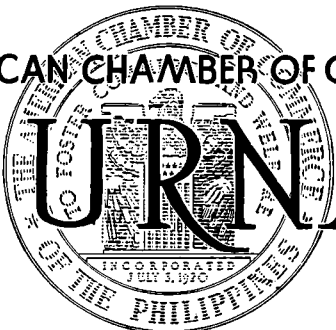


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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Editor and Manager

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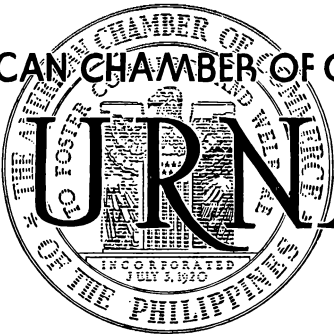
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THE AMERICAN CHAMBER OF COMMERCE

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Editorials

"... to promote the general welfare"

The fact that, as reported, the entire foreign diplomatic corps in Manila has registered, with President Magsaysay, its opposition to the Retail Trade Nationalization Bill and has asked him to veto it, is and "Embarrassment" of a significance which it is to be hoped will not be lost upon the Philippine Government.

It is generally believed that the President is opposed to the type of "legislation" which the Bill represents but that he was prevailed upon to certify this Bill (supposedly a "compromise" bill in which the more radical provisions of other similar bills were watered down) as "urgent" in order to get the Budget Bill through Congress.

It should be clear that the President can not lawfully approve a measure which is so obviously in contravention of the Constitution and of various treaties with other nations, as well as of all ideas of democracy and even of ordinary humanity. The fact that, under the terms of the Bill, foreign retailers would be given a number of years to get out of business, does not alter its basic meaning,—that of a death sentence. These provisions merely substitute for a quick hanging, a slow garroting.

The unlawfulness of the proposed "law" must have been obvious to many of the more experienced members of the Senate and House who voted for it, and the suspicion naturally arises that some of these men, at least, backed the Bill for no other purpose than to embarrass the President in his handling of both foreign and domestic affairs. This, as was pointed out in last month's issue of this *Journal*, is an old game and it is to be regretted that the President made the error of aiding those who are hostile to him by agreeing to certify this "compromise bill" as urgent.

Further embarrassment now seems unavoidable, and it is to be hoped that the President will realize that the embarrassment incident to a veto would be nothing compared to the embarrassment he would suffer in approving it.

The matter goes far beyond the mere embarrassment of any one. This type of legislation if persisted in would destroy any hope of progress and greatness for the Philippines.

The Philippine Government has for some years taken very seriously its own role in the promotion of economic progress and has resorted to various ways and means to accomplish this,—with success is a matter open to debate.

President Eisenhower's statement with respect to the role of government in economic progress, incorporated in the famous Economic Report of the President, delivered to Congress early this year, contains some very valuable suggestions.

As to the actual goal and the means of achieving it, he stated:

"Our economic goal is an increasing national income, shared equitably among those who contribute to its growth, and realized in dollars of stable buying power. To achieve this goal, the dynamic forces of our society must be fully released. Accordingly, Government programs must be designed to help maintain reasonable stability during periods of readjustment and to encourage long-term growth. The mandate of Congress as set forth in the Employment Act must always be kept before us: 'To promote maximum employment, production, and purchasing power... in a manner calculated to foster and promote competitive enterprise and the general welfare.'"

As to the "conditions of progress", the President said that while there is no formula that will guarantee economic progress, "progress can be nurtured by wise public policy, just as it can be impeded by careless or shortsighted policy." "Above all things," he said,—

"public policy should recognize that the atmosphere in which people pursue their productive activities is as important to progress as the physical resources they employ."

Under "conditions of progress", he spoke, first, of individual freedom, and then, in order, of adequate incentives, effective competition, savings and capital formation, research and development, and maintenance of economic stability. His remarks on individual freedom in relation to economic progress hold special significance for us in the Philippines. "Our history", he said,—that is, United States history,—

"provides abundant proof that a basic condition of economic progress is an environment in which the individual can, within wide limits, pursue his interests according to his own lights. American culture is an

expression of economic as well as political freedom, and of the interdependence of the two. Traditionally, our Government has sought to create and maintain a democracy of opportunity in which individuals have the general freedom and the specific opportunities to work, to spend, to save, to invest, and the incentive to pursue these opportunities to the fullest extent."

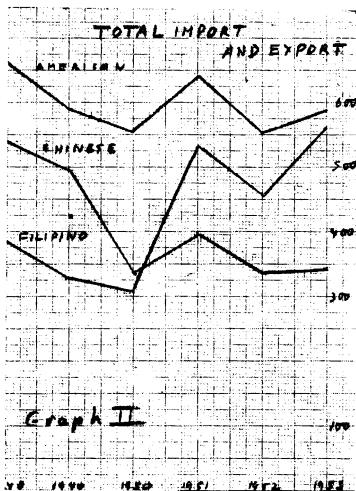
This concept, he said, "has not been made obsolete by the events of the last few decades."

"Two world wars and a world-wide depression brought a broadening of the scope of governmental activities, but this does not justify the oft-made assumption that the range of federal activities must continue to grow."

How by the touchstone of the Eisenhower statement, do the policies adopted by the Philippine Government test? What sort of atmosphere is being created? Is a democracy of opportunity being maintained? Is competitive individual enterprise being protected and fostered? Or are we playing ducks and drakes even with what little economic stability has been achieved?

Some two years ago, in the April, 1952, issue of this *Journal*, there appeared an editorial entitled "The Increasing Share of Filipino Traders in Philippine Foreign Trade". It was illustrated by a graph which showed this trend during the years from 1948 to 1951, inclusive. The present editorial, illustrated by a number of graphs, covers the years from 1948 to 1953, inclusive,—or two additional years.

Graph No. I shows the peso values of the annual imports and exports and the total trade during these 6 years. It will be seen that the lines are jagged, seemingly almost erratic, and that the total trade shows a general



over-all decrease rather than an increase. Of course, the high prices both of imports and exports during the first few years should be taken into consideration.

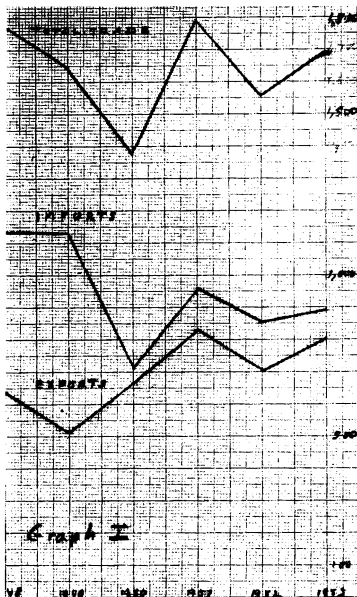
The annual export values show an upward trend, which is as it should be, but the import values show a generally downward trend, which is not as it should be, as, with a natural increase in population, increased production and earnings, and a rising standard of living, imports should increase. The jagged angularity of the lines for the total trade and for imports reflect in part the effect of the import controls which went into effect in January,

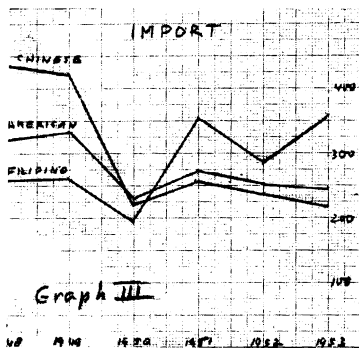
PHILIPPINE FOREIGN TRADE

By the traders of the principal three nationalities engaged in it
(in millions of pesos)

Year	Total Trade	Imports	Exports
1948.....	1,774	1,136	638
American.....	660	319	341
Chinese.....	542	438	104
Filipino.....	384	260	124
1949.....	1,646	1,134	512
American.....	589	333	256
Chinese.....	495	423	72
Filipino.....	359	263	96
1950.....	1,378	712	666
American.....	556	227	329
Chinese.....	337	221	116
Filipino.....	318	197	121
1951.....	1,790	959	831
American.....	639	275	364
Filipino.....	528	354	174
Chinese.....	393	257	136
1952.....	1,557	852	703
American.....	354	252	302
Filipino.....	454	286	168
Chinese.....	333	237	96
1953.....	1,696	895	801
American.....	579	248	331
Filipino.....	560	357	203
Chinese.....	343	220	123

Source: Annual figures published by the Bureau of the Census and Statistics

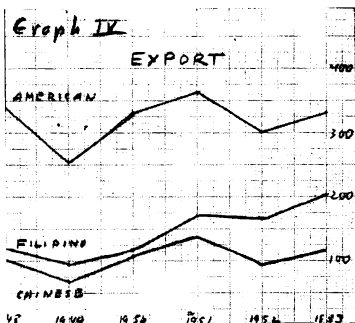




1949, and of the exchange control which went into effect in March, 1951.

The lines for the annual values of imports and exports also illustrate the fact,—well-known, of course, that the country's imports still exceed its exports, although the difference is decreasing. The value of Philippine exports has, though slowly, been catching up with the value of imports, and this, by itself, is as it should be; however, it is not as it should be that this has been achieved by a large reduction in the value of imports rather than by a large increase in the value of exports.

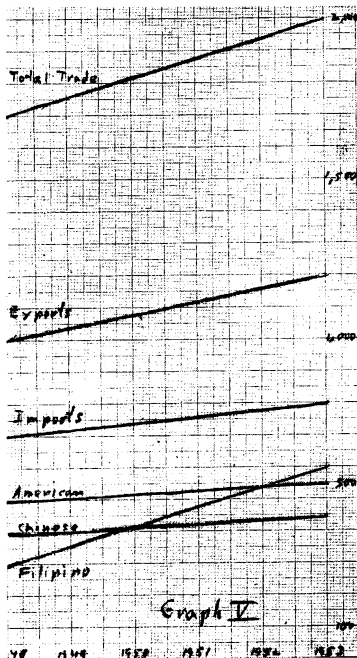
Graph II shows the values of the total annual imports and exports handled by the traders of the three principal nationalities engaged in the business. It will be noted that during the 6-year period, American traders maintained a lead, but that their business shows an over-all decline, and that the lead is narrowing rapidly. The most striking feature of the graph is the sharp decline in the annual value of the total import and export trade handled by Chinese traders and the rapid increase in the Filipino traders' share in the business after 1950. In the total trade for 1951, the Filipino traders rose not only from third to second place, but came close to obtaining the first place. In so far as this increased participation by Filipino traders is based on fair competition, this is as it should be, highly desirable; in so far as this position was won through various forms of official discrimination in their favor, it is not a good thing. In this connection, it is to be noted that the trade



as a whole of all three nationalities of traders decreased rather than increased, as did the total trade of all nationalities of traders, and that the rise in the Filipino traders' position was obtained, therefore, at the cost of a loss of business by other traders. Putting it shortly, there was no increase in business; the Filipino traders only got a larger share of what there was. There was, in fact, an overall decrease in the total import and export trade, and the country as a whole is therefore no better off. What has been going on is a sort of pie-cutting, with no increase in the number of pies being baked.

Graph III shows the annual values of the import trade taken separately as between the three principal nationalities engaged in it. The Filipino importers rose from third to first place in 1951 and maintained this position thereafter. The Chinese traders, who were well in the lead in 1948 and 1949, dropped to second place in 1950 and to third place the following year. The total value of the import trade handled by the Chinese traders dropped very sharply from 1949 on. The part of the import trade handled by American traders also decreased, but less rapidly. However, there has been but little difference in the respective shares of the American and Chinese traders since 1950. Both groups have lost heavily.

Graph IV shows the annual values of the export trade taken separately as between the three nationalities of traders. In this trade, the Americans are still well in the lead, as is natural because by far the greater volume of Philippine exports go to the United States. The Filipinos



have held the second place in this trade during the entire period and the Chinese the third place. The graph shows that the Filipino traders' share in the business is increasing, however. The gap between them and the Chinese is widening and that between them and the Americans is narrowing. The lines in this graph showing the exports are less irregular than the lines in the import graph, largely because of the fact that there is less "control" and less interference with exports than there is with imports.

These graphs, when viewed and considered together, are disquieting for the reason that while the position of the Filipino traders is improving, which, in itself, is as it should be, this is at the expense not only of other traders, but of the total trade which is certainly not as it should be.

The meaning of this is made clearer by the schematic Graph No. V, in the drawing of which an effort was made to show what could be considered the ideal trends. It will be noted that the line indicating the value of the total trade moves steadily upward; so do the lines for the values of the exports and the imports; however, the export line moves upward somewhat more sharply than the import line, to show an increasingly favorable balance of trade. Now as to the lines for the total trade handled by American, Chinese, and Filipino importers and exporters, it will be noted that the Filipino traders' line rises rapidly, which is what it should do, but that the lines for the Americans and Chinese are rising also, not declining. In other words, there is good business for all. Something constructive is going on; trade is increasing; all the main elements in the trade are prospering. The country as a whole prospers. There is no mere re-distribution of shares in an existing volume of business which is diminishing rather than increasing. There is no mere shifting or replacement of persons at a table which is less and less well supplied with food.

That is what "nationalization" means if it is carried out in a discriminating and therefore destructive manner.

The discrepancies between the graphs showing the facts as they are, and the schematic graph showing what they ideally should be, bring out the general unsoundness of the Philippine economy with respect to foreign trade and the relations of the elements engaged in it. Yet what ideally should be, could be much more closely approached under wiser governmental policies.

The facts brought out in the preceding editorial do not support the allegation of the champions of "nationalization" that foreign traders have

In the Domestic Trade

a "strangle-hold" on the economy of the country, at least in so far as foreign trade is concerned. The facts are that Filipino traders have for some years occupied the first place in the import trade, second place in the export trade, and are coming close to holding first place in the combined import and export trade.

In so far as the domestic retail trade is concerned, the facts do not bear out the "strangle-hold" metaphor either. An article taken from the March-April *Business Letter* of the Philippine National Bank, reprinted elsewhere in this issue, brings out the following facts,—all for 1953. Filipino-owned retail establishments number 88% and foreign-owned only 12% of the total number. Filipino assets in the retail trade total ₱270,000,000, or 63%, of all such assets, those of the foreign merchants amounting to ₱157,000,000, or 37%. However, it is still true that of the gross sales for the year, totalling ₱1,082,000,000, some ₱615,000,000, or 57%, was credited to foreign retailers and ₱467,000,000, or 43%, to Filipino dealers.

After all the talk, of late, the facts as to the ownership of the country's rice mills are also surprising. Of the 7,325 rice mills in the country, only 249, or 3.4%, are owned by foreigners, according to the same Philippine National Bank publication, which obtained its figures from the Bureau of the Census and Statistics.

That foreigners, especially Americans and Chinese, play an important role in the economy of the country is true, but these interests have nothing like a strangle-hold on the economy. Indeed, it is these interests which are being threatened by strangulation, which, economically, is as mad a thing as if the foreign merchants were being physically strangled in all the cities and towns of the Philippines. The very fact that they hold the important position they still do, makes it economically necessary and of the first importance to protect them from radical efforts at nationalization to prevent a collapse of the country's whole economy.

Let our Philippine law-makers ponder President Eisenhower's statement in his State of the Union Message, delivered a few months ago:

"A government can strive, as ours is striving, to maintain an economic system whose doors are open to enterprise and ambition,—those personal qualities on which economic growth largely depends... Enterprise and ambition are qualities which no government can supply. Fortunately, no American Government need concern itself on this score; our people have these qualities in good measure."

What can the proponents of nationalization gain by deliberately defeating and nullifying the enterprise and ambition of such an important element in the population as the foreign business element? And as, on the other hand, the Filipinos, like the Americans, have the qualities of enterprise and ambition in good measure, they can succeed, as they are succeeding, in gaining an increasing share in the country's business, through natural and honest means, without, in this process, inflicting harm on the foreign element or destroying or damaging the existing economic machinery.

Time, in its issue of May 17, contained a number of particularly interesting paragraphs in a generally interesting article entitled, "Imperialism,—U. S. Policy Will Chaos or Order Take its Place?" The *Journal* takes the liberty of quoting them:

"U. S. Policy. What the U. S. needs is a new set of measuring rods by which to judge its own self-interest in the clash between awakening colonial peoples and their imperial masters. Henry A. Byroade, the U. S. Assistant Secretary of State for Near Eastern, South Asian, and African Affairs, recently provided such a set. West Point graduate laid down two guiding principles that henceforth will shape U. S. attitudes towards colonialism: progress and order.

"The U. S., said Byroade, recognizes that 'the disintegration of the old colonialism is inevitable. We believe that much blood and treasure may be saved if the Western world determines firmly to hasten rather than hamper... orderly evolution to self-determination.' But the U. S. will not sponsor independence simply for its own sake. 'We want [colonial peoples] to maintain their independence against the new Soviet imperialism. We do not want the vast labor and pain expended in the struggle for freedom to be wasted by the premature creation of a state that will collapse like a stack of cards at the first hint of difficulty...' In short, the progress must be real, and to be real, it must endure.

"Order, the second principle, means that the U. S. expects that a newly independent people will not prove a menace to its own minorities, or a nuisance to its neighbors. The U. S., Byroade suggested, expects new nations to be capable of (1) meeting their obligations to all other nations, including the old empires; (2) tackling their age-old problems of poverty, disease, and social discrimination; (3) protecting human rights.

"Whatever newborn nation resolves to do these things will be helping itself. And in so doing, it can count on the U. S."

"A business isn't worth a damn unless you get out and compete."—HARRY WINFORD MORRISON, head of the Morrison-Knudsen Company (the world's biggest heavy-construction firm).



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An Act to Regulate the Retail Business

The Congressional Session's Most Controversial Bill

Third Congress of the Republic
of the Philippines

First Session

*H. No. 2523

REPUBLIC ACT NO.—

AN ACT TO REGULATE THE RETAIL BUSINESS

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. No person who is not a citizen of the Philippines, and no association, partnership, or corporation the capital of which is not wholly owned by citizens of the Philippines, shall engage directly or indirectly in the retail business: *Provided*, That a person who is not a citizen of the Philippines, or an association, partnership, or corporation not wholly owned by citizens of the Philippines, which is actually engaged in the said business on May 15, 1954, shall be entitled to continue to engage therein, unless its license is forfeited in accordance herewith, until his death or voluntary retirement from said business, in the case of a natural person, and for a period of ten years from the date of the approval of this Act or until the expiration of the term of the association or partnership or of the corporate existence of the corporation, whichever event comes first, in the case of juridical persons. Failure to renew a license to engage in retail business shall be considered voluntary retirement.

Nothing contained in this Act shall in any way impair or abridge whatever rights may be granted to citizens and juridical entities of the United States of America under the Executive Agreement signed on July Fourth, nineteen hundred forty-six, between that country and the Republic of the Philippines.

The license of any person who is not a citizen of the Philippines and of any association, partnership, or corporation not wholly owned by citizens of the Philippines to engage in retail business, shall be forfeited for any violation of any provision of laws on nationalization, economic control, weights and measures, and labor and other laws relating to trade, commerce, and industry.

No license shall be issued to any person who is not a citizen of the Philippines and to any association, partnership, or corporation not wholly owned by citizens of the Philippines, actually engaged in the retail business, to establish or open additional stores or branches for retail business.

SEC. 2. Every person who is not a citizen of the Philippines and every association, partnership, or corporation

not wholly owned by citizens of the Philippines, engaged in the retail business, shall, within ninety days after the approval of this Act and within the first fifteen days of January every year thereafter, present for registration with the municipal or city treasurer a verified statement containing the names, addresses, and nationality of the owners, partners, or stockholders, the nature of the retail business it is engaged in, the amount of its assets and liabilities, the names of its principal officials, and such other related data as may be required by the Secretary of Commerce and Industry.

SEC. 3. In case of death of a person who is not a citizen of the Philippines and who is entitled to engage in retail business under the provisions of this Act, his or her heir, administrator or executor is entitled to continue with such retail business only for the purpose of liquidation for a period of not more than six months after such death.

SEC. 4. As used in this Act, the term "retail business" shall mean any act, occupation, or calling of habitually selling direct to the general public merchandise, commodities, or goods for consumption, but shall not include:

(a) a manufacturer, processor, laborer or worker selling to the general public the products manufactured, processed, or produced by him if his capital does not exceed five thousand pesos, or

(b) a farmer or agriculturist selling the product of his farm.

SEC. 5. Every license to engage in retail business issued in favor of any citizen of the Philippines or of any association, partnership, or corporation wholly owned by citizens of the Philippines shall be conclusive evidence of the ownership by such citizen, association, partnership, or corporation of the business for which the license was issued, except as against the Government or the State.

SEC. 6. Any violation of this Act shall be punished by imprisonment for not less than three years and not more than five years and by a fine of not less than three thousand pesos and not more than five thousand pesos. In the case of associations, partnerships, or corporations, the penalty shall be imposed upon its partners, president, directors, manager, and other officers responsible for the violation. If the offender is not a citizen of the Philippines, he shall be deported immediately after service of sentence. If the offender is a public officer or employee, he shall, in addition to the penalty prescribed herein, be dismissed from the public service, perpetually disenfranchised, and perpetually disqualified from holding any public office.

SEC. 7. This Act shall take effect upon its approval.

Approved,

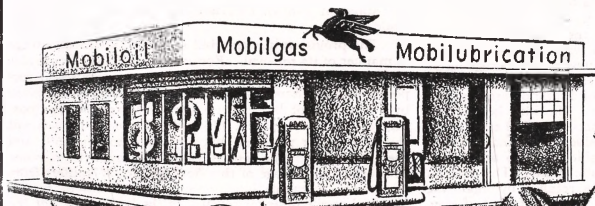
"INDUSTRY'S story can not be told to the public by professional writers and public-relations people. It can only be told by the people who know... and form policy on the subject. There's just one way... stand up on your hind legs and tell people what you believe in."—Clarence B. Randall.

"RALPH J. CORDINER, President of General Electric, stated in a speech last month that G. E. could no more guarantee its employees an annual wage than the employees could guarantee G. E. annual sales. He added that the electrical industry is still, after seventy-five years, doubling in size every ten years."—*Fortune*, December, 1953.

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Domestic Trade and the Problem of "Nationalization"

THE Filipino retailers have been in constant struggle with aliens in almost all branches of retail business. Despite many handicaps, such as weak organization, inexperience, and higher living expenses, it can be said that they are much better of today than they were several years ago.

Philippine Participation in Retail Trade. Statistics show that the volume of sales in the retail trade amounted to ₱1,082,000,000 in 1953, or about ₱90,000,000 per month. Out of these figures, the yearly gross sales of Filipino merchants amounted to ₱467,000,000, or 43%, while alien participation amounted to ₱615,000,000, or 57%. As to assets, Filipinos owned around ₱270,000,000, or 63% of the total, while aliens controlled ₱157,000,000, or 37%. It can be gathered, therefore, that there are many more Filipino establishments (88%) in the retail business than those of aliens (12%), but the Filipinos account for less than half of the total sales volume.*

On the other hand, UNIFIRCA (United Filipino Retailers Cooperative Association, Inc.) officials and other Filipino businessmen feel that the above figures released by the Bureau of Census and Statistics are not accurate for the reason that they are only based on establishments reporting and do not present the true picture.

Government and Other Activities to Promote Filipino Participation in the Retail Trade. The Government, in its desire to increase Filipino participation in this trade, directed several of its bureaus and offices to give pointers on the organization and management of cooperative stores, which will in the long run form the nucleus of retailing. A campaign was waged to increase Filipino participation in domestic trade, by the agents of the Bureau of Commerce who undertook the responsibility of encouraging the organization of Filipino retailers and cooperative marketing associations. The idea behind the movement is not to wrest totally the control of trade from the hands of alien traders, but to educate Filipinos in every phase of business in order to enable them to assume by themselves control of the domestic trade. This Bureau has been giving assistance to Filipino retailers by organizing consumers cooperative stores, in the belief that if consumers establish and manage their own retail stores, this will be an effective way of Filipinizing retail trade.

Another agency established by the Government to act as a wholesale supplier of merchandise for Filipino retail stores is the National Trading Corporation. This agency has been taken over by the Philippine Relief and Trade Rehabilitation, now the Price Stabilization Corporation, which acts not only as a wholesaler giving retailers fair prices but also providing commodity loans.

Aside from the above, the Bureau of Commerce and the National Cooperative Administration cooperate with each other in the organization of consumers cooperative stores. This movement was pushed slowly, starting with established groups of consumers in government offices, business firms, schools, and other institutions. Of course, failures were met by these cooperative stores, but from these experiences we shall do better in the future to meet alien competition.

An organization of Filipino merchants known as the Unifira Cooperatives' Wholesale Corporation was recently formed. This group of Filipino merchants has an objective of competing with aliens in our domestic trade. It also aims to import prime commodities to lower and stabilize

prices and unmask fake importers, dummies, and ghost retailers.

Legislation under Consideration on Retail Trade Nationalization. It is the general feeling among the members of Congress that the time has come to nationalize our retail trade now that we are embarking on a program of self-sufficiency and self-determination. They believe that the bulk of our business in this country is controlled by aliens. It is felt that this present situation would undermine our economic stability.

In order to remedy this set-up, some members of both Houses introduced several bills nationalizing retail trade business in the Philippines. The following bills are now under consideration; namely, H. No. 4 (Congressman Babao of Batangas), H. No. 174 (Congressman Veloso of Leyte), H. No. 275 (Congressman Honrado of Surigao), H. No. 377 (Congressmen Mercado and Abordo), H. No. 1889 (Congressmen Macias, Hora, Teves, and Bernido), S. No. 104 (Senator Montano) and S. No. 14 (Senator Zulueta).

Common to all these bills are the principal objectives of nationalization which are as follows:

- (1) To protect the national economy and conserve the patrimony of the nation;
- (2) To avoid cut-throat competition under a close-knit organization among the alien merchants; and
- (3) To forestall in cases of national emergency, disruption and paralyzation of our economic way of life by the apparent control exercised by aliens over the retail trade.

The provision in every bill is almost identical, except in manner of its renewal. For example, H. No. 4 provides that licenses issued to aliens and to partnerships and corporations more than 40% of the capital of which is controlled by them can not be renewed after 5 years from the passage of this Act. H. No. 174 and 275 are similar, except that the former provides that any alien holding 25% and the latter 30% of the capital, cannot be renewed after one year after the passage of this Act. H. No. 377 differs from the above by taking into account the amount of capital invested as the basis for renewal of the license and not the percentage. For less than ₱10,000, 5 years after the passage of this Act; for more than ₱10,000 but less than ₱30,000, 6 years after the passage of this Act, and for more than ₱30,000, 7 years from the passage of this Act, provided that all of these own 40% of the capital stock. H. No. 1889 provides that aliens already in business, not more than 25% of the capital of which is owned by them, shall continue in business until death, if he is a natural person; for partnership, upon termination of terms of partnership agreement; and for corporations, 10 years after the passage of this Act. In the case of S. No. 104, renewal of licenses depends upon the kinds of merchandise they carry. For example, licenses for aliens in food and foodstuffs will be in effect only up to 1955; in textiles and clothing materials up to 1956; and at the end of 1957, no licenses will be issued to aliens in all other business. All bills provide that no license is to be issued to a new establishment or to open additional branches after the cut-off date.

Another important bill was introduced by Senator Zulueta (S. No. 14), providing among others for the gradual nationalization of the rice trade. In said bill, all aliens and corporations or associations engaged in the trade of rice and other agricultural crops, 75% of whose capital is not owned by Filipinos, are to register with the city or municipal treasurer where they are located and then starting 1956, these aliens, corporations and associations will

*From the *Business Letter*, Philippine National Bank, for March-April, 1954.
**Philippine Review*, March, 1954, Manila, based on figures taken from the Bureau of Census and Statistics.

be gradually reduced by 25% annually until 1959 when no licenses to trade in rice, flour, corn, sugar, etc. are to be issued except to Filipinos or corporations or associations, 75% of whose capital is owned by citizens of the Philippines.

In order to maintain equilibrium in the economy and obviate any possible disturbances which a drastic prohibition of trade to aliens might pose, a section of these bills provides for a transition period to commence on the 5th year after the passage of the bill and to last up to the 10th year, depending on the amount of capital invested and the percentage of capital controlled by aliens. This system will also enable prospective Filipino retailers to build up their capital and gain full knowledge of the trade in the meantime, and thus prevent economic paralyzation when the alien retailers are inhibited from doing business.

Private and Business Opinion on Nationalization. There are various opinions regarding the nationalization bills introduced in Congress, some being in favor while others are against.

From leaders of our business community, conflicting opinions were advanced. Some believed that the success in placing the retail trade in the hands of Filipinos lies in organizing themselves financially and technically, for only under equal circumstances can they hold their ground against aliens, combined with the spirit of patriotism that should be instilled into the heart of every Filipino. When this is realized, then there will be no need to nationalize retail trade. Others point out that nationalization through legal and peaceful means is one of the solutions to our economic problems.

Some of our leaders in Congress say that the control of retail trade by the Filipinos is not only an imperative necessity but also vital to our economic survival. They say that nationalization is the only hope of wresting control of the trade from foreigners. Of course others have different views on the matter, pointing out that the proposed measures may have an adverse effect on our nationals abroad. They advocate going into the matter which caution.

The local newspapers are practically unanimous in opposing the passage of the nationalization bills, all of them emphasizing the importance of fair competition and the need for Filipinos actual participation in the retail trade. As one of the leading papers put it, the control of the retail trade by Filipinos could only be achieved by actually engaging in the business itself (*Commerce*, December, 1953). Another newspaper pointed out that Filipino retailers must struggle under fair competition and that if the Government should take a hand to protect its nationals, such measures must be directed against aliens who are corrupt and who adopt unfair trade practices (*Chronicle*, February 28, 1954).

One columnist who is opposed to nationalization raised the question as to whether the Filipinos are ready to take over the economic destiny of 20,000,000 people and answered it by stating that the Filipino experience in trade, business, and industry has been on the whole discouraging, pointing out that the few who have succeeded in the retail business have done so in spite of the competition of aliens (*Saturday Evening News Magazine*, April 17, 1954).

A columnist of a leading daily summed up the opposition to the nationalization bills by pointing out that the country must (1) educate the people about the advantages of patronizing local products and stores; (2) train the people in merchandising techniques; and (3) provide adequate financing facilities to Filipinos who would like to go into business; and he stressed the fact that unless these three conditions are fulfilled, no nationalization law would be effective without hurting the interests of the consumers (*Manila Times*, April 16, 1954).

Problems and Difficulties. There are many problems and difficulties to be surmounted before these nationalization measures can actually be put in effect. There is for instance the fear in certain quarters that if any nationalization bill goes through, the general consumers would be left at the mercy of Filipino retailers who, deprived of alien competition, would naturally take advantage of the situation. Some responsible leaders believe that any nationalization measure would penalize law-abiding aliens heavily in the same way as the rest of their unscrupulous countrymen; quite a number of them have in many ways helped toward the development of the national economy. An unfriendly attitude toward the consuming public will eventually rise because of monopoly. The reason, some commentators point out, is not that local retailers are bad but that the consumers, with nowhere to turn to, simply have to give in. It is common knowledge that Filipino merchants are handicapped by lack of organization and lack of financing. These weaknesses have to be remedied with or without any nationalization measure in Congress. Furthermore, such a measure is not conducive to international amity. A young country in the process of growth has to promote amicable foreign relations and establish, if possible, a healthy climate for foreign investment.

The Rice Problem and Nationalization of the Retail Trade

Rice—the basic food crop of more than 15,000,000 Filipinos—has long been a national problem. Since pre-war years (except in 1934) the Philippines was never self-sufficient in rice. However, with the harvest during the crop year 1952-53 of around 71,500,000 cavans of palay, compared with total requirement of 69,700,000 million cavans, the rice industry has at last reached the self-sufficiency level. This apparent self-sufficiency can not altogether mean that the industry has already attained its goal. The rice problem can only be said to have been solved after the country has been regularly self-sufficient for several consecutive years and the distribution of the cereal put on a normal, efficient basis.

With the surplus in our rice production during the last crop-year, both the Government and private enterprises are exerting every effort to control the resulting decline in prices. In order to effect the stabilization of prices it is necessary for the Government to control the marketing of the surplus rice. But the Agricultural Credit and Cooperative Financing Administration (ACCFA), a government instrumentality established primarily to help cooperatives and which has recently been designated to put into effect the rice marketing system, is faced not only by lack of funds but also by the limited storage facilities at its disposal.

Under the ACCFA program based on the use of cooperatives, farmers who are members of such cooperatives will receive 80% of the value of their palay upon the deposit of their crop in a cooperative warehouse and the remaining 20% will be given to the owners as soon as the sale of the rice is consummated. Under this arrangement, government purchasing of rice as previously done by the National Rice and Corn Corporation (NARIC) is eliminated. It seems apparent that for this ACCFA-sponsored plan to be carried out successfully, there must be enough warehouse facilities under ACCFA and the cooperatives for the adequate storage of the palay crop as it is received from the farmers.

Ownership of Rice Warehouses and Mills. The latest data of the Agricultural Credit and Cooperative Financing Administration shows that there are 44 NARIC occupied warehouses and 111 bonded warehouses in the country as indicated in the following table:

NARIC OCCUPIED AND BONDED WAREHOUSES

Place	NARIC Occupied Capacity		Bonded Capacity	
	Warehouses	(Cavans)	Warehouses	(Cavans)
	(Number)	(Number)	(Number)	(Number)
1. Manila	17	849,020	—	—
2. Antique	—	—	1	2,000
3. Bohol	—	—	1	9,000
4. Bulacan	1	76,800	9	20,500
5. Camarines Sur	1	12,480	—	—
6. Capiz	1	42,000	—	—
7. Cebu	1	134,400	—	—
8. Cotabato	1	65,600	1	6,000
9. Iloilo	1	180,000	20	74,500
10. Isabela	1	49,200	—	—
11. Nueva Ecija	14	1,308,580	56	117,250
12. Pampanga	3	233,280	5	17,510
13. Pangasinan	—	—	5	8,000
14. Rizal	—	—	3	7,650
15. Tarlac	3	214,440	10	147,500
Total	44	3,165,800	111	409,910

Sources: ACCFA and Market Division, Bureau of Commerce.

It is obvious from the above figures, that in order to carry out its proposed rice marketing scheme, ACCFA must provide for the establishment of more warehouses all over the Archipelago. If possible, it must have one cooperative warehouse in each principal rice-producing municipality.

Another problem which confronts this Government marketing plan is the fact that in most places, specially in Nueva Ecija, most of the harvested palay finds its way into the hands of rice-mill operators. In fact, in many places in Nueva Ecija, considered the rice granary of the Philippines, the rice-mill owners who are mostly Chinese are the main buyers of palay.

Considering that there are more than 7,300 private rice mills all over the country as against only 77 occupied by the NARIC,^b one cannot help but recognize the tremendous job before the Government in its rice marketing program. The following is the number of rice mills in the provinces, out of which 249 mills or 3.4% are owned by aliens:

LIST OF RICE MILLS IN THE PHILIPPINES

Provinces	Filipinos	Aliens
	Number of Mills	
1. Abra	52	—
2. Agusan	26	3
3. Albay	206	4
4. Antique	94	1
5. Bataan	42	—
6. Batangas	261	3
7. Bohol	65	4
8. Bukidnon	42	3
9. Bulacan	140	—
10. Cagayan	463	22
11. Camarines Norte	34	2
12. Camarines Sur	362	17
13. Capiz	131	1
14. Catanduanes	3	—
15. Cavite	119	—
16. Cebu	52	2
17. Cotabato	334	11
18. Davao	73	14
19. Ilocos Norte	327	1
20. Ilocos Sur	90	2
21. Iloilo	510	2
22. Isabela	217	32
23. Laguna	172	1
24. Lanao	28	4
25. La Union	155	1
26. Leyte	193	19
27. Marinduque	42	—
28. Masbate	17	—
29. Mindoro Occidental	146	—
30. Mindoro Oriental	27	2
31. Misamis Occidental	40	2
32. Misamis Oriental	53	7
33. Mountain Province	18	6
34. Negros Occidental	199	—
35. Negros Oriental	22	2
36. Nueva Ecija	320	3

37. Nueva Vizcaya	82	—
38. Palawan	22	1
39. Pampanga	152	—
40. Pangasinan	656	26
41. Quezon	253	—
42. Rizal	113	—
43. Romblon	27	—
44. Samar	54	13
45. Sorsogon	43	2
46. Sulu	6	3
47. Surigao	48	5
48. Tarlac	283	6
49. Zambales	142	4
50. Zamboanga	117	16
TOTAL	7,076	249
GRAND TOTAL	—	7,325
Per cent alien owned	—	3.4

As in the case of warehouses, the ACCFA, to achieve its purpose of minimizing the role of middlemen in the marketing of palay, must gear its resources to acquire or control more rice mills. As stated above, it is common practice among farmers to sell their harvests direct to rice mills. The Government, to curb this practice which usually results in the victimizing of the farmers and controlling of the prices by such mill operator-buyers, must try to control a greater number of rice mills and thus minimize, if not eliminate, the purchase by private rice millers of the harvested crop which serves as a hindrance to its plan of an efficient marketing system.

In order to better appreciate the government rice marketing plan, it is necessary that we first know the reasons behind this government scheme.

Volume of Rice Moving Through Regular Trade Channels. According to the latest statistics on rice about 66,500,000 cavans of palay will have to be stored for milling and subsequent marketing to meet the demand of the consumers after deducting about 5,000,000 cavans from the total rice production of 71,500,000 cavans. The Rice Commission estimated that about 30% of the rice for home consumption flows through the regular trade channels; the balance of 46,500,000 cavans is kept in the small warehouses and in the homes of the small producers. However, the capacity of the warehouses of the NARIC—the government entity whose main activity has been centered around price stabilization of this cereal—is only 3,100,000 cavans, or only 15.5% of the total volume of 20,000,000 cavans which needs storage and warehousing for commercial purposes. From the above figures, one can easily see the enormous volume of rice (16,900,000 cavans) that moved through private trade channels in 1953-54 alone.

It can safely be said that the bulk of this volume of cereal passed through the hands of rice millers as stated above and other middlemen—mostly aliens—much to the disadvantage not only of the Filipino businessmen engaged in rice trade but also of the rice producers and consumers.

The Role of Alien Merchants in Rice Marketing.

It can not be denied that the price of rice serves as the yardstick in the economic life of our people and of the price level of other prime commodities. We have, therefore, to minimize if not entirely eliminate the services of middlemen.

One of the measures that must be adopted to gain this objective would be the establishment by the Government of a new entity whose activities will be limited to the marketing of the staple crop. This agency must take over the functions now being performed by the ACCFA with regard to the rice marketing program and at the same time help the latter instrumentally in the establishment of more rice mills and storage facilities so necessary in the government scheme of encouraging the marketing of the cereal through rice cooperative marketing associations. If it could be carried out successfully, it will discourage or limit the activities of alien middlemen in the rice trade.

President Magsaysay's Nationalism

BECAUSE of the importance of his address at the Far Eastern University commencement exercises, in which he first spoke at length on his five-year economic development plan, President Magsaysay's address on the development of the national character, delivered the very next day at the commencement exercises of the National University, appears not to have drawn the attention it merits.

In his statement, made a few weeks earlier, on the country's Asian foreign policy, the President had said that he stood for the development of a "healthy nationalism", and in his National University address he essayed to define what he meant by this.

The President approached the matter in a very simple way. "In my mind," he said,—

"nations are very much like individuals", and the world is simply a large community in which nations live and work as neighbors. What I consider a "healthy nationalism", therefore, is to achieve as a nation the kind of character we admire and try to achieve as individuals; to maintain the standards of national behavior which our traditions call for in a good neighbor."

Readers will no doubt recall that a great American President, the late Franklin D. Roosevelt, initiated the "Good Neighbor Policy" with respect to the nations south of the Rio Grande, a policy which has met with signal success up to the present day. The relationship of the Philippines with its neighbors is not the same as that of the United States with the nations of Central and South America, yet the simple concept of the good neighbor can be just as useful and valuable in this part of the world as it has proved to be in the Western Hemisphere.

President Magsaysay went on with the same engaging simplicity, taking the date of the nation's independence as obviously the date "we came of age."

"Before that, in our national childhood and youth [he said], we were exposed to many influences, good and bad. We grew up in the care of foster parents. Sometimes the treatment we received was harsh; other times it was affectionate and kind. Sometimes it was too stern, and we rebelled; at other times it was too indulgent, and we became spoiled.

"The methods of our foster parents were not always the wisest, and there was always the gap of our different ancestry, the memory of which remained strong in our blood and our hearts. But with sincere efforts on both sides, there came better mutual understanding and satisfaction. It was a test of our racial instinct [for us] to accept the best that our foster parents had to offer, and to reject what was unsuited to our racial tradition. I believe that we came out very well in that

"It should be understood that the analogy between individuals and nations is not wholly valid. The great difference between the relationship among individuals and nations is that individuals are not sovereign in the sense that independent nations are. Despite international law and treaties such as the Charter of the United Nations, there is still no over-riding authority or power in the world recognized and obeyed by all, as there is in well-governed individual nations.

If the activities of middlemen in the rice trade can not be totally stopped, at least, Filipinos must endeavor to increase their participation in the trade of their basic staples, particularly rice. Philippine laws have always been for the protection of Filipino retailers, but it is sad to note that most of the local businessmen are indifferent and are easily discouraged by slight changes in the business trends. The Government must, therefore, give these Filipino merchants greater incentive to gain increasing participation and control of the channels of rice retail distribution in their own country. For one thing, it is generally felt that loans to small Filipino rice retailers should be liberalized to enable them to compete on fair terms with the aliens who, with their closely-knit organizations, can easily harness larger capital. Another measure which could undoubtedly improve the sad plight of Filipino rice dealers would be the establish-

ment, even if we can not claim complete success. Like any individual in the same circumstances, we acquired many of the virtues our national foster parents tried to pass on to us, but we also absorbed some of their faults."

One happily locks in vain for any "anti-imperialistic" bitterness over the past in these words or for any expressions at all attributable to an "inferiority complex."

Frankly the President pointed to the great contributions of Spain and America:

"From Spain we took and adapted for our use the great moral and spiritual force of Christianity. America added to our native love of freedom a political philosophy that proclaimed the right of individuals and nations to freedom and self-determination; that called for tolerance and equality of opportunity for all men. Education, we were told, must not be for the privileged few, but must become available to all who wished to better themselves. America's doctrine of the individual's duty to the community, found a sympathetic response in the ancient traditions of our race. Self-reliance, fair play, pride in our national heritage and our national heroes,—these were all part of American teachings and did much to equip us for national maturity."

As to some of the faults absorbed from the nation's foster parents, President Magsaysay referred, with respect to the Spanish influence, to the disposition to be "too much impressed with the importance of prestige and position" and to be "too ready to acquire attitudes of distaste for labor and commerce." With respect to the American influence, the President said that too many Filipinos tended "to forget the courageous pioneers who built America" and take instead, as models, "the unscrupulous promoters condemned by Americans themselves." "Too many, also," he said, "ignore the responsibilities of maturity and continue to lean on paternal protection and generosity." "Too many of us never got past Hollywood."

"But these are all faults," said the President, "which are not uncommon to youth. If the basic individual is sound, they disappear with age and experience. Likewise, if the nation is sound, it becomes the good citizen and the good neighbor of the world."

Still clinging to the analogy of the individual, the President said that "to know what we want to be as a nation we need only ask ourselves what we want to be as individuals."

"We want health, strength, and skill to be a good provider and to enjoy the benefits of modern living. We want to express and broaden our cultural heritage; to develop and take pride in our racial talents. We want to live this life with Divine help and guidance, and we recognize the moral and spiritual obligations that merit such blessings.

"To live this national life, to make the most of our talents and our virtues, we need security in our home and we must forge mutually beneficial relationships with friendly nations. We need sources of skills and materials we lack, and markets in which to exchange the fruits

ment of retailer cooperatives organized for their economic protection and welfare.

All in all, what the rice industry really needs is an efficient marketing system. The disorderly handling and disorganized marketing of rice prevailing in the country today breeds destructive competition which ultimately results in the control of the marketing field by alien middlemen and alien dummies. The ACCFA-backed marketing plan discussed above might prove the best solution—the buying and selling of cereal by Filipino dealers organized into cooperatives, with the financial backing of the Government. If we succeed in overhauling the rice marketing system and in increasing the rice surplus, the Philippines can consider the rice problem as solved.

¹Annunciation, Daniel F. 1932. A study of marketing rice in Nueva Ecija. The Philippine Agriculturist, 21:177-193.

²These NARIC rice mills have a total capacity of about 28,400 cavans of paddy.

of our productive enterprise for what we desire from others. We need the leisure, the means, and the stimulation to broaden our cultural horizons."

Here are simple, homely references the national needs with respect to public health and sanitation, national defense, economic development, cultural advancement, national piety, ethical improvement, diplomatic relations, foreign trade.

"In normal times," continued the President, "these needs are the rights of free men and free nations, but today we must win them and protect them by the quality of our citizenship in the world-community, and by the firm application to our everyday living of the principles and morality we claim as our own." This, clearly, is a reference, in individual terms, to Philippine membership in the United Nations and the obligations of that membership.

Under this head he made a direct reference to the common action in Korea. "For the common security we need," he said, "we contribute what we can afford. Our force in Korea, our participation in the United Nations, working for freedom and against subversion and aggression, are examples."

His next point related to national inter-dependence:

"No man, except one satisfied with a bare existence, can live alone. No nation desiring a rising standard of living for its people is economically independent. Skills, finances, markets—only with these can a nation's own wealth be turned into a better life for the people. Where they are lacking, they must be sought by friendly cooperation."

Then he summarized:

"In other words, the kind of 'healthy nationalism' we want is that mature spirit of self-confidence which takes freedom as a right not to be challenged; a right to be part of the free world, not to withdraw from it."

His last point was an affirmation of the people's faith in the democratic process and in government by law.

"As individuals and as a nation, we have faith in the democratic process and in government by law. For this reason, we believe that the law-abiding community of nations holds the key to world peace and security. It is only in such atmosphere that true nationalism, for small as well as large nations, can survive against the attacks of those who claim that force, lies, and subversion are legitimate instruments of policy."

And he concluded as follows:

"This conflict between law and violence makes the obligations of world citizenship today a grave responsibility. It calls for far-sighted wisdom, for sound judgment; it calls for dignity and restraint; for a mature faith in our ability to protect our interests. In such national behavior lies the strength of free-world unity and the survival of nationalism itself."

There is in this expression of President Magsaysay's nationalism nothing that is narrow and invidious, nothing that would tend to encourage ill-will and hostility, or arouse, in others, opposition and counter-measures of an equally narrow nationalistic character. It is a Filipino nationalism wise and tonic, to which all non-Filipinos of goodwill can subscribe.

Our Foreign Service and Foreign Trade*

By CARLOS P. GARCIA

Vice-President of the Philippines and Concurrently
Secretary of Foreign Affairs

...GENTLEMEN, right at the first bound of the new Administration, our President and your Secretary of Foreign Affairs announced the policy that our foreign service will lay special emphasis on trade promotion with our neighbor countries of Asia, without neglecting the maintenance of our trade relations with the United States and Europe. It is my intention this afternoon to elaborate more on this policy, so I have chosen for my subject "Our Foreign Service and Foreign Trade." This discourse is by no means exhaustive. It is not even a complete outline of this rather broad and difficult subject; but if I can stimulate constructive debate and discussion on this vital subject, if I can spark a more conscientious and, may I say, more scientific study and investigation of this matter, I would consider my effort amply rewarded. I will feel happy in the thought that out of such discussion and investigation, light and fire may emerge—light to show us the way and fire to spur us to action.

Trade with all Southeast Asia.—Since we have decided to establish economic ties with Southeast Asia, we will pay special attention in this discussion to this part of the world. Just how and where do we stand in Southeast Asian trade? Is our prospect in trade development in this area good? To answer these questions, let us examine statistics, however insipid and prosaic these may be. Taking as a unit, the eleven Southeast Asian countries (Australia, Burma, Ceylon, China, French East Indies, India, Indonesia, Malaya, New Zealand, Pakistan, and Thailand), our trade statistics show that our imports in 1952 were ₱78,500,000 as against our exports of ₱8,700,000, representing a trade balance unfavorable to us in the amount of ₱69,800,000. Total imports from these countries covering the period 1948 to 1951, inclusive, amounted to ₱315,300,000, as against our exports of ₱1,600,000, representing an unfavorable trade balance to us of ₱253,700,000. In 1952, our exports to these countries were only 1/9 of our imports from the same area; in other words, we bought from them nine times as much as we sold. In the period 1948-1951 our total exports were only 1/5 of our imports; in other words, we bought from them five times as much as we sold.

Trade with Indonesia.—Take the individual case of Indonesia. With that country alone, our trade is decidedly lopsided. While we imported from her in 1952 ₱41,700,000 worth of products we only exported ₱1,200,000, representing an unfavorable balance of ₱40,500,000. It is worth noting that this unfavorable trade balance increased by leaps and bounds because in 1950 it was only ₱31,000,000. This was maintained in 1951 and it leaped to ₱40,000,000 in 1952, whereas,

in 1948, this unfavorable trade balance was only ₱19,800,000. In other words, in the brief span of six years, this unfavorable trade balance increased 100%.

Trade with Thailand.—It is also noteworthy that our trade with Thailand shows a rapidly growing unfavorable trade balance because whereas we had in 1947 an unfavorable trade balance of only ₱4,000,000, in 1951 it sky-rocketed to ₱31,800,000. This represents an increase of almost 800%. Certainly, this is an alarming picture of our trade-position with Thailand.

Trade with Japan.—Take the case of Japan. I have not included Japan among the eleven Southeast Asian countries for the reason that we do not have normal political relation with this country. It is, however, a relief that this is the only Southeast Asian country with which we have a favorable balance of trade, our exports being ₱75,100,000 in 1952 and our imports, ₱38,000,000, representing a balance in our favor of ₱37,100,000. It is a source of comfort to note that from the time we established a barter-trade relationship with Japan, we registered a steadily increasing favorable trade balance of ₱20,700,000 in 1950, ₱6,260,000 in 1951, ₱37,100,000 in 1952, and ₱57,400,000 in 1953.

Trade with United States.—Now, let us take a graphic picture of our trade with the United States of America. Undoubtedly, because of our fifty years of association with the United States under a Free Trade System imposed upon us in 1909 by the Payne Tariff Act and carried over by the Jones Law, then the Tydings-McDuffie Independence Act, and lastly the Bell Trade Act after our independence in 1946, it is only natural that our biggest foreign trade is with the United States. It must be noted, however, that whereas before the war the trade balance was in favor of the Philippines, after the war this position was reversed, because from 1946 up to this time, the trade balance was decidedly in favor of the United States, beginning with ₱438,000,000 in 1946, registering the highest peak in 1947 with ₱575,600,000, with the lowest of ₱41,000,000 in 1950, and picking up again in 1951 to ₱150,000,000 and in 1952 to ₱141,400,000. It is a consolation, however, to note the fact that our exports to the United States indicate a steady increase, beginning with ₱76,800,000 in 1946 and reaching their highest point with ₱52,400,000 in 1951, while in 1952 it was ₱49,700,000. This steady increase of our exports is mainly due to the rehabilitation of our principal export-producing industries destroyed during the war but which have recovered gradually to their pre-war productive capa-

*Speech delivered before the faculty and students of the Manuel L. Quezon Institute, February 18.

city. Undoubtedly, our heavy imports from the United States which reached their peak in 1948 at \$939,000,000, gradually declining until 1952 when they reached a low of \$611,000,000, were due to the need of importing machinery and other capital goods to rehabilitate our war-torn industries and to start in a modest way our industrialization program.

In connection with our trade with the United States, permit me to point out the significant fact that while before the war the Philippines, among the Southeast Asian countries, carried on the heaviest trade with America, the trend of recent years shows that we are rapidly being dislodged from the premier position by India, Indonesia, and Malaya. The figures of 1951 show that United States exports to India reached \$464,300,000, vis-avis American exports to the Philippines of \$350,300,000, or a difference in India's favor of \$114,000,000. In that same year, American imports from India were \$296,500,000 and from the Philippines \$283,400,000, or again, a difference in favor of India of \$13,100,000. In the same year, the American exports to Indonesia were \$161,750,000, against imports of \$266,300,000. Note the case of Malaya: America exported to that country \$57,800,000 against an importation of \$425,400,000. Here is a handsome trade balance in Malaya's favor of \$367,600,000. Unless we do something about it, the pre-war premier position of the Philippines as the biggest American market in Southeast Asia will be definitely lost to us.

Recapitulation.—For the sake of emphasis, let me recapitulate the outstanding facts: 1. That we are buying from the Southeast Asian countries, except Japan, nine times more than we sell. 2. That our trade with Indonesia is decisively against us to the tune of \$40,000,000 a year. 3. That in our trade with Thailand, we are pushed down and down into an unfavorable balance which kept sky-rocketing from \$4,000,000 in 1947 to \$31,800,000 in 1951 and 1952, representing a phenomenal increase of about 800%. 4. We find to our dismay that our country has lost to India her premier position as the biggest American market in the Far East and that even Indonesia and Malaya are fast overtaking our country in that respect. 5. Of course, it does not necessarily follow that an unfavorable balance of trade is an index of gloom, but taking into account the fact that all the countries of Southeast Asia have the same type of economy—the agricultural economy—the unfavorable balance of trade is a negative index.

My friends, as we ponder over the significance of these figures, we come to realize the weaknesses of our economic position in Asian and world trade, but we also discover our strength and visualize our hopes. By the exactness of numbers, we gain not only a realistic evaluation of our economic weight and special function in the international economy, but, most important of all, we gain a correct sense of proportion which is so essential in determining the direction, quality, and quantity of our development as a nation. The more we mull over our trade problems in Asia and the more we think of ways and means to expand our foreign trade, the more clearly it dawns upon us that the key to our success lies largely in our willingness and capacity to understand our neighbors'

interests and aspirations. We come to realize that in our willingness to work with them on a cooperative basis for the mutual benefit of all, we will find the open sesame to our expansion. In other words, we must realize that we can expand our own foreign trade only by expanding collectively the economy of the region, and consequently of the world. In an age dominated by the libertarian and equalitarian spirit, the prosperity and happiness of one nation must be built on the prosperity and happiness of all nations, or using a time-honored slogan, "one for all, and all for one".

Upon this fundamental concept or formula, your Department of Foreign Affairs evolves the nation's policy of foreign service and foreign trade, and asks the sister democracies of Asia to accept it. We must find the common denominator of our aspirations in this region. None has understood it better than American Vice-President Nixon who said after his trip to Asia: "Did you ever stop to think what the people of Asia want? Well, they want independence. They want economic progress. They want peace. They want freedom of choice as to their culture, religion, and their economic systems. And they want fundamental recognition of their equal dignity as human beings." This is the essence of the slogan, "Asia for the Asians". If you will pardon the digression, it is not against the United Nations' concept of one world, as some erroneously believe. It is an evolutionary stage in the ultimate attainment of a World State. The best evidence of that is that the Charter of the United Nations contains a provision allowing and encouraging regional groupings. By virtue of that provision, the British Commonwealth, the Pan-American Union, the NATO, the Arab League, etc., were authorized and sanctioned. Under that same provision, the future Southeast Asian Regional Union will come into being. I repeat, these regional developments composed of a group of nations are not contrary to the spirit of the United Nations; they are evolutionary stages towards the World State.

Going back to my formula for expanding Philippine foreign trade, the key is *mutual understanding* among nations, the magic open sesame is *collective effort* to expand collectively the economy of the region and the world, and the common denominator is *democracy*, that is, liberty, equality, and fraternity. It is my conviction that if we are determined to wipe out the unfavorable trade balance of \$40,000,000 in our trade with Indonesia, we can do it by the use of this formula. It is my hope that if we are resolved to regain our premier position as the greatest American market of the Far East with the trade balance in our favor, we can do it through this formula. Likewise, with this policy, we can liquidate the \$32,000,000 unfavorable trade balance with Thailand, keep on the upswing our favorable trade balance of \$57,400,000 with Japan, and by the same policy, instead of buying nine times more from them we sell to Southeast Asia, we should be able to reestablish a trade equilibrium. But above all, by this formula, we shall spread the gospel of democracy in Southeast Asia, we shall share with the peoples of the region the tenets and redemptive principles of democracy, we shall drink of each other's culture and spiritual inspiration, we shall stand together to defend with all our might and maintain freedom and democracy and peace. . . .

Production of Selected Manufacturing Establishments by Kind of Manufacture: 1953^a

BY THE BUREAU OF THE CENSUS AND STATISTICS

(NOTE: Some of the items below do not carry quantities produced and only their values are given due largely to the lack of uniformity in weight or measurements given by the manufacturers, in spite of instructions at the back of the questionnaire.)

Kind of manufacture	No. of establishments reporting	Unit of measure	Quantity	Value (Pesos)
GRAND TOTAL	2,479			1,288,753,573
(a) FOOD MANUFACTURING:	263			369,811,821
Candies.....	27	—	—	7,933,259
Canned fruits (pineapple, "fascia", guava, jelly, etc.).....	12	—	—	26,374,138
Chocolate (ground, cocoa).....	5	—	—	389,665
Coconut oil manufactures.....	7	—	—	—
Edible oil.....	b	Kilos	14,220,254	11,666,954
Margarine.....	b	"	2,288,393	2,395,290
Shortening (vegetable lard).....	b	"	24,383,095	22,653,101

Coffee (powdered, canned, bottled, and unpacked).....	43		1,755,738	6,737,380
Dairy products, etc.:.....	7			
Fresh milk (bottled, etc.).....	b	—	—	485,854
Others (Magnaolia, soyalec, etc.).....	b	—	—	1,393,491
Desiccated coconut.....	6	Kilos	47,796,430	30,808,024
Fish and fish products.....	15	—	—	347,093
Food seasoning, etc.:.....	11			
Vegetables.....	b	Lbs.	460,385	1,254,213
Meat, catnip, etc.....	b	—	—	610,280
Ice cream, ice drops.....	18	—	—	4,635,101
Meat products (preserved and/or canned).....	12			
Ham.....	b	Kilos	66,610	347,828
Sausage.....	b	"	117,200	460,240
Others.....	b	—	—	197,535
Noodles (macaroni, etc.).....	35	Kilos	3,503,235	1,831,299
Sugar (centrals, refiners, etc.).....	27			
Centrifugal.....	b	Kilos	1,027,316,747	227,726,305
Refined.....	b	"	70,996,727	19,043,261
Others.....	38	—	—	2,531,320

(b) BEVERAGES:	106		133,923,025	
Alcoholic:				
Distilled spirits (alcohol distilleries).....	b	Liters	20,954,045	4,419,334
Fermented.....	b	Bottles	139,269,353	43,735,120
Wine and liquors.....	b	"		10,888,323
Soft drinks (important bottling plants only).....	b	Bottles	1,089,369,613	74,879,639
NOTE: (a) Subject to revision (b) Included in preceding summary.				
(c) TOBACCO MANUFACTURES:	87		148,709,847	
Cigars.....	b	Pieces	97,578,000	5,932,700
Cigarettes.....	b	"	13,340,194,000	141,691,700
Others (chewing, smoking tobacco, flue-curing, etc.).....	b	"		1,282,447
(d) TEXTILES:	43		56,357,230	
Jute bags and sacks.....	16	Pieces	22,519,394	13,455,889
Knitted fabrics in the piece.....	13	Kilos	2,507,369	19,761,271
Piece goods (cotton, tricot, etc.).....	2	Yards	11,437,053	7,937,512
Others (cordage, yarns, thread for sewing, ramie and kenaf fibers).....	12	"		15,202,558
(e) WEARING APPAREL AND OTHER MANUFACTURED TEXTILES GOODS:	314		96,520,536	
Ready-made clothing:	209			
Children's dresses.....	b	Pieces	749,566	1,141,866
Fantas and pasties.....	b	"	2,320,382	2,620,593
Shirts and undershirts.....	b	"	21,597,217	40,054,343
Socks and stockings.....	b	Pairs	580,717	423,288
Others (towels, handkerchiefs, linens, blankets, etc.).....	b	"		23,646,621
Embossed.....	25	"		13,622,105
Footwear:				
Leather shoes (big manufacturers only).....	42	Pairs	972,801	9,444,980
Slippers.....	10	"	64,326	162,988
Wooden shoes.....	24	"	804,224	215,743
Umbrellas.....	4	Pieces	591,826	1,604,811
(f) WOOD AND CORK EXCEPT WOODEN FURNITURE:	336		108,151,310	
Lumber.....	(d)	Bd. Ft.	403,135,243	96,543,600
Plywood.....		Pieces	1,851,626	8,498,910
Veneer.....	9	Sq. Ft.	18,995,696	282,954
Wood board (ceiling).....		Pieces	360,000	1,800,000
Others (box containers, toys, etc.).....	(b)	"		1,011,846
(g) WOODEN FURNITURE:	99		3,735,113	
(h) PAPER AND PAPER PRODUCTS:	31		17,913,699	
Bags.....	b	"	1,585,964	
Cardboard in sheets.....	b	"	6,871,805	
Cardboard boxes.....	b	"	2,769,890	
Chairs.....	b	"	1,511,105	
Kraft papers.....	b	Kilos	73,286	40,307
Shipping straps.....	b	Case	3,823	123,994
Tea-board (salotex).....	b	Pieces	10,728	34,638
Writing paper.....	b	Kilos	5,075,600	4,939,824
Others.....	b	"		36,172
NOTE: (d) From the Bureau of Forestry figures, but value is based on Manila wholesale price. (b) Included in preceding summary. (c) Intrinal Revenue figures.				
(i) LEATHER PRODUCTS:	28		2,745,254	
Billfolds and handbags.....	10	"		822,378
Luggage.....	3	"		533,943
Tanned leather.....	12	"		1,109,453
Others.....	3	"		279,461
(j) RUBBER PRODUCTS:	13		11,257,850	
Rubber shoes.....	6	Pairs	3,110,497	9,506,383
Others (automobile and truck tires, molded mechanical and pharmaceutical goods, etc.).....	7	"		1,751,467
(k) CHEMICAL INDUSTRIES, DRUGS, Etc.	219		73,282,546	
Animal food:	11			
Cattle and horse feed.....	b	Sack	4,893	33,261
Poultry feed.....	b	Kilos	10,802,278	3,381,521
Chemicals:	12			
Anhydrous ammonia.....	b	Kilos	417,980	118,736
Calcium carbonate.....	b	Ton	263	20,324
Calcium hypochlorite.....	b	Pounds	1,617,644	60,054
Caustic soda.....	b	M.T.	1,384	198,516
Ferric chloride.....	b	Pounds	85,564	9,563
Glycerine.....	b	Kilos	2,919,982	3,171,365
Hydrochloric acid.....	b	Pounds	433,571	122,839
Muriatic acid.....	b	Liter	104,400	66,750
Sulfuric acid.....	b	Ton	1,293	196,554
Candles.....	42	Kilos	2,101,012	1,578,289
Dental cream.....	3	Kilos	541,708	4,685,967
Drugs and medicines.....	30	"		
(Large private laboratories only—miscellaneous products).....	b	"		15,076,521

Government seum laborator.....	b	Pounds	—	941,018
Flax.....	5	"		607,679
Hair curling solutions and pads.....	3	"		151,007
Cosmetics and toiletries.....	5	"		127,009
Paints and varnishes.....	5	"		1,921,739
Plastics and plastic products.....	12	"		2,234,845
Soap.....				
Toilet.....	82	Kilos	51,451,044	23,731,879
Toilet.....	5	"	3,273,129	44,995,327
Others:				
Fertilizer (sulphate of ammonia).....	b	"	8,461,960	1,191,445
Inf.....	b	Pounds	109,720	307,560
Matches.....	b	Case	42,110	8,652,388
(l) VEGETABLE AND ANIMAL OILS AND FATS:	19			79,871,212
Coconut oil.....	b	Kilos	127,338,051	79,456,825
Lumbang oil.....	b	"		413,240
NOTE: (b) Included in preceding summary.				
(m) NON-METALLIC MINERALS MANUFACTURES:	66			48,522,373
Bottles and other glass products.....	11	"		19,624,244
Bricks, tiles, hollow blocks, and concrete pipes.....	37	"		5,692,730
Cement.....	3	Bags	7,468,832	20,023,805
Crayon and crayolas.....	3	"		79,283
Lime.....	10	Ton	24,830	969,248
Others (asbestos roofing, marble slabs, etc.).....	2	"		2,243,603
(n) METAL INDUSTRIES:	152			26,738,381
Construction materials: bolts, nuts, and rivets.....				412,896
Nails.....	12	Kilos	12,819,977	5,941,259
Wire fence.....	8	Pounds	2,106,363	692,879
Metal furniture.....	3	"		1,283,808
Structural steel.....	3	Kilos	9,467,917	3,464,758
Furniture and kitchen utensils.....				
Enamelled wares.....	3	"		1,716,014
Kerosene and electric stoves.....	4	Pieces	42,650	1,021,269
Metal pipes.....	13	"		2,930,147
Ranges.....	2	Pieces	49	96,515
Tableware (spoons, forks, knives, etc.).....	6	"		255,705
Machinery parts.....	9	"		534,354
Paper clips, fasteners, etc.....	9	"		26,408
Steel boxes, drums, seals, etc.....	4	"		1,800,000
Steel doors and window frames.....	4	"		27,179
Steel doors and window frames.....	47	"		2,204,254
Tin cans, etc.....	10	"		2,215,133
Zipper (slide fasteners).....	3	Dozen	1,747,184	2,846,969
Others.....	28	"		1,000,955
(o) ELECTRICAL MACHINERY APPARATUS, APPLIANCES, AND SUPPLIES:	21			5,839,311
Radio sets and appliances.....	b	"		621,658
Electric light bulbs, fluorescent lamps, etc.....	b	Pieces	2,457,015	1,284,575
Refrigerators.....	b	"	1,413	1,173,991
Storage batteries.....	b	"	39,583	1,731,092
Storage pipes.....	b	"	1,014,223	462,051
Electric water heaters.....	b	"	89	17,334
Others (television sets, electric fans, iron fixtures, airconditioners, etc.).....	b	"		547,700
(p) TRANSPORTATION EQUIPMENT:	9			15,212,213
Motor-car assembly plants.....	3	Numbers	2,094	13,770,160
Others (bicycle assembly, shipbuilding and repairing, and auto-repair shops).....	4	"		1,291,532
Truck body builders.....	2	Numbers	93	151,521
NOTE: b—Included in preceding summary.				
(q) MISCELLANEOUS INDUSTRIES:	323			25,225,633
Copra cake.....	13	Kilos	70,655,823	7,444,765
Molasses.....	20	Gal.	37,999,480	2,509,099
Copra panning and sweeping.....	3	Kilos	6,792,669	2,177,513
Pianos.....	4	Numbers	346	1,093,356
Buttons.....	6	"	888,707	1,493,292
Starch (mostly repacking).....	6	Kilos	2,152,686	1,436,482
Photograph records.....	5	Pieces	402,890	460,429
Ice.....	213	M.T.	265,400	7,560,560
Others.....	19	"		1,160,787
(r) ELECTRICITY, GAS AND HEAT:	347			64,936,240
Electric light plants and power.....	328	KWH	(x)745,000,000	60,300,000
Gas and Heat:	19	"		
Gas fuel.....	b	Cu.M.	3,057,836	1,021,962
Acetylene.....	b	"		1,782,235
Carbon dioxide.....	b	Tanks	57,614	75,753
Chlorine.....	b	Pounds	621,248	185,687
Hydrogen.....	b	Tanks	6,803	38,310
Oxygen.....	b	"		1,356,293
NOTE: 1 Reported by dedicated coconut factories. (x) Estimated from figures collected by the National Power Corporation.				

The Business View

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

The Government

From Official Sources

MAY 1—President Ramon Magsaysay receives Secretary of Labor Eleuterio Adevoso who takes up various labor problems with him, including the sending of laborers to Guam, and the President instructs him to encourage recruitment of Filipino laborers to work overseas to alleviate local unemployment.

The President receives Governor Vicente Constantino of Quezon province who reports to him on the construction of the 50-kilometer road traversing the Bondoc Peninsula on which work has been started with heavy equipment obtained through PHILCUSA (Philippine Council for United States Aids).

The President receives Mildred Hughes, visiting Executive Vice-President of the Far East American Council of Commerce and Industry, accompanied by Virginia Gonder, Executive Vice-President of the American Chamber of Commerce of the Philippines.

In the afternoon the President officially opens the Second Asian Games; some 1,000 athletes from 18 nations march past the reviewing stand,—from Afghanistan, Burma, Cambodia, Ceylon, China, Hongkong, India, Indonesia, Israel, Japan, Korea, Malaya, North Borneo, Pakistan, Singapore, Thailand, Vietnam, and the Philippines.

Later in the afternoon the President delivers a Labor Day address on the Luneta.

Malacañang announces that Secretary of Finance Jaime Hernandez, Chairman of the President's special survey committee, reported from Tokyo that the committee "started working" and that Minister of Foreign Affairs Okasaki assured the group of "free access to all sources of information, both official and private, as well as full opportunity for ocular, on the spot inspection of industrial and rural sectors; Okasaki offered facilities of Japanese Government whenever team so requests."

May 2—The President motors to Antipolo, Rizal, to attend the opening day of the Antipolo "season", and being informed of the poor water supply, instructs the Army to provide the town with a generator for the waterworks; on return to Manila he instructs Manager Manuel Mañosa of the Metropolitan Water District to supervise personally the needed repairs and to replace the engineer in charge if he is inefficient.

May 3—The President holds a conference with House leaders at which he is assured that favorable action will be taken on the ₱600,000,000 bond issue bill to finance the Administration's 5-year economic development program which it is planned to implement next year. Agreement is also reached on the "necessity of coordinating views on nationalization between the Executive and Congress in order to stabilize the business and investment climate."

The Inter-Department Committee on Land Tenure, headed by Eligio J. Tavanlar, calls on the President to submit the draft of a proposed bill to amend existing tenancy laws, the committee reporting that nearly half of the country's farmers rent all or part of their lands, that the tenancy practices are still feudalistic, and that there is only one tenancy law worth mentioning and this deals only with one system of cultivation (the share system), only one product (rice), and governs the relationship between landlord and tenant only in terms of shares; later the President confers with members of the House committee on revision of laws with respect to the proposed bill.

The National Security Council, highest advisory body on problems of security, holds its first meeting under the present Administration.

J. V. Cruz, Malacañang press secretary, states that the President has lost confidence in Administrator Vicente Araneta, of the Agricultural Cooperative and Credit Financing Administration and has asked him to tender his resignation.

May 4—The President announces the appointment of Alfredo Monteliban as acting Economic Coordinator, of Sotero Cabahug as acting Secretary of National Defense, and of Jose M. Crial as acting Under-Secretary of Defense.

The President inducts into office Dominador I. Mangubat, Mayor of Cavite City, as acting Governor of Cavite province, succeeding Horacio Rodriguez.

With respect to criticisms voiced in the press by ACCFA Chairman Araneta, press secretary Cruz states that the President believes that Manager Araneta was not aware of the active steps he has taken to secure funds for the ACCFA and that his "campaign against the Administration" was unwarranted.

A delegation of the Philippine Fishing Association calls on the President and at its request, he instructs the Customs authorities to determine whether Pier 12, North Harbor, could be set aside for the exclusive use of the fishing industry.

May 5—ACCFA Administrator Araneta submits his resignation. The President issues an administrative order "prohibiting public officers and employees from entering into certain official transactions with real or imaginary relatives of the President."

The President receives Rear Admirals Richard Cruzen and Hugh Goodwin, outgoing commander, respectively, of the United States Naval Forces in the Philippines, who, accompanied by

American Ambassador Raymond A. Spruance, came to pay their respects.

The President receives Sergei I. Sikorsky, of the United Aircraft Export Corporation, Connecticut, who discusses with him the feasibility of developing helicopter service here; he was accompanied by Col. Bernard Anderson of the Philippine Army Liaison.

The President receives the families of three men to be electrocuted today in Muntinlupa for kidnap-murder of a Chinese businessman in 1950 and grants the criminals a 3-hour reprieve to give him time for more study of the case, but later refuses a further stay of execution stating that "the interest of the state and the welfare of society would not be served by executive intervention with the unanimous Supreme Court decision sentencing them to death."

May 7—The President presides over a bi-partisan caucus at which agreement is reached "to proceed cautiously and systematically on nationalization in order not to risk abrupt and possibly disastrous dislocation of the national economy."

"Attended by Nacionalista-Democratic Party and Liberal congressmen and members of the National Economic Council (which body includes Cabinet Secretaries), the caucus decided to restrict nationalization legislation during this session to a proposed bill which will limit the retail trade to Filipinos. Under the bill, the nationalization of the retail trade will take effect with the bill's approval into law and alien already engaged in this occupation at that time will be permitted to continue in business. The cases of individual alien owners who wish to continue in business until their death or voluntary retirement from the business and where such retailers are constituted as partnerships or corporations they may continue in business until the bill is approved for their approval or until the expiration of such partnerships or corporations, whichever comes first. Failure to renew a business license shall be considered as voluntary retirement under the bill's provisions. The cases where decisions have to be made by the Senate at a caucus of upper house members to be called for the purpose, decided to devote the coming congressional recess to the gathering of data and statistics that will form the basis for long-range studies on nationalization for the future."

The President attends ceremonies in Malacañang Park in connection with the award of prizes in the first nation-wide 100-cavan of rice per hectare contest conducted by the Soil Science Society of the Philippines, the winners being Pedro Villanueva of barrio San Fernando, Alicia, Isabela, who produced 163 cavans; Antonio Vera of Carolina, Naga City, who produced 105 cavans; and Jose S. Mercado, also of Carolina, who produced 83 cavans (as against a Philippine average of only 27 cavans); the prizes were a Farmall Cub Tractor with a disintegrator, a Gibson Model D Tractor with a complete set of implements; and a GA Propeller Pump, donated by the International Harvester of Philippines, the National Merchandizing Corporation, and the GA Machinery, Inc. Winners were also announced for regional contests. President Magsaysay was met by the officers of the Society headed by Vicente Araneta, its President, and his applause when he got into the Farmall Cub Tractor and drove it himself.

Malacañang announces that competitive examinations for non-Chinese students for the purpose of selecting pensionados to be sent to various schools in Manila and the provinces will be conducted on May 15 by the division superintendents of schools in the capitals of Abra, Agusan, Bukidnon, Cotabato, Davao, Lanao, Mountain Province, Palawan, Sulu, Zamboanga, Zamboanga del Norte and del Sur, and in the cities of Zamboanga and Basilan, in accordance with rules and regulations prescribed in Administrative Order No. 24; emphasis in the training is to be laid on vocational and short courses in agriculture, forestry, engineering, etc.

May 8—The President accepts the resignation of Vicente Araneta as Administrator and Chairman of the Board of Governors of the ACCFA.

Announced at Malacañang that the President will appoint former Floor Leader Raul T. Leuterio as Consul-General in New York and Nicanor Roxas as Consul-General in San Francisco.

May 9—The Second Asian Games end with Japan having won first place, with an unofficial 310 points, the Philippines second, with 220 points, and China and Korea tied for third place, with 120 points; the Philippines won first place in basketball, boxing, and shooting; Japan won first place in track and field, swimming and wrestling; China won first place in football; Singapore in water polo; and Korea in weight-lifting.

May 10—The President receives a group of Democratic Party members, led by Senator Fernando Lopez, who express their appreciation of his appointment of Messrs. Monteliban and Leuterio and pledge him their loyalty and cooperation; he signs the Leuterio appointment nomination in their presence.

The President certifies to the urgency of two bills respecting the Manila Railroad Company—one authorizing purchase of certain shares of capital stock, entailing an outlay of ₱3,308,000, and the other authorizing the Secretary of Finance to purchase additional shares in the Company to raise its outstanding capital stock to provide funds for new equipment and facilities, entailing an outlay of ₱3,873,000.

The President receives the final report of the Inter-Departmental Land Tenure Committee, recommending the certification to Congress of 6 more bills drafted by the Committee and intended to implement the Administration's land tenure program; the bills are S.B. No. 90 "The Land Tenure Act of 1954," H.B. No. 2229, creating a Land Registration Commission; H.B. No. 2441, amending the Assessment

Law; S.B. No. 142, creating a Court of Agrarian Relation; H.B. No. 2440, providing sources of credit, etc.; and H.B. No. 2442, transferring Postal Savings Bank funds to the RFC and the ACCFA.

The President, speaking to a group of heads of various farmers cooperative marketing associations, tells them that ₱2,000,000 for commodity loans to farmers will be released next week for the ACCFA and that NARIC (National Rice and Corn Corporation) will assist the ACCFA in providing the farmers with their needs.

May 11 — The President issues the following statement:
"Acting on my instructions, General Romulo, as my special and personal envoy, has conferred with President Eisenhower and Secretary of State Dulles on the implementation of the Philippine-United States mutual defense treaty. As a result of their conversations, Secretary Dulles and I have agreed that General Romulo (May 11) said that the United States Government is now ready to implement the mutual defense treaty, in accordance with my request. Secretary of Defense Wilson will confer with me to consult on the implementation of the treaty. In the meanwhile, the Philippine military panel jointly with an American military group will start the preliminary studies and discuss such groundwork as may be necessary for the discussions that will take place between Secretary of Defense Wilson and myself."

The President confers with NARIC Manager Juan O. Chiocho on government efforts to check a possible rise in rice prices; the President states that the Government is waiting for congressional approval of the Price Control Bill.

May 12—After a conference with the general staff of the Philippine Armed Forces, the President announces that this body and the chiefs of the major services will compose the Philippine panel which will sit with an American military committee to consult on the implementation of the treaty. The Philippine Mutual Defense Treaty, he states, announces that the Armed Forces will call certain professional reserve officers to a 6-months tour of duty in the near future.

The President visits the offices of the ACCFA and states that he has already authorized the release of ₱2,000,000 for loans to farmers and has recommended to Congress a bill authorizing a ₱30,000,000 government subscription to a revolving fund and transferring to the ACCFA the warehouse facilities of abolished government corporations, ₱10,000,000 to be appropriated immediately. Col. Osmund Mondofino, newly designated ACCFA Administrator, states that with ₱10,000,000 made available, the ACCFA could operate profitably on a self-supporting basis.

The President receives a group of delegates to the 15th annual National Council meeting of the Boy Scouts of the Philippines, headed by Jorge B. Vargas, BSP President, and states that he is looking for means to enable the Boy Scouts to make use of Armed Forces facilities in the same manner as the Boy Scouts of America do in the United States.

May 13 — The President receives the members of the U. S. Agricultural Trade Mission, headed by Homer L. Brickley, executive vice-president of the National Council of Farmers Cooperatives, Washington, D. C. The mission already visited Cambodia, Laos, Viet Nam, and will leave for Hongkong and Tokyo within the next few days.

May 14 — The President induces into office Sotero Cabahug as Secretary of National Defense, Jose M. Crisol, as Under-Secretary of National Defense, Alfredo Monteliban as Economic Coordinator, and Raul T. Leuterio and Nicanor Roxas as Consul General for New York and San Francisco respectively.

May 15 — The President flies to Tarlac, Tarlac, from there motors to Panique, Tarlac, to attend the 87th birthday anniversary festivities held for Doña Ysidra Cojuangco, prominent landowner, and takes the opportunity to speak to farmers and tenants on his program for rural betterment.

May 16 — The President flies to Negre City, Camarines Sur, to address the 9th annual convention of the Philippine Veterans Legion, and makes an appeal for "less politics and more positive action".

May 15 — The President confers with Governor Miguel Cuaderno, Jr., of the Central Bank, who returned yesterday from London where he represented the Philippine Government in the negotiations for the settlement of the indebtedness of the Manila Railroad Company to British bondholders.

May 17 — Luis M. Taruc, Manila Times "Supremo", conducted by a Malacanan intermediary, Maria Humes' reports, Benigno Aquino, surrenders, otherwise alone and without arms, to an Armed Forces unit between Apalit and Arayat, Pampanga, and is taken to Camp Murphy, where he is held incommunicado. The President refuses to see him.

The President sends a message of condolence to Senator and Mrs. Claro M. Recto on the death of their son, Claro M. Recto, Jr., Philippine Air Force captain and Deputy Administrator of the Civil Aviation Administration, who died today of a brain concussion following a motor-scooter accident in Baguio.

May 18 — The President signs House Bill No. 2391 appropriating ₱150,000 for domestic air mail service and for the payment of postal employees, 900 of whom were laid off recently which resulted in serious delivery delays.

May 19 — The President, at a Cabinet meeting, approves a recommendation of Acting Secretary of Public Works Vicente Orosa to apply to Philippine mail the postal rates set by the International Postal Convention to which the Philippines is a signatory; under the new rates, ordinary air-mail postage from the Philippines to the United States will be reduced from ₱10 to ₱5.00. The setting aside of a 10,912 square meter lot at the former Sternberg Hospital site for the proposed ₱1,000,000 Veterans Memorial Building, is also approved.

The President receives Byron Wrigley, visiting executive of the Chicago chewing-gum company, who is here to survey the possibilities of establishing a branch company in Manila.

The Department of Foreign Affairs announces that in accordance with a decision of the Cabinet, the trade and financial agreements with Japan, which were scheduled to expire tomorrow, have been extended to their present form for a period of 120 days by an exchange of notes with the Japanese Mission here; this is the ninth extension since the original agreement entered into with SCAP on May 28, 1950, during which time the Philippines exported some ₱153,200,000 worth of goods to Japan (mostly lumber, abaca, iron ore, copra, and molasses) and imported some ₱99,600,000 worth (mostly iron sheets, textiles, and machinery and equipment).

May 20 — The Third Congress of the Philippines adjourns its First Session, the House at midnight and the Senate at 1:00 a.m., day-light-saving time, but without acting on the ₱67,000,000 Public Works Bill. The bill amending Commonwealth Act No. 733, providing for an 18 months' suspension of the tariff levies on Philippine-American trade was passed and so was the bill which would nationalize the retail trade of the country, also the gold-subsidy bill. The Budget Bill was passed with the final figure fixed for the expenditures of the national government during the fiscal year, 1954-55 at ₱520,645,872, only ₱485,813 short of the bill as originally approved by the House, but some ₱48,000,000 less than the amount asked for by President Magasaysay.

Col. Jaime Velasquez submits his resignation as acting Commissioner of Customs.

May 21 — American Ambassador and Mrs. Raymond A. Spruance leave for the United States for a 2-month vacation.

Col. Manuel Cabal, First Military Area commander, is promoted to Brigadier General for his part in the operations which led to the surrender of Taruc.

May 22 — Executive Secretary Fred Ruiz Castro administers the oath of office to Eligio J. Tavanlar as ad interim member of the board of directors of the National Power Corporation; Tavanlar is also Chairman of LASEDECO and acting Chairman of NASSCO.

May 24 — The President creates a committee headed by Francisco Benitez to study and recommend measures to improve the efficiency of the Motor Vehicle Office in enforcing the Motor Vehicles Law; representatives of bus and taxi companies and of the Philippine Safety Council are among the members.

The President orders all unserviceable government property, beyond economical repair and from which scrap iron and other metals may be obtained to be transferred without cost to the National Shipyard and Steel Corporation.

The President signs House Bill No. 1795 transferring the capital of Cavite province to the barrio of Kintana which is converted into the city of Trece Martires and of which all the provincial officials will be the ex-officio city officials; the Bill carries an appropriation of ₱500,000 for the construction of buildings, etc.

U. S. Secretary of Defense Charles E. Wilson arrives in Manila by airplane for a conference with President Magasaysay on the final lap of a brief tour of the Far East during which he visited Japan, Korea, and Formosa. He is accompanied by his wife and by Under-Secretary of the Navy and Mrs. Thomas S. Gates. He tells the press that the United States fully realizes the important role played by the Philippines in the over-all defense of the Far East against Communism.

May 25 — The President gives a formal luncheon in honor of U. S. Defense Secretary Wilson and the members of his party and later confers with him privately. Later a joint Malacanan and American Embassy press release is issued, stating:

"To effectively carry out the Mutual Defense Treaty, which developments in the international situation especially in the Far East obviously call for, it was agreed that a council be promptly created to be composed of representatives of the United States and the Philippines. This group will serve as a continuing body in charge of implementing the treaty."

May 26 — The President accepts the resignation of Colonel Velasquez as acting Commissioner of Customs; he remains special technical assistant to the President detailed to the Bureau of Customs.

Secretary of Agriculture and Natural Resources Salvador Araneta reports to the President that the rat plague in Cotabato is under control and that a heavy crop of corn is now being harvested. Cornelio V. Crucillo, acting Director of the Bureau of Plant Industry, reports that some 200 technical men and over 400 supervisors and laborers are still engaged in the campaign and that provincial and municipal officials have been very cooperative. The President advises them to take precautions against a resurgence of the outbreak.

Economic Coordinator Alfredo Monteliban reports at a Cabinet meeting that arrangements have been completed for the importation of 25,000 tons of cement from Japan to relieve the shortage caused by the slow-down in the Cebu Portland Cement Company operations necessitated by repair work on the machinery.

The President receives a delegation from the Chinese General Chamber of Commerce of the Philippines, headed by Messrs. Sy En, the Chamber President, Alfonso SyCip, Honorary President, and Yang Sipeng, Secretary, who present a memorandum "to acquaint the President with the effects the retail nationalization bill might produce on the livelihood of the people as well as on the national economy."

May 27 — The President in a conference with acting Secretary of Public Works Vicente Orosa orders immediate commencement of the Administration's 5-year highway-improvement program which calls for a ₱200,000,000 outlay to be obtained through the issuance of bonds authorized by Congress to a total amount of ₱1,000,000,000, the Pres-

ident expecting to sign the bill as soon as copies are received at Malacang. Among the roads included for the first year are the Cotabato-Davao road, the Misamis Oriental-Lanao road, the Bacolod north and south roads, the Tacloban-Aboyo-Baybay road, the Manila South Road, the Cagayan Valley Road, etc. Among the bridges to be given priority is the Del Pan Bridge in Manila, the Butuan Bridge in Agusan, and a bridge at Camp 3 in Benguet.

LASEDECO Manager Ben Gaston reports to the President on the progress of the resettlement projects in Palawan, Masbate, and Negros; some 12,000 hectares of land in Masbate are now ready for settlement, with some 50 families already settled there. He also informs the President that some 1,500 drums of lubricating oil, valued at ₱106 a drum, bought by the former management and found at Panacan, Palawan, will be picked up by the Philippine Navy for its use; numbers of tractors and other farm machinery there "were destroyed due to negligence of the former LASEDECO management."

May 28 — The President signs House Bill No. 324 appropriating ₱200,000 for the expansion of the College of Agriculture, University of the Philippines, at Los Baños.

The President receives Governor Juan Carbonell of La Union who proposes the building of an additional cement plant unit at Bacnotan which would increase the output of the plant from 8,000 to 16,000 bags a day.

The President receives Maj. Gen. John W. Sessums, Jr., commanding general of the 13th Airforce, who presents to him a check for ₱5,000 for the Liberty Walls Campaign raised at various parties of the Officers Club at Clark Airfield.

The President receives a group of citizens representing various musical organizations who submit a resolution to him, adopted at the First (3-day) National Music Conference, asking that the Government donate the site formerly occupied by the Aquarium, in Intramuros, for a national theater; the President states he will look into the legal aspects of the matter and otherwise promises to help in the development of Philippine music and the construction of a national theater.

May 29 — The President confers with Executive Secretary Castro concerning the case of J. Antonio Araneta, whose appointment as Collector of Internal Revenue was by-passed at the last session of Congress, it being reported that Mr. Araneta has ceased going to his office. The President will study further the charges brought against Mr. Araneta by Representative Ramon Durano of Cebu before deciding whether to extend an *ad interim* appointment to him. Meanwhile, Castro states, Deputy Collector Silverio Blaquera "could sign papers."

May 31 — Announced that the President will meet with Speaker Jose B. Laurel, Jr. tomorrow to draw up the agenda for a special session of Congress. The President tells newsmen that he intends to include the bill repealing the exemption from the foreign exchange tax enjoyed by Philippine-American Airways which is depriving the Government of several hundred thousand pesos of revenue annually; the Northwest Airlines has been paying the tax.

The President orders the creation of a committee to study reforms in the Public Service Commission "and to find out ways to improve and reduce the cost of public services"; the plan is to broaden also the Commission's jurisdiction to embrace railroads, water systems, and shipping. "A downward revision of all public utility rates, with emphasis on telephone, electric, gas, and water services, will be effected."

The President issues a proclamation declaring the period from June 1, 1954, to May 31, 1955, as "Thrift Year", with a view to encouraging the people to deposit their savings in the banks for use in the country's economic development program; the thrift campaign will be undertaken under the sponsorship of the Bankers Association of the Philippines.

Banking and Finance

By M. D. ARNOLD

Sub-Manager

The National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31, 1949	As of Feb. 26, 1954	As of Mar. 31, 1954	As of Apr. 30, 1954
	(In thousands of pesos)			
ASSETS				
International Reserve	₱460,689	₱465,963	₱454,926	₱445,611
Contribution to the International Monetary Fund	30,000	30,000	30,000	30,000
Account to Secure Coinage	113,306	106,940	106,940	106,940
Loans and Advances	77,047	18,524	19,724	8,524
Trust Account—Securities Stabilization Fund	—	—	—	—
Domestic Securities	92,197	241,094	239,887	262,640
Other Assets	20,390	46,383	53,363	57,456
	₱793,629	₱908,904	₱904,840	₱911,171

LIABILITIES

Currency—Notes	₱555,576	₱611,333	₱612,202	₱606,266
Coins	74,384	84,385	84,376	84,405
Demand Deposits—Pesos	117,682	163,507	156,290	166,621
Securities Stabilization Fund	2,000	14,620	14,615	14,616
Due to International Monetary Fund	22,498	496	496	496
Due to International Bank for Reconstruction & Development	2,389	2,377	2,376	2,377
Other Liabilities	2,636	6,459	7,483	8,448
Deferred Credits	—	1,759	2,364	2,937
Capital	10,000	10,000	10,000	10,000
Undivided Profits	6,464	700	1,370	1,737
Surplus	—	13,268	13,268	13,268
	₱793,629	₱908,904	₱904,840	₱911,171

The International Reserves as of April 30, 1954, were as follows:

Central Bank International Reserves	\$222,805,302.53
Japan Open Account (due from)	15,153,255.19
Net FX Holdings Other Banks	70,636,053.43
	\$308,594,611.15

This is a decrease of approximately \$6,300,000 as compared to March 31, 1954.

Currency and coins issued totalled ₱690,671,114.00.

Money in banks appears a little easier, but this is not true in the local market and up-country where money is still very tight. In many lines, overdue receivables seem to be mounting and pressure is required to keep these receivables anywhere near a reasonable ratio to sales.

Manila Stock Market

By J. J. ORTIGAS

Picornell, Ortigas & Co.

April 26 to May 21

IN the mining-share market, the principal feature was the strength of Philippine Oil Development Co. which has shown considerable strength, but the forward movement has been halted under some profit-taking. The rest of the mining issues have been irregular, but on the whole presents a steadier appearance.

The price of gold in the free market was approximately at ₱106.25 per fine ounce.

In the commercial and industrial section, San Miguel Brewery continued to attract quality buying with the net result that further advance has been registered. Fixed-interest securities continued in demand.

MINING SHARES

1953-54	Range	High	Low	Close	Change	Total Sales
High	Low					
107.42	82.78	M.S.E. Mining Share Average	93.37	90.02	93.06	Up 1.01 12,683,113
0.255	0.13	Atco Mining Co.	.165	.13	.145	Off .025 366,750
0.0875	0.037	Alta Cons. Mining & Development	.08	.06	.0775	Up .0175 1,001,234
2.75	0.80	Atok Big Wedge Mining Co.	.90	.90	.90	— 1,000
0.9975	0.06	Baguio Gold Mining Co.	.09	.09	.09	Off .005 76,000
2.10	1.00	Balete Mining Co.	—	—	1.00a	—
0.0206	0.0011	Betong Buhay Gold Mines	.002	.0011	.002	Up .0007 1,550,000
4.60	2.60	Benguet Cons. Mining Co.	3.00	2.85	3.00	Up .15 1,380
0.031	0.015	Coco Grove, Inc.	—	—	.03a	—
0.046	0.034	Consolidated Mines, Inc.	.043	.04	.041	Off .001 1,969,650
0.305	0.115	General Base Metals, Inc.	—	—	.20a	—
0.22	0.14	Hibao Gold Mining Co.	.14	.14	.14	Off .05 50,000
0.105	0.042	Irigoin Mining Co.	.05	.05	.05	Off .008 50,000
0.45	0.35	Lepanto Cons. Mining Co.	.45	.415	.45	Up .03 505,000
0.1475	0.05	Midongan Mother Lode Mines	.07	.07	.07	— 160,500
0.14	0.06	Paracale Gum Copra Philippine Iron Mines, Inc.	.14	.14	.14	Up .03 28,000
2.39	1.42	Paracale Gum Copra Philippine Iron Mines, Inc.	1.72	1.60	1.72	Off .02 16,600
0.31	0.15	Sac. Maurizio Mining Co.	.16	.155	.155	Off .005 36,000
0.27	0.17	Surigao Cons. Mining Co.	.21	.175	.19	Up .015 845,600

COMMERCIAL SHARES

1953-54 Range	High	Low	Close	Change	Total Sales
185.00 135.00	Bank of the Philippine Islands	—	—	182.00b	—
72.50 60.00	Central Azucarera de Manila	—	—	60.00b	—
117.00 100.00	Central Azucarera de la Carlota	—	—	110.00b	—
105.00 100.00	Central Azucarera del Pilar	—	—	100.00a	—
45.00 26.00	Central Azucarera de Tulaic	45.00	44.00	45.00	Up 3.00
370.00 360.00	China Banking Corp.	—	—	365.00b	562
12.00 10.00	Cia. de Calulosa de Filipinas	11.00	11.00	11.00	Up .25
24.00 22.00	Filipinas Cia. de Seguros	—	—	22.50b	—
10.00 4.00	Industrial Textiles Mfg. Co., P.I.	4.50	4.20	4.25a	Up .05
7.50 7.00	Inaular Life Assurance Co.	—	—	7.00b	—
0.40 0.27	Manila Broadcasting Co.	—	—	.44a	—
3.35 2.80	Manila Wine Merchants	—	—	3.00b	—
—	Mayon Metal, class "B"	—	—	.05b	—
104.00 101.00	Meralco, 6-1/2%	104.00	104.00	104.00	T 600
—	Metropolitan Insurance Co.	—	—	140.00b	—
34.00 20.50	Pausado	28.00	28.00	28.00	Off 6.00
7.50 5.00	Philippine Air Lines	7.50	7.50	7.50	Up 1.50
14.50 11.50	PLDT Co., com.	14.50	13.75	14.00	—
0.0325 0.014	Philippine Oil Development Co., Inc.	.046	.025	.036	Up .011
100.00 99.50	R & D 4% bonds, 1959.	—	—	99.50b	6,011,250
34.50 29.00	San Miguel Brewery, com.	34.50	33.00	34.50	Up 1.50
100.00 94.00	San Miguel Brewery, 7% pfd.	99.00	98.00	98.50	Off 1.50
107.50 102.00	San Miguel Brewery, 8% pfd.	105.00	105.00	105.00	—
13.00 13.00	Talaxy Siley Milling, Univ. Insurance & Indemnity	14.00	14.00	14.00	Up .50
14.00 13.50	T-Bond sales reported in units of P100.	—	—	—	300

OVER-THE-COUNTER

	High	Low	Close	Total Sales
A. L. Ammen Transportation	P 50.00	P 50.00	P 50.00	112
Demonstration Gold Mines	.022	.022	.022	9,043
Far Eastern University	135.00	135.00	135.00	20
Mazindique Iron Mines	.20	.20	.20	5,000
Motor Service Co.	2.50	2.50	2.50	2,000
Philippine American Drug Co.	72.00	72.00	72.00	194
Victoria Milling Co., Inc.	96.00	95.00	95.00	1,357

Credit

By P. LUTHI

Treasurer, Menzi & Co., Inc.

MOST of the larger local business houses, with only a few exceptions, have noted a continuing slowness in collections.

It is noteworthy in the comments of reporting firms that accounts which have normally kept payments within 30 days are now running from 45 days up to 90 days. The general attitude among credit executives is to allow extensions requested by regular and deserving customers, as the predominant feeling is that business conditions have not improved. However, they are adopting a policy of strictly choosing their customers as a precautionary measure. Some have stated that they expect continued slowness in collections. One credit executive reported that his company is now following the practice of requiring further securities on accounts which heretofore have been fairly prompt but which have become slower. In other doubtful cases a policy has been laid down to revert credit accounts to cash accounts. Among provincial accounts, it has been noted that various excuses are being given for delayed payments,—that they are waiting for the company salesman, that they were not able to collect their own outstanding accounts, that shipments were delayed, etc. One business house reported that in order to accommodate customers it is experimenting with a policy of relaxing the credit terms.

Considerable delays in the distribution of mail have been noted lately by many business concerns, resulting in some uneasiness regarding this situation which affects not

only promptness of settlement of accounts, but also hampers general business operations. It is hoped that the Bureau of Posts will take remedial measures and will re-employ sufficient personnel to improve a service which has given cause for so many complaints during the past few weeks.

On the other hand, bank credit executives have noted efforts of bank clients to settle as early as possible the accounts arising from import and other bills, apparently to avoid additional business expenses arising from the imposition of the foreign-exchange tax on certain imported items which so far were exempt.

THE Association of Credit Men, Inc. (P.I.) has organized a new membership committee in line with its program to invite greater participation in the Association. The Association has also taken steps, through its Board, to make inquiries regarding municipal ordinances in effect in the City of Manila regarding the use of commercial business signs and the numbering of houses. The enforcement of these ordinances will obviously be to the advantage of business firms in their normal business operations. In recent months the Association has also undertaken certain projects to simplify collection systems and enthusiastic response has been elicited. Some companies have already reported quite favorable results, having noted an increase of payments by check through the mails, this eliminating the need of sending of collectors.

Electric Power Production

(Manila Electric Company System)

By J. F. CORTON

Treasurer, Manila Electric Company

1941 Average—16,316,000 KWH

	Kilowatt Hours	
	1954	1953
January	57,301,000	50,107,000
February	52,447,000	45,501,000
March	57,779,000	50,789,000
April	54,408,000*	49,159,000
May	57,775,000**	52,042,000
June	—	51,304,000
July	—	53,877,000
August	—	54,275,000
September	—	53,636,000
October	—	55,943,000
November	—	53,756,000
December	—	57,968,000
Total	—	628,357,000

*Revised
**Partially estimated

MAY output was 5,733,000 kwh's, or 11%, above May, 1953. During the past two months the rate of increase over the preceding year has declined slightly. This is, however, accounted for by the temporary shutdown of a large industrial concern.

New lower power rates were made effective May 1. Savings for customers are estimated at over P700,000 annually. During the preceding year, residential and commercial rates were also decreased. Total annual customer savings for the three rate reductions are estimated to exceed P2,900,000.

Total expenditures for new construction since Liberation totalling over P75,000,000 have provided more efficient generating equipment. This coupled with the efforts of well trained, loyal employees and the steadily increasing use of electricity, has made possible the lower rates.

FOR the past two years this column has made a brief report on electric power production for all other areas in the Philippines outside the integrated system served by Meralco.

Based on incomplete reports to the Public Service Commission, all other electric plants in the Philippines selling power to the public produced about 108,000,000 kwh's in the year 1953. This is an increase of about 18,000,000 kwh's, or 20%, which is about the same rate of increase recorded in 1952 over 1951.

There are about 170 companies selling electricity in the Philippines. The approximate output of 6 of the larger provincial plants is shown below. The output of these 6 companies represents nearly 1/2 of the Philippine output, other than the Meralco system.

	1953 Output	1952 Output	Increase
Cebu	14,650,000 KWH	12,500,000 KWH	17%
Baguio	10,450,000 "	5,600,000 "	87%
Iloilo	10,350,000 "	9,300,000 "	11%
Davao	7,000,000 "	6,000,000 "	17%
Bacolod	5,400,000 "	5,000,000 "	8%
Zamboanga	2,000,000 "	1,700,000 "	17%
Total	49,850,000 KWH	40,100,000 KWH	24%

The increase in these cities and elsewhere in the provinces has been at a higher percentage rate than the Manila Electric Company system increase. However, total provincial output was only 17% of Meralco production in 1953.

The following compares the Manila system output with all of the provincial systems' output.

	Manila Electric	Provincial*
1950	458,576,000 KWH	63,000,000 KWH
1951	497,221,000 "	75,000,000 "
1952	557,458,000 "	90,000,000 "
1953	628,357,000 "	108,000,000 "

*Approximations based on incomplete reports.

Real Estate

By ANTONIO VARIAS

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

REAL ESTATE sales registered in the Greater Manila area during the month of May, 1954, numbered 621, with a total value of P5,891,831, as compared with 551, with a total value of P7,170,328, registered during the preceding month of April.

Of the May sales, 184, with a total value of P2,412,941, represented deals within Manila proper, and 437, with a total value of P3,478,890, were transactions registered in Quezon City, Pasay City, and in the suburban towns of Caloocan, Makati, Malabon-Navotas, Parañaque, Mandaluyong, and San Juan.

A few of the bigger sales registered during the month were:

CITY OF MANILA

Binondo Plaza Cervantes, corner Juan Luna and Desmarinas Sts. A 3-story concrete edifice known as "MRS Building" on a lot of 565.3 sq.m., sold by Carmen Siviano Vda. de Angoco to J. M. Tusson & Co., Inc. for P1,800,000.

Ermita A. Mabini St. A property with a lot of 329.1 sq.m., sold by Natividad Katigbak Vda. de Gaastillo to Pedro Alibudbud for P48,900.

Melate M. H. del Pilar St. A parcel of 637.7 sq.m., sold by La Santa Sede to Apolinario S. de Guzman for P48,639.

Paco Otis St. A tract of 9,015 sq.m., sold by Chus Limco to The Domestic Investments Corporation for P135,234.

Quisapo Oraco St. A 1-story concrete warehouse on a lot of 1,327 sq.m., sold by Vicente Sommes to Co Cusanco & Sons, Inc. for P120,000 (reported sum).

Sampaloc Quason Boulevard. A parcel of 1,388.5 sq.m., adjacent to the Far Eastern University, sold by the Manila Electric Company to the Far Eastern University for P500,000.

San Nicolas Caballero St. A parcel of 401.7 sq.m., sold by Pablo Cotauco to Co Tuan for P30,000.

Sta. Cruz Gandara St. A property with a lot of 1,733.2 sq.m., sold by Gotsuco Investments Company to Benito Go Biso for P200,953.

Cubao Santolan Road. A tract of 10,444 sq.m., sold by Marina Requiza to Adameson & Adameson, Inc. for P52,220.

Diliman South 19th St. A property with a lot of 835 sq.m., sold by Alberto M. Flores to Lope Quinal for P37,000.

Payatas Estate A tract of 30,898 sq.m., sold by Pilar de Zuzurugui to De Dios Transportation Company for P229,160.

Rosario Heights Baleta Drive. A parcel of 1,586 sq.m., sold by Magdalena Estate to Macario Naval for P35,865.

PASAY CITY
F. B. Harrison St. A property with a lot of 1,168 sq.m., sold by Tomas de Vera to Tranquilina J. de Ortega for P50,000.
Figureos St. A parcel of 2,131 sq.m., sold by Petra O. Mejino to Salustia Vda. de Olasiviel for P42,488.
Luna St. A property with a lot of 342.14 sq.m., sold by Mariano Espeleta to Fanny Ledesma Leason for P50,000.

SUBURBAN TOWNS
Beclaran J. Abad Santos Drive. A parcel of 3,603.6 sq.m., sold by Mariano Florendo to Teresita F. Galor for P58,774.

Caloocan Samsan Road. A parcel of 4,241.2 sq.m., sold by Juan Nakpil to Manuel Pilares for P52,000.

Makati Pasong Tamo. A tract of 5,000 sq.m., sold by San Lorenzo Co., Inc. to Oceanic Commercial Co., Inc. for P70,000.

Malabon Tinajeros-Tugatog. A tract of 47,744 sq.m., sold by Tusson Realty, Inc. to Lirag Textile Mills, Inc. for P153,874.

Paranaque Quirino Ave. A parcel of 1,728.8 sq.m., sold by Rosario M. Vda. de Mendoza to Emiliano C. Ramirez for P65,000.

REAL ESTATE SALES, 1954

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January	P4,757,076	P1,306,427	P505,410	P1,676,512	P8,245,425
February	2,444,703	2,295,413	330,245	1,859,162	6,929,523
March	2,811,805	2,501,229	162,167	2,239,095	7,714,296
April	4,692,440	1,381,842	169,520	976,526	7,170,328
May	2,412,941	1,587,327	246,905	1,644,658	5,891,831

REAL ESTATE MORTGAGES, 1954

January	P6,243,766	P1,308,920	P517,867	P3,629,703	P11,700,256
February	2,980,579	1,891,440	600,810	2,115,852	7,588,816
March	4,400,965	2,132,170	417,390	1,773,031	8,723,556
April	5,606,798	1,392,580	267,850	1,503,990	7,771,218
May	4,148,835	1,991,400	334,300	1,710,865	8,185,400

Building Construction

By JUAN J. CARLOS

President, United Construction Co., Inc.

DURING the month of April, the Office of the City Engineer approved building permits for construction work amounting to P2,628,820. For the same period in 1953, the volume of work authorized amounted to P4,123,120, in comparison with P3,502,260 in 1952 and P4,857,025 in 1951.

Some of the big projects that were started during the month under review were:

A 2-story semi-concrete office building for Q. Paterno to be erected on Magdalena Street, costing P95,000.

A 1-story re-enforced concrete building for the International Tobacco Co. Inc., at 402-12 Sevilla Street, costing P120,000.

For Bartolome San Diego, a 2-story apartment on Vergara Street, estimated to cost P70,000.

On Alvarado Street, a 3-story office and store building for Cheng Ben Kun, estimated at P50,000.

For Jose Espiritu, a 2-story apartment on San Andres Street, costing P50,000.

On Rizal Avenue, for Manuel Arce, a 2-story commercial building to cost P55,000.

For the Abad Santos family, a 3-story office building on Pennsylvania street, estimated to cost ₱60,000.

As is usually the case at this time of the year, most of the building permits issued are for residential buildings, and this fact accounts for the small volume of construction work during the period under review.

The price of essential materials remained firm. Steel bars are quoted at ₱360 per ton. Galvanized-iron sheets, both corrugated and plain, are selling at ₱6.00 to ₱6.20 per sheet for gauge 26, 8 feet long. Ordinary apitong and tanguile, are quoted at ₱120 to ₱240 per 1,000 bd. ft. Portland cement continued to be very scarce and many construction jobs had to be stopped due to lack of supply. A bag of 94 pounds, sold by the factory at ₱3.40 to ₱3.60, sells at from ₱8 to ₱10 per bag. To remedy the situation, the Central Bank has allocated enough dollars for the importation of 500,000 bags, but reports from Japanese suppliers state that the earliest shipment can be made only in September.

Port of Manila

By W. S. HURST

Executive Officer, Luzon Brokerage Company

THE tonnage of cargo delivered from the South Harbor piers for the month of May totalled 86,000 tons. It is anticipated, at the rate ships are arriving and with the amount of cargo each is bringing, that this tonnage will be greatly increased during the month of June.

The piers are once again in a sadly congested condition and it can be seen that the South Harbor piers are not large enough to handle the volume of imports that has been coming in. As a result of this congestion cargo can often not be located on the pier and deliveries in most cases cannot be made complete at one time. In many cases the cargoes of different ships are mixed together, and this, with the fact that it still takes around five days to have papers processed through the Custom House, adds to the congestion.

From reports in the newspapers it appears that the Customs Bureau is now suffering from lack of funds. In view of the amount of money that the Customs Bureau makes for the Government, the Bureau itself should not have its efficiency jeopardized by lack of funds to pay salaries and other overhead expenses.

As of June, Mr. Edilberto David took over as new Acting Customs Commissioner, taking his oath of office before Executive Secretary Fred Ruiz Castro. Col. Jaime Velasquez still remains as technical adviser to the President on customs affairs. As stated in a previous write-up, Mr. David is an old-timer in the Bureau of Customs. With his large knowledge of customs matters, we feel he should make a good Commissioner. This will be decided when it is seen how much cooperation is given to him by his department heads.

Ocean Shipping and Exports

By B. B. TUNOLD

Secretary-Manager

Associated Steamship Lines

TOTAL exports during the month of April this year showed a decrease of 55,814 tons as compared with exports during April of last year; 133 vessels lifted 378,964 tons of exports during the month, as against 434,325 tons lifted by 137 vessels during the same month last year.

The decrease is mainly attributed to a reduction in hemp and iron ore exports.

Exports for April, 1954, as compared with exports during April, 1953, were as follows:

Commodity	1954	1953
Beer.....	40 tons	169 tons
Cigars and cigarettes.....	15 "	17 "
Coconut, desiccated.....	3,041 "	4,125 "
Coconut oil.....	3,860 "	4,234 "
Concentrates containing copper, gold, silver, lead, and zinc.....	383 "	—
Concentrates, copper.....	7,726 "	1,098 "
Copra.....	48,943 "	41,236 "
Copra cake and meal.....	5,460 "	4,079 "
Embroideries.....	260 "	227 "
Empty cylinders.....	114 "	327 "
Fruits, fresh, mangoes.....	531 "	468 "
Furniture, rattan.....	615 "	1,234 "
Glycerine.....	84 "	—
Gums, copal.....	63 "	100 "
Hemp.....	52,751 bales	95,032 bales
Hemp rugs.....	171 tons	—
Household goods and personal effects.....	220 "	188 tons
Junk metal.....	23 "	265 "
Logs.....	32,569,203 bd.ft.	29,822,776 b.ft.
Lumber, sawn.....	5,037,606 "	5,091,293 "

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Molasses	16,066 tons	15,202 tons
Plywood and plywood products	26 "	15 "
Ores, chrome	36,708 "	41,303 "
Ores, iron	32,518 "	92,121 "
Ores, manganese	319 "	984 "
Pineapples, canned	5,032 "	12,444 "
Rattan, round	267 "	254 "
Rice	6,584 "	— "
Rope	341 "	447 "
Shell, shell waste	70 "	39 "
Sugar, cent. raw	121,750 "	124,703 "
Sugar, refined	897 "	— "
Sugar, muscovado	251 "	— "
Tobacco	319 "	1,624 "
Vegetable oil	43 "	101 "
Veneer	30 "	— "
Transit cargo	680 "	30 "
Merchandise, general	513 "	2,360 "

Products of forests	9,031	17,276
Products of manufactures	35,188	23,890
Merchandise less than by carloads	2,446	4,568
Total	119,621	76,076

In this review there were 47 items considered, and of these 16 registered increases while 31 suffered declines. There was an aggregate increase of 61,242 tons and an aggregate decrease of 17,697 tons. The most important items which registered increases were: sugar cane, 43,255 tons; centrifugal sugar, 12,357 tons; fuel oil, 1,962 tons; and soft drinks, 1,519 tons, or an aggregate total increase of 59,093 tons. On the other hand, the important items which suffered declines were: lumber, 6,151 tons; merchandise less carloads 2,123 tons; wood fuel, 1,850 tons; gasoline, 1,821 tons; and molasses, 1,428 tons, or an aggregate decline of 13,373 tons.

It is evident from the above figures that the increase in sugar cane is due to the greater production this season which very nearly reached pre-war level, while the increase in centrifugal sugar is due to increased exportation for the period. As a matter of fact there is plenty of centrifugal sugar which cannot be loaded on vessels, as existing port facilities cannot accommodate the berthing of ships. Molasses, on the other hand, showed a decline in carloadings due to the competition of barges and the lack of railroad facilities to handle this commodity. Trucks also carried a good amount of molasses via Guagua wharf. The increase in shipments of fuel oil was due to the use of this oil in the sugar centrals as well as in other factories. The increase in soft drink shipments, on the other hand, was primarily due to the summer season.

The decrease in lumber shipments was due to lower exportation. Wood fuel has been lately shipped by barges because of lack of freight cars which could be supplied for this commodity. Merchandise shipped in less than car-

Freight Car Loadings

By JOSE B. LIBUNAO

Traffic Manager, Manila Railroad Company

LOADINGS of revenue freight during the month of April, 1954, totaled 6,262 cars. This was an increase of 3,529, or 129.13%, over loadings during April, 1953, of 2,733 cars. The increase in the number of cars used was due to the delay in the cutting of sugar cane for the Pasudeco, Pasumul, and Central Azucarera sugar centrals on the Northern Line and for the Canlubang Sugar Estate on the Southern Line. It may be stated that even in May, Pasudeco is still cutting cane.

Revenue Carloadings by Class

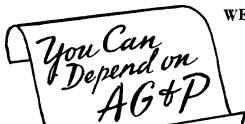
Group Commodities	April—Tonnage	
	1954	1953
Products of agriculture	70,110	27,393
Animal products	432	1,021
Products of mines	2,413	1,935

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loads lots has decreased due to keener competition by land haulers. There is also the scarcity of money, as may be noted from the general decline in the prices of many commodities, well demonstrated by special sales at reduced prices.

For the month of May the carloadings will continue the favorable trend shown in the month of April.

Mining

BY HENRY A. BRIMO
President

Philippine Gold Producers Association, Inc.

THE late Congress of the Philippines held its last regular session on May 20, 1954. On that day, it passed House Bill No. 2294, entitled "An Act to Provide for Emergency Assistance to the Gold Mining Industry of the Philippines, to Authorize the Appropriation of Funds Therefor, and for Other Purposes." Passage was aided, and in fact, made possible by a certificate of urgency signed by President Ramon Magsaysay which allowed final voting to take place in both Houses without the normally necessary three readings.

This bill was introduced in the House of Representatives by Congressmen Reynaldo P. Honrado, Ramon P. Mitra, and Luis Hora. In the Senate, it was sponsored by Senator Fernando Lopez, while Senator Emmanuel Pelaez gave the introductory remarks and clarified its provisions before actual voting took place.

On the previous day (May 19), House Bill No. 1862, introduced by Congressmen Antonio V. Raquiza, Erasmo R. Cruz, Eulogio Rodriguez, Jr., Jose Puey, and Lorenzo C. Teves, and entitled "An Act Amending Section One

of Republic Act Numbered Six Hundred One" (re tax on foreign exchange) was also approved by Congress, resulting in relief for the mining industry from the 17% Exchange Tax. This bill benefits the base-metal mines, as the gold producers had received this exemption the previous year through the enactment of Republic Act No. 909, which legislation also gave the gold producers, as readers will recall, exemption from the Compensating Tax as well.

The Subsidy Bill divides the individual gold producers into marginal and non-marginal mines, depending on whether the total net profit is above or below the "base profit". The bill defines "base profit" as that profit "equal to the quotient of the total remaining capital investment divided by the anticipated lifetime of the ore reserve plus 10% or 10% of the gross receipts, whichever is lower".

Mines thus classified as "marginal" will be allowed, at their option, to sell their newly-mined gold in the local free market (and forfeit the subsidy) or to the Central Bank, where it will receive a total of ₱111.72 per ounce for refined gold (roughly ₱111.00 *bullion*). "Non-marginal" mines have the choice of the free market or the subsidy, but in case a mine chooses the latter, i.e., sells its gold to the Central Bank, it will receive only ₱105.40 per ounce refined (roughly ₱104.68 *bullion*).

On the day before the last Congressional session (May 20), local bullion was sold for ₱105.25 per ounce. The first sale after May 20, or after the bill was passed, occurred during the May 22/23 week-end and at a price ₱3.75 per ounce higher, or ₱108.00. Subsequently there was a sale on May 25 at ₱109.00 and two days later at ₱109.85, all for bullion. Heavy sales of refined were also done during this time, all at ₱110.00 per ounce. It is likely that the price will remain around these levels for the time being, or until the subsidy takes full effect after some 60 days (30 days while it awaits the usual Presidential signature and

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another 30 days as allotted in the bill itself for the Central Bank to prepare a certified estimate of taxes it expects to collect from the gold producers and which estimate will be used to charge the National Treasury for such funds as will be necessary to begin the subsidy) to 70 days hence.

Thus, although it will take time to fully effectuate the Subsidy Bill, the premium price of gold has in effect already given gold producers much of the expected benefits.

Just what will happen to the gold price after the Subsidy Bill has become law and is officially in use, is something we will not attempt to forecast. Obviously, however, the possibility exists that the local gold price could advance to a level as high as the official subsidy price, or, under certain circumstances, higher.

House Bill No. 1862 extends relief to the base-metal mines from the 17% Exchange Tax on their importations of machinery, equipment, accessories, and spare parts as well as of carbides, explosives, and dynamite. It is a generous relief and one that will benefit the industry no little.

Lumber

By PACIFICO DE OCAMPO
Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

DURING the month under review, April, 1954, the Philippines exported 42,299,336 bd. ft. of logs and lumber, 22,796,555 less than the preceding month. The big decrease was mainly due to a drop in the shipment of logs to Japan, from 53,430,905 bd. ft. in March, 1954, to 31,844,987 bd. ft. in April, 1954, or a decrease of 21,585,918 bd. ft. The exports to the United States increased by 427,543 bd. ft., from 6,173,967 bd. ft. in March, 1954, to

6,601,510 bd. ft. in April, 1954. Exports to all other countries decreased by 1,638,180 bd. ft., from 5,491,019 bd. ft. in March, 1954, to 3,852,839 bd. ft. in April, 1954.

The following are the quantities of logs and lumber in bd. ft. inspected for export during April, 1954, as released by the Bureau of Forestry.

Shipper	Destination	Volume in Board Feet	
		Lumber	Logs
Aguinaldo Development Corp.	Japan		299,930
Agusan Timber Corp.	Japan		2,990,000
Alberto S. Lorente	Japan		500,124
Anakan Lumber	U. S. A.	87,697	4,000,000
Company	Japan		2,000,000
Anacleto O. Rajeses	Japan		489,730
Atkins Kroll & Co., Inc.	Formosa		484,200
American Builders, Inc.	Guam	9,296	
Basilan	U. S. A.	741,825	722,711
Lumber	Hongkong	110,732	
Company	Formosa		1,000,000
Bicol Industries Co.	Japan		649,881
Brigido R. Valencia	Japan		346,260
Bislig Bay	U. S. A.	158,199	531,908
Lumber	Hongkong	205,121	
Co. Inc.	Japan		3,515,412
Calapan Lumber Co., Inc.	U. S. A.	20,064	231,578
Cipriano Luna Lumber Enterp.	Japan		999,990
Dee Cho Lumber Co., Inc.	U. S. A.	32,000	
Edward L. Kincaid	U. S. A.	175,536	
Extensive Enterprises Corp.	Japan		579,972
General Enterprises, Inc.	U. S. A.	28,000	
G. S. Mañalac Enterp.	Japan		800,000
Getz Bros. & Co.	Formosa		1,202,767
Gonzalo Puyat & Sons, Inc.	Japan		500,000
Iigan Lumber Co., Inc.	Japan		500,208
Insular	U. S. A.	801,870	486,519
Lumber	Africa	603,718	
Company	Canada	29,635	
	Eire	96,190	
	Hawaii	69,880	

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Jorge J. Tirador	Japan	500,000
L. A. Johnson	Hawaii	111,167
Luis J. Reyes	Sweden	9,688
Luzon Manufacturing Enterp., Inc.	Japan	544,967
Mariano R. Lacson	Japan	400,787
Nasipit Lumber Co., Inc.	U. S. A.	485,198
North Camarines Lumber Co., Inc.	Japan	5,600,000
North Star Lumber Co., Inc.	U. S. A.	999,700
Philippine Lumber Manuf. Co.	Guam	7,370
Ralph W. Dempsey	U. S. A.	63,693
Red Wood Co.	Japan	1,314,157
Sanchez Logging Co.	Japan	1,492,437
Sta. Clara Lumber Co., Inc.	U. S. A.	497,784
Serra & Co., Inc.	Formosa	603,145
S. C. Choy & Co., Inc.	U. S. A.	169,380
T. H. Valderrama & Sons, Inc.	Japan	809,683
Valderrama Lumber Manuf. Co.	U. S. A.	50,648
Valeriano C. Bueno	U. S. A.	1,023,089
Visayan Sawmill Co., Inc.	Japan	482,216
West Basilan Timber Co., Inc.	Japan	1,000,642
Western Mindanao Lumber Co., Inc.	Japan	1,550,812
Woodwerks, Incorporated	U. S. A.	86,000
	Africa	64,672
	Hongkong	65,165
Total		4,151,676 38,147,660

SUMMARY OF EXPORTS DURING APRIL, 1954, ARRANGED BY COUNTRIES OF DESTINATION IN THE ORDER OF VOLUME OF SHIPMENT TO EACH COUNTRY

Countries of Destination	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	31,844,987	31,844,987
United States	2,778,730	3,793,145	6,571,875
Formosa	—	2,499,840	2,499,840
Africa	668,390	—	668,390
Hongkong	381,018	—	381,018
Hawaii	181,047	—	181,047
Eire	96,190	—	96,190
Canada	29,635	—	29,635
Guam	16,666	—	16,666
Sweden	—	9,688	9,688
Totals	4,151,676	38,147,660	42,299,336

Resume of Exports to:

	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	31,844,987	31,844,987
United States and Canada	2,808,365	3,793,145	6,601,510
Other Countries	1,343,311	2,509,528	3,852,839
Totals	4,151,676	38,147,660	42,299,336

Arrivals of logs and lumber in Manila during the month under review, aggregating 13,160,033 bd. ft., increased

COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF MARCH AND APRIL, 1954

PERIOD	Lumber in Board Feet					Logs in Board Feet					
	Western States	Eastern States	Gulf States	All Others	Total	Western States	Eastern States	Gulf States	All Others	Total	Grand Total
March, 1954	2,132,813	1,033,607	244,562	214,013	3,624,995	1,384,743	—	600,000	500,012	2,484,755	6,109,750
April, 1954	1,823,790	551,602	144,574	258,764	2,778,730	2,040,694	1,229,649	—	522,802	3,793,145	6,571,875
Difference (Increase + Decrease)	309,023	482,005	99,988	44,751	846,265	655,951	1,229,649	600,000	22,790	1,308,350	462,125

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Trend of Exports to:

	This Month		Month Ago		Year Ago	
	Lumber	Logs	Lumber	Logs	Lumber	Logs
Japan	—	31,844,987	—	53,430,905	—	40,145,515
United States and Canada	2,808,365	3,793,145	3,689,212	3,484,753	3,194,862	1,788,311
Other countries	1,343,311	2,509,528	1,156,205	3,334,814	1,362,131	1,644,452
Total	4,151,676	38,147,660	5,845,417	59,250,474	4,556,993	43,578,278

by 4,707 bd. ft., as compared to arrivals during the previous month of 13,155,326 bd. ft.

During the month under review, April 1954, the local wholesale lumber market prices decreased, compared with those of the previous month. Prices of white lauan, apitong, and red lauan decreased to P155-P160, P155-P165 and P185-P200 per 1000 bd. ft. respectively, compared with the prices of P170-P185, P170-P185 and P200-P215 the month before. The downward trend is believed to be caused by an overflow of supplies from Bataan.

Copra and Coconut Oil

By WILLIAM S. RICE, JR.

Copra Buyer, Philippine Manufacturing Company

THE market maintained a fairly steady character throughout May, moving repeatedly up and down through a comparatively narrow price range.

European buying interest has been very good and seems to have been the main source of support for the market. Buyers for Europe have displayed an almost insatiable demand for copra at the level of \$185 per long ton c.i.f. European ports, which has tended to stabilize the price at or slightly above that level.

Earlier this year we minimized the volume of European interest for Philippine copra, but export statistics have shown our opinion erroneous. Exports to Europe, January through May, were abnormally heavy, and we must conclude that European interest has been the main stabilizing factor in the market this year. Without this large European interest, prices would probably have moved much lower in face of the good production.

Copra Prices. During May, export prices fluctuated in a range equivalent to \$165-\$175 per short ton, c.i.f. United States Pacific Coast ports. Manila prices for fresh copra, rescada basis, 30-day delivery, moved in a slightly wider range of P28.50 to P32.00 per 100 kilos.

Coconut Oil Prices. Coconut oil prices moved within the limits of 12¢-13¢ per pound, f.o.b. tank cars, Pacific Coast for June shipment.

Copra Cake and Meal Prices. The United States West Coast market for sacked meal produced from expeller-extraction process, has been fairly steady in the range \$60 to \$63 per short ton, f.o.b. dock, West Coast, but the market showed easiness near the month end. Some of this easiness is reported due to distribution of surplus government milk, which, while not directly competitive with copra meal, has imparted sympathetic easiness to the copra meal market.

The market for copra meal produced from solvent-extraction process was weak throughout the month and prices declined \$4 per ton.

Recently a trial shipment of copra cake in bulk was made from the Philippines, and the initial reaction is that it proved unsatisfactory both from the viewpoint of quality deterioration and handling costs.

Copra Statistics

Copra Exports	PHILIPPINE COPRA AND COCONUT OIL EXPORTS (In Long Tons)		
	March	April	May
United States	23,000	23,801	28,253
Europe	25,623	18,550	18,050
Other countries	3,343	6,592	5,647
Total	51,966	48,943	51,950

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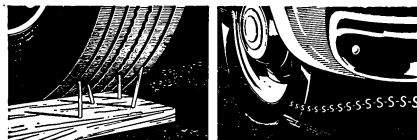
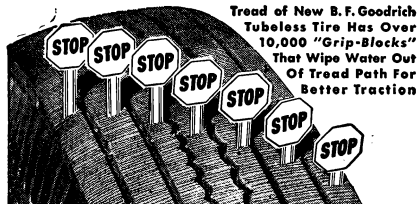
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United States	5,036	3,860	5,990
Other countries	—	—	250
Total	5,036	3,860	6,240

	MANILA AND CEBU COPRA ARRIVALS (In Metric Tons)						
	Manila		Cebu		Total		
	1954	1953	1954	1953	Manila and Cebu	Percent 1954/53	
January ..	13,038	8,448	15,490	12,682	28,528	21,130	135.0%
February ..	11,674	7,741	14,218	13,029	25,897	20,770	124.7
March ..	10,356	6,897	14,170	17,991	24,526	24,688	98.5
April	10,300	8,305	13,926	13,380	24,226	21,685	111.7
May	14,529	9,202	19,307	10,164	33,836	19,366	174.7
Totals	59,897	40,593	77,111	67,246	137,008	107,859	127.0%

	PHILIPPINE AND INDOONESIAN COPRA EXPORTS (In Metric Tons)					
	Philippine Copra Exports*			Indonesian Copra Exports*		
	1954	1953	1954/53	1954	1953	1954/53
January ..	53,992	41,025	131.6%	15,116	14,230	106.2%
February ..	58,879	36,672	152.3	17,644	18,884	93.4
March	60,919	50,168	121.4	23,377	19,550	119.5
April	55,951	48,745	114.8	—	17,258	—
May	62,844	36,536	172.0	—	5,854	—
Totals	292,585	215,146	136.0%	56,137	75,785	—

* Includes coconut oil exports converted to copra.

** Unavailable.

Production and Future Prospects. Production is excellent and continues to improve. Exports of coconut products on a copra basis for January to May, 1954, improved about 31% over the same period of 1953. Arrivals at Manila and Cebu rose sharply in May and now show every evidence of continuing very good as we enter the heavy producing season.

Some of the export shipments scheduled for May had to be re-scheduled for early June, due to late arrival of ships. Therefore June exports will probably be very heavy.

Price trends seem largely dependent on European interest, and, as this shows evidence of continuing good, it is difficult to foresee any sizeable price decline in the near future, but there is a possibility that prices will move gradually to lower levels during the next two months in the face of seasonal heavy production due to begin soon. We do not expect to see any sharp fluctuation in price during the next few months.

Desiccated Coconut

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

THIS report covers the period from April 15 to May 15. During this period copra and nut prices remained quite low, rising and falling slightly. Desiccators were operating at about 50% capacity, which made nut procurement easy, and they were able to buy nuts generally below copra-equivalent prices.

Approaching the low consumption months in the United States, where icecream and soft drinks are preferred over baking products and candy, we can expect low production until the middle of July when production will pick up, due to anticipated fall- and winter-buying. However, the drop-off is unusually high this year, and as of April 30 the production of desiccated coconut is off 32% as compared with the same period in 1953. Unusually large inventories at the close of 1953 may account for this in addition to a general buying slump.

Anticipation of lower prices has been a contributing factor in slackened buying for the first quarter of this year. However, today's prices are moderately low and should

not dip much more. If this is true, there should be more buying by June and July.

The following figures are the shipping statistics for April, 1954:

Shippers	Pounds
Franklin Baker Company	1,001,200
Blue Bar Coconut Company	754,560
Peter Paul Philippine Corp.	1,239,000
Red V Coconut Products, Ltd.	1,892,100
Sun Ripe Coconut Products, Inc.	971,500
Cooperative Coconut Products, Inc.	116,000
	5,974,360 lbs.

Sugar

By J. H. D'AUTHREAU
Philippine Sugar Association

THIS report covers the period May 1 to May 31, 1954. *New York Market.* The market opened heavy under the same depressing influences noted at the end of April, —namely, unsold May arrival Philippines and refiners' ample stocks. As the month progressed, unsold June arrival Philippines also made their appearance to prevent any favorable change. These lots sold all the way down from 6.15¢ to 6.00¢, duty-paid basis, and at the end of an exceptionally dull and depressed month, hope was at last expressed that the bottom had been reached. In view of refiners' continuing heavy stocks, improvement however can only be slow. A contributing factor throughout has also been the unfavorable weather in the United States. Withdrawals of refined by the trade are slow as it is regarded that the unchanged price of refined is hardly likely to increase. Sucrest in fact reduced their quotation 10 points from 8.80¢, still generally quoted on the East Coast, to 8.70¢. Forward exchange positions which resisted the trend of actuals quite notably for the first half of the month, show further declines, however, at the month's end.

Reported sales of actuals totalled approximately 112,116 long tons, of which 52,000 tons were Philippines. Exchange operations for the period approximated 275,900 short tons. Deliveries of refined for the period April 25 to May 22 were 594,983 short tons, as compared with 570,685 for April and with 575,286 for May, 1953. Total deliveries for the year to May 22 were 2,897,157 short tons, as compared with 3,051,215 short tons on the same date in 1953. On May 22 refiners stocks were 326,741 long tons as against 244,384 on the same date last year.

Opening and closing quotations on the No. 6 Contract were as follows:

	July	Sept.	Nov.	March '55
May 3	5.73¢	5.77¢	5.77¢	5.53¢
May 28	5.62	5.71	5.72	5.50

Average spot price for May was 5.596500¢.

Average spot price January 1 to May 31 was 5.617255¢.

The election to determine the Longshoremen's Union representation duly took place on May 26, but a recount is in progress and the result not yet known.

Local Market. (a) Domestic Sugar. The market remains basically unchanged from our previous report, with continuing weakness in the main markets of Negros and Manila but with prices maintained in some isolated districts by virtue of the pattern of distribution. The latest available quotation from Bacolod is ₱13.60 ex warehouse, although rumors have circulated of an offer at ₱14.00 for a large quantity. The suspension of issuance of quedans covering Emergency "B" allotment continues pending termination of the present enquiry into emergency irregularities by the Special Board under the Chairmanship of Solicitor-General Querube C. Makalintal. Manila quotations for ex Manila warehouse as announced by the Bureau of Commerce were as follows:

PACIFIC MERCHANDISING CORPORATION

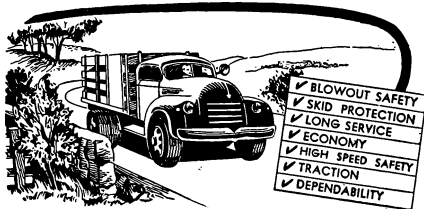
449 Dasmariñas

Manila

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BADGER FIRE EXTINGUISHER CO.
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COLUMBIAN VISE & MFG. CO.
CORBIN LOCK COMPANY
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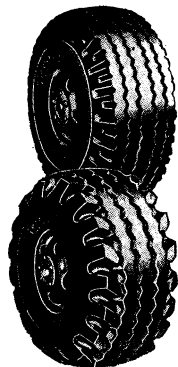
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		Export	Domestic	Consumption
		97'	98'	99'
May 5	Victoria Guagua Manila	₱15.25 ₱15.15/20	₱14.10-₱14.30	₱16.00-₱16.20 ₱17.10-₱17.50
12	Victoria Guagua Manila	₱15.15 ₱15.05	₱14.10-₱14.30	₱16.00-₱16.20 ₱17.10-₱17.50
19	Victoria Guagua Manila	₱15.15 ₱15.05	₱14.10-₱14.30	₱16.00-₱16.00 ₱17.10-₱17.50
26	Victoria Guagua Manila	₱15.15 ₱15.05	₱14.10-₱14.30	₱16.20 ₱17.10-₱17.50

(b) Export Sugar. In sympathy with the New York market, the local market remained dull and inactive, with sellers holding for higher prices. The general quotation throughout the month remained steady at ₱15.15. A local exporter on May 21 however paid ₱15.40 to secure 4,000 tons, reportedly to fill a corresponding space commitment. This has of course firm sellers' ideas considerably, and in the absence of pressure to sell, no significant quantities would be available at less than ₱15.30/40.

We discover at this late date that our figures for shipment of 1953/54 crop sugar have included 21,000 long tons of 1953/54 sugar shipped against 1952/53 quota deficiencies which arrived in the United States before December 31, 1953. Adding this quantity to our previous figure of 794,522 long tons for total shipments of 1952/53 crop sugar, gives a corrected total of 815,522 which agrees with the Sugar Quota Administration total for the 1952/53 crop of 914,117 short tons. This same quantity of 21,000 long tons must therefore also be deducted from our current figures for 1953/54 crop shipments. Our last reported total of 509,422 long tons to end April is therefore reduced to 488,422 long tons.

Shipments for the month under review reported by the Customs House total approximately 118,648 long tons, making a total to-date of 607,070 long tons against the 1953/54 crop as adjusted above, as compared with 531,940 long tons up to the same date in 1953. Total shipments from January 1, 1954, to May 31 were 526,612 long tons, as compared with 411,940 long tons at May 31, 1953. Total arrivals in New York for the period January 1 to May 22 are recorded at 352,561 long tons, as compared with 300,543 for the same period in 1953.

World Market. Opening and closing quotations were as follows:

	Spot	July	Sept.	Oct.	March, '55	May
May 3	3.38¢	3.36¢	3.35¢	3.35¢	3.28¢	3.28¢
May 28	3.31	3.30	3.29	3.27	3.27	3.23

which shows a general decline across the board. Spot has declined to 3.31¢ at the close. During the month France closed 230,000 metric tons of Cuban raws and India closed 100,000 tons of Cuban refined. Cuban sales in the World market to April 30 are estimated at 579,730 U. S. long tons, as against 1,391,314 long tons at the same date in 1953. This leaves a balance in the Cuban "free" world quota of 180,149 long tons until additional quantities are released from the "Retained Export Quota."

Cuban sugar production as of April 30 was 4,403,360 Spanish long tons, compared with 4,455,461 tons on the same date last year. Molasses production at the same date was 215,894,421 gallons, as compared with 238,205,639 gallons. From latest reports, 116 Cuban mills have finished grinding, leaving 45 to report.

The International Sugar Council meeting in London on May 7 estimated "free" market requirements at 3,804,000 metric tons and reduced export quotas a further 5%. The already reduced Philippine quota of 22,500 metric tons is unaffected. It was recommended that exporting countries limit exports for the first 8 months of 1954 to 75% of quotas. The Council took no additional measures in view of poor reports of the European beet crop and will meet again in September to re-examine the situation.

Firestone Tire & Rubber Co. of the Philippines

CEBU MANILA ILOILO

United States-Philippine Trade Act. The Philippine congress enacted the necessary legislation before its adjournment extending the present provisions for a further period of 18 months and similar legislation is now before the United States Congress for like action.

1953-54 Milling. Twelve of the 25 Centrals have finished milling for the 1953-54 crop, with a total production of 752,438 short tons, while the Centrals still milling are estimated to produce 673,378 short tons, or a total of 1,425,826 short tons. The average of juice purities to date is 83.87.

Manila Hemp

By ROBIN DUNCAN

Third Vice-President, Conrad & Co., Inc.

DURING the first half of May, the New York market was dull and easy, as manufacturers showed no interest in buying on any reasonable scale. Davao machine-cleaned hemp was offered at:

F	.....	19-3 8¢
L	.....	18-3 4
S2	.....	17-1 2
J1	.....	17-1 2
G	.....	16-1 2

During the middle of the month, due to lower production and holding of stocks by dealers, prices rose sharply in Davao, which was reflected by higher offers in New York. By the end of May, there were offers of DAMC hemp at:—

F	.....	20¢
L	.....	19-1 2
S2	.....	18-1 2
J1	.....	18-1 2
G	.....	17-3 8

However, buyers were completely uninterested in meeting these prices, and little or no business resulted.

Demand from Europe continued steady for both Davao and non-Davao fiber; prices rose during the month by \$15 to \$25 per ton for Davao hemp and slightly less for non-Davao. By the end of the period under review, it became apparent that United Kingdom and Continental spinners had bought enough for their needs and would not follow the advance in prices, so the general tone of the market there ruled dull.

On May 19, the Department of Foreign Affairs advised exporters that the Philippines/Japan Trade Agreement had been further extended another 120 days. In spite of this, demand from Japan has not been as heavy as expected, as it was only on May 24 that the Japanese Ministry of International Trade and Industry decided to go ahead and release the April/May/June quotas for the importation of abaca, and these figures are not expected before the middle of June.

The rumor that a large quantity of abaca had been sold to Korea undoubtedly firmed up markets in the Philippines, particularly in Cebu and the Bicol provinces. While exact details are not available, it seems clear that Korea did buy a sizeable amount, and at prices higher than the current Japanese market, so, in order to do business, Japanese importers were forced to raise their prices \$2 to \$3 a bale, but the financial situation there made them unwilling to follow the rise in general.

Sales during May were also reported to South Africa, India, Australia, and New Zealand.

We give below the usual statistics.


	Balings—January/April, inclusive				
	1954	1953	1952	1951	1950
Davao	160,968	160,267	170,505	164,709	102,318
Albay, Camarines Sur- sogon	42,449	96,248	69,597	114,731	66,294
Leyte, Samar	44,685	45,505	62,123	69,529	39,531
All others	27,502	35,610	27,069	36,940	25,806
Total	275,704	337,630	329,294	387,909	233,949

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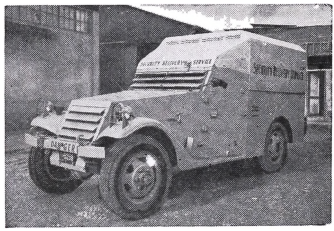


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Exports—January, April, inclusive					
United States and Canada	61,069	118,588	115,588	239,596	91,967
Continent of Europe	63,471	68,204	63,407	71,046	30,414
United Kingdom	48,231	42,962	41,602	60,808	26,052
Japan	67,460	86,672	36,039	48,943	35,841
South Africa	3,345	3,170	4,100	3,420	1,310
China	1,741	745	4,075	2,005	5,315
India	1,740	2,250	1,630	3,202	3,200
Korea	—	—	—	—	950
Australia and New Zealand	2,500	1,200	550	700	625
Others	702	370	160	—	—
Total	250,259	324,161	267,151	429,720	195,674

Tobacco

By LUIS A. PUJALTE

Wholesale Dealer & Exporter
of Leaf Tobacco

BUYING is not only going on in earnest in Pangasinan and La Union but at dangerously high prices. Farmers in Pangasinan are being paid as high as ₱32 per quintal (100 lbs.) and in La Union up to ₱40. Some farmers from Pangasinan, whose towns are near La Union, cart or truck their leaves to La Union to take advantage of the higher prices. This procedure is an infringement of Internal Revenue regulations, as the tobacco from these provinces are not similar but have distinctly different characteristics. With the keen competition and great demand, they are getting away with it.

These high prices paid to farmers by provincial dealers are dangerous as they are way above the world market prices for tobacco and as consequently very little tobacco will be exported. Local consumption is not large enough to absorb the crop and manufacturers will not stock-up for future consumption at these high prices.

Farmers were very enthusiastic due to the high prices paid last year and planted plenty of seedlings, but foul weather spoiled the fields and killed the seedlings and, as a consequence, there is a shorter crop this year. This has come two years in succession and the chances are that weather will be favorable this year. If so, with favorable weather and the farmers' enthusiasm, this will spell an abundant crop, if not the bumper crop to be expected if weather is completely favorable.

By early 1955 we may see the market weaken and then just roll down.

Rice

By CHARLES O. HOUSTON, JR.

Director, Graduate School, University of Manila

THE period reviewed is April 19 to May 15. The rising tendency which was noted in the preceding period continued throughout the first part of the current period, and then toward the end, stabilized at levels only slightly below those of last year. Toward the end of the period, it became apparent that the Administration was determined to resume loans through the ACCFA, and with the signing, by the President, of legislation setting aside ₱30,000,000 with an initial release of ₱10,000,000 for this purpose, the market steadied and became firm, although sellers still were holding large quantities of stocks in anticipation of a general price rise. Some observers were disturbed by the announced program of the Philippine National Bank to grant "emergency" loans to sugar planters, as the original plan had been to utilize these funds in financing rice producers; these observers

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now believe that unless the ACCFA program is handled with care and wisdom the diversion of these large sums to sugar production—encompassing as this does much marginal land, may well unsettle the rice market to an extent great enough to weaken the program now in the process of development. An interesting footnote to this (as well as to the "nationalization" question) was revealed in the press which reported that the largest rice dealer in the Philippines had guaranteed to the NARIC sufficient deliveries of rice to meet the demand of the market,—a rather strange situation: a nation dependent upon the activities of one dealer.

PRICES
(Sack, 50 kilos)

	MACAN		ELONELON		WAGWAG	
	1st class	2nd class	1st class	2nd class	1st class	2nd class
A—	16.50-17.00	16.00-16.50	18.00-18.50	17.50-18.00	19.00-20.00	18.00-18.50
B—	17.70-18.20	17.20-17.70	19.50-20.00	19.00-19.50	21.00-22.00	19.50-20.50

(Ordinary paddy—44 kilos—increased from P7.70 to P8.30, same period)

A—Beginning of period.
B—End of period.

Imports

By S. SCHMELKES
Mercantile, Inc.

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

Commodities:	April, 1954	April, 1953
Automotive (Total)	1,635,063	2,403,354
Automobiles	151,557	221,501
Auto Accessories	61,880	4,456
Auto Parts	179,635	257,855
Bicycles	5,087	473
Trucks	80,608	243,015
Truck Chassis	444,602	738,986
Truck Parts	130,644	130,554
Building Materials (Total)	5,644,837	3,769,599
Board, Fibre	—	7,144
Cement	197,137	30,062
Glass, Window	1,650,941	275,489
Gypsum	8,530	—
Chemicals (Total)	5,018,758	6,145,640
Caustic Soda	662,240	60,025
Explosives (Total)	17,274	29,554
Firearms (Total)	5,064	2,159
Ammunition	3,478	1,608
Hardware (Total)	4,893,476	4,436,086
Household (Total)	1,427,307	959,682
Machinery (Total)	2,449,390	1,685,065
Metals (Total)	9,910,559	12,534,750
Petroleum Products (Total)	98,747,289	47,379,176
Radios (Total)	44,440	19,630
Rubber Goods (Total)	1,034,004	785,247
Beverages, Misc. Alcoholic	11,803	4,704
Foodstuffs, Total Kilos	27,326,080	21,049,188
Foodstuffs, Fresh (Total)	16,353	41,411
Apples	4,222	2,792
Oranges	1,937	26,110
Onions	—	—
Potatoes	30	—
Foodstuffs, Dry Packaged (Total)	21,160	30,669
Entertainment Equipment (Total)	385,380	347,625
Sardines	46,795	9,322
Milk, Evaporated	181,234	152,222
Milk, Condensed	15,200	34,000
Foodstuffs, Bulk (Total)	682,619	417,589
Rice	5,000	1
Wheat Flour	623,256	372,424
Foodstuffs, Preserved (Total)	1,363	1,674
Bottling, Misc. (Total)	1,309,897	837,105
Cleansing and Laundry (Total)	114,265	71,258
Entertainment Equipment (Total)	3,805	3,676
Livestock-bulbs-seeds (Total)	29,266	8,815
Medical (Total)	815,729	786,397
Musical (Total)	19,938	17,701
Office Equipment (Total)	52,772	29,625
Office Supplies (Total)	51,765	28,881
Paper (Total)	7,879,291	5,414,427
Photographic (Total)	43,840	24,644
Raw Materials (Total)	770,845	2,424,521

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Sporting Goods (Total)	14,408	7,597
Stationery (Total)	219,744	212,769
Tobacco (Total)	1,432,363	727,251
Churcheria (Total)	111,098	44,140
Clothing Apparel (Total)	356,274	501,423
Cosmetics (Total)	20,572	51,988
Fabrics (Total)	386,228	534,791
Jewelry (Total)	—	5
Leather (Total)	383,570	114,352
Textiles (Total)	3,491,125	2,709,313
Twine (Total)	74,219	50,364
Toys (Total)	20,047	4,199
General Merchandise (Total)	1,534,709	479,687
Non-Commercial Shipments (Total)	65,251	71,672
Advertising Materials, Etc. (Total)	15,031	7,971

Food Products

By C. G. HERDMAN

Vice-President, Marsman & Company, Inc.

THERE has been very little change in the local market during the past month. The House bill extending the life of the exchange tax was duly passed and has gone to the President for signature. Canned fish in addition to canned milk remains exempt from this tax, but wheat flour will be subject to payment of the tax as soon as the new bill is approved by the President. This will have the inevitable result of increasing the price of bread to all consumers by approximately 17%, the amount of the tax, which is greatly to be regretted.

Fair quantities of canned milk arrived during May but less than consumption during the period and supplies are becoming definitely short and prices have been increasing. The Central Bank is aware of the impending shortage and additional exchange allocations were released during the month which have permitted importers to place orders for additional quantities. It is feared, however, that an acute shortage will exist before these new supplies can possibly arrive.

Wheat flour arrivals were in excess of the actual consumption, which is below normal at this time of the year. June arrivals also are expected to be above average but the remaining exchange allotments for the present semester for flour are very small and July arrivals will be far below normal. It is anticipated, however, that sufficient flour is on hand or arriving in June to carry over until August.

Canned fish imports during May were in fair quantity. Demand continues to be very light, there being ample supplies available at this time of fresh fish.

There is an ample supply of canned meats in the market. Demand has improved somewhat because of the shortage of fresh beef, and in view of the difficulty encountered by importers in securing increased supplies of fresh beef, the Central Bank has announced it will materially increase allocations for canned meats.

Fresh fruits and vegetables locally grown are in very good supply in the Manila markets. Ample supplies are still to be found of imported fresh fruits, but practically no imported fresh vegetables are available and imported canned fruits and vegetables are in very short supply.

Textiles

By A. MARCOLLES
Acting General Manager
Neuss, Hesslein Co., Inc.

REDUCED arrivals, together with the exhaustion of quotas for the first semester of the year, have brought about stronger conditions in the textile market during May. Shortages of some widely consumed standard articles like printed percales, dyed goods, and bleached goods,

have influenced rising prices in these commodities, and this has brought in its wake a general strengthening in all textile sections.

It is the contention of the trade that the existing volume of quotas does not suffice to take care of consumer needs and, consequently, similar situations and conditions are likely to prevail from time to time unless an increase in quotas is given or a re-classification of highly essential articles is made.

In the New York market, May was the most active month for a long time. The domestic demand materialized with a sudden spurt of buying, bringing more confidence and changing the complexion of the trade. Large quantities of printcloths and broadcloths figured in substantial deals, and it is estimated that during the first half of May, about 150,000,000 yards of grey goods were purchased not only in ready stocks but also forward against 3rd and 4th quota mills productions. This is the highest turn-over for a short period of time in the primary trade for a long while. Prices, however, have not run away and advances of only about 1/2¢ per yard have been experienced. Activity still continues and this stronger tendency is likely to continue into the second half of the year.

Arrivals from the United States totalled 21,003 packages,—7,247 were cotton piece goods; 3,173, rayon piece goods; 2,215, cotton remnants; 1,701, rayon remnants; and 3,726, yarns.

Arrivals from other sources totalled 2,975 packages, of which 1,600 came from Japan, consisting mostly of cotton and rayon piece goods; 685 from Hongkong; 545 from Europe; and 145 packages of hessian cloth and sugar bags from India.

The marked improvement in trading conditions has initiated fresh demand, and forward bookings against the new semester quotas have been negotiated. It is expected that the new quotas will be authorized for release by the Central Bank during the first week of July and no changes in values, method, or procedure is envisaged.

Legislation, Executive Orders, and Court Decisions

By EWALD E. SELPH
Ross, Selph, Carrascoso & Janda

AMONG the bills passed by both Houses of Congress are the following:

S. No. 7—requiring all instrumentalities of the Government, including Government-controlled corporations, to deduct and withhold from any money payment to private persons or entities any and all taxes the amount of which can be ascertained and payment of which has not been made.

S. No. 17—requiring one month's notice of termination of employment where no definite period is fixed and if no notice is given the employee shall be entitled to one month's compensation.

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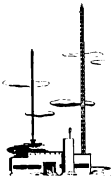
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S. No. 37—providing that any existing laws, city charters, and ordinances to the contrary, professionals having paid the national internal revenue tax thereon may practice in any part of the Philippines without any other tax or license fee.

S. No. 39—requiring estate- and inheritance-tax returns whenever the gross estate exceeds ₱3,000, and where it is ₱50,000 or more, a statement of the amount of taxes due certified by a certified public accountant.

S. No. 49—penalizing interference with peaceful picketing by workers and or employees during any labor controversy.

S. No. 89—revising the law relating to free medical attendance and dental and nursing service and providing for annual medical and dental examinations of employees.

S. No. 107—transferring, to the Security Exchange Commission the powers, duties, and functions together with the records and personnel of the Bureau of Commerce relating to the registration of domestic associations and licensing of foreign corporations.

S. No. 110—amends the kidnapping section of the Penal Code so as to provide the death penalty for detention committed for the purpose of extorting ransom.

S. No. 140—provides for more effective administration of the Securities Act and other laws by the Security Exchange Commission.

S. No. 148

H. No. 151—providing for a Social Security System.

S. No. 161—regulating manufacture, importation, sale, or distribution of livestock-feeds and limiting such activities to Filipino citizens or to companies 60% of the capital stock of which is owned by Filipinos.

S. No. 196—amending the Export Control Law by adding to the items covered the following: "uranium and other atomic energy materials"... "and such other items as may be deemed essential for industrialization and economic development" and extending the effectivity of the law to December 31, 1956.

H. No. 165—creating the Philippine Coconut Administration.

H. No. 175—creating the Court of Tax Appeals.

H. No. 340—granting municipal councils at ports or supports of entry the power to tax or fix a license fee for storage of oil, gasoline, and petroleum.

H. No. 930—providing for the expropriation of landed estates in the City of Manila.

H. No. 945—authorizing the Department of Agriculture to take charge of the sale and distribution to rice and corn producers and farmers, of fertilizer at actual cost.

H. No. 1079—providing for amendment of the Tariff Act reducing the amount of tonnage duty as a charge for wharfage to ₱1.50 per ton but adding its application to imports as well as exports.

H. No. 1297—extending effectivity of the graduated income tax on corporations.

H. No. 1298—extending effectivity of increased tax on distilled spirits, fermented liquors, wine, fire-crackers, and playing cards.

H. No. 1299—extending effectivity of increased sales and percentage taxes.

H. No. 1300—extending effectivity of increased documentary stamp taxes.

H. No. 1349—penalizing tax evasion and wilful refusal to pay taxes by aliens with deportation.

H. No. 1525—regulating the sale of veterinary biologics and medicinal preparations.

H. No. 1600—amending the sugar allocation law.

H. No. 1784—extending the effectivity of the increased individual income tax.

H. No. 1791—making Dumaguete City a port of entry.

H. No. 1795—establishing a new capital of Cavite Province and providing a charter therefor.

H. No. 1862—extending and amending the law relating to the 17% exchange tax.

H. No. 2501—authorizes the President to enter into trade agreements and also to exercise import control.

H. No. 2523—nationalization of retail trade.

H. No. 2530—amends paragraph 22 of Section 8 of the Tariff Act by making permanent the temporary increase of the duty on mineral oils, gasoline, etc., enacted in 1950.

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Philippine Safety Council

By FRANK S. TENNY

Founder and Executive Director

PROJECTS and programs for the year 1954-55 were formulated recently, but can hardly be adequately reported in this one article. In general, current safety activities comprising the "national safety movement" are much more concrete and specific in nature, as compared to a necessary tendency in the past toward generalization. Some examples follow.

The Board has definitely decided that more persons, as individuals, should be active in the safety campaign. Many readers of the *Journal* will be approached soon with a suggestion to join the Council. Several committees are being formed, and one will no doubt fit your "pet safety peeve." Favorable response is hoped for.

President Magsaysay has formed a "Presidential MVO Committee" which is now meeting to (1) revamp the Motor Vehicles Office and (2) prepare needed amendments to the Motor Vehicles Law (Act 3992). The Council is working in very close liaison with this group. This situation is a most happy one for the Council, after several years of frustration and difficulty with the past MVO administration. In a nutshell, the Council wishes to see more strict testing and examinations for both drivers and vehicles before licensing.

Full support will be given the program of the President's Fire Prevention Board, headed by Hon. Alfredo Eugenio. Current projects include such items as a more strict arson law, volunteer fire departments in communities, fire brigades in specific places and compounds, and public education on fire-prevention matters.

The Council is cheered by the strict enforcement program now being applied by Labor Secretary Eleuterio Adevosos against industrial establishments which have not obeyed various basic safety regulations. Vast improvements can no doubt be expected soon in this field. Again, this is an example of the "new look in safety" that is pervading the Government.

The outlook is also brighter in the "security-guard" and plant-protection field. Proper screening and training of guards, as well as efficient supervision, is gradually taking root. Improvements are constantly being made and noted.

A recent PSC Board meeting included 23 separate project items on the agenda. Most of them are underway now. Great progress has been made, especially this year. Hopes are bright for improved safety conditions for the first time since the war.

The cooperation of all Chamber members is requested in connection with safety. You are asked to ascertain that your Company Safety Committee is properly functioning, according to law. Conduct careful inspections for present or potential fire hazards. Maintain close discipline over your drivers. Pay more attention to the efficiency of your guard force which, at night, is also your primary defense against fire as well as theft. The Council will gladly help you in these and other matters on request.

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COST OF LIVING PRICE INDEX FOR WAGE EARNERS' FAMILIES IN MANILA, BY YEAR AND MONTH, 1935-1954

(1941=100)

Bureau of the Census and Statistics

Year and Month	All Items (100)	Food (63.43)	House Rent (11.96)	Clothing (2.04)	Fuel, Light and Water (7.73)	Miscellaneous (14.84)	Purchasing Power of a Peso
1935	89.7	89.7	96.4	89.7	85.1	90.2	1.1148
1936	87.4	88.3	96.6	88.4	77.5	87.7	1.1442
1937	88.8	88.3	96.4	88.2	85.2	89.5	1.1261
1938	92.1	92.1	96.8	92.2	88.8	92.5	1.0858
1939	93.2	94.8	97.7	94.8	84.3	92.9	1.0730
1940	97.3	98.9	98.9	99.0	89.9	96.7	1.0277
1941	100.0	100.0	100.0	100.0	100.0	100.0	1.0000
1945	591.5	834.3	236.4	1448.4	379.1	650.9	0.1446
1946	521.7	649.4	236.4	649.7	348.2	383.3	0.1917
1947	387.2	415.4	453.9	256.8	310.0	272.2	0.2583
1948	364.2	386.1	453.9	208.4	288.9	259.1	0.2746
1949	343.7	357.9	453.9	198.4	272.9	251.1	0.2910
1950	332.9	333.7	453.9	270.7	252.0	282.8	0.3004
January	332.3	336.8	453.9	238.0	253.1	269.1	0.3009
February	335.3	340.2	453.9	233.3	257.8	273.0	0.2982
March	336.6	341.4	453.9	236.7	257.8	276.6	0.2971
April	329.1	328.6	453.9	237.7	252.9	283.1	0.3039
May	317.4	308.6	453.9	244.7	249.7	290.4	0.3151
June	319.3	310.9	453.9	243.5	249.7	293.5	0.3132
July	326.3	322.4	453.9	252.6	249.7	290.4	0.3065
August	327.3	325.9	453.9	258.7	251.1	280.2	0.3055
September	334.2	335.0	453.9	317.4	252.5	291.0	0.2990
October	345.5	351.1	453.9	337.3	249.7	285.4	0.2894
November	346.7	353.2	453.9	322.8	249.7	286.6	0.2884
December	344.9	350.5	453.9	325.2	249.7	285.7	0.2899
1951	352.6	361.5	453.9	365.3	248.0	285.7	0.2836
January	347.9	355.0	453.9	331.5	249.7	285.6	0.2874
February	351.7	359.8	453.9	342.8	249.7	289.0	0.2843
March	346.4	349.3	453.9	379.4	248.8	293.6	0.2887
April	355.3	362.6	453.9	398.6	247.5	294.6	0.2815
May	359.2	367.0	453.9	410.4	247.5	300.6	0.2784
June	360.5	372.2	453.9	399.5	247.5	288.5	0.2774
July	359.0	370.1	453.9	382.0	247.5	290.2	0.2786
August	357.8	371.4	453.9	354.0	247.5	280.0	0.2795
September	356.1	369.0	453.9	356.4	247.5	279.0	0.2808
October	351.0	361.1	453.9	350.4	247.5	279.0	0.2845
November	344.1	351.1	453.9	343.8	247.5	275.8	0.2906
December	341.9	348.9	453.9	335.2	247.5	272.1	0.2925
1952	339.4	347.4	453.9	295.9	244.1	268.4	0.2946
January	342.8	350.9	453.9	330.8	247.5	269.7	0.2917
February	341.2	349.8	453.9	311.2	243.4	268.5	0.2931
March	337.9	345.1	453.9	301.1	243.4	268.1	0.2959
April	335.9	342.7	453.9	300.7	243.4	264.6	0.2977
May	335.1	341.8	453.9	293.2	243.4	264.4	0.2984
June	338.1	346.3	453.9	290.2	243.4	265.5	0.2958
July	340.4	349.5	453.9	286.6	243.4	268.1	0.2938
August	340.7	349.4	453.9	289.1	243.4	269.9	0.2935
September	341.1	350.0	453.9	287.7	243.4	270.7	0.2932
October	337.6	344.6	453.9	289.3	243.4	265.4	0.2952
November	340.5	349.3	453.9	286.2	243.4	269.8	0.2937
December	340.9	348.9	453.9	284.4	247.5	272.3	0.2933
1953	318.2	314.3	453.9	280.1	243.7	269.3	0.3143
January	337.3	343.2	453.9	283.7	247.4	272.4	0.2965
February	323.0	321.1	453.9	281.5	243.4	273.0	0.3096
March	318.6	314.3	453.9	281.3	243.4	272.4	0.3139
April	317.6	312.8	453.9	281.1	243.4	272.2	0.3149
May	314.3	307.8	453.9	280.9	243.4	271.1	0.3182
June	313.1	306.0	453.9	279.8	243.4	271.1	0.3194
July	316.0	311.0	453.9	277.8	243.4	269.9	0.3165
August	316.1	311.9	453.9	277.8	243.4	269.5	0.3164
September	315.8	311.6	453.9	277.8	243.4	265.6	0.3167
October	315.3	310.6	453.9	279.0	243.4	266.4	0.3172
November	315.2	310.1	453.9	280.9	243.4	267.0	0.3173
December	315.5	310.7	453.9	280.9	243.4	267.0	0.3170
1954							
January	311.7	304.7	453.9	279.3	243.4	267.0	0.3208
February	301.5	290.0	453.9	278.3	232.1	267.0	0.3317
March	301.1	289.5	453.9	274.9	232.1	267.0	0.3321
April	302.9	292.5	453.9	272.2	232.1	266.8	0.3301
May	309.7	302.8	453.9	272.2	235.7	266.5	0.3229

NOTE: Miscellaneous was revised from 1950 to May 1953 and clothing from February 1952 to May 1953.

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Column

A **SPLENDID** illustration of the concerted cooperation of the *Journal* is receiving from businessmen is supplied by the following letter from Mr. H. A. Suess, Second Vice-President of Conrad & Co., Inc., which runs as follows:

"With the enclosed report, we will have supplied the *American Chamber of Commerce Journal* with data on Manila Hemp for one year. Prior to that time, the Columbian Rope Company furnished the reports for approximately a year and a half. According to an agreement between the Columbian Rope Company, Macleod & Company, and ourselves, the three firms will alternate yearly in furnishing this information and, therefore, for the next 12 months the reports will be made by Macleod & Company. Yours very truly, etc."

The editor, of course, is highly pleased by this arrangement as it spreads the burden of the work and makes for some variety of presentation which, in turn, may lead to a greater freshness and increase reader-interest. The passing of the years has only tended to show what a happy invention "The Business View" department was when it was instituted in the first issue published under the present editorship. It is indeed a unique thing in business journalism that a publication such as the *Journal* should be largely made up of regular first-hand contributions, all of them of the highest authority, prepared by leading businessmen themselves instead of by a staff of reporters who at best write only at second-hand. At the beginning, there was some doubt that the Department could be kept going, but the interest in the Department, both of the writers and readers, is so great that it has kept going almost automatically in so far as the editor is concerned who, generally, merely sits back and waits for the monthly column contributions to come in. "Oh, is that so!" said the editor. "And don't you go and put ideas into people's heads! A regular alternation of column editors is a fine thing, all right, in such a column as ours on Manila Hemp, but it would not work so well with some other columns, especially with such columns the conduct of which is not so easily distributed among a number of firms in the same field. I am well satisfied with all our column editors and don't want any of them to get the idea they might turn the work over to someone else. For heaven's sake! That makes me tremble all over."

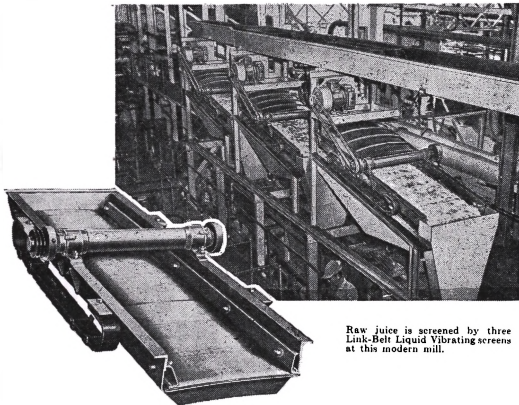
THE criticism expressed in the following letter from Mr. Frank S. Tenny, Executive Director of the Philippine Safety Council, with respect to the relatively small weight given to the security factor in the "investment climate" tables published in the April issue of the *Journal* and taken from the magazine *World* (New York), appears to be well taken:

"As a member of the Chamber, and being in the safety business, I was very much interested in the article entitled 'Philippines Ranked as to Investment Climate' which appeared on page 127 of your April issue.

"I cannot agree with the low comparative value put on 'security' in the tables presented in the article. Without seeming to be critical of our host country, I make the following comments on the ranking method in general:

"(1.) Perhaps the classification of 'Property Security' (Number 4 in the table) is meant to include all phases of security, such as efficiency of police protection, potential dangers from dissident or strike violence, criminal tendencies of some elements of the population, prevalence of pilferage and the like, general efficiency level of private security guards, etc. If not, then most of these

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important factors are not included in the complete rating table.

"(2.) The classification referred to only comprises 3% of the total rating scale. It seems somewhat disproportionate, when one considers that poor security factors may well be the deciding factor when it is being decided whether or not to establish a plant in a given foreign country. In other words, this 'minor' factor of 3% may outweigh the other 97% under appropriate circumstances. So, should it not be given more than a 3% value?

"(3.) Further, no mention is directly made of general safety conditions in the country in question. It would seem, at least to me, that such things as the vehicular accident rate, the prevalence of fires, the industrial accident rate, and similar elements would have their place in such a rating table. Or do our present United States businessmen place the entire burden on insurance in these cases? If so, they may expect high premium rates.

"Of course, I admit to being somewhat prejudiced on the subject of safety-security

and am frequently stressing its importance to businessmen and industrialists. However, it did come as something of a shock to see an apparently responsible survey take such a light attitude toward this vital (I think) subject."

To universal cheers, President Magsaysay on June 3 issued a proclamation restoring standard time the next day, cutting short the period up to June 30 during which "daylight-saving" time was to be in effect as decreed by him in an earlier proclamation which went into effect on April 12. The main idea was to afford workers more time for recreation in the afternoons, but numerous protests were received from persons, and especially parents, who objected to the earlier rising hour. We wrote

a "piece" on the subject which was crowded out of last month's issue but which is possibly still of interest, at least, so we hope.

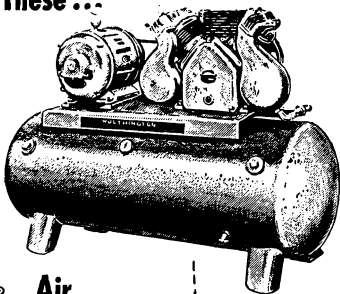
"As if we did not have enough of controls,—up to here," the editor said with a gesture signifying satiety, "now they have started trying to control our very hours, our lifetime habits of working and eating and sleeping. This so-called 'daylight-saving' nonsense is the most irritating of all. As for me, I shall continue to keep precisely the hours I have been observing, regardless of all the clocks that have been tampered with and all the factory whistles, which now are all an hour off.

"You know, daylight-saving laws were first enacted in the United States as a war-measure in 1916 in order to utilize for work, in summer, the earlier morning daylight hours, this being done by moving ahead all timepieces generally by one hour. There might be some advantage in this in the northern hemisphere, but with us, in the tropics, there is no great difference in the length of the day, summer and winter.

"Daylight saving here requires everyone to get up an hour earlier in the morning, and this necessitates

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going to bed an hour earlier every night, but, as we all know, during this season it is too blooming hot to go to bed any earlier than we do. The coolest hours now are from past midnight to early morning and those are the needed hours for sleep. So this daylight-saving time means sleepless time. I can see the whole country dragging its feet from sleeplessness and ending up in collapse from nervous exhaustion. . .

"At home I have a fine old grandfather clock, six feet high, with a great, slow-moving brass pendulum and beautiful chimes every quarter-hour. It is a very accurate clock, and I would no more think of setting the hands of that clock forward and making it falsely ring out the hours, than I would tell my grandchildren that it is the thing to do to tell a lie with every tick of the clock. Twelve o'clock is not eleven o'clock. Noon is when the sun is on our meridian. Why, besides the old grandfather clock, I have a sun-dial in the garden! Imagine the sun-dial saying one thing, and the clock something else. That way madness lies. I want my time, the local time, with noon, noon; midnight, midnight; and all the beautiful hours in-between in that grave an unalterable order determined by the majestic motions of our earth in the light of the sun.

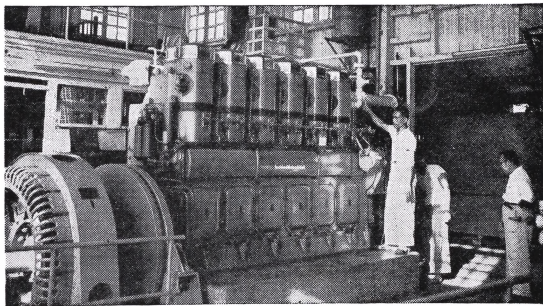
"And speaking of our proper local time,—you know that the Japanese, during their late stay here and for their own convenience, decreed that the Philippines observe Tokyo time, —which is exactly equivalent to the present 'daylight-saving' time! That alone raises my bristles!

"This tampering with standard time actually falsifies history! Most of the ex-Santo Tomas internees, for example, will tell you that the supreme moment of their lives, when the American Army tanks crashed through the gate on Calle España,

came at nine o'clock that unforgettable Saturday evening of February 3, 1945. But that was 'Tokyo' time. It was really eight o'clock, Philippine time."

"WHAT makes me feel so damn hot?" we asked rhetorically the other day, not expecting an answer. But we should have known that no one can ask a question around here without getting some sort of answer from the editor. The poor fellow has professionally had to play the pundit for so many years that he

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seems to think he must produce an answer for everything anyone can ask. It must be a terrible strain. But he popped out with an answer to our question about the heat right away.

"The sensation of warmth which you feel, is due to the bombardment of air particles; the hotter it is, the greater the velocity of these particles."

"Is that so!" said we, fanning ourselves (or should we say 'ourselves?'). "How interesting that is. It already makes me feel cooler."

"Yes," he said. "Of course, I am speaking only of the sensation of warmth. Why it is hot, you know as well as I do. Isn't this the hot season, summer-time, in this hemisphere, when the sun's rays come down upon us most directly, with the least slant?"

"Yeah," said we. "But it seems to me that it is getting hotter every year."

"That is the fact," he replied. "Temperatures all over the world have shown an upward trend during the last century. Especially during the last four decades, glaciers have been in retreat all around the world. The explanation has been suggested that this is due to an increase in the carbon dioxide in the air as a result of expanding industry..."

"No offense," we said, "but how do you come to know so much!"

"I was going to tell you," he said. "What I have just told you, and much more, may be learned by all from one of a very informative series of articles in *Life* on 'The World We Live In.'

"If you took the trouble to read those articles you wouldn't always be asking so many questions."

That rather made us feel hotter, and it wasn't because of air particles either... We reddened and the man read our mind.

"Pique, anger, resulting from in-

creased secretion of the adrenal hormone and heightened blood-pressure!"

But we hadn't asked!

"In hot weather you must keep cool," said the insufferable fellow.

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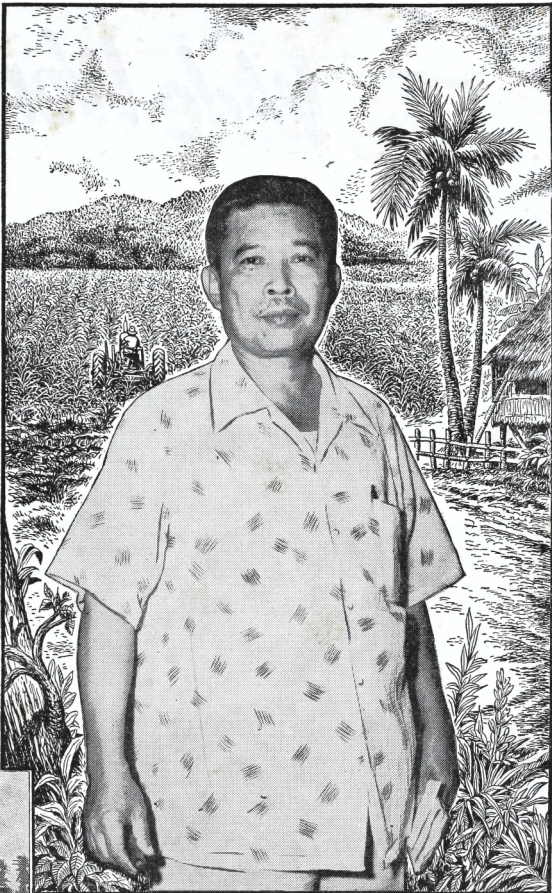
THE NERVE CENTER OF
WORLD-FAMOUS BRANDS IN CEBU CITY

Governor Juan de G. Rodriguez of Pangasinan tells

An amazing story of community progress!

"The other day a group of friends were talking about the new interest in the development of rural areas. Naturally, this brought on a discussion of what has already been done, and remembering that this is International Harvester's 50th anniversary year in the Philippines, I thought of a local example. The example is Bonifacio V. Magno, our International Harvester dealer in Dagupan—one of the most successful and well-liked young businessmen I've known.

"Just to give you the full picture, Magno is a native of Pangasinan. He was born here thirty-three years ago. His family is here. He wasn't born wealthy—far from it. His first job was that of a service station attendant. He progressed steadily to spare parts salesman—to mechanic; then, with the help of International Harvester, he became our Pangasinan dealer. That was in 1949, and since then his business has increased 600 per cent!



Hon. Juan de G. Rodriguez, Governor of Pangasinan

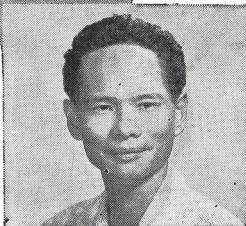


The Magno Auto Supply, Dagupan City, in 1949. Bonifacio Magno's first INTERNATIONAL HARVESTER dealership.



The Magno Auto Supply now has over 1,000 square meters, all of which is devoted to International Harvester sales and service.

Bonifacio V. Magno. Pangasinan's liveliest INTERNATIONAL HARVESTER dealer.



"Now that's a record! But Magno is a lot more than just another successful businessman. He's a real contributor to our province. Our main industry is farming—our main crops are palay and sugar cane, and it takes mechanical know-how to produce the most the land has to offer. It takes trucking and bus lines to move produce and people to and from market centers, too. Magno's sales and service of farm equipment, trucks and busses play a big part in the economy of Pangasinan..

"Today our International Harvester Dealership is a clearing house for new ideas about farming. Bonifacio Magno is a real asset to a province whose greatest wealth is in its rural areas—and he, with the assistance of his company, International Harvester, sees to it that our rural areas are developed to the fullest possible extent."

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