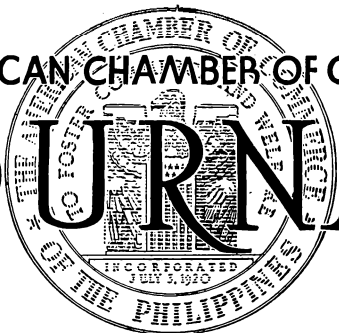


# THE AMERICAN CHAMBER OF COMMERCE

# JOURNAL



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*Editor and Manager*

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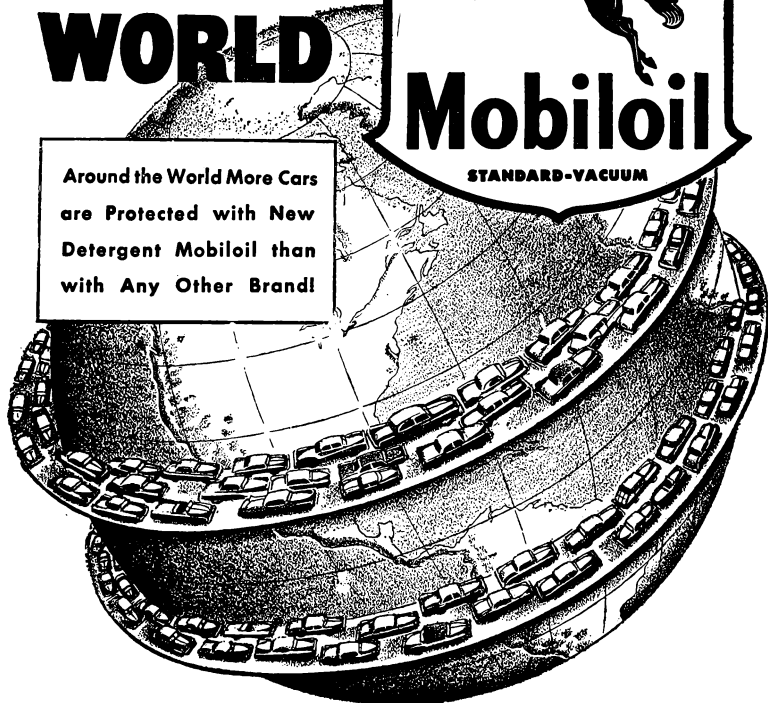
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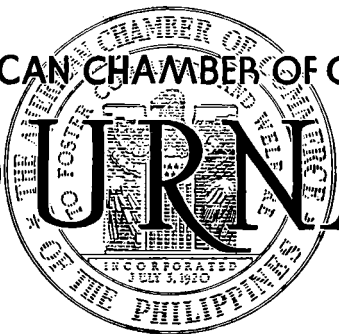
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# THE AMERICAN CHAMBER OF COMMERCE

# JOURNAL



## Editorials

*"... to promote the general welfare"*

To those who, like the writer, were not present, but who heard the radio-broadcast of the inauguration proceedings on the Luneta, which, on December 30, opened the administration of President Ramon Mag-saysay, the most impressive feature was the happy and indeed jubilant shouting of the people. There was a high, full-throated cheering so sustained even during the solemn moments of the oath-taking, that the words of the Chief Justice were hardly audible and the responses, first of the Vice-President and second of the President, could not be heard at all. In sharp contrast, the great crowd was wholly attentive and silent during the President's twenty-five minute inaugural address which was delivered in strong and measured tones, ringing with sincerity. The message, although unusually short, was pithy and fully justified the people's will and hope.

It was forceful rather than eloquent, and the ideas, all of them expressing both dedication and determination, were well ordered and economically and effectively phrased.

He declared that he accepted the people's gift of the highest office, humbly and gratefully and that his sole determination was to be President for the people, quoting the basic Constitutional tenet that sovereignty resides in the people and that all government authority emanates from them, and stating that all those in public office are but servants of the people. He interpreted his election as follows:

"As I see it, your mandate in the past election was not a license for the selfish enjoyment of power by any man or group of men. On the contrary, it was an endorsement of the principle—at times forgotten—that the general welfare is the only justification for the exercise of governmental power and authority. Your mandate was a clear and urgent command to establish for our people a government based upon honesty and morality, a government sensitive to your needs, dedicated to your best interest, and inspired by our highest ideals of man's liberty."

He mentioned Rizal, Del Pilar, Bonifacio, and Mabini, and said that too often these men were spoken of as if their work was done and as if today their spirit has ceased to have meaning or value to the people. The truth is, he said,

that we need their spirit now more than ever; that the people needed men of the integrity and faith of Rizal and Del Pilar, men of action like Bonifacio, and men of such inflexible patriotism as Mabini, to complete the work which they began.

"I will have such men," he vowed.

"From this day, the members of my Administration, beginning with myself, shall cease to belong to our parties, to our families, even to ourselves. We shall belong only to our people. . . I will render—and demand—uncompromising loyalty to the basic tenet of our Constitution, that you, the people, are sovereign. The rule of government must be service to you. Accordingly, I pledge my Administration to your service. I pledge that we shall extend the protection of the law to everyone, fairly and impartially—to the rich and the poor, the learned and the unlettered—recognizing, no party but the nation, no family but the great family of our race, no interest save the common welfare. The Bill of Rights shall be, for me and the members of my Administration, a bill of duties. . . We shall strive to give meaning and substance to the liberties guaranteed by our Constitution—by helping our citizens to attain the economic wellbeing so essential to the enjoyment of civil and political rights."

Speaking more particularly of the three branches of the Government, he stated that he would seek zealously to preserve the separation of powers ordained by the Constitution as a safeguard against tyranny. As to the legislative power, he declared:

"The legislative power vested by the Constitution in the elected representatives of the people, will, I trust, operate vigorously to prosecute our common program of honest, efficient, and constructive government. As Executive, I look forward to intimate cooperation with the members of Congress, particularly with those statesmen who have stood guard over the rights and liberties of our people."

As to the judiciary, he declared that its independence would be strengthened.

Next he spoke of his general program, speaking first of "social justice" under which name heretofore, he said, fervent but frustrated hopes had been raised in the hearts of our less fortunate citizens. We must not permit this to be an empty phrase, but bring it to life for all. He declared he would take energetic and positive measures to improve living conditions especially in the barrios and neglected rural areas and for the workers in the urban and industrial centers.

In this connection he referred to the necessary re-examination of the system of land tenure to purge it of injustice and oppression, and to clearing and opening the country's vast and fertile public lands to settlement. "Land for the landless" will be more than a catch-phrase, he said. "We will translate it into actuality."

"Democracy becomes meaningless," he said, "if it fails to satisfy the primary needs of the common man, if it can not give him freedom from fear and freedom from want. His happiness and security are the only foundations on which a strong republic can be built. His happiness and security shall be foremost among the goals of my administration."

He viewed the entire development of the national economy in the same light.

"We must develop the national economy so that it may better satisfy the material needs of our people. The benefits of any economic or industrial development program shall be channeled first to our common people, so that their living standards will be raised."

Five short paragraphs, comprising about one-seventh of the whole address, were devoted to foreign affairs, with the emphasis on cooperation with the United States and the United Nations. The content was as tersely cogent as the rest.

"While I shall give priority to our domestic problems, my Administration will not neglect our international responsibilities. We can not escape the fact that today the destinies of nations are closely linked. It is in this spirit that we regard the goodwill and assistance extended to us through the various programs of international economic cooperation with the more developed nations, chiefly the United States. Considering this aid to be primarily a means of speeding up our program toward self-reliance, I pledge that every peso's worth of assistance will be spent honestly and to the best advantage. It is to our common interest that this Republic, a monument to mutual goodwill and common labor, should prove to the world the vitality of the democracy by which we live. . . . No effort will be spared, no element of cooperation will be withheld in strengthening and safeguarding our physical security. We are prepared to live up to all our obligations under our Mutual Defense Treaty with the United States."

This, by the way, was the only reference in the address to any specific treaty.

As to the country's relations with the United Nations, he stated:

"We shall continue to cooperate with the United Nations in seeking collective security and a just world peace."

With respect to Philippine relations with other Asiatic nations, he said:

"To our Asian brothers, we send fraternal greetings. They are beset by problems of the same nature and complexity as those that confront us. We invite them to share our experience in finding solutions to those problems through democratic means. It is my hope that we [shall be able] to exchange experiences and information on methods that each of us has found most effective in subduing illiteracy, poverty, disease, under-productivity, and other common evils which have afflicted our countries for past generations."

Lastly, in regard to his general program, he spoke of the "armed dissidence" within the country, with which, he said, "we can not compromise". He called upon the remnant of the Huk elements still in hiding to lay down their arms, declaring:

"I say to the rank and file of the Huks—who have been misled by the lies of the Kremlin—that they can win the economic security and social justice they desire only within the framework of our democracy. We shall welcome back the truly repentant with understanding and sympathy."

He was stern with the "leaders of the Communist conspiracy who would deliver this country and its people to a foreign power."

"I shall use all the force at my command to the end that the sovereign authority of this Government shall be respected and maintained. There can be no compromise with disloyalty."

Finally came the most moving part of his address, that part in which he anticipated the sceptics:

"I have been warned," he said, "that too much is expected of this Administration, that our people expect the impossible."

Then came his answer:

"For this young and vigorous nation of ours, nothing is really impossible."

He continued, like the leader he is:

"Let us have faith in ourselves, the same faith which fired the heroic generation of our Revolution. They fought and won their struggle with nothing but bolos in their hands and courage in their hearts. Without political training and experience, they wrote a constitution [the Malolos Constitution] comparable with the best and established the first Republic in Asia [under the presidency of General Aguinaldo]. Our own generation was told by doubters and enemies that we would never have independence from the United States. We live today under a free and independent Republic. Our faith was fulfilled."

"Today," he concluded, "we are told anew that it is impossible to do what must be done. But our people, sustained by God, under whose protection we have placed our destiny and happiness, and strengthened by an abiding faith in His goodness and mercy, our people, united and free, shall shape a future worthy of our noble heritage if we but act; act together; act wisely; act with courage, and act unselfishly, in a spirit of patriotic dedication."

The people's answer to this address was in the highest degree dramatic and caused the listeners to the radio-broadcast of the proceedings to hold their breaths. Breaking the police-lines, overwhelming the presidential guards and secret-service men, detailed for his protection, the people laid hold of him as he left the reviewing stand to get to his automobile, and raised him to their shoulders. The same phenomenon referred to in an editorial in last month's issue of this *Journal* again occurred before the wondering and no doubt anxious eyes of the assembled dignitaries from many nations. Thousands of people struggled to reach him to shake his hands or merely to touch him. In the ensuing melee he could easily have been knifed or shot by some assassin in the pressing multitude. But only smiling faces surrounded him and an answering expression never left the President's face as he was tossed over the heads of the people, his hands reaching out to all.

It was with a sigh of relief that the radio listeners learned that he had at last reached his open Ford car and was on his way, slowly through the press, to Malacañan.

The importance of the Eisenhower plan for the establishment of an international pool of fissionable materials under an entity to be called **The Eisenhower International Atomic Energy Atomic Pool Plan Agency**, is that, simple and practical as it appears to be, it is a catalytic one,—to borrow a term from physical chemistry, introducing a new factor bound greatly to accelerate the formation of favorable new combinations; just as a chemist may use a very small quantity of a certain substance to produce an immediate chemical reaction on a very large scale.

The plan may, at least to begin with, be put into operation with or without Russian participation, and its probable effect may also be likened to the breaking up of a great log-jam in a river, which may threaten a wide area with flood and destruction, by the removal of a single log.

Up to the present time, atomic energy development has been the monopoly of a small number of great powers, working in secrecy and chiefly on atomic weapons of the most dreadful destructive power, and the deadly armament race thus engendered under the universal fear, threatens the self-immolation of all the peoples of the world.

The United States has time and again proposed a submission of atomic energy development to international control, with the necessary international inspection, but this has been obstinately opposed by the Russian rulers.

The Eisenhower plan will not end this competition, but as the nations of the world turn to the open and co-operative application of atomic energy to the arts of peace, both the fear and the rivalry will be mitigated.

And as the great destructive forces which have been discovered are turned to constructive use, the world may shortly be so immensely benefited and such an era of general well-being may be ushered in, that it would be likely that deadly conflict between human groups would lose all point.

\*Laid before the United Nations in his noble address of December 8.



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**JOURNAL**

*To keep your file complete*

The Philippines may well take pride in the success of the Eighth Pacific Science Congress and the Fourth Far Eastern Prehistory Congress which, under the auspices of the Republic of the Philippines and the National Research Council, held simultaneous and several joint sessions, mostly on the University of the Philippines premises at Diliman, from November 16 to November 28.

The congresses were attended by no less than 352 overseas delegates, many of the foremost rank, from 27 different countries and by 1076 local delegates of various scientific, professional, and cultural organizations. A total of 789 scientific papers were submitted, 115 of these in the field of prehistory, and many of these were thoroughly discussed. Many of the discussions led to the formation of special committees as well as to the adoption of important resolutions with respect to continued research in geology and geophysics, oceanography, meteorology, animal improvement in the Pacific area, botany, anthropology, archeology, linguistics, social science, public health and nutrition, conservation, fisheries, forestry, the products of various specific industries, etc., all of direct value to national legislatures and government administrative departments and to industrial and business enterprises. These resolutions are too numerous to specify and those interested are referred to the various publications of the two congresses, among them the "Abstracts of Papers" (564 pp.) and the "Supplement" (96 pp.), published by the "Organizing Committee." Further publications are to follow.

Dr. Vidal A. Tan, President of the University of the Philippines, in the inaugural address at the opening of the two congresses, said:

"The Philippines realizes greatly the importance to us of these congresses and appreciates the honor of being able to play host to these distinguished delegates from all over the world. There has never been nor is there likely going to be for a long time a similar event of equal significance in the history of science in the Philippines."

Dr. Tan spoke again at the closing plenary session and said:

"For all of us, the Eighth Pacific Science Congress and the Fourth Eastern Prehistory Congress have been tremendous sources of mutual stimulation, growth, and a widening of vision. The congresses have given us valuable contact and first-hand exchange of information... On behalf of the Filipino scientists, may I say that I know that these congresses have so inspired and challenged them that research in the Philippines will be pursued with greater zeal and just appreciation?"

An important organizational step was taken in the Prehistory Congress in the election on the 27th of November of an executive committee which on December 3 formally organized the Far Eastern Prehistory Association as a permanent institution with a Council as the governing body of which Dr. H. Otley Beyer was elected Honorary Chairman, Bernard P. Groslier of Saigon as Chairman, and Dr. Roger Duff, of Christchurch, New Zealand, as Secretary. Mr. E. Arsenio Manuel is a member for the Philippines of the Council. This establishes an organization more or less parallel to the Pacific Science Council.

A most interesting and to a degree amazing sequel to the great gathering of world scientists in the Philippines was the discovery by the famous Dutch scientist, Dr. G. H. R. von Koeningswald, of definite proof that the Philippine archipelago was connected with the Asiatic mainland by land-bridges during the *Pleistocene* period. Up to that time, fossilized large mammalian remains in this country were known only from single specimens from widely scattered parts of Luzon and Mindanao—a number of fragmentary rhinoceros teeth, from a single animal; a tooth of a unique pygmy elephant, and a stegodon tooth. A few days after the close of the congresses, Dr. von Koeningswald, accompanied by Mr. Laurence L. Wilson, of

Baguio, explored a number of sites unsuccessfully, but then at a site in northwestern Pangasinan found no less than 44 pieces of stegodon teeth and 1 piece of stegodon ivory (representing probably at least a dozen or more different animals); a probable new species of medium-large elephant, represented by a thoroughly fossilized piece of a large tooth; a fossil rib of a large mammal, probably a small elephant; 2 partial fossil horns and another bone, representing two species of deer; fossil tooth, probably Bos; several fragmentary fossils, (and also more than 400 tektites representing three distinct types, one of which is wholly new to tektite students). This is proof sufficient that the present Archipelago was reached at various times in the *past half million years* or so by large Asiatic mammals that traveled only by land, and that such large land mammals as the rhinoceros, the stegodon, and the elephant survived in the Philippines for a considerable period of time,—long enough to develop certain pygmy forms not found on the mainland. Although no actual human fossils have yet been found, von Koeningswald's findings agree with the view of Dr. Beyer that certain primitive stone implements found in association both with fossil remains and with tektites were actually made by early human beings contemporary with and probably resembling the Java Man.

TRUE enough, all this takes us a long way from the price of eggs,—and of sugar and copra and hemp and rice and imported food products and textiles, but where would we businessmen be if the Philippines had not first of all been peopled? However, as pointed out earlier in this brief editorial, a great deal of the work of the two congresses was of more direct practical significance which should not be overlooked by our government administrators and business executives.

At the suggestion of Mr. J. A. Thomas, President of the American Association of the Philippines, the *Journal* is pleased to publish the following letter received by him from the American Ambassador last month:

**American Embassy  
Interest and Duty  
re Protection of  
Interests of American  
Citizens**

AMERICAN EMBASSY  
Consular Section  
Manila, December 11, 1953

Mr. J. A. THOMAS,

President, American Association of the Philippines,  
Manila.

My dear Mr. Thomas:

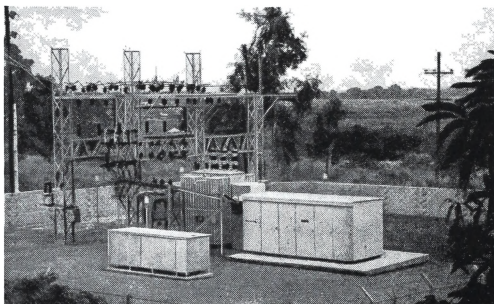
IT has come to my attention that there may exist among certain circles of the American community in the Philippines a misapprehension as to the interest and the duty of the Embassy in regard to the protection of the legitimate individual interests of American citizens in the Philippines. I have been informed that this misapprehension may exist to the extent that some Americans are of the opinion that there would be no point to bringing a legitimate complaint to the Embassy because those who complain are advised to return to the United States if they do not like conditions in the Philippines.

For this reason, I would greatly appreciate your bringing to the attention of all members of the American Association the fact that not only is the Embassy deeply interested in the individual welfare of all American citizens in the Philippines but it is also the obligation of the American Foreign Service to protect the legitimate rights and interests of all citizens to the maximum extent possible within the limitations imposed by law, national policy, personnel availabilities, and general conditions. More specifically, the Foreign Service operates under definitive instructions as to the representation of the interests of citizens in regard to commercial discrimination, protection of property and personal rights, conservation of estates, and individual welfare. In particular, I am most seriously concerned that the maximum effort be exerted to assure Americans adequate protection and equal treatment in the administration of justice under Philippine law.

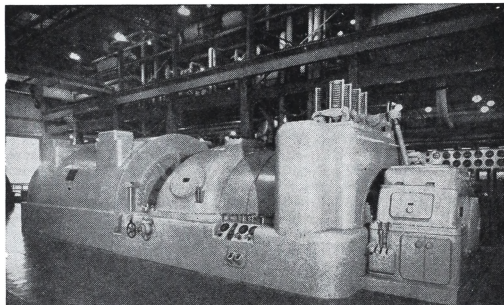
I should like to attempt to avoid misunderstanding by pointing out that it is generally not possible, for legal and other reasons, for the Embassy to act in individual cases in the manner that service might

## MERALCO'S REPORT ON THE HIGHLIGHTS OF 1953

1. EXPANSION of Rockwell Steam Station to 81,000 Kilowatts capacity with the installation of a third turbo-generator.
2. EXPANSION of Blaisdell Steam Station to a total capacity of 38,000 Kilowatts with the installation of two 5,000 Kilowatt and one 12,000 Kilowatt turbo-generators.
3. EXPANSION of Substation facilities by about 20,000 Kilowatts to a total installed capacity of about 150,000 Kilowatts.
4. EXPANSION of transmission facilities with the construction of over 30 miles of 34.5 KV lines.



↑  
One of the five new sub-stations  
constructed in 1953.



← One of the four new turbo-  
generators installed in 1953.

Here is the story in figures:  
**GENERATING STATION CAPACITY (Kilowatts)**

YEAR	Manila Electric Company		National Power Corp.	Total Combined CAPACITY
	STEAM	HYDRO	CALIRAYA	
1941	29,500	16,000	.....	45,500
1946	34,000	.....	10,000	44,000
1952	71,000	15,000	36,000	122,000
1953	119,000	15,000	36,000	170,000

INCREASE 1953 over 1941—273%

YEAR	NUMBER OF CUSTOMERS	KILOWATT HOURS	
		GENERATED AND PURCHASED	KILOWATT HOURS SOLD
1941	126,823	181,000,000	141,785,813
1952	220,861	557,458,415	422,889,379
1953	229,589	628,275,128	485,194,972

Increase 1953 over 1941	80%	247%	242%
Increase 1953 over 1952	3.7%	12.7%	14.7%

To meet the ever increasing demand for electric service, more capacity in generation, transmission and substation facilities was constructed and dedicated to service during the past year.

With the industrialization program moving forward in the territory served by the Company, the demand for electric service will continue to increase, and the capacity of the present system, on which the Company has spent over P70,000,000.00 to rebuild and expand since liberation, will have to be further expanded.

Rate reductions in 1953 save residential consumers about P1,300,000.00, and the small commercial consumers about P650,000.00 annually.

Generation equipment now in service requires periodic overhaul and by the latter part of this year short interruptions to service may occur when necessary to perform preventive maintenance or effect repairs.

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be rendered by a legal counselor, advertising agent, policeman, or social welfare agency. Further, staff limitations and other operating conditions often preclude individual service to the extent that it might, or should ideally, be rendered.

Frequently, the type of situation prevails in which for one reason or another the Embassy cannot feasibly assist an individual person adequately in regard to a complaint but could, if such cases are reported in detail, rather than by hearsay, undertake representations or other action to correct general conditions which brought about the situation or, at least, report the situation adequately to the proper authorities of the United States. In such instances, the individuals concerned are performing a public service, as well as assisting the Embassy in carrying out its functions, by reporting the matter; and I urge all Americans to do so regardless of the limitations which may be known to exist in such instances.

It is my intention to see that existing instructions on these matters are carried out to the fullest extent feasible. This can only be done with the cooperation, help, and understanding of the local American community. It is, therefore, my wish to clear up any misunderstandings which may exist.

I shall greatly appreciate your assistance in this matter.

Sincerely yours,

(Sgd.) R. A. SPRUANCE

Two recent studies by the same author, Dr. Charles O. Houston, Jr., Director of Graduate Studies, University of Manila, one entitled "Rice in the Philippine Economy—1934-1950" and the other, "The Philippine Coconut Industry—1934-1950", are well worth the attention of specialists as well as the general reader. The first appeared in the *University of Manila Journal of East Asiatic Studies*, Vol. III, No. 1 (October, 1953), and runs to 72 pages and the same article in a separate reprint, recently issued, runs to 86 pages. The paper on the coconut industry was published in the *Philippine Geographical Journal*, Vol. I, Nos. 2 and 3 (combined) for the second and third quarter of 1953, and runs to 30 pages.

Both are excellent examples of what a diligent reading of existing literature and especially of the periodical press over a long period of years, can turn up and how valuable all this can be, if properly evaluated and correlated, both for the guidance of government policy and of business management.

## Business Prospects for 1954

By CORNELIO BALMAGEDA  
*Secretary of Commerce and Industry*

**A** HEALTHY outlook in our domestic production of basic crops, especially rice and sugar, at the end of 1953 and a steady whittling down of the gap between exports and imports, as the foreign demand for major export products keeps gaining and the local manufacture of articles of consumption formerly derived from imports continues to increase, make the business prospects for 1954 distinctly favorable. Barring any unforeseen developments in the international situation which would alter the present favorable trend in our foreign trade, 1954 may even see for the first time in the post-war years a balanced Philippine import and export trade.

The gap between the value of Philippine imports and exports this year is placed at approximately ₱42,000,000, the lowest since 1950, as compared with an import balance of ₱147,000,000 in 1952. The cessation of hostilities in Korea and the start of Korean rehabilitation open a new and increased demand for Philippine lumber and timber and allied products. At the same time, a bigger demand for major export products of the country in other foreign markets is also expected.

It is significant to note that the monthly overseas commerce showed favorable balances in three successive months during the first half of 1953 and again in three successive months in the latter half, so that at the end of October there was a favorable merchandise balance of nearly ₱2,000,000. Heavy arrivals of goods in November and December, however, wiped out the meager export balance of the previous months. The smaller import balance for this year may signify a moderate export excess in the coming year.

Some uneasiness has been caused in local industrial circles by talk of the removal of the present controls which have afforded needed protection to various new industries, but there is an undercurrent of faith and confidence that the new industries will not be abandoned and that continued impetus and encouragement to the industrial development of the country will be given under the incoming Administration. This will bring about a greater industrial output and will further reduce unnecessary imports.

Among other important developments in 1953 upon which to build a hopeful view for the ensuing year, may be mentioned the following:

1. Agricultural production for domestic consumption and for export continued to increase. The total combined production of certain selected commodities like palay, corn, sugar, etc. is estimated at 20,166,700 metric tons for the last crop-year, as against only 17,523,740 metric tons the previous year.

2. Production of gold as well as base metals likewise showed remarkable gains.

3. Average retail prices in Manila showed a downward trend. The cost of living of a wage earner's family also declined.

4. Wholesale prices of selected commodities showed mixed trends, but the prices of such export products as copra, coconut oil, desiccated coconut, lumber, leaf tobacco, iron ore, and chrome ore were higher than those of last year.

5. The international reserves were maintained at a higher level.

6. Investments made by corporations and partnerships registered with the Securities and Exchange Commission showed also marked increases from those of last year.

**Foreign Trade.** The overseas trade of the Philippines in 1953 is estimated to reach ₱1,635,000,000, as compared with ₱1,557,036,275 in 1952, or an increase of about 5%. Preliminary figures show that exports are valued at ₱796,374,000, an increase of about 13% over last year's figure which amounted to ₱704,812,410. Imports, which amounted to ₱838,412,000, are slightly lower than the 1952 imports, which were valued at ₱852,223,856.

As in the previous years, the United States, having absorbed about 68.5% of the total exports for the first 10 months, or ₱461,397,690, as against 66.5% for the corresponding period of 1952, was the best market for Philippine products. Likewise, the bulk of the imports was supplied by the United States which was credited with ₱521,897,084 or 77.7% of the total imports, compared with ₱531,431,966 or 71.2% in 1952.



Notwithstanding an increase of 17% in our exports to the United States and a decline of nearly 2% in imports, still there was an unfavorable balance of ₱60,499,394 in our trade with that country.

Japan maintained its position as the second best customer by importing ₱79,951,690 worth of goods, an increase of 29% over the corresponding value in 1952. The value of imports from Japan, however, declined to ₱30,001,370 from ₱32,558,026 last year.

Other countries which registered marked increases in their imports from the Philippines include the Netherlands with ₱24,276,675, or nearly double the corresponding value in 1952; Venezuela with ₱8,723,235, a gain of 155%, and Denmark with ₱9,061,763, a gain of 42%. Exports to the following countries declined: Canada, Switzerland, Belgium, Great Britain, and Indonesia. The import trade was featured by sharp declines in our purchases from Indonesia, Canada, Great Britain, and Thailand, while notable increases were noted in our dealings with the Netherlands and Hongkong.

Available data from January to October this year showed that copra was ahead of sugar as the premier export item, with a value of ₱187,000,000, while that of sugar was ₱170,000,000. Abaca ranked third with ₱64,000,000. Logs, lumber, and timber jumped to fourth position with a value of ₱52,000,000, registering the biggest increase of 89%. Base metals and concentrates, coconut oil, desiccated coconut, canned pineapples, embroideries, and tobacco were the six other leading exports. Despite the higher prices which prevailed this year over those of last year, exports of abaca and coconut oil were the only two items that declined. The eight other principal exports registered gains.

Cotton and manufactures with a value of ₱83,000,000 led all other imports. Iron and steel manufactures valued at ₱51,200,000 ranked second, followed by mineral oils with ₱50,800,000, and automobiles and parts with ₱49,900,000. The other leading import items include machinery, excluding agricultural and electrical; rayon manufactures; dairy products; grains and preparations thereof; chemicals, drugs, dyes, and medicines; and paper manufactures. A significant feature of the import trade was the marked increase in capital goods like iron and steel manufactures, including machinery.

**Production.** Agricultural and industrial production was further accelerated in 1953. This was effected by the various efforts and projects undertaken by the Government aimed at increasing agricultural production and self-sufficiency.

The inauguration of the Maria Cristina hydro-electric plant in Lanao and the operation of the fertilizer plant may give impetus to the creation of more industries and greater agricultural production.

New industries have been set up to further increase the industrial projects which were established in the previous years.

Production of commodities for home consumption continued to increase in 1953. The rice harvest was the highest so far and nearly sufficient to meet the total needs of the country. The sugar output also increased considerably and would have been adequate to fill the export quota in the United States as well as the domestic quota, had it not been for the typhoons that devastated the sugar plantations and the occurrence of drought in other places. Fish production during the last fiscal year amounted to 368 metric tons as compared with only 323.7 metric tons during the corresponding period of last year. Coconut production reached 3,080,000 metric tons as against only 2,800,000 metric tons the previous year. Abaca fiber totaled 118,700 metric tons, an increase of 4,110 metric tons over the preceding year. Leaf tobacco, corn, beans, and vegetables registered negligible decreases.

Production of cigarettes, cigars, desiccated coconut, beer, soft drinks, plywood, and edible oil made notable increases, while coconut oil, cordage, cement, lumber, and timber showed meager declines.

Notwithstanding many handicaps, production of gold and base metals increased considerably. Data are not available for this year but figures for the last fiscal year show that there were 490,520 ounces of gold produced, with an aggregate value of ₱50,965,028, while base metal production was valued at ₱63,342,642. In the fiscal year ending in 1952, only 423,269 ounces, valued at ₱43,596,707, were produced, while base metals totalled ₱53,342,642.

**Investment.** Indicative of the confidence of capital in the future, the number of corporations registered by the Securities and Exchange Commission increased. From January to November there were 537 corporations with an authorized capital of ₱216,025,725 and a paid-up capital of ₱18,678,214, as compared with only 395 corporations with an authorized capital of ₱146,647,600 and ₱31,199,582 paid up. In partnerships, however, there were only 662 with a capital of ₱27,446,164, as against 724 and a capital of ₱30,616,244 in 1952.

In the field of manufacturing alone there were 106 corporations with a paid-up capital of more than ₱8,000,000 and 160 partnerships with a capital of more than ₱7,000,000. In the corresponding period of 1952 there were only 102 corporations with a paid-up capital of ₱6,989,235 and 181 partnerships with a capital of ₱8,521,006.24.

**Domestic Trade.** Although there were minor fluctuations in the retail price index of 150 essential commodities in Manila, a downward trend prevailed during the year. The drop of the index slightly increased the purchasing-power of the Philippine pesos from ₱0.4285 last year to ₱0.4348 this year. The average price index for the 11 months of this year was 229.98 compared with 234.90 for the same period of 1952.

“THIS step is the creation of a healthier and freer system of trade and payments within the free world—a system in which our allies can earn their own way and our own economy can continue to flourish. The free world can no longer afford the kinds of arbitrary restraints on trade that have continued ever since the war. On this problem I shall submit to the Congress detailed recommendations, after our Joint Commission on Foreign Economic Policy has made its report.”

“IN South Asia, profound changes are taking place in free nations which are demonstrating their ability to progress through democratic methods. They provided an inspiring contrast to the dictatorial methods and backward course of events in communist China. In these continuing efforts, the free peoples of South Asia can be assured of the support of the United States.”—From President Eisenhower's "State of the Union" Message to Congress (January 7, 1954).

# Trade Policies and Philippine Development During the Spanish Regime\*

BY PEDRO ORTIZ ARMENGO

Secretary in Charge of Cultural Affairs, Spanish Embassy

FOR those who, like the Americans, love to draw conclusions from the clear facts, there could hardly be a more gratifying subject for consideration than the three-century Spanish regime in the Philippines.

It is very enticing to conclude that the discovery of America was brought about by the strong economic drives which began to prevail in Europe during the time of the Renaissance. And perhaps it was, chiefly, the desire for spices which drove the Portuguese to the epic adventure which resulted in the discovery of the Cape passage to the Indies and the Spaniards to the discovery of a second route which took them to the Americas and across the Pacific. Indeed, the Portuguese and the Spaniards met in Malayan waters and both loaded their ships with the unique and precious spices cultivated in that region.

Toynbee thought of these events as a response to Africa's broader challenge to Europe, and whether this is correct or not, it was he who called attention to the tremendous consequences of the drive which carried—

"the Portuguese vanguard of Western Christendom right out of the Iberian peninsula and onward overseas, around Africa, to Goa, Malacca, and Macao, and the Castilian vanguard across the Atlantic to Mexico and across the Pacific to Manila. These Iberian pioneers performed an unparalleled service for Western Christendom. They expanded the horizon, and, thereby, potentially the domain of the society they represented until it came to embrace all the habitable lands and the navigable seas of the Globe. It is owing in the first instance to this Iberian energy that Western Christendom has grown, like the grain of mustard-seed in the parable, until it has become the Great Society: a tree in whose branches all the nations of the Earth have come and lodged."<sup>1</sup>

At any rate, Seville received the news of the return of Magellan's ships with high excitement. The city was then the "Wall Street" of Spain, its 50,000 inhabitants being made up in good part of bankers, merchants, and ship-owners. The bankers of Seville had been the principal backers of the Magellan expedition and, on its return, they naturally expected large profits.

Some years before, around 1503, the *Casa de Contratación* has been founded in Seville to take charge of all commerce with America and other overseas lands, but as the Portuguese had organized their trade center in the *Casa de India* in Lisbon, the Spaniards now decided to make La Coruña, in northeastern Spain, their headquarters for this trade in order to bring it nearer the spice-distribution center for Europe which, at that time, was Antwerp. It was a case of the dealer going after the consumer. The trade in spices, however, was soon ruined by competition and the resulting low prices.<sup>2</sup>

<sup>1</sup>Editor's Note.—The writer of this article, Mr. Pedro Ortiz Armengol, Secretary in Charge of Cultural Affairs, Spanish Embassy, in a lecture delivered under the auspices of the Historical Committee of the American Association of the Philippines at the American Embassy some months ago and also in letters to the Editor of this *Journal*, raised certain objections to the account covering the Spanish period in Philippine industry and trade given in the "First Decennial Handbook, 1919-1929" of the Manila Rotary Club, reprinted in this *Journal* and later included also in the Editor's recent book, "Short History of Industry and Trade of the Philippines." This account was a piece of collaboration between the late Verne E. Miller and the Editor and was, as stated, largely based on Regidor and Mason's "Commercial Progress in the Philippine Islands." (London, 1905.)

When the Editor learned of Mr. Ortiz Armengol's criticism, which was not until after the publication of his book, he invited him to offer such corrections and interpretative comment as he believed might be necessary for a correct and fair revision, but Mr. Ortiz Armengol preferred to write the entirely new account published herewith.

The Editor would be pleased to receive any reader's comment on Mr. Ortiz Armengol's presentation.

European commerce with the New World marked the beginning of the era of Mercantilism. This important development in world commerce was based on the economic doctrine which, in the opinion of the later Physiocrats and the economic thought, also, of the 19th century, was erroneous. But erroneous or not, the fact remains that it was the ruling policy in Europe for centuries and that after having been abandoned for some time, modern governments have again turned to the practice of its leading tenets: "Keep the gold, and increase exports and restrict imports to obtain more gold."

This may well lead us to conclude that in Economics there is never a last word. Mercantilism prevailed in Europe until the strongest nation in Europe commercially, England, imposed freedom of trade! "Freedom" has sometimes been imposed on others by the stronger, and in the stronger's own interests.

*The Philippines not "Good Business" for Spain.*  
—From the Mercantilist point of view, the retention of the Philippine Islands was not good business for Spain. The Islands had no mines to speak of. They were not a source of food-supply. They offered no market at that time for European goods. Europe did not take the slightest interest in Philippine rice, coconuts, poultry, *tuba* (a drink made from the sap of the coconut palm), etc. There was therefore no sense in promoting a trade between Spain and the Archipelago, and even if there had been, it was a practical impossibility to carry it on. A voyage to the Islands was an adventure which took years to complete,—at a time when the fleets of Seville, on shorter voyages, maintained fixed sailing dates and the naval convoy had been invented to protect the ships against pirates.

The dangerous Isthmus of Panama had to be crossed by the agents of the traders to await on the Pacific side, the arrival of the Manila-Mexico galleon. After the close of the 16th century, the trip from Havana, Cuba, to the Isthmus and the overland hike across it, took two and a half months. (The voyage from Manila to Mexico took four months.) After making contact on the Pacific coast, and re-crossing the Isthmus overland, the European ship awaiting the party on the Gulf side, would return to Havana and have to wait again for the assembly of the convoy back to Seville. This convoy-system, by the way, marked an important milestone in the history of navigation.<sup>3</sup>

According to the very objective historians of the time, food was scarce in the Islands. The arrival of a few score of Spaniards in Manila resulted in a considerable increase in prices; from 1580 to 1584, rice, poultry and eggs, and carabao-meat went up 600%.<sup>4</sup> Evidently, the influx of Mexican gold perturbed the rural economy of the Archipelago and the growth in demand did not, during the first years, result in a corresponding increase in production or supply. The Spanish population remained small for many years. By 1588 there were still only 80 Spaniards in Manila plus 18 religious,—priests, nuns, and novices.<sup>5</sup>

*Sacrifice of Political to Religious Policy.*—Why was not the Archipelago abandoned by Spain if its retention served neither economic nor military ends? The answer is that this was for the very same reason which largely shaped the whole of European policy up to the beginning of the 19th century: *religious policy*.

There is abounding historical testimony to the effect that when the Crown's Counselors advocated giving up the Islands of the Philippines, situated along the coast of

China, the Church opposed this because it wanted to preserve Christianity among the already Christianized inhabitants, to defend them against any Bornean offensive, and, especially to undertake, from the Islands, a missionary penetration into China, Indo-China, and Japan. The King sacrificed the political interests of the nation,—which demanded that its strength should not be too widely dispersed and that its ships in the Pacific should not be imperilled to defend lands in which it had no military aim.

The King thus sacrificed the interests of the State to the interests of Religion and these Islands were not given up during the first century of Spanish control when many in Spain clamored for this. The decision which led to maintaining in Mindanao a "38th parallel" against Mohammedanism and to defending the Archipelago from conquest by China and Japan for three centuries, furnishes the explanation as to how the Philippines was able to become a nation in the 20th century. The spirit of nationalism which finally asserted itself toward the end of the 19th century, was born in those lands where the Spanish supremacy could be maintained for some centuries.

**The Chinese in the Country.**—When Legaspi arrived at the mouth of the Pasig River,—from Cebu, in 1571, some 40 Chinese were living on the northern bank.<sup>6</sup> They were buyers and sellers who had been established here for some time. With the coming of the Spaniards, these traders immediately saw the opportunity of doing business with them. The silks, ivory, porcelains, and other products of China would play in America and Europe of that time, the part played by American automobiles and electric ranges and refrigerators in other parts of the world some centuries later. Everyone would want these products, so thought the Chinese. During the next year, two sampans laden with merchandise from China entered the Pasig and the profit made in the exchange of the goods for Spanish gold was so encouraging that no less than twenty Chinese vessels called the following year in the month of March alone. Thus began the Chinese invasion, initiating a commercial boom such as Manila had never experienced before.<sup>7</sup>

By 1575 there were some 500 Chinese in the Islands.<sup>8</sup> The Crown attempted to limit to 4,000 the number of them allowed to enter the country in an effort to prevent the ratio of Chinese to Spaniards exceeding 4 to 1, but the attempt failed. There was a rapid increase in the Chinese population. There was not only a great influx of traders, but also of skilled laborers who took an important part in the building of the great commercial metropolis which Manila became during the 17th century. With the products of the line-kilns and brick-ovens introduced by the Jesuits, they built the first "strong-material" houses.<sup>9</sup> Experienced as stone-cutters, they aided in the construction of Manila's fortified walls. On Spanish printing presses, they became the first printers from type in Asia. Their earnings and profits made possible the founding of a Chinese city,—the Parian, just outside of Manila. Their ambition increased with their numbers and wealth, until Manila was definitely imperilled by them. There were a number of treacherous Chinese attacks on the city, and despite the repressive measures taken against them, the in-flow of Chinese immigrants hardly slackened. Within a few years, the Chinese population had mounted to around 40,000, while there were only around 200 Spaniards. We may mention here that even at that time a "racket" in the smuggling-in of Chinese was discovered by an immigration official. Life, in the main, continued pleasant for the Chinese in the Islands, where any trinket of Chinese manufacture was readily exchanged for soldiers' pay, the easiest money to get hold of.

**Manila Merchants as Middlemen in the China Trade.**—Although the Spanish Crown would have maintained Manila in any event, the happy circumstance of

the demand which Chinese products commanded in Europe, assured the future of the city which was the buying-market for these goods. The sale of precious stones, ivory, porcelain, silks, tea, and pepper brought the Chinese traders rich profits, but the Spaniards also profited immensely for they, in turn, sold the goods in Mexico and Europe at many times the prices they had paid for them in Manila. It was easy to make a profit of 300% and often profits of from 1000% to 2000% were obtained. It was an ideal business: high prices, high profits, and everybody happy. Manila, the key-city in this trade, was the city which profited the most from it. Manila in the 17th, 18th, and 19th centuries was a great and prosperous walled city, superior to many noted European cities, and, it goes without saying, the most highly westernized and advanced in the whole of Asia.

**Technical Assistance and Financial Aid.**—In those 300-ton galleons, which we have mentioned, there were brought from America to the Islands many indigenous American food and other plants which are now cultivated here, among them corn and tobacco, the tomato, potato, and camote, various kinds of beans and peas, the peanut, the pineapple, maguey, cacao, guava, papaya, etc. Their importance in the present-day trade of the country as well as in the daily diet of the people need not be stressed.<sup>10</sup>

The cultivation of sugar cane was encouraged and increased, and in the 19th century there was a high production of an excellent coffee. Scientific studies of the minerals and of the flora and fauna of the country were undertaken and the most up-to-date technical and industrial appliances and skills were introduced. As an example we may mention Father Espallarga's knife-blade for the stripping of abaca fiber. As already stated, new building materials were brought into use,—stone, brick, and floor- and roofing-tile. As a means of transportation, which even today has no substitute that is so "self-supporting," the horse was brought into the country. On the cultural side, there were the printing presses and the schools and colleges established by the Spaniards, as well as the churches and monasteries.

"The coming of the Spaniards also brought about material and economic changes. These changes were felt most in the building of towns and cities; in the construction of roads, bridges, ports, forts, and other public improvements; in the introduction of foreign plants and animals and in the establishment of closer commercial relations with foreign countries."<sup>11</sup>

The cost of the administration of the Islands was paid in silver and gold from the mines of the Crown. In his ships from Mexico, the King sent large sums in gold and coin which he "situated" in Manila to cover the expenses of the Government and the Church. (It is from this that we get the Spanish word *situado*, meaning that money.) The arrival of a galleon carrying the money was always an event calling for celebration. As early as 1605, as much as 120,000 ducats was being sent yearly.<sup>12</sup> This was an extraordinary amount of "financial aid" for those times.

**The Manila Merchants vs. the State Controls.**—The fabulously profitable business that could be done by taking Chinese merchandise to Acapulco and Seville, had its limits. Official voyages were limited to one a year, though private citizens could make a contract with the government for special expeditions. Cargo-space on the ship was therefore of enormous value and everyone fought to obtain it. The space was divided into parts which were assigned through a paper called a *boleto*. To get one of these documents inspired the same "loves" then as getting imperial and export-licenses inspires today and led to similar rivalry and venality.

Aside from the limitation arising from lack of cargo-space, there were the obstacles that arose from the fact that this trade, based on exchanging silver and gold for silks and porcelains, violated the basic principles of Mercantilism.

The trade was vehemently objected to by the commercial cities of Seville and Cadiz which believed they suffered damage from this Asiatic "dumping." The criticism was especially bitter because they themselves had largely financed Magellan's voyage. Because of this opposition, Philip II, in 1593, imposed a limit on the export of goods from the Philippines to Mexico. Only 250,000 Mexican pesos' worth of goods could be carried on each voyage to Mexico, but the ship could bring back 500,000 pesos worth of goods or coin. These quotas were imposed with the interests of the Peninsular manufacturers in mind, but we call attention to the fact that the difference in the export and import values, amounting to 250,000 pesos annually, remained in the economy of the growing Philippines. It is true that the money generally remained in Spanish hands, but the Spaniards who came to the Islands rarely returned to Spain. They stayed in the Philippines and their wealth formed a part of the common wealth of the country. To this fixed annual trading surplus, the *situado*, or "financial aid" already mentioned, must be added. This investing of wealth in the Islands continued for centuries and is perhaps without parallel in history.

The restrictions on both sailings and cargo space were responsible for ill-feeling as well as fraud, and commercial reality also inevitably asserted itself. The economic laws governing trade balances as well as those of supply and demand could not be interdicted and the "import and export controls" were evaded. Europe was enchanted with Chinese goods and there was an especially strong demand for the comparatively cheap Chinese silks, and as the trade was enormously profitable, the King's edicts were reduced in potency to little more than scraps of paper.

The writer does not know who had more right on their side,—the merchants of Manila or those of Seville and Cadiz, and leaves that to the economists to decide. But must one condone the ruin of one's own industry because some other nation is able to manufacture and sell the same products as one's own at lower prices? Is a nation justified in strengthening its own industry by means of tariffs and other protective measures? Everyone is entitled to his own opinion.

The fact remains that the import and export controls were continuously violated. In response to pressure from Seville and Cadiz, a Commissioner was at last sent to Manila in 1637 to investigate the reported over-loading of ships. The Manila merchants protested that their commercial lives depended on larger cargoes not only because of the great expenses incurred in sending their goods across the seas on such long voyages but because of the great risks they ran and the heavy losses they often incurred. Two years later, in 1639, the King ordered the investigation suspended.<sup>13</sup> Protectionist capital succeeded in having its protests heeded after many years of complaint, but it took the advocates of "free trade" only two years to counteract these protests. If this is an example of the good sense in adhering to the principles of free trade, here it is for all it is worth.

About this same period, a commercial revolution was developing in England. In 1628 Parliament put an end to the exclusive privileges granted one company in the trade with the Orient and virtually decreed "free trade". But this only led to the organization of a second, rival company, and as the competition between them soon threatened to ruin both, they were incorporated into a single company in 1702. Thus the idea of free trade suffered a temporary set-back, and so began the 19th century.<sup>14</sup>

We mention this only for the sake of information. If the foregoing account is correct, we may conclude that even the strongest commercial power of the time could not afford the luxury of free trade in the 17th century, nor, for that matter, in the 18th.

Despite the continuing protests from Seville and Cadiz, the importation of Chinese goods into Spain continued. In 1702 a royal decree allowed an increase of from 300 to 500 tons in the tonnage of the Manila galleon. Permitted exports from Manila were increased to a "value of 300,000 dollars and the value of return metal to 600,000 dollars."<sup>15</sup>

As a consequence of this, the—for that time—splendid textile industry of Castille and the silk industries of Toledo, Valencia, Seville, and Granada declined to such an extent that King Philip V, sixteen years later, in 1718, suddenly prohibited the importation of Chinese silk into Spain altogether, although it was better as well as cheaper than Spanish silk. Manila lost no time in protesting this measure and a royal decree, issued on June 17, 1724, rescinded the decree of 1718. Another royal decree, favorable to Manila, that of April 8, 1734, raised the values of Manila exports and imports to 500,000 dollars and 1,000,000 dollars in value, respectively.<sup>16</sup>

Notwithstanding unfavorable interpretations of these facts, they speak for themselves. The policy followed by the Spanish Crown allowed the silk industry of Valencia, the most important in 18th century Europe, to vanish so that Manila could live and grow on the profits derived from the trade in Chinese goods, in large part, silk.

It would be too much to say that the sacrifice was made in the name of "free trade". Free trade had not seriously been thought of as yet. The sacrifice was made in the name of the general international policy of the Spanish State,—a policy the nature of which was then widely recognized.

The carrying out of this policy seriously disturbed the domestic economy of Spain; just as today, economic sacrifices were demanded for the sake of security,—if not, merely, for prestige. But Spain was headed straight for bankruptcy. Embroiled, as Spain was, in many undesired wars and forced to guard itself against many threats to its security, the Government began keenly to realize, about the middle of the 18th century, that Spain was not building up its wealth in the measure the younger up-and-coming nations were doing, nations which did not labor under such burdensome obligations as Spain.

During the European movement known as the "Enlightenment," the Spanish *ilustrados* radically revised the current ideas about the Philippines. Manila was doing well with conditions as they were under the privileges granted by the Crown. It was satisfied with its role as a prosperous middleman in the China trade. It took no interest whatever in any new enterprise. However, the ideas of the 18th century and the new vitality these ideas inspired, forced matters in the Archipelago and in 1733 the Spanish Government brought about the organization of the *Real Compañía de Filipinas* in an effort to establish direct trade between Seville and Cadiz and Manila. The Manila merchants still could not be interested, and the Company failed.

*The Philippines becomes an Exporting Country.*—A few years later, King Charles III, sent a frigate from Cadiz to Manila, via the Cape of Good Hope, to try out a basically new venture. Instead of remaining the middleman in the exchange of Chinese luxury goods for Mexican silver and gold, Manila was now to receive European manufactures in exchange for Philippine products. This trade was certainly a more healthful one for the economies of both countries and proved that the Philippines had advanced to a point where it had products of its own to offer and could enter the ranks of the exporting countries. Two centuries of investment and social development, of financial aid and technical help, had converted the country into an exporter of agricultural products.

The new trade, however, adversely affected the privileged *boleta* holders as well as the Chinese merchants, and they opposed it. They revealed the same short-sighted

selfishness to be seen today in the attitude of those who say: "We want the freedom to send to the other countries what we choose, but the right to place restrictions on what they send to us."

The Cadiz frigate made fourteen voyages, but the enterprise finally failed because of the Manila opposition; moreover, the Treaty of Utrecht of 1712 denied Spanish ships the right to sail by way of the Cape of Good Hope!

*The Second Real Compañía de Filipinas.*—Yet the Century was not to be denied. Toward the end of the 18th century, there were some 3,000 Spaniards living in the Philippines. In March of 1785 a royal decree established a second company with a capital of 8,000,000 pesos contributed by the King, the National Bank (*Banco del Estado*), and the municipal governments of Seville and Havana. Entrusted with the exchange of products between the Philippines and Spain, the Company abolished all quotas and exempted Philippine products exported to Spain from all tariff duty. The Company offered free transportation to Manila of skilled workers of whatever nationality. "Mathematicians" (today we would say "technicians"), chemists, and botanists were especially favored. One-third of the crew-members of the Company's ships were Filipinos. The great aim of the Company was the economic development of the Islands,—"which were sterile to the Crown and even to themselves."<sup>17</sup>

The history of this new hope is to be found in a Memorandum from which we have just quoted: "Statement of the *Compañía de Filipinas* submitted by its Governing Body to the National Cortes."

This Memorandum treated of the establishment of the Company, its political and mercantile importance, and the necessity of its preservation for the general benefit of the Crown even though it had been forced to borrow heavily from the State. The Memorandum reviewed the facts as to the Company's introduction or encouragement in the Islands of the cultivation of the indigo plant, sugar cane, cotton, and pepper; its introduction of industrial machinery, its exploration of the iron deposits at Morong (in today's Rizal province), etc. A number of Philippine products had been exported to Spain for the first time. By the beginning of the 19th century, the Company has spent around 2,300,000 reals in the development of agriculture alone. The Memorandum, published in Cadiz in 1813, when free-trade ideas were imposing themselves in the world, was a spirited piece of self-defense on the part of the Company. It emphasized the need of large capital which could be put up only by monopolies and, pointing out that if even the monopolies were endangered by limited funds, asked what could be the fate of smaller enterprises with much less capital. The monopolistic company was an English creation, it stated, and England was commercially the world's most able and powerful nation. It declared that if the life of the Company had been difficult because of wars and other troubles, the lives of the Dutch, English, and French companies had not been easy either and often many years had passed without their being able to pay dividends. The wars with England had hurt the Company, but now, in Napoleon's century, there was a chance of recovery.

*Dependence on Crown Revenues Ended.*—A royal decree dated August 21, 1789, had declared Manila an open port to the ships of all European nations trading in Asiatic products. A number of *sociedades económicas*<sup>18</sup> had been organized (1781), among them the *Junta de Comercio* (Council of Commerce). The Philippines was now rich and able to support itself and, to end further dependence on the Crown, Governor Basco y Vargas imposed heavy taxes on the tobacco industry,—as was done in Spain itself.

<sup>17</sup>These "economic societies" of the period of the "Enlightenment" or *Ilustración* were strongly philanthropic, social, and cultural in character.

The industry was made a government monopoly and tobacco was allowed to be planted only in certain areas and its growth and production was carefully and scientifically supervised. All monopolies have their critics, but it was the tobacco monopoly in the Philippines which for the first time since the coming of the Spaniards enabled the Spanish Crown to draw a revenue from the country. A sum of 150,000 pesos was sent to Madrid as a contribution to the general funds of the State. The royal gratitude was expressed in a royal order dated July 17, 1784. The remittance did not become a regular one and the following year the money was allotted to the Philippine Navy. But at least it had been established that the Philippines was no longer dependent on revenues sent from America.<sup>18</sup>

In 1795 ships from any nation were allowed prolonged stays in the Port of Manila, and, faced with heavy competition, the *Compañía de Filipinas* was losing ground. The directors had set their hearts on sending Philippine agricultural products to Europe in face of the fact that it could not compete in prices with similar products from other countries; the agricultural products from Sumatra, for instance, were much cheaper. Just as today, the higher standard of living of the Filipinos as compared with their neighbors, forced a higher cost of production. A Filipino historian gives still another reason for the difficulties of the Company: the lack of interest in Manila in any other market than the Acapulco market.<sup>19</sup>

*British and American Business.*—The British established a commercial firm in Manila in 1809. In 1812 the word "liberalism" was coined in Cadiz and soon it had spread over the whole of political and economic Europe. It is rather ironic that this word should have originated in the city which monopolized the Spanish trade with America. But the age of freedom was now come and individuals were to exercise what had previously been the privilege of the state. In 1811 the last of the galleons sailed from Manila to Mexico and a royal order, dated April 23, 1815, confirmed the suppression of the galleon trade. Governor Berenguer has asked for this repeatedly between 1788 and 1793, and Governor Aguilar had recommended it in 1810. Now, theoretically, any Manila merchant could export up to 500,000 pesos' worth of merchandise and bring back as much as 1,000,000 pesos' worth.

Around 1835 an important event took place. Mexico became independent and the two-and-a-half century flow of Mexican silver and gold into the Philippines all but stopped. A "ladder without steps" had now to be climbed, but free trade furnished the means. Manila became one of the two or three most important commercial cities in all Asia. The Philippines exported even rice to China and enjoyed an economic development comparable in its proportions to that of countries in Europe and the United States itself. Between 1831 and 1875 the overseas trade of the Philippines increased between 10 and 15 times.

In 1834 a Royal Order was issued for the liquidation of the *Real Compañía de Filipinas*. It was History's answer to the "Statement."

As a consequence of the free trade established in the Philippines, there were, by 1850, scores of Europeans and Americans living in Manila who represented important firms. In that year the British numbered 22, French 15, South Americans 15, Americans 11, Germans 9, and Swiss 9.<sup>20</sup>

In 1784 the United States had opened a regular trade with Canton and this had ended Manila's position as the exclusive buying-center for Chinese merchandise. Unluckily, the United States has at that time little to offer in exchange for Chinese products, but the Americans soon learned that the Chinese wanted furs, especially otter pelts. The sailing-ship *Columbus*<sup>21</sup> is credited with having opened the era of American trade interest in the Pacific and was the first American ship to circumnavigate the globe (1790?). The speed of a vessel now became far more

important than her capacity and this led to the building, in the 1840's, of the famous Yankee "clippers". Cross-Pacific races became a feature in the 19th century, as they had also been in the 16th. In 1846 an American clipper sailed from Canton to New York, by way of the Strait of Magellan, in 74 days,—an important record. The following year another clipper sailed around the world in 194 days.<sup>22</sup> The pioneer circumnavigation had taken Magellan's expedition three years.

The participation of the British and the Americans in the trade of the Far East produced strong commercial rivalry. The British had taken possession of Hongkong (ceded 1844) following a war (1840-1842) the pretext for which was that the Chinese refused to buy opium from them. It was a peculiar way of extending, by gun-fire, the benefits of Commerce!

In 1850, the Chinese merchants in Manila were given the right to participate in public bids and auctions and in banking activities. In 1859 the two American firms which had been established in Manila went bankrupt due to the British competition. A Spanish writer of the time commented on the resulting "Chinese-British character" of the economic life of the Philippines.<sup>23</sup> This was, again, in consequence of the practice of free trade. The commercial strength of the British swept away all competition under a regime in which freedom of trade was the ruling policy. In 1851 the *Banco Español-Filipino de Isabel II* began operating in the Philippines under by-laws drawn up by the merchants Tuason and Aguirre.<sup>24</sup>

*The Philippines, Mid-19th Century, an Exporting Country.*—The times are pictured in two very descriptive books. The Scotsman, Robert McMicking, visited the country between the years 1848 and 1850.<sup>25</sup> So did Sir John Bowring, Governor of Hongkong.<sup>26</sup> Each wrote a very good book, the two books being outstanding for their very modern viewpoint as well as their lucidity. They are invaluable sources of information despite the solid British prejudices which abound in their pages. The first of the two writers pointed to the dangerous possibility that the Spaniards might copy the Americans in their allegedly unscrupulous way of doing business. He deplored the Spanish insistence on protecting Philippine production by a law which taxed British textiles, which law, however, was not at all deplored by the Filipinos. He described, in two chapters, the various manufactures of the country: piña cloth, jusi gauze, worsted cotton, silk, hats, rope, cigars. Worthy of the economist's attention are the statistics he offered of the exportation of these products and also of sugar, hemp, coconut oil, indigo, rice, raw hides, cattle bones, and gold-dust. Deserving of the same attention are the statistics given for the year 1858 in Bowring's book. Here we have a broad field for study which remains neglected except for a period around the year 1900, when the findings were used for purely political ends. The provisional conclusions arrived at then have often been made use of since and raised almost to the status of dogma. A conscientious study today could definitely establish whether or not Philippine industry of the 1840's was not, relatively, of greater importance than Philippine industry of 1940 within the industry of the world as a whole. Perhaps we could then definitely state that Philippine production played a greater role in the total agricultural and industrial production of the world a century ago than it played around 1840.<sup>27</sup>

*The Philippines Some Decades before the Revolution.*—The loss of the Mexican silver and gold had forced the Philippines into the adventure of building its own life. It is evident that toward the middle of the 19th century, the means had already been found to reverse the previous position of the country. The Philippines was not only living on its own, but was sending revenues to Spain. Bow-

ring stated that of the total annual government income of 10,000,000 pesos, 1,000,000 pesos was sent to Spain.

In 1837 the port of Manila was opened to the ships of all nations, and in 1855 the ports of Iloilo, Zamboanga, and Sual (on the Lingayen Gulf); in 1860 the port of Cebu.

In 1857 the author of the appendix to Bowring's book outlined the situation of the country at that time as follows: A good beginning had been made in agriculture and there was opportunity for infinite development; there existed a moderately well-developed industry; over 1,000,000 pounds of cotton and over 50,000 pounds of silk thread were imported annually, and, mixed with local cotton, hemp, piña, and other fibers, were processed into textiles amounting in value to from 5,000,000 to 6,000,000 pesos annually; the countless looms in the Islands produced an annual output of from 10,000,000 to 15,000,000 *varas* (a variable unit, roughly equivalent to a meter); there were 4 hemp-rope factories, several establishments working on hides, and a few rice-, sugar-, and coffee-packing plants; the extraordinary aptitude of the Filipinos as sea-men had given rise to a prosperous coast-wise navigation,—in 1875 there were 762 ships and 1,673 smaller craft registered at the port of Manila, aggregating 99,936 tons, with 18,561 men composing the crews.<sup>28</sup> The fact that Manila was a great commercial metropolis, rendered the city also a thriving center of political and cultural activities.

The growth of European capitalism placed Spain's economic interests in the Philippines in a precarious position. From the 1850's on, Spanish cabinet ministers in charge of overseas affairs insistently demanded that capital be sent to the Philippines to recapture the economic lead now held here by the British and Chinese. Among the measures taken with respect to this, the old government tobacco monopoly was abolished in 1882 and a private company was organized (the *Tabacalera*) to take over the cultivation and export of tobacco.

In 1893 Philippine trade with the exterior amounted to 250,000,000 *pesetas* (50,000,000 pesos) a year.<sup>29</sup>

The Philippines had roads and a railroad which was the second in Asia (construction of the Manila-Dagupan line was approved in 1883), and telephone and telegraph systems, and was the most westernized country in the Orient. It was only later that Japan, in an impressive race to industrial supremacy, overtook the Philippines. Manila, the city which had grown up on the gold of the Spanish Crown and the profits of the China-Europe trade, was superior in economic strength to many European ports. And the wealth that had been accumulated was responsible for the birth of a class of Filipinos which was unique in the whole of Asia, a cultured class which led the Revolution when the country became ready for it.

What the Philippines had become was the fruit of a centuries-old policy of extending financial and technical aid which had no equal in History because it did not rest on any principle of "mutual aid" but on the conception that the Philippines was a part of the Spanish nation.

In those times when chartered commerce was the rule, it was practiced in the Philippines in such a way that it placed the country at the head of all Asian nations for centuries. Later, in the age of free trade, the development of the natural wealth of the country opened the way to its independence. There is consistency in the facts that when the Spaniards first came to the Islands the population was only around 500,000 and that by 1900, the population had reached 7,000,000,—that is to say, fourteen times as many. During the same period, the population of Spain grew from 8,000,000 to 17,000,000, while the populations of France, England, Germany, and other European countries increased only three—or at most, four-fold. The economic and social conditions which prevailed in the Philippines during the 17th, 18th, and 19th centuries were chiefly

responsible for a growth in population far in excess of that growth in even the most advanced of European countries.

**The Philippines' Spanish Heritage.**—An important exporter of tropical products, which its own industry worked into finished goods in many cases, the Philippines was also nearly self-sufficient in textile production. With this as a base, and with the help of the technical resources of the 20th century, the Philippines has attained a splendid growth. But it should be remembered that before a tree reaches a height of three feet, it must first have grown to one foot, and that to begin with, it had to be planted. The seeds of economic development planted in Spanish times have made possible the Philippines of the present day.

It is indeed to be hoped that in the future all restrictive and discriminatory measures will be abolished and that free trade, with equal rights and privileges for all, will be honestly enforced, as this would contribute to the continuing expansion of the economy of this country in this century as in past centuries.

<sup>1</sup>Arnold J. Toynbee, "A Study of History", Oxford University Press, 1947.  
<sup>2</sup>Ramon Carande, "Carlos V y sus Banqueros" (Emperor Charles the Fifth and his Bankers), Madrid, 1943.  
<sup>3</sup>G. Menéndez Pidal, "Los Caminos en la Historia de Espana" (Roads in the History of Spain), Madrid, 1951.

<sup>4</sup>Morga Retena, "Sucesos en las Islas Filipinas", Madrid, 1910.  
<sup>5</sup>"Catalogo de los Documentos Relativos a las Islas Filipinas existentes en el Archivo de Indias de Sevilla", Barcelona, 1925 (Census of 1588).  
<sup>6</sup>Morga Retena, "Sucesos..." (Letters of Laxpiari to the Viceroy of Mexico).  
<sup>7</sup>"Catalogo de los Documentos..." (Catalogue of Documents).  
<sup>8</sup>"Catalogo de los Documentos..." (Catalogue of Documents).  
<sup>9</sup>"The Philippine Yearbook 1951-52." *Philippines Herald*.  
<sup>10</sup>Eulronio Alip, "Political and Cultural History of the Philippines", Manila 1950.  
<sup>11</sup>H. Pardo de Tavera, note in "Una Memoria de Anda y Salazar" (Memorandum), Manila, 1899.  
<sup>12</sup>Montero y Vidal, "Historia General de Filipinas desde el descubrimiento de dichas islas hasta nuestros dias" (General History since the Discovery of the Philippines until our days), Volume 1.  
<sup>13</sup>"Exposicion de la Compania de Filipinas relativa a su establecimiento dirigida por su Junta de Gobierno a las Cortes de la Nacion" (Statement of the Compania de Filipinas addressed to the Parliament), Cadix, 1813.  
<sup>14</sup>H. Pardo de Tavera, note in "Una Memoria de Anda y Salazar" (Memorandum), Manila, 1899.  
<sup>15</sup>H. Pardo de Tavera, note in "Una Memoria..." (Memorandum).  
<sup>16</sup>"Exposicion de la Compania de Filipinas relativa..."  
<sup>17</sup>Montero y Vidal, "Historia General de Filipinas..." (General History of the Philippines), Volume 1.  
<sup>18</sup>Alip "Political and Cultural History of the Philippines", Manila, 1950.  
<sup>19</sup>John Bowring, "Una visita a las Islas Filipinas." (A visit to the Philippine Islands), Madrid, 1876.  
<sup>20</sup>Marshall B. Davidson, "Life in America", Riverside Press, Cambridge, 1951, Volume 1.  
<sup>21</sup>Marshall B. Davidson, "Life in America", Volume 1.  
<sup>22</sup>Comenge, "Cuestiones Filipinas. Los Chinos." Manila, 1894.  
<sup>23</sup>Montero y Vidal, "Historia General de Filipinas..." (History of the Philippines, Volume III).  
<sup>24</sup>Robert McKicking, "Recollections of Manila and the Philippines during 1848, 1849 and 1850", London, 1851.  
<sup>25</sup>Bowring "Viaje..."  
<sup>26</sup>Bowring "Viaje..."  
<sup>27</sup>Schubelweg, "Colonizacion espanola. Estudios acerca de la misma en nuestras posesiones de Oceania." Madrid, 1893.

## The Business View

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

### The Government

From Official Sources

**D**ECEMBER 1 — President Elpidio Quirino creates a committee to take charge of the inauguration of the President and Vice-President of the Philippines on December 30, under the joint chairmanship of Secretary of Finance Aurelio Montinola (banking Secretary in the absence of Secretary of Foreign Affairs J. M. Elizalde) and Senator Francisco A. Delgado, with Vicente Lontok, Secretary to the Cabinet, as Executive Secretary of the Committee. The President authorizes Budget Commissioner Pio Joven to raise the necessary funds.

The President receives the credentials of Jose Manuel Moneta, new Minister of the Republic of Argentina at ceremonies at Malacañan.

The President receives a copy of the charges filed against Governor Dominador Camerino of Cavite for alleged acts of sedition and arbitrary and illegal detention committed on election day.

The Department of Foreign Affairs announces that the Government has recently protested the announced policy of the United Nations to give priority to countries which have pledged financial contributions to the Korean reconstruction program in the buying of needed materials and supplies, the Philippines stressing that though it could not pledge such a contribution in view of its limited budget, it had contributed troops.

Dec. 2 — Maj.-Gen. Calixto Zuloaga, Chief of Staff of the Armed Forces of the Philippines, files with Malacañan his application for retirement from the Army effective December 29.

Executive Secretary Marciano Roque announces that so far he has not received any administrative charges against Governor Camerino.

Dec. 4 — The President orders the re-instatement of Governor Adelmo Q. Camacho of Batasan, with a reprimand and warning; the action is in accordance with a recommendation of the Integrity Board which found him innocent of the more serious charges but guilty of the charge of threat and intimidation in connection with securing the approval of a travel-expense voucher by an official in the Provincial Treasurer's Office.

The President appoints a committee to take charge of the Rizal Day celebrations on December 30 to be presided over by Secretary of Agriculture Placido L. Mapa, with Vicente Lontok as the Executive Secretary.

Malacañan releases the exchange of communications between the President and the Philippine Ambassador at Madrid, Manuel V. Moran, former Chief Justice. In a letter from the Ambassador, dated October 9, he asked Executive Secretary Roque to remind the President that he was waiting for word about his return to the Supreme Court, and on October 17 he wrote the President himself that there would be justification for affording him the opportunity to retire as a member of the Court with life pension. On November 14 he wrote the President congratulating him on the clean elections, etc. and did not withdraw his

### SOME COPIES LEFT

## SHORT HISTORY OF INDUSTRY AND TRADE OF THE PHILIPPINES

From pre-Spanish times until the end of the Roxas Administration

A reprint, revised, of a series of articles

published in the *American Chamber of Commerce Journal*, August, 1952, to June, 1953

By

A. V. H. HARTENDORP

Editor, *American Chamber of Commerce Journal*

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request to be returned to the Supreme Court. However, when he was notified in a radiogram dated November 20 that the President had read his appointment as ad interim Associate Justice, he replied in a cablegram dated November 28 declining the nomination saying that appointments of this kind should be left to the President-elect. The President replied the same day that he had acted in compliance with the Ambassador's own request and his own promise, adding:

"You are of course a better judge regarding the propriety of your acceptance of the appointment. Deeply appreciate your sacrifice in accepting your present assignment which gave added name and prestige to our country abroad and deeply regret that under the circumstances you had to accept the privilege of resigning stringently to a position which would give you ample security for lifetime upon retirement."

Announced that the instruments of ratification of the Air Agreement and the Postal Convention between the Philippines and Spain were exchanged today at the Office of the Secretary of Foreign Affairs; both agreements were signed in Madrid on October 6, 1951.

Dec. 5.—The President attended the inauguration of the new P3,000,000 laboratories of E. R. Squibb & Sons (Philippine) Corp. at San Pedro Makati, and states in part in a short speech:

"I was very eager to see the results of our planning for general economic development. We have long wished and have made positive and even constitutional steps to afford protection for foreign capital, especially American capital, invested in our economic development in our desire to accelerate our national economy and secure our financial stability. Personally, it was my ambition to be able to exhibit to the world the fruits of our industrial and economic growth. I am gratified which, up to a few years ago, were doubtful of positive results. I am gratified to find that you should have been able to do so. I did not only find occasion to give encouragement to the industrialists who are willing to take the risk in making investments in this country, but also to inspire in them the response they have shown, only to find that you have responded to their confidence."

The Office of Foreign Affairs announces its receipt of the formal reply to the Japanese Government to the Philippine *aide memoire* on the settlement of the reparations question, handed to Acting Secretary of Foreign Affairs Felino Neri by Katsumi Ono, Chief of the Japanese Mission in Manila; comment on the note is withheld pending its study and submission to the Senate.

Dec. 9.—The President, at a Cabinet meeting, directs the fiscal officers of the Government to inquire into the real financial situation of the Republic, two committees of President-elect Ramon Magsaysay having reported that the Government is "broke." The President avowed that "we are within our budget and the budget is balanced."

[One group, headed by former Secretary of Finance Jaime Hernandez reported that the Government would have an accumulated deficit of over P300,000,000 by the close of this calendar year and that government spending during the last few months prior to the election was unusually heavy. At the end of the current fiscal year, June 30, 1954, the deficit on the basis of appropriations authorized in approved acts and resolutions, is estimated at P274,000,000, funds committed or requested amounting to P781,000,000 against an estimated income of P507,000,000.]

Dec. 8.—The President suspends from office Governor Camerino of Cavite to take effect immediately and continued until the final determination of the administrative charges against him, and inducts Alfonso Sarabaya into office in his place as Deputy Governor. The suspension was recommended by Acting Secretary of Justice Roberto Gianson and the charges will be referred to the Integrity Board. Besides the administrative charges of oppression and misconduct in office against the Governor, information has also been filed by the Provincial Fiscal accusing him of arbitrary detention and sedition.

The Cabinet approves a Christmas bonus of 20% of the monthly wage or salary to all employees and laborers of government corporations which have made a profit during the year, who receive P200 a month or less; the bonus is similar to one granted last year.

Dec. 10.—The President, upon recommendation of Secretary of Labor Aurelio Quitoriano, signs a communication to the Court of Industrial Relations certifying to the existence of a "labor dispute in an industry indispensable to the national interest" in the case of the PAN-TRANCO strike and requesting the Court to take appropriate steps in the exercise of its powers granted it by law. Under the Industrial Peace Act No. 875, the Court may in such a case issue a restraining order. The dispute is between the Pangasinan Employees, Laborers, and Tenants Association and the Pargansian Transportation Company, and the strike, called on October 24, is seriously affecting the Central Luzon provinces, including Baguio City.

The President, in a conference with Liberal Party leaders, takes up the question of designating a temporary head of the Party during the absence of Speaker Eugenio Perez who plans to leave for the United States shortly for medical treatment.

Dec. 11.—The President receives a group of four members of the United States Congress, headed by Representative W. B. Judd, Chairman of the House Committee on Foreign Affairs, and a number of American consultants, accompanied by Ambassador R. A. Spruance; the President tells them that the United States should lead in bringing the democracies and freedom-loving countries of Asia into a union.

A supplementary agreement is signed between the Philippine Government and the United Nations covering the establishment of a statistical training center here under the jurisdiction of the University of the Philippines; the United Nations will provide the services of two statistical experts who will work in close consultation and coordination with competent agencies and officials of the Government.

Dec. 15.—The President has a breakfast conference with Secretary of Foreign Affairs Elizaide who tenders a report on Philippine participation in the work of the General Assembly of the United Nations.

The President, after receiving a report of Secretary of Finance Aurelio Montinola, states that the Government is not bankrupt and acting under the Secretary and Budget Commissioner Pio Joven, to Audit General Auditor-General Vicente G. Gila, and the Treasurer of the Philippines Vicente G. Gila to issue a statement on the subject as the "prophesying of the near collapse of the Government is doing a great deal of harm to the national credit, particularly to the value of the peso." The statement issued on this same day concludes the following:

"It will be seen, therefore, that as of December 31, 1953, there will be an expected P85,347,923 cash in the hands of the National Treasurer and an undivided net sum of P25,000,000 accruing to the Treasury Fund distributed in the hands of collecting officers. These two figures amount to over P110,000,000, which should be sufficient to finance the operations of the Government."

Dec. 18.—The President, in speaking to a delegation from the Philippine Society of Civil Engineers, which calls on him on the eve of their annual convention, states that in his establishment of hydro-electric plants he wanted to lay the groundwork for the industrialization of the Philippines and that with reference to various irrigation works it had been his great ambition to be remembered as the irrigation builder of the country.

The President approves the retirement of Civil Service Commissioner Jose Gil, effective December 30. Commissioner Gil entered the Government service in 1910 as a clerk in the Bureau of Posts, served for some time as Secretary of the University of the Philippines, and was made Assistant Director of the Bureau of Civil Service in 1919, becoming the first Filipino Director upon the retirement of Percy Angell, in 1923.

Secretary of National Defense Oscar Castelo and Mayor Arsenio Lacson return to Manila from visits to the United States.

Dec. 19.—The President, after a visit to Washington which was to render a report on his mission to the United States, which was to seek to obtain United States agreement for an additional \$345,000,000 in payments to Philippine war veterans; he states he "succeeded in laying the groundwork."

Dec. 20.—The President officiates at laying the corner-stone of the Roxas Memorial Theater at the corner of Taft Avenue and Isaac Peral Street; the money for the P5,000,000 project, consisting of a theater and two office buildings, was raised by popular subscription.

Dec. 21.—The President issues an proclamation declaring December 26 (Saturday) a special public holiday.

Dec. 22.—The Cabinet approves the proposal of Filemon C. Rodriguez, general manager of the National Power Corporation, to seek the amendment of the agreement between the Government and the Corporation, on the one hand, and the Export and Import Bank (Washington), entered into on July 23, 1952, to extend the availability of a credit line of \$20,000,000 beyond December 31, 1954, to December 31, 1955, because several payments to contractors will fall beyond the former date.

The President, during the Cabinet meeting, appoints a two-man committee composed of Acting Secretary of Justice Roberto Gianson and Budget Commissioner Pio Joven, to study the lease of a homing tower for television purposes to Judge Antonio Quirino, brother of the President, the legality of which has been questioned; as it is stated, that the equipment was omitted from an American Embassy list, dated November 5, 1953, it did not fall into the category of the equipment turned over by the American Government to the Civil Aeronautics Administration and its disposition as surplus property was justified.

The President receives the Integrity Board, headed by Justice Luis P. Torres (Justice Mariano H. de Joya, Mrs. Pilar Hidalgo Lim, former Justice Jose P. Bengzon, Solicitor-General Juan Liwag, members, and Jose de Jesus, Secretary), which is winding up its affairs, and commends its members for a "job well done". The Board docketed 212 cases, of which 149 cases were disposed of without the necessity of hearings; 52 of these cases were heard; 23 respondents were exonerated, 5 fined, reprimanded, or warned, 5 dismissed from the service, 4 requested to resign or considered resigned, and 1 was suspended; 10 respondents were referred to the Department Secretaries and 4 had the charges against them withdrawn; the Board still has 3 cases pending hearings, 5 received without time to hold hearings now, and 3 awaiting decisions; some 1,200 complaints received were referred to bureaus, offices, and agencies of the Government for lack of jurisdiction on the part of the Board.

The President receives Minister Manuel Nieto of the Philippine Embassy in Madrid.

Dec. 23.—The Cabinet authorizes the National Power Corporation to issue P6,000,000 in bonds for the construction of a second unit of the Maria Cristina Falls hydro-electric development; the first unit, capacity 25,000 kilowatt, completed at a cost of P5,500,000, is now furnishing power to the fertilizer plant and the National Shipyards and Steel Corporation's steel mills.

The Cabinet also approves the establishment of an agricultural school of the Muñoz type on the site of the San Ramon Penal Colony, at Zamboanga, the penal colony of 300 prisoners to be transferred to the Davao Penal Farm; the Bureau of Public Schools has around P50,000 set aside for the operation of the school and it is included for FOA-PHILCUSA aid for 1954 for equipment, additional buildings, etc.

The Cabinet approves the proposal of the Department of Philippine Veterans Board to erect a Veterans Memorial Building at Fort Santiago



to house the offices of the Board and of the Board of Pensions for Veterans (Philippine Revolution), and various accredited veterans' organizations; the Public Works Act provides around ₱1,000,000 for the purpose, subject to availability of the funds.

The President issues an Administrative Order directing the Chief of Staff of the Armed Forces of the Philippines to "assist, aid, and or take over the operation of the Metropolitan Water District" because of the strike declared today by the District's laborers.

Dec. 24 — The President enplanes for Baguio for a few days' rest to return on the 26th.

Malacanban releases a list of the President's Christmas pardons, as recommended by the Board of Pardons and Parole; "pardons" were granted to 68 individuals, "absolute pardons" to 79, "special absolute pardons" to 16, and "commutations of sentence" to 10.

Secretary of Foreign Affairs J. M. Elizalde announces that the Board of the Foreign Service, headed by the Under-Secretary as Chairman, has submitted its recommendations to the President regarding the administrative case against Benigno A. Pidalaoan, former Consul-General in San Francisco.

Dec. 28 — The President grants conditional pardon to 52 Japanese war prisoners whose death sentences were commuted to life imprisonment last June 27 and who were repatriated to serve their sentences in the Sugamo Prison. The action was taken on recommendation of the Japanese Government and on condition that none of them will ever return to the Philippines.

Dec. 29 — The President at a last meeting of the members of the Cabinet, who submit their resignations en masse, accepts them effective at noon of December 30. He thanks them for their services to the country and their cooperation with him. He states:

"Our administration has been efficient and effective. We have brought industry and progress to this country from the prostrations of war. We are proud of our accomplishments, although politics and partisanship are trying to rob us of the credit, going as far as characterizing our administration as corrupt. I am sure none of you could be branded a corrupt official."

The Cabinet receives the report of Acting Secretary of Justice Gianson and Budget Commissioner Joven on the homing tower leased for television purposes and the report is referred to the Department of Foreign Affairs for action.

The Cabinet approves the proposal to transfer to the Bureau of Public Schools without cost the site formerly occupied by the San Ramon Penal Colony in Zamboanga City, provided the City will meet the cost of transporting some 300 prisoners to the Iwahig Penal Colony in Davao.

The Cabinet approves a request of the Department of Finance that the Central Bank sell Treasury bills in the amount of ₱15,000,000 to redeem the bonds of the Government of 1954, in view of the need for converting the cash in the General Fund.

The President receives the members of the diplomatic corps and their ladies who call on him to extend their thanks and good wishes; Mons. Egidio Vagnozzi, papal nuncio, on behalf of the sixteen foreign representatives, thanks the President for his kindness and understanding in their personal dealings with him and also express their gratitude to Secretary of Foreign Affairs J. M. Elizalde and Under-Secretary Felino Neri.

The President receives a delegation of the national executives of the Boy Scouts of the Philippines, headed by Jorge Vargas, President of the organization, who present him with a plaque and a scroll in recognition of his service in the promotion of the Boy Scout movement.

Dec. 30 — At 10:30 a.m. the President receives President-elect Ramon Magsaysay in his study and they drive, together with their respective aides, to the Luneta inauguration site, where they both stand at attention as the national flag and the presidential emblem are raised and the National Anthem is played, after which they shake hands and the President proceeds to Novaliches and retirement attended by a police escort. After a military parade and review the President-elect, at 12 noon, takes his oath of office administered by Chief Justice Ricardo Paras, a few minutes after Carlos P. Garcia had taken his oath as Vice-President, and batteries of the Philippine Armed Forces and the United States Navy fire 21 cannon salutes. Heading the list of invited guests are former President Sergio Osmeña, former President Emilio Aguinaldo, U. S. Assistant Secretary of State Walter S. Robertson and Admiral Arthur Radford, Chairman of the U. S. Joint Chief of Staff, former Ambassador Myron M. Cowley, U. S. Under-Secretary of State Walter Bedell Smith, Lieut.-Gen. Joseph Swing, and two former Chiefs of the Joint U. S. Military Advisory Group—Maj.-Gen. Leland S. Hobbs and Maj.-Gen. Albert Pierson, and also many prominent American newspaper and magazine correspondents. (For President Magsaysay's inaugural address, see the editorial columns of this issue of the *Journal*.)

Dr. Bienvenido M. Gonzalez, President of the University of the Philippines for the year 1954, confers that Dec. of the College of Agriculture and Professor of Animal Husbandry, graduate of the University of Wisconsin (M.Sc.) and Johns Hopkins University (D.Sc.), dies of coronary thrombosis after several days of illness, aged 60.

Dec. 31 — President Ramon Magsaysay motors to Bacoor, Cavite, very early in the morning to inquire into the election-day terrorism there and the reported pardoning and release from prison of some 42 terrorists by President Quirino shortly before the expiration of his term of office.

The President and Mrs. Magsaysay give a buffet luncheon in Malacanban in honor of the distinguished guests who attended the inaugural ceremonies yesterday.

Hundreds of radiograms of felicitation are received by the President from heads of state and from friends here and abroad, also a message from United States Vice-President Richard Nixon.

The President issues a New Year's Day message:

"The new year beckons us with limitless promise. We have won the opportunity really to start anew, plan anew, build anew. The limits to what we can do will be set only by our capacity for work and our boldness in meeting every problem and challenge. But just as our opportunities are limitless, so will their fulfillment demand the most that is in us. We will have to work—work without let-up and without fear, work as much as endurance will permit. In that way alone can we hope to realize the great things that await us. It is in this spirit of confidence and expectancy that I wish our people a most happy new year."

## Banking and Finance

By I. G. SPERING  
Sub-Manager

The National City Bank of New York

### COMPARATIVE STATEMENT OF CONDITION OF THE CENTRAL BANK.

	As of Dec. 31, 1953	As of Sept. 30, 1953	As of Oct. 30, 1953	As of Nov. 30, 1953
<b>Assets</b>				
International Reserve.....	₱460,689	₱460,313	₱462,154	₱449,011
Contribution to International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	113,306	106,940	106,940	106,941
Loans and Advances.....	77,047	9,060	16,180	16,767
Trust Account-Securities Stabilization Fund.....	—	—	—	—
Domestic Securities.....	92,197	228,313	228,125	227,696
Other Assets.....	20,390	50,874	49,185	54,292
	<b>₱793,629</b>	<b>₱885,500</b>	<b>₱892,584</b>	<b>₱884,707</b>
<b>Liabilities</b>				
Currency — Notes.....	₱555,576	₱561,434	₱574,786	₱586,000
Coins.....	74,384	85,661	85,260	84,931
Demand Deposits-Pesos.....	117,682	130,499	181,958	169,896
Securities Stabilization Fund.....	2,000	18,184	10,068	5,035
Due to International Monetary Fund.....	22,498	496	496	496
Due to International Bank for Reconstruction and Development.....	2,389	2,377	2,376	2,377
Other Liabilities.....	2,636	6,585	6,426	3,686
Deferred Credits.....	—	2,402	3,006	3,590
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	7,729	8,075	8,483
Surplus.....	—	10,133	10,133	10,133
	<b>₱793,629</b>	<b>₱885,500</b>	<b>₱892,584</b>	<b>₱884,707</b>

The International Reserves as of November 30, 1953, were as follows:

Central Bank International Reserves.....	\$224,505,637.63
Japan Open Account (due from).....	13,866,229.41
Net FX Holdings Other Banks.....	55,931,249.53
	\$294,303,116.57

This is a decrease of approximately \$8,500,000 from October 31, 1953.

Currency and coins issued totalled ₱671,011,446.01.

Money continues fairly easy in banks. Merchants still carry high receivables and are working strenuously to effect collections. Easier money in banks resulted from the reduction to 50% of the Central Bank requirement of 70% margin against import credits.

The Import Licensing system now works very smoothly and the main concern is what action will be taken when the new Administration takes over on December 30, 1953.

(NOTE: The information contained herein has been derived from responsible sources, but the National City Bank of New York assumes no responsibility for its accuracy.)

# Manila Stock Market

By J. J. ORTIGAS

Hall, Picornell, Ortigas & Co.

November 21 to December 24, 1953

**E**ARLY in the period under review, mining shares moved higher. However, the forward movement has been halted during the past few days and prices have backed away from their recent highs under profit-taking and tax-selling.

The price of gold in the local free market ranged between ₱105.80 high and ₱102.50 low, closing at approximately ₱105.00 per fine ounce.

In the commercial and industrial section of the market, San Miguel was fractionally higher, while sugar ruled steadier; otherwise, trading was featureless.

101.00 93.00	San Miguel Brewery, 7% pref.	95.00	94.00	95.00	—	220
108.00 102.00	San Miguel Brewery, 8% pref.	105.00	104.00	105.00	—	1,078
10.00 13.00	Talpay Siley Milling, com.	—	—	—	15.00	—
10.00 6.00	William Equipment, com.	10.00	10.00	10.00	—	300

x—Ex-Dividend  
T—Bond sales reported in units of ₱100

Company	OVER THE COUNTER		Close	Total Sales
	High	Low		
Atlas Cons. Mining & Development Corp.	0.0825	0.075	0.0825	55,250.00
Crown Mines	0.01	0.01	0.01	479,983.00
Demonstration Gold	0.005	0.005	0.005	158,000.00
East Kinross Mining Co.	0.009	0.009	0.009	83,000.00
Eastern Development Co.	0.0035	0.0035	0.0035	165,000.00
Far Eastern University	140.00	140.00	140.00	30.00
Gold Creek Mining Corp.	0.001	0.001	0.001	312,600.00
Hawaiian Philippine Co.	10.00	10.00	10.00	1,662.00
Manila Jockey Club	2.00	2.00	2.00	598.00
Nielson & Co., Inc.	0.01	0.01	0.01	40,000.00
Philippine Diorad Mng. Co.	0.0012	0.0012	0.0012	400,000.00
Philippine Long Dist. Tel. Co. 6% bonds (1966)	100.00	100.00	100.00	₱70,000.00
Realty Investments, Inc.	7.00	7.00	7.00	3,000.00
Sacramento Mining Co.	0.015	0.015	0.015	300,000.00
Tabacalera, 6% bonds (1962)	100.00	100.00	100.00	₱24,000.00
Victorias Milling Co., Inc.	100.00	100.00	100.00	956

## MINING SHARES

1952-53 Range	High	Low	Close	Change	Total Sales
131.53 82.78	M. S. E. Mining Share Average	96.32	89.21	89.43	OF 2.07 14,287,377
0.275 0.14	Acjee Mining Company x	.25	.24	.24	Up .005 102,000
0.0875 0.028	Atlas Cons. Mining & Development Corp.	.085	.0725	.0725	OF .0025 1,404,000
6.20 8.00	Atok Big Wedge Mining Co.	.80	.80	.80	— 1,000
0.13 0.06	Bagato Gold Mining Co.	.0925	.0775	.0925	OF .0125 278,000
2.65 1.00	Balaton Mining Co.	1.00	1.00	1.00	OF 10,150
0.0035 0.0013	Betong Gold Mines	.0019	.0018	.0018	OF .0002 4,400,000
4.80 2.70	Benguet Consolidated	3.00	2.95	3.00	Up .20 19,807
0.07 0.015	Coco Gro. & Inc.	.018	.018	.018	Up .091 56,000
0.046 0.020	Consolidated Mines, Inc.	.045	.0415	.043	— 3,480,800
0.32 0.19	General Base Metals	.22	.19	.19	OF .06 58,000
0.39 0.16	Harcourt Mining Co.	—	—	.16b	—
0.155 0.05	Itocon Mining Company	.0575	.05	.05	OF .0025 995,000
0.95 0.65	Lepanto Consolidated	.76	.69	.70	OF .08 344,000
0.38 0.05	Mindanao Mother Lode	.065	.05	.065	— 179,000
0.1275 0.06	Paracale Guana Co.	—	—	.06b	—
3.26 1.78	Philippine Iron Mines, Inc.	2.00	1.92	1.92	OF .04 47,650
0.32 0.16	Saa Mauricio Mining Co.	.185	.16	.16	OF .05 63,000
0.285 0.17	Santa Catalina x	.21	.18	.195	OF .02 305,000
0.027 0.008	Suyoc Consolidated	.008	.008	.008	— 302,500

x—Ex-Dividend  
xx—Ex-Stock Dividend

## COMMERCIAL SHARES

1952-53 Range	High	Low	Close	Change	Total Sales
160.00 120.00	Bank of the Philippine Islands	—	—	160.00b	—
28.00 11.00	Bogo-Medellin Milling	—	—	11.00b	—
90.00 65.00	Central Azucarera de Bais	—	—	66.00b	—
150.00 100.00	Central Azucarera de Bucayan	113.00	113.00	113.00	Up 7.00 202
110.00 160.00	Central Azucarera de Pinar	—	—	105.00b	—
50.00 26.00	Central Azucarera de Tarlac	40.00	29.00	35.00	Up 6.00 93
325.00 320.00	China Banking Corp., Cia. de Cebu de Filipinas	10.50	10.50	10.50	OF .25 2,300
12.00 10.00	Fil. Cia. de Seguros	23.00	23.00	23.00	Up 1.00 350
25.00 22.00	Industrial Textiles	7.70	6.20	6.30	OF .20 4,300
12.00 6.20	Insular Life Assurance Co.	—	—	8.00a	—
0.37 0.25	Manila Broadcasting	.37	.35	.37	Up .05 20,000
4.90 2.80	Manila Wine Merchants	3.00	2.80	2.80	OF .55 10,900
0.30 0.30	Maraman & Co., com.	—	—	.10a	—
—	Maraman & Co., pref.	—	—	.10a	—
—	Mayon Metal, Class "B"	—	—	.10a	—
—	Mayon Metal, Class "A"	—	—	.07a	—
107.00 100.00	Metropolitan Insurance Co. x	104.00	104.00	104.00	— T 1,720
34.00 20.50	Philippine Long Dist. Tel. Co., com.	34.00	34.00	34.00	Up 3.00 40
13.00 12.00	Philippine Long Dist. Tel. Co., pref.	13.00	13.00	12.25a	— 1,565
0.0925 0.015	Philippine Oil Development Co., Inc.	.038	.018	.018	OF .004 2,266,409
100.00 99.50	R. D. 4% Bonds 1959	—	—	99.50b	—
36.00 28.00	San Miguel Brewery, com.	33.00	32.00	32.50	Up .50 26,993

## Credit

By R. A. CALLAHAN

Accountant and Office Manager  
Philippine Refining Company, Inc.

**T**HE directors of the Association of Credit Men, Inc. (P.I.) in a regular meeting held December 15, 1953, authorized the use of a new process-report form within the Association for insurance companies and for the insurance departments of other members. It is too soon to offer an opinion, but it is hoped that the new form will provide beneficial information not only to insurance members but to all members of the Association. Insurance members should find the new form easier to complete and the consolidation by the Ledger Interchange Bureau of the Association should present a more complete story of the names processed. This new system is being carefully watched and should be a valuable addition to our process-forms.

The increased use of the voluntary "pink notices" to Association members has been particularly helpful. During December more notices were sent out than in any other month since the war. Many members have commented upon the immediate benefits of some specific notices. Arrangements are being made to enable the Association to continue to increase this voluntary service if required.

Work is continuing on a series of letters on collection matters. It is planned that several letters will be sent to all Association members during January. The Association directors hope that members will take the lead in improving collection methods and practices in the Philippines.

**D**ECEMBER cannot be considered a normal month for credit and collection executives. During December cash continued very tight. Inventories were generally high and sales, even up to Christmas Eve, were slow, with both retailers and wholesalers. Some retailers reported that sales were considerably below the same period last year. Toward the end of the month, some year-end clearing of accounts was noted which resulted in slight improvement. It appeared that inventories and requirements in several lines had not been estimated properly, and in a few high-inventory groups movement was very slow. High inventories during the pre-Christmas season, coupled with competition and some pressure to sell on credit, caused difficulties in several lines.

Christmas shopping was considered below the levels of the previous year by firms most directly concerned. Store owners reported huge numbers of store visitors but few actual customers, with purchases below 1952 amounts.

**T**HE price of rice has stabilized considerably. Increased use of fertilizers and other improvements in systems

should result in improving supply which should further stabilize rice prices and thus affect other prices directly. No great change was noticed in export trading during December. There are some unused import quotas which expire January 20, 1954. During December there were some price reductions on several essential items.

Most credit executives are still waiting and watching. Even with the new Administration taking over December 30, it is unlikely that any definite policies of the new Administration will result in changes until after June, 1954. The possibility of revision of the Bell Act and the possibility of other undertakings at government levels will undoubtedly be closely watched. Important commitments seem to be deferred until some definite pattern will appear to be taking shape.

## Electric Power Production

(Manila Electric Company System)

By J. F. Corron

Treasurer, Manila Electric Company

1941 Average—16,316,000 KWH

	Kilowatt		Hours
	1953	1952	
January.....	50,107,000	45,152,000	45,152,000
February.....	45,501,000	42,450,000	42,450,000
March.....	50,789,000	45,128,000	45,128,000
April.....	49,159,000	42,798,000	42,798,000
May.....	52,042,000	45,580,000	45,580,000
June.....	51,304,000	45,223,000	45,223,000
July.....	53,877,000	47,542,000	47,542,000
August.....	54,275,000	47,988,000	47,988,000
September.....	53,636,000	47,216,000	47,216,000
October.....	55,943,000	50,073,000	50,073,000
November.....	53,756,000*	47,652,000	47,652,000
December.....	57,430,000**	50,656,000	50,656,000
Total.....	627,819,000**	557,458,000	

\*Revised

\*\*Partially estimated

As usual, new output records were set in December. The month was about 1,500,000 kwh above the previous high month (October, 1953). A high peak of 147,600 kw was recorded on December 23, and a new daily high gross of 2,114,200 kwh was registered on December 24.

December output was 6,774,000 kwh, or 13.3%, above December, 1952. The year's output was 70,361,000 kwh, or 12.6%, above 1952. During the last six months of the year the rate of increase was 13.2%, compared with 11.8% during the first half of the year.

Some comparative figures are shown below which emphasize that the high rate of increase in the use of electricity is not only continuing but is tending to accelerate.

New construction expenditures for 1953 by Meralco were nearly ₱12,000,000, indicating the enormous investment needed to keep abreast of the growing demand for electric service.

	Kwh	Increase Over Previous Year	Increase
<b>Yearly Output</b>			
1951.....	497,211,000	38,635,000	8.4%
1952.....	557,458,000	60,247,000	12.1%
1953.....	627,819,000	70,351,000	12.6%

### Highest Monthly Output

1951.....	45,655,000	4,556,000	11.8%
1952.....	50,656,000	5,001,000	10.9%
1953.....	57,430,000	6,774,000	13.3%

### Highest Daily Output

1951.....	1,611,900	234,080	17.0%
1952.....	1,884,600	272,700	16.9%
1953.....	2,114,200	229,600	12.2%

### Highest Peak Load

	(Kw)		
1951.....	114,100	7,600	7.1%
1952.....	125,000	10,900	9.6%
1953.....	147,600	22,600	18.0%

## 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 December, 1953, numbered 503, with a total value of ₱6,155,104, as compared with 505, with a total value of ₱4,739,599, registered during the preceding month of November.

Of the December sales, 141, with a total value of only ₱3,207,870, represented deals within Manila proper, and 362, with a total value of ₱2,947,234, were transactions in Quezon City, Pasay City, and in the suburban towns of Caloocan, Makati, Parañaque, Malabon-Navotas, Mandaluyong, and San Juan.

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

### CITY OF MANILA

**Ermita**  
Nebraska St. A parcel of 1,066.9 sq. m. sold by Perfecto Jose to Pedro Galang for ₱50,345.  
Sta. Monica St. A property with a lot of 547.2 sq. m. sold by Enrique Katigbak to Daniel Ledesma for ₱60,000.

**Malate**  
Dakota St. A property with a lot of 2,617.4 sq. m. sold by Marina Reaiza to Max Blouse for ₱100,000.  
Dewey Boulevard, corner Remedios St. A property with a lot of 786.5 sq. m. sold by Luisa St. to Mativedo Lichauco for ₱78,000.  
Penyavisian St. A property with a lot of 456.1 sq. m. sold by Benito P. Maaño to Cipriano Navarro for ₱90,000.

**Paco**  
Oña St. A property with a lot of 8,308 sq. m. sold by Cbas Limco to La Fabrica de Cerveza de San Miguel for ₱395,590.

**Quiapo**  
Indivico St. A property with a lot of 153.4 sq. m. sold by Luis Leuchengco to Josefa Vda. de Litwag for ₱26,000.

**Sampaloc**  
Gastambide St. A parcel of 1,418.7 sq. m. sold by Teofilo Salvador to the University of the East for ₱141,870.  
Craig St. A property with a lot of 529 sq. m. sold by Jesus S. Reyes to Domingo Guevara for ₱35,000.

**San Nicolas**  
Tabora St. A property with a lot of 1,188 sq. m. sold by Arcadio Atienza to Manuel S. Syjuco for ₱73,000.

**Sra. Cruz**  
Evangetista St. A property with a lot of 132.3 sq. m. sold by Milagros Javier to Nemesio Dion for ₱130,000.

**Tondo**  
Benavides St. A property with a lot of 2,384 sq. m. sold by Francisco Vergel de Dios to Julia Olaguivel for ₱130,000.  
Craig St. The transfer to the corporate name PATRICIA, INC. of a tract of 72,448 sq. m. by Ricardo St. Manotoc for a consideration of ₱588,842.

### PASAY CITY

F. B. Harrison St. A parcel of 5,571.41 sq. m. sold by Manuel S. Galvez to the Church of Christ for ₱90,000.  
Taft Ave. A property with a lot of 133 sq. m. sold by Aurelio Gonzales to Rosa O. Puno for ₱74,949.  
Taft Ave. A property with a lot of 1,769 sq. m. sold by Ang Beng Uh to Juanario Estrada for ₱56,000.

### QUEZON CITY

**Cubao**  
Epasas Extension. A bungalow with a lot of 809 sq. m. sold by Margarito Delgado to Pablo Sales for ₱30,000.  
Highway 54. A parcel of 4,699 sq. m. sold by Fred Da Silva to J. Amado Aranzeta for ₱52,669.

**Piedad Estato**  
A tract of 51,718 sq. m. sold by Bruno T. Solano to Reynaldo Tiongco for ₱51,718.

**Sra. Meese Heights**  
Cordillera St. A property with a lot of 898.8 sq. m. sold by Bienvenido Canlas to Lillian Salonga for ₱45,000.

**Various Properties in Quezon City**  
Several properties in Quezon City sold by Victorino Arambulo to the Republic of the Philippines for ₱148,656.

### SUBURBAN TOWNS

**Baglaran**  
Quano Ave. A tract of 9,041.14 sq. m. sold by Antonio Syyp to Lorenzo Lim for ₱31,520.

**Caloocan**  
Rural Ave. Ext. A tract of 3,093 sq. m. sold by Philippine Realty Corporation to Dalmacio Tanagenco for ₱46,395.

**Mandaluyong**  
Kin Albert St. The transfer of a compound with an area of 3,965 sq. m. for a consideration of ₱75,000 by George Edward Koster, Inc. to the corporate name American Builders, Inc.

**Makati**  
Tamarind Road, Forbes Park. A parcel of 2,202 sq.m. sold by Ayala Securities Corporation to Esteban Medina for ₱21,270.

**Malabon**  
Dampalit. A tract of 75,298 sq.m. sold by Mercedes M. Gutierrez to Ricardo Gutierrez for ₱25,500.

**Paranaque**  
Los Tamaros Drive. A tract of 800 sq.m. sold by Elizalde and Company to Alfred Vellguth for ₱20,000.

**R**EAL estate mortgages registered in the Greater Manila area during the month numbered 567, with a total value of ₱8,646,034, as compared with 536, with a total value of ₱10,772,408, registered during the preceding month of November.

Of the December mortgages, 344, with a total of ₱4,990,741, represented deals within the cities of Quezon and Pasay, and in the suburban towns of Caloocan, Makati, Malabon, Mandaluyong, Navotas, Paranaque, and San Juan; and 223 with a total value of ₱3,655,293, represented deals within Manila proper.

#### REAL ESTATE SALES, 1953

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January	1,499,139	1,477,332	213,490	4,141,742	7,331,703
February	3,460,932	1,286,414	341,023	1,710,106	6,798,475
March	3,775,675	1,643,140	680,593	1,049,801	7,759,209
April	3,481,727	1,322,975	213,465	1,947,750	6,965,917
May	2,980,713	1,657,605	200,299	1,218,360	6,056,977
June	3,200,302	1,066,751	277,416	1,295,511	5,389,980
July	3,744,881	1,456,079	434,581	1,377,080	7,012,621
August	1,840,321	1,186,699	113,147	1,375,728	4,516,165
September	2,851,451	1,273,306	217,780	1,972,257	6,314,794
October	2,417,066	1,403,475	229,300	1,191,319	5,241,160
November	2,111,717	1,157,829	530,981	939,072	4,739,599
December	3,207,870	1,424,443	343,431	1,179,360	6,155,104

#### REAL ESTATE MORTGAGES, 1953

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January	3,691,913	1,377,690	245,200	2,016,917	7,331,720
February	5,560,707	2,196,329	718,300	2,924,480	11,399,816
March	7,586,190	2,419,165	553,800	1,503,942	12,063,097
April	5,069,965	1,973,705	184,500	1,976,673	9,204,844
May	4,962,183	2,026,850	1,219,800	2,645,032	10,853,865
June	4,465,288	2,062,071	457,000	2,046,738	9,081,097
July	3,602,235	1,395,078	564,709	1,641,841	7,203,863
August	2,578,404	961,540	190,000	1,636,739	5,366,683
September	5,707,433	1,233,274	429,000	1,299,219	8,668,926
October	3,466,844	1,400,650	262,370	2,423,247	7,555,411
November	5,531,175	1,567,821	1,041,540	1,631,812	10,772,400
December	3,655,293	1,754,850	762,940	2,472,951	8,646,034

## Building Construction

By **JUAN J. CARLOS**

President, **United Construction Co., Inc.**

**D**URING the month of November, the Office of the City Engineer approved building permits for construction work amounting to ₱3,704,580. For the same period in 1952, the volume of work authorized amounted to ₱2,748.60 in comparison with ₱4,819,360 in 1951 and ₱3,880,145 in 1950.

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

A 6-story reinforced-concrete building on Rizal Avenue, for Zosima, Inc., estimated at ₱700,000;

For the National Power Corporation on Bonifacio Drive, Port Area, a 4-story office building, costing ₱500,000;

On Nagtahan Street, a residential building for Dy Bun Chin, estimated at ₱160,000;

A 2-story commercial building for Hollywood Shalon & Co. Inc., costing ₱130,000;

On Rizal Avenue Extension, a night-club for Simceon Evangelista, estimated at ₱100,000.

**P**RICES of essential items remained firm during the period under review. Portland cement was quoted at ₱3.50 to ₱3.80 per bag of 94 lbs.; galvanized-iron sheets, gauge 26, 8 feet long, both corrugated and plain, at ₱6.10 to ₱6.30 per sheet; and reinforcing steel bars, sizes 3/8 inch to 1 inch, at ₱350 to ₱450 per ton.

**T**HE volume of work seems to have been adversely affected by the national elections which were held during the period under review. Most of the projects ready to be let out for bidding, were held in abeyance until after the results of the elections were known.

## Ocean Shipping and Exports

By **E. B. TUNOLD**

Secretary-Manager

Associated Steamship Lines

**T**OTAL exports for the month of November of this year showed an increase of 50,537 tons over exports during November of last year; 141 vessels lifted 396,192 tons of exports during the month, as compared with 345,655 tons, lifted by 91 vessels, during the same month last year.

This increase is mainly attributed to the sharp increase in the export of logs over last year.

Exports during November, 1953, as compared with exports during November, 1952, were as follows:

Commodity	1953	1952
Beer	272 tons	247 tons
Cigar and cigarettes	302 "	26 "
Coconut, desiccated	4,738 "	4,076 "
Coconut oil	8,335 "	5,525 "
Concentrates containing copper, gold, silver, and lead	494 "	—
Copra	59,123 "	52,866 "
Copra cake/meal	6,930 "	6,739 "
Embroideries	292 "	338 "
Empty cylinders	251 "	384 "
Fish, salted	14 "	14 "
Furniture, rattan	321 "	700 "
Glycerine	300 "	231 "
Gums, copal	58 "	59 "
Hemp	54,701 bales	63,539 bales
Household goods and personal effects	319 tons	255 tons
Junk metal	624 "	137 "
Logs	52,093,793 bd.ft.	28,566,022 bd.ft.
Lumber, sawn	4,262,075 "	6,509,785 "
Molasses	5,507 tons	11,210 tons
Ores, chrome	47,043 "	35,237 "
Ores, iron	94,518 "	110,939 "
Ores, manganese	301 "	5,295 "
Pineapples, canned	2,058 "	4,353 "
Rattan, round (palsan)	176 "	539 "
Rice	690 "	—
Rope	280 "	444 "
Shells, shell waste	71 "	122 "
Skins, hides	212 "	68 "
Sugar cent./raw	37,828 "	20,659 "
Sugar, refined	467 "	449 "
Tobacco	34 "	1,988 "
Vegetable oil	28 "	39 "
Veneer	13 "	—
Wine and liquor	14 "	—
Transit cargo	362 "	43 "
Merchandise, general	517 "	690 "

## Port of Manila

By **W. S. HURST**

Administrative Officer, **Luzon Brokerage Company**

**T**HE year ended with approximately 85,000 tons of general cargo being delivered from the piers during the month of December. For the 12-month period of 1953, approximately 900,000 tons of cargo was handled. It is anticipated that this will be surpassed during 1954.

Due to the pier at San Fernando, La Union, being destroyed during a recent typhoon, cargo, which normally would have been discharged at that point, has had to be discharged at the South Harbor piers and then trucked to San Fernando. This caused further congestion at the piers

and unforeseen additional expenses for the importers. It is hoped that San Fernando will soon have its pier back in good condition.

Brokers, importers, and the arrastre people are very glad to see the holidays now ended. The arrival of ships does not wait on holidays and the result of too many holidays in a row is congestion on the piers, causing slowness in deliveries and clamorings for their goods from the importers. We are sure that everyone looks forward to the fact that it will be some months before this occurs again.

Matters have quieted down somewhat between the brokers and the Custom House and it is hoped that 1954 will see a smooth-flowing operation. It is anticipated that more merchandise will be imported during 1954 and this will necessitate full cooperation between all parties concerned. The arrastre concern is helping by adding additional new equipment to facilitate the handling of cargo. With all parties working together there should be no complaints from any source.

On the whole, 1953 proved a very satisfactory year. Starting out 1954 with the present feeling toward the new Administration, it is hoped that this year will prove to be a banner year.

## Freight Car Loadings

By JOSE B. LIBUNAO

Traffic Manager, Manila Railroad Company

**L**OADINGS of revenue freight in the month of November, 1953, totaled 2,864 cars. This was an increase of 667 cars, or 30.36% over November, 1952, which was 2,197 cars. This increase in the number of loaded freight cars was due to the earlier start of the sugar-cane season and the palay harvest in the Bicol Region.

### Revenue Carloadings by Class

Group Commodities	November—1953	1952
Products of agriculture	21,148	19,054
Animal products	1,370	557
Mineral products	1,290	542
Forest products	8,454	9,950
Products of manufactures	19,446	22,932
Merchandise less than by carload	9,447	7,651
<b>Total</b>	<b>61,155</b>	<b>60,686</b>

The tonnage handled in November, 1953, registered an increase of only 496 tons. The total increases amounted to 13,032 tons and the total decreases to 12,563 tons. The items which contributed to the increase in tonnage were: palay, 1,689 tons; rice, 1,444 tons; fuel oil, 1,833 tons; merchandise in less than carload lots 1,796 tons, etc. On the other hand, the items which caused the decline were: wood fuel, 1,580 tons; fertilizer, 2,856 tons; centrifugal sugar, 4,951 tons; copra, 921 tons, etc. The increase in carloadings for rice and palay was due to the increased production of these items in the Bicol region compared with the production in 1952 which was almost totally destroyed by the two typhoons in that area that year. The decrease, on the other hand, in centrifugal sugar was due to the routing of this important export item by trucks. This fact, however, does not necessarily mean decreased revenue from this traffic item. The decrease in the shipment of wood fuel was due to the reduction in the rate of charge for electric fuel and the increased use of gas in Manila. Another cause for the decline of tonnage in wood fuel was the assignment of freight cars for the transportation of sugar cane. The more major cause of the decrease in carloadings was the decline in foreign trade.

An important element which offset the expected increase in carloadings, is the increasing competition of highway truck carriers; other operators have undertaken the hauling of short-distanced carload freight traffic.

## Lumber

By PACIFICO DE OCAMPO

Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

**D**URING the month under review, November, 1953, the Philippines exported 53,981,993 bd. ft. of logs and lumber, or 8,527,323 bd. ft. less than the preceding month. This big decrease was mainly due to the drop in the shipment of logs to Japan, from 53,592,736 bd. ft. in October, to 44,953,045 bd. ft. in November, or a decrease of 8,639,691 bd. ft. The export to the United States decreased by 735,781 bd. ft., from 6,368,939 bd. ft. in October to 5,633,156 bd. ft. in November. Export to all other countries increased by 848,151 bd. ft., from 2,547,641 bd. ft. in October to 3,395,792 bd. ft. in November, 1953.

The following are the logs and lumber figures in bd. ft. inspected for export during November, 1953, as released by the Bureau of Forestry.

Shipper	Destination	Volume in Board Feet	
		Lumber	Logs
Alberto S. Lorente	Japan		499,944
Aguinaldo Development Corp.	Japan		738,203
American Rubber Co.	Japan		375,000
Agusan Timber Corp.	Japan		1,318,250
Ansan Lumber Company	U. S. A.	114,506	350,000
A. P. Maller	Japan		3,970,000
A. Soriano y Cia.	Guam	11,776	
Atkins Kroll & Co.	Japan		418,532
Basilan	Formosa		1,000,153
Lumber	Hongkong	694,823	404,680
Company,	Netherlands	91,137	
Brigido Valencia	Japan	44,453	
Bislig Bay	Japan		700,493
Lumber Co.,	U. S. A.	200,000	2,360,041
Inc.	Hongkong	135,282	
Cantilan Lumber Co.	Japan		6,850,000
Cipriano Luna Lumber Co.	Japan		600,000
Cuison Lumber Co., Inc.	Japan		767,842
Dy Pac & Co.,	Formosa		840,000
Inc.	Japan		1,000,000
Edward New Co.	U. S. A.	174	1,500,373
Extensive Enterprises Inc.	Japan		2,099,916
Findlay Miller Timber Co.	Japan		1,848,172
F. M. Triplitt	Japan		400,004
F. E. Zueligg, Inc.	U. S. A.	41,207	
General Lumber Co., Inc.	Formosa		270,000
General Enterprises,	U. S. A.		200,000
Inc.	Japan		400,000
G. S. Manalac Enterprises	Japan		1,419,000
Gonzalo Puyat & Sons, Inc.	Japan		303,063
Hercules Lumber Co.,	U. S. A.		221,084
Inc.	Japan		1,300,000
Iligan Lumber Co., Inc.	Japan		412,234
Insular	U. S. A.	772,267	
Lumber	Africa	351,179	
Company	Dublin	154,759	
	Belgium	31,445	
	Hawaii	171,584	
	Amsterdam	9,726	
J. M. Bradley	U. S. A.	177	
Jose T. Macababay	Japan		300,000
Martha Lumber Mill,	U. S. A.		200,000
Inc.	Japan		800,000
Misamis Lumber Co., Inc.	Japan		509,951
Macario A. Mariano,	Japan		246,945
Nasipit Lumber Co.,	U. S. A.	483,456	409,997
Inc.	Japan		4,720,000
North Zambales Lumber Co.,	Japan		
Ltd.	Japan		568,463
North Camarines	U. S. A.	102,391	
Lumber Co., Inc.	Japan		874,841
P. B. Dionisio	Japan		343,835
Ralph Dempsey	U. S. A.	208,771	
Sanchez Logging Co.	Japan		499,613
Sta. Clara Lumber	U. S. A.	39,999	450,000
Co., Inc.	Japan		1,974,397
Sta. Ines Logging Enterprises,	Japan		1,248,816
Serra & Co.	Japan		210,516
Standard Sawmill,	Japan		769,756
Tagtag Sawmill Co., Inc.	U. S. A.	200,284	
Tirador Lumber Co.	Japan		499,932
T. H. Valderrama & Sons	Japan		1,000,334

Valderrama Lumber Mfrs. Co.	U. S. A.	166,949		Netherlands.....	44,453	—	44,453
Valeriano C.	U. S. A.		105,843	Belgium.....	31,445	—	31,445
Eueno.....	Japan		216,915	Guam.....	11,776	—	11,776
Western Mindanao Lumber	U. S. A.	46,548		Amsterdam.....	9,726	—	9,726
Co., Inc.....			1,000,664				
Woodworks,	U. S. A.	220,000		Totals.....	4,417,191	49,564,802	53,981,993
Incorp.....	Hongkong	124,298					
<b>TOTALS.....</b>		<b>4,417,191</b>	<b>49,564,802</b>				

## Resume of Exports to:

	This Month		Month Ago		Year Ago	
	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Lumber (Bd.Ft.)	Logs (Bd.Ft.)
Japan.....	—	44,953,045	—	53,592,736	—	20,575,258
United States and Canada.....	3,291,552	2,341,604	3,906,938	2,462,001	4,761,520	1,863,164
Other countries.....	1,125,639	2,270,153	1,189,564	1,958,077	3,175,918	586,771
<b>Totals.....</b>	<b>4,417,191</b>	<b>49,564,802</b>	<b>5,396,502</b>	<b>57,112,814</b>	<b>7,937,438</b>	<b>23,025,193</b>

## SUMMARY OF EXPORTS DURING NOVEMBER, 1953, 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.....	—	44,953,045	44,953,045
United States.....	3,291,552	2,341,604	5,633,156
Formosa.....	—	2,270,153	2,270,153
Africa.....	351,179	—	351,179
Hongkong.....	350,717	—	350,717
Hawaii.....	171,584	—	171,584
Dublin.....	154,759	—	154,759

ARRIVALS of logs and lumber in Manila during the month under review aggregating 10,898,422 bd. ft., decreased by 1,866,295 bd. ft. as compared to arrivals during the previous month of 12,764,717 bd. ft.

During the month under review, November, 1953, the local wholesale lumber market prices slightly increased, compared with those of the previous month. Prices of red lauan increased to ₱200-₱215 per MBF as compared with ₱195-₱205 the month before. White lauan and apitong remained firm as of the previous month at ₱175-₱180 and ₱175-₱180, respectively.

## COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF OCTOBER AND NOVEMBER, 1953

Period	Lumber in Board Feet					Logs in Board Feet					Grand Total
	Western States	Eastern States	Gulf States	All Others	Total	Western States	Eastern States	Gulf States	All Others	Total	
October, 1953.....	2,661,608	792,140	110,659	342,531	3,906,938	1,706,218	255,143	—	500,640	2,462,001	6,368,939
November, 1953.....	2,212,745	956,914	79,973	41,920	3,291,552	1,138,314	205,290	350,000	650,000	2,341,604	5,633,156
Difference (Increase+) Decrease—)	448,863-	164,774+	30,686-	300,611-	615,386-	569,904-	49,853-	350,000+	150,640+	120,397-	735,783-

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## Mining

By HENRY A. BRIMO  
President

*Philippine Gold Producers Association, Inc.*

**D**URING the past year we made some dire statements in these columns concerning the plight of Philippine gold producers, but three failures during the year justified our pessimism. These failures came notwithstanding the *promise* of tax relief, as in the case of United Paracale, and *after* tax relief was received, as in the cases of Atok Big Wedge Mining Company and Mindanao Mother Lode.

What caused these 1953 failures are well-known, but at the risk of being repetitious, two principal factors mainly responsible may be mentioned, namely, the higher minimum wage and the lower price of gold in the free market.

What does 1954 hold for our gold producers? As matters now stand, to be frank, the outlook is so serious that one might almost predict the total collapse of the industry, with possibly the exception of one or two companies, unless something is done to improve the price for gold (currently at P102.50 per ounce for bullion).

Fortunately, 1954 brings a new Administration and the promise of bold and vigorous action by an Executive whose indomitable spirit has inspired us all. The appointment may reasonably be expected of a new group of experienced men well grounded in financial matters, as well as the retention of experienced individuals from the previous Administration. It appears certain, for instance, that Governor Miguel Cuaderno of the Central Bank will choose to remain, with the blessings of President Magsaysay, at the helm of this important institution, and there is no one better versed in the difficulties facing the mining in-

dustry, and with the necessary background to make recommendations, than Governor Cuaderno.

It is hardly necessary to repeat that the only solution possible for the difficulties facing gold producers is a higher price for their product. Any further clinging to the official world price of \$35 per ounce, or to a price which is dependent on or connected with the official price, will only hasten the final collapse unless active and realistic measures are taken to compensate the producers. Fortunately, there is now every indication that this fact is receiving due recognition, just as there appears to be a new consciousness of the importance of using gold to help solve the dollar-shortage problem.

It should not be amiss, therefore, to expect that 1954 will finally bring our gold producers needed relief in the form of government measures designed to stabilize the gold price at a level necessary not only to keep operating mines in production, but also to encourage those mines now developed but standing by, awaiting better days, to actually begin operations. Indeed, there is no alternative but prostration for the industry.

As to the type of relief expected or already proposed, the gold producers subscribe to the general belief that the most feasible help is the direct subsidy plan. This plan is by far the simplest and most effective remedy possible.

From the viewpoint of the industry itself, however, we believe that a direct subsidy plan, guaranteeing a minimum price for gold that would cover all costs plus a reasonable profit, *allied* to the gold-certificate plan which has been freely mentioned throughout 1953 and which the undersigned propounded in a speech he made before the Baguio Rotary Club last August 29 (portions of which were printed in these columns in the September issue), is the best possible solution. Our support of this combined measure is due to our hope that the use of the gold-certificate



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plan will bring the price of gold to a satisfactory level without actual monetary cost to our Government. Since, however, the gold-certificate plan is not certain to effectively achieve its aim, the direct subsidy plan should necessarily be allied to it to provide the necessary support upon which long-term planning can be based.

It is up to the Philippine Gold Producers Association to convince our government authorities that relief is immediately needed, and this we intend to do with all the reserves at our command, and with every hope of success.

## Copra and Coconut Oil

By ROBERT J. MCCOMBE

Manager, Copra Buying Department, Philippine Manufacturing Company

THE price-advance started last August finally slowed to a stop in December. Trading was very light and price unusually static. Surprisingly heavy arrivals were a feature.

**Copra Prices.** During December prices fluctuated narrowly between \$212.50 and \$220.00 per short ton c.i.f. West Coast, ending at \$215.00, off \$2.50 for the month. European prices remained unchanged at about \$240.00 per long ton c.i.f. Europe.

In Manila the local price for fresh copra, rescada basis, 30-day delivery, was steady at ₱40.00-₱40.50 per 100 kilos, off slightly from the November 30 level.

**Coconut Oil Prices.** United States coconut-oil buyers continued to buy very cautiously. Throughout the month large tonnages of unsold afloat oil kept pressure on this market. At the month-end oil was freely offered at 16¢ per pound f.o.b. tank cars, Pacific Coast, for January shipment.

**Copra Cake and Meal Prices.** Increased demand for protein meals generally, brought about the first real change in prices for this commodity since last August. Trading for January and February shipment took place at \$65-\$69 per short ton c.i.f. West Coast, up about \$3 for the month.

### Copra Statistics

#### PHILIPPINE COPRA AND COCONUT OIL EXPORTS (In Long Tons)

Copra	October	November
United States .....	24,975	30,511
Europe .....	41,825	24,600
Other countries .....	5,420	4,012
<b>Total .....</b>	<b>72,220</b>	<b>59,123</b>

#### Coconut Oil

United States .....	6,346	8,335
Other countries .....	—	—
<b>Total .....</b>	<b>6,346</b>	<b>8,335</b>

#### MANILA AND CEBU COPRA ARRIVALS (In Metric Tons)

	Manila		Cebu		Manila and Cebu		Per-centage
	1953	1952	1953	1952	1953	1952	
January .....	8,448	14,775	12,682	16,303	21,130	31,078	68.0%
February .....	7,741	16,570	13,029	11,705	20,770	28,275	73.5%
March .....	6,897	14,233	17,981	10,092	24,868	24,325	102.3%
April .....	8,305	12,411	13,380	9,587	21,685	21,998	98.6%
May .....	9,202	15,523	10,164	14,018	19,366	29,541	65.6%
June .....	10,541	14,808	14,462	15,581	25,003	30,389	82.0%
July .....	13,620	18,441	18,182	16,914	31,802	35,355	90.0%
August .....	14,641	15,933	20,413	19,411	35,054	35,344	99.2%
September .....	17,027	17,232	19,779	19,210	36,806	36,442	101.0%
October .....	18,148	12,224	19,123	16,917	37,271	29,141	127.9%
November .....	14,878	13,157	15,709	16,693	30,584	29,850	102.5%
December .....	15,182	9,947	16,838	11,798	32,020	21,745	147.3%
<b>Totals .....</b>	<b>144,630</b>	<b>175,254</b>	<b>191,752</b>	<b>178,279</b>	<b>336,382</b>	<b>353,483</b>	<b>95.2%</b>

#### PHILIPPINE AND INDONESIA COPRA EXPORTS

	Philippine Copra Exports*		Indonesia: Copra Exports			
	1953	1952	1953	1952		
Percentage	1953/52	1953/52	1953	1952		
January .....	41,025	77,050	53.2%	14,230	32,657	43.6%
February .....	38,672	84,884	45.6%	18,884	24,931	75.5%

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March	50,168	55,549	90.3%	19,559	34,518	56.7%
April	48,745	55,405	88.0%	17,258	33,771	51.1%
May	36,530	56,053	65.2%	5,854	28,364	20.6%
June	48,144	39,876	80.4%	17,266	35,696	48.4%
July	64,359	55,756	115.4%	29,586	19,773	149.6%
August	71,030	65,052	109.2%	26,140	17,316	151.0%
September	75,804	98,190	76.4%	21,445	11,483	186.8%
October	83,610	78,201	106.9%	29,409	20,350	144.5%
November	73,511	62,262	118.1%	21,986	12,411	177.1%
<b>Totals</b>	<b>631,584</b>	<b>749,284</b>	<b>84.3%</b>	<b>221,617</b>	<b>271,270</b>	<b>81.7%</b>

**Production and Future Prospects.** Estimates for 1954 production indicate an overall increase of about 10% to 15% over 1953. As for the short-term price-trend, some of the trade believe that the usual January price-advance will be contained this year by some of following bearish factors; the typhoon season is passed with no damage; commercial stocks of copra and coconut oil in the United States continue to increase and are now at the highest levels in over a year and a half; Indonesian sales and exports to Europe are expected to remain at a high level; the relatively high price for coconut oil is meeting more and more resistance from the buyers.

## Desiccated Coconut

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

**T**HIS report covers the period of November 15 to December 15, 1953. Following are the shipments for the month of November 1953.

Shippers	Pounds
Franklin Baker Company	4,994,350
Blue Bar Coconut Company	554,340
Peter Paul Philippine Corporation	665,000
Red V Coconut Products, Inc.	1,137,900
San Ripe Coconut Products, Inc.	718,000
Cooperative Coconut Products, Inc.	209,100
	<b>8,278,690</b>

## Sugar

By J. H. D'AUTHREAU  
Acting Secretary-Treasurer  
Philippine Sugar Association

**T**HIS review covers the period December 1 to December 31, 1953.

**New York Market.** Much that was unexpected has happened since we last reported. Heavy trade demands on refiners, prompted by fears of shortage should the waterfront issues remain unresolved, raised spot and December values to as high as 6.35¢ as refiners replaced, until the United States Government granted permission to refiners to melt excess quota sugar. Spot and December deliveries thereupon declined gradually to 6.00¢, duty-paid basis. Future positions maintained their values throughout. After the close of business on December 14, the U. S. Secretary of Agriculture announced a 1954 domestic quota of 8,000,000 tons with estimated needs set at 8,400,000. Trade circles took a bearish view of these figures, having in mind—

- ability of all supplying areas to fill their quotas in 1954;
- doubts of 1954 consumption reaching 8,400,000, i.e., 200,000 tons more than in 1953;
- that due to waterfront strike-fears and desire of beet processors to market maximum quantities in 1953, invisibles at 31 December may well be considerably above normal;
- possible intention of U.S. Department of Agriculture to bring price down in line with other United States crops and to discourage further United States sugar expansion.

Against this thinking, the futures market did well to drop only 8 points in March and May, 6 in July and September, and 5 in November. The market remained quiet and inactive for a week, in contemplation gathering some underlying strength from reports of the Cuban intentions to restrict their 1954 crop to rather under 5,000,000 and not to begin grinding till January 16 (a week or so later than normal). Ratification in London of the International

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Sugar Agreement, together with the Council's decision to reduce world quotas 10-15%, also assisted. Delayed Cuban milling, plus deliveries against the United Kingdom contract, will improve Cuba's initial stock position and storage situation by some 600,000 tons. While the trade was still pondering these matters, the U. S. Department of Labor ordered an election to determine which union will represent the longshoremen. Whichever union is chosen will probably negotiate the issues at stake, and the strike-threat consequently receded. This immediately sharpened refiners' appetite for January arrivals. Considerable volume of business in prompt Cubas and afloat Philippines developed, values rising to 6.10¢ duty-paid basis. February and March arrival-values advanced slightly in sympathy under operator support, business developing in February and March Philippines at 6.04¢ and 6.00¢, respectively, with moderate offerings in both these positions at 6.05¢ as we write. At the close, the market is a precariously balanced affair with January and February arrivals still in demand but March arrival-values (corresponding to January/February shipment for Philippines) as yet undecided. There have been no price changes in refined during the month under review.

Reported sales of actuals totalled approximately 73,130 long tons, of which approximately 29,000 tons were Philippines. Exchange operations for the period approximated 211,350 tons. Deliveries of refined for the period November 22 to December 26 totalled 764,281 tons as compared with 554,522 for November, 1953, and 521,268 for December, 1952. Distribution for the year to December 26 was 8,281,469 short tons (raw value), against 7,999,993 tons for the same period last year, indicating approximately 8,300,000 for the year. On December 26 refiners stocks were at 166,491 long tons as compared with 124,688 for the same date last year.

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

	January	March	May	July	September	November
December 1...	5.45¢	5.47¢	5.53¢	5.65¢	5.71¢	5.72¢
December 30...	—	5.52	5.56	5.69	5.75	5.75

Average spot price for December was 5.55¢.

Average spot price January 1 to December 31 was 5.79¢.

**Local Market.** (a) Domestic Sugar. Under the impact of full-scale milling, with ample supplies immediately available, the market has declined in general despite isolated transactions for certain sugars at premium prices against export switches. Demand is sluggish and prices perhaps may yet go lower. Philippine Bureau of Commerce quotations during the month, basis "ex warehouse Manila" were as follows:

	97°	98°	99°
December 2...	₱15 79/15.80	—	—
December 9...	14.50/14.60	₱16.50/16.60	₱18.50/18.60
December 16...	14.50/14.60	16.50/16.60	18.50/18.60
December 23...	14.10/14.20	16.20/16.30	18.30/18.40

In Bacolod mill run domestic sugar is quoted ₱14.20 per picul, ex mill warehouse.

(b) Export Sugar. December has been quite active, first at ₱14.85 per picul ex Hawaiian-Philippine warehouse, against sales in New York for December/January shipment at 5.95¢, reflecting an easy shipping space situation and later at ₱15.00 against sales at 6.00¢ in the same position. We estimate that approximately 40,000 tons have changed hands at these prices. As we write, ₱15.05/10 is being offered for prompt delivery by some exporting houses, doubtless on the basis of current offerings in New York for January/February shipment, at 6.05¢. There has also been a very considerable movement of Central-owned export sugar in response to the easier freight market and the not unfavorable prices in New York for the time of year.

Total export shipments for the month are estimated at 85,000 long tons, making a total of 98,783 long tons

against the 1953-54 crop and a total of 751,522 long tons for the period January 1 to December 31. New York reports show Philippine arrivals for the period January 1 to December 19 of 782,835 long tons as against 727,479 long tons for the same period in 1952.

**World Market.** Opening and closing quotations were as follows:

	Spot	Jan.	Mar.	May	July	Sept.
December 1..	3.15¢	3.30¢	3.15¢	3.19¢	3.20¢	3.22¢
December 30..	3.25	4.00	3.22	3.25	3.25	3.25

The improvement in this contract has continued and is now to some extent consolidated by the ratification of the International Sugar Agreement at the meeting this month in London of the International Sugar Council. Chief business after ratification was the election of the following Executive Committee to implement the agreement:

Japan	West Germany
The Republic of China	The Netherlands
Cuba	Russia, and
The Dominican Republic	The United States

As Japan has accepted membership in this committee, we are left wondering as to the final intention of Indonesia. This committee subsequently voted a 15% reduction of all world quotas above 50,000 tons and 10% of those under in order to adjust allocations to estimated requirements. The Philippines world quota is therefore reduced from 25,000 metric tons to 21,500 metric tons.

**1953-54 Milling.** Eighteen Centrals are now operating and latest reports received by the Philippine Sugar Association indicate that the total production of these 18 mills to December 13 is 241,239 short tons. The average of juice purities to date is 84.40.

**Manila Visitor.** A distinguished visitor to Manila this month was Dr. Henry B. Hass, President of Sugar Research Foundation, Inc., of New York. At a luncheon-party given in his honor by the Philippine Sugar Association he addressed representative members of the local sugar industry, describing the technical research work carried out under his direction aimed at increasing the uses and consumption of raw and refined sugars.

## Manila Hemp

By J. DRANE CONRAD  
President, Conrad & Co., Inc.

**T**HIS covers the period from November 22nd through to the end of the year. Prices in the United States market for machine-stripped medium grades of Davao fiber have gone down approximately 1/2¢ a lb. with the exception of grade G. Demand for this particular grade has continued and the price for it has been maintained in the New York market. Prices of higher grades of machine-cleaned hemp, namely E and F, have fallen off considerably. The New York market has been dull and buyers have shown little disposition to operate except for grades in short supply.

In London prices have declined in sympathy with the New York market but there has been more activity from this quarter. United Kingdom and Continental buyers have been purchasing fairly steadily, and except for the year-end holidays they have purchased and paid slightly better than New York.

The Japanese market has purchased in small quantities for the entire past five weeks. Prices for machine-cleaned medium grades of Davao hemp have declined approximately \$2.50 per bale during the period under review, with the exception of machine-cleaned G which has been in good demand. The Japanese Trade Agreement with the Philippines expires at the end of January, but we feel that this will be extended for a further three or four months as has heretofore been the case. There has been very little change in prices in the Philippines during the period under review.

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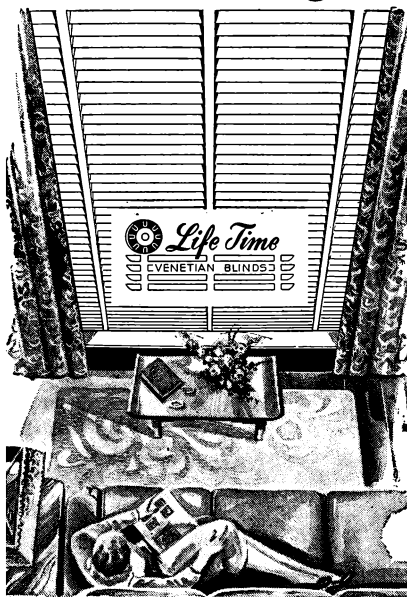
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The lower production of high grades in Davao and the increased production of medium grades as anticipated in our last report, has not materialized. Producers in Davao continue to strip fiber of the higher grades.

We detail below baling figures for the period from January through November. The export figures for January through October and January through November are as detailed below. December baling figures and December export figures will be indicated in next month's report.

Balings—January/November, Inclusive					
	1953	1952	1951	1950	1949
Davao.....	457,983	465,080	455,354	346,300	199,258
Albay/Camarines: Sorogon.....	152,128	145,854	218,184	154,009	102,952
Leyte/Samar.....	100,256	101,687	149,951	101,567	94,475
All others.....	85,095	71,642	88,273	69,003	66,529
Total.....	795,462	784,263	911,762	780,879	463,214

Exports—January/October, Inclusive					
	1953	1952	1951	1950	1949
United States and Canada.....	253,361	317,706	501,375	323,319	164,510
Continent of Europe.....	149,586	136,335	137,119	109,074	79,544
United Kingdom.....	92,456	81,421	149,826	69,567	31,485
Japan.....	205,517	159,267	112,206	58,802	87,993
South Africa.....	8,950	7,010	14,150	5,550	3,627
China.....	1,695	5,035	6,289	11,767	11,809
India.....	8,600	4,440	5,282	6,730	3,100
Korea.....	1,580	600	—	3,100	—
Australia and New Zealand.....	2,200	2,015	1,900	1,826	1,601
Others.....	1,095	70	—	747	80
Total.....	725,040	713,899	928,147	590,482	383,749

Exports—January/November, Inclusive					
	1953	1952	1951	1950	1949
United States and Canada.....	770,001	342,524	520,665	358,722	179,805
Continent of Europe.....	162,551	145,274	150,040	113,947	86,217
United Kingdom.....	97,461	87,302	160,654	75,195	34,485
Japan.....	222,665	177,368	120,503	94,326	89,483
South Africa.....	9,350	7,510	15,577	6,275	3,827
China.....	1,695	5,085	6,299	12,787	13,586
India.....	8,600	4,850	5,406	7,880	3,325
Korea.....	1,500	600	—	3,100	—
Australia and New Zealand.....	3,500	2,215	4,300	1,826	1,914
Others.....	1,545	70	—	947	80
Total.....	778,948	772,828	984,074	675,005	412,722

## Tobacco

By LUIS A. PUJALTE  
Exporter, Importer and Wholesale  
Dealer in Leaf Tobacco

**W**EATHER during the month of December was very unfavorable in Isabela and Cagayan. During the middle of the month, the Cagayan River overflowed its banks due to the continued heavy rains, and flooded towns, roads, and fields.

The 1954 tobacco crop will be a short one and high prices will again be paid for it, regardless of quality.

Farmers in the worst-affected places are rushing to the more fortunate areas which were not so badly affected by Typhoon Cora to purchase any surplus seedlings they may have, but this is a costly procedure and the seedlings available are limited.

La Union Province was also badly affected and short crops of the Virginia type and the native tobacco are expected for 1954.

Other tobacco regions were not adversely affected and are expected to yield fairly normal crops.

## Imports

By S. SCHMELKER  
Mercantile, Inc.

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

Commodities:	November, 1953	November, 1952
<b>Automotive (Total)</b> .....	1,781,368	861,155
Automobile.....	163,769	161,719
Auto Accessories.....	13,809	2,783
Auto Parts.....	343,037	161,689
Bicycles.....	5,785	1,175
Trucks.....	47,291	—
Truck Chassis.....	661,754	117,488
Truck Parts.....	39,527	19,358
<b>Building Materials (Total)</b> .....	5,339,143	1,525,479
Board Fibre.....	1,273	—
Cement.....	1,175,238	35,465
Glass Window.....	344,770	416,953
Gypsum.....	—	—
<b>Chemicals (Total)</b> .....	13,697,162	9,285,562
Caustic Soda.....	662,750	534,252
Explosives.....	—	7,700
Firearms.....	3,571	1,198
Ammunition.....	713	1,160
<b>Hardware (Total)</b> .....	3,773,015	3,763,189
Household (Total).....	1,304,712	512,475
Machinery (Total).....	1,856,894	1,405,552
Metals (Total).....	7,091,490	4,620,807
Petroleum Products (Total).....	81,420,575	60,453,650
Radios (Total).....	53,193	22,468
Rubber Goods (Total).....	937,788	730,337
<b>Beverages, Misc. Alcoholic</b> .....	2,763	4,056
<b>Foodstuffs, Total Kilos</b> .....	22,993,772	26,472,390
<b>Foodstuffs, Fresh (Total)</b> .....	175,272	90,877
Apples.....	25,899	10,475
Oranges.....	16,345	7,757
Onions.....	87,789	8,000
Potatoes.....	8,200	15,026
<b>Foodstuffs, Dry Packaged (Total)</b> .....	19,693	30,295
<b>Foodstuffs, Canned (Total)</b> .....	256,582	372,790
Sardines.....	5,289	97,397
Milk, Evaporated.....	95,220	136,332
Milk, Condensed.....	30,156	29,600
<b>Foodstuffs, Bulk (Total)</b> .....	354,032	475,510
Rice.....	—	35,150
Wheat Flour.....	296,623	419,621
<b>Foodstuffs, Preserved (Total)</b> .....	468	5,085
<b>Bottling, Misc. (Total)</b> .....	1,335,856	549,641
<b>Cleaning &amp; Laundry (Total)</b> .....	123,116	249,227
<b>Entertainment Equipment (Total)</b> .....	2,403	29,523
<b>Livestock-bulls-seeds (Total)</b> .....	467,076	210
<b>Medical (Total)</b> .....	458,310	288,044
<b>Musical (Total)</b> .....	18,402	27,728
<b>Office Equipment (Total)</b> .....	59,942	64,097
<b>Office Supplies (Total)</b> .....	20,290	86,101
<b>Paper (Total)</b> .....	5,879,523	3,627,436
<b>Photographic Materials (Total)</b> .....	55,403	27,937
<b>Raw Materials (Total)</b> .....	446,566	1,946,341
<b>Sporting Goods (Total)</b> .....	10,997	33,196
<b>Stationery (Total)</b> .....	137,955	133,369
<b>Tobacco (Total)</b> .....	464,655	1,232,437
<b>Chucheria (Total)</b> .....	101,049	60,517
<b>Clothing and Apparel (Total)</b> .....	679,329	425,812
<b>Cosmetics (Total)</b> .....	15,771	39,369
<b>Fabrics (Total)</b> .....	1,181,012	692,529
<b>Jewelry (Total)</b> .....	109	183
<b>Leather (Total)</b> .....	207,228	112,980
<b>Textiles (Total)</b> .....	3,710,221	2,115,080
<b>Twine (Total)</b> .....	59,646	30,500
<b>Toys (Total)</b> .....	268,823	37,673
<b>General Merchandise (Total)</b> .....	986,797	623,430
<b>Non-Commercial Shipments (Total)</b> .....	131,831	101,778
<b>Advertising Materials, Etc. (Total)</b> .....	19,510	17,804

## Food Products

By W. E. M. SAUL  
Manager, Food Products Department  
Marsman & Company, Inc.  
Trading Division

**FLOUR.** Arrivals for the month of December amounted to 500,000 bags, as expected. In order to forestall the impending shortage of flour in January, the Cen-

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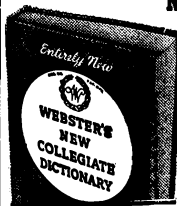
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tral Bank, through a memorandum issued December 8, 1953, allowed importers to use dollars in an amount equivalent to not more than 20% of the total value of letters of credit opened and actually utilized by them under and by virtue of import licenses issued by the defunct Import Control Commission covering wheat-flour imports during the second half of 1953. The Central Bank set January 10, 1954, as the deadline for the opening of the letters of credit and also specified that credits should provide for immediate shipment and in no case should any shipment leave port of origin later than January 20, 1954. Many of the importers opened their credits immediately and were able to avail themselves of the first ships that sailed from Vancouver, Seattle, and other Northwest Coast ports. The first shipments are scheduled to arrive about the middle of January, which will partially relieve the tight flour situation expected at that time. Subsequent shipments are expected to completely ease the situation. No definite announcements have been made as yet by the Central Bank as to the procedure to be followed in allocating flour imports for the first semester of 1954. This is not anticipated until the new Monetary Board convenes.

**Milk and milk products.** The local market was well supplied with milk,—evaporated, condensed, and powdered. The same can be said with regard to stocks of butter, both fresh and tinned, and cheese.

**Canned fish.** Still no sardine catch off the United States West Coast, and importations of sardines from Europe were almost nil. The lack of sardines has been so far relieved by large importations of anchovies during the past months.

**Canned meats.** In view of the overstocked situation on corned beef, only limited quantities have been received. The local market was amply supplied with other canned meats, such as sausages, potted meat, etc.

**Fruits and vegetables.** Supplies were more than adequate to meet the demand, with oranges, apples, and grapes having arrived in quantities. There were ample stocks of local and imported fresh vegetables,—potatoes and onions being plentiful, with a consequent drop in prices.

### Textiles

By W. V. SAUSSOTTE  
General Manager  
Neuss, Hesselein Co., Inc.

THE piece goods market both in New York and in Manila remained firm during the month of December, there being no significant changes in comparison

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with the preceding month. The local Christmas demand was considerably below normal; goods did not move at their usual seasonal pace and prices did not rise. Some of the factors which contributed to this situation were undoubtedly a relatively low purchasing power in the rural areas, a relative shortage of cash, and a hesitancy on the part of distributors arising from the change in the administration of government.

However, immediately after the first of the year, probably because of the Central Bank's announcement that exchange allocations for imports for the first semester of 1954 would be approximately the same as for the last semester of 1953, local prices on some items advanced a few centavos and goods began to move with more rapidity.

Arrivals from the United States during December totalled 17,947 packages, or, in other words, approximately the same as for the last four months of the year. Included were 7,663 packages of cotton piece goods, 2,078 packages of fabrics made from synthetic fibers, 1,844 packages of cotton remnants, and 1,091 packages of remnants made from synthetic fibers. There were 2,607 packages of cotton knitting yarn. Included also were 650 packages of sewing thread, 1,026 packages of seine twine, and 390 packages of cotton ducks.

Arrivals from countries other than the United States totalled 5,297 packages, of which 3,306 were from Japan, two-thirds of which consisted of cotton piece goods and the balance mostly of rayon piece goods. Arrivals from China totalled 1,005 packages and from Europe 311 packages; 675 packages arrived from India, consisting entirely of jute cloth and jute sugar-bags.

## Legislation, Executive Orders, and Court Decisions

By ROBERT JANDA  
Ross, Selph, Carrascoso & Janda

**D**URING the past month, no judicial decisions have been handed down by the Supreme Court of particular concern to the business community. The attention of the country has been largely taken up with the election and inauguration of the new President and Congress and the closing of the books on the former administration. As this article is written, the outlines of the legislative policies of the Magsaysay administration are still in the process of formulation, though there are indications that the incoming administration will be favorably disposed to the business community and will, so far as economics permit, endeavor to relax the vexatious controls which have so hampered business during the past year.

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## Philippine Safety Council

By FRANK S. TENNY

Founder and Executive Director

**I**N accord with the dictates of the times, the Philippine Safety Council has joined practically every other association or club in pressing a lobby in favor of its pet issues with the new Administration. The general optimism and confidence felt by the public is shared by the Council, which feels that matters affecting public and industrial safety will be greatly improved in the near future.

Among the current factors being vigorously pressed are:

1. Formation of "public safety committees" in the national and city governments, and in both houses of Congress;
2. An increased tempo in the collection of justified traffic fines as a means of meeting current budget difficulties;
3. Strengthening of the Fire Prevention Board program, with special emphasis on counter-arson activity;
4. Drastic change in the approach and attitude of the Motor Vehicles Office toward its responsibilities in the examination of drivers and vehicles before issuance of annual licenses.
5. General improvement in police administration and the creation of more and better police-training schools.
6. Coordination of the activities of both government and civic safety entities, stressing less self-serving publicity and more actual accomplishment.
7. Seeking of material aid for safety in the form of UNESCO, FOA, and foreign foundation assistance.
8. Many other factors, all recently publicized and made a matter of record by the Council.

Council technicians will this month make a round of Coca-Cola plants and San Miguel Brewery installations in the Visayas and Mindanao. Other out-of-Manila activities include safety inspections or classes in Dagupan, San Pablo, and the Benguet and Larap mines.

Safety conditions in several companies continue to be endangered by labor disputes. Strike-minded employees are hardly safety-minded, and the possibility of fires, crimes, and accidents is greatly enhanced.

A distinguished visitor in the safety field this month is Mr. Charles F. Alexander, head of the industrial-safety activity of the National Safety Council. He is visiting the Philippines as a guest of the Philippine Air Lines. The Council is handling certain phases of his tour.

Proof that crowds can be safely handled was again recently demonstrated when the Rocky Marciano Exhibition Bouts were staged in the Rizal Football Stadium. In spite of the many complicating factors present in such an event, there were no incidents of injury, theft, disturbance, fire, or accident.

New Safety Council firm members are the U. S. Tobacco Corp., the Security Delivery Service, Inc., the Westminister Tobacco Co., the Metropolitan Investigative Agency, Inc., and several members of the Philippine Gold Producers Association, Inc.

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**COST OF LIVING PRICE INDEX FOR WAGE EARNER'S FAMILIES IN MANILA, BY MONTH, 1948-1953**  
(1941=100)

*Bureau of the Census and Statistics*

1948	All Items (100)	Food (63.43)	House Rent (111.96)	Clothing (2.04)	Fuel, Light and Water (7.73)	Miscellaneous (144.86)	Purchasing Power of a Peso
January	390.7	427.6	453.9	224.5	304.6	249.9	2560
February	369.8	394.0	453.9	223.8	301.1	254.4	2708
March	349.4	361.0	453.9	214.6	276.1	255.9	2862
April	354.6	374.1	453.9	209.4	289.7	254.8	2820
May	349.8	360.2	453.9	214.2	289.7	271.6	2859
June	354.3	370.4	453.9	205.2	283.2	262.9	2823
July	356.4	374.2	453.9	201.3	281.6	262.4	2806
August	363.6	385.7	453.9	199.8	281.6	261.7	2751
September	370.6	397.2	453.9	199.2	279.6	260.6	2698
October	374.9	404.0	453.9	194.6	283.2	259.9	2668
November	368.7	394.4	453.9	202.0	281.4	258.7	2712
December	365.9	389.9	453.9	202.0	282.4	258.9	2732
1949	343.7	357.9	453.9	198.4	272.9	251.1	2910
January	363.8	386.8	453.9	202.0	279.0	258.9	2757
February	343.8	355.5	453.9	203.0	277.5	258.9	2900
March	345.3	358.2	453.9	202.0	276.7	255.9	2896
April	347.7	362.5	453.9	197.6	287.5	257.1	2868
May	348.8	362.8	453.9	197.2	287.5	257.1	2869
June	349.0	362.9	453.9	203.9	287.5	257.2	2865
July	351.7	374.0	453.9	194.2	265.8	240.5	2844
August	337.5	351.2	453.9	196.3	266.6	241.2	2969
September	333.6	345.1	453.9	190.3	264.8	243.1	2995
October	332.9	343.3	453.9	199.9	264.8	245.0	3004
November	334.9	346.1	453.9	201.1	258.4	243.1	2993
December	329.6	335.9	453.9	202.9	259.5	256.2	3038
1950.	332.9	333.7	453.9	270.7	252.0	282.8	3004
January	332.3	336.8	453.9	238.0	253.1	269.1	3009
February	335.3	340.2	453.9	233.3	257.8	273.0	2982
March	336.6	341.4	453.9	236.7	257.8	276.6	2971
April	329.1	328.6	453.9	237.7	252.9	283.1	3039
May	317.4	308.6	453.9	244.7	249.7	290.4	3151
June	319.3	310.9	453.9	243.5	249.7	293.5	3132
July	326.3	322.4	453.9	252.6	249.7	290.4	3065
August	327.3	325.9	453.9	258.7	251.1	280.2	3055
September	334.2	335.0	453.9	317.4	252.5	279.4	2992
October	345.5	351.1	453.9	337.3	249.7	285.4	2894
November	346.7	353.2	453.9	322.8	249.7	286.6	2884
December	344.9	350.5	453.9	325.2	249.7	285.7	2899
1951.	352.6	361.5	453.9	365.3	248.0	285.7	2836
January	347.9	355.0	453.9	331.5	249.7	285.6	2874
February	351.7	359.8	453.9	342.8	249.7	289.0	2843
March	346.4	349.3	453.9	379.4	248.8	293.6	2887
April	355.3	362.6	453.9	398.6	247.5	294.6	2815
May	359.2	367.0	453.9	410.4	247.5	300.6	2784
June	360.5	372.2	453.9	399.5	247.5	288.5	2774
July	359.0	370.1	453.9	382.0	247.5	290.2	2786
August	357.8	371.4	453.9	354.0	247.5	280.0	2795
September	356.1	369.0	453.9	356.4	247.5	279.0	2808
October	351.0	361.1	453.9	350.4	247.5	279.0	2845
November	344.1	351.1	453.9	343.8	247.5	275.8	2806
December	341.9	348.9	453.9	335.2	247.5	272.1	2925
1952.	339.4	347.4	453.9	295.9	244.1	268.4	2946
January	342.8	350.9	453.9	330.8	247.5	269.7	2917
February	341.2	349.8	453.9	311.2	243.4	268.5	2931
March	337.9	345.1	453.9	301.1	243.4	268.1	2979
April	335.9	342.7	453.9	300.7	243.4	266.6	2977
May	335.1	341.8	453.9	293.2	243.4	264.4	2984
June	338.1	346.3	453.9	290.2	243.4	265.5	2958
July	340.4	349.5	453.9	286.6	243.4	268.1	2938
August	340.7	349.4	453.9	289.1	243.4	269.9	2935
September	341.1	350.0	453.9	287.7	243.4	270.7	2932
October	337.6	344.6	453.9	289.3	243.4	269.4	2962
November	340.0	349.3	453.9	286.2	243.4	269.9	2937
December	340.9	348.9	453.9	284.4	247.5	272.3	2933
1953							
January	337.3	343.2	453.9	283.7	247.5	272.4	2965
February	323.6	321.1	453.9	281.5	243.4	273.0	3006
March	318.6	314.3	453.9	281.5	243.4	272.4	3139
April	317.6	312.8	453.9	281.1	243.4	272.2	3149
May	314.3	307.8	453.9	280.9	243.4	271.1	3182
June	313.1	306.0	453.9	277.8	243.4	271.1	3194
July	316.0	311.0	453.9	277.8	243.4	269.5	3165
August	316.1	311.9	453.9	277.8	243.4	266.4	3164
September	315.6	311.6	453.9	277.8	243.4	265.6	3167
October	315.3	310.4	453.9	279.0	243.4	266.4	3172
November	315.2	310.1	453.9	280.9	243.4	267.0	3173
December	315.5	310.7	453.9	280.9	243.4	267.0	3170

Notes: Clothing revised from February, 1952, to May, 1953, and Miscellaneous from 1950, to May, 1953.

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# The “LET YOUR HAIR DOWN”

## Column

**L**AST month, too late for inclusion in the December issue of the *Journal*, the editor received an interesting letter from Don Ramon J. Fernandez, of the Compañía Marítima, owners of the S.S. *Corregidor*, which hit a mine in Manila Bay and was sunk on the night of December 17, 1941, as recounted in an article in the September *Journal*. He wrote:

"In your issue No. 11, Vol. XXIX, November, 1953, I read with real interest the

article, 'The S.S. *Corregidor's* Gallant Past,' copied from the *U. S. Naval Institute Proceedings*, which has proved most illuminating as there were some data that were absolutely unknown to me. The article of Lt. Com. E. George Pollak, U. S. Navy, is correct in so far as I have been able to verify. I can only add that we heard a few hours after the disaster, that is, December 18, 1941, the day after her sinking, a few comments to the effect that there were two sets of mines, one planted and under the care of the Army and another set which was farther and closer to Monja Island under the control of the Navy, and that apparently the ship

struck a mine of the latter group when she was running at practically full speed ahead. However, as I have stated before, I have had no opportunity to verify this and I believe that we shall never be able to clear up this point as all those who could have enlightened us on this subject either perished in the explosion or died later.

"In the latter part of the article, it is stated: 'The old *Corregidor* was different; she neither plodded nor intended to give up. In defiance, she had, instead, a bright brass plaque forward under her bridge which proclaimed that she has been H.M.S. *Engadine*, the first British seaplane-carrier, and that she had seen the doings at Jutland.' The last part of the last paragraph stated: 'She now lies somewhere off the Island of *Corregidor*, whose name she bore at the end, in the deep waters of the channel, with the brass plaque undoubtedly still fastened under her bridge to attest to her gallant past.'

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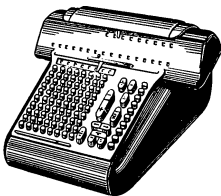
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Mr. Pedro Cenabre, Passenger Inspector of the Compañía Marítima, pointing to the original bronze plaque of the Engadine, in the Company's main office.

"To set the record straight, I am glad to advise you that the genuine plaque, made and placed on her bridge by the Admiralty, which we found when she arrived at Hongkong on the 24th of February, 1934, was replaced and is now an ornament in our Shipping Department at 109 Juan Luna Street, as you can see in the enclosed photograph. The plaque that went down with her was only a replica of the original made by the El Varadero de Manila way back in

1937, or three years after she had already been plodding the Manila-Cebu-Iloilo route.

"We should like to send a copy of this letter to Lt. Com. Pollak, if you will allow us, as he will no doubt be glad to know that the valuable plaque (for which we were offered twenty-five pounds sterling when the *Engadine*, on the way from England, lay anchored at Singapore in 1934, as mentioned later in a letter from the Admiral of the English fleet stationed at Hongkong), has after all been

saved and is still proclaiming the ship's notable feat during the Battle of Jutland, as follows:

"S.S. ENGADINE  
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DURING  
THE GREAT WAR, 1914-1918

TOOK PART IN THE  
BATTLE OF JUTLAND 1916.  
The *Engady* Fleet was first sighted from this ship and during the battle which followed she towed the disabled H.M.S. WARRIOR out of action and safely took off the crew of 675 officers and men.

"Yours faithfully,  
"RAMON J. FERNANDEZ."

The editor, under date of December 11, replied to this letter as follows:

"Dear Don Ramon: I received your interesting letter, dated December 2, only today, and hasten to acknowledge it. Of course, I could have no objection to your sending the same letter to Lt. Com. E. G. Pollak. I should like to have printed your letter in the December issue of the *Journal*, but that is now on the press. Would you have any objection to my printing it in the coming January issue?"

"It appears from your letter that you may not have seen my article on the sinking of the *Corregidor*.—based on what the survivors in the Santo Tomas Internment Camp told me, which was published in the September issue of the *Journal*. I am sending you a copy herewith. If you should care to make any comment on the article, I should be glad to publish that.

"With regards and the best wishes of the season, Very sincerely yours, etc."

Don Ramon wrote the editor an even more interesting letter than his first. Dated December 15, it read:

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"Many thanks for your calling my attention to your article in the August issue of your *Journal* which for some reason or another I did not notice when I was going over the table of contents as I usually do. Of course, the narratives of the persons that were on the *Corregidor* were very interesting but once again grieved me for having had a part in the dispatch of the ship.

"I recollect that Captain Calvo that very afternoon, at half-past four or perhaps five, as it was already dark, came to see me, and when I asked if he was all set for the trip, he not only said Yes but showed me written instructions he had, which I asked him, though I did not read them through, to comply with 100%.

"Your surviving passengers did not tell you how and where they got their tickets, if they had any, and how many of the passengers boarded the *Corregidor*.

and I may therefore complete the story by adding that those passengers who got their tickets from our Shipping Department (pistol in hand in the case of more than one of them), were advised to board a lighter which would be alongside the wharf in the river where the ship generally was tied up, and the lighter, on tow, would carry them to the ship which lay at the Army wharf inside the breakwater. This was necessary because Army regulations prohibited people from entering their pier compound and therefore the approach to the ship by civilians had to be by the lighter which made a turn at the Engineer Island Canal and from there proceeded to the one free side of the ship. However, many of the passengers who were supposed to board the ship that way, we learned, were admitted through the Quartermaster's Gate and boarded the ship by way of the military

wharf at Pier 1. The same procedure was followed by many people who had no tickets and who intended to pay their fare aboard the ship. Therefore, quite a few persons boarded the ship without our knowledge, much less with our consent. The next morning, when we tried to straighten out our passenger list, we found out that many of those who had tickets did not go aboard the lighter and that many more boarded the ship with no tickets at all.

"Another point is with regard to the striking of the live mine which, if it had been disconnected, would not have exploded even if it had been hit by the ship's prow. The statement of some of the Army officers on the Island to the effect that they had received no notice of the *Corregidor*'s passing would explain why the mine was not cut off, as was done by the other party (the Navy). This might perhaps have been due to the Army not having been advised by the authorities concerned with expediting the passage of ships through the mine-field. Of course, this is a mere conjecture.

"I have already sent a copy of my letter to Lt. Com. E. George Pollak, U.S.N., just to set the records straight.

"It is a coincidence that we should be trying to straighten out the facts only two days before the 12th anniversary of the sinking of the good ship *Corregidor* on December 17, 1941, or, rather, during the first hours of December 18.

"Let us add a prayer for the souls of those who perished in one way or the other because of the War, which was the real cause of this supposed-to-have-been the fourth greatest marine disaster of our times.

"I remain, Yours truly, RAMON J. FER-NANDEZ."

"WITH all my experience with printers during the past thirty years", said the editor, with a pained look on his face, "I never knew before that type would drip; I mean type, not molten type-metal, of course."

So, said we, as we were expected to say, "How do you make that out?"

"It's about the *Journal's* Christmas and New Year greeting at the end of the 'Hair-Down' column in the last issue."

"Oh, yes," said we. "What happened to that? I remember putting it in but it didn't get printed."

"It was printed all right," said the editor, showing us page 496 of the December issue. "It should have been run here, at the end of the third column of text..."

"It's not there," said we.

"No, but look, here it is," and he pointed to the bottom of the two-column advertisement of the Earnshaws Docks and Honolulu Iron Works on the lower part of the page. There was the "Hair-Down" column's greeting to its readers,—if any.

"It looks like part of the ad," said we, "instead of a part of the column."

"That's it," said the editor. It makes us look as if we didn't care enough about Christmas or New

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Readers even to mention them and as if we didn't care, either, what sort of Christmas and New Year our readers would have."

"And the ED & HIW gets the credit for our nice thought!" said we. "Yah! Well, anyway, they are good advertisers and good friends of ours. But now you will see what I meant by the type oozing down and collecting at the bottom of the page."

"Yes," said we brightly, "just like those surrealist watches!" "Good," said the editor, "that is just what I had in mind, too." Good humor was restored.

READERS of the *Journal*, whether of this column or not, "remembered" us all right, several of them in the form of very good liqueur, one a bottle of choice French currant brandy! "The trouble with that was that I personally did not get to drink very much of it," said the editor. "The young women in my house went for it!"

Cards and other forms of remembrance were received by him from Mr. and Mrs. A. F. Albers, Secretary Oscar Castelo, Mr. and Mrs. Edward Dee Se Kiao, Col. and Mrs. Augustin G. Gabriel, Mr. Sam Garmezy, Prof. V. D. Gokhale (Atlanta University, Atlanta, Georgia), Mrs. Virginia Gonder, Dr. and Mrs. F. G. Haughwout, Mr. Colin Hoskins, Mr. and Mrs. H. G. Hornbostel, Mr. and Mrs. F. R. Monti, Mr. and Mrs. Lawrence Olson, Mr. Pedro Ortiz Armengol, Mr. and Mrs. Emilio Palomo, Mr. Pio Pedrosa, Dr. Gilbert Perez, Senator and Mrs. Gil J. Puyat, Mrs. Carmen Webb Ramirez, Miss Mary Ann Seman, Mr. and Mrs. V. G. Sincio, Mr. and Mrs. Hans Steiner, Mr. and Mrs. Alf Welhaven; all the Willimonts, Mr. and Mrs. Henry Yang, Mr. and Mrs. John Yench; also from the following firms and institutions,— Art Association of the Philippines, Cham Samco & Sons, Inc., International Harvester Company of Philippines, the American Chamber of Commerce of the Philippines, the Philippine Lumber Producers' Association, Inc., and the Philippine National Bank. There were personal meetings and word-of-mouth greetings and well-wishes galore.

Many of the kindnesses showered upon the editor, he said, were of too intimate a nature to be exposed here... (Now we wonder what!) and to all his good friends his personal and our (the editorial) thanks!

I was all but resigned to old age  
And soberly meditated on that final day  
When I needs must lie down to die.

So full of sprightly young life, our house,  
That I, the widowed grandpapa,  
Thought it not a bad place  
To end my days in...

Then came my young darling, and she, with  
light touch,  
And laughing, awakened in me the sleeping  
King.  
And there was a miracle,—my wedding!  
In Gracehouse.

No longer now do I ponder my demise...  
It's been indefinitely postponed.

"Gracehouse,—your home," we  
said. "What is this? One of your poetic  
fancies? What does it mean?"

"Just what it says," the editor  
answered. "There was a wedding at  
my house, in the afternoon, two days  
before Christmas, just the immediate  
family present,—my wedding!"

We were speechless.  
"There was no previous announce-  
ment, there were no invitations sent

out to wedding guests. This is my  
way of announcing the event to my  
friends. The fell deed is done. Now  
go ahead and denounce me. 'No fool  
like an old fool,' *et cetera*."

We stared at the poem. "Young  
darling," we quoted. "How young?"

"Well, let me say early twenties,"  
he answered. We did not have to  
ask him how old he is! "'Sleeping  
King!'"

"'Sleeping prince' would have been  
a little inappropriate," he said, ap-  
parently having read our mind, "and,  
of course, 'sleeping princess' would  
not do; it had to be 'sleeping king.'"

"Is she, ah... literary?" we ha-  
zarded.

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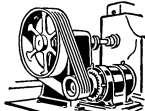
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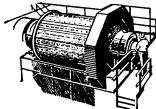
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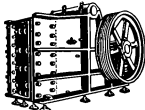
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"She doesn't know anything about anything, except living, thank God," said the editor. "I shall never have to hold intellectual conversations with her, dear girl."

We let that pass, but, goodness! These bald-headed men! And when they let their hair down, Wow!

During the next few days we, all the time wondering, watched the

editor going debonairly to and fro. "That wedding of yours," we burst out finally, "I'd like to know a little more about it. Was it a nice wedding?"

"Very nice," he answered. "Simple, as I like to have things. Only my grown children there,—by my first wife, and their spouses, and my grandchildren, or most of them; also a relative or two of the bride. I wanted it in our house. It was built only in 1947, but already we have had several births there, and now my own wedding. The Municipal Judge of Quezon City was kind enough to come to the house to officiate. There was no upset or rushing around; no curious crowd; no indigestible wedding-feast. After the ceremony,—mostly a signing of papers, there was port for the men and muscatel for the women, home-made spiced cookies and fruit for all. And there was our big Christmas-tree. The wedding and Christmas were sort of mixed up, which was a part of my plan. What with the general Christmas excitement, we two did not receive too much attention. But it was a happy time for all and especially for me."

"It all sounds very sensible and jolly, too," we could not help admitting.

"Who is the lucky young woman?" we asked, which was what we had been wanting to ask from the first.

"You wouldn't know her," said the editor. "A young woman from Bohol; a friend of the family; they all love her."

"And," he continued, "here's something funny. . . We,—my wife and I, were riding in a taxi just this morning and stopped for a few minutes at a street intersection, a number of

jitneys drawing up beside us. You know how Filipinos of a certain class like to pass observations and remarks among themselves about others, usually of a somewhat satirical nature. Well, I heard one jitney-driver calling to another in Tagalog.

"See those two? They look like they won the sweepstakes!"

"Far was I from resenting that remark!"

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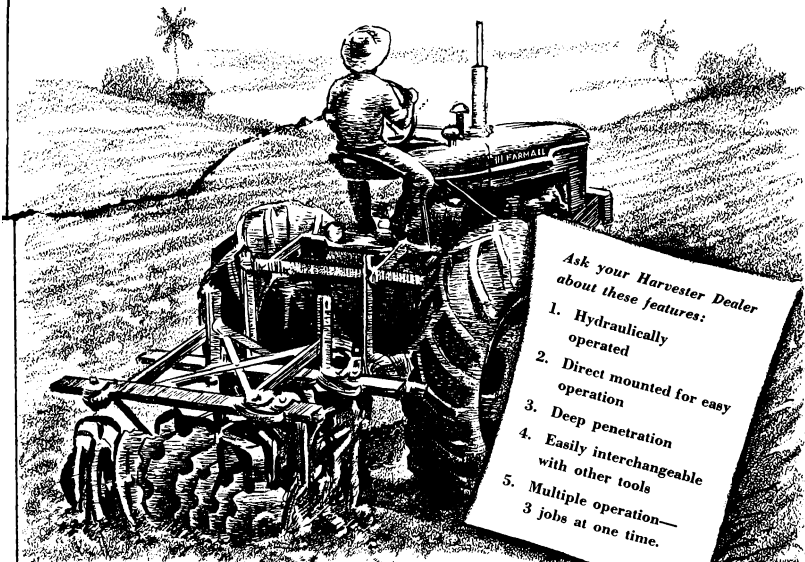
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5. Multiple operation—3 jobs at one time.

**INTERNATIONAL HARVESTER**

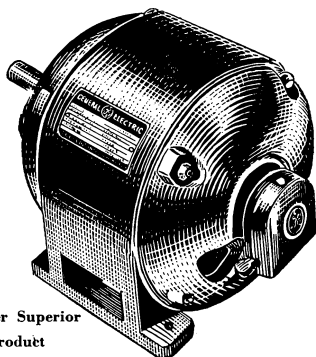
INTERNATIONAL HARVESTER COMPANY OF PHILIPPINES




MAIN OFFICE: MANILA

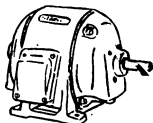
BRANCHES AND DEALERS THROUGHOUT THE PHILIPPINES

# The MOTOR that Industry Needs

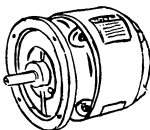


Another Superior  
 Product

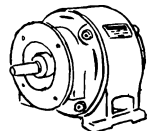
Splashproof motor



Round-frame motor with  
standard flange end shield



Foot-mounted motor with  
standard face-type end shield



## **TRI CLAD**

REG. U.S. PAT. OFF.

No other standard motor, we believe, has ever met the requirements of industry with so well-balanced a combination of performance characteristics, convenience features, and provisions for protection. As a safeguard against production interruptions, as a prime factor in lowering costs, as an extra increment of value on machines you build, you'll find that Tri-Clad motors mean extra profit protection, too.

Whatever your requirements in motors may be, think of General Electric and insist on the service, reliability, and benefits that Tri-Clad motors will give.

## **GENERAL ELECTRIC (P.I.), INC.**

PORT AREA

MANILA