

Extracts from the Annual Report of the Philippine American Chamber of Commerce (New York)

THROUGHOUT the year there has been close cooperation between this Chamber and the American Chamber of Commerce, Manila. We continue to be indebted to the officers of that Chamber for transmitting to us by radio and airmail information of value to all our members.

"During the recent visit of Mr. Frederic H. Stevens, President of the American Chamber, Manila, we were very fortunate in that he was able to attend several of our Directors Meetings, and thus acquaint us with current conditions in the Philippines; many conferences were held with him which will insure a continued friendly relationship to the advantage of both Chambers. . .

"*Philippine Flag Law* . . . The application of this law continues to be a source of concern to American business. It has been pointed out by some that the United States too has a Flag Law. This is true. This act known as the 'Buy American Act', which is Title III of the Treasury Post Office Appropriations Act for the fiscal year ending June 30, 1934, passed March 3, 1933.

"An examination of the two laws . . . shows clearly that the provisions are entirely different. The Philippine Flag Law is based on the nationality of the seller and gives a 15% advantage to a bidder of Philippine nationality. On the other hand, the American Flag Law makes no reference to the nationality of the seller but merely gives priority to the purchase of governmental agencies of goods manufactured or produced in the United States. No reasonable person can object to any country giving priority of purchase from government funds to goods manufactured or produced therein. The Philippine Flag Law in its present form in effect penalizes the Philippine Government up to approximately 15% on each purchase of goods imported into that country if such goods are sold to a government entity by a Philippine national. At a time when the Philippine Government is bending every effort to conserve expenditures, it would seem that a modification of the Philippine Flag Law would mean considerable saving in government expenditures. In our opinion, the Philippine Flag Law in its present form is a deterrent rather than an inducement to American capital investment in the Philippines.

"The foregoing views were presented to the late President Roxas and to members of the Cabinet who are now serving under President Quirino. The only result to date has been the Philippine Government's directive to eliminate as bidders those who do not normally deal in the commodity offered for sale. Your Board is of the opinion that the Philippine Flag Law should be brought more into line with the 'Buy American Act,' and will continue to so recommend.

"*Revision of Section 251, U.S. Internal Revenue Code.* Your Board is in favor of the revision of Section 521 . . . so as to continue the tax benefits received by American business prior to Philippine Independence. When the Republic of the Philippines became . . . independent on July 4, 1946, a tax exemption granted in 1921 to American corporations and individuals doing business in American possessions automatically ended. Since that time, Ameri-



DE LUXE ANEROID BAROMETER

Solid Walnut Frame. Dial
and Scale of rich low Brass.

18" x 6 1/2" x 1 3/4"

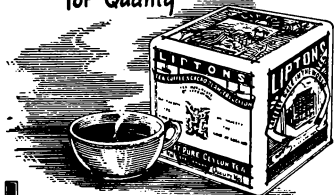
From P\$5.00 to P\$5.00

PHILIPPINE AMERICAN DRUG CO.

(BOTICA BOIE)

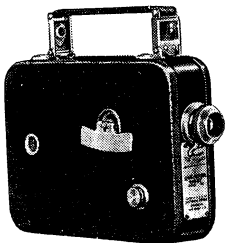
Photo Department
On the Escolta, Manila

World Famous
for Quality



LIPTON'S YELLOW LABEL TEA

CONNELL BROS. COMPANY
Manila Cebu • Iloilo • Davao



• CINE-KODAK EIGHT-25 •

Home movies are so easy and so certain with the Cine-Kodak Eight-25. And it's not only low in price, but also economical to use. Come in and see this outstanding movie camera today.

THE KODAK STORE

138 Escolta

Manila

can corporations and individuals doing business in the Islands have been operating at a distinct tax disadvantage as compared with the nationals of other nations doing business [there]. For example, certain foreign nationals operating in the Philippines pay the 12% Philippine tax as they always did, but are tax-free in their own countries. Americans, however, pay the 12% Philippine tax, and are then taxed 26% by our Government to bring their tax up to the 38% American corporate rate.

"This Chamber, the National Foreign Trade Council, Inc., and the American Chamber of Commerce, Manila, placed themselves on record as being in favor of the passage of H.R. 4208, a bill introduced by Congressman Cole on July 15, 1947, which would amend Section 251 so as to grant to Americans doing business in the . . . Philippines the same tax benefits given to those doing business in possessions of the United States. The amendment would be retroactive to July 4, 1946, the date of Philippine independence. The bill was referred to the House Ways and Means Committee. Hearings on the bill were conducted on March 5, 1948, at which time the views of the Chamber were presented, but no action resulted. The bill never was reported.

"While the bill was under consideration, Secretary of the Treasury Snyder went on record as being opposed to its passage. However, spokesmen for the Chamber and the National Foreign Trade Council, Inc., placed arguments in the hands of Congressman Cole in an attempt to offset the objections of the Secretary of the Treasury.

"Documents bearing on the proposed revision . . . were submitted by Mr. A. Brock Park, a former member of our Board, to Hon. Paul V. McNutt for consideration. Mr. McNutt strongly favors the revision . . . and on March 24, 1948, sent letters to that effect to Congressmen Jere Cooper and Daniel A. Reed, two members of the House Ways and Means Committee.

"It is expected that a similar bill will be introduced in the 81st session of Congress . . .

"*War Claims Act of 1948.* Last year the Chamber went on record as being in favor of the passage of the Hinshaw Bill, H. R. 1823, which would benefit American internees. A bill, H.R. 4044, which grew out of extensive hearings and lengthy considerations by the Committee on Interstate Commerce on H. J. Res. 173, H. R. 873, H. R. 1823, and H. R. 2823, was passed by the United States Congress on July 3, 1948, and is now known as Public Law 896 (War Claims



Matured to Perfection

"CANADIAN CLUB"

WHISKY

PREFERRED AND SOLD IN
87 COUNTRIES



HIRAM WALKER & SONS LTD. WALKERVILLE ONTARIO, CANADA - EST 1858

Sole Distributors in the Philippines

KUENZLE & STREIFF, INC.

31 Tayuman, Tondo, Manila Tel. 2-64-94

Branch Office: 306-308 Dasmariñas St., Manila

FOR
RE-WINDING OF
GENERATORS — MOTORS

CALL

E. J. MORA ELECTRIC CO., INC.

Address:

170-2 M. de Comillas

Tel. 6-65-85

Act of 1948). Section 2(a) of this law provides that a War Claims Commission be established to determine eligibility and process applications. However, the Commission has not been appointed because no funds have been made available. As a result, no claimant has received any money under the Act. It is expected this will be remedied early in the next session of Congress so that those who were interned or imprisoned may get the relief so long overdue. The Internee Committee which has worked so hard for this badly needed legislation is to be congratulated.

"Central Bank. One of the most important pieces of legislation passed by the Philippine Congress... was a bill providing for the establishment of a Central Bank, which is analogous to the Federal Reserve System... The Central Bank legislation changes the system from a dollar-exchange standard, with 100% currency backing in U. S. dollar deposits, to local control, with monetary authority resting in the Central Bank...

"Since the operation of a Central Bank is now authorized by law, the Board hopes that it will be a success and is confident that under the guidance of Secretary of Finance Miguel Cuaderno, all connected therewith will make every effort toward that end.

"...In closing this report I wish to thank the various members of the Board, the Secretary, and his assistants, for their splendid cooperation and loyal support.

"C. A. RICHARDS
President."

Weekly Changes in Retail Prices

Bureau of Commerce, Market Division
February 21 to 26, 1949

SPEARHEADED by appreciable reductions in prices of a number of imported items, the Bureau of Commerce Price Index resumed its downward movement, after registering a slight reaction during the past week, and chalked up a new post-liberation low of 233.78, down fractionally by 0.66 compared with the level prevailing a week before.

While the wholesale price of macan variety rice advanced by P0.50 per sack, retail prices have remained steady and unchanged at P1.40 per ganta for elon-elon, first class, and P1.35 for second class; P1.30 for macan, first class, and P1.25 for second class.

During the week, the government price-fixing committee

MANILA SHIPYARD, DRYDOCK AND ENGINEERING CO.

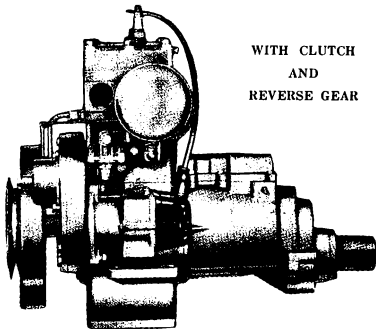
OFFERS COMPLETE HULL AND ENGINE
REPAIR
THREE SLIPWAYS AND DRYDOCK AVAIL-
ABLE.

Shipyards: Navotas, Rizal Tel. 40 Ask 499
Office: Room 507 Insular Life Bldg., Manila
Tel. 2-89-06

LUZON STEVEDORING COMPANY, INC. MANILA

KERMATH "Sixteen 5"

FIVE HORSE POWER
A COMPACT, DEPENDABLE, LIGHT WEIGHT WATER
COOLED, ALL-MARINE
4 CYCLE INBOARD ENGINE



WITH CLUTCH
AND
REVERSE GEAR

Marine Tailored

FOR RUNABOUTS — FISHING BOATS — UTILITY
BOATS — DINGHIES — TENDERS — AUXILIARIES

Exclusive Distributors

MANILA MACHINERY & SUPPLY CO., INC.

233 David (YWCA Bldg.) and 675 Dasmariñas
P. O. Box 607 Manila Tel. 2-72-98