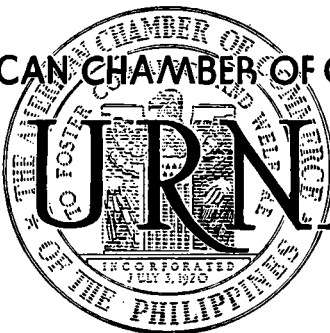


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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A. V. H. Hartendorp
Editor and Manager

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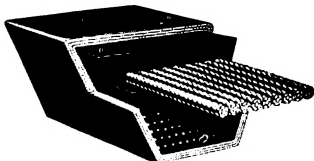
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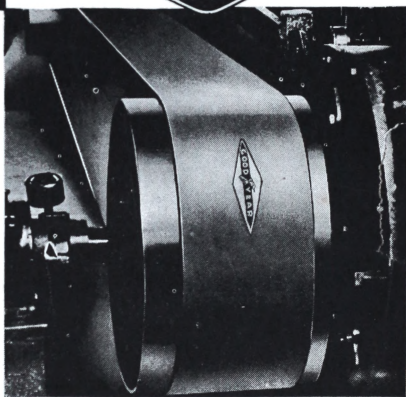


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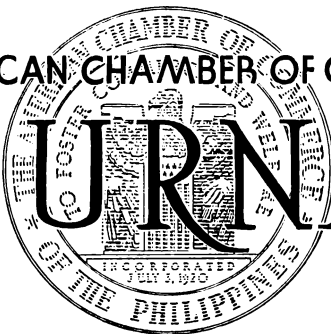
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THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

"... to promote the general welfare"

The publication date of this issue of the *Journal* followed so closely on the time the result of the presidential election held on the 8th of this month became definitely known, that time is lacking for **President Quirino** extended comment here.

Also, as the organ of a non-political,-- and non-Filipino, organization, it would not behoove this *Journal* to speak of the outcome in any except measured terms. With entire propriety, however, we may congratulate the people of the Philippines and President Quirino himself on the result of the election, wishing Mr. Quirino a successful and happy term of office and the country a period of good government,—the time for this being the more propitious because Mr. Quirino had now been elected President in his own right, which fact should give him confidence in carrying out his intentions directed toward that end.

Though long foreseen, the fall of the recognized Government of the Republic of China, allied to the Western Powers through two world wars, is a shock to the entire democratic world. It signifies a serious international upset,—political, diplomatic, and strategic.

It is not that the democratic nations of the world have viewed the regime of Generalissimo Chiang Kai-shek with any great approval, especially during these latter years. They supported it because it was the Government of China; they supported it against the Japanese; they supported it over the years as against Chiang's rival war-lords. But they could not continue to support the Chiang regime as against the Chinese people themselves, and there is sufficient reason to think that it long since forfeited their trust and loyalty.

This is not to say that it must be accepted that the group now coming into power in China represents the people of China, but it is an undeniable fact that the Chinese people have shown no great will either to fight for their established Government or to oppose the presently victorious rebel forces in any serious way.

Since the new leaders in China have openly avowed their ties, ideological and material, with the Russian Government, which stands convicted of criminal aggression in numerous neighboring countries, is hostile to all other

than its satellite governments, and is itself, today, all but technically outlawed, the chances for a general friendly recognition of the new regime in China are negligible. It is plainly viewed with little but distrust. The best it can expect is a grudging *de facto* recognition.

There is an earnest hope, however, that the new group in power may prove to be, despite its ideological orientation, a better government than that which it has replaced. If it is able demonstrably to win the support and loyalty of the Chinese people and it proves in practice to be a government that lives up to its international obligations, there is no doubt that in time it would be fully recognized, honored, and welcomed as a member of the United Nations.

This earnest hope rises to an expectation because it is almost certain, that, once in power, the new regime in China will find a greater and greater strain being placed on its present goodwill for Russia by the demands and impositions the knaves in the Kremlin are sure to make and to inflict. That has happened, is happening, over large areas in Europe and is bound to happen in China, too.

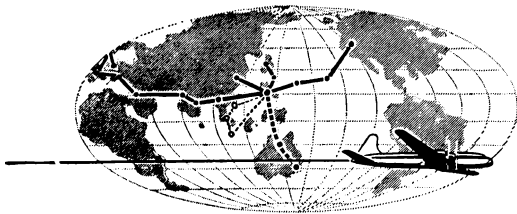
It may safely be laid down as an axiom that true friendship with the group in power in Russia is unthinkable and a lasting alliance between Russia, as thus led, and any other ruling group is impossible.

We do not believe that we have gone too far afield in printing in this issue of the *Journal* the full text of the address delivered to both the Senate and the Pandit House of Representatives of the United States Nehru Congress by Jawaharlal Nehru, Prime Minister of India.

Much of what Pandit Nehru says about India could have been said by a high Filipino official about the Philippines with no change in the wording. India's problems are the Philippines' too, though ours are on a smaller scale. The basic measures he speaks of as necessary for India, are necessary here also.

The scholarly Prime Minister's address, though brief, is both compendious and profound, and deals with India's political ideals, India's economy, and India's foreign policy.

A notable quality of the address, but to be expected from a great Indian, is its spiritual quality. He points



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out, among other things, that, as were the Filipinos, the Indians were greatly influenced in drafting their Constitution by the Constitution of the United States as well as by the general political idealism of the American people.

In commenting on the scientific and technological advancement of the United States and on its great material well-being, he showed that he had the insight to realize that this progress could not have been achieved had it not been "anchored in the great principles laid down in the early days [of American history], for material progress can not go far or last long unless it has its foundations in moral principles and high ideals."

Toward the end of the address and in connection with India's foreign policy, he alludes to the age-old problem of evil. Nehru was Gandhi's chief aide and is now his heir, but while Gandhi's leadership was almost exclusively spiritual, Nehru now occupies the seat of power. In dealing with evil, therefore, he realizes that "means to prevent evil have to be shaped and set to the nature of the evil".

"We have to meet aggression and to resist it, and the force employed must be adequate to the purpose. But even when preparing to resist aggression, the ultimate objective of peace and reconciliation must never be lost sight of, and heart and mind must be attuned to this supreme aim, and not swayed or clouded by hatred or fear."

At this moment in human history, it is a fatefully blessed thing for India, for Asia, and for the world, that the new Republic of India, which must already be viewed as one of the Great Powers, has for its leader a man like Nehru, who, though an Indian of Indians, a patriot and a nationalist, is also a man of the world and not only highly educated (Harvard and Cambridge), but a man of thought, a man of faith, a good man. In this distinguished and truly aristocratic (he is a Brahman) as well as democratic man, the best characteristics of both Asia and the West are personified.

"Our Patent Office also registers labels and trade-marks. These are of importance in giving a basis to what is known as the 'good will' of a business. A reputation fairly won for quality of product is protected by a registered label or trade-mark."—From a textbook on Economics.

"A trade-mark differs in its legal character both from a patent and from a copyright. In the case of a trade-mark the property and the right to protection are in the device or symbol adopted to designate the goods to be sold, and not in the article which is manufactured or sold..."

"The law as to trade-marks as well as that as to patents or copyright is based on a man's right to have guaranteed to him the profit derivable from his own property... In truth, the registration of a trade-mark is rather the recognition of a fact than the grant of a privilege."—Encyclopedia Britannica.

For anyone, through trickery, to reap where another has sown, robbing him of the fruit of his labor, has always been recognized as an odious thing.

Trade-mark Infringement This, in simple, is the situation when a manufacturer puts money and effort into perfecting a product and in developing a name for it which stands for quality and draws hosts of friendly and ready customers, and when, then, appears the parasite and crook, the counterfeit and thief, who obtains sales for an inferior product by imitating or closely matching the name and the mark and even the package of the genuine product, with the deliberate intention of misleading and defrauding the public as well as of robbing the original manufacturer of his honestly-won business.

This not only violates all ideas of fair dealing, but is most damaging to established business and, ultimately, to the maintenance of a sound economy in which enterprise and industry and capital are justly rewarded and protected. It furthermore is damaging to the interests of the consumers, who do not obtain their fair money's worth, and is, in

many cases, as in foods and medicines, dangerous to their health.

There has of late been an increase in this type of criminal activity in Manila, as is brought out in an article on the subject in this issue of the *Journal* by Mr. L. G. Wagner. At his instance, recently, one of such malefactors was brought to book. It is well that the Government is beginning to deal more severely with this type of offense.

The traps and pitfalls which beset the path of any official entity charged with the implementation of import control, and, more particularly, in this case, Candy—of control over the import of luxuries, are though a well exemplified by a point that was recently brought up in connection with the report that restrictions on the imports of candies are being considered by the Import Control Board.

Now it certainly could not be seriously denied that candies are a luxury,—though from the point of view of a suitor for a lady's hand a box of chocolates may be almost a necessity.

But forward come some of our own Philippine sugar people who, although they might well be supposed to favor the idea of such restriction as they would be the logical ones to undertake the local manufacture of candy, demur and point out that restrictions on candy imports from the United States would be certain to be considered there, especially by the large candy manufacturers, as a very poor return for the valuable preferential market which Philippine sugar enjoys in the United States. They point out further that such discrimination, minor though it may appear to be, would no doubt furnish effective "ammunition" to dangerously unfriendly lobbies in Washington.

This, of course, is only one illustration of the reactions to and consequences of import control, such as are to be expected, to a greater or lesser extent, over the whole field. The Americans will say, "We throw our doors open to practically everything that the Filipinos can produce. They would close their door in our faces. What's the big idea? What's the percentage?"

Among all the sickening news appearing in the world press concerning the life of the unfortunate nations which

have come under the control of the Kremlin, one item, regarding Czechoslovakia, **Another Curtain Pulled Down** perhaps the most unfortunate of all the unfortunates, stands out very vividly not so much because of what is directly stated but rather because of what is implied. It is not anything new. It is the inavertable recurrence of the sinister pattern which is so sickening.

According to a recent Reuters report from Prague,—

"This month, for the first time since the end of the war, the Czechoslovak Government stopped publication of the usual monthly statistical report on foreign trading. Some figures were issued, but these were insufficient for any calculation of real quantities or any real comparisons. They also concealed the total of Czechoslovakia's balance, whether credit or deficit.

"The ban came after a period when monthly foreign trade reports had shown a developing deficit despite most urgent efforts by the nationalized monopoly corporations to build foreign sales, and in the face of continued reassuring statements from government spokesmen. All this year, the official agencies have been prevented by a security ruling from publishing details of foreign trade with individual countries. This prevented any calculation of the amount of Czechoslovak trade going east, or of the total sales and purchases to and from the west.

"It was understood, however, that foreign trade credit balances reported earlier this year, when the totals were still being published, were won mainly in growing trade with eastern countries. It was predicted that this increase would ultimately embarrass Czechoslovakia. It meant less money earned in the west, therefore fewer western raw materials, and, consequently, a reduced ability to produce..."

The world is not to be permitted to know, even through broad trade statistics, what is happening to the economies of the nations which have had the Moscow "communism" imposed on them,—and to as little else as possible. The robbers and killers in the house pull down the curtain over another window. They want no looking in.

There are certain primeval parallels to our present state of mind, though those ancient states of perturbation must have been mild in comparison. We can imagine that it came to primitive man with a considerable shock to discover that he could deliberately smash an object with a stone. And the first conscious murderer with club or spear, seeing his victim stretched suddenly lifeless before him, must have been filled with fear as much as with exultation. Every advance in the invention of weapons has caused trepidation. Every increase in the power to kill our fellows has created dismay and terror.

But the discoveries of our physicists today are beyond all comparison appalling, for they strike at the very sources not of life alone, but of all being.

Today, with a deep nostalgia do we dwell in our thoughts on the beauty of atoms and those clusters of atoms which we call molecules, of which all things are composed. Broken up, there remain the electrons, which are beautiful enough, too, in their way, but the most tremendous aggregations of them produce nothing more than an interstellar glow,—at a sufficient distance and if there are eyes to see.

We so long relied on what we smugly called the law of the indestructibility of matter. There was vested the ultimate stability, there lay the heart of our safety, the guaranty of our future and destiny. Those marvelous atoms, like tiny solar-systems, took us a long time to discover. And when we did discover them, we learned, too, that they were held together with such unimaginable force that we thought there was no power at our command ever to disrupt them.

But now we have learned not only how to break and smash them, but how virtually to annihilate them. This dread power enables us to convert something that exists, that has weight and perhaps form and other precious sensible qualities, or something that is homely or dear or splendid and significant, or something that has life and that we love, something that holds a passion for what is true and good,—in an instant of time into a blast of intolerable light and heat, which nothing near can survive.

It is not beyond the range of the possible that with this power in our grasp, yet knowing not how to control it, we may destroy not only our race, but the earth in such a catastrophe as astronomers witness through their telescopes in the sudden appearance in a black region of the sky of one of those new stars called novae.

Oh, the dear world of familiar nature, the lovely world of things! The solid, homely earth; the fertile, gracious soil; the mothering sunlight; the gentle airs and breezes; the verdant springs and opulent summers; our fair race of men and women; our cousins the animals and our second cousins the plants; our forests and farmlands and gardens;

our splendid cities; our industries and sciences and arts,—what divine riches, what inexhaustible sources of joy, are there. Even pain and suffering are good, teaching us how best to live. Famines, pestilences, and wars also have their grotesque beauties, their glories and compensations. Good and evil enhance by contrast, and are, in the end, both good. Everything that exists plays its part in the evolutionary life and the historical pageant of our kind. We faced death's individual extinction stoically, proud of our race which we believed would go on to ever greater glories and splendors.

Now, like demons, we have the power, or shall perhaps soon have the power to annihilate all this,—whether by intent or accident, though not, alas, like demiurges and gods, shall we ever have the power to recreate.

The thought of this danger is tremendously moving even though we still do not fully grasp its enormity; shall never do so as, individually, we never foreknow death. Of one thing, however, we, as individuals and as a race, are sure, filled as we are with the instinct of the will to live. That is that we do not wish for an eternal death is a garish cosmic grave, all that we are and love dissolved in the seething fiery mists of a new-born nebula. Our life of human will and thought and desire is precious beyond all states imaginable. We can think of its total extinction only with unutterable horror.

And yet we have long known that our race can not live forever. Ultimately, we know, life on earth will have to come to an end since this planet will in the end become too arid or too cold to support life. But that time is still incalculable ages away and therefore we need not face it as something looming near.

This other thing, is near.

As there are always men who in their madness destroy themselves, there will always be those among us who might involve all mankind in their suicide.

We must learn to live with this thought,—the thought of the possible sudden end of all.

We must incorporate it into the fiber of our being, in our every-day lives, as also in our religion, philosophy, and art.

In time we may come to realize that this overhanging doom enriches life by giving it an immensely more poignant preciousness. Just as for us the certainty of individual death, sooner or later, makes our lives more precious. Just as learning of the disappearance of whole breeds of ancient men, makes our joy in survival the greater. Just as the decline and fall of great nations in the past, stirs us to greater effort to avert that fate for ourselves.

There will perhaps be no loss, but only a gain, if we look at each sunrise or sunset as possibly our last. We shall look more intently and with greater love upon the faces of our fellows. We shall gaze upon the most humble object, like a rosy apple or a cane-bottomed chair, as until now only our painters have done. We shall appreciate everything about us more than we ever have before, be more patient, more long-suffering, more kind. Governments will become more cautious, diplomacy wiser, nations will exceed themselves in well-doing.

Our power to split the atom may yet unite mankind.

Results of a sample survey made by the Federal Reserve (Bank) Board show that 51% of 50,400,000 United States families own at least one automobile and one family out of 17 owns two or more. The survey also reveal that 77% of these families hold life insurance policies which cost above \$100 a year, 71% have bank accounts or government savings bonds, and 45% own a home or a farm.

—United States Information Service

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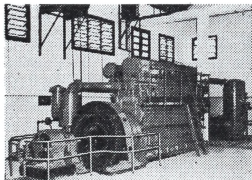
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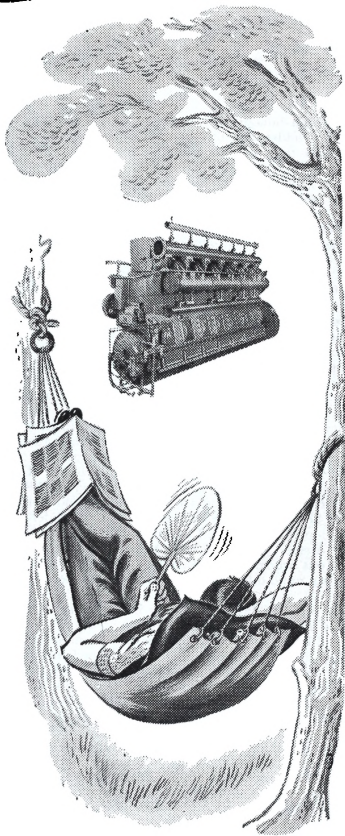
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Address to the United States Congress*

By PANDIT JAWAHARLAL NEHRU
Prime Minister of India

I DEEM it a high honour and privilege to be given this opportunity of addressing this honorable House, and I must express to you, sir, my gratitude for it. For this House represents in a large measure this great republic which is playing such a vital part in the destinies of mankind today. I have come to this country to learn something of your great achievements. I have come also to convey the greetings of my people, and in the hope that my visit may help to create a greater understanding between our respective peoples and those strong and sometimes invisible links, stronger even than physical links, that bind countries together. The President referred the day before yesterday, in language of significance, to my visit as a voyage of discovery of America. The United States of America are not an unknown country even in far off India, and many of us have grown up in admiration for the ideals and objectives which have made this country great. Yet, though we may know the history and something of the culture of our respective countries, what is required is a true understanding and appreciation of each other, even where we differ. Out of that understanding grows fruitful cooperation in the pursuit of common ideals. What the world today perhaps lacks most is understanding and appreciation of each other among nations and peoples. I have come here, therefore, on a voyage of discovery of the mind and heart of America and to place before you our own mind and heart. Thus we may promote that understanding and cooperation which, I feel sure, both our countries earnestly desire. Already I have received a welcome here the generous warmth of which has created a deep impression on my mind and indeed somewhat overwhelmed me.

During the last two days that I have been in Washington, I have paid visits to the memorials of the great builders of this nation. I have done so not for the sake of mere formality, but because they have long been enshrined in my heart and their example has inspired me as it has inspired innumerable countrymen of mine. These memorials are the real temples to which each generation must pay tribute and, in doing so, must catch something of the fire that burnt in the hearts of those who were the torch bearers of freedom not only for this country, but for the world; for those who are truly great have a message that cannot be confined within a particular country but is for all the world.

In India there came a man in our own generation [Gandhi] who inspired us to great endeavor, ever reminding us that thought and action should never be divorced from moral principle, that the true path of man is truth and peace. Under his guidance we labored for the freedom of our country, with ill-will to none, and achieved that freedom. We called him reverently and affectionately the father of our nation. Yet he was too great for the circumscribed borders of any one country, and the message he gave may well help us in considering the wider problems of the world.

The United States of America have struggled to freedom and unparalleled prosperity during the past century and a half and today they are a great and powerful nation. They have an amazing record of growth in material well-being and scientific and technological advances. They could not have done so had they not been anchored in the great principles laid down in the early days of their history, for material progress cannot go far or last long unless it has its foundations in moral principles and high ideals.

Those principles and ideals are enshrined in your Declaration of Independence which lays down as a self-evident truth that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. It may interest you to know that in drafting the Constitution of the Republic of India we have been greatly influenced by your own Constitution. The preamble of our Constitution states:

"We, the people of India, having solemnly resolved to constitute India into a sovereign democratic republic and to secure to all its citizens: justice, social, economic, and political; liberty of thought, expression, belief, faith, and worship; equality of status and of opportunity; and to promote among them all fraternity, assuring the dignity of the individual and the unity of the nations;

"In our Constituent Assembly do hereby adopt, enact, and give to ourselves this Constitution."

You will recognize in these words that I have quoted an echo of the great voices of the founders of your Republic. You will see that though India may speak to you with a voice that you may not immediately recognize or that may perhaps appear somewhat alien to you, yet in that voice there is a strong resemblance to what you have often heard before.

Yet it is true that India's voice is somewhat different; it is not the voice of the old world of Europe but of the older world of Asia. It is the voice of an ancient civilization, distinctive, vital, which at the same time has renewed itself and learned much from you and the other countries of the West. It is, therefore, both old and new. It has its roots deep in the past, but it also has the dynamic urges of today.

But however the voices of India and the United States may appear to differ, there is much in common between them. Like you we have achieved our freedom through a revolution, though our methods were different from yours. Like you we shall be a republic based on the federal principle, which is an outstanding contribution of the founders of this great Republic. In a vast country like India, as in this Republic of the United States, it becomes necessary to have a delicate balance between central control and state autonomy. We have placed in the forefront of our Constitution those fundamental human rights to which all men who love liberty, equality, and progress aspire—the freedom of the individual, the equality of men, and the rule of law. We enter therefore the community of free nations with the roots of democracy deeply embedded in our institutions as well as in the thoughts of our people.

We have achieved political freedom but our revolution is not yet complete and is still in progress, for political freedom without the assurance to the right to live and to pursue happiness, which economic progress alone can bring, can never satisfy a people. Therefore our immediate task is to raise the living standards of our people, to remove all that comes in the way of the economic growth of the nation. We have tackled the major problem of India, as it is today the major problem of Asia, the agrarian problem. Much that was feudal in our system of land tenure is being changed so that the fruits of cultivation should go to the tiller of the soil and he should be secure in the possession of the land that he cultivates. In a country of which agriculture is still the principal industry, this reform is essential not only to the well-being and contentment of the individual but also to the stability of society. One of the main causes of social instability in

* Washington, October 13.

Who said so? And why are they the most wonderful tires ever built?

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What's going on? Why should a couple of new tires arouse such widespread interest? Why were they followed by a host of attempted imitations — why were they never successfully equalled or duplicated?

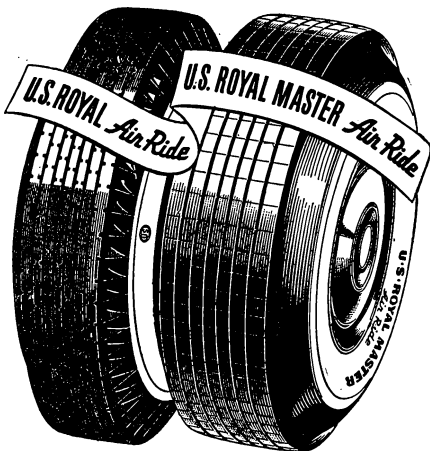
Yet here they are — just a couple of nice looking tires. What's inside of them? What do they do that other tires won't do? Why should you prefer them, insist on them, buy them? Why do millions insist on them and buy them?

The answers are very simple

The answer starts with the simple fact that they are the patented, original and unique "Air Ride" tires. They take more air than ever before because there's more air room inside them — yet they ride you and cushion you on less air pressure. That's point number one.

Point number two is that they steer magnificently, easier than other tires, because their treads are designed narrower for easier steering. Although narrower, their treads put more rubber on the road, assuring greater traction and stopping power.

Point number three is that by combining lower air pressure and faultless steering you get a tire that provides complete vehicle control around the turns, in parking maneuvers, on the straight-a-way at any speed — yet they are tires that also absorb the irregularities of the road.



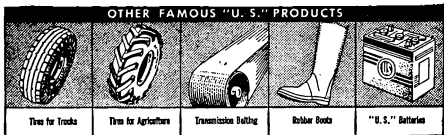
The difference between them

What's the difference between these two U. S. Royal tires? The Royal Master has the most efficient quick-stopping tread ever developed. Its tread is also much deeper, and can be renewed again and again by regrooving, thus providing additional non-skid mileage. Therefore, the U. S. Royal Master costs more initially. Both tires represent the finest net value in the world.

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many parts of the world, and more especially in Asia, is agrarian discontent due to the continuance of systems of land tenure which are completely out of place in the modern world. Another, and this is also true of the greater part of Asia and Africa, is the low standard of living of the masses.

India is industrially more developed than many less fortunate countries, and is reckoned as the seventh or eighth among the world's industrial nations. But this arithmetical distinction cannot conceal the poverty of the great majority of our people. *To remove this poverty by greater production, more equitable distribution, better education and better health* is the paramount problem and the most pressing task before us, and we are determined to accomplish it. We realize that self-help is the first condition of success for a nation no less for an individual. We are conscious that ours must be the primary effort, and we shall seek succour from none to escape from any part of our own responsibility. But though our economic potential is great, its conversion into finished wealth will need much mechanical and technological aid. We shall therefore gladly welcome such aid and cooperation on terms which are of *mutual benefit*. We believe that this may well help in the larger solution of the problems that confront the world. But we do not seek any material advantage in exchange for any part of our hard-won freedom.

THE objectives of our foreign policy are the preservation of world peace and the enlargement of human freedom. Two tragic wars have demonstrated the futility of warfare. Victory, without the will to peace, achieves no lasting result and victor and vanquished alike suffer from past wounds, deep and grievous, and a common fear of the future. May I venture to say that this is not an incorrect description of the world today.

It is not flattering either to man's reason or to our common humanity. Must this unhappy state persist and the power of science and wealth continue to be harnessed to the service of destruction? Every nation, great or small, has to answer this question, and the greater a nation, the greater is its responsibility to find and to work for the right answer.

India may be new to world politics, and her military

strength insignificant by comparison with that of the giants of our epoch. But India is old in thought and experience and has travelled through trackless centuries in the adventure of life. Throughout her long history she has stood for peace and every prayer that an Indian raises ends with an invocation to peace. It was out of this ancient and yet young India that arose Mahatma Gandhi, and he taught us a technique of action [passive resistance] which was peaceful and yet was effective, and yielded results which led us not only to freedom but to friendship with those with whom we were till yesterday in conflict. How far can that principle be applied to wider spheres of action? I do not know. For circumstances differ and the means to prevent evil have to be shaped and set to the nature of the evil. Yet I have no doubt that the basic approach which lay behind that technique of action was the right approach in human affairs and the only approach that ultimately solves a problem satisfactorily. We have to achieve freedom and to defend it. We have to meet aggression and to resist it and the force employed must be adequate to the purpose. But even when preparing to resist aggression, the ultimate objective of peace and reconciliation must never be lost sight of, and heart and mind must be attuned to this supreme aim, and not swayed or clouded by hatred or fear.

This is the basis and the goal of our foreign policy. We are neither blind to reality nor do we propose to acquiesce in any challenge to man's freedom, from whatever quarter it may come. *Where freedom is menaced, or justice threatened, or where aggression takes place, we cannot be and shall not be neutral.* What we plead for, and endeavour to practice in our own imperfect way, is a binding faith in peace, and an unflinching endeavour of thought and action to ensure it. The great democracy of the United States of America will, I feel sure, understand and appreciate our approach to life's problems because it could not have any other aim or a different ideal. Friendship and cooperation between our two countries are, therefore, natural. I stand here to offer both in the pursuit of justice, liberty, and peace.

What Are Capital Goods?

By C. M. HOSKINS

THE publication at various times this year of "alarmist" reports concerning Philippine monetary reserves, unfavorable balances of international payments, and the necessity of greater import control measures, has had an unfortunate effect on Philippine economy. It has tended to dry up local investment capital, to slow up the interest of foreign capital, and to accelerate the flight of domestic deposits abroad.

The final liquidation of war damage payments will undoubtedly reduce Philippine dollar accretions. But by the time these payments cease,

many of our new dollar-producing activities will have been inaugurated and old ones restored. The industrial component of war damage payments will be devoted largely to dollar-producing or dollar-saving operations. The remainder will be devoted to the rehabilitation of non-recurrent objectives. The following study is intended to relieve the general apprehension felt in some circles as to the future of Philippine monetary stability, which apprehension, the writer believes, stems from a traditional, rather than a practical view of what constitutes "capital goods" in the present stage of Philippine rehabilitation.

THE official warnings about dwindling Philippine dollar reserves should be fortified with an adequate breakdown of the import statistics since liberation, in an effort to determine what percentage of our dollar payments have been expended for capital goods. The authorities have expressed satisfaction over the fact that

the percentage of capital goods imported from abroad is on the increase. To a large extent the imports of capital goods are expected to become dollar-producing assets of our economy. Hence, it is important to determine the volume of our post-war imports which represents capital imports.

Since the war, and as a result of war damage, the

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ordinary classification of capital and consumption goods, used in the text books on economics, appears invalid when applied to present Philippine conditions. It is suggested that a more realistic understanding of the Philippine balance of payments calls for a more realistic statistical classification of capital imports. The total war damage to Philippine property has been variously estimated at from ₱3,000,000,000 to ₱10,000,000,000. The money spent to replace this destroyed property would seem to be as much a capital expenditure as money spent for factory machinery. We should look at the total pre-war wealth of the Philippines as the assets of a corporation, "The People of the Philippines, Incorporated." The destruction of a corporation's assets not compensated by insurance is properly treated as a depletion of capital. The replacement of this destruction is therefore a capital investment.

From 1942 to 1945, merchants' pre-war inventories dwindled to nothing, due to destruction and unreplaced consumption. It was not until late 1948 that imports had accumulated to a point where merchants carried a normal stock of imported merchandise on their shelves and in their warehouses. To the extent that this was a restocking of consumption goods to prudent mercantile levels, here again the dollar expenditures represented a capital outlay.

Other items, generally treated as consumption goods, by being applied to rehabilitation projects assumed the character of capital goods. The paint used to preserve and decorate a new building became as much a capital item as the steel framing of the building. The paper used to reconstruct lost records and to file damage claims became a substantial capital expenditure.

Motor-car imports to the extent needed to replace vehicles destroyed by the war were capital replacement investments.

Even domestic and personal expenditures during the past four years have been to a large extent capital expenditures. Purchases of household furnishings, clothing, appliances, dishes, and the like have been largely to replace war losses.

A sizeable share of our imported gasoline and lubricating oil since 1945 has been used to transport sand, gravel, lumber, hardware, machinery, and other materials used for the rehabilitation and restoration of property lost by war.

It is impossible to trace the application of imports to ultimate use, and thereby separate the immediate consumption items from the items applied to the replacement of war losses.

A more accurate method for determining this distribution would be to start with the total war losses, and compute their replacement value, adjusted to the current picture.

The approved private war damage claims (₱2,432,000,000 claimed) are expected to reach ₱1,150,000,000, based on 1941 values. In computing the approved claims, accrued depreciation to date of loss has been deducted by the War Damage Commission. For instance, a 25-year-old sugar central may have an accrued depreciation charge of 50%. A Spanish masonry building 60 years old probably took a 70% depreciation charge. *But replacement cannot be made at depreciated values, nor at 1941 costs.* An average depreciation of 20% would mean that approved claims represent but 80% of the 1941 replacement values.

Public claims totalled ₱390,000,000. Both 1941 and post-war replacement values seem to have been used indiscriminately in the government claims, so for the purposes of this study the whole amount will be treated as replacement value.

A great deal of the war damage loss was not eligible for claim, especially the huge alien investment in the Philippines. In the absence of sound statistical data separating private alien ownership, which was ineligible, from alien-owned Philippine corporations, which were eligible, it seems not unreasonable to select 15% as representing the

total war damage suffered by ineligible aliens at 1941 values.

Post-war replacement costs have averaged 250% to 500% of 1941 costs, the present factor being about 250%. Taking 300% as the fair average for the 1945-1949 period is considered conservative.

With these figures and factors before us, let us see what the total war damage picture is:

Estimated approved private claims..	₱1,150,000,000
Losses by those non-eligible for claims, 15% additional.....	162,000,000
<hr/>	
Total private losses, 80% of 1941 replacement value.....	₱1,312,000,000
100% 1941 replacement value.....	₱1,640,000,000
<hr/>	
Post-war replacement value at 300%.....	₱4,920,000,000
Add public claims.....	390,000,000
<hr/>	
Total Philippine war losses of property.....	₱5,310,000,000

If all of the pre-war property in the Philippines had been owned by a corporation as suggested above, it would have thus cost the corporation over ₱5,000,000,000 to replace its lost assets. Part of the loss will be compensated by insurance, in the form of war damage payments. This will represent for public claims under the War Damage Act ₱240,000,000 in cash and ₱200,000,000 worth of surplus property. If the U. S. Congress generously appropriates additional funds so as to make payment of 75% of approved claims possible, ₱862,000,000 will be available for private claims. For public and private claims, therefore, this gives our hypothetical corporation ₱1,302,000,000 insurance recovery against a replacement cost of ₱5,310,000,000. The People of the Philippines, Inc. therefore has to get new capital in order to replace the ₱4,008,000,000 net loss. This capital replenishment must come eventually from our exports, visible and invisible, and from our national profit.

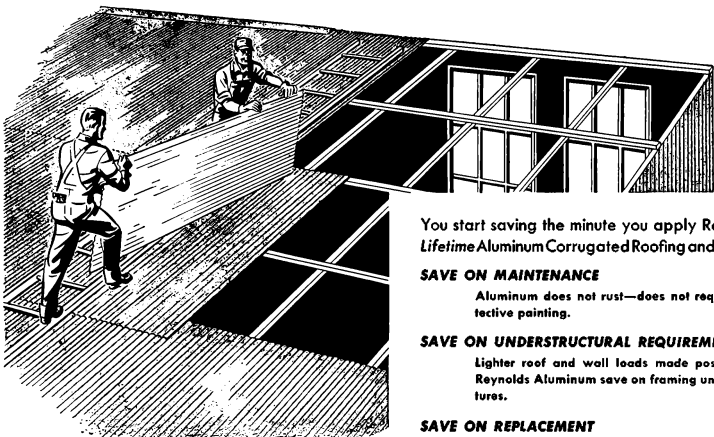
Hence, it is not a disaster to the nation that we use our dollar balances to replenish these capital losses. The War Damage Act demands that we do so with the funds therein made available.

If a so-called unfavorable balance of payments during the 10-year period 1946 to 1956 does not average more than ₱400,000,000 a year, it can be logically attributed to capital expenditures for replacement of war losses. But the people of the Philippines will thereby be obtaining goods which they want and need, in place of dollars which they cannot eat, wear, drink, or live in. So long, therefore, as we can maintain a dollar balance adequate to maintain the par value of the peso in international exchange, there should be no cause for alarm if our dollar balances are substantially reduced below present levels during the years to come.

It is not amiss to point out that our imports of capital goods are not by any means all replacement items. An increased population and a higher standard of living will call for a substantial increase in the total national wealth. The new industries being and to be established in the Philippines will also use a good share of our dollar reserves, but these too are justified, since in the long run they are dollar-producing and dollar-saving investments.

This is not to argue that we should fritter away our dollar reserves. It is merely to point the way to a more realistic evaluation of what our dollar reserves are being used for. Ultimately the replacement of our net war losses must come from profits on our capital and productive labor. Borrowed dollars will undoubtedly play a large part in the replacement of our capital war losses, both public and private, until future profits provide the funds for repayment. The borrowed dollars will thus minimize the use of dollar monetary reserves in replacing Philippine war losses. Industrialization, increased food production, and stepped-up exports, as envisaged in the national economic program, are the means of attaining the profits with which to repay the borrowed capital and to replace the net war losses of the nation.

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Trade-Mark Infringements and Unfair Trade Practices

By L. G. WAGNER
L. G. Wagner (Manila) Ltd.

IT is very probable that readers of these words will not directly experience an instance of spurious goods being offered them under a well known and respected trademark,—unless some of you already have bought badly quality electric-light bulbs from Hongkong, sold in the usual corrugated paper jacket imprinted with what appears to be the genuine General Electric package text.

To the contrary, trade-mark fakers and illegal bottle-refillers base their activity on a consumer public whose familiarity with English is only enough to enable them to recognize the apparent general appearance of a package or label, but not to check the small details both in the wording and in the "finish" of a label. That part of the consumer public whose small income should have the greater protection through the applicable laws, is actually the prey of these shabby operators.

Label faking, package copying, and bottle refilling and the legitimate merchants' fight against them, has a long pre-war background. It will be remembered how the importers of the famous Mennen Talcum Powder campaigned against refillers who in dirty back alleys used old but original containers recovered from trash piles. These were submerged inside a container of cheap talcum and shaken until filled to the top. The fake item went on sale at an established per dozen price and sold principally in the provinces for 25 or 30 centavos, while the regular Mennen Talc (pre-war) sold for 45 centavos.

Businessmen engaged in the sale of this type of merchandise knew that in certain areas, if one entered a sari-sari store asking for Mennen, he would be asked if he wanted the 25-centavo, or the 45-centavo kind.

Similarly, certain hair dressings were flagrantly copied. From the writer's experience in one or two areas, there was more of the spurious on sale than of the genuine. Naturally, the responsible importers and traders tried to block these dirty practices. With the help, particularly of the Advertising Club of the Philippines, and the representatives of such brands as Mennen, Colgate, and some others, cases were gradually brought to the courts and slowly increasing sentences imposed. From these prosecutions which were both time-consuming and troublesome as well as often very frustrating, a clear pattern of the situation emerged.

The culprits were of a certain type who operated mostly in Tondo back alleys. They had regular supply sources through the junk bottle-sellers and had regular sources of label supply from a few printers who specialized in fake label work. The process involved photographic copying and engraving. Some of the imitations were comparatively good, though discernible to the expert who, of course, would not be stuck, but the public paid 25 centavos for a fake product under an honored and advertised name and received a piece of faulty merchandise, probably worth 10 centavos or less at generous estimate.

Most of the operators in this type of crookedness were repeated offenders and the writer, with other observers, believes that there were regular distribution groups who knowingly worked with these fake operators. Nor could it be said that even the sari-sari store owners who bought the spurious goods were unaware that they were faked, since, of course, the price was substantially under that of the standard product.

To move against these operators required complaints, raids, and prosecutions. It was found that these people always had adequate legal advice when threatened by ex-

posure or actually caught. Usually the raid would catch the malpractors in *flagrante* with labels, bottles, and equipment, but those caught were usually only stupid stooges. The courts at first, not recognizing the inherent evil of the practice, gave them minimum sentence; and, not recognizing them as stooges, the real offender were not punished. However, after numerous such raids some of the principals were caught. Judges under such circumstances several times applied the extreme penalty of the law, including deportation. The principal categories in which the faking occurred were cosmetics, candies, and some foodstuffs, such as packaged cocoa. A certain amount of faking involved most dangerous possibilities—drugs and medicines, but here there was a natural deterrent in the high caliber of the licensed pharmacists of the Philippines and the very useful laws of the country which require products for the relief of human ills to be sold only in licensed drug stores. There are some exceptions in the provinces in the case of the sale of medicines such as the aspirins and simpler salves handled by ordinary vendors. This itself is a practice that merits full supervision by the authorities since the poorer people are involved and they, less than any other, can afford a fake, useless, and possibly even dangerous medicine. (Included today is the selling of outdated and spoiled Penicillin and other injectables.) Then came the war.

For the first years after liberation, with plenty of money everywhere to buy legitimate goods at standard or even top prices, there was not much inducement for trademark infringing. Black-market and "surplus" operations engaged the particular and peculiar talents of the fakers. Likewise, the junk shops were empty of bottles and containers for refilling. But now that money is growing scarce, the old malpractices are reappearing.

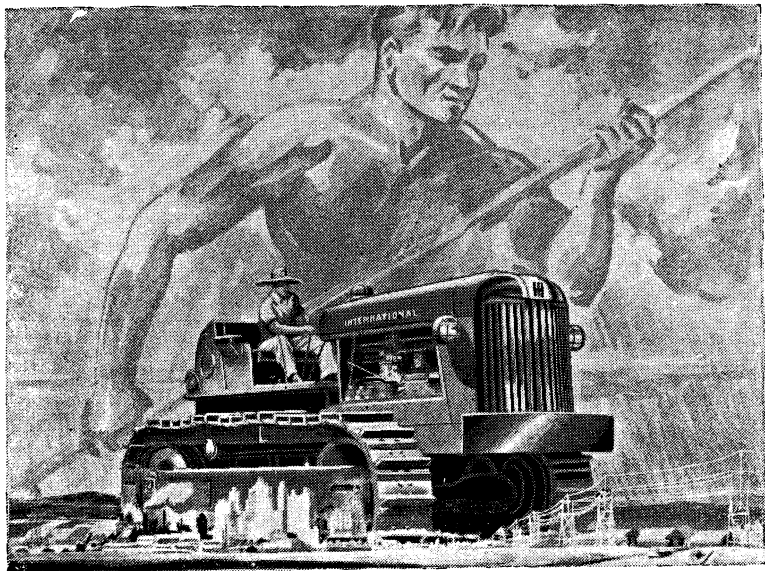
Beginning in 1947 the writer noticed certain obviously flagrant copies of chewing gums which he sold. It should be immediately mentioned that the various Acts of the Republic carefully and adequately provide against trade malpractices, including mark-infringement, refilling of containers, and, in general, all operations by fakers at the expense of legitimate merchants. Various local candy makers promptly copied package-appearance, duplicated or approximated names, and, in general, capitalized on the introductory work and selling effort of others. Appeals to the Bureau of Commerce for relief brought no direct result as it was too inadequately staffed to protect wholesale and retail business against such practices. Direct appeals to the offenders met with evasions or virtual defiance. It so happened that lack of time and an impending trip to the United States kept the author from full-scale action.

However, on his return he determined to enlist Department and Bureau officials and the interested support of legitimate manufacturers' representatives, distributors, and others charged with the sale and integrity of legitimate brands. Knowing the pattern of these fake operations and the requirements for effective counteraction, the writer took great care not only to register his new product at the Patent Office, but formally to announce its presence in the market to several sections of the Bureau of Commerce and to the Patent Office on grounds of actual *usage*. An infringer sprung the trap in exactly the manner anticipated.

It will be recalled that at the end of July a full-scale meeting of representatives of various chambers of com-

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merce and of officials of the Patent, Health, Commerce, and Justice Departments met under the auspices of Secretary of Commerce Cornelio Balmaceda. Businessmen brought a total of some 20 different products, currently on sale, which were being imitated, or showed original bottles refilled, or labels replaced, or, as in the case of soaps, had wrappers and stamp-marks spuriously affixed. Among these was an exhibit of fake General Electric Company lamps whose protecting paper jacket was a photographic copy of the original. Businessmen as well as the government representatives were astounded at this spread of fakery, and concerted action was planned.

In due course a raid was made on an offender who was duplicating the writer's TATOO Chewing Gum with a metrically exact duplicate of the package, the same format and color scheme, and the name "TATUU". In common with the usual procedure, the offender brought suit against the writer and the N.B.I. agents who made the raid. This had to be defended at cost of time and money. The offender testified that he could not read, write, or understand English, and otherwise exhibited incomplete talents. However, he swore that he had originated the quite complex, carefully developed product-package and name out of his own mind. At the same time the offender casually produced a chocolate candy bar which a person not very familiar with English would take to be the well-known Hershey brand of chocolate. The details of his operation are shockingly flagrant in that, under the principal wrapping, he used printed material originally imitated for other goods. He also copied a usage instruction having absolutely no reference to the particular spurious product which he was offering.

When this offender was finally brought to court and the plaintiff's evidence had been presented, he altered his plea from "Innocent" to "Guilty", apparently knowing that the law would then give him a minimum punishment. His fine of ₱500 equalled perhaps two days production, since the boxes taken during the raid totalled such a proportionate value. It is to be recorded that the offender did not attempt to defend himself since the plaintiff's case was obviously carefully prepared and there was available official testimony from the Departments of Commerce and the Patent Office. Imposition of the utmost penalty, including deportation, would have been a deterrent to future similar offenders.

In the course of the preparation for this action, the writer was shocked at the candid remarks of several small businessmen who are handling this particular type of goods. One of them actually made the suggestion that the offender "would stop making your product if you offered him some money each month." The existence of this kind of comment indicates that the authorities might well take into consideration the point of view of a certain class of merchants.

I wish to say that the responsible trade and commerce officials are thoroughly in sympathy with the full administration of the actually quite effective law, but thus far there has not been sufficient prosecution and follow-through. In addition to prosecution for the most obvious unfair trade practice of which he is guilty, every offender should be charged with all the additional elements involved in his offence. Often he is liable also to conviction on charges of improper labelling and advertising, and his place of business is usually unsanitary. It is also obvious that the faker avoids proper tax payments and other business responsibilities. He should be hit from every angle.

What is the solution for this troublesome, time-consuming, and even costly situation? The President has just created by executive order a Fair Trade Board.

The creation of the Board was the answer to the insistent demand in Philippine business circles for the organization of a body directly charged with the duty of protecting the legitimate interests of business here.

As constituted, the Fair Trade Board will be composed of the Under-Secretary of Commerce and Industry as chairman, and of the Director of Commerce, the Commissioner of Customs, the Director of Health, the Director of the National Bureau of Investigation, the Collector of Internal Revenue, the Director of Patents, the City Fiscal of Manila, the Chief of the Philippine Constabulary, and the Manila Chief of Police.

The following are the unfair methods of competition and the unethical trade practices which are listed in the executive order as injurious to the economy and social welfare:

1. Imitation, alteration, and substitution of lawful trade marks and trade names;
2. Misbranding, mislabeling, fraudulent designation of origin, false description, adulteration, fraudulent refilling of empty containers;
3. Other deceptive and fraudulent methods of unfair competition and unethical trade practices which are becoming rampant in the domestic trade of the country.

The purpose and the scope of action are clear. Under intelligent direction and forthright application this Board can be of great service to business and to the public. The writer hopes that it will prove its mettle with some early and drastic prosecutions and eventual convictions. Businessmen welcome this Fair Trade Board!

Understandably reluctant as the importer or brand article representative may be to embarrass any small sarisari store owner, it seems desirable to raid even these stores for spurious merchandise as a deterrent to the temptation to traffic in such goods.

Merchants and distributors, chambers of commerce, and all interested parties should support any single business man who endeavors to fight one of these racketeers. The courts now are quick to understand the difference between a harmful practice from which everyone suffers (except the culprits) and such cases as before the war too often elicited misplaced consideration for a poor ignorant fellow "trying to get along." These fakers are neither poor, ignorant, nor unconscious of what they are doing. They are deliberate repeaters of their malpractices and they involve, also, certain levels of wholesalers and distributors who work with them.

In a broader sense, these practices do not reflect credit on the Philippine Republic. They have been rather widely reported in the export magazines in the United States. The flagrancy of these operations astound principals in the United States where such unfair practices are only local or marginal. Penalties in the United States are greater for proved violations. In the case of the refilling of bottles, the Pure Food laws are very stringent.

The writer, from his experience, makes the following prediction: Soon after Philippine Westinghouse Company begins producing lamps and fluorescent tubes with glass fixtures made at the San Miguel Bottle Plant, there will appear on this market faked products brought clandestinely through the Customs and packaged to represent the new and genuine products, using wrappers made in some back alleys of Tondo. It is unnecessary to stress the harm this will do to a nascent Philippine industry.

The writer also gives warning to the users of TENDER LEAF Tea Bags that within the last few days locally made tea-bags in carton boxes, visually, but not exactly, duplicating the famous original, have made their appearance. This is typical of what can and will happen unless drastic and full scale attack is made now and continuously against fakers. Every good citizen should report to the police any suspected example of fakery. Every business man selling any legitimate product is, at least, indirectly involved in this overall problem even though it is not anticipated that local fakers will issue spurious Packard automobiles.

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Philippine Foreign Policy

By FELINO NERI

Under-Secretary of Foreign Affairs

... **W**ITHIN the brief life of the Republic, the Philippines has evolved the following salient objectives in its foreign policy:

1. The promotion and maintenance of friendly relations with all nations of the world;
2. Adherence to the principles of the United Nations Charter and support of the measures taken by that international organization to maintain international peace and security, solve pressing economic, social, and cultural problems of international importance, and promote fundamental human rights for all;
3. Promotion of the mutually advantageous special relations between the Philippines and the United States;
4. Adherence to the principles of democracy and the preservation of our democratic way of life;
5. Support of the aspirations of dependent and non-self-governing peoples to self-determination;
6. Early and material recognition of our just claims against Japan and an unequivocal position against Japan's resurgence in the future as a dominant power capable once more of threatening the peace of this part of the world; and
7. Development of the Republic's national economy along lines of international cooperation and regional integration.

In the implementation of the first objective of our foreign policy, the Republic is energetically lining up new friends all over the world and in turn is the object of gestures of friendship from countries big and small. Evidence of this is the conglomerate of bilateral treaties and pacts concluded by the Republic and the multilateral conventions and protocols to which the Republic is a signatory. Altogether, the Philippines has concluded 70 different treaties with various countries all over the world, while 20 pacts of differing character are now under negotiation. Of these treaties, 8 are pacts of amity with the United States, China, France, Italy, Spain, Ecuador, Turkey, and Thailand, while similar pacts are currently under negotiation with 6 countries, namely: India, Brazil, Greece, Mexico, Pakistan, and Burma. We are at present conducting negotiations for the purpose of concluding treaties of commerce and navigation with the United States, Argentina, Italy, China, and Egypt. In addition, the Philippines has already signed 8 air-transport agreements with 8 different countries. Nine similar agreements are scheduled for early signature. The Philippines is furthermore a signatory to 7 conventions and protocols with humanitarian objectives, and 5 conventions and protocols on communications.

Proof of the Republic's zealous bid for the friendship of other countries is the number of diplomatic and consular offices that the Philippines has been able to establish all over the world despite budgetary limitations. Today, the Republic maintains an embassy in Washington; two special missions, consisting of the Philippine mission in the United Nations and the special mission to SCAP in Tokyo; 6 legations, namely in London, Buenos Aires, Rome, Bangkok, Madrid, and Nanking; 6 consulates general in San Francisco, Honolulu, New York, Sydney, Calcutta, and Shanghai; 8 consulates including an honorary consular office in Guam.

It may be pertinent to mention that the Philippines has given importance to the establishment of new consular offices in Asia and the Far East. For this reason, a consulate general has been recently opened in Calcutta and consulates have been established in Karachi and in Batavia despite

the inadequacy of the Department's appropriations in this year's budget. Plans are under consideration to complete this network of consular posts in Southeast Asia by the establishment of offices in Singapore and Rangoon.

Most of the consular establishments have become self-supporting although, by their very nature, they are not supposed to be revenue-producing offices. So far, for every peso invested by our Government in their maintenance, we have earned back 40 cents in consular fees.

The opening of these new offices reflects the increasing preoccupation of the Republic with the affairs of its neighbors and significantly underscores our desire not only to stabilize our relations with these neighbors but to integrate our infant economy with the overall regional economy of Asia and the Far East.

The Philippines has faith in the principles of the United Nations Charter. That faith has found eloquent expression in the accomplishments of our delegations to that international organization, its organs and specialized agencies, particularly our delegation to the General Assembly under the able leadership of Ambassador Carlos P. Romulo. Ambassador Romulo, in his brief speech before the General Assembly shortly after his election as President, echoed that faith which is now manifest in his current efforts to bring about an early settlement of the United States-Soviet impasse on the control of atomic energy.

The four years of Philippine participation in the Councils of the United Nations is a proud record of initiative, if not leadership, in the field of international cooperation. A recapitulation of the long list of Philippine contributions in the shaping of vital policy decisions adopted at the meetings of the United Nations' specialized agencies such as the ECAFE, FAO, UNESCO, ILO, WHO, ICAO, the World Bank, non-United Nations agencies such as the now defunct IEFC in Washington, would be superfluous. They are a matter of common knowledge.

In this connection, I should like to echo President Quirino's reiteration of the fact that our initiative in the formation of the projected Southeast Asia Union, was not, as a few originally suspected, designed to make the Union operate outside of but within the framework of the United Nations.

The mutually advantageous relationship that exists at present between the Philippines and the United States has a background of 50 years of fruitful association between the two countries. It is precisely the existence of these special ties that sometimes exposes Philippine foreign policy to the criticism that our foreign policy follows the pattern set in Washington. This criticism has no foundation in fact.

Philippine foreign policy has not been dependent upon that of the United States. The sharply divergent lines occasionally pursued by the two Governments on a broad field of issues clearly prove this assertion. I cite our position as regards Franco Spain and Japan on which the Philippines presented different views.

STAUNCH, unswerving support of the aspirations of non-self-governing peoples toward independence has become a moral commitment of our Republic in the field of international diplomacy. As the first nation in this part of the world to attain independent status since the War, the Philippines stands out as an example of a nation which attained freedom through peaceful and progressive evolu-

* From a radio address, Manila, October 17.

tion. This aspect of the foreign-policy structure of the Republic is easily manifested in the Philippines' espousal of the cause of Indonesia in the councils of the United Nations. Recently, we approved a credit line for the Republic of Indonesia to enable it to hasten its rehabilitation and we voted for its admission as an associate member of the ECAFE. Only the other day at the United Nations Trusteeship committee meeting at Lake Success, the Philippine resolution binding "governments which have colonial responsibilities" to immediately set programs leading to the "ultimate independence of territories under trusteeship control", was approved.

This sympathy for the so-called "unredeemed minorities" also explains the Philippine position on the problem of the disposition of the former Italian colonies of Libya, Somaliland, and Eritrea. This position may be described as one of strict observance of the fundamental wishes of the peoples of the areas concerned. The same ardent sympathy for the cause of colonial peoples is evident in the Philippine stand before the United Nations Trusteeship Council, advocating speedy settlement of the Hindu minority problem in Southwest Africa and our support of the proposal to convert Southwest Africa into a trust territory.

A RESTATEMENT of the Philippine position on Japan and the role that this former enemy country will play in the political, economic, and strategic post-war scheme in Asia and the world, is necessary if only to emphasize a high point in our foreign policy. The Republic has consistently favored measures designed to help Japan attain self-support but has uncompromisingly rejected measures which would enable that country to attain a dominant position in Asia and allow it to again threaten the economic security and territorial integrity of its neighbors. This stand has manifested itself on a wide field of issues concerning Japan. I shall specify a few of them:

1. The Philippines has vigorously opposed all attempts to allow Japan to sit in international conferences, the latest being those of the International Telecommunications Union and the UNESCO. The Philippines will object to any such moves in the future in the conviction that Japan may not legally hope to attain an "international personality" pending the conclusion of a peace treaty.

2. The Philippine reparations claims against Japan, as President Quirino has affirmed time and again, "will be put forward as firmly as ever before." This policy has remained unchanged up to this day, irrespective of the United States directive on May 12 of this year putting a stop to the program of interim reparations payments.

3. The Philippines registered stout opposition to the American unilateral directive, now being implemented by SCAP, extending the limits of Japan's fishing areas to 1,000 miles northward across the Pacific.

4. The Republic lodged with the Far Eastern Commission early last month a strong protest against the United States directive earmarking \$81,000,000 of Japanese gold bullion for Siam and Indo-China.

The Philippines will support Japan's eventual admission in the family of nations the moment that country can meet the following set of criteria:

First, concrete assurances of the peaceful intentions of the Japanese Government and people;

Secondly, assurance that the last vestiges of militaristic and expansionist thinking have been abolished in Japan's ruling clique to create a climate in that country thoroughly congenial for the growth of free, democratic institutions; and

Thirdly, willingness of Japan to assume her international obligations to the Allies pursuant to the provisions of the Potsdam Declaration and the terms of the Post-Surrender Policy Agreement.

OUR efforts toward total economic mobilization are part of an international struggle against poverty and other economic ills.

Peace cannot be realized without freedom and freedom depends on the economic well-being of peoples. Peace, freedom, and prosperity compose the symbolic tripod which sustains the relentless drive of man toward a better future.

In the implementation of our economic program, the Department of Foreign Affairs is actively collaborating with other governmental agencies. Our own economic development is only a part of a world-wide program of economic cooperation. Therefore, whatever plans we follow will be dependent upon the effectiveness with which we conduct our international relations. The success of our economic mobilization program will depend also on the degree of our cooperation with the United States, with our neighboring countries in Asia, and with the specialized agencies of the United Nations which are concerned with economic affairs.

Our economic mobilization program is directed toward the attainment of total economic self-sufficiency to enable the Republic to contribute to the promotion of a healthy world economy. World economic prosperity is the basis of international peace. They are indivisible. Economic maladjustments, such as unemployment, low prices, and other economic ills constitute irritants which disrupt world peace. Prosperity in one sector of the globe cannot long endure as long as there is poverty in other parts of the world. A healthy Philippine economy is a contribution to a healthy world economy, and a healthy world economy affects advantageously the economy of the Philippines. This program of economic development cannot be carried out on a national basis alone.

Diplomacy is the active profession of statesmen and career diplomats. It also is the active concern of peoples because foreign policy involves the welfare of nations. It is dependent on the play of forces generated by conflicting interests. Policy makers cannot formulate national objectives and principles without considering the temper and the aspirations of the people they represent.

The public should not view with passivity, much less with indifference, the conduct of our foreign relations. You are all participants in our evolving foreign policy. By your reactions Philippine foreign policy will be shaped. By your support Philippine foreign policy will be strengthened in the international field. I therefore appeal to each and everyone of you to give unstinted support to our foreign policy in order that the objectives which I have enumerated may be realized and in order that the respect which nations now show for our country may endure.

"For the dream of democracy was always clear: that the state was a necessary and limited evil rather than a desirable and boundless good; that the springs of progress, happiness, and security are to be found in individuals, acting in their private capacities, in response to their self-interests and their moral judgments."—RUSSELL W. DAVENPORT in the October *Fortune*.

The Story of Meralco

As Told in the Santo Tomas Internment Camp

By A. V. H. HARTENDORF

EARLY in August, 1942, J. C. Rockwell, President of the Manila Electric Company, with some twenty members of his staff, were brought into the Camp, having up to that time been employed by the Japanese Military Administration to operate what was left of the Company's power plant and transportation system. They had for seven months been confined to the company premises, where they worked, ate, and slept.

The Manila Electric Company, a subsidiary of the Associated Gas and Electric Company (of New York), was the most important public utility corporation in Manila. It supplied the capital city and over a hundred towns, from Dagupan south to Irosin, with light and power and maintained a transportation system for Manila and its suburbs which involved the operation of over 100 streetcars and nearly 200 motor buses. Its employees numbered some 2,800.

Upon the outbreak of the war, the USAFFE immediately took over almost all of the buses with their drivers for the transportation of troops and supplies to the various fronts. The drivers demonstrated both their loyalty and their courage, and there were many cases among them of conspicuous bravery under enemy fire.

On the 31st of December, when the last remaining USAFFE units were leaving the city, Rockwell was ordered by the Army authorities to take steps to render approximately two-thirds of the Company's steam-plant inoperable. But as the plant had a total capacity of 29,000 KW, of which the newest power-unit developed 12,500 KW, and the remaining units were all very old, he was allowed to keep the new unit and one old unit of 5,000 KW capacity in working order so as to insure the city's light and the operation of its water and sewage systems. The "governors" of the four remaining turbines were thereupon removed and turned over to the Army, these parts, though small, being irreplaceable in Manila because the designs and specifications for them were in the United States. The Japanese later repeatedly questioned the American and Filipino personnel of the Company as to where the missing parts had been "hidden", and they even advertised for them in the *Tribune*, offering a ₱200 reward. After the surrender of Corregidor, Meralco men were sent there to look for them, but without result.

The Company's Botocan (Laguna) hydro-electric plant was also ordered put out of commission by the American Army at the same time, but this order could not be carried out because, following an army order of four days before to shut down the plant, the personnel had all come to Manila. This plant had been completed in 1930 and developed 16,000 KW when there was enough water to operate; it was not a storage plant and simply used the stream-flow. The Company used this power only at night, during the peak-load hours. The Japanese did not pay any attention to Botocan until three or four weeks after the occupation of Manila, by which time the dam had gotten into the machinery and it took a week to get it into operation again.

Meralco also operated small isolated diesel-plants in some of the larger towns, — San Fernando (Union), Dagupan, Tarlac, Lipa, Gapan, Naga, and a few others, and these for the most part were left intact, although the Tarlac plant was blown up by the USAFFE and that at Naga burned by the guerrillas. The Japanese took units from San Fernando and Dagupan to use at the Lepanto copper mine.

Rockwell had been given an official letter by the USAFFE authorities which, he was told, was to protect him from any charges of sabotage which the enemy might bring against him. However, he decided to destroy the letter rather than use it because if the Japanese had seen it they would have assumed from the wording that some of the Meralco men knew what had become of the important missing turbine parts.

After the Japanese occupation of the city, Meralco soon got the streetcar system back to operating on a regular, though reduced schedule. Bus transportation could not be resumed as the buses were gone. The Company would not have been allowed to operate them even if it had had them; in fact, the Japanese took away the few the Company had left.

During the Japanese bombing of Manila and just before the enemy occupation, there had been a large exodus from the city. The average power consumption fell from over 500,000 KWH a day before the war to below 200,000 KWH. Nothing attests more clearly to the lethargy that had come over the once so thriving metropolis, although for those who knew the city the almost total disappearance of the 15,000 to 20,000 automobiles, taxis, buses, and trucks that once filled the busy streets, representing millions of horsepower units, was probably the most striking indication of the city's torpor. Manila did not look like a city at all, more like a straggling country town, deserted and silent.

Meralco had on hand some 15,000 tons of coal and 3,000 tons of fuel oil. By August (1942) the coal supply had dwindled to 150 tons and the oil to 2,000 tons. Some 6,000 tons of coconut oil had also been used as fuel, at a cost of ₱132 a ton paid to the Mitsui Bussan Kaisha, though raw copra could have been used just as well at about one-sixth the cost.

Meralco collections were practically at a standstill because so many people had left their homes without notice to the Company, and Japanese army officers moved in and out of so many houses in Manila that it was impossible to keep check. In the case of the latter, the Company men were sometimes told to "bill the Army", but the men noticed that the civilian Japanese working with them talked of this but never did it; they themselves were all afraid of the Army. It was difficult to get them to ask the Army only to open some sealed bodega where necessary supplies were stored. According to Rockwell, no current was cut off from any house in Manila during all those months for failure to pay the monthly bill. In the matter of the small provincial plants, the Japanese forces in the locality in some cases took charge of them and in other cases turned them over to the municipal mayors, who, usually, immediately reduced the rates and then made no collections.

The American technicians, from Rockwell down, were given a flat food allowance of ₱145 a month by the Japanese.
(Continued on page 503)

* Author's note: — This is one of a number of "stories" on various Philippine industries and businesses as they were affected by the war, contained in the writer's unpublished book on the Santo Tomas Internment Camp. These "stories" were written after interviewing the persons principally concerned and were checked by them for accuracy, — then hidden away. The "Story of Meralco" was written in August, 1942, and includes only what had happened and was known in the Camp up to that time.

The Business View

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

Office of the President of the Philippines

From an Official Source

OCTOBER 3 — The National Economic Council decides to recommend to President Elpidio Quirino the approval of the plan to establish a pulp mill under the National Development Company, the site to be determined after a survey of those originally suggested, including sites in Bataan, Davao, Albay, and Agusan. The investment outlay would not exceed ₱1,200,000. The Council also endorsed to the President the request of the Chamber of Mines of the Philippines, through the Secretary of Agriculture and Natural Resources, that the Government make representations to the United States Government for a Philippine chrome ore import allocation.

Oct. 4 — Announced that the President on the 30th of September signed Executive Order No. 275 abolishing the Surplus Property Commission and transferring its powers and functions to the Surplus Property Liquidating Committee created under Administrative Order No. 99, dated May 19. The new Executive Order went into effect on October 1.

The President administers the oath of office to former Justice Antonio Horillo as Chairman of the Labor-Management Advisory Board.

Oct. 5 — Representatives of the Philippine Lumber Producers Association call on the President in connection with a petition that the Government reclassify the grouping of trees so as to reduce the forestry fees for certain exportable varieties of lumber from ₱2.00 to ₱1.20 per cubic meter.

Representatives of the Philippine Tobacco Manufacturers Association call on the President to present a resolution seeking membership for the Association in the National Tobacco Corporation Board. The President promised favorable action as soon as a vacancy occurs.

Oct. 10 — The Foreign Office issues a press release stating that it has received an official communication from the China Communist Premier Chou En-lai, through Philippine Vice-Consul Pelayo Llamas, in Shanghai, as follows:

"Chairman Mao Tse-tung of the Central Peoples Government of the Peoples Republic of China has today issued a proclamation. I am sending you herewith a copy of said proclamation for transmission to your respectable Government. I deem it necessary that regular diplomatic relations be established between the Peoples Republic of China and other nations of the world."

Oct. 11 — The President names the following to represent the Philippines in the fifth session of the Economic Commission for Asia and the Far East (ECAFE) to be held in Singapore, October 20 to 29: Secretary of Commerce and Industry Cornelio Balmaqueda, Gil Puyat, member of the National Economic Council, Lino Castillo, Governor of the Reconstruction Finance Corporation, and Dean Jose Velmonte, of the University of the Philippines.

Announced that a three men delegation,—Minister Jose Romero, Jose Imperial, and Urbano Zafrá, will represent the Philippines at the International Sugar Council meeting opening in London, October 17.

The President authorizes Secretary of Agriculture and Natural Resources Placido Mapa to issue a department order regrouping the classification of forest trees to lessen the forestry fees paid by lumber producers.

Secretary of Public Works and Communications Prospero Sanidad informs the President that the threatened strike of radio operators of the Bureau of Telecommunications has been settled, the pay-increases requested having been granted.

Oct. 12 — The President issues Executive Order No. 280 returning to the jurisdiction of the Department of Agriculture and Natural Resources and the Bureau of Lands all public lands formerly covered by expired Japanese leases, etc., previously placed under the administration of the National Abaca and Other Fibers Corporation.

Oct. 14 — Announced that Nicanor Tomas of the Central Bank and Dr. Marcelino Bernardo, commercial attaché of the Foreign Office, have been added to the ECAFE delegation.

Archbishop Michael O'Doherty dies, aged 75. He came to the Philippines in 1911 as Bishop of Zamboanga and became Archbishop of Manila in 1916.

Oct. 15 — Secretary of Finance Pedrosa, in his capacity as President of the Manila Railroad Company, informs President Quirino that the strike of locomotive engineers and firemen, which began today, has been referred to the Court of Industrial Relations.

The President administers the oath of office to Ricardo Gonzalez Lloret as Manager of the Rural Progress Administration.

Oct. 16 — The President leaves Manila for a tour of Central Luzon spending the night at Paniqui, Tarlac.

Oct. 17 — The President makes speeches at Cabanatuan and Gapan, Nueva Ecija, and at Baliwag, Bulacan.

Oct. 18 — Secretary of Labor P. Lovina reports to the President on the CLO workers strike in the Metropolitan Water District at today's Cabinet meeting. The President approves the establishment of a pulp mill to be set up by the National Development Company as recommended by the National Economic Council. The mill is intended to produce pulp to meet the requirements of the bag and paper mills already established by the Company. The site has not yet been decided upon.

The President signs Executive Order No. 286 creating a Fair Trade Board headed by the Under-Secretary of Commerce and Industry.

Oct. 19 — The President issues a proclamation declaring October 20, the date of the MacArthur landing there, a public holiday in the province of Leyte. He declares in a press statement:

"The Leyte landing on October 20 five years ago will long be remembered as the day General MacArthur fulfilled his promise to return. That memorable landing will also be recorded as the beginning of the campaign which ended the tragedy of the Japanese occupation and, by the same token, the return of democracy and freedom to our shores. As we observe the fifth anniversary of that famous landing, let us bear in mind that there are new threats to that freedom and new forces are gathering within and without that seek to nullify all our gains since Leyte. The hour has come for continued vigilance."

By authority of the President, Executive Secretary T. Evangelista authorizes the release of ₱300,000 to cover the transportation and other necessary expenses of deserving applicants in the settlement projects of the Government. The assistance is to be carried out by the President's Action Committee on Social Amelioration and refugees and displaced tenants are to be given priority.

Another ₱100,000 is similarly released for assistance to the heirs and dependents of civilians who have been killed while serving as special police or as aides to the Constabulary in the campaign against dissidents. This fund is also to be handled by PACSA.

Oct. 20 — The President issues a proclamation designating the period from November 19 to December 21 for the first annual fund drive of the Community Chest of Greater Manila, a newly founded organization here.

Oct. 21 — Ambassador Chen Chih Ping of China who has just returned from an official trip to Canton, Chungking, and Formosa, calls on the President.

The President at a Cabinet meeting directs the Rural Progress Administration to take immediate steps to acquire the Buenavista Estate near Manila for subdivision to the tenants. He instructs the President of the Philippine National Bank to grant appropriate financial facilities.

The President presides over the laying of the cornerstone of what is to be the new capital building of the Philippines on Constitution Hill in Quezon City.

Oct. 24 — The President leaves Manila on another tour of the Visayas scheduled to visit Cebu, Leyte, and Samar.

Oct. 25 — The President, aboard the S.S. Apo, announces that he will shortly issue a proclamation calling a special 4-day session of Congress, to start December 9, for the purpose of passing the national budget. He states that government expenditures from October 27 (the date of effectivity of the Supreme Court decision invalidating the budget established by executive order) up to December 9 will be disbursed from government deposits in the Philippine National Bank.

Benito also announces the appointment of Ambassador J. M. Elizalde as delegate to the General Assembly of the United Nations.

Announced that the Board of Directors of the Philippine National Bank have approved a loan of ₱3,590,000 to the Rural Progress Administration to finance the purchase by the Government of the Buenavista Estate in Bulacan, the Tambobong and Maysilo haciendas in Malabon, Rizal, and the Santa Maria hacienda in Pampanga.

Oct. 26 — Announced that the Philippines has been invited by the Indian Government to designate two Filipinos as members of an international "neutral" body of observers which will supervise a referendum to be held December 11 to decide whether the old French settlements of Pondicherry, Karikal, Mahe, and Yanam should remain a part of France or be ceded to India.

The Foreign Office makes public a financial statement showing that the overall income of 22 Philippine diplomatic and consular establishments, from July 1, 1948, to June 30, 1949, was ₱2,125,303 as against expenditures of ₱3,999,078.

Oct. 29 — Manuel Nieto leaves Manila for Spain to return to his post as charge d'affaires in Madrid and also to make arrangements for the early opening of a consulate in Lisbon, Portugal.

Oct. 30 — The President returns to Manila. General Calisto Duque, Deputy Chief of Staff, Armed Forces of the Philippines, who recently returned from the United States, has reported to the President on the military assistance program under

which, out of \$27,000,000 earmarked for the Philippines, Korea, and Iran, the Philippines may receive from \$6,000,000, to \$8,000,000; however, as the aid to be granted will be in the form of military equipment from existing devaluated stocks, the actual aid equivalent will amount to around \$95,000,000.

Banking and Finance

By C. V. GRANT

Sub-Manager, National City Bank of New York

COMPARATIVE figures of assets and liabilities of the Central Bank follow:

	As of January 31	As of August 31	As of September 30
(In thousands of pesos)			
ASSETS			
International Reserve.....	₱714,969	₱569,809*	₱558,136*
Contribution to International Monetary Fund.....	30,000	30,000	30,000
Account to Secure Coinage.....	113,106	113,306	113,306
Loans and Advances.....	—	10,000	50,569
Domestic Securities.....	—	18,287	20,033
Due from Treasurer of Philippines.....	—	12,569	—
Other Assets.....	19,020	24,090	20,320
	₱877,395	₱778,061	₱792,364
LIABILITIES			
Currency: Notes.....	₱621,521	₱502,949	₱533,957
Coins.....	73,035	73,935	73,784
Demand Deposits: Pesos.....	169,351	145,048	139,132
Dollars.....	—	11,700*	148*
Securities Stabilization Fund Due to International Monetary Fund.....	2,000	2,000	2,000
Due to International Bank for Reconstruction and Development.....	—	2,392	2,392
Other Liabilities.....	1,488	3,092	3,507
Capital.....	10,000	10,000	10,000
Undivided Profits.....	—	4,446	4,945
	₱877,395	₱778,061	₱792,364

NOTE: The Demand Deposit liabilities in U.S. Dollars are deposits of the Treasurer of the Philippines which temporarily are being kept in foreign currency. These amounts are included on the Asset side as part of the International Reserve.

Although the largest sale of dollars by the United States Treasury during any month in order to lay down pesos for war damage disbursements occurred in September, it was necessary for the Central Bank to draw against the International Reserve for approximately \$5,800,000 (₱11,600,000).

The increase of ₱40,000,000 in Loans and Advances made by the Central Bank represents advances to the Government to cover part of the budgetary deficit.

Currency in circulation plus that on deposit with the Central Bank increased some ₱25,000,000 over August, the first increase after an almost uninterrupted contraction since January.

On October 13 the Monetary Board approved and the Central Bank announced the creation of a forward market whereby the Central Bank will buy and sell U. S. dollars, deliveries up to six months forward at the option of the commercial banks. The Central Bank undertakes to sell exchange at 3/16% (37.5 centavos) up a month over its spot selling rates for Telegraphic Transfers and Demand Drafts. It will buy forward exchange up to six months at its spot buying rates.

For prime business banks generally are quoting Telegraphic Transfers 201.25 selling and 200.625 buying for spot exchange. For forward settlements the rate generally quoted is 1.40c (50 centavos) up for every 30 days.

Stock and Commodity Markets

By A. C. HALL
A. C. Hall Company

September 24 to October 21, 1949

New York Stocks.—During the month, the New York Stock market has advanced into new high ground since the rise began in the middle of June.

As measured by the Dow Jones closing averages, fluctuations during the month were as follows:

	Sept. 23	High	Low	Oct. 21	Change
Industrials.....	181.30	187.04	179.63	186.20	Up 4.90
Rails.....	47.78	49.77	47.02	48.51	Up .73
Utilities.....	38.19	38.36	37.71	38.35	Up .16

The market has behaved very well in the face of many uncertainties of which the most important, at the moment, is the Steel and Coal strike situation. Investors, apparently, do not believe that the latter will proceed to the stage of endangering the business recovery or the overall economic picture.

At present levels, the Dow Jones averages are in an area where important reactions have developed during each of the last three years. This, naturally, brings up the question of market prospects. Are prices going to retreat to the lower part of the 1946-1949 range, or will they, after perhaps some hesitation, push forward into new high ground? The writer favors the latter possibility.

As pointed out in this column some time ago, stock prices refused to respond to booming profits in the post-war period. Instead, they tended to keep in line with dividend disbursements, which, during that period, only amounted to a small percentage of earnings. As far as can be judged, current lower profits and the business outlook do not threaten established dividend rates. This is a most important factor in a period of easy money such as the present, particularly in view of the large spread in the return between common stocks and bonds. According to the Cleveland Trust Company, in August, with prices little below current levels, common stocks were yielding 2.9 times as much as high grade corporate bonds; such a ratio has been reached only twice in the last fifty years,—in 1942 and June, 1949.

Commodities.—Passage of the House-Senate Commodity Bill, covering the farm-support program, was a firming factor. Chicago-December Wheat closed at \$2.13-3/4 as compared with \$2.12-1/2 a month ago. The corn crop will be reduced as a result of high winds and corn-borer damage, but the new crop is still likely to be the second largest on record. Demand is absorbing present arrivals but may not continue heavy enough to absorb the heavy seasonal movement; Chicago December Corn closed at \$1.16-3/4 against \$1.15-3/8 last month. Cotton is a narrow market with December New York Cotton quoted at 29.75, up 11 points from last month. In Sugar, consumption is holding at a high level and the spot position remains very tight. Until new crop sugar reaches the market during the first quarter, supplies are likely to remain short; New York March #6 contract is quoted at 5.22, unchanged from last month, but about 30 points lower than the spot position.

Manila Market.—The market was inactive and slightly lower during the early sessions, but has latterly developed considerable strength. The revival of speculative interest, in contrast to last month's apathy, is, in part, due to the improving situation in some of the mines, also partly may be considered a delayed reaction to Sterling devaluation, which has made many investors inflation-conscious. Undoubtedly, this factor has stimulated demand for mining shares, and may well continue to do so.

Market action during the period under review indicates underlying strength, and, as the year progresses, seasonal factors should assist in carrying prices forward.

From the technical viewpoint, the market appears to be in the second stage of a bull market which began on June 24 when the Manila Stock Exchange mining-share average closed at 60.32. The first leg was completed on August 13 at 73.04. Since then, the customary secondary correction has occurred, to be followed on October 17 by the upward penetration of the August 13 resistance-point.

In the Commercial and Industrial section, good demand for Sugar shares was the feature, and volume of business in this group is limited only by lack of sellers. San Miguel after making a new low for the year recovered to register a small net gain.

MINING SHARES

1948-49 Range						Total				
High	Low		High	Low	Close	Change				
122	48	60	77	12	64	56	75	30	33,000	
P 375	P 12		Aceto Mining Company	P 145	P 145	P 145	Up	9	94	
.028	01		Antamok Goldfields Mining	.016	.016	.016			100,000	
.95	42		Atok-Big Weld Mining Co.	.65	.45	.63	Up	.175	824,682	
.075	.035		Baggio Gold Mining Co.	—	—	.035			—	
3	75	2	Balacog Mining Company	2	85	2	85	Up	.10	2,918
0072	0025		Batong Buhay Gold Mines	.0035	.0035	.0035			1,100,000	
.035	.016		Coco Grove	—	—	.017			—	
.015	.08		Consolidated Mines, Inc.	.009	.008	.008	Off	.001	531,166	
.0875	.038		Itoyon Mining Co.	.0875	.0525	.0875	Up	.0375	2,134,000	
.0775	.025		Ixi Mining Company	.025	.025	.025			113,333	
.85	44		Lepanto Consolidated Mining	.61	.51	.61	Up	.10	873,000	
1	26	33	Mindanao Mother Lode Mines	.65	.56	.63	Up	.03	454,050	
.275	10		Misamis Chromite, Inc.	.10	.10	.10			5,000	
8	08		Paracale Gumasa Co.	.03	.03	.03			10,000	
.26	105		San Mauricio Mining Co.	.14	.14	.14			10,000	
.43	21		Surigao Consolidated Mining	.245	.225	.245	Up	.015	186,000	
.04	.015		Suyoc Consolidated Mining	.02	.02	.02			220,000	
.055	.04		United Pacific Mining Co.	.0625	.06	.0625	Up	.01	100,000	

COMMERCIAL SHARES

1948-49 Range						Total					
High	Low		High	Low	Close	Change					
P74	00	P55	00	P74	00	P74	00	Up	1	742	
62	00	50	00		565	00	565	00	Up	35	100
168	00	81	00		160	100	158	00	Off	P 2	235
116	00	70	00		116	00	116	00	Up	P 6	86
60	00	40	00		61	57	60	00	Up	P 6	183
80	00	30	00		80	00	80	00	Up	P 5	20
23	00	22	00		—	—	22	50			—
8	00	7	00		—	—	6	00			—
1	30	1	14		1	20	1	14	Off		2,000
5	00	3	00		3	45	3	00	Off		45
150	00	14	00		—	—	140	00			10,000
1	36	40			43	40	40	Off			8,000
.305	.065		Philippine Oil Development Co.	.12	.095	.11	Up	.01	234,000		
1	42	1	00		1	10	1	10	Up		2,000
35	50	24	50		26	24	26	00	Up		8,121
100	00	75	00		90	90	90	00			20
10	00	7	00		7	25	7	25	Off		25

Over-the-counter business in mining stocks included 21,000 shares Benguet Consolidated between P4.35 high, P4.15 low, and P4.25 closing; also small business in East Mindanao at 1 centavo, and Philippine Iron Mines Common at P26. In Commercial issues, business was reported in Compania Maritima at P52, Manila Jockey Club at P1.60, Philippine American Drug (Botica Boie) at P135, Philippine Education 10% Pfd. at P100, San Miguel 8% Pfd. at P100 and P102, and Victoria Milling Company at P165.

Insurance

VICTOR H. BELLO
American Foreign Insurance Association

A review of the Manila Fire Department Report for the period July 1, 1948, to June 30, 1949, unhappily reveals the fact that the Department is performing a Herculean task with antiquated and deficient equipment, shortage of personnel, inadequate training facilities, and insufficient financial reward for the men who are called upon to risk their lives as part of their everyday job.

Fire insurance experts in establishing rating schedules have taken cognizance of the fact that large areas of Manila are seriously "congested". In layman's language this simply means that these areas due to occupancy and construction are highly liable to a serious conflagration. These areas in most instances contain tremendous financial values

which might readily be lost to our economy in a matter of hours were a fire to get out of control. Many of the largest cities in the world with what were considered efficient and adequate fire brigades have suffered ragingly destructive fires that have caused untold want and misery.

With this as introduction, let us scan the highlights of the latest report of the Manila Fire Department. The fire loss for the period under review was P10,879,721, or an average loss to every man, woman, and child residing in Manila of P7.25. The Fire Department appropriation from the City was P851,950, or a per capita contribution of only 57 centavos! The Report states, "The point is again stressed that this cost is low, and that the salaries of the limited personnel are poor."

For a city of over a million people, Manila has only 9 fire stations of which 4 or nearly half are considered to be "improvised stations" only. It is not surprising then that the Report urgently recommends the reconstruction and construction of additional fire stations.

A revealing piece of comment reads: "... a further 2 pieces of fire apparatus acquired from the Surplus Property Commission brings the total number now to 39. However, as most of the fire engines are only converted from surplus trucks, expenses in their maintenance and repair have been rather heavy."

Fire hydrants have always been taken for granted as a primary requisite in the protection from fire hazards in any community, yet it has been found necessary to state in the Report that "it is recommended that the distribution system be overhauled and that at least 1000 fire hydrants be installed."

In the matter of compensation to men who daily risk their lives, the following oblique comparative reference is contained in the Report: "Increase in Salary—To raise the standard of the fire-fighting service and to remove the existing unfavorable comparison with the Police Department, which has caused transfers of trained men from the Fire Department..."

Arson which has been the subject of comment in previous articles by the writer is also commented upon in connection with a recommendation in the Report: "Revision of the Laws on Arson and Creation of an Arson Squad under the Fire Department — Numerous big fires were of suspicious origin and arson was strongly indicated, but the inadequacy of the arson laws made conviction difficult. It is suggested that the present police arson squad is inadequate, and that the composition of such a squad be... (etc.)"

For the writer to comment further on the highlights of the Fire Department Report would be a waste of space. The need is clearly apparent. Correction of the present inadequate facilities is certainly predicated.

Credit

By W. J. NICHOLS
Treasurer, General Electric (P.I.) Inc.

THE Association of Credit Men held its quarterly meeting at the Aristocrat Restaurant on October 19, 1949. Nearly 100 members and guests were present. Mr. Milton Pickup of the public accounting firm of Fleming & Williamson gave a very interesting talk on the subject of fraud and its prevention. The meeting was followed by dinner and entertainment.

Cases of estafa and theft are on the increase since the war. Quite often, the possibility of fraud being committed within a company organization can be minimized by certain relatively simple and inexpensive procedures such as cancelling invoices after payment to prevent duplicate vouchering and making individual verifications of routine functions with regard to the handling of cash. As pointed out by Mr. Pickup in his talk to the credit men, safeguards can be established which will prevent all possibility of estafa,

but most businessmen have to consider the cost of the preventive measures and the probability of the frauds they are intended to stop.

As the year-end period of business activity approaches, credit men will do well to examine carefully the number and amount of delinquent accounts on their books. All indications are that the credit situation is gradually tightening and that more emphasis has to be placed on collection work. Although there have been no large business failures, there seems to be a general feeling that some enterprises established since the war have become over-extended.

Real Estate

By C. M. Hoskins

Of C. M. Hoskins & Co. Inc., Realtors

MANILA real estate sales for October totalled about the same as for October of last year, being P3,032,543, as compared with P3,046,286 for October of 1948. Mortgages recorded were P6,520,205 for October, 1949, against P4,469,772 for October, 1948.

Quezon City sales last month totalled P990,668, as compared with P1,373,244 for the corresponding month of 1948.

Other suburban towns registered sales of P1,881,659. Figures for 1948 are not available.

The real estate market continues to attract buyers, especially residential and commercial types. If adjustments could be made to compensate for lowered building costs, it is probable that 1949 figures of real estate activity would correspond roughly to those obtaining in the latter half of 1948.

Mortgage money is harder to come by on long term loans, and the RFC continues to dominate the mortgage field.

Cumulative totals for sales of Manila property for the first 10 months from 1946 were as follows:

	January-October
1946.....	P38,171,606
1947.....	60,877,464
1948.....	49,365,586
1949.....	32,007,969

The decision of the Supreme Court last August declaring invalid the executive order fixing residential rentals at 12% of the assessed value, restored to effect Commonwealth Act No. 689, which established a 20% ceiling. However, that Act expired by its terms last October, so the Philippines is now free of rental controls. The Municipal Board of Manila has recently approved an order establishing a 12% rental ceiling, which awaits approval by the Mayor. Legal authorities express doubt as to the authority of the local government to fix rental rates.

Rental vacancies for stores and dwelling units have now reached a point where competition is active, so rental regulation has largely lost its importance. Even when rental ceilings existed, enforcement machinery made rent control largely inoperative.

Electric Power Production

(Manila Electric Company System)

J. F. COTTON

Treasurer, Manila Electric Company

1941 Average—15,316,000 KWH

	KILOWATT HOURS	
	1949	1948
January.....	33,745,000	27,301,000
February.....	31,110,000	26,021,000
March.....	34,776,000	26,951,000
April.....	33,048,000	26,871,000
May.....	34,453,000	28,294,000
June.....	34,486,000	29,216,000
July.....	35,726,000	31,143,000
August.....	35,394,000	31,993,000
September.....	35,763,000*	32,012,000
October.....	37,430,000**	33,943,000
November.....	—	32,661,000
December.....	—	35,104,000
TOTAL.....		361,510,000

* Revised
** Partially estimated

Output in October exceeded all previous records by more than 1,500,000 KWH. There was an increase of 3,487,000 KWH, or 10.3%, over October, 1948.

Except for Sundays, a small amount of load was dropped every night during October. The critical period at this time of year is between 5 P. M. and 7 P. M. because of the overlapping commercial and residential use of electricity. If every customer would decrease his normal usage of lights and appliances during this early evening period by 10%, it probably would not be necessary to drop load.

Ocean Shipping and Exports

By F. M. GISPERT

Secretary, Associated Steamship Lines

TOTAL exports for September, 1949, were 165,938 tons* as against 107,936 tons for September last year.

The increase is chiefly accounted for by iron ore shipments to Japan and a 12,000 ton increase in copra shipments, although most commodities showed improvement.

The month was marked by the appearance of five cheap copra charters which resulted in an \$8.50 reduction in conference freight rates on copra to the United States. This was followed by a natural demand for reduction in freight rates on other commodities. Lumber was reduced by \$8.00 per 1000 board feet and logs by \$4.00 per 1000 board feet, effective October 11, and other reductions are being considered.

BUILDING CONSTRUCTION IN MANILA: 1936 TO 1949

Compiled by the Bureau of the Census and Statistics from data supplied by the City Engineer's Office

MONTH	1936 (Value)	1937 (Value)	1938 (Value)	1939 (Value)	1940 (Value)	1941 (Value)	1945 (Value)	1946 (Value)	1947 (Value)	1948 (Value)	1949 (Value)
January.....	P 540,030	P 426,230	P 694,180	P 463,430	P 1,124,550	P 891,140	P —	P 1,662,245	P 3,645,970	P 6,571,660	P 4,807,320
February.....	720,110	479,810	434,930	1,063,950	1,025,920	467,790	—	2,509,170	3,270,150	6,827,005	7,286,630
March.....	411,680	396,890	1,300,650	662,840	671,120	641,940	—	3,040,010	3,398,910	7,498,560	8,100,700
April.....	735,220	659,680	770,130	1,029,310	962,470	408,640	462,020	3,125,180	8,295,640	7,370,292	5,558,245
May.....	400,220	670,350	1,063,570	1,139,560	740,510	335,210	1,496,700	3,964,480	3,564,870	8,570,410	5,070,380
June.....	827,130	459,360	754,180	809,670	542,730	418,700	2,444,070	3,904,450	5,898,580	10,217,840	4,809,250
July.....	302,340	691,190	755,810	495,910	357,680	609,920	1,741,320	3,062,640	9,875,435	7,771,487	4,601,450
August.....	368,280	827,660	627,790	622,050	601,860	306,680	1,418,360	4,889,640	7,428,260	7,566,950	4,150,280
September.....	393,100	777,690	684,590	554,570	590,380	530,830	1,015,250	7,326,570	7,770,310	7,095,860	4,952,660
October.....	663,120	971,780	718,190	645,310	738,700	699,040	639,030	4,630,550	6,747,240	5,368,800	5,046,635
November.....	460,720	320,890	972,310	461,580	485,100	315,930	1,364,310	4,373,390	7,088,283	3,424,125	—
December.....	648,820	849,160	503,220	1,105,910	333,490	67,553	1,605,990	5,034,600	4,924,320	4,507,500	—
Annual.....											
TOTAL.....	P 6,170,750	P 7,530,690	P 9,280,560	P 9,053,250	P 8,234,460	P 5,692,273	P 12,186,150	P 47,526,905	P 73,907,248	P 82,792,569	P 49,336,915
Average.....	P 514,229	P 627,557	P 773,380	P 754,438	P 686,205	P 474,356	P 1,015,513	P 3,960,575	P 6,158,937	P 6,899,381	P 4,881,879

REAL ESTATE SALES IN MANILA, 1940-1949
Prepared by the Bureau of the Census and Statistics

Note: A large percentage of 1945 sales and a diminishing percentage of 1946 sales, represent Japanese Occupation transactions not recorded until after liberation.

	1940	1941	1945	1946	1947	1948	1949
January	₱ 6,004,145	₱ 9,629,970	₱ 7,943,695	₱ 4,385,011	₱ 6,030,012	₱ 3,647,734	₱ 3,965,420
February	918,873	779,783	1,337,830	2,267,151	7,217,317	3,879,633	2,761,668
March	1,415,246	1,532,104	(?)	2,622,190	7,166,866	4,243,719	3,362,635
April	883,207	988,380	213,262	1,916,293	8,611,076	5,021,093	3,677,330
May	403,866	1,129,736	962,008	3,684,937	4,618,181	3,129,799	4,253,395
June	542,187	598,431	1,212,780	3,637,956	3,988,560	8,019,246	2,793,217
July	1,324,861	559,742	1,123,565	4,974,862	4,097,183	5,146,529	3,019,784
August	1,905,828	1,239,414	699,740	4,438,510	5,627,572	6,192,766	4,924,841
September	1,141,114	815,112	1,870,670	4,698,896	7,437,213	4,737,581	3,668,662
October	993,103	1,182,678	2,096,893	5,545,800	6,083,486	5,350,376	3,032,542
November	936,416	858,235	2,555,472	3,340,384	4,177,054	3,046,287	
December	1,504,004	(?)	2,874,408	4,025,926	3,205,584	5,386,248	
TOTAL	₱17,974,844	₱10,647,285	₱22,890,133	₱45,537,914	₱68,260,104	₱57,798,121	₱32,367,252

Exports for September this year, as compared with September last year, are as follows:

	1949	1948
Alcohol	45 tons	57 tons
Beer	293 "	819 "
Cigars and Cigarettes	12 "	8 "
Coconut, Desiccated	9,252 "	8,375 "
Coconut Oil	5,631 "	2,708 "
Concentrates, copper	2,127 "	123 "
" gold	464 "	—
" lead	85 "	—
Copra	55,473 "	43,397 "
Copra cake, meal	4,826 "	3,781 "
Embroideries	109 "	136 "
Empty cylinders	345 "	394 "
Fish, salted, dried	37 "	37 "
Furniture, rattan	544 "	768 "
Glycerine	203 "	—
Gums, copal	43 "	34 "
Hemp	35,031 bales	32,868 bales
Hemp, knotted	26 tons	—
Household goods	102 "	117 tons
Junk, metal	8,111 "	8,110 "
Kapok	50 "	50 "
Kapok, seeds	58 "	—
Logs	1,178,608 bft.	1,342,715 bft.
Lumber	1,723,719 "	1,028,534 "
Molasses	3,552 tons	—
Ores, chrome	18,905 "	15,477 tons
" iron	28,162 "	—
" manganese	3,151 "	1,586 "
Pineapples, canned	2,153 "	4,220 "
Rattan	215 "	107 "
Rope	254 "	184 "
Rubber	177 "	156 "
Shells	20 "	24 "
Skins	13 "	57 "
Sugar, raw	6,318 "	3,149 "
Tobacco	806 "	5 "
Vegetable oil products	64 "	177 "
Transit cargo	35 "	231 "
General merchandise	3,843 "	2,619 "

Mining

By CHAS. A. MITKE

Consulting Mining Engineer

SUMMARY OF METAL PRODUCTION IN THE PHILIPPINES

First three quarters, 1949

Total metal production during the first six months of 1949 amounted to	₱22,796,720
of which, gold and silver	₱ 9,505,997
Copper	2,182,980
Lead	51,368
Base metals	6,273,522
Non-metallics	4,782,853
	₱22,796,720
	₱22,796,720

During the third quarter, the total production amounted to

Gold and silver	₱ 9,118,216
	₱ 5,299,086

Copper	1,173,366
Lead	45,629
Base metals	2,600,135
Non-metallics have not been reported to date	—
	₱ 9,118,216
	₱ 9,118,216

The fourth quarter will be about the same as the third quarter. Production for 1950 may show a 15% increase in gold and copper.

As regards the base metals, no prediction can be made, as the future depends largely on orders from the United States for chrome which, at the moment, have ceased almost entirely.

The amount of manganese being produced during this post-war period is very small.

Before the war, Japan took practically all the Philippine production of iron ore, amounting to about 1,000,000 tons a year. At a price of ₱4.60 per ton, i.o.b. steamer, Philippine producers did well.

Since the occupation of Japan by American troops, SCAP has set such high specifications that Philippine iron ore producers find it difficult to meet them and consequently the orders now being placed in the Philippines are not sufficiently large to justify the expenditure for mass production equipment which the mines need.

Moreover, the price offered by SCAP (\$14.00 a ton) makes it possible for India and even the state of Utah, U.S.A., to compete with the Philippines.

I. Gold and Silver Production in the Philippines for the First Six Months of 1949

Names	Quantity		Value in Pesos
	Au.	oz.	
Atok-Big Wedge	Au.	31,506	₱ 2,205,379
	Ag.	18,891	26,826
	M.O.	72,875	2,232,205
Balatoc	Au.	30,172	2,112,040
	Ag.	17,854	26,112
	M.O.	166,151	2,138,152
Benguet Cons.	Au.	22,612	1,582,840
	Ag.	13,402	19,541
	M.O.	104,250	1,602,381
Lepanto Cons.	Au.	12,187	853,111
	Cu.	2,965	2,125,049
	M.O.	85,600	2,978,160
Mindanao Mother Lode	Au.	18,947	1,289,919
	Ag.	24,292	32,308
	Cu.	85	57,931
Surigao Cons.	M.O.	44,200	1,380,158
	Au.	12,483	891,931
	Ag.	12,658	16,633
Taysan Gold	Pb.	63	51,368
	M.O.	44,689	959,932
	Au.	4,386	307,069
Surigao Placer	Ag.	11,602	16,781
	M.O.	11,743	323,850
	Au.	500	34,986
Tambis Gold	Ag.	149	221
	C.Yd.	63,304	35,207
	Au.	1,135	90,300
Totals	Ag.	None	None
	C.Yd.	144,452	90,300
	Au.	133,928	₱ 9,367,575
	Ag.	98,848	138,422
	Cu.	3,050	2,182,980
	Pb.	63	51,368
	M.O.	529,508	11,740,345
	C.Yd.	207,756	

Compiled in the Bureau of Mines

II. Gold and Silver Production in the Philippines for the Third Quarter of 1949

Names	T O T A L S			Value in Pesos
	Quantity			
Atok-Big Wedge.....	Au. —	15,787	oz.	1,105,028
	Ag. —	9,573	oz.	14,196
	M.O. —	37,367	S.T.	1,118,624
Balatoc.....	Au. —	17,647	oz.	1,235,290
	Ag. —	9,687	oz.	14,531
	M.O. —	89,619	S.T.	1,249,821
Benguet Cons.....	Au. —	12,850	oz.	899,640
	Ag. —	7,005	oz.	10,509
	M.O. —	61,876	S.T.	910,149
Lepanto Cons.....	Au. —	7,096	oz.	496,720
	Cu. —	1,932	M.T.	1,138,710
	M.O. —	49,304	S.T.	1,635,430
Mindanao Mother Lode.....	Au. —	12,687	oz.	863,665
	Ag. —	18,040	oz.	23,994
	Cu. —	64	M.T.	34,656
M.O. —	27,200	S.T.	922,315	
Surigao Cons.....	Au. —	6,698	oz.	468,849
	Ag. —	4,981	oz.	7,472
	Pb. —	88	M.T.	45,629
M.O. —	26,960	S.T.	485,950	
Taysan Gold.....	Au. —	1,653	oz.	115,694
	Ag. —	5,465	oz.	8,198
	M.O. —	5,942	S.T.	123,892
Surigao Placer.....	Au. —	None	None	None
	Ag. —	None	None	None
	C.Yd. —	None	None	None
Tambis Gold.....	Au. —	472	oz.	35,300
	Ag. —	None	None	None
	C.Yd. —	51,295	c.y.	35,300
TOTALS	Au. —	74,890	oz.	5,220,186
	Ag. —	54,752	oz.	78,900
	Cu. —	1,996	M.T.	1,173,366
	Pb. —	88	M.T.	45,629
	M.O. —	298,268	S.T.	6,518,081
C.Yd. —	51,295	c.y.		

III. Mineral Production (Base Metals) in the Philippines for the First Six Months of 1949

Names	T O T A L S		Value in Pesos
	Quantity in M.T.		
Acoje.....	36,047		1,042,620
Luzon Stevedoring—Metallurgical Chromite	6,800		252,750
Manganese.....	8,927		305,250
Misamis—Metallurgical Chromite.....	1,100		57,000
Consolidated—Refractory Chrome.....	121,090		2,425,800
British-American Corp.—Manganese.....	1,395		55,800
Cia. Minera de Filipinas—Manganese.....	1,200		45,600
Palawan Manganese.....	4,626		159,994
Philippine Iron Mines.....	110,016		1,719,766
Samar Mining—Iron.....	14,903		208,742
TOTALS—Met. Chromite.....	43,947		1,352,570
Ref. Chromite.....	121,090		2,425,800
Manganese.....	16,148		566,644
Iron.....	124,919		1,928,508
			6,273,522

Compiled in the Bureau of Mines

IV. Mineral Production (Base Metals) in the Philippines for the Third Quarter of 1949

Names	T O T A L S		Value in Pesos
	Quantity in M.T.		
Acoje.....	17,285		563,800
Luzon Stevedoring—Metallurgical Chromite	10		500
Manganese.....	7,424		274,165
Misamis Chromite.....	1,544		67,936
Consolidated—Refractory Chrome.....	42,250		852,250
British-American Corp.—Manganese.....	Nil		Nil
Cia. Minera de Filipinas—Manganese.....	Nil		Nil
Palawan Manganese.....	Nil		Nil
Philippine Iron Mines.....	54,529		841,484
Samar Mining—Iron.....	Nil		Nil
TOTALS—Met. Chromite.....	18,839		632,236
Ref. Chromite.....	42,250		852,250
Manganese.....	7,424		274,165
Iron.....	54,529		841,484
			2,600,135

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 NEW ENGLAND Stationery
 OHMER Cash Registers
 OLD TOWN Office Machine Ribbons, Carbons

PECO Safes
 POWERS Stationery
 PURITAN Stationery
 PURO Disinfectants and Deodorants
 RITE-RITE Mechanical Pencils
 SUNSHINE Straws, Cups and Souffles;
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V. Summary of Mineral Production for the First Six Months of 1949

Names	Quantity	Value in Pesos
Metallic Minerals		
Gold.....	133,928 Oz.	₱ 9,367,575
Silver.....	98,848 Oz.	138,422
Copper.....	3,050 M.T.	2,182,980
Lead.....	63 M.T.	51,368
Manganese.....	16,148 M.T.	566,644
Chromite.....	165,037 M.T.	3,778,370
Iron.....	124,919 M.T.	1,928,500
TOTAL.....		₱18,013,967
Non-Metallic Minerals		
Cement.....	555,874 Bbls.	₱ 2,871,046
Gypsum.....	765 M.T.	36,719
Coal.....	64,854 M.T.	1,459,388
Rock Asphalt.....	17,700 M.T.	415,700
Total.....		₱ 4,782,853
GRAND TOTAL.....		₱22,796,720

Compiled in the Bureau of Mines

Lumber

By Luis J. Reyes

Philippine Representative, Penrod, Jurden & Clark Company

THE petition of the lumbermen through their Association to lower government charges on timber has been favorably acted upon by the Administration. Lumbermen were invited to the office of Secretary Mapa of the Department of Agriculture and Natural Resources to witness the signing of Administrative Order No. 12 reclassifying commercial species of trees. This new grouping which took effect October 1, 1949, will mean a reduction in forest charges (stampage) on the commercial species of from ₱3.50 to about ₱7.00 per 1,000 board feet of sawn lumber, in other words, most species were returned to their pre-war grouping.

The industry was also favored with a reduction in the freight charges on lumber and logs to the United States of \$8 per 1,000 board feet on lumber and \$4 on logs. As

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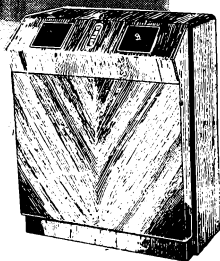
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it now stands, the freight rates on lumber from the Philippines to the United States Pacific Coast is \$35.50 and to the East Coast \$47.50 per 1,000 board feet; on logs it is now \$36 to the West Coast and \$49.50 to the East Coast.

There is a very favorable local reaction to Director of Forestry Tamesis' trip to the United States on behalf of the Philippine woods. His address before the Convention of the National Hardwood Lumber Association in Chicago was timely and will undoubtedly help in regaining the market for Philippine wood. It will, however, be a few months before the effect of all these efforts will be felt by the industry.

The shipments during the month of September amounted to 3,272,442 board feet, slightly less than the month of August. Had it not been for the unusual shipment of about a million board feet of lumber to Okinawa, and 287,640 board feet to Korea, exports would have been the lowest for the year so far. The total shipment to United States amounted to 1,213,598 board feet of which 795,306 were logs and 418,292 sawn lumber. About two-thirds of this was landed on the West Coast and the rest on the East Coast. Judging from numerous inquiries being received from the United States, lumbermen are of the opinion that there will be an increasing volume of exports to United States during the following months.

As regards the local market, an increase of about P5 to P10 per 1,000 board feet has been noted. This rise in prices was expected, because this is the beginning of the dry season when building construction is generally accelerated. Last year, lumber prices in September to October were around P140 for white lauan and P160 for tanguile. During January to March, however, prices went up to as high as P160 and P200. It is probable that about January to April of this year, white lauan will reach P150 to P160 and tanguile P170 to P180; apitong prices are generally between the reds and the whites.

The new classification of trees into groups in accordance with Forestry Administrative Order No. 12, dated September 29, 1949, is as follows:

- (a) *First Group* — P3.50 per cubic meter (Forest charges)
- | | | | |
|--------------------|-------------|--------------------|------------------|
| Akte | Duñgon | Kamagong or Mabolo | Tiedalo |
| Aranga | Ebony | Kullisau | Urung |
| Banslegia | Ipil | Malaboug | Yakal |
| Benyau | Kaburo | Masomo | Basilan yakal |
| Batikuling | Kalamansani | Margapai | Gisok |
| bakan | hambabalud | Moleve | kaliot |
| metang-use | slim | Narra | magasuu |
| Batidian | tironon | Saigilo | malayakal |
| Betis | uisik | Supa | espludigan |
| Dadigala or Saenit | Kalantas | Tambuluan | small leaf yakal |
| | | Teak | yamban |
- (b) *Second Group* — P2.00 per cubic meter (Forest charges)
- | | | | |
|--------------------------------|----------------------------------|------------------|----------------------|
| Akleng-parang | Bitanghol or palomaria del monte | kayu-galu-Lanete | Mapili or dirigkalin |
| Alupag | panitaoon | Makasinim | Maragogo |
| Ampayan | marabiteog | Malabayabas | Narek |
| Amayan | | taba | Narig |
| Anubing | Bolong-eta | tiga | Pagatpat |
| Kaliot | Cefa-Setula | Malakadios | Sudiana |
| Kubi | Duñgon-late | Malugai | Tabau |
| Balu | Gujo | Mangachapui | Temayuan |
| Bansa | Gisok-gisok | dalingdaling | Tangin |
| Bitog or palomaria de la playa | Katmon, mala-ketmon-kalabau | Manggis | Tukang-kala |
- (c) *Third Group* — P1.25 per cubic meter (Forest charges)
- | | | | |
|-------------------|----------------------|-------------|--------------------|
| Agoho | Kaliñg | Malabatio | Oak or Olayan |
| Agoho del monte | Kalumpit | Malakamanga | Pahutan |
| Marubok | daimis | Malakausan | Palosapis |
| Almacia | ekak | Malapingen | afu |
| Amugis | Kamatog | Malumbaga | dagang |
| Anislag | Kamunang | Malibayo | Mindanao palosapis |
| Antipolo | Kato | Malasag | Piagu |
| Apitong | Kayata | Malsentol | Pine, Bequet |
| hagahak | Kuling-manuk | Mangas | Mindoro pine |
| pasau | Lamio | Mayapis | Red lauan |
| Bagra or Amamanit | Lamog | Misao | Salarin |
| Bahai | Lampau | Nangka | Sentot |
| Bacino | Lanutan | Nato | Tabigi |
| Batikung | Luzin | salatak | Tugbok |
| Bayanti | Lumbayau | dulico | Talasa |
| Binggas | lumbayau-bato | malak-malak | Talasi-gubat |
| Bulala | Malapujo or malakeya | manik-manik | Tahle |
| Cishan | | palak-palak | Tuong |
| Haras | | | Toog |
- (d) *Fourth Group* — P0.60 per cubic meter (Forest charges)
- The fourth group shall include all species not included in any of the other groups.

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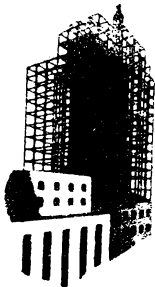
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Copra and Coconut Oil

By MANUEL IGUAL

Executive, Vice President, El Dorado Oil Works

AND KENNETH B. DAY

President, Philippine Refining Company, Inc.

September 16 to October 15

A few days after this period began the pound sterling was devalued. This action, of course, was immediately hailed as bearish from the viewpoint of Philippine copra and coconut oil and the markets showed it. Consequently, we had a few days of uncertainty and declining prices. Thereafter, due to light offerings and a certain amount of buying-demand, markets began to recover and by October the prices actually topped mid-September prices. This was soon overdone, however, and at the end of the period both coconut oil and copra were about where they were on September 15, with whatever pressure there was, downward.

The variation in copra prices over this month was not very great. Starting with a trading price of \$155 c.i.f., copra declined to \$145 at the lowest, then advanced to \$160 and even \$165 for one or two trades, eventually declining to about \$160 c.i.f. A certain amount of trading took place throughout the month but there were no particular heavy periods of buying or selling. As was to be expected, European buyers were practically out of the market and quotations were more or less nominal. One or two minor trades were reported for Northern Europe and one fair-sized piece of business for Colombia. Wherever possible, European buyers naturally preferred to purchase from sterling areas which, however, were themselves not overburdened with supplies.

The chief feature of this period was the disappointing low production of copra. One of the causes of this was the insufficient rainfall during the earlier months of the year, which is already affecting production and may continue to

affect it for months to come. In addition, September/October was a period of rice harvesting which always diverts attention from copra. So there has been no great surplus of copra, even for minimum American use. Had there been any substantial surplus, prices might have dropped considerably because competing oils and fats, which were strong in August and early September, had lost their steam due to pressure of heavy crops. Notably cottonseed oil lost most of its strength because the program of buying-support announced by the Department of Agriculture in Washington proved disappointing to the trade. Also, both the soya-bean and cottonseed crops bid fair to exceed the most optimistic predictions. And fallow of course remains over-abundant even in the face of heavy exports.

LOCALLY, the copra market fluctuated with outside markets and in accordance with demand by Philippine crushers. In Manila, prices took a drop of from P28 to P25 per 100 kilos when devaluation was announced. This was chiefly a psychological reaction, however, and lasted for but a few days of light trading, the market subsequently hardening up to P30 where it stood when the period ended. The story at Cebu and other larger centers was pretty much the same.

LARGE coconut-oil buyers took advantage of devaluation to withdraw once more from the market, in the hope of either depressing prices of Philippine oil or of being able to buy oil from sterling areas to better advantage. But the 2 cents processing-tax differential, coupled with inadequate sterling supplies to service sterling areas, prevented the latter, and Philippine copra was never pressing hard enough on the market to justify sales in quantity at greatly reduced prices. But it is true that there was some small selling, chiefly speculative, of Coast oil from 13 cents down to 12-1/2 cents f.o.b.P.C. for prompt, with futures scaled down, for some unknown reason, to 11-1/2 cents for January/March delivery. Also on the East Coast, oil sold down from 13-1/2 cents c.i.f.N.Y. to 12-1/2 cents for a few small parcels, recovering at the end to a point where sellers were holding for 13-1/2 to 13-3/4 and

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buyers were showing no interest at over 13, possibly 13-1/4 cents. All in all, it was a period of very light trading, and substantial spot premiums were conspicuous by their absence. Consumers were reported as comfortably supplied until November at least.

COPRA exports for September, while smaller than in August, were satisfactory, totalling 55,473 tons, as against 62,390 tons last month and 44,747 tons in September, 1948. These shipments were distributed as follows:

<i>United States</i>		
Pacific Coast.....	38,163	
Atlantic Coast.....	3,960	
Gulf Coast.....	6,950	
		49,073
Canada-Pacific Coast.....		4,800
Italy.....		1,000
Germany.....		600
		55,473 tons

Oil exports were slightly above August, amounting to 5,631 tons as against 5,300 in August and 2,691 in September, 1948. This oil was distributed as follows:

<i>United States</i>		
Pacific Coast.....	203	
Atlantic Coast.....	5,033	
		5,236
Italy.....		395
		5,631 tons

Combined copra and oil shipments in terms of copra approximated 64,500 tons, as against 71,000 tons for August and 49,000 tons for September, 1948. The feeling was general that the copra season had passed its peak.

COPRA cake and meal were dead numbers during this period. Europe was not buying because of lack of dollars, but nominal quotations ranged from \$35.00 down to \$34.50. The Coast meal market was oversupplied temporarily and dropped from \$45-46 c.i.f. down to \$42. Toward the close, however, the market steadied up to \$44-45, with reasonable demand in evidence.

Coconut oil still remains absurdly overpriced in comparison with the clearly underpriced domestic oils and fats in the United States. This practically ensures that American consumption of coconut oil will be held to minimum requirements as long as this condition pertains. For these minimum requirements the price must be governed by the availability of copra. Right now there are few signs of any great surplus of copra during the remainder of this year or early 1950, although November supplies should show an improvement over October. Consequently, there is a tug-of-war between reluctant sellers and relatively uninterested buyers, and substantial price fluctuations or heavy trading in the near future is not in prospect at this time. There may be occasional spot premiums at one time or another before the year-end, for undoubtedly consumers are not oversupplied and offerings are conservative, but on the whole, although many buyers are confidently predicting lower prices, there is little in the local picture to justify either pessimism or optimism.

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We consistently end our reports with qualifications. Experience has taught us, to our sorrow, that the least expected often happens in the copra and coconut oil game; and predictions are always dynamite. It would be no overstatement to characterize the present attitude of copra and oil traders as one of complete uncertainty, with opinions varying to the extent of the number of those guessing as to what will happen next.

Desiccated Coconut

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

THIS report covers the period from September 15 to October 15 during which time the industry picked up capacity and, despite one Luzon mill being shut down, had one of its best post-war production months.

The expected fall in copra and nut prices because of devaluation of the pound sterling did not materialize and instead copra took a firm position, nut prices toward the end of the period having advanced ₱8.00 over the opening.

During this time it was difficult to buy nuts at copra

parity and the desiccators were forced to pay prices higher than copra equivalent, particularly in areas where copra was shipped locally.

Labor-management problems remained at a minimum, with no outstanding issues except possibly the cut in the Peter Paul employees staff to take care of a decrease in production during the remainder of the year and to take care of production changes for the coming year which will result from a change to more modern machinery.

The shipping statistics for the month of September are as follows:

Shippers	Pounds
Franklin Baker Company	5,101,000
Blue Bar Coconut Company	641,550
Peter Paul Philippine Corporation	2,083,700
Red V Coconut Product, Ltd.	2,896,200
Sun-Ripe Coconut Products Inc.	0
Standard Coconut Corporation	826,200
Cooperative Coconut Products	668,000
Tabacalera	470,000
Coconut Products, Inc.	257,580
Luzon Desiccated Coconut Corp.	304,705

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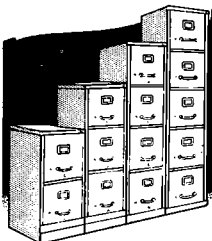
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Manila Hemp

By H. ROBERTSON

*Vice President and Assistant General Manager,
Macleod and Company of Philippines*

THIS review covers the period September 16 to October 15. For the greater part of this time, terminal markets ruled easy and prices declined moderately due to lack of buying interest. During the last few days of the period some buying interest developed which caused the market to firm up and previous losses were quickly erased. As a result, prices closed around the levels prevailing a month ago.

A moderate amount of business to Europe was recorded, but only a small volume was done to Japan. The regular SCAP buying has not been resumed as yet, but demand from this source is likely to develop by November.

In the Philippines, prices closed about unchanged. Davao prices remained steady throughout the period while Non-Davao, after declining moderately in sympathy with consuming markets, recovered close around previous levels.

Philippine provincial quotations October 15:

	Per Picul Basis Loose	
Davao I.....	₱50.00	—Unchanged since September 15
Davao J.....	57.00	— " " " "
Davao G.....	48.50	— " " " "
Non-Davao I...	₱57.00	—Up ₱1 " " " "
Non-Davao G..	38.50	—Down ₱0.50 " " " "
Non-Davao K..	24.00	—Unchanged " " " "

New York quotations October 15:

	Per Lb. C. I. New York	
Davao I.....	26-3/4¢	—Unchanged since September 15
Davao J.....	26¢	—Unchanged " " "
Davao G.....	23-5/8¢	—Down 1/4¢ per lb. since September 15
Non-Davao I...	26-1/4¢	—Unchanged " " "
Non-Davao G..	18-1/2¢	—Down 3/4¢ " " "
Non-Davao K..	15¢	—Unchanged " " "

Production for September, 1949, was 38,901 bales. This represents an increase of 7,235 bales from August, 1949. Non-Davao September balings totaled 22,377 bales — up 5,441 bales from August; and Davao, 16,524 bales — up 1,794 bales from August. Exports for September amounted to 29,930 bales. Production for the first nine months of 1949 was 387,833 bales against exports for the same period of 350,680 bales. Production for January/September, 1949, was 86,327 bales lower than production for the same period of 1948.

Sugar

By G. G. GORDON

Secretary-Treasurer

Philippine Sugar Association

THIS review covers the period from September 29 to October 27.

New York Market.—September closed with the market steady and with Puerto Rican and Hawaiian parcels offering at 6.05¢. March arrivals from the Philippines were offered at 5.80¢. The market continued at about this level until October 7, when fears that the reported settlement of the Hawaiian strike might make excessive supplies available and also that the Department of Agriculture was contemplating increasing supplies, caused a decline and some Puerto Rican sugars were sold at 5.98¢. Thereafter the tone of the market again became firmer and on October 14 there was nothing offering under 6.05¢, with buyers' idea at 6¢. Small sales were made on October 17 at

6¢ and this price was again paid on October 19. By October 20 some sellers had raised their idea to 6.10¢ but buyers were not interested at this price, and the end of the period found the situation with sellers but no buyers at 6.05¢.

The United States distribution of sugar up to October 19 was 6,254,699 tons, against 5,955,681 tons to the same date in 1948.

During the period under review, no sales of Philippine sugar were reported.

The price of refined in the U. S. remained at 8.05¢.

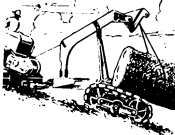
We give below the quotations on the New York Sugar Exchange as of October 19 for contracts Nos. 4, 5, and 6:

	Contract No. 4	Contract No. 5	Contract No. 6
November	—	—	5.53
December	—	5.57	5.44
January	—	5.44	5.43
March	4.14	5.33	5.23
May	4.14	5.33	5.22
July	4.14	5.33	5.22
September	—	5.34	5.22
November	—	—	5.24
January	4.24	—	—

Local Market.—(a) Domestic Sugar. The position remains the same as in our last report. Some shortage of sugar supplies in the local market has been reported in the press, but at time of writing the quotations for domestic sugar appear to be easing off.

(b) Export Sugar. There was little doing in export sugar. Exporters were quoting from ₱14.45 for November shipment to ₱13.50 for delivery up to March, 1950. Two centrals started milling on Negros on October 15, but due to bad weather and lack of field labor, harvesting is proceeding very slowly. A general start in milling is not expected until November 15, by which time the elections will be over.

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General.—1949/50 Crop Estimate. The Philippine Sugar Association published an estimate of 833,775 short tons.

Freight Rate. The Associated Steamship Lines announced that the freight rate for the year beginning November 1 would be at the rate of \$12 per long ton to United States Atlantic ports.

Hawaii. The long drawn out strike in Hawaii finally terminated on October 27, when it is reported the stevedores returned to work.

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Tobacco

By THE CONDE DE CHURRUÇA
President, Manila Tobacco Association

SALES of locally manufactured cigarettes have shown a certain improvement during the past month. It is believed that the higher prices asked for imported cigarettes and the fact that many dealers are withholding their stocks from the public in the hope of commanding even higher ones (because of possible further import control measures), has very much to do with this increase in sales. We cannot prognosticate how long this will last, but at least it opens possibilities for the local factories.

The sale of cigars due to the proximity of Christmas will also increase and many will be exported to the United States. Almost all the cigars being exported are of the high-quality types, and we hope sincerely that American smokers will appreciate and enjoy them.

Of course, it is not to be expected that the export will rise to any great volume, as the more important cigar firms in the United States are not interested in our high-priced cigars and insist on the 6-cent cigar or at most the 2-for-15-cent type.

In the leaf-tobacco business the market is quiet, very few sales having been made yet from the new crop, although the buying season is practically over. It is believed that by the end of the year or during the first months of 1950, more business will be done, but probably at lower prices than last year because a substantially larger crop is expected for 1950 if weather conditions continue favorable.

Imports

By LOUIS S. KRAEMER
Vice-President, Mercantile, Inc.

IN the following table of imports for the first, second, and third quarters of the year, it is to be pointed out that cement is included among the building-material imports and flour and rice among the foodstuffs. The separate figures for these items are, in metric tons:

	1st Quarter	2nd Quarter	3rd Quarter
Cement.....	34,074	50,566	17,198
Flour.....	26,754	37,565	25,792
Rice.....	113	30,287	62,847

It is to be pointed out also that galvanized-iron sheets and structural steel are taken up under the heading "Metals" and are not included under "Building Materials" which heading covers only such items as glass, plumbing fixtures, tiles, wall-board, etc.

Comparison of First Three Quarters, 1949, Manila Imports (metric tons):

Commodity Group	First Quarter	Second Quarter	Third Quarter
Advertising Materials.....	126	176	158
Automotive.....	5,510	7,639	7,350
Beverages.....	2,554	3,034	1,432
Bottling.....	11,400	8,213	5,773
Building Materials.....	53,222	67,366	30,107
Chemicals.....	53,401	15,997	5,324
Chucheria.....	574	469	236
Cleansing and Laundry.....	824	1,282	596
Clothing.....	2,015	1,527	1,168
Cosmetics.....	1,088	851	405
Entertainment Equipment.....	49	54	40
Explosives.....	289	282	206
Fabrics.....	1,898	2,592	2,219
Firearms.....	157	923	40
Foodstuffs.....	101,696	129,809	146,219
General Merchandise.....	2,549	3,563	2,103
Hardware.....	20,867	19,134	22,644
Household.....	8,227	6,607	5,263
Leather.....	682	593	538
Machinery.....	6,591	6,506	7,522

Medical	1,802	1,704	1,235
Metals	33,051	43,121	41,877
Mineral	342	351	310
Non-Commercial	144	122	140
Office Equipment	546	518	380
Office Supplies	221	163	117
Paper	16,499	17,416	11,333
Petroleum Products	165,625	255,489	197,996
Photographic	126	107	117
Radio	238	283	158
Raw Materials	398	522	396
Rubber Products	3,896	3,384	1,890
Sport Equipment	136	121	120
Stationery	1,180	1,514	773
Textiles	14,243	8,458	8,389
Tobacco	3,278	5,367	1,346
Toys	223	176	200
Twine	233	256	142

Robot Statistics

Food Products

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

CONDITIONS have changed very little in the Philippine market as regards imported foodstuffs during the last two months. Ample stocks are to be found of practically all commodities in spite of the import control restrictions which affect importations of certain lines, in fact overstocks still exist on a few commodities.

Imports of wheat flour for the past month or more have been larger than normal, but while stocks are more than ample no serious overstock exists. Importations of canned milk, both evaporated and powdered, have slackened off somewhat from previous months, but the market is definitely overstocked on this commodity.

Stocks of canned vegetables and canned fruits are sufficient to cover all requirements and the same thing is true of fresh fruits and vegetables even though the latter as well as canned vegetables are under import control. It is anticipated, however, that stocks of fresh fruits, particularly, and of fresh vegetables will be decidedly on the short side from now on until the end of the year, many importers having brought forward already the total quantities allotted to them for the entire semester, and imports to arrive from now on, it is anticipated, will be far less than sufficient to meet demand.

Prices of canned fish from California have been dropping steadily since the present fishing season opened in August. Advices from California are that prices now being quoted are down to or below the actual canning cost, so much so that several of the large canneries in Southern California have temporarily stopped operations and do not expect to resume canning until present stocks are cleared up and prices at least become firm at present levels, even if they should not increase. In the meantime, very large quantities of canned fish are arriving on almost every steamer and the market is definitely overstocked. Importers who brought in fish purchased speculatively before the opening of the California season and at the high prices then existing, are taking considerable losses to dispose of such importations. Arrivals of canned meats have been greater than average and the market at present is very well supplied on practically all varieties.

For some time apprehension has been felt by local flour importers that the Philippine Government would ratify the International Wheat Agreement, becoming a member thereof, and by so doing would restrict flour importations in the Philippines and make it much more difficult to do business in this prime commodity. For this reason buyers in general held off purchasing for a continued period, which was the cause of clearing up overstocks at that time existing. It would seem probable now that the Philippines could not become a member of IWA

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before June 30, 1950, even if the International Wheat Agreement were ratified by the Philippine Senate. The reason for this is that, according to information received, the Council which governs operations under the International Wheat Agreement, recessed as of October 31, 1949, not to convene again until June 30, 1950; thus if the Philippines were to ratify the IWA at a special session of the Philippine Congress, called before the end of this year, or at the regular session of Congress to be held January next, that ratification and the application of the Philippine Republic to be a member of the IWA could not be acted upon officially till the Council would again meet on June 30, 1950.

IMPORTERS in general have been greatly worried by possible extension of import control to many commodities so far not included therein, and also by possible still further restrictions on the commodities already included. A list was published in Manila newspapers on September 21 purporting to be the list recommended to the President by the Import Control Board for necessary presidential decree. This report was formally denied, and to date import control has not been extended. Rumors are current, however, to the effect that further import control restrictions will be put into effect in the near future. *Should they approximate the list as published on September 21, the effect on imports in general will be very severe and will inevitably materially affect their operations to the extent that many importing firms will probably have to close and others will be forced to curtail their staffs of employees and laborers, thus aggravating the present unemployment situation. Drastic cuts in imports of canned fish particularly, also of canned meats and certain other items, will inevitably increase living costs for the population in general. It is sincerely to be hoped that drastic restrictions will not be imposed on imports of essential commodities.**

* Italics are the Editor's.

Textiles

By JAMES TRAYNOR

THE activity in the textile market noted during September continued throughout October. The supply, however, will more nearly equal demand for the rest of the year due to increased arrivals which during October were estimated to be 25% greater than during September. Local prices continued to be in line with landed costs. Importers reported that collections during the month were satisfactory.

During October arrivals from Japan were about four times greater than those of September. This competition is expected to continue and must be recognized as normal, and Japan will probably be an important source of supply of some grades of textiles from now on.

The New York textile market was firm with some increases noted during the month.

Legislation, Executive Orders, and Court Decisions

By EWALD E. SELPH

Ross, Selph, Carrascosa & Janda

AMONG the decisions of the Supreme Court promulgated this year is one (Villaroman vs. Techico No. 1952) relating to rental of commercial property. It is based on the principle that where no definite term has been fixed, the landlord may terminate the tenancy at the end of any month. As support for this decision the Court cited several cases decided since liberation, one of which

expressly upheld the validity of termination of tenancy, notice of which was given on the 10th of the month effective at the end of the month. The Court also held that Commonwealth Act 689 as amended by Republic Act 66 relating to residential property was not applicable to an apartment on the second floor of a store building.

A STEP toward prevention of strikes was recently (October 17, 1949) taken by the Court of Industrial Relations sitting in banc. (Manila Cordage Workers' Union vs. Manila Cordage Co. No. 349-V[1]). The Court said:

"The objection to the order of the Court directing the laborers to return to work within two days, is clearly untenable. Said order was promulgated after exhaustive hearing of the petition of the respondent company that the strike be declared illegal, and that it be authorized to dismiss the strikers. The error, if any, committed by the Court consists in not declaring the strikers dismissed for abandonment of employment, such being the generally accepted consequence of an arbitrary or illegal strike. The Court, however, felt that in this case it could exercise grace by giving the strikers a chance to keep their jobs; and in order to grant the management some relief, a 3-year ban against striking was imposed on the strikers. Said period of 3 years is believed reasonable, the same being the minimum time limit for the effectiveness of an award, order or decision of this Court. (Sec. 17, Commonwealth Act No. 103, as amended.)

"Petitioner, relying upon the decision of the Supreme Court in *Rex Taxicab Co. v. Court*, et al. (40 O. G. No. 13, p. 135), states that the Legislature, as the policy-making branch of the Government, did not find it advisable and necessary to prohibit strikes completely, and that in Commonwealth Act No. 103, as amended, the Legislature has set a well-defined and clear policy on strike which it is not the duty of the judiciary to enlarge, alter or modify. Of course, it is not true that said Act contains a well-defined and clear policy on strike.

"Our policy regarding strikes is one of restriction, as lucidly expressed by Chief Justice Moran in the *Philippine Match Company* case.

"Fundamentally and essentially, the final objective of establishing this Court, besides extending reasonable protection to labor, is to create and foster harmony between employers and workers so as to insure to the greatest extent possible that the wheels of industry shall continue revolving without hindrance or interference. In pursuance of that objective, we have no doubt that the Court may prohibit striking for a certain reasonable period, especially in a case like the present where the laborers concerned have shown a propensity to resort to strike at the slightest provocation."

A START has been made toward suppressing unfair competition through the use of packages or labels imitating those of another dealer.

In the case of *People vs. Chua Ho* in the Court of First Instance of Rizal City, the defendant was accused of imitating the package and label of an article dealt in by L. G. Wagner (Manila) Ltd. Mr. Wagner's product was a chewing gum, labelled "TATOO", for which trademark registration had been applied for in July, 1948. The defendant produced and sold an apparently photometrically similar package marked "TATUU". The defendant urged that he had applied for registration of his trademark used on his article and that the matter was one which should be decided by the Patent Office, and requested dismissal of the case against him. The prosecuting attorney argued that cases of unfair competition need not be submitted to the Patent Office for decision. The Court overruled the defendant's objection and when the case came on for hearing the defendant pleaded guilty. The Court then imposed the minimum penalty, a fine of P500, and confiscated 51 filled boxes of gum bearing the offending label and some 200 empty similar boxes. The Court reserved to the offended party the right to present a civil action for the damages he might have suffered.

The penalty allowed by law (Article 188 of the Revised Penal Code) is *prision correccional* in its minimum period, or a fine ranging from P500 to P2,000, or both.

Whether the judgment in this case will be the deterrent necessary to stop such unfair competition, which is becoming very injurious to legitimate business, remains to be seen.

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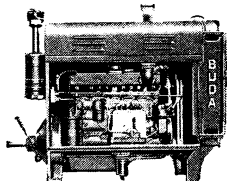
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Philippine Safety Council

By FRANK S. TENNY
Executive Director

RECENT activities of the Philippine Safety Council have been wide in scope and voluminous in content.

The national safety movement, sponsored by the Council, is prospering continuously and has gained ever-increasing public support. Some current highlights are listed below:

1. *Jeepney Forum* — A round-table forum will soon be held in an attempt to reach the elusive jeepney driver through representatives and later classes. Traffic-safety police experts will form one part of the forum, with selected representative jeepney drivers as the other. This is one of the first attempts to impart safety education to this important group of public-utility drivers.

2. *Membership Drive* — The annual Safety Council membership drive opened November 1. All old members are urged to renew at once, and new members are welcome. It is expected that the new membership rolls will be quite large and several new company and individual memberships have been accepted at this writing.

3. *Fire Prevention Board* — Four of the five Groups have met to date and it is hoped that Group I and the entire Board may be called to meet shortly after the elections. Important action is awaiting the meeting. There have been several costly fires recently.

4. *Bureau of Industrial Safety* — A meeting of the Advisory Safety Council of the Secretary of Labor has been called for November 11 to consider the matter of fees for proposed safety services. This was recently the basis for action by the Chamber and other organizations.

5. *Visits to Bus Operators* — A joint committee of the Safety Council and the Philippine Motor Association has been formed to call upon certain bus operators and to ask them to cause their drivers to drive more carefully and with obedience to traffic regulations. This is a "last resort" call before stronger action will be considered.

6. *Industrial Safety Programs* — As of this writing, a new company-wide safety program has been undertaken at the Atlantic Gulf and Pacific Co. Menzi & Co. and the Philippine Refining Co. are considering the same. Meantime, current programs are continuing at Pepsi-Cola, San Miguel Brewery, Meralco, Santa Clara Lumber, Ayala & Co., Pantranco, Manila Trading, and some government agencies.

7. *Safety Trainees Class* — Names are now being accepted for enrollment in the safety trainee's group, which will be composed of company representatives who desire to be trained in safety work. Interested parties are advised to contact the Council for information.

8. *New Acquisitions* — The Safety Council's technical staff has been increased by adding the services of Capt. Steven S. Rivers, industrial safety specialist, and the W. A. Chittick Co., electrical safety consultants. The Remedios Clinic, a new industrial medicine group, has also offered its services.

9. *Driver-Test Campaign* — The Safety Council's earnest attempt to modernize and improve existing procedures in connection with new and renewal driver-tests will be crystallized by publication time. The approved plan will be urged upon the Department of Public Works and Communications, in a post-election move.

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The Story of Meralco . . .

(Continued from page 484)

anese. Reductions in the wages of the Filipino personnel at this time ranged from 10 to 45%, the average being about 15%. Wages of those earning ₱40 or less a month were not cut.

Manila *Tribune* items concerning developments related to electric power included the following:

On March 6 the Japanese Army urged Manilans to economize in the consumption of electricity;

On March 18 it was reported that work on the Commonwealth's Caliraya hydro-electric development in Laguna was being rushed under the direction of Japanese army engineers;

On April 27 the Army ordered electric consumption cut in half; the operation of elevators and air-conditioning units was prohibited;

On May 4 the blackout was lifted "following the complete annihilation of enemy air-forces based in the Philippines";

On May 5 the electric power saving order was lifted;

On July 2 all electric public utilities were reported to have been placed under the management of the Taiwan Electric Power Company;

On August 5 the Caliraya station was reported to have been completed and inaugurated.

The *Tribune* published the following concerning the latter event (in part):

"Ceremonies on the occasion of the completion of the Laguna hydraulic power station in Caliraya, which was under construction for 3 years, were held on July 31, last. The opening of the power project was hailed as an outstanding event in the reconstruction of the new Philippines, especially Philippine industry... The ceremony opened at 11 a.m. with a worship to His Imperial Majesty, the Emperor's palace and prayer for the success of the Japanese Forces in the Greater East Asia War, and also with a prayer of appreciation to the dead soldiers. Rites of the Shinto religion were also performed..."

The Caliraya development was a project of the Commonwealth's National Power Company, the plant comprising three 10,000 KW units, only two of which were to be used at one time. Meralco had already contracted with the National Power Company to take up to 80,000,000 KWH a year, and had it not been for the war, the plant would have been in operation by the 1st of January (1942). However, there had been some sabotage, on order of the USAFFE, and it was chiefly only a little necessary repair work on which the Japanese based their crowings about this "outstanding" achievement.

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COST OF LIVING INDEX OF WAGE EARNER'S FAMILY* IN MANILA BY MONTH, 1946 TO 1949 (1941 = 100)

Bureau of the Census and Statistics
Manila

1946	All Items	Food (59.15)	House Rent (8.43)	Clothing (0.62)	Fuel, Light and Water (13.94)	Miscellaneous (17.86)	Purchasing Power of a Peso
January	603.4	759.2	236.4	984.0	363.8	434.8	1.657
February	547.2	656.3	236.4	940.3	369.5	460.5	1.827
March	525.9	631.0	236.4	940.1	340.4	445.2	1.902
April	556.2	684.1	236.4	910.3	345.5	435.9	1.798
May	545.1	675.6	236.4	762.5	342.3	409.6	1.835
June	538.7	666.4	236.4	737.9	343.3	404.2	1.856
July	552.7	704.3	236.4	598.9	341.3	364.6	1.809
August	477.9	590.0	236.4	384.7	320.9	346.3	2.092
September	477.9	591.3	236.4	378.7	314.5	347.2	2.092
October	487.4	587.2	236.4	382.7	405.8	342.7	2.052
November	484.8	607.8	236.4	406.4	346.5	305.2	2.063
December	461.9	570.8	236.4	371.9	344.7	302.1	2.165

1947¹ (100.00) (63.43) (11.96) (2.04) (7.73) (14.48)

January	426.2	368.2	453.9	381.9	326.2	282.5	2.346
February	418.5	454.9	453.9	356.2	344.8	281.4	2.389
March	406.8	440.1	453.9	295.2	334.7	279.4	2.458
April	387.7	413.3	543.9	269.2	328.9	271.6	2.579
May	381.0	404.4	453.9	250.9	325.4	269.4	2.625
June	386.3	414.4	453.9	236.8	316.6	268.6	2.589
July	393.4	426.8	453.9	217.7	309.3	269.9	2.542
August	387.4	419.8	453.9	210.2	292.0	269.1	2.581
September	368.9	392.1	453.9	216.4	283.3	266.8	2.711
October	358.7	376.3	453.9	212.7	280.5	267.7	2.788
November	358.4	376.3	453.9	215.1	280.5	265.3	2.790
December	371.9	395.8	453.9	219.1	298.2	262.9	2.689

1948

January	391.2	428.3	453.9	224.5	304.6	249.9	2.556
February	368.5	392.0	453.9	223.8	301.1	254.4	2.714
March	349.4	361.0	453.9	214.6	308.1	255.9	2.862
April	356.1	374.1	453.9	209.4	289.7	254.8	2.808
May	349.8	360.2	453.9	214.2	289.7	271.6	2.859
June	354.3	370.4	453.9	205.2	283.2	262.9	2.823
July	356.4	374.2	453.9	201.3	281.6	262.4	2.806
August	363.6	385.7	453.9	199.8	281.6	261.7	2.751
September	370.6	397.2	453.9	199.2	279.6	260.6	2.698
October	374.9	404.0	453.9	204.8	283.2	257.9	2.668
November	368.7	394.4	453.9	202.0	281.6	258.7	2.712
December	365.9	389.9	453.9	202.0	282.4	258.9	2.732

1949

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

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

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The

"LET YOUR HAIR DOWN"

Column

Mr. Henry Strauss, of Legaspi, Albay, stated in a letter that it was "with pleasure" that he was sending a P5.00 money order in renewal of his subscription to the *Journal*, and, after complimenting the editor, added the following really fine tribute which we sincerely hope we may deserve: "The excellent *Journal* you are publishing is a credit to the entire American community."

An official of the Columbia Rope Company, in Davao, sent the editor the following letter during the month:

"I see in the September issue that Mr. Robertson, Vice-President of Macleod & Company, wrote a very able article on the sugar market, only you good folks made a mistake and put it in the 'Manila Hemp' column. The writer would now like to have a copy of Mr. Robertson's customary report on the hemp market, and oblige."

To which the editor replied as follows:

"Dear Mr.—

"I conclude from your courteous letter that you are not one of our thousands of satisfied readers who go through the *JOURNAL* with breathless interest from cover to cover, for if, after reading all about sugar in the column headed 'Manila Hemp' on the right-hand page of the September *JOURNAL* open at pages 396 and 397, you had merely glanced at the left-hand page, you would have seen Mr. Robertson's article on hemp immediately preceding it under the heading of Mr. Jamieson's 'Sugar' column.

"I am wondering why anyone who cares enough about Mr. Robertson's monthly report to go to the trouble of writing me an airmail letter to tell me it is missing and to seek to furnish him with a copy, would not take the trouble to take a brief look at the preceding page, — or are you allergic to sugar?"

"Perhaps you did so look, and duly found the article you wanted, but are only bantering me.

"If so, I chuckle appreciatively.

"If this pointer was needed, and an explanation, the fact is that the column headings were inadvertently switched in the printing shop. That would seem to be obvious... That I carelessly overlooked an error I should have noticed and corrected, is also, I admit, obvious.

"Do not, I pray you, think that I look upon such a slip with indifference or with levity. When I did discover the error, which was immediately (of course) after the printing, anyone within hearing of me would have heard some very bitter language. In all such cases, however, I have learned to console myself somewhat with the thought that all men are fallible, and (I speak as an editor of long and sad experience) printers especially.

"Herewith my apologies to you and all our readers and to Mr. Robertson and Mr. Jamieson."

"My dear Mr. Editor,

"I was so amused by your remarks in the 'Hair-Down Column' (what a delicious title!) about your discovery that you have women readers, and then by that little paragraph about none of the ladies, on Coffee-Shop opening day, taking any notice of you. Now, dear Mr. H., that is just not true, and I know. I noticed you, so busy at your desk. I wanted to speak to you, but I just didn't dare! Men can be so rude when they are interrupted at their important work, though I don't like to think that of you. Although we have never met, I know that you would be very kind. Didn't you notice me, Mr. H? I was the lady with the hat. I won't give you anything more than that little hint..."

"Hat, hat?" said the editor. "I am sorry but I did not notice anybody with a hat. Very kind of the lady, though, to write in such a friendly way. But perhaps we had better not print it..."

"Oh, now," said we. "You wouldn't want to disappoint a lady, would you? Weren't you shooting off about gallantry only last month?"

"Well, I don't know..." said the editor.

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AMERICAN INTERNEES COMMITTEE

P. O. Box 2418, Manila
October 20, 1949

Dear Internee:

No doubt you are missing your daily lugao and talinum soup. You perhaps are also anxious to hear the latest rumors. Despair not; for our representative, Mr. Frank Wilson, is in communication with Uncle Sam's War Claims Commissioners. We can assure you that you or your descendants will eventually be given an extra pot of porridge to make up for the absence of dessert on your menu during the years you were the guest of the benevolent Kanichi and his brethren.

We feel sure you will have something to be thankful for this year, as we have been told that application forms are being prepared by the Commissioners and will soon be here for you to fill with your grievances.

Do not bother the War Claims Commissioners now as they are too busy to answer your questions at present. Wait patiently and draw your belt one notch tighter, and you will be advised when and how to act. Don't incur needless expenses or make needless agreements with respect to applications. *It will not be necessary for anyone to pay for having his claim filed with the War Claims Commission.*

The War Claims Commission has not yet issued any rules or regulations so we cannot answer the questions you may have in mind regarding individual cases. Even the amount of the payment you will receive is not definite, as there are amendments to the War Claims Act pending in Congress which stand a good chance to increase our benefits if we can secure their passage. They will be taken up before Congress the first of next year. Our Executive Chairman, Mr. Frank Wilson, will be there to urge their passage. We must be represented or we will not stand a ghost of a show. We need the help of every Internee. If you are unable to contribute your share of the expenses at this time, you should make a pledge to be contributed out of the first payment received by you.

It will also be appreciated if you will send the names of any American citizens who died during the Japanese occupation of the Philippines; also of any ex-Internees who died since liberation, giving the circumstances, date of death, and names and addresses of the next of kin, if known. Please send this information to—

MRS. GERMAIN NEWMAN
Executive Secretary
P. O. Box 2418
Manila, P. I.

The following are the amendments pending at present in the U. S. Congress, which are expected to be acted upon the first of next year:

Bill No. 144 introduced by Mr. Beckworth: to amend the detention benefits from \$60.00 per month to \$37.50 per week for adults; and for children from \$25.00 per month to \$18.75 per week. This would bring detention benefits back to the same amounts originally contained in the Hinshaw Bill.

Bill No. 1906 introduced by Mr. Hinshaw: to amend the War Claims Act so that, together with other claimants, the Internees will receive the \$1.00 per day for every day held as a P.O.W. for the violation by the enemy of its obligation to furnish him the quantity or quality of food to which he was entitled as a prisoner of war (P.O.W.) under the terms of the Geneva Convention.

Bill No. 143 introduced by Mr. Beckworth: to amend the War Claims Act with respect to the \$1.00 per day for food compensation from \$1.00 per day to \$10.00 per day. This last bill is being sponsored by the Veterans. If the above Bill No. 1906 to include the Internees in the \$1.00 per day compensation is passed, then we shall be automatically included in any increase which might be made if Bill No. 143 is passed.

These amendments, however, will not delay payment of the detention benefit, now amounting to \$60.00 a month for adults and \$25.00 a month for children.

ALVA J. HILL
Chairman, Manila Board
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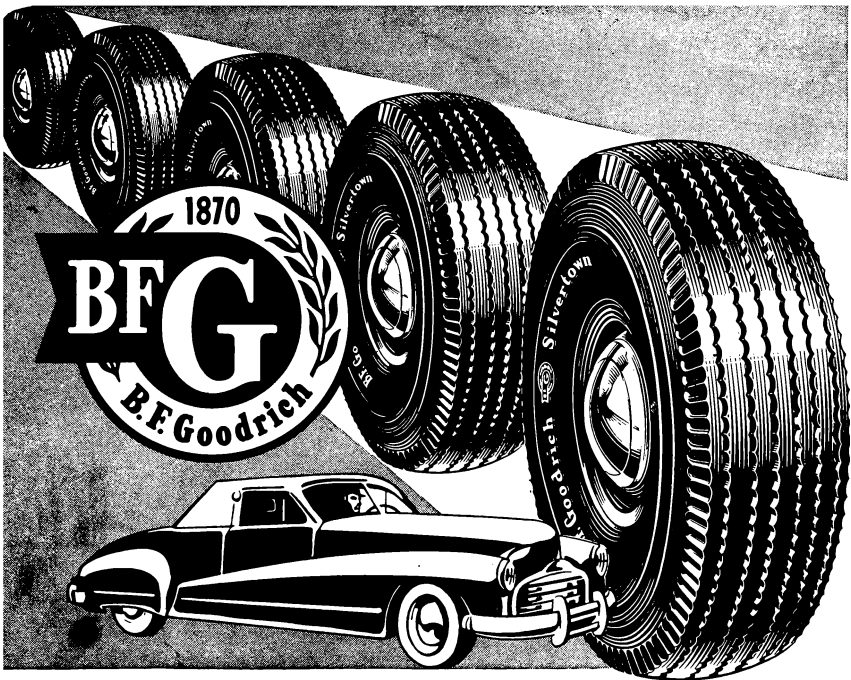
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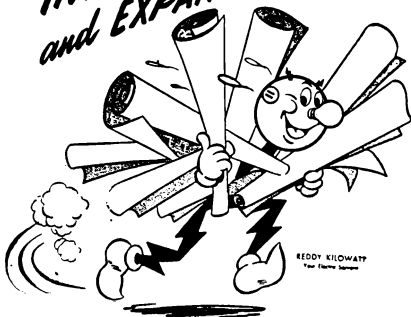
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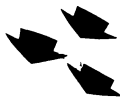
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