Evaporated milk, an uncontrolled item, is still plentiful in this market, although prices have advanced somewhat apparently in sympathy with the general advance in prices of other foodstuffs. Difficulty in securing exchange permits to cover further importations, indicates a possible shortage in this essential commodity within a few weeks' time.

Particularly noticeable are the extremely small stocks to be found in Manila of frozen goods such as fresh meats, etc.

Judging from reports appearing in Manila newspapers, it seems probable that restrictions on imports of foodstuffs may be relaxed in the near future, and such action would be highly desirable as otherwise there is going to be a tremendous shortage of essential foodstuffs, and living costs will be still further increased. The advance in prices of locally produced foodstuffs during recent weeks has been particularly noticeable.

Textiles

By L. W. Wirth

General Manager, Neuss, Hesslein Co., Inc.

IN the February issue of the *Journal* we pointed out that the Philippines is not over-supplied with cotton and rayon textile fabrics, as post-war imports only averaged about 134,000,000 square yards yearly, as against pre-war imports of 160,000,000 square yards.

Based on the percentage cuts in Executive Order No. 295, importations during 1950 of cotton and rayon fabrics will be reduced to approximately 36,000,000 square yards, or roughly 22% of the yearly pre-war average.

In Circular No. 19 of December 10, the Import Control Board announced that for articles previously uncontrolled, quotas would be issued for the period from December 1, 1949, to December 31, 1950. Many importers had substantial quantities (of previously uncontrolled fabrics) on order prior to December 1 and were hopeful of obtaining their quotas in December on the basis of Circular No. 19 to enable shipments to come forward. However, there has been much delay in the issuance of these quotas; only late in February the Import Control Office started to give out new quotas for the January/April portion of importers' quotas, and up to March 3 very few licenses have been granted.

This means that for the period of January to April approximately 12,000,000 yards will be licensed, or less than one yard per person and that means that before very long our population of 19,000,000 will be short of textile fabrics. This will result in a growing inflation at the expense of the laboring classes particularly, and for that reason alone it is essential to bring in this type of consumer goods in more substantial quantities in keeping with the needs of the people.

Due to the delay in issuing the licenses for 1950, arrivals during February were much less than normal replacement requirements, and it is expected there will be fewer goods arriving during March and April with the result that prices will further advance. As a matter of fact, local selling prices as of November 30 (when new import controls were put into effect) have since advanced an average of approximately 25%.

Reports from the Textile Industry of New York indicate that more than 90% of the mills' production of the most important staple items for the second quarter, i.e. April, May, and June, have been contracted for and that there has been a hardening price-tendency for July to December delivery, particularly in certain fabrics used for making low-priced shirts and dresses.

This hardening of prices in the United States due to the mills' production being sold up so far in advance, fur-

ther emphasizes the desirability of re-studying and re-appraising the percentage-cuts imposed on textiles in Executive Order No. 295, and further emphasizes the need to release quotas as quickly as possible while importers still have the opportunity to purchase available supplies of textiles in the United States before further advances in prices are effected.

Legislation, Executive Orders, and Court Decisions

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

ON January 31, 1950, in Case No. L-2216, the Supreme Court affirmed a decision of the Court of Industrial Relations requiring that "a majority of the laborers to be employed should be native."

The Supreme Court said:

"We are of the opinion that the order under consideration meets the test of reasonableness and public interest. The passage of Commonwealth Act No. 103 was 'in conformity with the constitutional objective and * * * the historical fact that industrial and agricultural disputes have given rise to disquietude, bloodshed and revolution in our country.' (Antamok Goldfields Mining Co. *vs.* Court, 40 O. G., 8th Supp., 173.) 'Commonwealth Act No. 103 has precisely vested the Court of Industrial Relations with authority to intervene in all disputes between employers and employees or strikes arising from differences as regards wages, compensation, and other labor condition which it may take cognizance of.' (Central Azucarera de Tarlac vs. Court, 40 O. G., 3rd Supp., 319, 324.) Thus it has jurisdiction to determine the number of men to be laid off during off-season. By the same token, the court may specify that a certain proportion of the additional laborers to be employed should be Filipinos, if such condition, in the court's opinion, 'is necessary or expedient for the purpose of settling disputes, preventing further disputes or doing justice to the parties.'

* * *

"We can not agree with the petitioner that the order constitutes an unlawful intrusion into the sphere of legislation, by attempting to lay down a public policy of the state or to settle a political question. In the first place, we believe, as we have already explained, that the court's action falls within the legitimate scope of its jurisdiction. In the second place, the order does not formulate a policy and is not political in character. It is not a permanent, all-embracing regulation. It is a compromise and emergency measure applicable only in this case and calculated to bridge a temporary gap and to adjust conflicting interests in an existing and menacing controversy. The hiring of Chinese laborers by the petitioner was rightly considered by the court likely to lead the parties away from the reconciliation which it was the function of the court to effectuate.

"As far as the petitioner is concerned, the requirement that majority of the laborers to be employed should be Filipinos is certainly not arbitrary, unreasonable or unjust. The petitioner's right to employ labor or to make contract with respect thereto is not unreasonably curtailed and its interest is not jeopardized."

In another case decided on the same date, the Supreme Court affirmed a decision of the Court of Appeals holding that an insured was entitled to recover from the insurance company for a loss occasioned during the Japanese occupation despite a clause in the policy absolving the insurer in event the loss was occasioned by war, etc., or if the loss occurred during the existence of "abnormal" conditions arising out of war, etc. The insurer also set up as a defense that the policy provided that if the circumstances affecting the building were changed without the consent of the insurer so as to increase the risk of fire, the insurance ceased. It also urged another violation of the policy because the insured had failed to disclose a previous fire. The Supreme Court, in passing upon the argument that occupation of the city and sealing of the building by the Japanese, increased the risk, that the fire occurred during "abnormal conditions", and that the claim was false and fraudulent because of denial of previous fire, said: