, San Francisco Chamber of Commerce, Vice-President and General Manager, W. P. Fuller & Co., and daughter; Gen. Robert H. Wylie, Port Manager, Board of State Harbor Commissioners; Ronald E. Kaehler, President, San Francisco Stock Exchange; H. A. McConnell, Humphraye & McConnell; A. D. Levis, Connell Brothers, Ltd.; Victor England, Proprietor, Victor England Agencies; Alvin C. Eichholz, Manager, World Trade Department, San Francisco Chamber of Commerce; Herbert Sawin, Yuba Manufacturing; E. Russell Lutz, Vice-President in Charge of Foreign Administration, American President Lines; Dale L. Blanton, Manager, Export Department, Atkins Kroll & Co.; John E. Wagner, Vice-President, Pacific Far East Line; John Bryant, World Wide Trading Company; J. A. Bathrop, General Manager, United States Lines; M. Harvey Brotman, Brotman Associates, Inc.; Julius Foyer, Pamco, Inc.; Walter Blakey, Pan American Airlines.

Seattle Chamber of Commerce

John P. Studebaker, Western Machinery and Storage Company, Seattle, Washington.

Chamber of Commerce of Honolulu

Chester R. Clarke, Executive Vice-President of the Philippines Ready-Mix Concrete Company; Charles H. Hirst, Manager of American Factors (Phil.) Ltd.; Kenneth C. Morley, President, Hawaii-Pacific Traders, Ltd.—Manila Address: 543 San Vicente, Manila.

Oakland Chamber of Commerce

This Chamber, in a letter of June 18th to President Puyat, signified their approval of the Conference but did not mention names of their delegates.

San Francisco World Trade Report

By FLORENCIO REYES

Head, Philippine Trade Delegation to the San Francisco World Trade Week
(May 16-22, 1948)

MAY 20, 1948 was designated as Philippine Trade Day. The conference was held between Philippine and American businessmen at the Conference Room of the Bank of America Building on Pine Street, San Francisco. There were two sessions—one in the morning which lasted from 10:00 a.m. to 12:00 noon, and the other in the afternoon which started at 2:30 p.m. and ended at 5:00 p.m. In between the two sessions a luncheon in honor of the Philippine Trade delegates was held at the Fairmont Hotel.

The main objective of the Philippine-American Trade Conference was to work out ways and means by which a smooth and continuous trade between America and the Philippines, mutually profitable to both countries, might be assured. The presentation and discussion of the problems involved in the pursuit of this objective were characterized by complete frankness and a truly sincere desire to foster a healthy, cooperative, and happy relationship between Filipinos and Americans engaged in commercial intercourse.

Subjects Taken Up

In the course of the discussions that took place in both the morning and afternoon sessions, the following views were elicited:

1. That there is genuine interest among American capitalists to invest capital in the Philippines for the development of Philippine trade and industry. Both already established and new or potential capitalists are perfectly and sincerely desirous of helping the Philippines rise again to its pre-war position not only as one of the best customers of the United States but also as one of America's outstanding sources of supply. But American capital expressed its misgivings and apprehension over:

a. Pending legislation in the Congress of the Philippines regarding the licensing of imports;

b. Philippine regulations requiring the employment of only Philippine citizens in responsible position in various industries and specifically in the mining enterprises;

c. The present wave of nationalism

in the Philippines which may result in the expulsion of American investors similar to what had happened in Mexico some years ago;

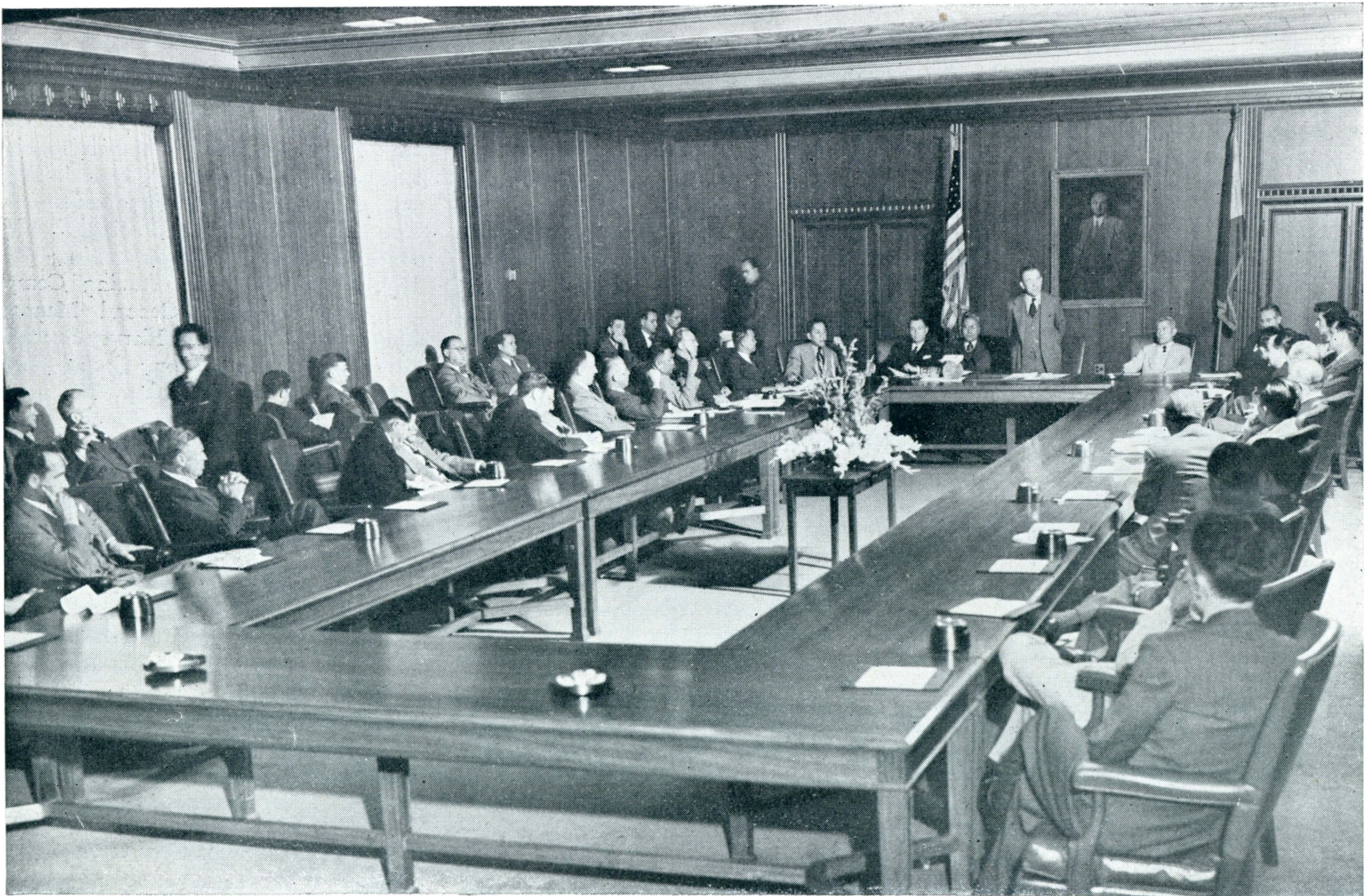
d. The existing political or social disorder in the Philippines brought about by elements hostile to the present government policy.

2. That the Philippines is intensely interested in having American capital and know-how established in the Philippines and that all other things being equal she would prefer to trade with America rather than with other countries. But Filipino businessmen are irked by:

a. The fact that a great many of the exports from the United States fall into the hands of aliens, because of the questionable practice or policy of the Office of International Trade in Washington in granting licenses to a great extent only to the "historical and traditional American exporters";

b. Certain inequalities existing in the relationship between Americans and Filipinos in spite of the provision

(Continued on page 17)



WORLD TRADE WEEK—View of one of the conferences held in San Francisco, Calif., last May, at which the idea of holding the regional trade conference in Manila was first suggested. Chamber of Commerce of the Philippines was represented in meet.

Background of the Trade Conference

By BALDOMERO T. OLIVERA

THERE is dramatic timeliness in the arrival in Manila the first week of July of a delegation of top foreign trade executives from the Pacific Coast of the United States and Honolulu aboard a silvery DC-6 of the Philippine Air Lines. The delegation is coming for the first Regional Trade Conference held under the sponsorship of the Chamber of Commerce of the Philippines. They will arrive amid an atmosphere of gaiety as the Republic of the Philippines celebrates its second anniversary. Well, may this arrival of the first foreign trade delegation ever to honor the Philippines with a goodwill visit serve as a milestone in the campaign to make the Philippines as free and stable economically as the world recognized her to be politically mature on her second independence day.

Delegations from the Chambers of Commerce of San Francisco, Seattle, and Honolulu are making the long hop across the Pacific primarily to confer with the Chamber of Commerce of the Philippines on the ways and means of further promoting the flow of goods and services between the United States and the Philippines.

The conference is a logical outgrowth of the preeminent role which the Philippines has played in the Pacific trade picture after liberation: Philippine trade with the San Francisco Bay Area alone hit the billion-and-a-half-peso mark in 1947. The Philippines has thus become the number one market as far as the Pacific coast of the United States is concerned.

Along with this all-important factor are the personalities with drive and foresight who all contributed to the development of the idea for a Regional Trade Conference in Manila. We may go as far back as that day in May last year when President Quirino, then Vice-President and concurrently Secretary of Foreign Affairs, pictured before the Commonwealth Club of San Francisco the vast opportunities for profits that awaited the Americans with capital and know-how who may wish to take part in the rehabilitation of the Philippines. The Commonwealth Club is California's foremost of its kind. It includes San Francisco's leading trade executives. President Quirino's invitation to come over and see things for themselves could well have engendered the desire among many of these executives to call the challenge.

Then, a few months later, the San Francisco trade circles met with a personality of a different sort. Rotary International had just elected Mr. Gil J. Puyat

to the first vice-presidency, the No. 2 spot in the worldwide organization. That alone would have won for him many friends among the top rung of the Pacific coast's foreign traders. But he came, too, as President of the Chamber of Commerce of the Philippines, and the officials of the San Francisco Chamber of Commerce promptly accorded him full honors. Obviously, it is no coincidence that almost all the American delegates to the Regional Trade Conference—let's refer to it now as RTC for short—are great personal friends of Gil J. Puyat.

Three other personalities were likewise immediately concerned with the blueprinting of RTC: Alvin C. Eichholz, manager of the World Trade Department of the San Francisco Chamber of Commerce; W. P. Fuller Brawner, president of the same Chamber; and Judge Roberto Regala, Philippine Consul General at San Francisco. The first two, in the course of their preparations for the Foreign Trade Week held in San Francisco from May 16-22, this year, requested Judge Regala, who was then making an official trip to Manila, to take up with the Department of Foreign Affairs and the Chamber of Commerce of the Philippines the possibility of Philippine participation in the San Francisco celebration. Mr. Eichholz and Mr. Brawner suggested that if the Chamber of Commerce of the Philippines could send a delegation to San Francisco, they would welcome an opportunity to return the courtesy with a similar mission to Manila.

While all these proposals were being discussed quietly in San Francisco and Manila, a journalistic incident brought the matter to the fore. Late last February, Columnist Jack S. McDowell of the San Francisco Call Bulletin interviewed the late President Manuel Roxas. In that interview, the late President told McDowell that he would welcome a delegation of San Francisco businessmen to Manila; that he was prepared to extend an official invitation to that delegation.

The ensuing publicity in the San Francisco newspapers and the generally favorable comment generated by this proposal just about clinched the project. And in Manila, meanwhile, Mr. Puyat lost no time by extending formal invitations to the Chambers of Commerce of the Pacific Coast and Honolulu for the Manila pow-wow. At the same time, Mr. Puyat named a delegation from among members of his Chamber then travelling on business in the United States to proceed to San Francisco for the World Trade Week. Simultaneously, the Department of Foreign Affairs authorized the Con-

sulate General to participate in the trade exhibition, along with eighteen other foreign countries.

The World Trade Week in San Francisco might well have been called Philippine Week for all practical purposes. At the opening of the exhibition in the Ferry building at the foot of world-famed Market Street, the Philippines literally stole the show with one of the best exhibition booths and a string band to draw the crowd. Judge Regala was the only consul general asked to speak during the opening ceremonies. At the week-long luncheon meetings, the Philippine delegation was given places of honor. And the whole affair reached its highwater mark on May 20th when the first Philippine-San Francisco Trade Conference was held at the conference room of the Bank of America. The Philippine representatives—Florencio Reyes and Heriberto Aguinaldo for the Chamber of Commerce of the Philippines, assisted by Leon Lazaga, Jose M. Hernandez, Antonio A. Gonzalez, Capt. Mariano S. Sulit and several other Filipino businessmen on the Coast—held their own in the ensuing discussions.

As nominal head of the delegation, Mr. Reyes was accorded the honor of delivering the principal address before the World Neighbor Day luncheon on the same day, and in the succeeding lunches and cocktail parties, the Philippine delegates were given places of honor and had occasion to hobnob freely with such celebrities as California's Governor Earl Warren, now Republican candidate for the Vice-Presidency of the United States, and Admiral Chester Nimitz of World War II fame.

From then on, the details of RTC were gradually worked out. The Chamber of Commerce of the Philippines at once saw the tremendous goodwill and business value of the Conference and promptly laid out a program of meetings, sightseeing and entertainment that promised to bolster the Filipino reputation for hospitality. At the same time, Mr. Brawner and Mr. Eichholz got busy contacting other Chambers of Commerce on the Pacific Coast and succeeded in rounding up a sizable delegation for the Manila trip.

If the discussions in San Francisco last May are any criterion, the Regional Conference in Manila bids well to produce much immediate good. In San Francisco, for example, the Filipino delegation lost no time in sailing into the flour policy of the OIT. Among the observers at the meeting was George Bell, a top of-

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Shall We Trade With Japan ?

(A Symposium)

By R. C. O'HARA

Major, USAF, SCAP Trade Representative

AS a background to the complex problem of trade with Japan as affects the Republic of the Philippines, it is essential that the planning for future policy in Japan be thoroughly reviewed.

On August 21st, 1945, as preparations were made for the surrender ceremonies, the United States of America suggested that there be created an international body to help formulate future policies in Japan and assist in planning the organization which should be required to make sure that the Japanese fulfill their obligations. The United States proposed to China, Great Britain, and U.S.S.R. that the powers which have participated in the war against Japan set up a Far Eastern Advisory Commission. It was suggested that this commission be given the task of making recommendations "on the formulation of policies, principles and standards by which the fulfillment by Japan of its obligations under the instrument of surrender may be determined." The FEAC would also make recommendations "on the steps necessary and on the machinery required to insure a strict compliance by Japan with the provisions of the instrument of surrender."

The United States began to set up FEAC inviting representations from the Philippines, Australia, Great Britain, Canada, China, France, India, Netherlands, New Zealand and U.S.S.R. All but the U.S.S.R. accepted the invitation and named delegates to the first session. The U.S.S.R. went back on the ground that FEAC would be only an advisory body. She wanted an international control commission for Japan. Hoping that the Soviet Union's non-participation would be only temporary, the United States and other nations went ahead and FEAC began studying the field of Japanese disarmament and rehabilitation.

Russian participation in the policy for Japan was secured by a compromise. Concessions were made by both the Soviet Union and the United States. The Soviet Union's request for a control commission was satisfied. She agreed to a limit on the power of such a control commission.

The compromise which was reached at the Moscow conference of Foreign Ministers of the U.S.S.R., Great Britain and the United States on 27 December 1945 provided that instead of FEAC, there be set up a Far Eastern Commission and an Allied Council for Japan.

The Foreign Ministers gave FEC a broad membership. Like FEAC, it would be composed of representatives of the Philippines, Great Britain, United States, China, France, Netherlands, Canada, Australia, New Zealand, India and U.S.S.R. In addition, provisions were made for participation by still other powers. The foreign ministers declared that "the commission shall provide for full and adequate consultations, as occasions may require, with representatives of the United Nations not members of the commission in regard to matters before the commission which are of particular concern to such nations."

FEC's job is "to formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the terms of surrender may be accomplished." Operating from headquarters in Washington, D.C., its decisions reach Japan via the U. S.

Government which according to the Foreign Ministers "shall prepare directives in accordance with policies and decisions of the commission and shall transmit them to the Supreme Commander."

The Supreme Commander for the Allied Powers, General of the Army Douglas MacArthur, is charged with overall supervision of the economic rehabilitation of Japan in accordance with the policies prescribed by the Far Eastern Commission. The complexities of evolving a sound, peaceful and self-sustaining economy for Japan in the light of her present position as a defeated and occupied nation are readily apparent.

Japan's currency is decreasing in value and her stockpiles of essential raw materials are disappearing. She is critically short of foods, fertilizer, fats, metals, coal and textile raw materials. Her im-

(Continued on page 14)

Chamber Heads Say "No"

By GIL J. PUYAT

President, Chamber of Commerce of the Philippines

THE present agitation for the resumption of trade between the Philippines and Japan is interesting in many ways. In the first place, in the absence of a treaty concluding the war, Japan is technically still an enemy and we cannot legally trade with her. The resumption of such a trade besides has many implications which cannot be ignored. While Japan is a beaten nation, we are just as beaten as she is, if not worse, for what she did to the Philippines during her three years and a half of occupation. From the brutality of her occupation, it will take us more than a quarter of a century to recover morally, financially and spiritually. It was her intent to shorn us of all progress by uprooting here what she called all the vestiges of American culture and civilization. In pursuing this policy, and stripping our economy, she set back Philippine economic progress almost to what it was at the inception of the American regime in 1901.

On the other hand, because she suffered no systematic devastation in her territory, she was able to preserve more or less her productive power. The end

of the war found her shops, her machineries, her industries, her agriculture, etc., almost intact. Although the exigencies of her defeat have temporarily stopped or curtailed the activities of her vast industrial plant, she is thus in a position to put it into operation without much ado or travail. For that matter, all she needs is raw materials and this is why she needs us to feed her machinery and shops.

Therefore, while the resumption of her trade with the outside world, such as being sought by SCAP, would set immediately into action this vast industrial machinery back to its dominant position, the countries she stripped of economic power and substance, like the Philippines, still present the sorry state of having hardly recovered from the blows she administered to them.

In fact we are made to understand that because of the excellent state in which the vast Japanese industrial plant has been preserved, Japan can supply us immediately with materials necessary for our reconstruction and rehabilitation, including such articles as toys, utensils, textiles and clay products. We are told that we can get these cheaper than anywhere else, and that it is for our good to avail ourselves of the kind services of the Japanese. We are told also that we should take advantage of Japanese tech-

nical skill, and to forget bitter experiences during their occupation for humanitarian reason and to be realistic and Christian-like.

Let us look back to the conditions of our trade with Japan before the war, and be realistic since it is argued that the resumption of such trade would benefit us right now. Take the period from 1931 to 1938 during which our normal trade with her reached the greatest volume and activity. Our export for the eight years were valued ₱89,327,704. Against this our imports from her were valued at ₱174,808,822. For 1937 and 1938 alone, our unfavorable balance of trade with Japan were valued at ₱22,562,994. For the years 1939 and 1940, the balance of trade was in our favor in the amount of ₱6,303,798. Our trading with Japan in the years 1939 and 1940 was, however, abnormal. During these two years, she had to import more commodities to bolster up her war efforts with China. Also, she might have imported more to stockpile war materials.

The bulk of our imports from Japan was mostly in the nature of non-essentials, goods which found market in the Philippines principally because of their cheapness. They undersold everything we could produce so that in a certain sense they served to retard the growth of our industries. They were composed of cotton and rayon cloths, printed or dyed, undershirts and towels, socks and stockings, threads, coal, cement, manufactured tiles, kitchen utensils, enamelware, glassware, lamps, empty bottles, codfish, canned sardines and mackerel, and other fish products.

Under miscellaneous articles were toys and celluloids, pianos, phonographs, and cameras.

We also imported industrial acids, cigarette paper, paper boxes, magazines and newspapers, rubber shoes, bicycle casings, corrugated iron sheets, cables and wire ropes, stationary and marine engines, textile machinery and parts.

The bulk of our exports constituted raw materials, such as copra and abaca fiber, metallic ores and concentrates, like iron ores, chrome, copper concentrates, and scraps of iron, copper and brass. Our exports of abaca constituted chiefly of abaca fiber, not finished articles. In 1939, Japan imported only ₱8.00 worth of rope.

Among our other exports to Japan were leaf tobacco, hides and skins of cows and carabao, lumber in the form of logs, dressed lumber, and other forest products.

This kind of trade reveals a pattern which would be most inimical to us if we are decided in embarking on an industrialization program. The Philippines would once again be the supplier of raw materials, for which fortunately, there is now a world market and should we trade with Japan freely, we would be exchanging this globally needed essential raw

materials for the inferior, low quality goods for which Japanese industries are known. When I stress cheap, inferior Japanese manufacture, I do so for two reasons. First, the inflow of these cheap Japanese goods would undoubtedly be an obstacle towards our getting set with our own local industries. Secondly, cheap manufactured goods imply low-cost labor and low-cost labor in turn implies low standard of living. The questions I now pose are these: With the increased cost of living conditions obtaining here now, what chances will local industrialists and businessmen have in competing with these inferior Japanese merchandise? Further, to successfully

meet this kind of competition, we have to do one of two things. Produce on mass scale for which we neither have the capital nor the market or meet the competition with cheaper labor. Is this the kind of living that we envision for our masses or would we not want our masses to enjoy more of the comforts of life and make them feel that life is worth striving for because as a reward they would have a greater share of nature's opportunities and largesse? I hold the proper answer to this question of paramount consideration. As for myself, I believe that a progressive and prosperous Philippines can be founded only on a progressive



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Much as we would like to believe in the peaceful assurances of the SCAP and to take advantage of Japanese trade and skill, yet we feel that neither by realistic reasons, by economic humanitarian, Christian, etc., or otherwise are we convinced that it is at present the soundest step to take. The economic disputes that brought about the war which caused the trade dislocation from which the whole world is presently suffering, are too fresh in our memory to believe that they can be solved by such assurances and considerations. In the heyday of her industrial might Japan systematically tried to dominate her less fortunate neighbors by force and economic penetration. She was led to do this by necessity, and necessity at present forces her to pursue the same course to survive. Of course, under SCAP there is no possibility for her becoming aggressive to gain this objective, but after SCAP what?

Our trade with Japan before the war, as I have shown above, was not satisfactory to us. In certain instances, it was even disastrous. She made the Philippines a dumping ground of cheap goods which gave our industries very little chance to grow up. She controlled besides the fishing industry and our shipping was partly dependent on her.

She had a big share in our import and export business, and Japanese firms were spread out as wholesalers and retailers in open competition with Filipino businessmen. Certainly, the Filipinos would not like to see the repetition of such a thing. Principally as a protection against the Japanese, we had, even before the war, started to make revision of the anomalous state of our economic system in the endeavour to gain a certain measure of industrialization to provide ourselves with products we can well manufacture at home.

So with the liberation and independence, the Philippines immediately embarked upon a trade reform program whereby her industries would be encouraged and her domestic and foreign trade properly channelled into the hands of her people. The resumption of trade with Japan, therefore, poses for us an important question which necessarily entails a re-examination of the program of industrialization and post-war trade development which we are trying to put into concrete form.

Are the Filipinos willing to make that re-examination now? I could hardly believe they are in view of the determined attitude they have taken to strengthen the foundation of their economy by means of industrialization which runs counter with the proposal of Japan to dump cheap goods here again. Besides

this program of industrialization is partly premised upon the eventuality of the Philippines getting enough machinery from Japan as part of reparations due the Philippines, and, of course, putting the Japanese industrial machinery to work, however limited it might be, would impair if not lessen our chances of getting the portion of reparations which might have already been earmarked.

On the other hand, will not the resumption of trade lead to other concessions which later on might assume the nature of economic penetration which Japan successfully carried on here before the war and which put her into the possession of vast hemp plantations in Davao and enabled her to build a big fishing fleet in the Philippine waters? There is always present that danger being developed when a populous nation advanced in technology undertakes to trade with a less populous country to get as much benefit out of it without regard to the latter's progress and welfare. With Japan, it is hardly to be expected that she will regard the welfare of the Filipinos at all once she has established trade with them again.

Of course, I am not advocating that we should entirely shut our door against Japan. If other countries, despite her war record, have resumed trade with her, we, too, might find a way to do the same with her. And to me, the best

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way to do it would be to establish a limited trade on an item-to-item basis subject to immediate modification or termination when such a step is necessary to safeguard our industries and trade. But above all, Japan must make good the reparations due us before she talks of trading with us again.

In concluding my opening remarks in this round table discussion, I am tempted to repeat what an old, but worldly wise old man once told me. Experience is not what happens to you, it is what you do with what happens to you. Our past experience has cost us money and what is more important to remember, has cost us tears and blood. For the sake of our people, we must have to profit from this experience.

By SALVADOR ARANETA
Vice-President, Chamber of Commerce
of the Philippines

I fully agree with the views expressed by Ambassador Romulo, when he advised against a hurried decision in opening our doors to Japanese trade. The matters can be studied and decided from three angles:

(1) From the high plane of principles, (2) from the common level of sentiment and (3) from the utilitarian view of the economic welfare of the country. This last approach calls for another distinction: The short range view and the long range view.

As a matter of principle—I am against trading with Japan—as long as she remains our enemy and a peace treaty has not been signed and she has not agreed to pay just reparations. Trading with the enemy before signing a peace treaty might jeopardize our rights at the peace conference. Incidentally, I would like to say that our Department of Foreign Affairs should urge an early peace treaty where Japan should be obliged to pay such reparations as may not be covered by war damages paid by the United States. We must remember that the United States at present does not seem to favor exacting reparations from Japan. What arms we can use, or rather, what concessions we can give Japan, to induce Japan to pay reparations? The only one I can think of is the privilege of trading with the Philippines.

I believe sentiment should not influence our decision. This problem should be decided from the point of view of the economic welfare of the country—not the convenience of the few—but the economic good of the country at large—and not what will benefit us immediately but will harm in the long run, but what will be the best interest of our country.

From a short range view, it might perhaps be expedient to begin exporting iron ore to Japan, for its conversion into finished products to be brought back to the Philippines, we paying Japan for the services. It is argued, that this is not trading with Japan, but making Japan work for us. The services of Japan can be paid in kind, by allowing Japan to keep a portion of the finished product or better still, if possible, by charging it to our reparations bill. Now, but what might be convenient for the immediate future, may prove a national disaster measured in terms of many years.

In this connection I would like to suggest the following propositions:

1. We must continue with our plan

of industrialization, and we should not accept any form or manner of trading with Japan that will hamper our industrialization program.

2. We should not sacrifice our long range plans of increasing our national production, for what might appear expedient at the moment, of present shortages of materials.

3. The best economic structure for the country is that which will enhance and increase our national production to the maximum, not precisely immediately and for a relatively short period, but for a long period even though it might take three or five years to bring about. I am sure that unrestricted trade with Japan would jeopardize our industrialization

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program and our efforts for maximum national production.

4. We must fight to the utmost present plans of the SCAP to make of Japan the work shop of Asia. If this should materialize, Japan would have won the war and would have achieved what she fought for the so-called Co-Prosperity Sphere—an Asia for Japan.

5. I believe, in a Far East where all countries have emancipated themselves from a primitive backward agricultural economy, thereby, each achieving an increased national production that will permit a higher standard of living for their respective people. Japan can remain an industrial country to minister to the needs of its people, but not to be, as in the past, the only industrial country in the Far East. We in the Philippines can no longer be satisfied with a "raw material economy" and be satisfied to be the hewers of wood and drawers of water for the industrial nations. We must broaden the productive base of our economy.

6. We should trade with Japan only after she has agreed to pay us just reparations. This is the price that we must demand from Japan for the privilege of trading with us.

7. In conclusion, to begin now trading with Japan, although in a selective and limited manner, prior to the conclusion of a peace treaty would be jeopardizing our long range industrialization program and our just demands to exact reparations from Japan.

Therefore, as a matter of principle, and from a long range view of the good of our country at large, it would seem highly inadvisable to begin now having any kind of economic intercourse with the Japanese people.

Shall We Trade With Japan?

(Continued from page 10)

ports are limited to those critical essential materials which can be procured from either United States appropriated funds or the funds accrued from exports to date, supplemented by the limited imports resulting from government to government trading. One of the most positive steps that can be taken towards restoring Japan's self-sufficiency is the reopening of private trade. It is with this purpose that the discussion is vitally concerned.

Although the country cannot immediately become a cornucopia supplying the world's most urgent import requirements, the potentialities for meeting a wide variety of foreign needs are in Japan today. Japan has plant capacity and technical know-how. Her workers, manufacturers, builders and planners can re-establish their country as a responsible contributing member of the family of nations if they are given proper direction and assistance.

It is to be expected that a variety of problems will be confronted in efforts to open Japanese trade. Conscientious efforts have been made to minimize the restrictions and controls necessarily attendant with limited trade and to avoid "red tape" procedures. But the occupation of a country by representatives of a group of nations is a novel undertaking in world affairs, and the reopening of private trade under such circumstances offers little precedent.

The willingness to discuss trade with Japan and interest therein marks the Philippines as a country of vision who sees beyond the complexities and confu-

sion of the immediate postwar era. Be assured that those portions of the Headquarters of the Supreme Commander for the Allied Powers and the Japanese Government trade agency (Boeki Cho) which have been designated as the agencies through which to work, will do everything in their power to assist in the successful accomplishment of the mission. The successful efforts of the Philippines will be a source of benefit not only to Japan, but to all the Allied Nations which are today attempting to restore an era of peace to the world.

* * *

By AMANDO DALISAY
Department of Foreign Affairs

TO my mind, trade with Japan should be examined on a purely objective business point of view. The paramount consideration should be national economic interests, not private individual interests. From this point of view I can visualize the following alternatives in Philippine-Japanese trade. First, avoid trading with Japan altogether. Second, trade with Japan on an unlimited and unrestricted scale. Third, trade with Japan on a limited and selective basis. And fourth, wait until the signing of the peace treaty before we undertake trade with Japan on a formal basis.

Let us examine the first alternative. If we do not trade with Japan, we simply ignore economic realities. Guided solely by sentiment, our national economy would neither profit nor gain respect by avoiding completely any trade relations with a former enemy. Our alien friends would of course make the purchases in Japan and sell the goods to us by indirect methods. It would seem to the outside world that we Filipinos prefer to see foreign merchants profit from this trade by direct contact with the Japanese rather than soil our hands by handling this trade ourselves. This alternative may, therefore, be eliminated.

The second alternative—unlimited trading with Japan—would prove generally profitable to private traders. But it would ignore the reality of our present economic situation. As an undeveloped economy, the Philippines has to establish industries that will produce goods for our basic necessities. The dumping of cheap goods in the local market, if unchecked, will prove ruinous to

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the development of new industries if not destructive to those industries already established.

The third alternative is a compromise between the extreme views and is appreciative of our present economic difficulties. Lacking construction materials and other essential commodities, we are forced to buy them wherever they are available and whenever our financial means will permit. Fully aware that our foreign exchange reserves cannot be maintained at their present high level, we have to conserve them and make them go a long way by making our purchases in low-price markets, we can only accomplish this purpose if the Government observe the necessary safeguards and initiate the proper controls so as to insure that only those goods that are badly needed by our people and essential to our economic reconstruction are allowed to be imported.

The last alternative—to wait until the signing of a peace treaty before the Philippines resumes trade with Japan on any basis—seems to me unrealistic. Although a very cautious attempt to avoid any commitments that may jeopardize Philippine national economy, the proposal rests on waiting for an uncertain and indefinite situation. The wiser move, it seems to me, is to explore now by actual practice the lines of trade in which Filipinos may very well engage and find out which ones would be beneficial until trade is resumed on a more formal basis after the signing of the peace treaty.

Both from the world picture and the regional picture, trading with the former enemy is inevitable. From the regional point of view, the Philippines and Japan, close neighbors and living parts of Southeast Asia whether we like it or not, must reckon with each other in any plans for reconstruction and development of the region as a whole. For this region to grow and mature, the countries within it must trade with one another.

But the Filipinos do not have to trade blindly with the Japanese, accepting any and all kinds of goods from them without careful scrutiny. It seems to me that the Philippines has to adopt a national policy with the measures that will enable this country to accept only those commodities that are essential to its present requirements and to its future economic development. I do feel that there is a proper place in our national scheme for limited and selective trading with Japan based primarily on business common sense and dictated by national economic self-interest.

Background of the . . .

(Continued from page 9)

official of the U. S. Department of Commerce and a policy maker at OIT. Mr. Bell at once saw the point of the Filipino delegation. He gave assurances that the problem would be looked into when he got back to Washington. And that was the hitherto unpublished story behind the recent liberalization of the OIT flour allocations—a ruling which would enable more Filipino traders to enter the field of flour importation.

The agenda submitted by both sides for RTC cover such ponderous subjects as the Marshall Plan for the Philippines and the possibilities of making Manila the trade capital of the Orient. These topics may sound academic at the moment but the men who will sit in to discuss them are executives and experts at business level who are not given to idle talks. On their record, the conferees may be counted upon to produce results.

From the standpoint of the average member of the Chamber of Commerce of the Philippines, one proposal alone up for discussion at RTC is well worth noting. Mr. Eichholz indicated that he would seek a working arrangement among the Chambers of Commerce participating in the discussions to place their respective facilities and services at the disposal of the accredited members of the other

Chambers. If carried out, this would mean that a Manila member, for example, who travels to San Francisco on business, would not have to waste time and efforts seeking business contacts. All this can be conveniently prearranged through the Chambers of Commerce.

The significance of RTC to the Philippines and the United States alike was aptly sized up by the San Francisco *Call Bulletin* in its editorial of June 7th thus:

"The benefits (from closer economic collaboration sought at the Regional Trade Conference) would be mutual, of course.

"The Islands would receive all the advantages of capital investment and skillful business management and know-how.

"Their great natural resources, for most part as yet untapped, would provide an abundance of materials for the markets of a world where shortages resulting from the wreckages of war still exist . . .

"Here is an opportunity for bold, imaginative, and practical action which . . . could redound to our prosperity and that of the Philippines . . ."

The visit of the American trade delegations was happily timed to coincide with our festivities as we enter our third year of independent nationhood. There is a symbolic significance in that. As a world trade factor, the Philippines has come of age.



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By PEDRO J. OCAMPO

Secretary,

Chamber of Commerce of the Philippines



AMERICAN DELEGATES ARRIVE—Picture taken at the Manila airport as Gil. J. Puyat, president of the Chamber of Commerce of the Philippines, poses with the visitors together with the rest of the welcoming committee. In the group may be seen Mayor Manuel de la Fuente of the City of Manila, Security Exchange Commissioner Felimon Cosio, Ramon Araneta, Eugenio Padua, Vicente Sabalvaro, Hans Menzi, Pacifico Ledesma, Juan Quintos and Benito F. Medina. Of the American delegates may be seen Alvin C. Eichholz, W. P. Fuller Brawner and his daughter, Herbert A. Sawin, Arthur D. Levis and Ronald E. Kaehler.



W. P. FULLER BRAWNER, head of the delegation, who is president of the San Francisco Chamber of Commerce.

The delegates are arriving on July 2nd and will stay in Manila until July 11th. To make their stay in the Philippines more enjoyable and more fruitful, we have arranged for the coming visitors a program of visits to manufacturing plants and industrial enterprises and sight-seeing of some parts of interest in the Philippines. Arrangements have been made with His Excellency, the President of the Philippines, the Honorable Secretary of Commerce and Industry, the Mayor of the City of Manila, and several commercial and industrial firms, to entertain the delegates in luncheon, tea, cocktail, and dinner.

The conference will be held at the Convention Hall of the Chamber, at Magallanes Drive, on July 8th and 9th. On the evening of July 9th, our Chamber will honor the delegates with a dinner with all the members participating, at the building of the Chamber. All the members are enjoined to attend the conference as observers during the discussions.

The following topics as assigned to their respective participants were approved by the committee in charge to be included in the Agenda:

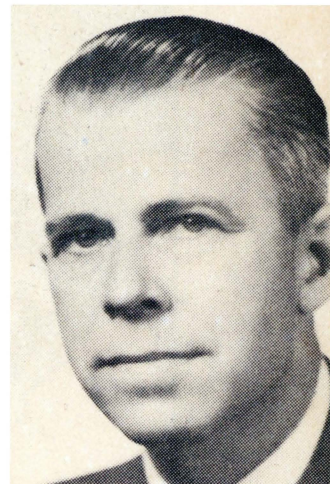
1. Marshall Plan for the Philippines Mr. V. Sabalvaro
2. Legislations and other regulations detrimental to Philippine

As you are probably aware, your Board of Directors had decided to implement the plan of the San Francisco Chamber of Commerce to hold in Manila a Regional Trade Conference with Chambers of Commerce of the West Coast, of Honolulu, and our Chamber participating, as explained in one of the meetings of your Board by Consul General Regala of San Francisco, during his last stay in Manila, to discuss problems of trade intercourse between the United States and the Philippines. We have signified our willingness to play host to the different Chambers of Commerce participating, and according to advices received, delegations will be coming from San Francisco, Seattle, Honolulu and other Chambers of the West Coast. We have also extended invitations to the different local Chambers of Commerce to designate their respective representatives who may act as observers during the discussions in the conference.

COURTESY CALL AT PALACE—Members of the American delegation accompanied by the president and directors of the Chamber of Commerce of the Philippines are here shown posing with President Elpidio Quirino in the latter's study at Malacañan after paying him a courtesy call on the evening of their arrival. Left to right: Eliseo Quirino, Pedro J. Ocampo, Hans Menzi, Herbert A. Sawin, John P. Studebaker, Alvin C. Eichholz, John Bryant, Gil J. Puyat, H. A. McConnell, W. P. F. Brawner, President Elpidio Quirino, Mayor Manuel de la Fuente, M. Harvey Brotman, General Robert H. Wylie, Norman L. Jemal, A. D. Levis, Ronald E. Kaehler, Kenneth C. Morely, B. F. Medina and Pacifico Ledesma.



Brig. Gen. Robert H. Wylie
Manager, Board of State
Harbor Commissioners
for the Port of San
Francisco.



Alvin C. Eichholz
Manager, World Trade
Department, San Fran-
cisco Chamber of Com-
merce.



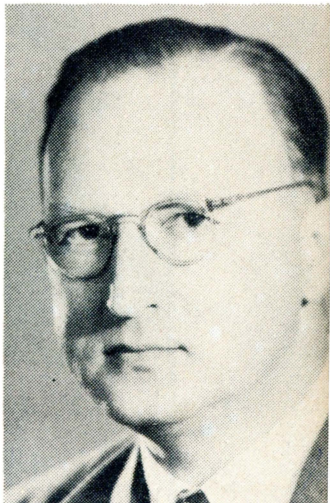
Arthur D. Levis
Connell Bros., Ltd., of
San Francisco



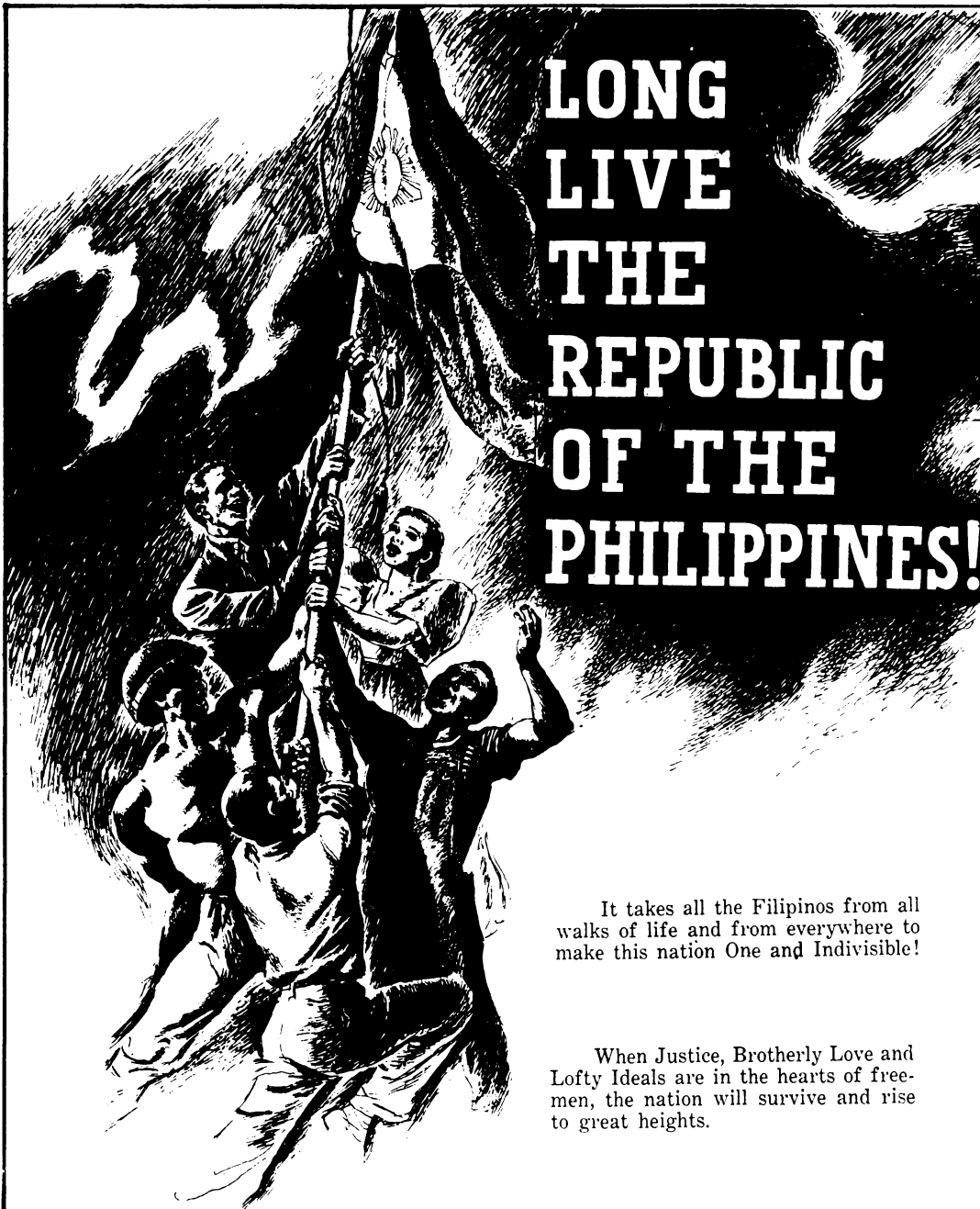
Herbert A. McConnell
Humphrey & McCon-
nell of San Francisco.



Ronald E. Kaehler
President, San Francisco
Stock Exchange.



Herbert A. Sawin
Sales Engineer, Yuba
Manufacturing Co., of
San Francisco.



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- trade. Pres. Gil J. Puyat
3. Obstacles to the normal flow of trade between the United States and the Philippines . . . Mr. Aurelio Montinola
4. Office of International Trade Regulations (OIT) as they affect Filipino Businessmen . . . Mr. Ildefonso Coscolluela
5. Possibility of making Manila the main source of supply and distribution for American products for the Far East and neighboring countries . . . Mr. Hans Menzi
6. Philippine Tourist Trade . . . Mr. Sergio Bayan
7. Philippine Securities and Investments Opportunities . . . Mr. Pacifico Ledesma
8. Stabilization of Currency . . . Mr. A. Calalang

Besides the above-quoted matters, we may include in the agenda the following, which were discussed during the World Trade Week in San Francisco:

Financial and Economic Matters;
Minimizing Trade Barriers;
Trade Opportunities and Business Trends;

Making Manila a Free Port or Zone.

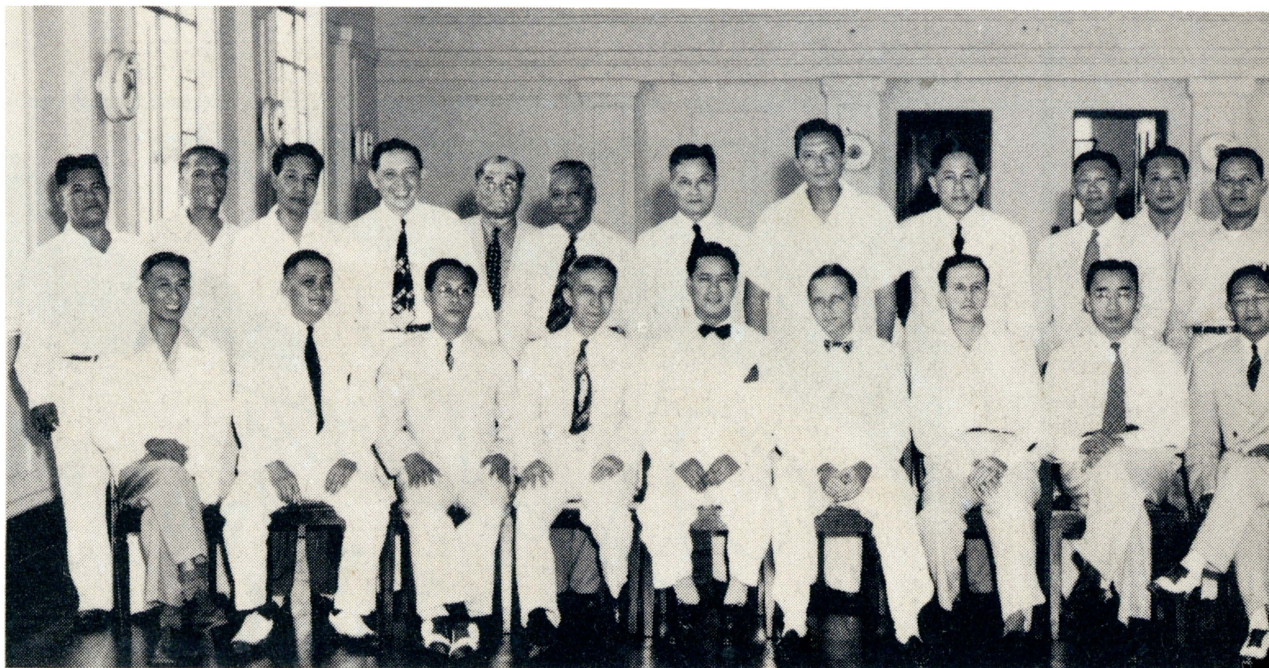
The purpose and objectives of this Philippine-Pacific Coast Trade Conference, as prepared by the San Francisco Chamber of Commerce, follow:

1. The primary purpose of the visit is to further develop the already friendly relationship now existing between the two nations and the peoples thereof.
2. To develop a plan by which the United States and the Philippine Republic can work together to restore good trade conditions, prosperity, and peace in the whole Pacific area.
3. Our principal objective is to find the best ways and means to aid in strengthening the Philippine Republic economically and to establish the best possible trade relations between the Philippine Republic and the United States, and this can be started through the trade conference itself.
4. It is to our interest to have the Philippine Republic grow strong industrially, politically, and economically because:
 - a. A strong and free Philippine Republic will be a vital force in stabilizing and developing the whole Pacific area;
 - b. A prosperous Philippine Republic with a higher economic standard of living will be able to supply many useful materials to the United States and will create a larger market for Pacific Coast and other American products.

Thus the mutual interest are great and to enhance them is carrying out the tradition established between 1898 and Independence.

Some of the questions involved in this study being made by the members of the trade conference and already brought to light are:

- a. Can the Philippine Republic expect to develop rapidly enough by its own effort if laws are established which will discourage or exclude foreign capital?
 - b. If no such laws are established, is there a danger of foreign enterprise depleting the capital and natural resources of the Philippine Islands?
 - c. Is there some middle course that might be followed which would establish laws to prevent foreign capitalists from exploiting the Philippine Islands but still give such encouragement to foreign capital so that it will come into the Philippine Republic and thus speed up progress now being made in building up the Philippine Republic economically?
5. If this trade conference group decides that some foreign capital is desirable, it should be remembered that under the free enterprise system capital will naturally flow to those places where conditions are most attractive to it. For example, if stringent laws affecting United States-capital should be developed by Mexico while Philippine laws were more liberal, it is almost a certainty that American businessmen would



EXECUTIVE COMMITTEE IN CHARGE OF PROGRAM—Picture shows members of the Chamber together with business executives who helped planned out the activities of the convention. Seated (left to right): Director Angel Arguelles of the Bureau of Science, Dr. Adriano of San Miguel Brewery, Juan D. Quintos of Philippine National Bank, Judge G. Guevara, President Gil J. Puyat, Hans Menzi, Jesus Cabarrus of Elizalde & Co., Pacifico Ledesma and Director Mendinueto of the Bureau of Commerce. Standing (same order): Castor P. Cruz, M. Calayag, Eliseo Quirino, Ramon Araneta, Lino Gutierrez, Vicente Sabalvaro, Eugenio Padua, Salvador Araneta, Jose E. Hernandez, Jaime Hernandez, Pedro J. Ocampo and M. C. Hernandez.

be more interested in expanding their interest into the Philippines rather than into Mexico. This conference should also keep in mind that healthy trade conditions require two-way trade, and that the balance of trade must always be watched. While at the present time it has been necessary for the Philippines to import more than they have been able to export, it is logical to assume that as business improves and natural resources are developed to their fullest extent, the Philippines will find it relatively easy to export as much or more than they

will import. United States and world needs for Philippine products are greater than ever and will steadily expand.

Finally, it is our belief and sincere hope that the Philippine Republic is destined to become a real power in the Pacific economically and politically, and it is our further hope that no matter what may be accomplished by this conference from a business or world trade standpoint, the conference will at least succeed in continuing on a most friendly basis our relations with the Philippine Republic.

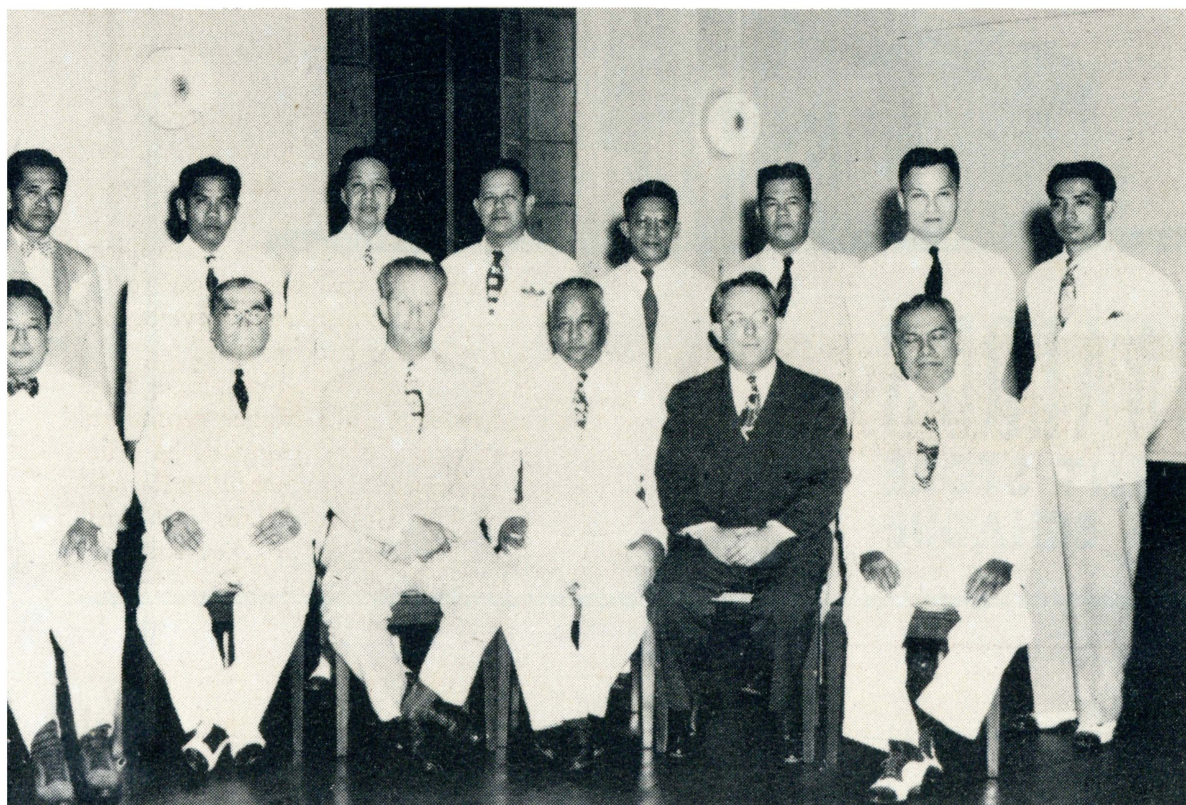
AGENDA OF CONFERENCE

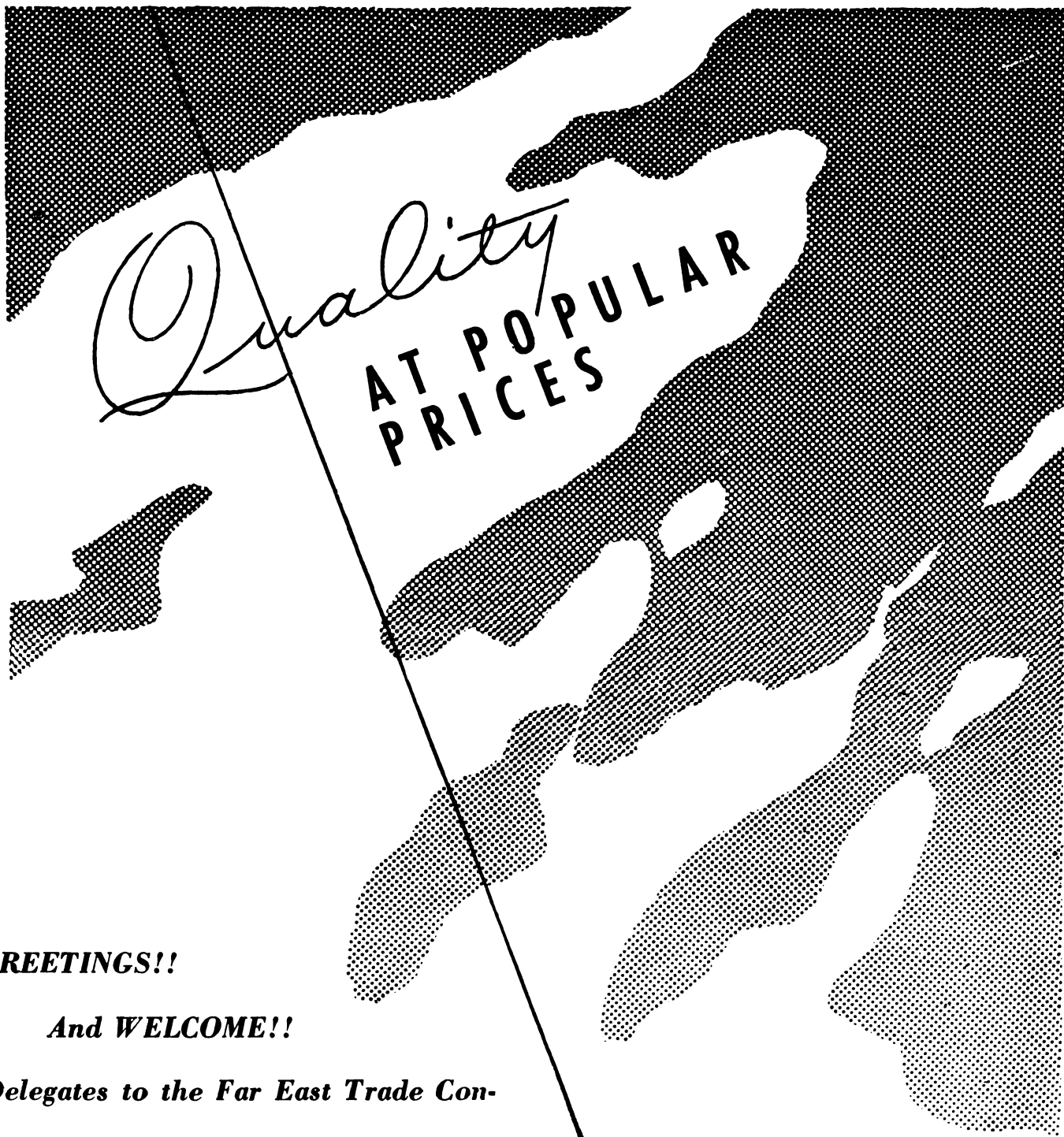
FINANCIAL AND ECONOMIC MATTERS

- I. Prevailing Economic Conditions.
 - (a) Excellent rehabilitation accomplished.
 - (b) Ability to reestablish herself contingent upon United States capital and know-how aid.
 - (c) Attitude toward United States needs to assist Europe and other countries.
 - (d) Philippine business and leaders prefer to trade with the United States.
 - (e) American enterprises such as California Packing Corporation, Tubbs Cordage Corporation (known in the Philippines as the Manila Cordage Co.) and others have expressed satisfaction for cooperation given by Philippine Government and business in rebuilding their pre-war enterprises.

(Continued on page 20)

HONOLULU GROUP PLEDGES SUPPORT—Picture shows representatives of the local Chamber and of Honolulu Chamber of Commerce who planned Hawaiian participation in the conference. Seated (left to right): Pedro J. Ocampo, secretary of the chamber, Lino Gutierrez, Paul Anderson, President of the Honolulu Chamber of Commerce, Vicente Sabalvaro, William Brown, territorial treasurer of Hawaii, Crispin Llamado, under-secretary of Finance. Standing (same order): Benito F. Medina, Cosme Fabre, Eliseo Quirino, Maximo Hernandez, Mariano Salazar, Castor P. Cruz, Eugenio Padua and Amando Isip.

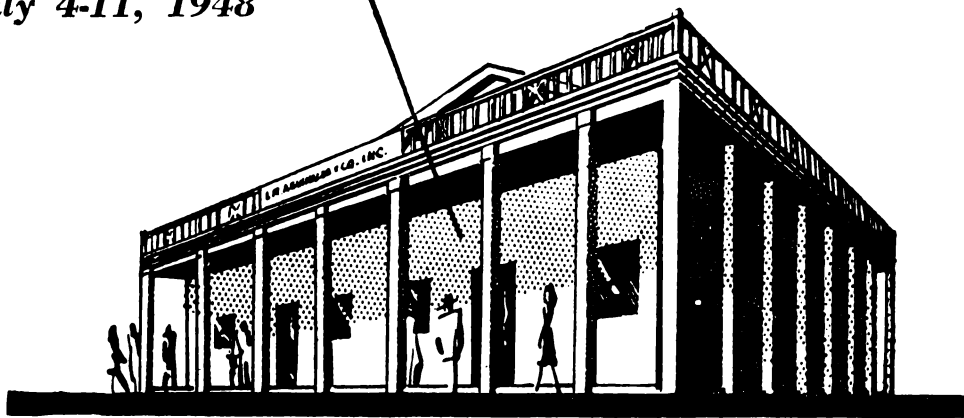




GREETINGS!!

And WELCOME!!

Delegates to the Far East Trade Conference in Manila, July 4-11, 1948



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Barter With Italy

By Judge GUILLERMO B. GUEVARA

*Philippine Delegate to the Feria de Milano,
Representing the Chamber of Commerce of the Philippines*

SEEING is believing. No one who has not set foot on Italian soil, particularly in the *Feria de Milano*, can grasp the tremendous potentialities that the Italian industries and agriculture can offer to satisfy human wants.

The Milan Fair, or *Feria de Milano* as the Italians put it, is a self-governing entity capitalized by a group of enterprising Italians for the purpose of running an annual international exposition. It occupies about 300,000 square meters of land with a score or more of the most modern artistic and beautiful permanent buildings. The Palace of the Nations and that of the Machineries and Agriculture, are among the most conspicuous.

Even though the Exposition is international, being participated by 54 countries all over the world, and graced by 18 official delegations; the Fair is essentially an exponent of the Italian vitality, ingenuity and industry. You will admire the giant airships, dynamos, hydro-electric plants, automobiles, earth-moving and agricultural equipments, modern and efficient saw mills, printing presses and rotatives, textile mills and weaving machines for all kinds of cloth, cotton, silk and wool, typewriters and complicated calculating machines, irrigation machines and pumps, machine tools of all sizes, ceramics, glass works, coloring matter, chemicals and fertilizers, dental, medical and surgical equipments, etc., all of them produced by Italian factories and patents.

I have been to several world expositions including the World's Fair in San Francisco, California, and I can vouch that the Milan Fair can vie with any in variety and quality of the exhibits. I feel that I can say without fear of contradiction that now-a-days, Italy produces and manufactures any machine or equipment America can boast of, with the exception perhaps of the atomic bomb! And with a close range examination of the Italian machines and equipments, one cannot help but find decisive advantages and improvements on many of them over American makes or patents.

While Italy is striving for markets and outlets for her machineries and industrial products, she is at the same time eager, nay, deadly hungry for our raw materials, especially copra, sugar, abaca, almaciga, tobacco, chromite and coal. The Philippine pavilion received not less than 120 written inquiries regarding possible allocation and exports to Italy of the above commodities.

So, the possibility of a profitable and



Judge GUILLERMO B. GUEVARA

prosperous trade between the two countries is indeed very bright. Italy, however, is suffering, like any other European country, with an acute anemia of Dollars. Apparently, this is an unsurmountable hindrance to the promotion of our export trade with her. The European countries, however, have solved this problem by resorting to mutual barter of goods, or "compensation," as they put it, and I do not see any reason why barter of goods cannot be carried with the creation of the necessary instrumentalities or agencies. A sort of a clearing house or exchange can be organized at both ends under the joint sponsorship of the Government and the Chamber of Commerce of each country. The agency should be organized into a juridical entity, the chief function of which will be to own and operate warehouses to store up outgoing and incoming merchandise, to canvas and negotiate all the needed or required import merchandise, and at the same time canvas and negotiate all the Philippine merchandise needed for export. The agency after shipping and delivering the merchandise for export, will make arrangement with the exchange or agency at the other end, to collect from the interested party in Italy the value of the merchandise shipped, and to pay such parts of its value as may be necessary to cover the invoice or the bill of whatever machinery or merchandise imported from Italy. The same operation should be done at this end.

European countries are presently engaged in heavy barter in products between themselves and I cannot under-

stand why the Philippines cannot take part in this new system of trade created by scarcity of Dollars.

The *Feria de Milano*, which is held every year for two weeks in the early spring, is indeed one of the best show-windows in the world, wherein Filipino businessman and industrialist would find useful things. If the *Feria de Milano* has taught us anything useful, we Filipinos who have had the privilege of witnessing it, learned that American market has not the exclusive monopoly of the best that there is in the field of industry and applied technology.

The Philippine Delegation has compiled carefully all the written inquiries from Italian firms regarding our products, and such inquiries will be presently forwarded to the Philippine firms which are or may be interested in the deal. It is my fervent hope that the Philippine firms concerned, the majority of which, I suppose, are members of the Philippine Chamber of Commerce, will give due regard to such inquiries and will exert their utmost to maintain the bond of commercial relations with Italy. I make a strong appeal to the newly created Department of Commerce and Industry to exert every human effort for the materialization of the proposed idea of barter between the two countries. By so doing, we will be diminishing the outflow of our Dollar, so much needed for the stabilization of our currency system.

San Francisco World . . .

(Continued from page 8)

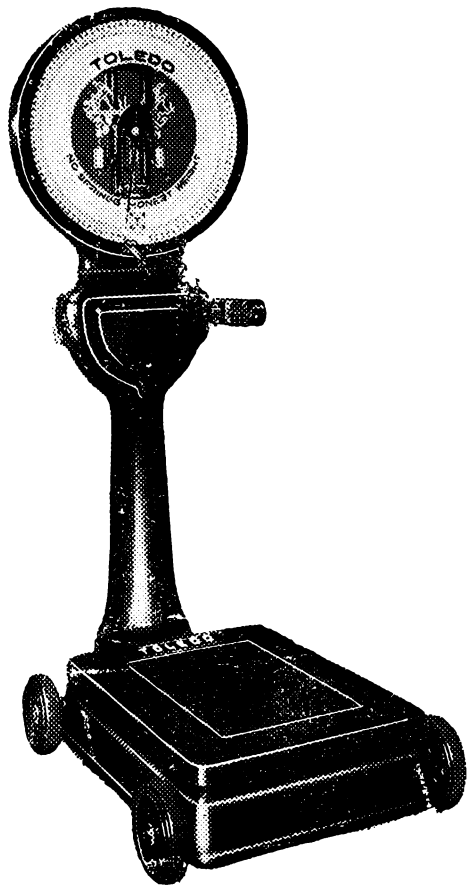
of the Trade Act of 1946 commonly known as Parity, such as the limitation of our main crop exports and also of the number of immigrants admitted from the Philippines to the United States.

3. That the Philippines should not concentrate merely on the development of industries but on the fostering of services such as the tourist trade and the airplane services. In this connection it was the consensus of opinion among the conferees that the Philippines would do well to develop the tourist service in the Islands in order to attract visitors from other countries not only to see the scenic and historical spots of our Islands but also to establish trade and commercial relations. Obviously the tourist trade may bring into the country considerable sums of dollars to help us obtain a favorable balance of trade.

4. That San Francisco is now dev-

eloping a neutral trade zone and has assigned a special place in that zone for the Philippines.

5. That stocks and shares of the Philippine corporations which have been placed on the boards of stock exchanges in the United States and especially in San Francisco have been sold to thousands of American investors. Therefore, American exchange authorities are of the opinion that more securities from the Phil-



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CORPORATE INVESTMENTS IN THE PHILIPPINES

(Courtesy of the Securities and Exchange Commission)

	1947	1945-1946
<u>STOCK CORPORATIONS</u>		
Total No.	609	1,153
Authorized Capital	P135,921,299.00	P226,784,760.00
Subscribed Capital	47,022,236.00	69,453,950.50
Paid-up Capital	25,395,773.32	30,225,896.46
<u>FILIPINOS</u>		
Total No.	499	933
Authorized Capital	94,204,219.00	176,901,970.00
Subscribed Capital	32,494,300.00	50,676,558.50
Paid-up Capital	18,303,703.82	20,679,517.80
<u>AMERICANS</u>		
Total No.	63	117
Authorized Capital	21,611,080.00	18,189,790.00
Subscribed Capital	6,538,236.00	5,538,242.00
Paid-up Capital	3,330,369.50	3,199,683.44
<u>CHINESE</u>		
Total No.	42	76
Authorized Capital	19,726,000.00	22,119,000.00
Subscribed Capital	7,877,700.00	8,588,650.00
Paid-up Capital	3,679,700.00	4,654,756.00
<u>OTHER NATIONALITIES</u>		
Total No.	5	27
Authorized Capital	380,000.00	9,674,000.00
Subscribed Capital	112,000.00	4,650,500.00
Paid-up Capital	82,000.00	1,691,939.44
<u>PARTNERSHIPS- LIMITED & GENERAL</u>		
Total No.	435	750
Paid Capital	22,140,485.50	34,294,528.74
<u>CHINESE</u>		
Total No.	197	339
Paid Capital	9,140,275.00	18,037,501.25
<u>FILIPINOS</u>		
Total No.	164	291
Paid Capital	4,756,949.87	10,118,934.49
<u>AMERICANS</u>		
Total No.	26	40
Paid Capital	7,220,978.00	1,292,272.70
<u>OTHER NATIONALITIES</u>		
Total No.	29	80
Paid Capital	1,022,281.21	4,846,620.30
<u>CONSUMERS' COOPERATIVES</u>		
(All Filipinos)		
Total No.	81	863
Authorized Capital	1,692,650.00	21,768,901.00
Subscribed Capital	413,135.00	5,562,163.00
Paid Capital	138,834.18	2,255,868.00
<u>FARMERS' COOPERATIVES</u>		
(All Filipinos)		
Total No.	117	1,009
Authorized Capital	2,591,350.00	25,801,691.00
Subscribed Capital	651,400.00	6,505,430.50
Paid Capital	245,202.18	2,619,896.50

ippines should be placed in the American stock market.

Some Conclusions

I have observed that the great majority of the American delegates of this Philippine-American Trade Conference believe in the "give-and-take" principle in deal-

ing with the Philippines. They would be willing to participate in the development of the Philippine trade and industry on a 50-50 basis. A significant number would be willing even to participate in Philippine industries on a 49% basis, giving Filipino capitalists 51% of the stock.

While a few American capitalists would not consider any investment short of 100% capitalization by Americans.

The free trade zone in San Francisco gives us an idea of what we may do in Manila. I understand that there is already a movement in Manila for the establishment of a neutral trade zone. I wish to point out that this free trade zone in Manila will, undoubtedly, increase trade in the Philippines and will add to the volume of our business. But one of its disadvantages is that we might have a tremendous oversupply of goods warehoused in the free trade zone which would tend to make prices drop to below profitable levels. I leave this question to your kind indulgence for future consideration.

The American delegates to the conference were sincerely gratified with the frankness and the sincerity with which we, members of the Philippine Trade Delegation, presented our problems and pointed out our grievances. We, in turn, felt elated at the broadmindedness of American capitalists as well as of officials of the Department of Commerce in Washington in their consideration of our problems.

The conference would not have been possible had it not been for the joint sponsorship of the San Francisco Chamber of Commerce, the Junior Chamber of Commerce, and other business entities of San Francisco and the cooperation of our Consul-General in San Francisco, Judge Roberto Regala.

The Philippine Trade Delegation was accorded unprecedented honors during the trade week. At all the luncheons held in connection with the conference, the Philippine Trade Delegation occupied places of honor. The writer was asked to deliver a speech on the outlook of Philippine-American commercial relations at the luncheon on World-Neighbor Day on May 20, 1948, at the Fairmont Hotel, and another in the afternoon of the same day on the possibilities for New Products, Industries and Services in the Philippines.

That a joint Philippine-American Committee be organized in San Francisco for the purpose of studying, analyzing and recommending ways and means by which trade between the United States and the Philippines may be continued in a true spirit of reciprocity and mutual profit. That in this connection a Philippine-American Trade Committee be established in the Philippines for the same purpose. These two committees should be permanent in nature and must be in continuous consultation with each other and with the Governments of the United States and the Philippines so that the problems may be solved as expeditiously as they arise.

That Mr. George L. Bell of the Office of International Trade in Washington,

D. C., has expressed himself as fully in accord and perfectly willing to seek modification of the present policy in granting licenses for export products to the Philippines, particularly flour and steel, in order to increase and channel distribution thereof through Filipino nationals. Some factory representatives were so decided in supporting our appeal that Mr. Victor Smith of the Sperry Flour Co. has invited your delegation to a cocktail and dinner on May 24, where we had a chance of speaking frankly and threshing out differences in allocations and licenses with Mr. Bell, leading flour agents and our Consul-General. Our position at this end is so far hopeful, but we must continue working it with manufacturers'

agents in Manila, must create favorable public opinion and secure government support for a strong diplomatic representation in Washington. Mr. Bell's good intentions in this regard must be treated purely confidential.

Recommendations

1. That immediate steps be taken by the Philippine Chamber of Commerce with other chambers of commerce in Manila for the formation of committees to take charge of:

a) Reception of the American delegates arriving in Manila on July 2, 1948;

b) Housing and entertainment;

(Continued on page 22)

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JULY 2--11



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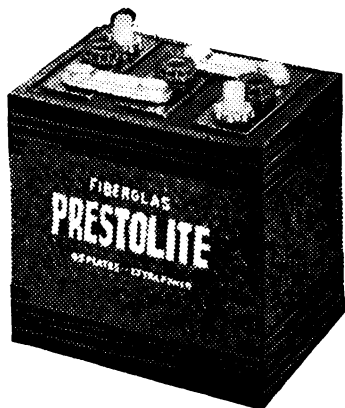
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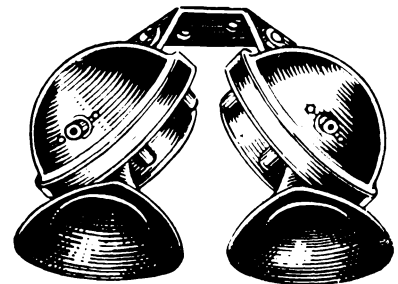
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NPC Blueprints Small Power Program

By DOMINGO C. ABADILLA

THE development of small hydroelectric projects to be completed in six years to provide cheap power in scattered parts of the country is actually being worked out by the National Power Corporation. The board of directors of the NPC approved recently the total expenditure of ₱12,000,000 for this purpose beginning July, 1948.

As blue-printed, the six-year development program includes the Talomo project in Davao; Amburayan Chute project, La Union; Cauayan River project, Sorsogon; Talavera Chute project, Nueva Ecija; Mantayupan Falls project, Cebu; Gasgas River project, Ilocos Norte; Sibulan River project, Davao; Loboc River project, Bohol; and the Barit River project in Camarines Sur.

This program does not include the huge projects of the Philippine Power Program of 1947 which were drawn up in cooperation with the Westinghouse International Electric Company and for which a loan of ₱176,000,000 from the World Bank is in the process of negotiation.

The development of the water resources of the Philippines from both the major and minor fronts will ensure a balanced growth of the national economy. While the Westinghouse plan is intended for large areas, like Manila and the Maria Christina region for the establishment of metallurgical and chemical industries dependent on large blocks of cheap power, the NPC small program projects will serve the small industries in outlying areas.

Established enterprises which will receive tremendous boosting when the projects are completed are the abaca and the coconut industries where electric power would be of great help in the extraction of fiber and the breaking of coconuts; production of textiles, manufacture of furniture, hats, mats and articles made out of abaca fibers and coconuts; and the fishing industry.

According to NPC Manager Filemon C. Rodriguez, the government corporation has already made surveys of the areas involved and is now making plans and specifications for necessary equipment and machinery. The bottleneck is expected to be in the fabrication of needed materials before they are put on production schedules.

The NPC is now in consultation with manufacturers of hydraulic and electrical equipment in the United States that could provide the needs of the Amburayan Chute project in La Union.

After furnishing U.S. machinery and equipment factories with plans and specifications required in the projects, the corporation will call for bids and award contracts to those companies that will submit the lowest prices for the necessary items. The NPC estimates that it will take about one and one-half years before the equipment is shipped here from the U.S.

During the time that the equipment is being manufactured in the U.S., technical men of the corporation will continue with the preparation of structures, power house foundations, canals and waterways, so that by the time the construction items arrive, all the basic structures may have been already completed.

A glance at the financial program of the NPC (see attached financial plan) will show that at the end of the six-year period (1954) these projects will have been completed at a total cost of ₱4,510,000: Talomo River project, Davao; Amburayan Chute project, La Union; Cauayan River project, Sorsogon; Talavera Chute project, Nueva Ecija; Peñaranda Chute project, Nueva Ecija; and the Mantayupan Falls project, Cebu. The remaining projects will become part of the next six-year program. As other sources of power are discovered and found to be feasible for development, they will be incorporated in the continuing six-year program.

In his report to the board, Manager Rodriguez stressed that the financial program is elastic and may require modification as the blueprint is generally put into execution. However, the 1948-

1949 portion of the plan is definite and agrees with the budget of the corporation which he submitted to the governing body of the firm. The items for the succeeding years are estimates.

It is expected that before the close of the fiscal year 1948-1949, the figures for the 1949-1950 fiscal year could be made exact. Then revised estimates will be submitted for the succeeding four years.

Here is how the NPC proposes to raise the funds needed during the first six years from July 1, 1948 to June 30, 1954. The corporation expects to derive a total income of ₱13,510,000 during the six-year period from the sale of power being supplied by the Caliraya Plant and from the operation of new projects that shall have been finished.

For operational expenses, the NPC has set aside ₱2,995,860; for interest on borrowed funds consisting of the ₱8,500,000 Caliraya bond issue, the RFC loan of ₱1,200,000 and the yearly bond issue included in the small power program, ₱4,386,800; and for sinking funds to amortize these indebtedness, ₱1,981,430 has been earmarked. After deducting all these expenditures from the expected income, the surplus available for reinvestment in new projects will be ₱4,145,910. The NPC expects to augment these construction funds with about ₱1,500,000 from the War Damage Commission and with a local bond issue in the amount of ₱5,500,000.

It will be seen from this arrangement that while the indebtedness of the NPC will only be increased by ₱5,500,000 during the six-year period, it would have

FINANCIAL PROGRAM FOR THE NPC SMALL HYDROELECTRIC PROJECTS

PROJECT	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	Total
Talomo River Project Davao	200,000	200,000	200,000	—	—	—	600,000
Amburayan Chute Project, La Union	230,000	230,000	200,000	150,000	50,000	—	860,000
Cauayan River Project Sorsogon	150,000	190,000	100,000	—	—	—	440,000
Talavera Chute Project Nueva Ecija	150,000	300,000	200,000	150,000	—	—	800,000
Peñaranda Chute Project Nueva Ecija	—	230,000	300,000	300,000	230,000	—	1,060,000
Mantayupan Falls Project Cebu	—	150,000	300,000	300,000	—	—	750,000
Gasgas River Project Ilocos Norte	—	—	400,000	600,000	400,000	200,000	1,600,000
Sibulan River Project Davao	—	—	—	400,000	400,000	400,000	1,200,000
Loboc River Project Bohol	—	—	—	400,000	500,000	800,000	1,700,000
Barit River Project Camarines Sur	—	—	—	—	550,000	800,000	1,350,000
	1,662,720	1,510,000	1,850,000	2,440,000	2,260,000	2,330,000	12,052,720

been enabled to invest in the completion of the Caliraya Plant and in the construction of new projects that would entail a total expenditure of ₱12,000,000.

If this objective is attained, it would mean a signal success for the National Power Corporation from the financial point of view. At the same time it will mean a tremendous contribution to the

cause of power development in the country as well as the economic development and social amelioration of the people in the areas that will be served by these projects.

The development of cheap power will increase the productive capacity of industries now existing but run by mechanical power. Here are some of the

advantages of cheap power:

1. It will provide incentive to the creation of new industries. In other countries where cheap power became available, new enterprises sprang up as a chain reaction was touched off with the coming of low cost power.

2. It will increase the efficiency of the workers in the cottage industries and reduce the cost of production, thereby making possible future exportation of locally made products which today sell at prohibitive prices due to the difficulties involved in manufacturing them.

3. It will reduce fuel importation and eliminate the risk of local industries being throttled out in case liquid fuel imported from abroad becomes unavailable.

San Francisco World . . .

(Continued from page 19)

c) Conducted tour of inspection of such industries and trades as copra, hemp, tobacco, sugar, coconut oil, desiccated coconut, lumber, etc.;

d) Arrangements with government officials for a visit of American delegation in the summer capital, Baguio, as also in the main trade or agricultural centers of Visayas and Mindanao;

e) Preparation of booklets, brochures, maps and graphs, representing major industries and minor trades in the Philippines.

2. That the agenda be prepared as soon as possible to give both Filipino and American speakers at the conference opportunity to prepare on their respective subjects.

3. That no stone be left unturned to make the stay of the American delegates in Manila not only profitable but pleasant. I trust that our traditional Filipino hospitality will not fail us in this instance.

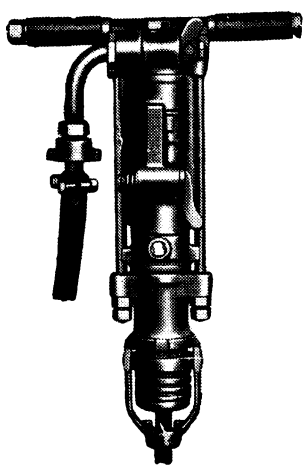
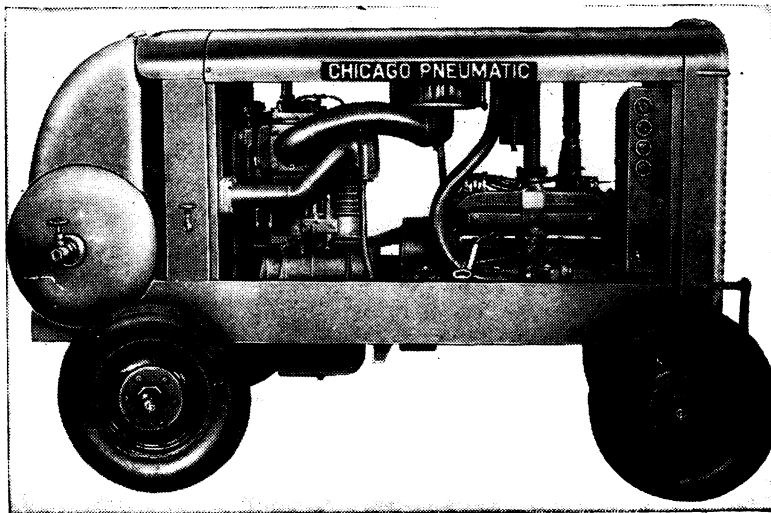
4. That two members of the Philippine Chambers of Commerce now resident of San Francisco be immediately appointed to sit with other members of the San Francisco Chamber of Commerce in the proposed joint committee outlined in my conclusions, paragraph 6. For further particulars, please communicate with the Honorable, the Consul-General of San Francisco.

With pride and sincerity I wish to thank the members and officials of the San Francisco Chamber of Commerce, the Junior Chamber of Commerce and all businessmen of this city for their kind attention and courtesies extended us; to our esteemed Consul-General, for his able and dynamic leadership; and to my colleagues in the delegation, for their brilliant and hard work. Messrs. Jose Hernandez, Heriberto Aguinaldo, Valeriano Fugoso and Leon Lazaga attended all conferences and participated in panel discussions. Mr. Genato was unable to attend the meetings and his post was taken over by Mr. Lazaga.

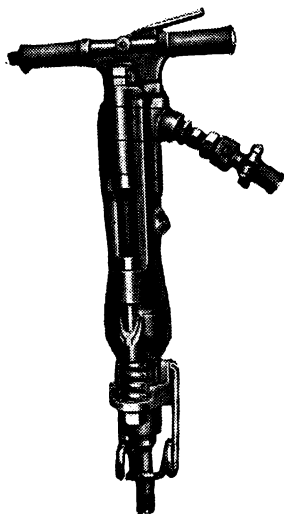
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Sugarcane Industry



Two conflicting opinions on the ownership of sugar quota were issued recently by the Secretary of Justice, on the one hand, and the Administrator of the Sugar Quota Office, on the other hand. The two views arose when R. Tupas, a sugarcane planter in the Sara-Ajuy milling district in Iloilo province, and seven other planters claimed ownership of the sugar quota after the Elizalde & Co. owned sugar mill ceased operation.

In a letter prepared by the Sugar Quota Administrator he held that the sugar quota belongs exclusively to the planters. He averred that the mill owner's right is only to mill the cane of each adherent plantation in consideration of which it is entitled to a participation of the sugar production and that when the mill is no longer in a position to operate, the plantation owners have the right to transfer their entire allocation to an operating mill district without the consent of the sugar company to which they were adherent.

Secretary of Justice Roman Ozaeta reversed the opinion of the sugar quota office and averred that the law, jurisprudence and executive contracts on the mill company issued a right in production allowance distinct from that of the plantation owners. Says Secretary Ozaeta: "The Tydings-McDuffie Act provides that the amount of sugar from each mill which may be so exported shall be allocated in each between the mill and the planters on the basis of production of the sugar to which the mill and the planters are respectively allowed in Sec. 211-D of the Philippine Trade Act of 1946, which provides that 'the quota issued unrefined sugar including that required to manufacture the refined sugars shall be allocated to the sugar producing mills and plantation owners in the Philippines . . . and the amount of sugars which may be so exported shall be allocated in each year between each mill in the plantation owners on the basis of the proportion of sugars to which each mill and the plantation owners are respectively entitled. . .'"

The secretary further held that "the right of the mill owner to the production allowed is found in Section 216 of the Philippine Trade Act which provides that 'the holder of any allotment under existing law including his interest, and the holder of any allotment under Sections 211, 212 & 214 may transfer or assign on any amount of such allotment on such

terms as may be agreeable to the parties. . .'"

Some specific illustrations cited by planters demonstrated that the Ozaeta ruling was deemed not in accordance with law. The question of ownership of the sugar quota remains undecided in view of the plan of sugarcane planters to take the matter to the courts.

The House Joint Resolution No. 22 introduced by Rep. Vicente F. Gustilo of Occ. Negros and Congressmen Eduardo Barretto, Juan Borra, Lorenzo Teves and Jose D. Roy and which was approved during the last regular session of Congress was vetoed by President Elpidio

Quirino. The resolution provided, among other things, the creation of a Sugar Rehabilitation and Readjustment Commission consisting of five members, all to be appointed by the President.

President Quirino, however, upon vetoing the measure issued an executive order which is virtually the same as the joint resolution. He is expected to create the Rehabilitation and Readjustment Commission which will function under him.

It can no longer be doubted that the creation of the Sugar Rehabilitation Commission will go a long way towards the formulation of sound and progressive government policies in the work of stabilizing and securing the foundations of the Philippine post-war sugar industry, in the opinion of sugar men. Its one crying need shall be answered by the maintenance of a group of technical men well-grounded on the problems of the industry who will make a thorough study of the vital problems affecting its future thus undoubtedly serving as a positive factor in the industry's rapid industrialization.

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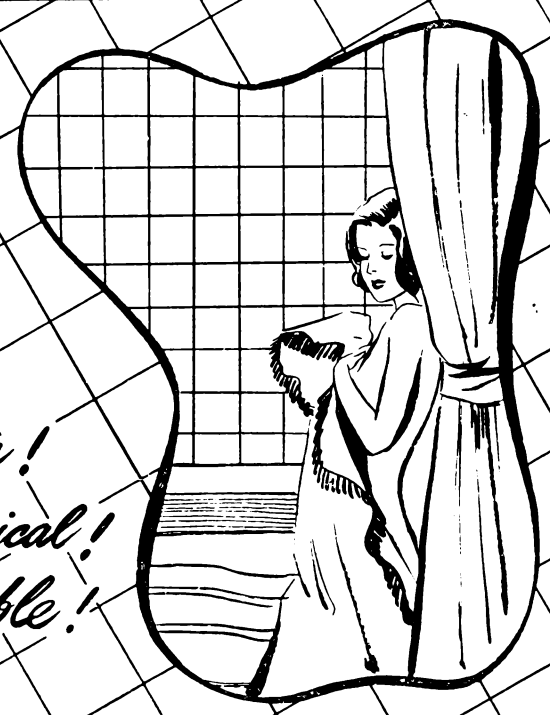
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FOREIGN TRADE OF THE PHILIPPINES FOR JANUARY AND FEBRUARY, 1948
AS COMPILED BY BUREAU OF THE CENSUS AND STATISTICS

<i>Countries</i>	<i>Total Trade</i>	<i>Per Cent Distribution</i>	<i>Import</i>	<i>Per Cent Distribution</i>	<i>Export</i>	<i>Per Cent Distribution</i>
Total	<u>341,675,488</u>	<u>100.00</u>	<u>199,883,682</u>	<u>100.00</u>	<u>141,791,806</u>	<u>100.00</u>
United States	246,380,132	72.11	163,314,240	81.70	83,065,892	58.59
Hawaii	968,876	.28	478,830	.24	490,046	.35
Porto Rico	88,685	.03	15,300	.01	73,385	.05
Guam	78,502	.02	—	—	78,502	.06
Panama (Canal Zone) ...	43,615	.01	—	—	43,615	.03
Dutch East Indies	11,925,673	3.49	3,433,818	1.72	8,491,855	5.99
China	9,477,342	2.77	8,435,672	4.22	1,041,670	.73
France	8,773,745	2.57	188,222	.09	8,585,523	6.06
Japan	7,978,259	2.34	55,180	.03	7,923,079	5.59
Denmark	5,448,171	1.59	91,032	.05	5,357,139	3.78
Ecuador	5,009,820	1.47	5,009,008	2.51	812	—
Canada	5,005,084	1.46	3,217,460	1.61	1,787,624	1.26
Italy	4,328,903	1.29	348,528	.17	3,980,375	2.82
Great Britain	3,079,900	.90	1,289,476	.64	1,790,424	1.26
Poland	2,870,620	.84	—	—	2,870,620	2.02
British Africa	2,653,668	.78	320	—	2,653,348	1.87
Argentina	2,548,115	.75	485,448	.24	2,062,667	1.45
India	2,489,956	.73	1,625,740	.81	864,216	.61
Belgium	1,976,983	.58	1,583,026	.69	593,957	.42
Persia	1,909,866	.56	1,909,866	.96	—	—
Switzerland	1,482,410	.43	554,626	.28	927,784	.65
Sweden	1,479,602	.43	695,928	.35	783,674	.56
Cuba	1,423,508	.42	1,423,508	.71	—	—
Brazil	1,409,173	.41	1,404,828	.70	4,345	—
Hongkong	1,399,083	.41	25,538	.01	1,373,545	.97
Korea	1,379,040	.40	—	—	1,379,040	.97
Arabia	1,254,084	.36	1,254,084	.63	—	—
Norway	993,416	.29	147,798	.07	845,618	.60
British East Indies	985,332	.29	984,652	.49	680	—
French Africa	745,015	.22	—	—	745,015	.53
Netherlands	727,296	.21	137,180	.07	590,116	.42
Czechoslovakia	688,466	.20	108,466	.05	580,000	.41
Spain	620,084	.18	602,244	.30	17,840	.01
Germany	543,685	.16	21,646	.01	522,039	.37
French East Indies	508,974	.15	—	—	508,974	.36
Colombia	502,562	.15	20	—	502,352	.35
Siam	359,361	.11	60,000	.03	299,361	.21
Palestine	332,000	.10	—	—	332,000	.23
Mexico	329,140	.10	312,124	.16	17,016	.01
Australia	325,618	.10	312,280	.16	13,338	.01
Malaya	218,646	.06	13,792	.01	204,854	.14
Panama, Republic of	196,905	.06	12,000	—	184,905	.13
Austria	157,012	.05	157,012	.08	—	—
Costa Rica	153,100	.04	133,100	.08	—	—
Ceylon	77,434	.02	77,434	.04	—	—
Uruguay	76,475	.02	72,926	.04	3,549	—
Egypt	58,762	.02	58,762	.03	—	—
Dutch Guiana	45,221	.01	—	—	45,221	.03
Turkey	38,308	.01	96	—	38,212	.03
Dutch West Indies	38,234	.01	—	—	38,234	.03
Portugal	28,520	.01	12,282	.01	16,238	.01
British Honduras	25,972	—	—	—	25,972	.02
Aden	17,941	—	—	—	17,941	.01
Chile	7,001	—	—	—	7,001	—
New Zealand	6,248	—	—	—	6,248	—
Salvador	2,411	—	—	—	2,411	—
Venezuela	1,320	—	—	—	1,320	—
Haiti	1,186	—	—	—	1,186	—
Peru	848	—	—	—	848	—
British Guiana	180	—	—	—	180	—

TEN PRINCIPAL EXPORTS

<u>Country of destination</u>	<u>Quantity Kilos</u>	<u>Value Pesos</u>
1. Copra		
Total	143,367,720	73,722,752
United States	78,484,719	41,738,064
France	16,492,852	8,578,499
Japan	12,797,617	6,542,534
Denmark	8,205,354	4,396,672
Italy	6,852,920	3,042,634
Poland	5,689,600	2,870,620
British Africa	3,048,000	1,406,595
Canada	2,540,000	1,263,250
Switzerland	1,828,800	910,000
India	1,524,000	809,500
Czechoslovakia	2,032,000	580,000
Colombia	881,862	500,000
Sweden	1,036,736	400,000
Germany	736,600	265,176
Palestine	711,200	203,000
Panama, Republic of	406,400	174,208
Norway	99,060	42,000
2. Desiccated coconut		
Total	13,552,118	13,386,314
United States	13,423,681	13,227,338
Canada	111,366	136,596
Hawaii	17,071	22,380
3. Abaca, unmanufactured		
Total	123,256	11,805,576
United States	70,310	7,323,967
Great Britain	25,575	1,787,454
Norway	6,320	803,618
Denmark	4,875	428,599

(Continued on next page, Col. 2)

TEN PRINCIPAL IMPORTS

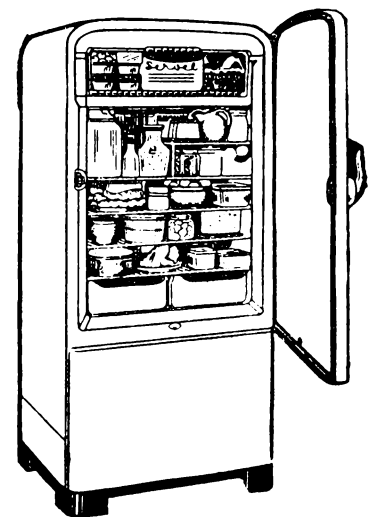
<u>Country of origin</u>	<u>Value Pesos</u>
1. Rayon and other synthetic textiles	
Total	21,309,788
United States	21,265,576
China	33,872
Belgium	5,256
Switzerland	4,958
Australia	64
Hongkong	48
Spain	10
Hawaii	4
2. Grains and preparations	
Total	20,931,724
United States	13,435,846
Ecuador	5,006,400
Canada	1,902,776
China	383,062
Australia	120,744
Great Britain	44,794
Siam	35,476
British East Indies ..	2,184
Switzerland	442
3. Cotton and manufactures	
Total	20,604,718
United States	16,606,304
China	3,572,984
Switzerland	199,404
Great Britain	173,518
Brazil	25,000
France	23,118
Czechoslovakia	3,370
Hongkong	742

(Continued on next page, Col. 1)

At Manila Prices...



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 Office Equipments
 Photographic Supplies



GUZMAN'S DEPARTMENT STORE

DAGUPAN CITY

TEN PRINCIPAL IMPORTS
(Continued from page 25, Col. 2)

Hawaii	272
Canada	6
4. Mineral oils (petroleum products)	
Total	<u>12,929,694</u>
United States	5,468,838
Dutch East Indies ...	3,332,192
Persia	1,909,860
Arabia	1,254,084
British East Indies ..	964,704
Great Britain	16
5. Fish and fish products	
Total	<u>11,224,606</u>
United States	10,086,136
Canada	726,390
China	128,670
Great Britain	124,118
Mexico	97,772
Spain	28,968
Norway	9,714
Portugal	8,660
British East Indies ..	6,534
Belgium	4,028
Other countries	3,616
6. Iron and steel and manufactures	
Total	<u>9,366,828</u>
United States	8,302,864
China	499,800
Belgium	352,062
Great Britain	140,268
Netherlands	29,546
Sweden	26,442
Italy	6,778
Switzerland	4,752
Australia	1,344
Hongkong	1,340
Other countries	1,632
7. Automobiles, parts of and tires	
Total	<u>8,955,990</u>
United States	8,938,148
Great Britain	11,984
France	3,838
Italy	2,020
8. Tobacco and manufactures	
Total	<u>8,870,912</u>
United States	8,870,794
China	64
Hongkong	32
Great Britain	22
9. Paper and manufactures	
Total	<u>6,637,734</u>
United States	4,915,688
Sweden	416,864
Canada	345,918
Hawaii	234,714
Belgium	173,480
Italy	170,830
Austria	157,012
Norway	70,052
Great Britain	40,656
Spain	36,806
Other countries	75,714
10. Dairy products	
Total	<u>5,836,262</u>
United States	5,593,950
Switzerland	100,120
Denmark	73,956
Australia	33,288
Netherlands	29,994
China	4,926
Czechoslovakia	28
Other imports	73,215,426
TOTAL IMPORTS ..	<u>199,883,682</u>

TEN PRINCIPAL EXPORTS
(Continued from page 25, Col. 1)

<u>Country of destination</u>	<u>Quantity Kilos</u>	<u>Value Pesos</u>
Canada	3,299	387,778
Belgium	4,270	366,581
Japan	2,013	143,237
Germany	1,000	75,287
Argentina	700	65,167
Sweden	880	62,530
Netherlands	725	62,300
China	395	60,716
Hongkong	985	59,524
Italy	650	55,100
India	450	46,452
Dutch Guinea	400	45,221
Portugal	250	16,238
Australia	42	4,190
France	16	1,024
4. Coconut oil		
Total	<u>8,116,982</u>	<u>7,255,630</u>
United States	6,717,521	5,883,919
Italy	809,414	782,000
British Africa	590,047	589,711
5. Sugar		
Total	<u>28,900,868</u>	<u>6,072,920</u>
United States	28,900,868	6,072,920
6. Copra meal or cake		
Total	<u>8,727,100</u>	<u>1,328,520</u>
Netherlands	3,659,759	517,832
Denmark	2,625,988	454,980
Sweden	2,059,432	291,500
Belgium	280,230	48,193
Italy	101,600	16,000
French Africa	91	15
7. Embroideries		
Total		<u>1,325,997</u>
United States		1,325,997
8. Chromite		
Total	<u>47,263,862</u>	<u>925,101</u>
United States	47,263,862	925,101
9. Lumber and timber		
Total	<u>2,893,680</u>	<u>653,316</u>
United States	2,449,668	564,144
China	400,000	72,000
Hawaii	44,012	17,172
10. Rope		
Total	<u>604,400</u>	<u>641,578</u>
Malaya	180,155	191,931
Dutch East Indies	112,996	113,135
United States	111,181	107,200
Argentina	37,853	39,129
China	25,498	38,929
Sweden	28,381	29,644
French East Indies	21,637	27,674
Siam	28,416	25,349
Panama (Canal Zone)	14,853	19,219
Aden	14,245	17,941
Netherlands	9,077	9,984
Chile	7,231	7,001
British Africa	3,048	2,942
Dutch West Indies	2,374	2,571
Salvador	1,803	2,411
Colombia	2,214	2,352
Venezuela	1,219	1,320
Haiti	830	1,186
Ecuador	712	812
Peru	677	848
Other exports		24,674,102
TOTAL EXPORTS		<u>141,791,806</u>

The Republic's Foreign Policy

By MANUEL VIRAY

SINCE the establishment of the Republic on July 4, 1946, the foreign relations of the Philippines have assumed a dynamic importance. The entry of the Philippines into the concert of free nations took place at a time when the hope and uncertainty created by the discovery of atomic energy obsessed the minds of men. In his inauguration speech, the late President Manuel Roxas avowed that "in winning our fight for freedom we have also acquired a charter of obligations, and that as a member of the United Nations we have surrendered some of our sovereignty." Such sovereignty, he explained, "will be further curtailed when the countries of the world can form a federation for peace and security."

Our foreign policy, he asserted, is to "promote the enduring interests of the Filipino people." It is "non-partisan and non-political as befits us as a nation. To the world we must present a united, indivisible, and determined front . . . we yield to no nation of the world in our allegiance to the ideals of the United Nations, in our all-out support of collective security, of world disarmament at the earliest possible date, of world guarantees of non-interference in the internal affairs of free peoples, of world cooperation for the protection and promotion of all the freedoms including freedom of expression and freedom from want, and of world cooperation to abolish trade barriers and discriminatory trade provisions."

President Roxas and his successor, President Quirino, concurrently Secretary of Foreign Affairs, agreed that, pending the establishment of a workable machinery supported by the collective conscience of mankind, insuring a permanent and lasting world peace, the Philippines would do well to collaborate with the United States in the field of foreign relations, especially because we "enjoy her friendship and support."

Besides, "as we turn to build the foundations of our Republic and establish economic and diplomatic relations with all the other free nations of the earth, we are pledged and will remain pledged to the maintenance of friendly ties with America as the cornerstone of our foreign policy."

However, "as an independent nation, both leaders stated, "we must stand on our own feet, protect our interests without incurring the hostility of other nations, behave with correctness and dignity without being slavish."

Sharply aware that no nation today can live in splendid isolation, President Roxas gave notice to the world and to men of intelligence and goodwill everywhere that: "we will be as wholehearted as any nation in our devotion to the ideals of an indivisible peace and indivisible world. We will maintain with all our strength and all our power our obligations to the United Nations and to the causes set forth in the United Nations Charter to which we are a signatory. In the same way, we will maintain friendly and honorable relations with all our neighbors and look forward to the day when peace and security will be maintained by mutual consent and by the collective conscience of mankind."

These cardinal principles did not suffer any diminution with the tragic and sudden death of President Roxas on April 15, 1948. The man who succeeded him, President Elpidio Quirino, who is still Secretary of Foreign Affairs upheld these same principles. Like his predecessor, President Quirino believes that the Philippines is a "product of international cooperation." Even as Vice-President he publicly announced that "we are not alone now as we march on the highways of the world—we have America. What is more we have the United Nations with us. But let us so educate ourselves that we shall not forever be tied to the apron-strings of the United States or of any other nation. Let us keep pace with the world, not in bondage but in harmony with the other nations, and in the common belief in the efficacy of democratic institutions which are the basic guarantee of our security."

In line with this policy the Republic of the Philippines has concluded treaties of amity with the United States of America, China, France, Italy, Spain and Ecuador and signed twenty-seven other treaties and agreements with different countries. Commercial treaties with a number of powers are under discussion.

It was with justifiable pride that the Chief Executive reported to Congress early this year: "We are fulfilling to the letter all our international obligations. We are complying with every commitment we have made. Our prestige and credit abroad is growing every day. We are participating actively in many international organizations, in addition to our membership in the General Assembly of the United Nations. We are now members of the Trusteeship Council, the United Nations Educational, Scientific and Cultural Organization,

the Food and Agricultural Organization, the International Civil Aviation Organization, the Committee on Non-Self-Governing Territories, the Commission on Human Rights, the Sub-Commission on Freedom of Information and the Press, the Economic Commission for Asia and the Far East, the International Trade Organization, the International Labor Organization, and, recently, the Korean and the Palestine Commissions. This is a great privilege for a young and small country like ours. I believe sincerely that this recognition is due to the fact that our Republic during its short existence has gained the respect and confidence of the nations of the world."

Speaking before the delegates to the Economic Commission for Asia and the Far East Conference held in Baguio City last year, President Roxas implied that the Philippines as a member of this important United Nations' subsidiary agency was willing to cooperate in the task of stimulating intra-regional trade and commerce. Said he: "The Commission, I trust, will be able to propose scientific plans looking to a drastic reduction of tariffs and the lowering of other trade barriers among our different nations. There are matters in which regional collaboration is desirable,—a convenient medium of exchange or other measure of value to facilitate trade among us; the improvement of rice production and a plan of allocations of exportable surpluses granting priority to deficient countries in this region."

At the opening of the Plenary Session of the Food and Agricultural Organization of the United Nations in the same city last March 1, the then Vice President Elpidio Quirino adjured the delegates: "Here and now we must undertake with resolution and wisdom the logical first step to the reconstruction of our confused world. That first step is the discovery of effective means of providing sufficient and nourishing food to the one billion people on our side of the globe. It is a task that needs your collective patience and energy and foresight. Should you fail the world would be as stationary, as stagnant and as precarious as it has ever been; your success will release it from the massive chain of elemental fear, free to march onward to the higher realms of progress, prosperity and contentment. It can almost be said that your task means life or death to humanity."

"I wish to assure you," he continued,

LUMBER INDUSTRY

By TOMAS ROQUE
Bureau of Forestry

DURING the month of May, there were 1,176,949 board feet of logs and 844,365 board feet of sawn lumber shipped abroad—generally to the United States — valued at ₱211,850.82 and ₱126,654.75, respectively. The total export is 34% more than the previous month which eloquently speaks well for itself, a healthy sign of the progressive recovery of the lumber industry. The increase of the export quota from 20% to 50% of the total production and the possibility of the early payment of the war damage claims on destroyed sawmills and logging equipments will enable the companies affected to improve the equipments used for sawmilling and logging. This in turn will eventually increase the output and improve the grade of lumber produced, and consequently the augmentation of the export trade. More dollars will be coming in the country, more employment will be enhanced and the balance of foreign trade will be more favorable to this country.

The grading of export logs and sawn lumber by a competent lumber grader as specified in the new order is an assurance to the importers of the quality of the materials they are buying and what to

“that the Republic of the Philippines is most hospitably inclined toward the United Nations and its different agencies and instrumentalities and is determined to further their aims in this part of the globe. We have this feeling not only as a member nation but also as one of the countries in the East which may be in a unique position to make such a contribution. We believe that apart from the technical and communication facilities and the advantages of geography and culture which together can produce the ideal seat for the successful accomplishment of the great tasks of the United Nations before you, we can also offer the inspiring moral setting of a people struggling hard with concentrated effort to establish and maintain an enduring peace.”

It is thus apparent that the foreign policy of the Philippines aims at two vitally important things: promotion of friendship with other nations with all its social and cultural implications and, as a corollary development of trade with them.

expect when the materials are delivered. The inspectors' decision on grading logs and lumber for exportation is based on specifications of established rules in the lumber trade and these can be or are being modified only according to the terms of the contract entered into between shippers and buyers.

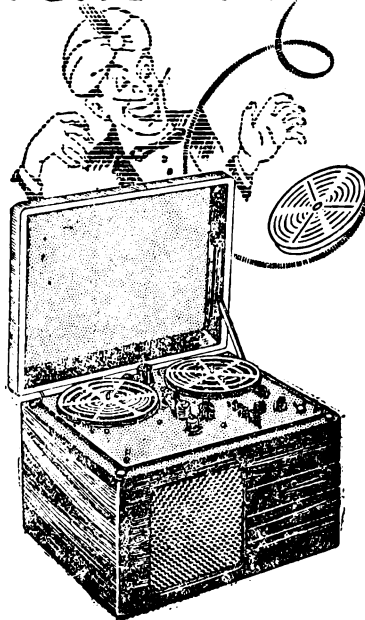
OGASCO PRODUCES OXYGEN FOR HOSPITALS

The Overseas Gas Corp., manufacturers of OGASCO oxygen and acetylene gas, with factories at Grace Park, Calocan, Rizal, is ready to serve hospitals and clinics, it has been announced.

Organized a year ago, the Overseas Gas Corporation is headed by L. Lagan-daon and Dionisio Ong, president and vice-president respectively.

Overseas Gas is a Filipino-owned corporation and is member of the Chamber of Commerce of the Philippines.

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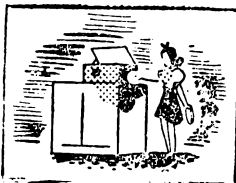
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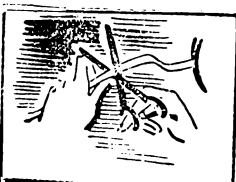
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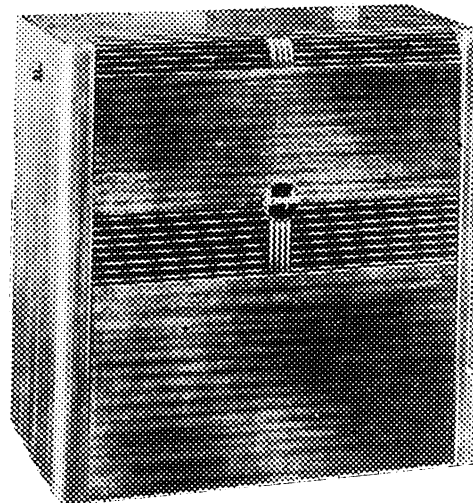
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The Omnibus Banking Act

OF great interest to the banking world, is the enactment of the Omnibus Banking Bill by the Congress during its special session. So important is this measure to the success of the Central Bank created by Congress in its regular session, that its passage during the special session had to be certified as urgent by President Quirino.

The Omnibus banking bill is in fact complementary to the Central Bank Act as it embodies a revision of banking statutes considered fundamental to the operation of the central bank. Let us see how the revision will affect practices of long standing.

Report from Insurance Companies

Under section 3 of the bill, insurance companies, although exempted from the provisions of the general banking laws, are required to submit to the Central Bank, such information, data or reports as the Monetary Board may require in order to ascertain the effects of the operations of such companies on the monetary, credit and exchange situation in the Philippines.

Branches and Agencies of Foreign Banks

Branches and agencies of foreign banks which may be established after the bill

becomes a law will not be permitted to receive deposits. The philosophy behind this provision is to limit the enjoyment of this privilege in the future, as much as possible, to domestic banks and only to branches and agencies of foreign banks already established in this country. The purpose is to give Philippine domestic banks priority in the matter of deposits and to encourage the establishment of more Filipino-owned banks.

Ownership of Capital Stock of Banks and Banking Institutions

Section 14 requires that sixty percent of the capital stock of any banking institution which may be established after the approval of the bill by the President shall be owned and held by citizens of the Philippines.

Board Membership

Section 15 imposes the requirement that at least two-thirds of the members of the board of directors of any banking institution established after the bill's approval should be Filipinos.

Commercial Banks Empowered to Grant Real Estate Loans up to Fifteen Years

Section 23 also empowers commercial banks to grant loans against real estate security with maturities up to fifteen

years. Under the present law, the maximum maturity of such loans is limited to five years. It is believed that the commercial banks which now hold most of the savings and cash resources of the people will, as a consequence, become more useful instruments in the rehabilitation of the country.

Aggregate of Real Estate Loans with Maturities Beyond Three Years Not to Exceed Seventy Percent of the Total Savings Deposits of the Bank

This new basis for determining the maximum aggregate loans which commercial banks may grant against real estate mortgages with maturities beyond three years will enable commercial banks to grant more such loans. Under existing laws, the total of all real estate loans which a commercial bank can grant is limited to not more than 25 percent of the capital and surplus of the bank, or one-half of its total savings deposits. This change will expand the real estate investment field of commercial banks.

Investment of Commercial Banks in Securities Having Maturities Beyond Three Years Limited to Twenty Percent of their Total Deposits

This limitation is considered necessary to give the commercial banks that

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degree of liquidity which is so highly desirable in commercial banks.

Total Capital Accounts of Every Commercial Bank Must Amount to at Least Fifteen Percent of Risk Assets

At present banks are required to maintain capital funds equivalent to at least 10 percent of their total deposit liabilities. Because of this requirement, some banks have at times been forced to discourage, if not altogether refuse, deposits. The immediate effect of the provisions of the bill will be to allow the banks greater leeway in the amount of deposits which may be accepted by them, and at the same time afford a truer measure of the size of capital funds necessary to shield bank depositors from participating in bank losses.

No Limit to Loans and Advances Secured by Obligations of the Central Bank or of the Philippine Government, or Fully Guaranteed by the Government as to Principal and Interest

This change is embodied in section 25 and is intended to encourage investment by the public and by financial and investment institutions in government securities and securities issued by the Central Bank. The development of a market for government securities in the Philippines is one of the crying needs of the day. It will be one of the most effective means of garnering the idle savings of the people and channeling them to profitable investment outlets.

Savings and Mortgage Banks Are Empowered to Grant New Types of Loans

In order to place savings and mortgage banks in a position to be of greater usefulness to the nation, section 34 of the bill will empower such banks to grant new types of loans including: medium-term loans for the encouragement of cattle and other live stock breeding, with maturities up to three years; equipment loans, with maturities up to five years; mortgage loans, with maturities up to ten years; and high grade bonds.

Deposit Reserves of Savings Banks to be Kept in the Central Bank

Under section 40, the legal reserves which the Monetary Board will prescribe for savings banks will be maintained in the form of a deposit with the Central Bank. This is to centralize all bank reserves in the Central Bank.

Enlarged Field of Activity of Building and Loan Associations

In order to broaden the field of activity of building and loan associations, section 42 will permit such associations to make loans on property suitable for use as a manufacturing plant. Present laws do not permit such loans. Such associations will also be permitted to invest in bonds and obligations of the Phil-

ippine government or any of its instrumentalities.

Head Offices of Branches of Foreign Banks to Guarantee Prompt Payment of Deposits

All liabilities of branches in the Philippines of foreign banks will be guaranteed by their head offices in order to provide protection to Philippine depositors and investors. The Monetary Board is required to see that the required guarantees represent effective protection to depositors and other creditors of the branches.

Banking Institutions Prohibited from Engaging in the Insurance Business as Insurers or Insurance Agents

To avoid possible difficulties in connection with such activities, banking institutions are prohibited under section 77 from engaging in the insurance business either as insurers or insurance agents.

The Import Control Bill

This bill authorizes the President to

create an import control board to be composed of three members. Upon recommendation of the President, the import control board shall fix quotas of the quantities which may be imported of each kind of articles.

Under the measure, it will be unlawful for any person or corporation to import non-essential and luxury articles into the country without permission from the President.

The House of Representatives inserted the following amendments to the bill:

1. No member of the import control board should be directly or indirectly connected with any import business house;

2. Filipino citizens should be given preference in the assignment of quotas for limited imported goods;

3. Nothing in the import control bill should be construed as a violation of the Trade Agreement with the United States;

4. Authority of the President to control imports is effective only until December 31, 1949.

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MINING and STOCK MARKET

STOCK prices were irregular during the period from May 16 to June 15 but as the market closed, the market undertone turned healthy and prices were headed toward a definite upswing.

The market average moved up to 104.01, within a shade of the opening average of 104.60, but closed easier on profit-taking at 101.69, showing a net loss of 2.61 points from the closing last month, May 15.

What quality of trading featured the last days of the period led observers to believe that the summer slack of the stock market has ended, and that the seasonal uptrend is about to begin.

The period under review saw the stock market plunged to a new year's low, 94.60, recorded on May 31. Chartists believe this low mark was the turning point, and predicted that if this is not penetrated anymore by subsequent market action, the market has already estab-

lished a base on which to make an upswing for the rest of the year. The next movement of the market will have to be watched. Chartists saw that on the upside, the market must penetrate the levels 106, 107 and 108 before a bull trend could be applied to the market phase.

The range of trading, according to the averages, was ten points, between a high of 104.60 and a low of 94.60, about the same range limits as for the preceding month.

Turnover was heavier than last month, 12,315,681 shares for the period ended June 15, as against 8,361,414 shares for the period ended May 15.

The month was featured by the advance of Lepanto, Acoje, Surigao and Philippine Oil.

Optimism came to Lepanto as Lepanto readies its mill for resumption of copper milling operations, the first time since the war. It will start by running

250 to 300 tons daily on a 500-ton capacity. When the mill is fully orientated, the full capacity will be run.

Lepanto opened quietly at 69, went to a low of 67, went as high as 79, but closed at 77, for a gain of 8 points over the closing on May 15. Trading was very heavy, 643,000 shares changing hands during the period, as against 239,000 shares last month. Traders' optimism for this stock remains high.

Philippine Oil moved up to a new year's high, 24½ but closed easier at 22½, showing a net gain of 4½ points during the period. Interest in this stock was centered on the recent negotiations with the Philippine Oil commission to secure additional leases in Leyte, Cebu and Panay, three bright spots for oil in the country, and on the resumption of drilling operations in Bondoc. Philippine Oil opened quietly at 18, went down to 7½ but moved up toward the close of the period. Previous high for this stock was 24. Last year's high, though, was 70.

Turnover was very heavy, 1,540,000 shares as against 459,000 shares.

Surigao moved up on better produc-

(Continued on page 36)

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The House of Aguinaldo

L. R. AGUINALDO'S, popularly known before the war as "The Shopping Center of the Nation," is back again. The story of its postwar rise in the business community is the story of the enterprising ability of the three sons of L. R. Aguinaldo, founder of the store, and of the faithful executives of the company who have rendered years of efficient service to the store.

Finding itself in a precarious financial position after liberation, the company secured loans using its prewar building on Juan Luna as collateral. With the new funds, it went into the import business. The early demobilization of the firm's New York agents from the U. S. Army enabled the company to accelerate its rehabilitation and return to the retail trade.

Jose Leonor, manager of the New York office who has been with the company for twenty years, and his assistant, Ruperto Mayoraldo, immediately set out to buy merchandise for their company after returning to civilian life. With their business contacts in New York and the high position which L. R. Aguinaldo enjoyed in U. S. business houses, the com-

pany had little difficulty in procuring stocks despite the shortage of prime commodities in America. The company has an imposing building on 79 Walker Street in New York.

Today, with only half of the 42,000 square feet of selling space it used to have before the war, L. R. Aguinaldo's on its new site on General Solano carries twice as much volume of business compared to its prewar standards. Although it has only half of the assortments of men, women and children's apparel and home furnishing which it used to have before the war, the store can boast of stepped-up sales because of the moderate price of its goods.

L. R. Aguinaldo's is now being run by Francisco Aguinaldo, who is acting manager of the store in the place of his brother, Heriberto, who is in the United States observing trade fairs in large U. S. cities. Heriberto is making a survey of American companies that are displaying all lines of merchandise in various trade fairs in preparation for the big sale in Christmas here.

The store's founder, who is now 67

years old, resides abroad most of the time because of his health. He has been away for almost two years now, dividing his time between New York and the Latin American countries. At present he is connected with the company in an "informal" way, according to his son, Francisco.

Mrs. L. R. Aguinaldo retired from active participation in her husband's business a year and a half ago. It is interesting to note that her husband has credited her with much of the success of the store. They both trained their sons in their store so they could take over after learning the business of retailing.

The other brother, Daniel, is head of the Aguinaldo store on Avenida Rizal. An affiliate of L. R. Aguinaldo's, this store, whose selling space is air-conditioned, specializes in women's apparel.

The three Aguinaldo brothers trained in R. H. Macy's in New York, the biggest retail store in the world. From early childhood they worked in their father's store in various capacities until they learned enough of the business to be able to manage the company themselves.

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Commodity Trends

(From May 16 to June 15)

FOR the one-month period, ended June 15, the trend of commodity prices was irregular. Exports generally eased off but rice and palay advanced on short supply.

The government was attempting to augment the rice supply, by importing Siamese rice, but the rise of rice prices could not be averted. The recent crop is fast dwindling, it is reported.

Consequently rice moved up more than ₱2 a sack during the period under review. Elon-elon first class closed on June 15 at ₱32.25 a sack, up by ₱2 compared with the closing on May 15, while Macan first class closed at ₱30.50, up by ₱2.25 a sack. Following the trend, palay moved up from ₱13.75 to ₱15.50 a sack, showing an increase of ₱1.75.

Despite the rise in rice prices, the bureau of commerce reported that the price level index for consumption goods touched 245.8, a new low, compared with the previous low of 248.5.

In hemp, prices held to their all-time high for the high grades, but eased off for the lower grades. Thus Grade E held at ₱69 a picul throughout the one-month period, without any change whatever. On the other hand, Grade J1 at ₱61, down one peso from last month, it even went as low as ₱60.50, from which it recovered at the close. And J2 closed at ₱49, for a loss of ₱2.50, after opening at ₱51.50.

Copra, on the other hand, moved up on listless trading. Resecada went up to ₱62, after opening at ₱59, to close at ₱61, for a net gain of ₱1.50 per 100 kilos over the closing last month. There was little volume available for the trade.

Coconut oil moved up in sympathy, going up to ₱1.12 per kilo after opening at ₱1.08, then closed easier at ₱1.10, for a net gain of two centavos.

Sugar moved down further, for export as well as for the domestic trade, thus, export sugar went down as low as ₱11.25 per picul, after opening at ₱12, but closed better at ₱11.75 for a net loss of 25 centavos per picul. Domestic sugar went down from ₱16.75 to ₱15.50 for a net loss of ₱1.25.

Philippine sugar mills are now finishing their milling of the season. Report is that actual production is about 400,000 short tons, short by about 30,000 of the estimate of the sugar administration office. The differential has been laid to the destruction of the last

typhoons. Next milling season will start September or October. The next crop is expected to be twice as much as the last.

In copra, the supply situation is not expected to improve within this year. Another year will be needed, the trade explains.

In hemp, the main problem is quality from the Davao fields. The trade is despairing that the unplanned exploitation of the Davao fields is doing irreparable damage to the country.

The price trend of commodities for the period May 16 to June 15 is seen in the following table:

	Open	High	Low	Close	Change
DAVAO HEMP (picul)					
E	69.00	69.00	69.00	69.00	—
J1	62.00	62.00	60.50	61.00	— 1.00
J2	51.50	51.50	49.00	49.00	— 2.50
COPRA (100 K)					
Resecada	59.00	62.00	59.00	61.00	Up 1.50
Coco Oil (k)	1.08	1.12	1.08	1.10	Up .02
RICE FIRST CLASS (sack)					
Elon-elon	30.25	32.75	30.25	32.25	Up 2.00
Macan	28.25	30.75	28.25	30.50	Up 2.25
SUGAR (picul)					
Export	12.00	12.00	11.25	11.75	— .25
Domestic	16.75	16.75	15.50	15.50	— 1.25

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Cooperatives in the Philippines

THERE are 1,269 cooperative associations in the Philippines today with a total membership of 299,983 and operating with a paidup capital of P3,136,736. The cooperative movement here has still much to do before it can compare favorably with those in the United States, England, Denmark, Norway, Germany, Sweden, China and Japan.

Early History of the Movement

The first attempt to introduce the cooperative system of business in the Philippines was made in 1907, when the late Senator Sandiko presented a bill on rural credit cooperatives in the first Philippine Assembly. This bill was passed by the Assembly but was disapproved by the Philippine Commission which then constituted the upper chamber of the legislative body.

In 1914, Rep. Rafael Corpus filed a similar bill which was approved by both houses and which became Act 2508, now known as the Rural Credit Law. Rural Credit Associations were later organized in Cabanatuan, Nueva Ecija. By 1939, 571 Agricultural Credit Cooperative Associations had been formed. Most of these failed.

Causes of Failure

Their failure was due to mismanagement, lack of proper understanding of the aims and purposes of agricultural credit associations, improper use of credit advanced to borrowers, defective securities, and inadequate supervision.

The second phase of the history of the drive to popularize cooperatives may be traced to the enactment of the Cooperative Marketing Law on December 9, 1927. The bureau of commerce and industry was entrusted with the duty of organizing cooperative associations among farmers to help them sell their products.

By 1939 there were 160 Cooperative Marketing Associations reported with a total membership of 5,000 farmers. During this year, however, only 33 associations reported their sales of agricultural crops valued at P5,529.08. This means that in that year only 20 percent of the groups were active.

This time the main causes of inactivity were lack of sufficient capital, defective management, inadequate marketing facilities, and lack of loyalty on the part of the members.

The third phase of the cooperative project in the Philippines began with the formation of the Consumers' Cooperative

League of the Philippines on October 18, 1938. The movement later gained momentum when the Cooperative Law was enacted in 1940.

During the later part of 1941, the National Cooperative Administration (now the National Cooperatives and Small Business Corporation) was created to carry on the work of encouraging the organization of cooperative groups.

Immediately after liberation, cooperative associations were again formed through the Emergency Control Administration (ECA). On January 2, 1946, the NCSBC was organized.

Types of Cooperative Associations

There are six types of cooperative associations operating now throughout the Islands. They are the consumer, producer, industrial, retailer, credit union, and cooperative marketing associations. Of the 1,269 cooperatives functioning as of April 10, 1948, 932 are consumer cooperatives, 225 producer, 3 industrial, 83 retailer, 15 credit union, and 10 cooperative marketing groups.

How Cooperatives Function

The NCSBC defines a cooperative association as a "form of non-profit business

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enterprise which is owned and democratically controlled on a mutual and equitable basis by shareholders who patronize the business and who participate in any savings in proportion to their patronage."

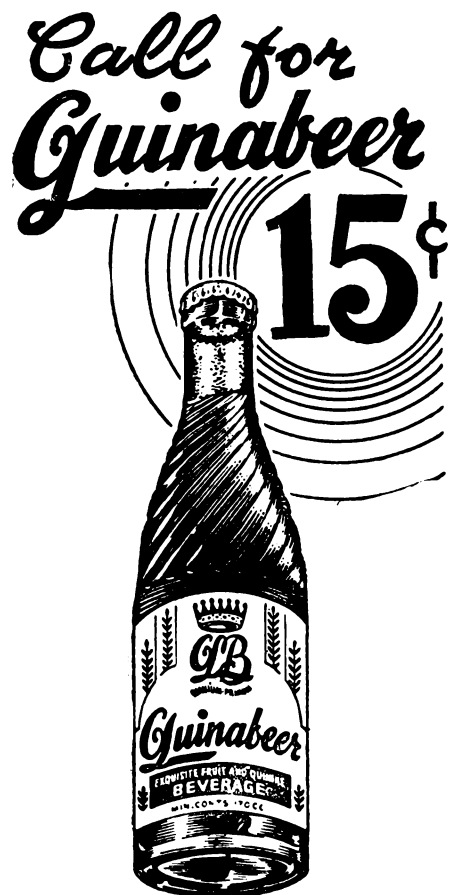
Cooperatives do not aim to amass profits. What are shared by their members are savings which are effected through group buying and group selling or retailing. It is in this regard that they differ from profit business which is conducted for the purpose of making money for those who own stocks in it. The essential purpose of cooperatives is to provide goods and services to their patron-members.

The very nature of the cooperative system explains why it is more successful in the provinces than in the big cities where the motive in most enterprises is profit. Cooperatives do well in the rural districts of the country, in government offices and in schools, because in these places the motive is service.

In the provinces farmers welcome the idea of organizing themselves into consumer and producer associations in order to facilitate marketing of their products through group selling and to effect savings in their purchases of consumer goods, seeds and farm implements through group buying.

The NCSBC, through the leadership of its manager, has representatives in all provinces who are campaigning among the inhabitants for more and stronger cooperatives. They furnish the population with necessary information and facilitate

(Continued on opposite page)



Mining and Stock . . .

(Continued from page 32)

tion figures. This mine reported for May an output of more than ₱125,000, more than double the previous monthly average. Consequently the stock closed at 34 for a gain of 2 points. It went up as high as 34½ after opening at 32. Turnover of the month, 373,000 shares, as against 183,866 shares.

For Acoje the advance was based on approaching shipment of chrome ore. The stock opened at 32, likewise, went as high as 35½ but closed easier at 34 for a net gain of 2 points. Turnover, 270,500 shares, as against 545,000 shares.

Atok Big Wedge and Mindanao Mother Lode did not do so well, though at the end of the period they were showing improvement. After opening at 79 Atok Big Wedge rapidly lost ground, touching a new year's low of 70 during the period but closed better at 73 for a net loss of 7 points. Mindanao Mother Lode opened at 88, went to a low of 70, likewise, but closed better at 77, for a net loss of 13 points. Trading was not as heavy as that for last month for these two stocks—Atok's 104,250 shares as against 253,274 and Mindanao's 357,000 as against 735,500.

Consolidated Mines was traded between .0135 and .0125, closed at .013, unchanged, on a turnover of 6,550,000 shares, as against 4,630,000.

Other mining shares traded during the period:

Antamok closed at .025, 50,000 shares; Batong Buhay at .006, 550,000

shares; Baguio Gold, .04, 145,000 shares; Coco Grove, 0.23, 50,000 shares; Itogon, .07, 45,000 shares; IXL .07, 88,800 shares; Masbate, .04, 55,000 shares; Paracale Gumaus, 10, 55,000 shares; Suyoc Consolidated, .03, 20,000 shares; San Mauricio, 18½, 132,500 shares; United Paracale, .0775, 55,000 shares.

On the commercial and Industrial board, San Miguel Brewery was most active, closing at 74 for a net gain of 4 points, after opening at 69 and going down to 66. Turnover was 3,142 shares, as against 3,756.

Substantial blocks of Philippine Racing changed hands between 1.30 and 1.20, on a turnover of 31,000 shares.

Other commercials and industrials: Marsman Pref. 10,000 shares at 40; Bank of P.I. 51 at 56; China Bank 20 at 173; Peoples Bank 148 at 55; Williams Equipment 1,600 at 9.50; Victorias 334 at 120; Bais Central 4 at 500; Tarlac 32 at 36; and Carlota 55 at 105.

NOTES

Dividends: Philippine Racing declared a 2½ per cent dividend per share, payable June 30. San Miguel Brewery also declared a quarterly dividend, payable June 30, ₱1.50 a share. For the year the dividend of the former has now totalled 5 per cent, and of the latter, ₱3.00 a share or ₱3,000,000 for all stockholders.

Gold Output: Philippine gold production in May totaled ₱1,168,161.06 from 57,848 tons, a little lower than the April figure of ₱1,203,269.21 from 58,653 tons.

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Cooperatives in the . . .

(Continued from opposite page)

the registration of cooperatives in the process of organization.

How the NCSBC Helps Small

The National Cooperative and Small Business Corporation has a small business division which helps small business groups in procuring merchandise through the contacts of its personnel. There are now 49 small business associations and 29 provincial trading corporations with a paid-up capital of ₱481,000 which are aided by this division in making their purchases.

Problems of the Cooperative Movement

The main problem of the movement lies in the ability of the government to organize strong groups that could count on protection from the administration.

In some provinces, especially in Mindanao, people are reported eager to unite for mutual protection, but are obstructed by aliens. This is the reason why the movement has been slower in Mindanao than in most places.

Other problems which may be classified as obstacles to the movement may be summed up as follows:

1. The individualist nature of the Filipino, which is the product of centuries of domination by foreigners, is a big handicap to the popularization of cooperatives.
2. Lack of interest among the masses in general arising from inadequate information regarding the aims and purposes of the movement.
3. Mismanagement resulting in distrust among members. Mismanagement may be caused by dishonesty, lack of

Building and Real Estate

THE trend in construction is towards the use of more blocks in view of the permanent nature of this material. In Malate, Ermita and New Manila, where construction activities are on the upswing, more blocks are being used.

The Magdalena Estate, which is now building residential houses costing ₱20,000 and up each on a ten-year installment plan, is also using blocks for the house it is constructing. The terms of the company are: 30 percent down if the lot and the building belong to the company, and the balance payable in monthly installments for ten years.

* * *

Miguel Gancayco, vice-president and project engineer of S. Gancayco & Co., left on June 16 to represent the Philippine Contractors Association at the 45th annual convention and road show of the American Road Builders Association to be held in Soldiers Field, Chicago, from July 16 to 23.

Faustino S. Gomez, president of the Pacific Exchange Corporation, leading distributor of road materials, is also attending the convention. He will survey

business knowledge, discourteous handling of the business, and lack of patience among the members and men running the enterprise.

4. Lack of patronizing instinct among the Filipinos. In other countries, native business enterprises receive the strong support and patronage of the community.

5. Competition offered by aliens who are well organized.

U. S. markets for materials for public works projects in the Philippines after the convention.

A committee has been created by the Philippine Contractors Association to draft a code of ethics for Philippine contractors. The committee is composed of Pedro Siochi, as chairman, and the following as members: Deogracias de la Paz, technical consultant of the Contract-Syndicate; Juan G. Carlos, president of United Construction Supply Co.; T. Nugui, and Manager Escobar of Age Construction Co.

* * *

Latest reports indicate a decrease in real estate transactions in Manila during the last months when compared to those of the same period in 1947. Sales for the first four months of 1948 amounted to ₱16,789,009 as against ₱29,025,271 for the same period in 1947. April (1948) sales however, were bigger than those of March. They totaled ₱5,021,023 in April, as against ₱4,243,719 for April.

Real estate mortgages totaled ₱4,585,631 in April as against ₱4,907,008 in March. Chattel mortgages rose to ₱13,981,623 in April compared to ₱4,861,517 in March.

* *

The Asociacion de Propietarios de Manila plans to establish a legal clinic that would give free legal service to tenants and landlords. The idea is to acquaint both parties with their rights in order to preserve good urban tenancy relations.

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Increased Taxes on Luxuries

On June 1 the controversial bill which Congress passed during its last session increasing sales taxes on articles classified as luxuries and semi-luxuries became law when President Quirino signed it.

Taxes on goods classified as luxuries were increased from 20 to 30 percent, while those on semi-luxuries were raised from 10 to 15 percent. No increase in the sales taxes on ordinary articles was made. The rate will continue to be 5 percent on ordinary articles.

The following have been classified as luxuries:

1. Automobile chassis and bodies, the selling price of which exceeds ₱7,000.

2. All articles commonly or commercially known as jewelry, whether real or imitation; pearl, precious and semi-precious stones, and imitation thereof; articles made of, or ornamented, mounted or fitted with, precious metals or imitations thereof or ivory (not including surgical instruments or silver-plated ware, or frames or mountings for spectacles or eye-glasses); opera glasses, and lorgnettes.

3. Perfumes, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, and any similar substances, articles or preparations, by whatsoever name known or distinguished, except tooth and mouth washes, dentrifices, tooth pastes, and talcum or medicated toilet powders; and any of the above which are used or applied or intended to be used or applied for toilet purposes.

4. Dice and Mahjong sets.

Under semi-luxuries fall the following articles:

1. Automobile chassis and bodies, the selling price of which exceeds ₱5,000 but does not exceed ₱7,000 each.

2. Watches and clocks, the value of which exceeds ₱50 each; marine glasses, field glasses, binoculars; and cinematographic films of not more than eight millimeters in width.

3. Polo mallets and balls; golf bags, clubs and balls; fishing rods and reels; and chess and checker boards and pieces.

4. Beauty parlor equipment.

5. Refrigerators of more than seven cubic feet; refrigerators of seven cubic feet or less shall be taxed at the rate of 10 percent of the selling price.

6. Beverage coolers, ice cream cabinets, water coolers, food and beverage storage cabinets, ice-making machines, and mild cooler cabinets, each of such articles having or being primarily designed for use with, a mechanical refrigerating unit

operated by electricity, gas, kerosene, or other means.

7. Musical instruments, the value of which exceeds ₱150 each; phonographs, combination radio and phonograph sets; and phonograph records.

8. Cartridges or other forms of ammunition (except those for caliber .22 firearms). No tax will be collected on cartridges or other forms of ammunition sold and delivered directly to the Philippine Army for their actual use or issue.

9. Electric fans and air circulators, electric or oil appliances of the type used for cooking, warming, or keeping warm food or beverages for consumption on the premises; electric mixers, whippers, and juicers; and household type electric vacuum cleaners. Electric flat irons the selling price of which does not exceed ₱50 will be taxed at the rate of 10 percent.

10. Unexposed photographic films (including motion picture films but not

including X-Ray films); photographic plates and sensitized paper; photographic apparatus and equipment; and any apparatus or equipment designed specially for use in the taking of photographs or motion pictures or in the developing, printing, or enlarging of photographs or motion picture films.

11. Neon-tube signs, electric signs, and electric advertising devices.

12. Washing machines of all types.

13. Air-conditioning units and parts or accessories therefor.

14. Mechanical lighters.

15. Upholstered furniture (except rattan); tables, desks, chairs, show cases, book cases, lockers, and cabinets (other than filling cabinets) of which wood, rattan or bamboo is not the component material of chief value, but not including iron or steel chairs and tables costing not more than ₱6 each.

16. Textiles in the piece, wholly or in chief value of silk, wool, linen or nylon.

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Regional Trade Conference

(Continued from page C, Supplement)

- (f) Balance of trade increasingly unfavorable to Philippine Republic.
- (g) Inflationary conditions continue to affect stabilization.
- (h) High wage scales raised costs and prices.
- (i) Inability of United States to supply needs forces Philippines to seek needs elsewhere. Difficult for United States to regain markets lost to other countries.
- (j) Two-way trade necessary to enhance standard of living.
- (k) Nationalistic proposals destroy confidence—scare away investment interests.

II. Financial.

- (a) Need for American capital and know-how great.
- (b) Old but frustrated and new industries are excellent possibilities for industrial development with American capital or with joint Philippine-American capital.
 - (1) Old industries — gold, lumber, copra, hemp, sugar, coconut oil.
 - (2) New industries — manganese, chromium, limestone, coal, clay, fisheries, ramie and such home or handicraft industries as hat weaving, wood carving, rattan craft, embroidery, mat and other fibre weaving, processing of lumber products, shellcraft, etc.
- (c) Inducements of private capital necessary and preferred.
 - (1) Legislative provisions for tax-free period.
 - (2) Legislation to create feeling of security for investment.
 - (3) Security and Exchange participation.
 - (4) Government policy to foster private operation of enterprises to encourage investment.
- (d) American nationals and corporations on equal footing by constitutional provision.
- (e) Control and limitations placed on insurance and banking institutions.

III. Aiding investment opportunities.

- (a) Full and complete information of project or enterprises.
- (b) Names and records of individuals concerned.
- (c) Technical descriptions of resource or industry to be developed.

- (d) References.
- (e) Complete prospectus similar to that required by Securities Exchange Commission on concern or enterprises of which stock is to be sold.
- (f) The Philippine Securities and Exchange Commission, similar to the S.E.C.

IV. Opportunities in services — transportation, travel, aviation.

- (a) Rehabilitation of inter-island and surface transportation needs great.
- (b) Travel potentialities great.
 - (1) Tourist trade will provide needed dollars.
 - (2) Philippines have tremendous assets to be featured:
 - a. Natural points of great variety of great beauty.
 - b. Items of historical importance.
 - c. Native life.
 - d. Sports.
 - e. Fishing.
 - f. Mountain resorts.
 - (3) American know-how needed for development, exploitation and promotion at home and abroad.
 - (4) Hotels and other facilities need to be established and offer unlimited opportunities to local and American capital.
- (c) Aviation possibilities.
 - (1) As a method of promot-

ing

- a. Social and cultural relations
- b. Trade—with participation of representatives of Philippine Airlines and Pan American World Airways.
 - (2) Results of survey of Air Cargo Institute on air transportation of agricultural products to be available for Philippine application.
 - (3) Possibility of developing in the Philippines a project similar to P.A.A.'s Latin American subsidiary, which maintains hotels in key cities for use of air passage and crews.

V. Free port of Manila.

- (a) The Foreign Trade Zone Law in the United States to stimulate imports by providing facilities and advantages not available under regular Customs Laws.
- (b) Promotion of transshipment trade.
- (c) Opening of San Francisco Foreign Trade Zone. Handling "marginal" shipments profitably through use of the Zone.
- (d) Showing of San Francisco film.
- (e) Plans for Zone in Manila—development of Manila as a "doorway to the Orient," with storage, repacking, and distributing facilities for transshipping

(Continued on page 46)

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PRODUCTION in the coconut areas damaged by the series of typhoons in 1947 is expected to start picking up in August. Normal production, however, will not be attained within the next year according to reports from the provinces.

In the meantime, there is suffering among the people of Southern Luzon and the Visayas where plantations had been denuded of nuts. The growth of nuts there has been stunted by the terrific lashing and shaking of the trees by typhoons and earthquakes.

* * *

Early in June, copra prices in Manila rose to as high as ₱65 per 100 kilos, the highest in the history of the coconut industry here. Mindanao, which is out of the typhoon belt, is reaping all the boom prices.

* * *

Secretary of Commerce and Industry Placido L. Mapa has indicated that he would raise funds with which to resume the operation of the Nacoco in Southern Luzon. With the Nacoco operating in

these areas, prices would again be competitive, thereby encouraging bigger production of copra. Without the government corporation's intervention in the copra trade, alien merchants will continue to dictate their prices because of lack of competition. Even when prices had reached ₱65 in Manila, reports were received by the Nacoco that alien middlemen were still buying at about ₱45 per 100 kilos in some provinces.

* * *

The Tayabas Coconut Planters Association objects to the rules and regulations governing the inspection and standardization of copra as embodied in the Bureau of Commerce administration order No. 2.

Vicente Constantino, president of the Tacoplant, said the system is prejudicial to copra producers and favors the alien merchants only. "The present practice," he said, "defeats the purpose of the order and the standardization program because there is no penal clause."

In answer to this charge, Director of

EDUCATION COMPANY PRESIDENT RETURNS

David G. Gunnell, President & General Manager of Philippine Education Company, arrived in Manila on board the "Merchant Maersk" after a year of absence spent in the United States. While abroad he visited manufacturers, publishers, and magazine distributors whose products Philippine Education Company distributes in the Philippines.

In the course of his travel he visited such well-remembered oldtimers in Manila as Mrs. Maud Bordner, widow of the late Harvey A. Bordner, last American superintendent of schools for the City of Manila; Dr. and Mrs. W. W. Marquardt, former Director of Education and former professor in the University of the Philippines; Mr. and Mrs. Chas. Franks, former Secretary to the High Commissioners, and many other former Philippine Americans.

Commerce Saturnino R. Mendinueto explained that a penalty clause is not necessary since the producers who make poor copra will suffer from lower prices.

On the other hand, elimination of the two percent per ton processing tax on oil has been hailed by local coconut oil manufacturers. Congress removed the tax upon recommendation of President Quirino and his cabinet.

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The San Juan de Letran College has granted scholarships to twenty-seven deserving students who successfully passed the competitive examinations.

In the High School section four were given full scholarships, one half-scholarship, and fourteen were made partial scholars. Two half-scholars and six partial scholars were admitted in the collegiate department.

A large number of students from other schools and colleges participated in the examinations.

Alma Mater of many distinguished Filipino leaders, like the former President Sergio Osmeña and the late President Quezon, the Letran College was founded in 1620. Next to the University of Santo Tomas, it is the oldest institution of learning in the Philippines. The building of the college in Intramuros has just been restored to its prewar beauty.

STANDING at the northeastern corner of the Walled City (Intramuros), the recently reconstructed building at the right houses the Letran College in Manila.



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Amnesty Approved at Special Session

Quirino Calls Extra Meet Of Congress To Pass Upon Important Legislation

PRESIDENT QUIRINO called a special session of Congress for ten days on June 14 and recommended several measures for immediate approval of Congress in view of their urgency.

Intended to last only until midnight of June 24, the session was extended to June 25, then to June 26, when the capital site bill was finally passed after a hectic deliberation. The President had shown much interest in the bill establishing the Republic's capital in the Ipo-Novaliches-Quezon City area, and the import control bill.

One week after Congress convened, the news that Huk Supremo Luis M. Taruc had presented himself to President Quirino at Malacañan spread like wildfire throughout the country and the world. On the afternoon of June 21, the day Taruc went to Malacañan accompanied by Judge Antonio Quirino, the President's brother who was responsible for the mediation, the Chief Executive issued Proclamation No. 76 granting amnesty to Huks and PKM's.

For four days the proclamation was debated in both houses of Congress. The House of Representatives approved the

amnesty grant as released by Malacañan. In the Senate, Senator Lorenzo M. Tañada introduced an amendment extending the scope of amnesty to cover common crimes except those against chastity. This was objected to by the House on the ground that it was not necessary. Finally the Senate agreed to drop the amendment and the proclamation was concurred in, thus paving the way for the seating of Taruc.

Less than two hours, after the amnesty proclamation was concurred in by Congress at 6:30 a.m. on June 25, Taruc was seated in the House of Representatives as representative for the second district of Pampanga. The House voted to seat Taruc on motion of Congressman Jose B. Laurel, Jr.

Congressman Taruc in his maiden speech pleaded for cooperation in the solution of the peasant problem, which he said "could not be solved by bloodshed and gunfire."

Of the original three bills recommended by President Quirino for congressional action, the measure providing for compulsory social security insurance for gov-

ernment and private employees was left unacted. The lower house shelved it following a storm of protest registered against its controversial aspects by congressional and business circles.

The bill nationalizing labor, which the President returned to the lower house for further study after it had been passed by Congress during its regular session, failed to go through in the Senate following its approval in the House.

The last major bill which Congress passed before it adjourned in the afternoon of June 26, was the capital site bill. The measure creates a city planning commission composed of seven members, four of whom shall be non-government officials. This commission will be in charge of planning, zoning, purchase and resale of all territorial properties within the designated national capital area.

It protects the public against speculators by limiting the government's purchase price of privately owned lands to the assessed value of the property as of 1945. The lands will later be subdivided and resold to the public at cost.

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Malacañan PRESS NOTES

President Elpidio Quirino issued, May 31, proclamation reserving Corregidor and adjacent islands for military purposes and declaring them as a national defense zone.

* * *

Summoning top Manila government officials, May 31, President Elpidio Quirino yesterday addressed himself to the affairs of the capital city, especially to its public works, health and sanitation, and beautification. Present at the conference with him which was held in the President's office in the Palace, were City Mayor De la Fuente, Board President Balagtas, City Engineer Aquino, and Councilors Arenas and Santa Maria.

He asked the city officials especially to draft a plan of beautifying the Luneta, including Wallace Field, and of repairing some of the streets with the heaviest traffic, either vehicular or pedestrian. He promised Manila a share of the pork barrel, provided the city officials can present to him an acceptable plan of city public works.

* * *

Meeting with the United States Philippine War Damage Commission, Secretary of Public Works and Communications Nepomuceno and other officials of the Philippine Government agreed on June 1 to make every effort to expedite rehabilitation of public buildings and works financed with the aid of Commission awards for war damage.

In addition to Secretary Nepomuceno, Philippine Government officials who conferred with Chairman Frank A. Waring and Commissioners Francisco A. Delgado and John A. O'Donnell were Under Secretary of Public Works Orosa, Manager of the Manila Railroad Bayan, and Director of Public Works Fernando.

The conference followed a recent call by Commission members on President Quirino when they advised him that, although the Commission has awarded more than P50,000,000 on public projects, and advanced approximately half of this amount, there has been considerable delay in initiating reconstruction.

*

The search for the remains of Roque Ablan, guerrilla governor of Ilocos Norte, and Wenceslao Q. Vinzons, guerrilla governor of Camarines Norte, is due for a revival with the signing of President Quirino, June 1, of a law setting aside P10,000 as rewards for those who may discover them.

The law provides a reward of P5,000 in each case or P10,000 for both.

President Quirino signed on June 1 the act of Congress authorizing the Philippine government to negotiate for a loan not exceeding P200,000,000 with which to finance the initial steps in the industrialization of the country.

The money when secured will be used for the financing of the following projects:

(1) For the construction of three complete hydroelectric power plants, one in Ambuklao, Mountain Province, costing P48,000,000; another at Itogon, also in the Mountain Province, costing P70,000,000; and a third at Maria Cristina Falls in Mindanao, costing P23,400,000.

(2) For the diversion of the Lumot River and increasing the height of the dam of the Caliraya reservoir at a cost of P6,000,000, and

(3) For the construction of a fertilizer plant

at a cost of P28,600,000.

* * *

The Philippine Republic has submitted its nominees to the International Law Commission, an instrumentality of the United Nations to codify international law, it was announced, June 1, at Malacañan.

The nominees of each of the 58 member nations consist of two native nationals and two foreign nationals.

Nominated by the Philippines are Congressman Quintin Paredes, former Secretary of Justice and Resident Commissioner in the American Congress, and one of the leading members of the Philippine bar; and Professor Vicente Sinco of the College of Law of the University of the Philippines, a leading Filipino legal scholar and, under former President Osmeña, an adviser on foreign affairs.

* * *

The President signed on June 1, House Bill No. 1344 which becomes Republic Act No. 210, exempting officers and enlisted men of the Army of the Philippines who served in the armed forces of the United States from the payment of income tax on their compensation, insurance, and maintenance and support allowances earned by virtue of such services corresponding to the taxable years 1942 to 1945, inclusive, and providing for the refund of taxes heretofore collected on income so earned.

* * *

Another local product, shelled peanuts, was added June 1 to the list of Philippine products now falling under government inspection and standardization, with the approval by the President of the Philippines of Commerce administrative order No. 5, Director of Commerce Saturnino Mendinueto, stated on June 2. Other products, he said now subject to standardization,

are copra, commercial shells, kapok, and rattan reeds.

* * *

The Government's policy on trade with Japan will be formulated on the basis of the findings of a committee created by the Department of Commerce and Industry which will hold public hearings very shortly, Secretary Placido L. Mapa of the department announced on June 1.

* * *

In a proclamation issued, June 3, President Elpidio Quirino fixed the period from June 2, 1947, to December 31, 1957, within which applications for Free Patent may be filed by persons entitled thereto for tracts of land disposable under this form of land grant in all provinces, cities, municipalities, municipal districts or regions in the Philippines, including the provinces of Agusan, Cotabato, Bukidnon, Lanao, Davao, Sulu, and the Mountain Province.

* * *

The assignment of Consul Meynardo Farol to the Philippine Consulate in Portland, Oregon, from the consulate in Amoy, was made at his own request and does not constitute a recall, Undersecretary of Foreign Affairs Bernabe Africa stated June 4.

* * *

Ramon Avanceña, retired chief justice of the Supreme Court, has accepted the invitation of President Quirino to become a member of the Council of State, the highest advisory body of the Republic, effective June 3.

* * *

Ambassador and Mrs. Carlos P. Romulo arrived in an army plane at the Manila International Airport June 4 at 12:45 p.m. after attending the funeral of the Ambassador's mother last Wednesday, June 2 at Camiling, Tarlac. It was reported that Mrs. Romulo felt indisposed while there.

* * *

Director of Commerce Saturnino Mendinueto, in a release issued June 4 reminds the public that the Chinese government has banned as of January 1, 1948, the importation of private cars into China. This information was issued for the benefit of those who are not aware of the ban.

* * *

President Elpidio Quirino, June 5, signed Executive Order No. 143 increasing the amount of logs, flitches, and sawn lumber that may be exported from the Philippines by actual pro-

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ducers thereof, from 20% to 50% of the actual production.

The so-called Guingona notes consisting of about P4,000,000 worth of Philippine National Bank bills will not be redeemed along with the PNB notes illegally issued by the Japanese, Acting Secretary Crispin Llamado of the Department of Finance emphatically declared June 4.

President Elpidio Quirino, June 5, signed a bill giving a new deal to employees of the government, including those of government corporations, thus advancing the social security program.

The bill grants 15 days vacation leave of absence with full pay and 15 days leave with full pay for each year to every government employee, whether permanent or temporary. To be benefitted will be employees of the national, provincial, municipal, city and municipal district government, and all government-owned or controlled corporations.

President Elpidio Quirino honored the Naval Governor of Guam, Admiral C. A. Pownall and Mrs. Pownall at luncheon Wednesday, June 9, at Malacañan Palace.

Final payment of the balance of P1,500,000 on the award of P3,000,000 for war damages to the Manila Railroad Company for rolling stock destroyed during the war was officially announced June 9 by the United States Philippine War Damage Commission.

President Elpidio Quirino signed June 9 Republic Act No. 234, fixing the compensation of the president and the nine members of the Municipal Board of the City of Manila on a yearly basis at P8,400 for the president and P7,200 for each of the members, instead of P40 and P25 respectively as per diem for each day of session.

The regular training period for military trainees has been increased under a bill (Republic Act No. 237) signed by President Elpidio Quirino, June 9, which amends certain sections of the National Defense Act.

Unsplit rattan is subject to standardization alongside copra, shells, kapok, and shelled peanuts pursuant to an administrative order of the department of commerce recently approved by Malacañan.

The main objective of this administrative order, according to Saturnino R. Mendinueto, director of the bureau of commerce, is to raise the quality of Philippine rattan in foreign markets so that the Philippines could get a bigger share of the enormous world trade in rattan, which was estimated at about 30 million pesos annually before the war.

Commissioner Pio Pedrosa, chairman of the Reparations Advisory Committee, announced, June 9, that machine tools and secondary metal-working equipment so far received as reparations from Japan, consisting of 3,016 units, are available for allocation to government entities and private individuals or concerns interested in acquiring them.

President Elpidio Quirino, on June 12, signed 12 bills, among which is House Bill No. 1873, now Republic Act No. 246, appropriating the sum of P50,000 to defray the expenses of the state funeral for the late President Manuel Roxas and for the erection of a temporary mausoleum to contain his remains.

The act states that the late President dedicated his life and labors to the service of his country and that it is fitting and proper that his remains be laid to rest in a manner that will perpetuate his memory and express our people's love and respect for him.

President Elpidio Quirino, June 12, signed
(Continued on page 47)

HEMP INDUSTRY

REPRESENTATIVES of the National Abaca and Other Fibers Corporation and the Davao Chapter of the Philippine Veterans Legion have finally agreed on controversial points affecting the allocation and subdivision of enemy properties in Davao. Under a Presidential directive these properties, mostly hemp lands, are to be given to veterans, war guerrillas, and civilian tenants.

* * *

In an effort to arrive at a peaceful solution of the problems affecting the status of guerrillas, the Nafco and the guerrillas held a conference at the Nafco office in Manila on June 2. The Nafco management was represented by Dr. Vicente Aldaba, acting chairman and general manager; Col. Jose Razon, member of the board of directors; and J. B. Francisco, secretary of the board. The Davao chapter was represented by Major Froilan Matas, vice-commander of the Davao Chapter; Lt. Ramon T. Aquino, board member of the chapter; and Macario Guevara, legal adviser.

The conferees agreed that the allocation committee for every plantation should be composed of five members: one from the Nafco who is to be the chairman; one civilian tenant; and three guerrillas and war veterans to be appointed by the PVL, Davao Chapter.

* * *

Lots in the Guihing Plantation Company and in other plantations occupied by veterans, will be limited to five hectares for every person. Areas in excess of five hectares allotted to every applicant will be granted to other members of the legion who are qualified to occupy portions of the plantations.

To make certain that landless guerrillas are given priority in the allocation of lots, it was decided that applicants who own land in Davao or elsewhere shall have no priority in the subdivision of enemy properties unless they dispose their property before they file their applications.

*

It was also agreed that the Nafco should reserve four plantations for experimental and model plantations to be administered directly by the corporation, and as such, will not be subject to subdivision. The plantations are Bago-Oshiro, Arakai, Bago-Iñigo, and the 19-hectare lot in the Matsuoka Plantation which has been reserved to accommodate Nafco seedlings.

The present occupants of Bago-Iñigo will not be ejected immediately but will

be allowed to stay in the plantation until they receive their share of parcels of abaca land in other places. The Nafco promised to pay the occupants for the improvements they have introduced on the plantation.

* *

The question of amending the lease contract governing the relationship between occupant and the government was discussed fully by the conferees. Senator

Salipada Pendatun, who accompanied the guerrillas, suggested the following amendments to the lease contract:

1. Outright sale of portions allocated to guerrillas who can afford to pay for their shares.
2. Reduction of the Nafco share in the produce of the land—from 20 to 15 percent in the case of coconut lands, and from 15 to 10 percent in the case of abaca lands.
3. Limiting the term of leases from five to two years or less as an alternative to outright sale by the government of the lands in question.

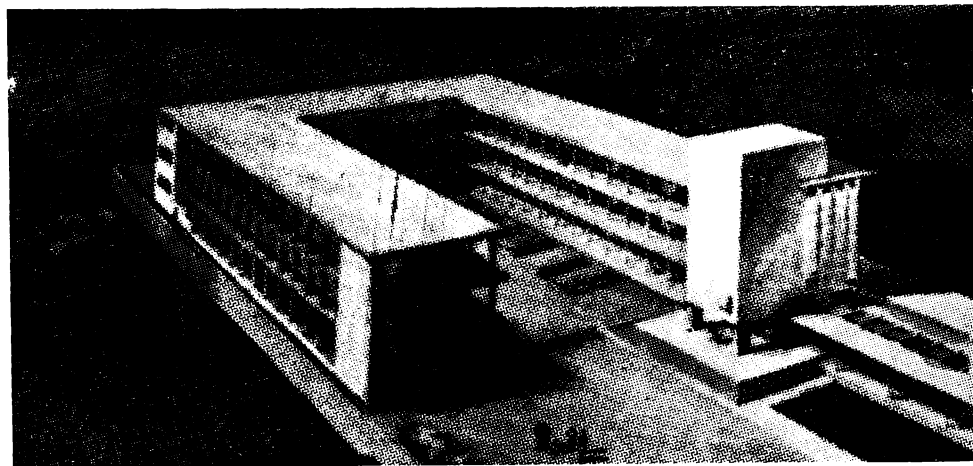
These suggested amendments will be brought to the attention of President Quirino by Senator Pendatun.

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Regional Trade . . .

(Continued from page 39)

American goods to other Pacific markets.

- (f) Use of the San Francisco Foreign Trade Zone to stimulate the importation of Philippine products. Possible establishment of central information and promotion office in Manila to disseminate facts on Zone and to encourage its use.

VI. Trade Trends and Problems. Trade Barriers — Problems

(a) United States

- (1) Bell Bill — Liberalizing quotas. Conference results and recommendations for use in eliminating quantitative controls.

- (2) Allocations for exports — necessary due to short supplies in U. S.

- (3) Export licenses.

Dissatisfaction in granting. Delays in processing. Alleged discriminations—historical pattern.

- (b) Philippines. (New flour export procedure effective June 21 permits faster license approval, easier shipping.)

- (1) Flag Law

- (2) Luxury tax
- (3) Proposed import controls.
- (4) Difficulty of U. S. firms not registered to do business in the Philippines in using Philippine courts.

VII. Fostering of better Philippine trade relations.

- (a) Form working committees of joint Philippine and American businessmen in Pacific Coast cities and in Manila under auspices of Chambers of Commerce.

- (b) The committees to meet regularly to study current developments, trends of trade and exchange reports of meetings.

- (c) Chambers of Commerce on both sides to establish close regular exchange of information and correspondence.

- (d) A World Trade Department in the Philippine Chamber of Commerce, Manila, to carry on direct contact with Pacific Coast and Hawaiian Chambers of Commerce.

- (e) Members of each respective group when visiting other cities meet with local committees.

- (f) Mutual assistance in establishing connections to be established and channeled through

respective Chambers of Commerce.

- (g) Continue such conference every six months on each side of the Pacific and in Honolulu.

- (h) Businessmen through their Chambers of Commerce and similar groups in their respective countries:

- (1) Support legislation designed to promote greater two-way trade, eliminate trade barrier, foster investment opportunity and security.

- (2) Oppose legislation that fosters nationalism, state control, restrictions or controls that interfere with or retard the development of trade, shipping and commerce through private firms.

- (i) Philippine office in San Francisco World Trade Center.

- (1) Disseminate information and provide trade contacts.

- (2) Maintain permanent exhibit of Philippine products.

- (j) Professional public relations representation in Manila for San Francisco.

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Malacañan Press Notes . . .

(Continued from page 44)

House Bill No. 1744, now Republic Act No. 242, which amends Articles of War of the Armed Forces of the Philippines so as to subject to military law all persons in the active service of the Armed Forces of the Philippines, whether regulars or reserves, and of the Philippine Constabulary. Formerly, only those belonging to the regular force of the Philippine Army were subject to military law.

*

Approval of a large number of public claims—61 in all—with awards aggregating P4,112,410 and advance payments amounting to P2,059,750, was disclosed June 14 by the United States Philippine War Damage Commission.

* * *

President Elpidio Quirino, June 14, signed one proclamation, one executive order, and one administrative order.

In Proclamation No. 72 he fixed the value of the Italian lira, for the purpose of the assessment and collection of duty, at P.0036, Philippine currency or \$.0018, United States currency effective November 1, 1947.

* * *

President Elpidio Quirino, June 14, signed House Bill No. 1890 otherwise known as the Public Works bill, which appropriates P56,020,000 for public works.

* * *

Among the nine bills signed by President Elpidio Quirino, June 14, is House Bill No. 1691 (Republic Act No. 253), which amends sections 183 and 190 of the National Internal Revenue Code so as to provide for the collection of the tax in advance on the total value of the articles, whether imported or locally produced, before they leave the customs house or the factory warehouse, subject to the adjustments later upon the basis of the actual selling prices of such articles, and to revive the exemption from the compensating tax on imported articles which are to be used in the manufacture of articles subject to the specific tax and consigned abroad. It also increases the value of exempt articles from P20 to P100 on any single shipment, or goods brought from abroad by returning residents from P20 to P500.

* *

Abaca and lumber production in Camarines Sur and Camarines Norte was at its highest during the month of May, it was learned from the director of commerce, June 14.

* * *

Only about 6,000,000 hectares of natural oil lands have been applied for by different oil exploration firms, and the Philippine Oil Commission continues to welcome applications for the remaining 9,000,000 hectares of oil lands, it was revealed June 14 at the meeting of the Council of State which took up only one problem—the oil resources of the country and their proper and immediate exploitation.

* * *

President Elpidio Quirino signed, June 15, House Bill No. 1591, now Republic Act No. 267, authorizing cities and municipalities to contract loans for the purpose of purchasing or expropriating homesites and sub-dividing them for resale at cost.

* *

President Elpidio Quirino, June 15, signed the much-awaited Central Bank Bill converting it into Republic Act No. 265. In affixing his signature, the President hailed the act as the charter "of our economic sovereignty."

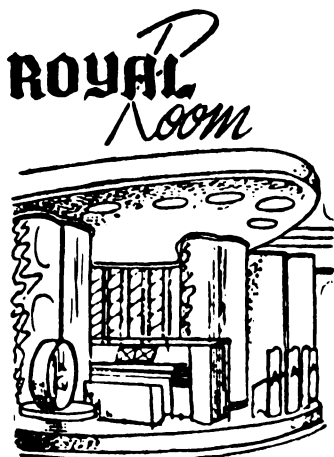
* * *

General plans for the improvement of the rail and bus service connections of the Manila Railroad Company in the Bicol region were discussed during a luncheon given by Commissioner Pedrosa, president, together with the general manager and members of the Board of Directors of the

(Continued on page 52)

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Fishing Industry

EXPANSION of the bangos (milk-fish) industry in order to assure a year-round supply of this palatable fresh-water fish for the entire country is part of the extensive fishery development program of the national government. A complete success of this program is seen by Hugh W. Terhune, an outstanding American ichthyologist and administrator of the Philippine fishery program of the U. S. fish and wildlife service on detail here since early part of this year. Mr. Terhume has recently been named honorary adviser to the Re-

public on fisheries.

Mr. Terhume expressed optimism over the approval by President Quirino of the measure authorizing the sale of swamplands to promote the fishpond industry declaring that it is one of the most encouraging steps taken by the administration in the direction of the economic development of the Republic.

There are approximately 438,000 hectares of nipa and mangrove swampland awaiting development. This land, as it now stands, produces some firewood,

some nipa shingles, tuba, vinegar and alcohol in very limited quantities. However, the returns from the swamplands are only a fraction of what can be realized if the areas were converted into fishponds.

In contrast to the areas awaiting development, only 65,000 hectares are under fish production at present. These areas are the basis of a ₱75,000,000 bangus industry. If one-fourth of the undeveloped land were converted into fishponds, 100,000,000 bangus could be produced annually. And at the present price of one peso per fish, the Republic would stand to realize ₱100,000,000 added annually to the national income.

In addition, at least 10,000 men would find permanent employment on the ponds themselves, and marketing, fry-catching, transportation and other aspects of the industry would, in all likelihood, swell the employment total, seasonal or otherwise, to around 100,000 people.

Porfirio R. Manacop, a Filipino fisheries expert and an official of the Bureau of Fisheries, has been appointed to the staff of fishing demonstrators by the U. S. fish and wildlife service assigned to the Philippines. Manacop's appointment was an offshoot of the joint efforts of the Bureau of Fisheries and the U. S. mission to evolve a government program to place the industry under a most scientific development.

As a fishing demonstrator, Manacop will go from one fishing region to another to illustrate the various methods of fish catching. On board a demonstration vessel, Manacop will assist in introducing American fishing techniques to Filipino fishermen.

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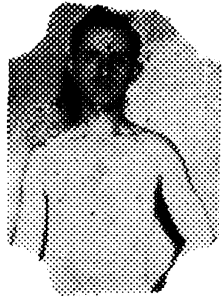
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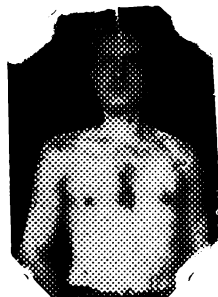
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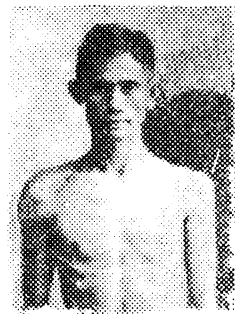


Before Treatment

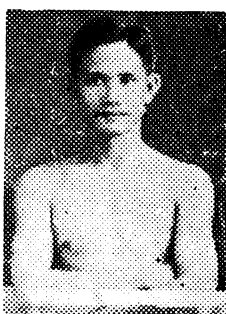


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“It is a great pity that with all the medical colleges and the millions of dollars spent every year, that some branch could not be opened where the laws of health could be taught by such a man as Dr. Ramirez who does not merely prop us up but makes us well.....

“I can think of no greater philanthropy in the world today than an institution that would open the door to health to the sick and to the ‘Half-Well’ people.”

Very sincerely yours,

MERCEDES McALLISTER SMITH
Chairman, American & French Children’s League”

Dr. Benedict Lust, the Father of Naturopathy in the United States, the Life President of the American Naturopathic Association, and the proprietor of Youngborn Sanatorium, Butler, New Jersey, says: “Dr. Ramirez has treated the finest people in America, Philippine Islands and foreign countries to their entire satisfaction and with always good results.”

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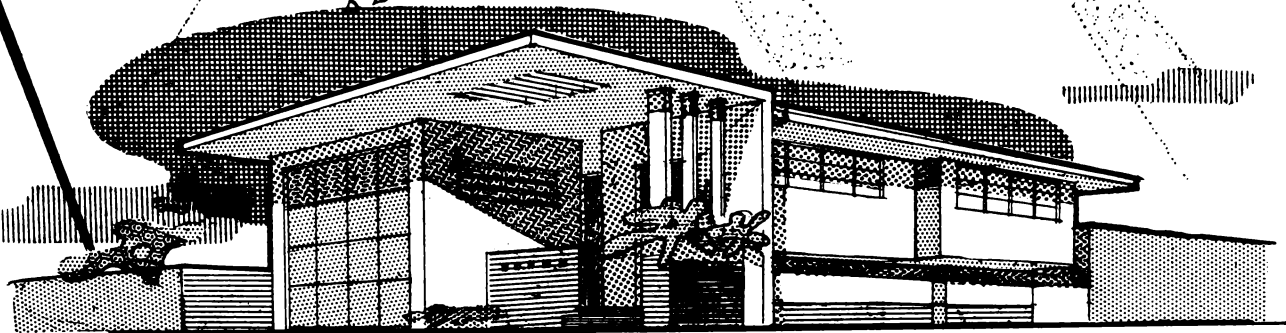
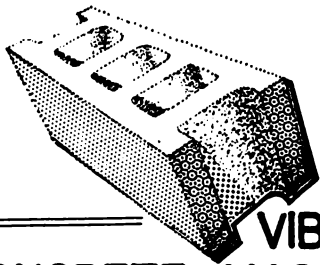
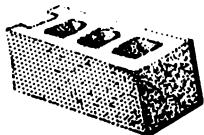
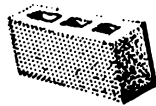
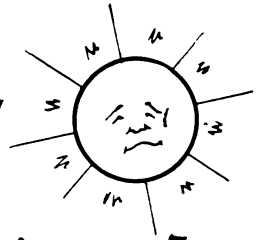
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Business People

CHARLES HOLLMAN, well-known sportsman and clubman from Bulacan, was, last June 1, selected as general manager of the Manila Hotel by the board of directors of the same, succeeding Col. Manuel Nieto who is now in Spain as Philippine consul-general. The new hotel manager was before the war assistant manager of the late "Andy" Anderson.

CIRIACO CUENCO, who had been acting general manager, is back at his post as assistant head of the Manila Hotel.

* * *

JUSTICE JOHN C. FISCHER of the Guam court of appeals was guest speaker at the weekly luncheon meeting of the Manila Rotary Club held at the Manila Hotel last June 3. The jurist came to the Philippines on a two-week visit, arriving in Manila aboard a Northwest Airlines plane last May 31.

Justice Fischer mentioned in a press interview that there are at present 13,000 Filipinos in Guam for which reason, he said, there should be cordial relationship between the Republic and his country.

* * *

LOUIS G. WAGNER, Manila businessman and president of the Wagner (Philippines) Ltd., spoke highly of the Republic at a luncheon of the export managers club of New York held in the American metropolis last June 2. After revealing that the Filipinos are "doing fine" with their rehabilitation efforts,

Wagner said that the Philippines "is still the best and most cooperative market for United States exporters to operate in."

* * *

COL. WILLIAM R. HEROD, president of the International General Electric, met President Elpidio Quirino in an interview on an undisclosed subject last June 3. The visiting head of one of America's greatest industrial enterprises was believed to have discussed with the Chief Executive the projected hydro-electric power construction due soon.

Col. Herod, speaking before the Association of Mechanical and Electrical Engineers during a meeting held at the Astoria last June 3, declared that the engineers the world over can do a lot in removing the world-wide fears and want by starting the "inducements for production."

*

JUDGE SERVILLANO DE LA CRUZ, president of the National Rice and Corn Corporation, returned to the Philippines from a trip to Saigon on board the s.s. *Lipscomb Lykes* which made port on the evening of June 3, last. He came with his family.

The Naric head accompanied the 215,000 sacks of Saigon rice which the Republic bought from French Indo-China.

* * *

PRESIDENT ELPIDIO QUIRINO last June 4 discussed with ROBERT RUSSELL, project development manager of Westing-

house Electric International Company, various phases of the several hydro-electric power projects which the national government is about to start with the cooperation of the Westinghouse firm. The meet was held significant in view of the current conversations on the loan being negotiated in the United States which is on its last stages. No official announcements, however, were made after the conference.

* *

CONSTANTINE A. BLUM, regional director for the Far East of the U. S. Rubber Company, arrived in Manila by plane last June 5. He came from Bangkok, and he will organize the Far East head office of his firm here in view of the expanding business in the Philippines and Asia. Previously, the New York office handled the business in Manila.

* * *

FREDERIC H. STEVENS, president of the American Chamber of Commerce, advocated the resumption of Philippines-Japan trade in an interview with the press last June 7. The head of the powerful section of Philippine business said that it is for the benefit of the Filipino people if they do so in accordance with the plan outlined by Gen. Douglas MacArthur. He also contended that the Japanese must also be allowed to rehabilitate themselves in order to assure the common people their livelihood.

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Malacañan Press Notes . . .

(Continued from page 47)

Manila Railroad Company for Governor Venancio Ziga of Albay and the congressmen of Albay, Sorsogon, Camarines Norte and Camarines Sur, at the Manila Hotel June 14.

* * *

The "Armed Forces Officer Personnel Act of 1948" which provides for the procurement, promotion and elimination of regular officers of the Armed Forces of the Philippines, and for other purposes took effect June 16 upon its signing by President Elpidio Quirino, together with 19 other bills. Passed by the House of Representatives as House Bill No. 1859 and by the Senate as Senate Bill No. 322, it is now Republic Act No. 291.

* * *

To clarify the stand taken by President Quirino on the so-called pork barrel law (House Bill No. 1890), which has been apparently misunderstood by certain members of Congress, Secretary Roman Ozaeta of the Department of Justice, June 17, released to the press his opinion on the rider in the law which prompted the President to explain in writing his approval of the bill.

The law as it stands provides that the sum of P26,000,000, the so-called pork barrel, may be released by the President of the Philippines "upon the recommendation of the President of the Senate and the Speaker of the House of Representatives."

* * *

Collector of Internal Revenue Bibiano L. Meer announced, June 17, that the internal revenue

collections for May, 1948 amounted to P33,838,910.46, which compared with the collections for May, 1947, amounting to P22,322,924.57, represents an increase of P11,515,985.89.

The total revenue collections for the period from July 1, 1947 to May 31, 1948 amounted to P246,829,721.03, which compared with the collections for the period from July 1, 1946 to May 31, 1947, amounting to P158,601,901.83, represents an increase of P88,227,819.20 or 55.66%.

* * *

President Elpidio Quirino, June 17, signed eight additional bills, the most important of which is House Bill No. 1116, now Republic Act No. 296, which shall be known as the Judiciary Act of 1948.

The act prescribes rules and regulations pertaining to the administration of Philippine courts, including the Supreme Court, the Court of Appeals, the Courts of First Instance, the municipal courts, and the Justice of the peace courts.

* * *

The sum of P21,861,065.32, representing full or partial payments on 81,900 private war damage claims, as of June 1, 1948, has been distributed throughout the Republic to assist in its economic recovery, the Philippine War Damage Commission advised President Elpidio Quirino recently in a written communication signed by Chairman Frank A. Waring, Commissioner Francisco Delgado, and Commissioner John A. O'Donnell.

* * *

Thirteen thousand Filipinos are employed with a monthly payroll of about P1,500,000.00 in the Clark Field Reservation Expansion Project, now in full blast, of the American Armed Forces in the Philippines, according to Solicitor General

Felix Bautista Angelo who visited the place in Pampanga in connection with the work of his office in the acquisition by the United States Army of additional privately-owned land with a total area of 3,120 hectares included in the base agreement between the Philippine and American governments.

* * *

President Elpidio Quirino pleaded for friendship and goodwill above partisan politics in a brief remark at a dinner he gave June 17 in Malacañan in honor of majority and minority senators and members of the cabinet.

* * *

Director of Commerce Saturnino Mendinueto has definitely set June 30, 1948 as the deadline for the submission of business firms of all data intended for inclusion in the Trade Directory of the Philippines for 1948 being prepared by the Bureau of Commerce. There is no service charge for listings, and subscription to the publication is purely voluntary, according to Director Mendinueto.

* * *

The Turtle Islands group, lying off the north coast of Borneo, was formally accepted by the Republic of the Philippines from the British government on June 26 at a formal ceremony of transfer attended by representatives of both governments.

* * *

President Elpidio Quirino, June 18, signed House Bill No. 1953, otherwise known as the "backpay" measure which he himself had recommended to the Congress for urgent action during its last session.

* * *

The immediate construction in the Port Area of a building costing P230,000 to house stores, restaurants and night clubs now scattered all over the water front was approved June 18 by the cabinet in a special session.

* * *

In order to convert the house occupied by Dr. Rizal in Calamba, Laguna, and Dapitan Park in Zamboanga, which he started, into national shrines, President Elpidio Quirino has issued an executive order authorizing the collection from students in all public and private schools of sums ranging from P.05 to P.20 during the period beginning June 19, the date of Rizal's birthday, and ending on December 30, the date of Rizal's death, this year.

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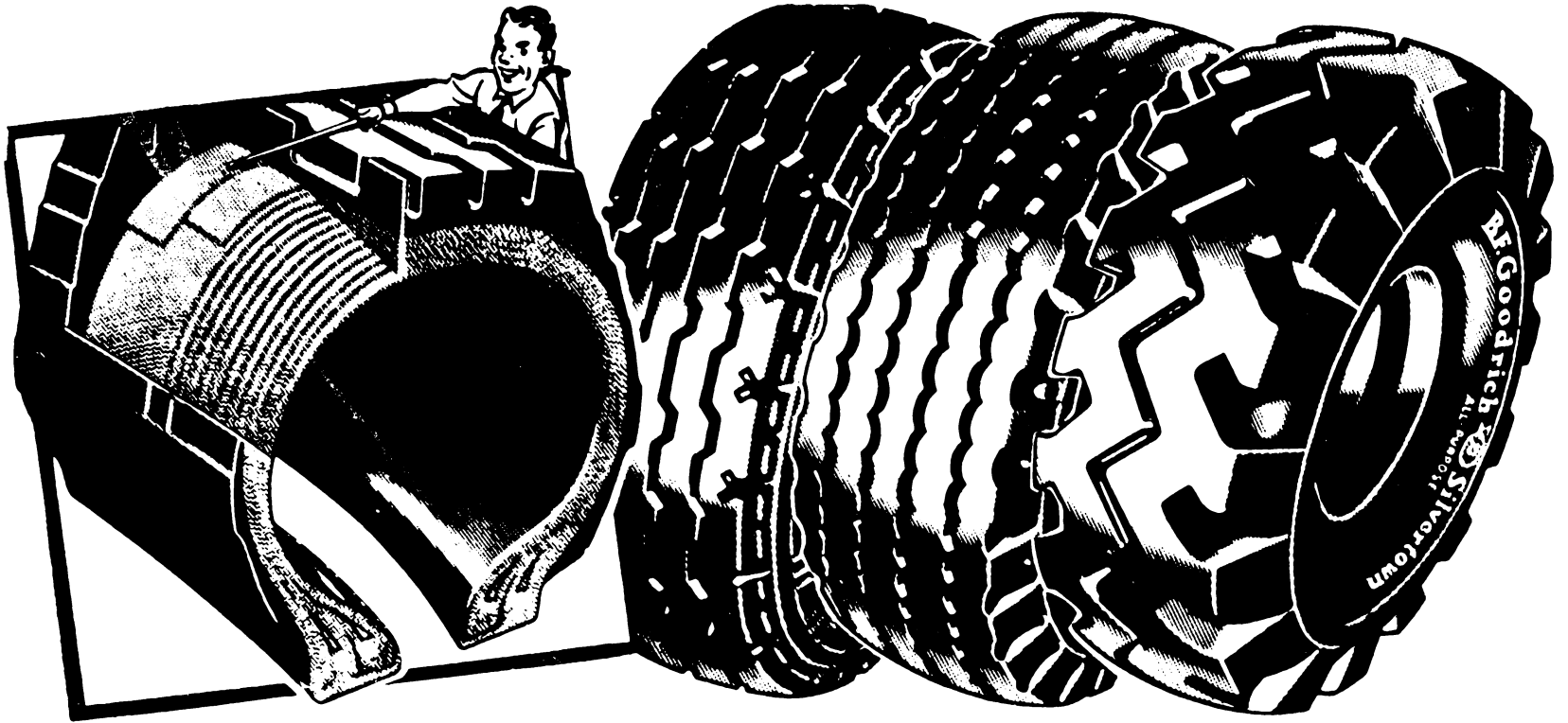
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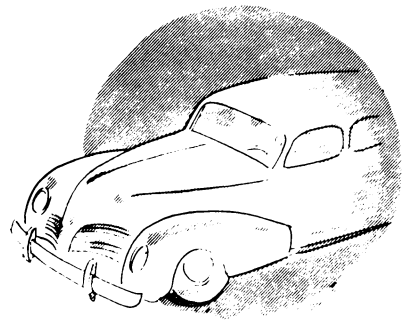
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