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Contents

EDITORIALS—

"Luxuries" and Import Control	3
ECAFE Baguio Meeting	4
Re "Exploitation" in the Philippines	5
The Philippine Ports Terminal	6
The American School, Inc.	8
History of the American School	9
Wood-Preservation in the Philippines	10
H. W. TITUS	
J. A. THOMAS	
OVID BONI	
F. C. BENNETT	
The Business View—	
Office of the President	11
Banking and Finance	12
Stock Market	12
Credit	13
Insurance	13
Electric Power Production	13
Real Estate	13
Ocean Shipping	14
Air Transportation	14
Land Transportation (Bus Lines)	15
Gold	15
Lumber	15
Copra and Coconut Oil	16
Desiccated Coconut	17
Sugar	18
Manila Hemp	18
Chemical Products	19
Textiles	19
Automobiles and Trucks	20
Legislation, Executive Orders, and Court Decisions	20
Other Chambers of Commerce	20
Chamber of Commerce of the Philippines	20
Philippine Chinese General Chamber of Commerce	22
Spanish Chamber of Commerce	22
Philippine Safety Council	23
Government Corporations	24
Cost of Living Index	25
Trend of Real Wages	26
Official Source	
BUREAU OF THE CENSUS AND STATISTICS	
BUREAU OF THE CENSUS AND STATISTICS	
The "Let Your Hair Down" Column	32

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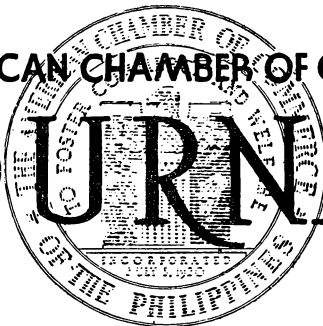
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THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

It may seem odd, but it is true, that the earliest commerce was mainly a trade in luxuries. Primitive societies were everywhere, and of necessity, self-sufficient in so far as that sufficiency went. Men hunted and fished, pastured their herds and flocks, tilled their acres, and lived meagerly on what they themselves could find, catch, or produce. Inland people might trade with a coastal people for such a necessity as salt, but most early trade involved an exchange of luxuries, something over and above mere necessities on both sides, generally articles of personal adornment, such as beads, bracelets, necklaces. Much later in man's social and economic development, commerce was still based very largely on the trade in luxuries, — silks and furs, spices, tea. It was largely the search for luxuries which led to the geographic explorations and discoveries in the 15th and 16th centuries. Even today, international trade is normally a trade in what in former times would have been considered luxury goods. In a broad sense, everything brought in from foreign lands is a luxury.

By common definition, however, a luxury is anything which is pleasurable, but not necessary. More exactly, it is anything which pleases the senses, and is also costly, or difficult to obtain. By extension it is any convenience regarded as an indulgence rather than a necessity. As a manner of life, luxury is a free indulgence in costly food, dress, furniture, or anything expensive which gratifies the appetites or tastes. These latter definitions, suggestive of sensuality and voluptuousness, are somewhat repellent to the average plain man or woman, the definitions approaching those of a vice. "Riches expose a man to pride and luxury", wrote the impecunious *Spectator*.

Yet luxury, as a word, comes from the Latin word which means to *shine, light*, and from the Greek word meaning *bright*. The antonyms of *luxury* include not only *simplicity* and *plainness*, but *penury, poverty*, and *necessity* again. And all history is the story of the attempt of man to escape from stark necessity. Civilization is based on the development of luxuries. Every advance in living standards entails a broader and more general utilization of luxuries. Economics may be said to be the study of the "natural progress of opulence", to use Adam Smith's rich phrase.

What is merely necessary can be pared down to almost nothing at all, — a spoonful or two of watery offal, as many people who are alive today can testify from dire personal experience in enemy-occupied lands and in internment- and prison-camps. And the many unfortunate poor, even persons of average income, know from daily experience what deprivation is, whether of necessities or luxuries, so-called. Probably no normal man or woman is ever, by choice, an ascetic. Unnecessary abstention and self-mortification is a form of masochism.

The distinction between necessity and luxury is largely a matter of the economic level reached by an individual or a people, a matter of standards, what a man or a people are accustomed to. What is luxury to some, is practically a life necessity to others, — as tea in China. The need for some degree of luxury is also a matter of individual and personality development, sensitivity, taste, — broadly, culture. Luxury becomes the basis not only of contentment and happiness, but of confidence and self-respect, of the very worth of life and living.

It is therefore dangerous, indeed inimical, for a government to legislate on "necessities" and "luxuries", to arbitrarily draw a line between them, to make a hard and fast distinction which does not exist in fact. Every item in trade, domestic and international, is at once both a necessity and a luxury, be it a necessary luxury or a luxurious necessity, or simply just something we are determined to have. For every item normally imported into a country there must be a demand, a void, a want, a need. A government which unduly interferes in trade is tampering with the natural course of the national life and with the individual lives of the country's people. In so doing, even a well-meaning government can hardly make a move without making a mistake, minor or major.

The forbidding of so-called luxuries to the common people has from the beginning often been the policy of "aristocratic" and "plutocratic" and oppressive (and also Puritan) governments.

The Japanese, with the deliberate aim of lowering the Philippine standard of living even further than the war and the military occupation entailed (they considered that standard far too high in comparison with their own), and of holding down wages despite the inflation, — the

first thing these overlords did was to impose heavy taxes on what they ruled were "luxuries", and these included about everything the people had become accustomed to during the previous forty or fifty years of economic and cultural advancement, — even the taking of a scant meal in a cat-meat-serving restaurant!

It should be understood that during the seemingly interminable years of the enemy occupation, the people of the Philippines got enough and more than enough of all that! Even today, though we may still lack some of the "necessities", we want all the "luxuries" we can get. They are pitifully few for the most of us, as it is.

We may or we may not agree in theory with the proposal of the Joint Philippine-American Finance Commission that to develop the country's economy, — to bring about greater industrialization, it is desirable that we "use our foreign exchange for essential purposes" and "limit non-essential imports"; that we build up the country's "capital goods" for future production rather than spend too great a part of our exchange funds for "consumers' goods" which directly satisfy only some immediate want. It is, of course, in the category of consumers' goods that most luxuries fall. (Though in the end we may learn that, for instance, the talked-of steel-plant for the Philippines is the greatest and most expensive "luxury" of all.)

But the Philippine market appears already to be over-saturated with certain classes of consumers' goods and, as consumers' wants are satisfied, less money will be spent for such goods. With due encouragement and the establishment of proper conditions, this matter will take care of itself over a period of time, and progressively more capital will naturally be devoted to production.

And it must be remembered that capital goods include a wide variety of goods which at first thought may be considered consumers' goods and "luxuries". To quote from a book on economics:

"Capital goods include the following: (1) improvements on land, such as fences and drains; (2) means of transportation, such as roads, railroads, and canals; (3) buildings, such as barns, factories, and stores; (4) auxiliary material, such as coal and oil, which do not appear in the finished product; (5) raw materials, such as wool, iron, and lumber, which do appear in the finished product; (6) tools and machines; (7) domestic animals, such as cows and truck horses; (8) commercial stocks of finished goods. They all must be used in the production of goods that will satisfy human wants in order to be classified as capital goods. Sometimes it is difficult to distinguish between consumers' goods and capital goods, for many economic goods fall in both categories. A building, for example, may be used to provide shelter as well as to further the production of other goods. A boat may directly satisfy a want or it may be used as a means of transporting freight. Thus it is the purpose of a good rather than its form which determines whether or not it is to be called a capital good."

The purpose. And how is a government "import control board" to determine with any adequacy the purposes for which hundreds of millions of pesos worth of imports, in tens of thousands of various items, would ultimately be used? The questions, the forms, the records, the files, the clerks and the chiefs, the expense, the delay, the irritation, the nonsense, and the loss and waste of energy and time!

And all for worse than nothing at all. For an unnecessary and burdensome system of regulation, inherently vicious in its effects, of what is normally self-regulatory in the general interest and to the satisfaction of all. This is, of course, not to argue against all government regulation of trade; especially following a great war this is undoubtedly necessary; but the constant aim should be to keep it at a minimum, and it should be exercised when possible in the form of guidance rather than of control.

The foregoing are the natural objections to governmental attempts at the elimination or partial elimination of "luxuries" and to governmental attempts at the regulation of imports with that object in view.

There are other objections on the basis of policy in so far as the Philippines is specifically concerned.

Through various legislative enactments and through agreements mutually ratified, and for value received, the Philippine Government is enjoined from imposing duties on imports from the United States up to July 4, 1954. The imposition of excise taxes on goods coming principally (and in many cases, in fact exclusively) from the United States, is a very near equivalent to what the Philippine Government has expressly agreed not to do.

If such excise taxes, practically equivalent to import duties, were deliberately imposed, — for no matter what high-sounding reasons, what if the American Congress should decide in turn to impose a prohibitive tax of Philippine copra on the ground that copra is a foreign luxury and the American people should get along on their own tallow and cotton-seed oil? What if Philippine sugar should be ruled out as an unnecessary tropical dainty?

This is ludicrous and is not seriously advanced. But automobiles are not superfluous luxuries either, nor are California oranges (our babies need them), nor is there any sense in the fact that under present Philippine law an electric stove is taxed 5% and an electric refrigerator 10%, apparently on the notion that the refrigerator is more of a luxury than the stove*. Is a refrigerator just twice as "luxurious" as a stove? Is it not as "necessary" to keep food from spoiling before and after cooking, as is the cooking itself?

The experts of the Joint Philippine-American Finance Commission have boldly recommended that items now taxed 10% be taxed 30%, and items now taxed 20% be taxed 50%. Such high taxes would be enormously burdensome to the people of a relatively poor country, a people who, most of them, lost everything during the war and who are now faced with the necessity of buying anew everything they need for decent living.

A luxury tax violates almost all of the tenets which taxation experts consider it necessary to observe in framing good tax legislation. It is unequal, it is arbitrary, it is inconvenient, it is discouraging to established enterprise; it is ill-adjusted to the present legal, political, and social conditions of the country (a country which is aspiring to better standards of living, and but recently in ruins); it will be largely shifted, it will be largely concealed.

A luxury tax would not keep luxuries from the rich; they can pay whatever they must to get what they want. But such a tax would keep the simpler luxuries, now within their reach, from people of more modest means. It would depress the general standard of living, widen the difference between rich and poor, and increase irritation and discontent.

It would do very little toward promoting industrialization, which requires large capital funds, not generally drawn from what people have to spend to live as well as they can. And as for expecting them to buy government bonds with the money they need to lead a tolerable existence, vain, vain are such imaginings.

The second session of ECAFE (Economic Commission for Asia and the Far East which functions under the United Nations Economic and Social Council), held in Baguio from November 24 to December 6, may be considered to have been outstandingly successful within its sphere of reference. Various decisions as to its own operation were arrived at, and definite measures were outlined and recommended both to the United Nations and to the member Governments. If adopted and carried out, these will do much to promote the economic recovery and advance in this part of the world which is the general objective of the ECAFE organization. To outline such measures and to make such recommendations is all that ECAFE can do, as it is not a governing or executive body; what it can do and has done is nevertheless highly important.

*This is under the so called percentage tax on sales. (Republic Act No. 41) which being graded, is in effect partially a luxury tax.

Merely as a getting together of the representatives of the eleven member nations (Australia, China, France, India, Pakistan, the Netherlands, the Philippines, Siam, the Soviet Union, the United Kingdom, and the United States) and of the seven associate member nations or entities (Burma, Cambodia, Ceylon, Hongkong, Laos, the Malayan Union, and North Borneo), this meeting was supremely worth while. An international meeting of this kind could not have taken place before the establishment of the United Nations organization.

The first ECAFE meeting, held in Shanghai last June, was chiefly organizational, and the first week of the Baguio session was also devoted largely to dealing with questions of membership and organization. The establishment of the associate member category was a wise and propitious compromise. The delegates of rebellious Indonesia were refused seats (though a number of loyal Indonesians were members of the Netherlands delegation). The representatives of Siam, offended when their right to recognition was initially questioned because of the recent over-turn of the government there, walked out and refused to return. Apart from these episodes, the general friendly and cooperative spirit made evident was heartening. The two men who successively were the Chairmen, Dr. T. F. Tsiang, of China, and the Hon. Miguel Cuaderno, Philippine Secretary of Finance, deserve credit for their able leadership and skillful conduct of the meetings. Even the Russian delegation was not too obstructionistic, although it voted favorably on only two of the ten resolutions which were adopted, the delegation generally abstaining.

Of the two resolutions passed unanimously, one, presented by the French delegation, established a new department of statistics which is to engage in the collection and analysis of all regional economic data; the other, presented by the delegation from the United Kingdom, expressed thanks for the "great and generous hospitality extended to the Commission by the Government and people of the Philippine Republic".

The three most important resolutions concern food, industrial development, and trade promotion, respectively.

The first, introduced jointly by the American and Philippine delegations, recommends that the Food and Agriculture Organization of the United Nations formulate the 1948-49 food program for Asia as soon as practicable; that a regional committee on food and agriculture in Asia be set up in which ECAFE would be represented; that a working party be appointed which would visit food-producing and food-short areas in Asia with a view to advising on the food-programing; and that ECAFE, in cooperation with the FAO, invite the member and associate member countries to report more definitively on their reconstruction plans and programs on food and agriculture. The resolution also expresses support of the proposal to establish a Regional Fisheries Council.

A related resolution declared that an appeal should be made to the food-producing countries concerned and to the FAO to consider measures jointly and severally for bringing down to a "reasonable level" the prices of cereals exported to the countries within the regional scope of ECAFE "where such prices appear to be excessive".

The resolution concerning industrialization, introduced by the United Kingdom delegation, calls for the setting up of an ECAFE working party to prepare a report on existing plans for promoting the industrial development in each country of the region, with special reference to the availability of capital and the necessary technical skills, and to formulate proposals based thereon for the consideration of the Commission.

The resolution concerning trade promotion, introduced by the American delegation, recognizes that trade promotional efforts by member governments is an appropriate

activity to facilitate economic recovery and advance, and recommends that the Secretariat prepare a plan for the coordination of trade promotional work among the member governments to be presented at the third session of ECAFE to be held in India next May.

Each of these three leading resolutions was adopted by a vote of 9 to 0, with the Siamese delegation absent and only the Russian delegation abstaining.

Other resolutions adopted included one recommending to the Economic and Social Council the establishment of a Bureau of Flood Control, with particular reference to the great rivers of Asia, and another, addressed to the Food and Agriculture Organization, recommending that in view of the war-devastation and the pressing need for new housing, a Technical Conference on Timber in Asia and the Far East be called for the purpose of bringing about the fullest possible utilization of Asia's great timber resources; standardization of international timber terminology is also recommended.

The Baguio session was opened with an address by the President of the Philippines, and, as he said, —

"The formulation of blueprints for the economic development of our respective countries is a relatively easy task. The real difficulties will be found in the effectuation of these plans."

The chief obstacles, Mr. Roxas said, was the lack of capital, and he voiced an eloquent appeal to the nations "able to help others" not to overlook Asia in helping Europe. The President referred both to altruistic and materialistic or partly materialistic motives, and also to possible political motives in the extension of such aid.

It is to be observed that whatever the motive, there are limits to the ability to help on the part of even the wealthiest nations. It must not be overlooked that the ability to help and to continue to help can be based only on a return from the loans made or the capital invested. Help granted and received on a merely philanthropic basis, on the appallingly large scale "loans" are today being granted and received, would only and inevitably lead to the impoverishment of the more wealthy granting nations and the pauperization of the receiving nations.

In the consideration of these dreary facts, the efforts of ECAFE in promoting a degree of self-help in this part of the world, is vastly refreshing.

In view of the propaganda, chiefly political, still occasionally heard, concerning the alleged "continued exploitation" of the Philippines Re "Exploitation" by the United States through the Philippine Trade Act and the so-called "Parity" (which propaganda is sometimes coupled with demands for the amendment of the Trade Act), there is cause for some satirical chuckles in the recent developments at the conference in Havana of the United Nations International Trade Organization.

At Havana, this "exploitation" was considered "preferential treatment" objected to by some of the other nations represented, and as, for a time, the fear arose here that decisions might be taken at the Conference which might somehow alter the situation, the Philippine Government was quick to protest.

Later, the following press-release was issued at Malacañan, which we quote in full for the satisfaction of our readers:

STATEMENT OF THE PRESIDENT TO THE PRESS REGARDING THE PREFERENTIAL TRADE AGREEMENT BETWEEN THE UNITED STATES AND THE PHILIPPINES

The President expressed great satisfaction this afternoon when he read the statement made by President Truman at a press conference in Washington yesterday, giving assurances that the preferential trade agreement between the Philippines and the United States would not in any way be altered by any decisions which might be made at the ITO

(Continued on page 31)

The Philippine Ports Terminal

By H. W. Titus

Luzon Stevedoring Company, Inc.

FEW of the harbors of the world were planned, except by the Creator of the Universe. The ports within harbors were constructed by men, using the materials at hand and improving on them as much as possible within the limits of their resources and intelligence. The port of Manila is no exception. Manila Bay as we know it is a geo-physical fact. The port as we know it is the product of the labor of many races of men culminating in the modern facilities enjoyed before the destruction wrought in the course of the last war. A port such as Manila is the creation of many different elements: the ships that bring cargo or take it away; the men who unload the ships or load them, known as "stevedores"; the forces of government, regulating the inflow and outgoing of cargo, known as the "customs"; the dock handlers and their equipment in the form of cranes, forklifts, piers, and warehouses which constitute the "terminal"; the so called "customs broker" who acts for the importer or exporter as his agent; and finally the importer or exporter himself, who represents the basic factor in the port. There are of course many other factors in the development and existence of a port. In many localities railroads are of primary importance, and elaborate rail-sea facilities are set up, as in the major ports of the United States. Motor transportation is becoming of greater and greater importance, and careful thought must be given to providing adequate facilities for handling cargo to and from trucks. There are other factors too numerous to mention, such as the services of lighters, which are of greater or less importance depending on the natural condition of the port. By the word "Port" in Manila we have come actually to mean the Terminal with its physical equipment of slips, piers, warehouses, and roads and its personnel of dock workers, police, and checkers.

As the physical environment and social and economic frame of reference vary considerably between harbors, so does the manner of control and ownership of port facilities vary widely between ports. Particularly in the United States, some ports and terminal facilities are owned or held on a long lease by steamship companies. In other ports the railroads may own piers or warehouses. In some ports private individuals or operating companies control port facilities. It has come to be generally considered desirable, where possible, for the control of all deep-water frontage to be vested in the public as represented by a major area of government. Ports, it is thought, should not have to depend upon the goodwill or the individual interest of any private concern or combination to develop business. The development of traffic and the solution of its problems, have come to be regarded as one of the permanent functions of the port itself. In some localities this trend has necessarily been slow. In others, some governmental entity such as the New York Port Authority has had to be developed to hasten the trend. In Manila we are fortunate in having the ownership of the South Harbor port-area vested in the central government. The Government has not, as a policy, leased deep-water frontage to any individual or corporation, which has made for the development of coherent policies and plans made consciously in the public interest. The national government, in the Port of Manila, thus becomes the port terminal operator and has developed what is known as the "ar-

raastre plant" or "arraastre service". "Arraastre" means simply, to handle, or perhaps more literally, to drag, and refers to a handling-service between the ship and the importer or exporter. The charge which is made for this service is called the arraastre charge and is collected on a tonnage basis. The return from the arraastre goes to pay the dock labor, water-front police, watchmen, and checkers, and for the maintenance of cargo-handling equipment and the general operation of the port terminal. The Philippine Government may, in the interest of efficiency and economy, contract with a private corporation to perform the arraastre service. That contractor, however, is in all cases simply the servant of the Government, and control of the arraastre plant itself is not permitted to pass from the Government. Perhaps because of this situation there seems to be a considerable amount of confusion, in the minds of veteran operators as well as those unfamiliar with Philippine port operation, as to the relationships that exist between the various elements which make up the Port and their respective responsibilities to the owner of a given piece of cargo in the coming in or going out of the Port. First, last, and always, the existence of any port including Manila is determined by the one individual who has created goods, which another individual, separated from him by water, desires to purchase for consumption. Ports exist for no other purpose than to facilitate that exchange. The various factors operating in the Port of Manila must constantly redefine their relation to this basic fact or fail in their several functions.

The first figure in the case of cargo being imported into a port, is the shipper from overseas. Upon him rests the obligation to see that the product is a valuable economic good and that it has been properly packed to withstand the normal handling to be expected. It has been held in frequent court decisions that neither a vessel nor its operator including the other transportation and handling elements in the chain, can be held liable if goods offered for shipment are not cased or wrapped in a manner to withstand the ordinary hazards of an ocean voyage.

The second element in the picture of cargo coming to the port is the ocean carrier. Upon the carrier rests the responsibility of accepting or rejecting cargo for shipment as properly or improperly packed, to see to it that the cargo is well stowed in the ship to protect it against the normal risks of the ocean voyage, and to discharge the cargo in good order and condition in the quantity received at the port of loading. The carrier's responsibility does not cease until delivery has been taken from the ship by the consignee or his agent or the terminal operator. In the case of the Port of Manila, cargo is normally accepted from the ship at the pier by the Philippine Port Terminal, or the arraastre plant, as it is called. The only exception in Manila is when delivery is taken at ship-side into lighters on a special permit covering this type of delivery and the goods are transported to some point on the Bay or on the Pasig River at the direction of the consignee. In all cases the responsibility of the ship ceases, as it is commonly stated, at the ship's tackle or that point at which the loading touches the pier, or a lighter in the case of the special ship-side permit.

For the purpose of accomplishing the work of lifting the cargo from inside the hold of the ship and swinging it over the side, the ships employ stevedores who work on the ship and are responsible to the ship. They are the servants of the steamship company by whom they are hired to do this work; the same in reverse action of course is true in loading outward cargo.

After the goods have touched on the pier, they become the responsibility of the port terminal. The port terminal provides checkers on the pier to check the number of packages received and the condition of the packages as they are discharged onto the pier. The port terminal provides labor with hand-trucks or forklift operators or tow-motors and warehouse-trailers to remove cargo from the apron of the pier to a safe place of storage until delivery is taken by the consignee. The port terminal must, while the cargo is in its possession, store it as safely as possible against weather damage and against pilferage so that the cargo may be delivered in the same quantity and condition as it was received from the ship. For that reason so-called bad-order cargo,—that discharged from the ship in damaged condition, and special cargo,—that of high unit value, must be segregated and kept in specially guarded areas, and given special examination when received from the ship and again when delivered to the agent of the consignee. Delivery of cargo is effected by the port terminal upon the presentation of delivery permits presented normally by customs brokers.

The next figure in the port to come into the picture, is the licensed customs broker normally employed by an importer to handle the getting of a delivery permit and the effecting of delivery of the cargo to the importer's warehouse. The customs broker, who must be licensed by the Collector of Customs after careful examination, is one of the important factors in the Port of Manila, today, because he is also normally the trucker who will remove the cargo from the area of the port terminal; upon him rests, in no small measure, responsibility to prevent cargo remaining on the piers and bringing about a needless congestion.

To go back a bit, when goods are received by the ocean carrier, copies of a bill of lading are given by the carrier as evidence that the cargo has been received for shipment. There must also be executed certain customs invoices to show the value of the cargo and its origin. These papers are forwarded by mail by the exporter to the importer, direct or through a bank. When these documents are received by the importer, he normally will take them to a customs broker of his choice after endorsing the documents properly, and the broker presents the papers to the agent of the steamship company to be countersigned and to the office of the Collector of Customs for payment of duties and taxes. The delivery permit is then approved by the Collector of Customs. This permit must be pre-

sent to the port terminal, where the arrastre fee collected on a tonnage basis, as already noted. The broker with his trucks may then present the permit at the pier and remove the cargo covered therein to the warehouse of the consignee.

The last figure in the picture is now reached, that of the consignee. It is the responsibility of the consignee of cargo coming to the port to know so far as possible what he has on the water, and, as soon as he has received the bills of lading covering his goods, to present them expeditiously to a broker and see to it that delivery is taken of his cargo as soon as possible after its discharge from the ship on to the pier.

It can be readily seen that if any of the above elements breaks down or fails to function properly, the whole port will suffer therefrom. In Manila, it is a matter for some self-congratulation on the part of all concerned, that the handling of the tremendous amount of cargo coming over the piers since the destruction which ended in 1945, has been accomplished with as little difficulty as has been experienced. The absence of proper covered storage on the piers, the lack of even the minimum essentials of mechanical cargo-handling equipment, and the chaotic situation with respect to credit and financial arrangements, to be expected following any war, made it extremely difficult to properly deliver cargo both for the steamship companies and the terminal. In the early period following liberation, consignees had virtually no warehouse facilities standing, and therefore could not take sufficiently rapid delivery of cargo, this giving rise to excessive damage to and pilferage of cargo in the terminal as the piers became more and more jammed with unclaimed cargo. The situation was considerably worsened by the extremely poor packing in which goods were shipped to this port from overseas.

However, as has been pointed out by many, that part of the initial rehabilitation covering the last two years has now been accomplished. Pilferage in the Port has decreased materially, improved covered storage is becoming available more and more to both the Port and importers, and new and improved terminal equipment is gradually coming into use. But the end is far from being in sight. The terminal must face the problems of reconstruction of the piers and the streets, and the construction of properly covered storage. During this period the already limited facilities of the Port will be further limited by the closing of facilities under repair or adjacent to new construction, such as in the case of Pier Nine. This calls for a high degree of co-operation on the part of each of the elements concerned. It means that the responsibilities referred to must be carried out as completely and as conscientiously as possible by all the persons involved, in order to develop in the end a modern, efficient, and economical port.

"As we enter the New Year, I trust that our people will feel fortified by our past achievements and will have stronger confidence in themselves and in our free institutions. We have set out our courses; we will follow that course with greater faith. We may change or alter our immediate objectives as we go along, but our ultimate goals should and will remain the same.—peace, justice, liberty, and the greatest good for the greatest number."

President Roxas

The American School, Inc.

By J. A. Thomas

THE Trustees of the American School, while interned in Santo Tomas, got together on several occasions to discuss plans for a post-war school. It must be admitted that due to the uncertainty of the future at that time, and the day-to-day personal problems of each, not much enthusiasm was in evidence for planning the school's future. In February, 1946, the remaining trustees in Manila, Messrs. J. W. Ferrier, C. H. Davies, A. C. Hall, and myself agreed to hold a meeting of those interested in reestablishing the American School, even though we were not in full agreement that a school was needed immediately. At the first meeting, held at the Army and Navy Club, thirty-five people were present, and the sense of the meeting was that "energetic efforts should be put forth to reopen the school at its old site at the earliest possible date."

At this meeting, Messrs. Ferrier, Davies, Hall, and myself were asked to continue as trustees and Messrs. F. C. Bennett, W. J. Burke, A. D. Calhoun, Finley Gibbs, and F. C. Worcester were selected as trustees to serve with us.

The trustees' problems resolved themselves into (1) getting possession of our property at 2583 Taft Avenue from the occupants, the Philippine Relief and Rehabilitation Administration (PRRA); (2) raising sufficient funds to rehabilitate the buildings and grounds, refurnish and reequip the school, and absorb the early operating deficits while the enrollment was small; and (3) obtain first a principal and then a competent teaching staff.

With respect to our first problem, we soon received a promise that the PRRA would leave by July, but they did not actually do so entirely until September. Since we had set September, 1946, as our objective date to start the school, not much time was left to rehabilitate the buildings. The Atlantic, Gulf and Pacific Company handled the rehabilitation work at cost in a most expeditious and satisfactory manner, and also met the school's opening date.

To solve our second problem, Messrs. Davies, Hall, and Calhoun were appointed as a Finance Committee to campaign for funds from firms, here and abroad, and from individuals and holders of the school promissory notes. Donations from ₱100 to ₱12,500 were received, resulting in ₱127,000 in cash and ₱33,500 in notes being raised. While these funds were sufficient to start the school, much more will be needed before the goal is attained,—that is, an institution adequately staffed, housed, and equip-

ped, and with grounds extensive enough for all age-groups to carry on an educational and extra-curricular program to compare favorably with the better preparatory schools in the United States.

I wish to thank the firms and individuals who generously responded to our appeal, for without their timely assistance no school would have been possible. As to those who could not donate anything at the time of our original drive for good and sufficient reason, we will welcome their assistance whenever they are able to help because a school is always in need of funds to round out its usefulness to its students.

In solving our third problem, our choice for principal was Mrs. Lois Croft, who had been acting principal of the school just before the war and who was a member of the Educational Committee in the Santo Tomas Internment Camp. Mrs. Croft's work in Santo Tomas was well known to many of us. Largely hers was the driving force which made the Camp Elementary School and the High School proceed satisfactorily under handicaps which would have been considered insurmountable by most people. In the main, the children who took the Camp courses offered, lost no time when they entered school in the United States. With Mrs. Croft's arrival from the United States a fully qualified teaching staff was readily assembled from among Americans and Europeans in Manila.

Since the reestablishment of the school, the trustees have followed a policy of trying to satisfy the essentials of schooling for children of the American and European families here. An attempt is being made to produce the same educational, extra-curricular, and social environment which the children would have in their home countries. Because of this policy the enrollment is now 564, whereas the maximum before the war was 350.

We must soon obtain funds to acquire more land and to construct more buildings, or else contract our enrollment to fit our physical plant. For the present, the trustees do not favor the latter measure.

Permit me to thank the following persons who have served with me as trustees for their unselfish efforts in behalf of the school: Mr. F. C. Worcester, Vice-President, Mr. F. C. Bailey, Treasurer, Mr. A. V. Rocha, Secretary, Mrs. F. C. Bennett, Mr. O. A. Boni, Mr. J. W. Ferrier, Mr. A. C. Hall, Mrs. C. H. Hirst, and Col. W. S. Philipps, present members of the Board, and Mr. F. C. Bennett, Mr. W. J. Burke, Mr. A. D. Calhoun, Mr. C. H. Davies, Mr. F. Gibbs, and Col. R. S. Mackie, who served as trustees for a part of the post-war period.

The American School, Inc. Enrollment by nationalities:

Americans.....	425	Spanish.....	14	Italian.....	3
British.....	48	Stateless.....	13	Czechoslovakian.....	2
Philippine.....	24	Austrian.....	6	French.....	1
German.....	17	Dutch.....	3	Russian.....	1
				Polish.....	1

Number of teachers: 30

Tuition:

Kindergarten, Grades 1 and 2.....	₱35 a month
Grades 3, 4, 5.....	40 a month
Grades 6, 7, 8.....	45 a month
High School.....	50 a month

Discounts: Two children from the same family, 5%; three or more children from the same family, 10%.

History of the American School

By Ovid Boni

THE following prize-winning essay by a student of the American School of Manila is published, unedited, by arrangement with the School. Lack of space prohibited publication here of the essay by Sash Schmelkes, ranked second by the judges, three essays, by Heley Meyer, Robert Rowntree, and John Wilde, respectively, all ranked third, and another by Ursula Boysen, ranked fourth. All of them well merited publication, but the essay published here gives a very good outline of the history of the School and a clear idea of its value to the American and foreign communities in Manila.

THE American School, Inc. in the Philippines today plays a most important part in the lives of the attending students. The school not only offers the American system of education, but also serves as a recreation center for the high school boys and girls. Situated on a two and one-half acre plot of land on Calle Donada, in Pasay, the American School buildings, "the finest of their kind in Manila", are fortunately in excellent condition. The trim, well-kept grounds surrounding the school make the wall-enclosed compound a delightful little oasis with a strikingly American atmosphere. However the American School did not reach its present status overnight; instead, many were the difficulties that had to be overcome before the corporation became a success.

During the early months of the year 1920, the pressing need of an adequate center of education for British and American children was further accentuated by the fact that the only existing private school intended closing its doors for good at the end of the school term. As experience had shown, private institutions of learning could not be operated on a profit basis; therefore members of the Anglo-American communities of Manila held a meeting for the purpose of finding some solution to their common problem. The resulting ideas and suggestions formed the nucleus of a plan to organize a "non stock, non profit" institution "for the education of American and British children resident in the Orient".

Immediately, a group of enthusiastic men set about the task of developing this experiment. On March 4, 1920, the Articles of Incorporation of the American School were deposited by C. G. Wentmore, T. D. Aitken, C. R. Zeininger, R. Fairnec, and D. C. Johnson. The foregoing quintet together with W. Smith, W. Yost, D. F. Webster, W. H. Taylor, and J. W. Ferrier formed the school's first board of trustees. Beseated by numerous difficulties, these men finally engaged a staff of competent and efficient teachers to serve as the faculty for the new school.

Although the corporation had no immediate funds to draw from, friends cooperated with the trustees, and payment of costs up to ₱10,000 was guaranteed by a group of generous supporters. In addition to this financial assistance, a building at 606 Taft Avenue was made available to the school by Bishop G. F. Mosher of the Episcopal Church. Through the generosity of this church, rent for the new quarters was not demanded and, finally, in June, 1920, the American School threw open its doors and welcomed the first "student body".

Heading the officers of administration during the opening year was Miss Leila Brown who served in the capacity of principal for only one term. The following year Mrs. F. E. Henley took over the job of supervision

until the termination of the school year in 1922. At this time the Episcopal Church desired the use of the building so kindly lent by Bishop Mosher; therefore the Board of Trustees was forced to seek a new location for the rapidly growing organization. The choice of a building situated at 115 Padre Faura proved satisfactory, and here the institution continued its fine work for the next six years. The third superintendent, Mrs. Elizabeth T. Marshall, who was appointed principal in 1922, served until the closing of the last semester in March, 1925. Succeeding Mrs. Marshall, Mrs. Beatrice M. Grove assumed the burden of directing the school in June, 1925, and under her guiding hand it continued to prosper for many years. When Mrs. Grove retired in 1936, Mr. Glenn C. Miller became principal, ably serving the school until 1940, at which time L. F. Gerber was appointed to fill the vacancy. Within a year Mr. Gerber returned to the United States, thus leaving Mrs. Lois Croft in charge of the officers of administration.

Up to May, 1926, the American School had been laboring under a financial loss that proved extremely discouraging. During the six years of operation, the school had accumulated debts amounting to ₱3,000; however the Board of Trustees solved the problem temporarily by guaranteeing an overdraft secured by the members. By 1928, the building on Padre Faura had become so crowded that roomier quarters at 1259 M. H. del Pilar were rented by the school board. The new edifice, a rambling wooden structure, proved much more satisfactory than the old location. Here the headquarters of the organization remained for the following eight and a half years. At this point, fortune began to favor the school and its pecuniary problems began to disappear as an increased income gave the treasury a considerable amount of surplus cash. These immediate funds, plus gifts of money, made possible the purchase of modern equipment for the classrooms and the playground. New apparatus for the science laboratory was added to the equipment purchased in 1920, playground fixtures were installed, and the school library was augmented by books donated by individuals and organizations. Indeed when the discouraging financial problems had been erased and more students began to enroll, the American School, nurtured by loyal supporters, prospered to such an extent that its pioneers could justly be proud of their achievement.

Once again in 1935, as in 1928, overcrowded conditions brought about by an increased enrollment necessitated another decision from the Board of Trustees. This time the board proposed that the school erect its own permanent headquarters as soon as suitable property became available. Early in 1936, a desirable tract of land on Calle Donada was acquired and the way was paved for the construction of modern, roomier quarters. The constant influx of cash gifts, strict adherence to an intelligent financial plan, and the faith and support of the school's friends and patrons made the attainment of this goal possible. The construction of a two-storey concrete building was begun during the early months of 1936 and, by December of the same year, the new quarters were ready for occupation. The newly completed edifice, theoretically earthquake-, storm-, and fire-proof, was enclosed by a high adobe wall on two sides while a pronged steel fence encompassed the rest of the compound. During the vacation weeks of December,

(Continued on page 28)

Wood-Preservation in the Philippines

By F. C. Bennett

*Vice-President and Sales Manager
Atlantic, Gulf & Pacific Company of Manila*

THE industry which the title of this article indicates is one of long standing in Europe and the United States. In Europe it dates back to the early 1800's where the first thoughts were given to the preservation of wood in order to make it more durable for construction purposes. Various types of wood-preserved were experimented with and with varied result; however, in England and in Germany the development of by-products of coal brought forth Creosote which, from early tests, showed the best results. Although many chemicals have been developed in the interim, Creosote still represents the most effective preservative that science has developed.

Unquestionably, the earliest application of Creosote to timber was made either by dipping or painting, and in the northern hemisphere fairly good results were obtained from this method. Engineers soon realized, however, that in order to increase the value of this wood-preserved, it would be necessary to actually impregnate the timber with the preservative. This could not be accomplished either by painting or dipping and, therefore, the pressure process was developed. To some extent painting and dipping is still used, but the greatest percentage of the timber treated in the world today with Creosote, is by the pressure method.

In the early 1920's, Mr. Arthur Fischer, then Director of the Bureau of Forestry in the Philippines, began to study the possibilities of treating Philippine second- and third-group timber the better to fit them for construction purposes, and thus to conserve the stand of first-group timber for a more lucrative purpose such as for the manufacture of furniture, etc.

At that time the Bureau of Forestry was unable to include in its appropriations sufficient funds to install a pilot-plant for testing the various second- and third-group timbers for their treating qualities. Mr. William J. Shaw was then President and General Manager of the Atlantic, Gulf & Pacific Company of Manila, and in a friendly conversation at the old University Club, Mr. Fischer presented his views on the possibilities of wood-preserving of second- and third-group timbers in the Philippines to Mr. Shaw. His arguments were apparently so convincing that Mr. Shaw agreed that his Company would put in a pilot-plant at its own expense and operate it under the direction of Mr. Fischer and some of his assistants who were also qualified to direct the experiments until such time as it had been definitely determined what timbers would lend themselves to wood-preservation both from a viewpoint of cost and life-expectancy.

The pilot-plant was installed and the experiments were carried on over a period of one or two years, and it was finally determined that Apitong would accept Creosote under pressure to a greater depth of penetration and concentration than any of the other timbers experimented with. It was also a most desirable timber due to the large quantities available from the various timbered areas in the Philippines.

The commercial possibilities of the market at that time were then studied by the Atlantic, Gulf & Pacific Company of Manila. The construction of railroads at the many sugar centrals which were being installed at about the same time, offered a substantial market for railroads or sleepers. It was therefore decided that this market

would be covered first, and a plant was installed accordingly. In the meantime, the pilot-plant was donated to the School of Forestry at Los Baños in order that it might continue with further experiments.

The original plant consisted of a 65-foot cylinder, 8-1/2 feet in diameter, constructed to withstand a pressure of 200 pounds per square inch, complete with a boiler of sufficient capacity to operate the pumps necessary to maintain the Creosote under the heavy pressure and furnish steam for heating the Creosote, recording gages to keep an accurate and indisputable record of the processing of each charge, and other supporting equipment.

Soon after this plant was in operation, other markets were explored and the demand for electric transmission-line and telephone-line poles offered a substantial volume of business. The Manila Electric Company and the Philippine Long Distance Company were the two largest public utilities in the Philippine Islands, and contracts were entered into with these companies to supply their requirements in Creosoted Apitong poles for their transmission and telephone lines. At that time these companies were using both Ipil poles and importing Creosoted Pine poles from the United States. In securing this contract, it was possible not only to substitute a local product for an imported product, but also to replace Ipil, a first-group timber, with Creosoted Apitong, thus accomplishing a part of the aim of Mr. Fischer's original idea in establishing a wood-preserving plant in the Philippines. The original plant was of sufficient size and capacity to take care of this new market; however, there was another market which required poles of such length that a treating-cylinder of considerably greater length was necessary. That market was in connection with harbor work, which required fender systems to protect the piers rapidly being established in the larger centers of the Philippines, from damage of ships coming alongside. The Company decided to purchase another cylinder and such equipment as was necessary to take care of this market. With this addition to the plant, Apitong piling up to 100 feet in length could be treated and in the 1930's products from the plant were shipped to China and the Malay States.

During the reoccupation of Manila by American troops, considerable damage was done to the plant, and rehabilitation could not take place until after the property on which it is installed had been released by the U. S. Army. This was actually accomplished on August 15, 1947, and the Atlantic, Gulf & Pacific Company of Manila immediately took steps to rehabilitate and again place the plant in operation. It is now expected that the plant will be in full operation by February 1, 1948. The demand for the products therefrom is even greater than before the war. In addition to our local demands, we have inquiries from markets supplied with the products from the plant before the war which, if deliveries can be met, will result in firm orders.

While the relating of the story regarding the beginning of wood-preserving in the Philippines makes it all sound very simple, it has been far from that. Many problems have arisen and have been met, but through experience and close contact with the products of the plant after they have gone into service, the difficulties have been reduced to a minimum.

The Business View

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

Office of the President

From an Official Source

DEC. 3 — President Manuel Roxas issues an executive order extending the period for the official stamping of old treasury certificates up to February 28, 1948.

Dec. 4 — The President in a letter to Senator E. Rodriguez, replying to his request that he appoint a special board to investigate alleged election irregularities, states that the Commission on Elections is charged by the Constitution with this function. He declares that while he will not encroach upon the prerogatives of the Commission, he would take immediate steps to prosecute if definite charges are brought against any person, and says that he has already asked the Secretary of Justice to instruct all provincial and city fiscals to investigate promptly all complaints filed with them and to prosecute persons they consider guilty of violations of the Election Law.

According to a Malacañan press release, internal revenue collections for the month of October rose to the unprecedented high of ₱26,266,035.55, surpassing the record of July of this year of ₱26,251,710.39. For the first 4 months of the present fiscal year (July 1 to October 31), gross internal revenue collections amounted to ₱85,290,094.11, or an increase of ₱41,998,608.53 over the collections for the same period in 1946.

Dec. 6 — The President issues Executive Order No. 107 prohibiting the execution of government contracts which require the Government to make advance payment for services not yet rendered or materials not yet delivered.

Dec. 8 — A former Tacloban, Leyte, policeman is reported to have been sentenced to 8 years imprisonment for having posed as an internal revenue agent, requiring certain Chinese merchants to permit him to examine their books, and demanding sums of money from them. Collector B. L. Meer requests the cooperation of the public in reporting all such cases.

Dec. 9 — Malacañan authorizes the release of ₱200,000 from the Port Works Fund for the maintenance and repair of national ports, including dredging, following the damage caused by the recent typhoons.

Dec. 10 — According to a Malacañan press release, Secretary of Justice R. Ozaeta sent out a circular dated December 5 to all prosecuting officers and justices of the peace informing them that the privilege of American consular officials to interview, communicate with, and advise their nationals who are under arrest and in prison here, has been extended to the consular and diplomatic officials of other foreign countries as a matter of policy and international courtesy. Within two days of the filing of a criminal complaint, judges must inform the Department of Justice, for transmittal to the foreign representative, the name and nationality of the alien involved, the charge, the date set for trial, etc.

Dec. 11 — The President authorizes the extension to all provinces of the recent executive order authorizing the expenditure of 10% of the balance of public works funds in certain provinces for the repair of school buildings damaged during the last typhoons.

Reported that the Committee of Looted Property, Malacañan, has received from the Philippine Reparations Mission to Japan a shipment of restituted property con-

sisting of 21 units of International Business Machines accounting equipment. Formal transfer was made today to R. V. del Rosario, Manila manager of the Company.

Dec. 12 — The Department of Foreign Affairs announces that it has informed the Chinese Legation of its desire to begin negotiations with the Chinese Government for the conclusion of an air-service agreement; the Department is also considering the advisability of resuming conferences on this subject with the Government of Siam.

Dec. 15 — Malacañan releases Executive Order No. 110, signed December 12, organizing the Philippine Mission to the United Nations and providing for its direction and maintenance. With the exception of representatives to such international agencies as are now or may hereafter be placed under the administrative supervision of the Philippine Ambassador to the United States, or other officials whom the President may designate, the Philippine Mission will carry out the instructions of the President or the Secretary of Foreign Affairs.

The Code Commission, headed by Dr. Jorge Bocobo after 7 months of work, submits the proposed new Civil Code to the President, through Secretary of Justice Ozaeta. The Secretary congratulated the Commission on its work and expressed the trust that the Commission will complete the remaining two Codes, — the Penal Code and the Commercial Code, within the period given it by Executive Order No. 48, which ends June 30, 1949.

Announced that Commissioner of Social Welfare Asuncion A. Perez will leave for the United States on December 18 to observe welfare work there.

Dec. 16 — Reported that Bureau Directors and Chiefs of Offices under the Department of Justice held a meeting on the 13th at which it was decided to use the agents of the National Bureau of Investigation to detect irregularities on the part of officers and employees of the Government and to "clean the government service of undesirables". It was also decided that in order to expedite the trial of cadastral cases, the General Land Registration Office should take steps toward reconstructing the cadastral records so that titles may be issued; once cases are ready, judges will be assigned to devote their time exclusively to them.

According to a Malacañan press-release, the Philippine Consulate General in New York now has a staff of 19 members. Since its establishment, December 4, 1946, and up to October 31, 1947, the net income realized by the Consulate General was ₱160,600.36. The bulk of its business was the authentication of consular invoices for shipment of goods to the Philippines.

Dec. 17 — The President issues Executive Order No. 112 permitting the export of sawn lumber under certain conditions. (See the column, "Lumber", in "The Business View" pages of this issue.)

Dec. 18 — Reported that the Cabinet is studying a plan to establish a "Boys' Town" on a 240-hectare site at Mariquina.

Dec. 19 — The President issues an executive order creating the "Boxing and Wrestling Commission". Tirso Garcia, former Bank Commissioner, is appointed temporary chairman.

Dec. 22 — A newly created Division of Nursing in the Department of Health is reported to have been for-

(Continued on page 24)

Banking and Finance

By C. R. LEABER

Manager, National City Bank of New York

THERE has been little material change in the general picture and no outstanding developments during the month, to report under this heading. Pre-holiday trade was a supporting factor in keeping demand for bank credit at a high level. Money rates are unchanged and quotations for foreign currencies remained unaltered throughout the month.

The Bureau of Banking issues a weekly report consolidating the Statements of Condition of all Manila banks, and the Bureau of the Treasury issues a monthly report on the volume of currency in circulation. Both of these reports are of considerable interest in that they reflect the condition and the trend of banking and business. It is our purpose in this column each month to select significant figures from the Bureau of Banking reports, average them for the month and compare them with the average figures for the preceding month, and for the same month the previous year. It is also enlightening to know how much currency is in circulation as compared to the amount which was circulating the month before, and the same month a year ago. Comparative figures for this month are as follows:

Loans, Discounts, and Advances (monthly averages)

(000 omitted)

November, 1947	October, 1947	November, 1946
₱351,425	₱340,257	₱183,595

The volume of bank credit being used in business and industry did not increase much in November, compared with the previous month, but the comparison with a year ago is indeed striking.

Total Bank Resources (monthly averages)

(000 omitted)

November, 1947	October, 1947	November, 1946
₱826,868	₱822,194	₱822,474

Total resources of banks will not vary much unless deposits increase.

Bank Deposits (monthly averages)

(Includes Demand, Savings and Time, but excludes Public Funds)

(000 omitted)

November, 1947	October, 1947	November, 1946
₱402,780	₱407,930	₱351,720

Debits to Individual Accounts (monthly averages)

(000 omitted)

November, 1947	October, 1947	November, 1946
₱112,198	₱110,400	₱87,268

Circulation

November 30, 1947	October 31, 1947	November 30, 1946
₱755,005	₱725,054	₱685,895

Stock Market

November 15 to December 12, 1947

By A. C. HALL

A. C. Hall & Company

UNDER the leadership of base-metal issues, the market forged ahead during the last half of November, and some spectacular advances were registered. The sharpness of the rise brought out some profit-taking at the beginning of December, but selling failed to attract a following and the market has since pushed upward again.

During the period under review, the Manila Stock Exchange Mining-Share Average easily penetrated the February 20 high-point of 113.97 to close at 117.34 on

December 1. After a minor dip of a week's duration, the price-index registered an advance in the succeeding six sessions to close today at 119.53 for a gain of 9.37 during the month.

The penetration of the February resistance-point, affirms views previously expressed in this column that we are on the second leg of a primary Bull market. The current phase will top out in due course, and will be followed by the usual secondary correction according to the principles of the Dow Theory.

Turning to individual issues, Lepanto has shown outstanding strength for a gain of 24 points. Acoje at one time showed an advance of 9 points, but heavy profit-taking pared the net gain to 2 points. In the gold group, Atok and Big Wedge were inactive and have been consolidating their advances of the previous month. Mindanao Mother Lode was well bought for longer-range investment, and closed at ₱1.08 for a net gain of 15 points. Other price-changes were of small proportions.

In the unlisted mining group, about 9,000 shares of Balatoc changed hands at ₱4.00 off 30 centavos; about 220,000 Itogons were done between 7-1/2 and 8 centavos; 70,000 Suyocs at 3-3/4 centavos; and 135,000 United Paracale between 8 and 9 centavos.

Over-the-counter, Benguet Consolidated gradually eased to ₱4.25, on a turnover of some 23,000 shares. Small but persistent offerings from the United States caused the easier tendency in this stock. Profit-taking in Antipolo caused this stock to decline to 23 centavos, but during the last few days it advanced to 28 centavos on strong demand following favorable development reports.

In the commercial and industrial section, San Miguel Brewery traded between a low of ₱83 and a high of ₱92, closing at ₱88, on a turnover of about 2,000 shares. Philippine Racing Club was easier and the stock lost 6 points to ₱1.24, with 22,000 shares traded. Other business in this section included 200 shares Bank of the Philippine Islands at ₱66. Sugar shares were in small demand; 12 shares Bais traded at ₱60, and 400 shares Carlotas between ₱100 and ₱105.

Far East Oil was very active and traded between a low of 43 and a high of 61, closing at 47 centavos for a net gain of 1/2 centavo over the month. The total turnover was 1,765,000 shares.

In unlisted commercials, Jai Alai changed hands at from ₱14.50 to ₱16, with 2,000 shares traded. Small lots of Botica Boie were done at ₱140 and ₱142.

MANILA STOCK EXCHANGE LISTED MINING SHARES

October 16 to November 14, 1947

	HIGH	LOW	CLOSE	CHANGE	TOTAL SALES
Acoje Mining Co.	₱.43	₱.345	₱.36	Up .02	1,341,000
Antamok Goldfields ..	.03	.029	.03	Up .005	298,000
Atok Gold Mining Co. .	1.36	1.28	1.32	Off .02	77,000
Baguio Gold Mining Co. ....	.075	.065	.0675	Up .0125	85,000
Batong Buhay Gold Mines .....	.0076	.007	.007	Off .001	2,290,000
Big Wedge Mining Co.	1.38	1.28	1.32	Off .02	78,000
Coco Grove, Inc. ....	.023	.023	.023	Unchanged	10,000
Consolidated Mines, Inc. ....	.016	.0145	.0155	Up .001	11,989,000
IXL Mining Co. ....	.07a	.055	.055	off .0125	10,000
Lepanto Consolidated	.80	.56	.80	Up .24	923,000
Masbate Consolidated	.046	.035	.035	Off .013	690,000
Mindanao Mother Lode	1.08	.93	1.08	Up .15	574,000
Paracale Gumaus Consolidated. ....	.105b	.10	.105b	Up .0125	35,000
San Mauricio Mining Co. ....	.205	.195	.195	Off .02	95,000
Surigao Consolidated.	.45	.395	.41	Up .02	659,000

Credit

By DUNCAN BURN

Association of Credit Men, Inc. (P.I.)

DURING the period under review, which covers the six weeks leading up to Christmas, there has been a noticeable, increasing difficulty in collections. Many firms in various types of business report more difficulty in collections than in any period since the end of the War. Most firms report larger amounts outstanding at present than at any post-war time. The proportion of past-due accounts is larger and the amounts involved are larger. Some credit executives have expressed considerable concern over this situation. Most credit executives express the belief, which is more hopeful, that the situation will quickly and markedly improve beginning early in January. These sources are of the opinion that the slowness and difficulty in collections are not as serious at this time of the year as they would be at any other season. They point out that at any time other than the Christmas season, such widespread slowness in widely different fields would undoubtedly indicate some serious underlying situation. They feel that if the anticipated improvement in collections does not result early in the New Year, there may be some basis for the feeling that the slowness before Christmas was in effect the beginning of a trend at least in some degree separate from seasonal buying. It will be important to watch credit activities and trade payments during the early part of 1948.

Insurance

By ARTHUR H. HENDERSON

President, American International Underwriters for the Philippines, Inc.

FIRE Insurance underwriters in the Philippines working cooperatively together are favorably considering action leading to recommendations to the Philippine Congress suggesting changes in the present arson laws.

It is believed by the underwriters that a model arson law similar to the recommended law proposed by the committee of the Fire Marshal's Association of North America might produce salutary effects and aid materially in the economic rehabilitation of the Philippines by reducing the incidence of fires of suspicious nature.

In the United States during the past decade, 33 States have adopted a law which in essence follows the proposed law quoted below. The various provisions of the model arson law have been sustained in the courts of the various States in the United States, and underwriters feel that the model law has been instrumental in the substantial reduction of fires of a questionable nature by reason of a substantial increase in the convictions for arson.

It is hoped that the underwriters will be successful in their attempts to have a law similar to the following enacted shortly:

CRIMES TO PROPERTY

ARSON — First Degree BURNING OF DWELLINGS

Any person who wilfully and maliciously sets fire to or burns or causes to be burned or who aids, counsels, or procures the burning of any dwelling house, whether occupied, unoccupied, or vacant, or any kitchen, shop, barn, stable, or other courthouse that is parcel thereof, or belonging to or adjoining thereto, whether the property of himself or of another, shall be guilty of Arson in the first degree, and upon conviction thereof, be sentenced to the penitentiary for not less than two nor more than twenty years.

ARSON — Second Degree BURNING OF BUILDINGS, ETC. OTHER THAN DWELLINGS

Any person who wilfully and maliciously sets fire to or burns or causes to be burned, or who aids, counsels, or procures the burning of any building or structure of whatsoever class or character, whether the property of himself or of another, not included or described in the pre-

ceding section; shall be guilty of Arson in the second degree, and upon conviction thereof, be sentenced to the penitentiary for not less than one nor more than ten years.

ARSON — Third Degree BURNING OF OTHER PROPERTY

Any person who wilfully and maliciously sets fire to or burns or causes to be burned, or who aids, counsels, or procures the burning of any personal property of whatsoever class or character; (such property being of the value of twenty-five dollars and the property of another person), shall be guilty of Arson in the third degree and upon conviction thereof, be sentenced to the penitentiary for not less than one nor more than three years.

ARSON — Fourth Degree ATTEMPT TO BURN BUILDINGS OR PROPERTY

(a) Any person who wilfully and maliciously attempts to set fire to or attempts to burn or to aid, counsel, or procure the burning of any of the buildings or property mentioned in the foregoing sections, or who commits any act preliminary thereto, or in furtherance thereof, shall be guilty of Arson in the fourth degree and upon conviction thereof, be sentenced to the penitentiary for not less than one nor more than two years or fined not to exceed one thousand dollars.

DEFINITIONS OF AN ATTEMPT TO BURN

(b) The placing or distributing of any flammable, explosive, or combustible material or substance, or any device in any building or property in the foregoing sections in an arrangement or preparation with intent to eventually wilfully and maliciously set fire to or burn same, or to procure the setting fire to or burning of same shall, for the purposes of this act, constitute an attempt to burn such building or property.

BURNING TO DEFRAUD INSURER

Any person who wilfully and with intent to injure or defraud the insurer sets fire to or burns or attempts so to do or who causes to be burned or who aids, counsels, or procures the burning of any building, structure or personal property, of whatsoever class or character, whether the property of himself or of another, which shall at the time be insured by any person, company or corporation against loss or damage by fire, shall be guilty of a felony and upon conviction thereof, be sentenced to the penitentiary for not less than one nor more than five years.

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Treasurer, Manila Electric Company

1941 Average — 15,316,000 KWH.

	1947	1946	
January.....	17,543,000	9,286,000	K
February.....	17,503,000	8,778,000	I
March.....	20,140,000	10,122,000	L
April.....	19,601,000	9,849,000	O
May.....	19,241,000	11,132,000	W
June.....	17,898,000	11,433,000	A
July.....	22,593,000	12,333,000	A
August.....	23,358,000	14,411,000	T
September.....	23,122,000	15,018,000	H
October.....	24,755,000	16,787,000	O
November.....	24,502,000*	15,767,000	U
December.....	25,415,000**	17,984,000	R
TOTAL.....	255,671,000**	152,899,000	S

*Revised

**Partially estimated

A new record output was established in December despite interruptions caused by the typhoon "Jean". The previous daily output record of 890,160 KWH established on November 29 was repeatedly exceed during December, the highest daily output to date being 992,160 KWH on December 24.

December production was 7,431,000 KWH, or 41.3%, over December, 1946. Output for the year 1947 was 102,772,000 KWH, or 67.2%, over the year 1946.

Real Estate

By C. M. HOSKINS

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

REAL-estate transactions during the year 1947 had reached to the end of November P63,545,000 in value, as compared with P41,512,000 for the first 11

months of 1946. This is three and a half times the 1940 figure and six times the 1941 figure for the same period. A large part of the increase is due to the high cost of improved property, how much it is impossible to say.

The facilities in the Public Registry have not as yet made possible a factual analysis and comparison of real-estate prices and trends. However, my own observations, and rather close contact with the real-estate market, have enabled me to formulate the following broad statements on the local real-estate situation:

(a) There has been only a moderate rise in the general level of land-values in the Manila area, over those prevailing in 1941.

(b) In inactive areas, transactions have frequently been at about pre-war asking-prices, or about 10% over pre-war transaction-levels.

(c) In the Quezon Boulevard and Rizal Avenue areas, the retail trade boom caused prices to double over those prevailing before the war. A decided upward trend was already observable even in 1940 and 1941, when Quezon Boulevard was newly opened. Part of the present upward trend is a continuation of this adjustment to that major public improvement in the area.

(d) In the old established high-price sections, such as the Escolta and the financial district and their environs, prices have advanced about 50%, although land-transactions have been few in these areas.

(e) Residential lots in choice districts have advanced 20% to 30%.

(f) Dewey Boulevard and other choice apartment districts have shown increases of about 50%.

(g) Lots in subdivisions within the reach of the multitude are up 50% to 75%. The majority of subdivision sales are on the instalment plan, and instalment prices establish the market values, even for cash sales. The increase in individual purchasing power has enabled the public to meet these increases, while the tripled cost of development expenses requires subdividers to advance prices to the higher levels.

(h) The threefold increase in monetary circulation compared with 1941, has not as yet been the major factor in the increase in land values in the Manila area.

(i) The doubling of the population of the greater Manila area since 1941 (some claim it has tripled) has been the principal factor in establishing higher land-prices. There seems no likelihood of a reduction of population.

(j) There is still an abnormally wide spread between asking-prices and closing-prices.

(k) The public generally has been influenced to accept higher price-levels on land because (a) the extremely high cost of building today has greatly increased the value of improved properties, and uninformed buyers and sellers do not generally distinguish between the increased values of improved and unimproved properties, and (b) there remains a mental attitude caused by three years of thinking in terms of Japanese military currency, which has not been fully corrected.

The above is the picture as I see it today. It is a blurred picture, but gradually becoming more clearly outlined. There is a weakening in the value of improvements, as building costs gradually subside. I see no weakening in land values, nor any signs of an early upward movement in the price levels of land in the Manila area.

Ocean Shipping

By F. M. GISPERT

Secretary, Associated Steamship Lines

TOTAL exports for November were 163,331 tons, which is approximately the same figure as for October, although 90 ships called at the Philippines this month as against 68 during October.

Most commodities retained the same volume as in

previous months, although a considerable increase was noted in the export of lumber and logs and even if the approximate 1,500,000 board feet shipped for the month is only a fraction of pre-war shipments.

Shipments by commodities as compared with October are as follows:—

	October	November
Cigars.....	4 tons	8 tons
Decicated coconut.....	5,490 "	9,185 "
Coconut oil.....	4,006 "	3,632 "
Copra.....	98,427 "	90,219 "
Copra cake.....	5,243 "	6,467 "
Hemp.....	63,550 bales	66,665 bales
Logs and lumber.....	24,696 bft.	1,324,575 bft.
Ores.....	16,018 tons	14,483 tons
Rope.....	245 "	204 "
Tobacco.....	184 "	21 "
Sugar.....	—	—

Air Transportation

By V. A. BRUSSOLO

Vice-President, Philippine Air Lines

AT the time of this writing, the long-awaited and much talked-of turnover of Nichols Field by the United States Government to the Republic of the Philippines is not yet a reality, but the period of planning and organization of the proposed Manila International Airport is over

At a meeting of the Cabinet in Baguio, Col. Jesus Villamor who had heretofore been Acting Administrator by Executive Order No. 100, was appointed Administrator for the Manila International Airport, and work on the charter for this new government-owned corporation has been completed. At the same time, Colonel Villamor announced the key-personnel for the Airport to be the following: R. Zulueta, who was with the Nielson Airport before the outbreak of the war and lately with the Philippine Air Lines, as business manager, and Bartolome Cabangbang, former major in the U.S. 13th Air Force, as operations manager. Rodolfo Paras was enlisted from the ranks of the Philippine CAA to act as airport engineer. Attorney Pedro Reyes of the War Damage Commission will head the new Airport's legal division.

The first important conference with airlines, of local and foreign registry, flying in the Philippines was held recently. At this meeting, the administration of the Airport announced the proposed charges and other fees for aviation activities. These were found acceptable by the airlines, and in comparative conformity with established standards of other world airports. Present at the meeting were delegates from Philippine Air Lines, Commercial Air Lines, Amphibian Airways, Trans-Asiatic Airlines, Pan American Airways, Northwest Airlines, Cathay Pacific, and the China National Aviation Corporation.

A second meeting was held between the airport administration and aviation gasoline companies. The Standard Vacuum Oil Company (SOCONY), the California-Texas Oil Company (CALTEX), and Shell Company of the Philippines, Ltd., were represented. Charges and royalties for gas, oil, grease, and other aviation supplies were announced at this conference and also found acceptable.

Apart from aviation revenues, the M.I.A. expects a sizeable income from non-aviation enterprises. According as these purely commercial activities are developed aggressively, the charges on aeronautical entities will be reduced. It was pointed out that it is the hope and intention of the M.I.A. to profit from the experience of other world airports which have not been able to achieve self-sufficiency from aviation activities alone. To this end, various concessions are being granted at Nichols Field, as for a restaurant and bar, soda fountain and drugstore, employes snackbars, candy- and news-stands, souvenir and curio shops; limousine,

bus, taxi, and garage concessions, travel bureau, traveller's banking offices, radiogram-service branches, barber shops, billets for transients, recreation-centers, etc.

Among the most ambitious projects designed to bring revenues from non-aviation concessions at Nichols Field, are a housing-project for airport and airline personnel, and a modern version of the popular "cockpit" to be run on a jai-alai basis.

Air transportation activities, however, have not been limited to the activities of the Manila International Airport. With all indications pointing to Manila as becoming the hub of air travel in the Orient, airlines and allied enterprises have entered upon a new stage of planning for intensified operations.

Croil Hunter, president of the Northwest Airlines, was a recent visitor in Manila, with Don King, NWA vice-president, and Wm. Stearn, NWA. Future plans include the use of strato-cruisers and direct lines between Manila and Washington. Pan American Airways has applied for permit to conduct domestic operations in Japan. Philippine Air Lines has announced an increase of ₱4,000,000 in capital stock.

Another important visitor to the Philippines was Sir John Baldwin, British Air Marshal, who headed the British delegation, together with the British Minister in the Philippines, H. L. Foulds, and A. J. Moss of the British ministry of civil aviation.

Following a four-week preliminary discussion, the ratification by the Philippines and the United Kingdom of the proposed air-traffic treaty is a practical reality. This pact will grant to each of the governments reciprocal commercial aviation rights. The contracting parties informally sealed their negotiations on December 17 by affixing their signatures to the draft treaty.

Those who initialed the document were Vice-President Quirino, Minister Foulds, Sir John Baldwin, A. J. Moss of the British ministry of civil aviation, and Lucas Madamba, legal adviser to the Philippines foreign affairs office. Among other things, the treaty is presumed to provide for observation of customs regulations, landing field arrangements, signals, and the right of transit among points. Two similar treaties are now being drafted by the Philippine Government with China and Siam, giving a clear index to the importance of Manila's position in international air traffic.

Land Transportation (Bus Lines)

By L. G. JAMES

Vice-President and Manager, A. L. Ammen Transportation Co., Inc.

CONSIDERABLE publicity has already been given to procedure followed by various District Engineers in issuing TPU registration plates to truck operators who have not yet secured authority to operate Public Utility vehicles. This has been done apparently with the knowledge and consent of higher authorities in the Bureau of Public Works. It has been publicly announced by an official of that Bureau that the Government has received substantial revenues from that source.

On behalf of its membership, which considers the competition resulting from this procedure to be unwarranted and illegal, the Philippine Transit Association recently made representation to the Secretary of the Department of Public Works and Communications, protesting against the practice. It appears that District Engineers have been accepting as authority to operate Public Utility Services the mere applications for this filed with the Public Service Commission though not acted upon. The would-be

operator presents a copy of his application, whereupon the so-called "compromise registration" is effected and the truck-owner goes into business.

Regularly authorized operators insist that this form of competition is ruinous to their business. While no complete figures are available, it is estimated that several thousand vehicles are now operating under "compromise registration", hauling passengers and freight within the territories and upon the lines covered by legally authorized operators who are subject to the rules and regulations set forth in their Certificates of Public Convenience. The "wildcat" operator is not subject to any Public Service Commission supervision and pays none of the fees and special taxes on public utilities.

The Philippine Transit Association in its protest called attention to the provisions of the law covering public utilities which specifically delegate to the Public Service Commission the authority to grant operating rights and provide penalties for violations of the law. The Secretary of Public Works and Communications within the past week has instructed District Engineers to discontinue, effective December 31, the "compromise registration" of vehicles intended for public use.

Various legitimate operators have commented on the decision of the Secretary of Public Works and Communications which thus apparently authorizes District Engineers to continue the alleged illegal issuance of TPU plates up to December 31, 1947. Under these circumstances, there will still be large numbers of trucks and busses in illegal operation until February 28, 1948, using 1947 TPU plates.

Pre-war operators of long-established transportation businesses feel that they are entitled to the protection of the laws under which they are taxed, supervised, and regulated. Transportation companies are among the most heavily taxed of all forms of business. They are all seriously affected by the post-war competition which has been authorized by the Public Service Commission.

This competition is, to a certain extent, legitimate in its operation, but the trucks and busses operating under "compromise registration" are essentially non-legitimate and non-regulated. Regular operators hope to secure a modification of the recent order of the Secretary of Public Works and Communications whereby all TPU plates heretofore illegally issued will be confiscated and the operations of the corresponding vehicles stopped.

Gold

By CHAS. A. MITKE

Consulting Mining Engineer

THE Philippines has been called the "cross-roads of the Orient". Peoples from the north, moving southward; peoples from the south, pushing north and east, all have come to, some passed through, these Islands, leaving behind them elements of their varied cultures. Some of the later groups were in their Bronze Age and were familiar with the Central Asian methods of copper mining and smelting.

In the 3rd or 4th century, the Chinese are said first to have come to this archipelago. Many of them were interested in mining, although little is known of their mining efforts. At a much later date — during the 12th or 13th century — they are reported to have carried on a trade with the peoples of the Paracale region for gold.

The Spaniards, in their turn, were indefatigable searchers for precious metals, here and in all the countries they conquered. Immense quantities of gold and silver were shipped to Spain during the height of the Spanish colonial period, and much of Spain's greatness at that time can be attributed to the discovery of metals in the

conquered countries, — in Mexico, Peru, the Philippines, and elsewhere. Legaspi's grandson, Salcedo, was the first Spaniard to find gold in the Philippines, and again it was in Paracale, in 1571.

The Spaniards in their search for minerals penetrated remote sections of the archipelago, and abandoned old Spanish mines are still to be found in areas where it is not considered advisable to prosecute work at the present time. These people gave the name "Minas de Oro", (mines of gold) to the little developed island lying to the southwest of Luzon, and now known as "Mindoro", a corruption of this former name. The Spaniards knew of the Baguio mines, and of mines in other parts of the country. One Queen of Spain, on urgent request, assigned a garrison to Paracale to ward off attacks of Moro pirates, and in return received a gift of a life-size model of a hen and chickens, made of pure gold.

The period of British influence in the Philippines, 1762-1764, was too short and too turbulent to have much effect upon the search for, and development of, mines, although during the period of English mining activity in Mexico, the mint records from 1823 to 1876 show a silver production of \$797,055,080; gold, \$47,327,383; and copper, \$5,227,855; a grand total of \$849,610,318.

While mining was resumed in the Philippines shortly after the Spanish-American war, gold occupied a very modest position in the list of the nation's exports until 1933 when President Roosevelt increased the price of gold from \$20.67 to \$35. There then existed a happy combination of circumstances: (1) the new price for gold; (2) the availability of considerable Spanish and Chinese capital, which could not go home due to civil wars; and (3) the extremely prosperous conditions in the sugar and coconut industries. Money was plentiful. The result was to give an impetus to prospecting, which resulted in the discovery and development of a number of new mines in many part of the Philippines.

For many years previously, the Antamok mine of the Benguet Consolidated Company was practically the only important mining enterprise, but the injection of new capital into the industry, just on the eve of a number of new discoveries, resulted in an increase in production from ₱10,000,000 in 1933, to ₱92,832,911 in 1940, with annual dividends during that year of ₱18,335,215.

The following figures indicate the great progress made by the mining industry during the ten-year period from 1931 to 1940:

1931.....	₱ 7,524,867
1932.....	10,300,167
1933.....	16,190,795
1934.....	23,701,923
1935.....	31,692,620
1936.....	44,402,653
1937.....	51,260,646
1938.....	64,623,205
1939.....	74,131,216
1940.....	78,308,289

During the first five months of 1941, the Philippines exported gold and base metals valued at ₱43,400,000. Taking this as a basis, an estimated annual production, for that year, had the war not intervened, would have been around ₱100,000,000 or more.

In addition to substantial dividends paid to shareholders, the industry contributed millions to the Government in the form of taxes and paid the highest wages in the Philippines. During 1940, a total of 44,276 laborers and employees were directly engaged in mining, with a total payroll of approximately ₱29,000,000.

The average value (gold-content of the ore's) ranged from ₱5.91 a ton for Masbate (₱19.15 for Benguet, ₱26.50 for Treasure Island, ₱27.95 for Big Wedge) to ₱31.88 for Mindanao Mother Lode. The average value of the ore milled by all mines in 1940 increased by 62 centavos, as compared with 1939, — being ₱16.81 for 1940.

No records are available for the period from January, 1942, to February, 1946, which was the period of the Japanese occupation.

The past three years have been spent in rehabilitating the mines, and during 1947 a certain amount of ore and bullion was produced, while a considerable tonnage of base metals, particularly refractory chrome, was shipped. Estimates are that the total value will approximate ₱10,000,000.

Year 1948, however, will show a decided improvement. At least two of the former large operators, Benguet (with its subsidiary, Balatoc), and Lepanto will once more resume production. There will also be a decided increase in the output of the base metals. The total estimate for 1948 is about ₱40,000,000.

I believe that the Philippines has a great future as a producer of both precious and base metals. What is needed is a consistent and intelligent prospecting campaign to bring to light the treasures of the earth which are at present covered by jungle.

Lumber

By E. C. VON KAUFFMANN

President, Philippine Lumber Producers' Association

LUMBERMEN have been granted 20% of their production for export. This now includes sawn lumber in addition to logs and fitches. Only actual producers will be allowed to export. Sawn lumber will only include FAS (First and Seconds) and No. 1 Common and better. Lumber will have to be air-dried sufficiently to be shipped as Dry (shipping dry). Grading as specified shall be in accordance with the grading rules adopted by the National Hardwood Lumber Association of the United States. This permit to export sawn lumber is for 6 months only, and if enough lumber is shipped to Manila within the next 6 months to take care of the local demand and prices remain within the ceilings established, producers will probably have no difficulty in securing a renewal of the permit.

One of the sound reasons given by producers is that the higher prices obtainable for export lumber will aid them in expanding and improving their operations, enabling them to cut better lumber on an increased production, which should more than offset the amount of lumber going out to foreign countries. Actually the United States will probably absorb all the sawn lumber available for export and likely at higher prices than offered by other countries.

Our *lauans* known as "Philippine mahogany" have always enjoyed good acceptance but must compete with other true mahoganies which are higher priced. The differential in price is \$80 to \$100 per thousand board feet. Local producers intending to export sawn lumber are feeling their way around with United States buyers, who are naturally anxious to get the lumber at the lowest price; after some shipments have reached their destination and the quality has been established, it is likely that prices will more or less adjust themselves.

It is now more than 6 years since high-grade Philippine mahogany was last shipped to the United States in the form of sawn lumber, and buyers are naturally cautious, especially if they are buying from new post-war producers. The local market has improved slightly as expected, the average wholesale prices during December for rough lumber paid to the producers being about—

₱220 per M bd. ft. for Red and Tangle

₱210 per M bd. ft. for Apitong

₱200 per M bd. ft. for White Lauan

delivered at buyer's yard.

Copra and Coconut Oil

November 16 December 15, 1947

By MANUEL IGUAL

General Manager, El Dorado Trading Company, Inc.

AND KENNETH B. DAY

President, Philippine Refining Company

OUR last report was written when the copra and coconut-oil markets were in a very excited condition, with a firm tendency but with prices so high that sellers were becoming nervous. Indications were that while markets might advance further, the rise had been too rapid and must be checked before very long. That is exactly what happened.

Copra was selling at \$255 c.i.f. Pacific Coast on November 15. The market remained at about that level for the best part of the week while buyers digested President Truman's speech and his program for curbing inflation. This program was considered less drastic than had been anticipated and buyers again became anxious, with the result that the market was bid up to a high of \$280 by the 1st of December, with rumored confidential sales at \$285 c.i.f. marking an all-time high. Oil buyers also became nervous, fearing restrictive measures which might become effective in the Spring, and refused to buy anything except spot or prompt oil. This in its turn took the edge off the copra market about the time when a heavy December crop was assured, with the usual result that sellers began to offer the market down and buyers promptly withdrew. Very few sales to the United States were made after the first days of December and the market was offered down to \$240 and to as low as \$235 without more than temporary interest being shown on the part of the buyers.

On December 10, however, SCAP came into the market for 10,000 tons of prompt copra for Japan, and bought at an average price of \$258.64 f.o.b. Subsequently, SCAP decided to buy more copra, and on the 15th was in process of buying an additional 9,000 tons at approximately the same level. These purchases served the double purpose of relieving the market of heavy December stocks and of stiffening sellers' ideas, and so at the close of the period the market looked considerably steadier than it had a few days earlier and it closed nominally with sellers at \$250-\$255 c.i.f. Pacific Coast, with no buyers.

Meanwhile, other foreign markets which had been lagging behind in October remained quiet, with only a few sporadic sales reported, chiefly to France at \$255 and \$250 f.o.b. to fill their 1947 allocations. Toward the end of November, however, there was a little more European interest, and some business was done during the last days of November and early December at as high as \$290 f.o.b. About this time, other copra sellers came into the picture. The Netherlands East Indies sold 10,000 tons to Rotterdam; East African copra was sold to various destinations in small quantities; and the Straits decided to sell half of their production from now on outside the United Kingdom, to take advantage of world prices and perhaps accumulate dollar balances. None of these transactions were very important in themselves, but the cumulative effect was to take the edge off in Philippine copra-interest. This reflected itself in transactions at decreasing prices, ranging from \$280 f.o.b. down to \$260, at which price copra was sold on December 15, with further sellers at this price and with buyers reserved.

Locally, copra followed the trends of the market. Starting at ₱50 per 100 kilos on November 15, prices were bid to over ₱57 early in December, which made the Manila copra market the highest priced in the world. With outside copra markets breaking, however, the market commenced to decline and by December 15 local quotations

were between ₱45 and ₱46, with supplies fair but with the prospects of light arrivals in January.

Preliminary figures for copra shipments for November totalled 87,808 tons, of which 73,987 tons were shipped to the United States and the rest to European and other destinations. This brought total shipments for the year up to 867,654 long tons.

As usual, the American coconut-oil market lagged behind copra. At the beginning of the period buyers were willing to pay 21¢ a pound f.o.b. Pacific Coast for futures, with a premium of 2 to 3¢ for spot oil. As copra prices increased, oil advanced to 23¢ a pound for futures for January/February/March with the corresponding spot premiums. About this time it was rumored that chemicals might be rationed next year, including caustic soda, and large soapers immediately retreated for oil except for prompt business, fearing that their soap production might be limited. Only small refiners were interested thereafter. As in April, coconut-oil buyers, instead of buying the market down, withdrew completely and stayed withdrawn. By December 15, nominal quotations were 18¢ to 19¢ f.o.b. per pound for future shipments, but with no buying interest at any figure. It was felt, however, that large buyers are not completely covered for first-quarter requirements of 1948 and may be expected to buy when they think the market has been deflated sufficiently.

Local coconut oil followed the general advance. Starting at a price of ₱0.82 to ₱0.84 per kilo, prices increased to ₱1.00 to ₱1.02 and later sank to ₱0.93 to ₱0.95. Although the demand was brisk for December oil until copra weakened, thereafter the market was nominal with buying interest almost completely dried up.

There was very little expeller-cake traded during the period. Prices eased a little in the beginning, but improved slightly at the end to a figure of around \$77 per long ton f.o.b. European buyers were having difficulty in finding dollars with which to buy cake, but hoped for better things next year. The situation was aggravated by a sale of 100,000 tons of linseed- and peanut-cake by the Argentines to Europe, which satisfied much of the demand.

During the month, outside markets alternately sagged and reacted. Perhaps the most significant item was tallow, with which the price of coconut oil is closely allied. Starting at 23¢ per pound, tallow rose to a high of 27¢ but weakened rapidly toward the end of the period to a low of 21¢. This decline may be significant in figuring copra prospects.

Of local interest is the announcement that the import duty on coconut oil into the United States will be reduced from 2¢ per pound to 1¢ on January 1. Philippine coconut oil enters the United States duty-free and is not affected, but there is a possibility that foreign coconut oil, particularly that produced in sterling-bloc areas, may be able at times to hurdle this 1¢ duty. There being no excise-tax preferential at the moment, this is something to watch.

The Philippine Government, through the Bureau of Commerce, is proposing the establishment of fixed classifications of copra under government control, with the intention of offsetting the criticisms recently leveled at Philippine copra and of improving the general quality of copra. This plan has been proposed before, but has never met with success. Undoubtedly, there are definite ills to be remedied, but the functioning of a classification plan such as proposed is dependent on its simplicity, inflexibility, and efficient administration. Such a plan will require a great deal of thought, time, and work before it can be successfully applied under present conditions.

At the close of the period, the market looked stagnant. The prospects were that there would not be much business before the New Year, first because of the holidays, and second, because the situation in Washington is such that merchants cannot foresee what is going to happen.

It is expected, however, that after January 1, the situation may be a little clearer. Meanwhile it was expected that buyers, especially those in the United States, will mark time. Whether the New Year will bring better prices or lower prices or whether the market will stabilize itself at any reasonable level, was anybody's guess. Opinions differ radically. One thing appears certain, however, and that is that Philippine copra exports for 1947 have hit a high-point which will not be duplicated in 1948 and perhaps for several years thereafter.

Desiccated Coconut

By HOWARD R. HICK

President and General Manager

Peter Paul Philippine Corporation

THIS report covers the calendar month of November 1947. During this period, copra prices and equivalent nut prices reached the highest point in history, and toward the end of the period, nuts could not be purchased for equivalent copra prices; sellers were holding, requesting premiums over copra values. This was the first time since the war that sellers took such a stand and is a mark of the degree of competition existing today in the raw-material market.

This month has shown a marked increase competitively, as all present producers worked near the 100% capacity and new producers broke ground or hastened the erection of new factories. Red V Coconut Products, Inc., a British-controlled firm, broke ground in Mindanao for the purpose of erecting a second factory. Their plans include the use of the most modern and most efficient equipment available and their future production capacity will be larger than their pre-war production.

Mr. W. H. Stoford, formerly Provincial Manager for Franklin Baker Company and now General Manager for Red V Coconut Company, recently returned from London to take over his new duties.

It is reported that several newcomers are entering the field. A company is being formed and some machinery is being installed at Pagsanjan, Laguna. Also, another factory is being erected in Lopez, Quezon province, and a second one in Gumaca, Quezon. This marks the development of a new producing area and a trend to minimize the concentration of factories in one large district.

SHIPPING STATISTICS OF MANUFACTURERS OF DESICCATED COCONUT FOR THE MONTH OF NOVEMBER, 1947

Blue Bar Coconut Products Co.	1,632,800
Canlubang Sugar Estate	Shipped by Franklin Baker Co.
Cooperative Coconut Products	205,000
Franklin Baker Company	3,514,780*
Marsman and Company, Inc.	155,100
Peter Paul Philippine Corp.	1,680,000
Philippine Desiccated Co.	Shipped by Blue Bar Co.
Red V Coconut Products	1,212,500
Sun-Ripe Coconut Products	935,000
United Coconut Products, Inc.	235,200

*See Pablo production..... 28,582 bags 2,673,780 lbs.
Canlubang production..... 8,410 " 841,000 lbs.

Sugar

By G. G. GORDON

Secretary-Treasurer, Philippine Sugar Association

At a recent conference between sugar shippers and representatives of the Associated Steamship Lines, it was agreed that the sugar freight rate to Atlantic Ports be established for a period of six months at \$18 per long ton, net weight delivered.

Following a public hearing held on October 20, 1947, the War Damage Commission has issued the following ruling:

1. Claims for milled sugar should be filed by the owner of the sugar whether it be the central, planter, or a third party.

2. Claims for sugarcane, whether standing or cut, will be recognized only when filed by the planter who held the sugar marketing allotment in connection with that cane.

3. The value of milled sugar for the purpose of payment of war damage claims shall be fixed at the average of the 1939-1940 ex-bodega Manila prices.

4. The value of sugarcane at the time of loss shall be established in each case on the basis of evidence submitted by the claimant or otherwise obtained by the Commission.

The members of the Executive Committee of the Philippine Sugar Association were the luncheon guests of Mr. Jose G. Sanvictores at the Canlubang Sugar Estate on Sunday, December 14, 1947. Advantage was taken of the opportunity to observe the various experiments being conducted at Canlubang.

On the invitation of President Roxas, a delegation of sugar planter and millers conferred with him in Baguio on December 5, 1947. Among matters discussed were the means by which the Government could assist in the rehabilitation of the sugar industry, the Government's desire to keep the price of domestic sugar at a reasonable level, and the possibility of selling export sugar from the 1947-48 crop to the U. S. Army.

Following this conference, Philippine Sugar Order No. 4 was issued, raising the quota for local-consumption sugar to 150,000 short tons and ordering the release of 50% of all sugar milled to the local market as from December 1, 1947. This has resulted in a drastic decline in the wholesale price of local-consumption sugar, and sugar is now being sold much nearer pre-war value than any other food-commodity locally produced.

Following the conference in Baguio, Philippine sugar producers negotiated with a representative of the U. S. Army for the sale of a large proportion of the 1947-48 export sugar on the basis that all sugar covered by this transaction would be recognized by the United States Government as having been delivered against the Philippine export quota, and that such a transaction would in no way prejudice the quota rights in the United States market of Philippine sugar. These negotiations are still in abeyance, pending further advices from U. S. Army authorities.

Quotations on the New York Sugar Exchange for the period from the second half of November to the first half of December ranged as follows:

	High	Low	Close	Sales
May, 1948	5.46	5.20	5.45	57,300 tons
July, 1948	5.49	5.20	5.47	28,950 "
September, 1948	5.50	5.21	5.48	12,100 "
December, 1948	5.38	5.18	5.49	6,300 "
March, 1949	5.20	5.00	5.20	4,300 "
TOTAL SALES				103,250 tons

Manila Hemp

By MURRAY COOK

International Harvester Company of the Philippines

November, 1947

STARTING with a firm opening, the market for Manila hemp during the first week of November remained steady. Davao opened at P51 per picul for "J1", with exporters content to purchase at this price any hemp offered by dealers.

Offerings in the New York market on the basis of DA/F at 25-1/4¢, DA/I at 24¢, DA/J1 at 23-1/2¢ were ignored by United States buyers. During the middle of the second week, buyers appeared at these prices, and New York sellers quickly raised their ideas of price. This was promptly reflected in Davao and exporters advanced their price of DA/J1 to P52. Buyers in the United States continued to follow the market, creating a firm situation in Davao. By November 25, sales were made in New York,

basis DA/I at 26-1/4¢, DA/J1 at 25-1/4¢, and DA/G at 23-3/8¢. The local market continued to advance due to keen competition among exporters, and prices advanced rapidly to DA/J1 at P56 per picul, establishing a record price for Davao hemp. The rest of the period witnessed a firm market, which closed at the following prices in Davao: F—P62, G—P54, H—P41, I—P61, J1—P58, S2—P58, S3—P50, J2—P50. Sellers in New York were offering at the same time on the basis of Davao: F—26-7/8¢, G—24¢, I—26-1/2¢, J1—25-1/2¢, S2—25-1/2¢, and S3—22-1/2¢.

The market closed on a very firm note.

In the non-Davao areas, the better grades of hemp continued in small supply; low grades dominated the area. These continued in poor demand; and contrary to Davao grades, the non-Davao grades were extremely quiet as a result. Starting out nominally at P40 per picul for J1 loose, the market moved slowly upward to a price of P41.50, where it closed on a quiet note. Sellers at the close were offering J1 at 20-1/2¢ in New York, and J2 at 15-1/4¢, K at 14-3/4¢, but met with little success.

The firmness of the market during November was somewhat justified by statistics of the Fiber Inspection Service. Production for the entire Philippines was only 52,741 bales—a slump of about 20,000 bales from the October production. This brought the pressings for 1947 to 731,501 bales. Not much improvement is expected during December, and it now appears that the total will not exceed 800,000 bales.

Davao accounted for only 21,966 bales of the November production—the lowest of any month this year. The Bicol region of the non-Davao area showed also a drop of about 10,000 bales from October production. Three rather bad typhoons swept through these provinces during November, which greatly handicapped the stripping of fiber. The end of November still found the planters salvaging fallen coconuts and a badly flattened rice-crop, which makes the production prospects of hemp in this region for December rather discouraging.

Chemical Products

By PAUL F. ARNAULT

Philippine American Drug Company

IN the field of chemicals, a rapid backward glance to the business conditions which have prevailed here since the war permits the following summary:

By the end of 1945, at the time when United States price-control was still strict, production was maintained in high gear, and the world-demand for chemicals was not yet so evident, importers in the Philippines knew a brief fortunate period when things were obtainable and at prices which resembled those of 1941.

In the course of 1946, first due to strikes, then to the lifting of price-control, a number of shortages became more acute and prices began to rise.

During 1947, prices advanced further, and by the middle of the year a tendency was observed for the removal of a number of the remaining price-controls. At the same time, increase of production brought in an improvement in deliveries. However, during the latter part of the year, due to the world political situation, a greater number of shortages developed.

It would be wrong to conclude from the general impression that the situation in the Philippine market in chemicals, is a simple one: a situation where demand is invariably in excess of supply!

Considered from the viewpoint of experienced importers and dealers in chemicals, the local market situation is often paradoxical. For example, instances have been numerous in the course of 1947 when the market has given signs of over-supply or has registered deteriorating local

quotations on commodities considered as short in other markets of the world.

Several reasons may be given in explanation of this. In the first place, it must be remembered that the Philippine market is still a small market, especially for industrial chemicals, hence it is extremely susceptible to any over-abundance, even momentary. Also, in the field of chemicals, as in that of consumer-goods, the fact appears that in this post-war era many people in the Philippines have eagerly striven to become importers, thus introducing an element of speculation and poorly considered ordering.

Another factor making for a sluggish market in a number of industrial chemicals, is that the recovery of local manufacturing industries has unfortunately been delayed in some cases or even defeated. To name only a few of the untoward conditions, one may mention the difficulty of obtaining machinery and certain key-materials; the delay in war-damage compensation; the high cost of skilled labor. One must recognize, too, that the establishment of a sound economy is a slow process in all countries which, in this war, have suffered both invasion and inflation.

It would be much beyond the scope of this brief article to make any kind of technical analysis of the import, consumption, and price of chemicals in the Philippines. A summary of the local trends, in connection with the main categories of chemicals must suffice:

Pharmaceutical chemicals. The supply on the Philippine market is generally adequate and prices present, on the whole, a satisfactory steadiness.

Laboratory chemicals, organic chemicals, dyes. No improvement has been registered in 1947 as regards deliveries from the United States, and prices are definitely on the up-trend.

Fertilizers. Hardly any progress has been made toward a sufficient supply for this market due to world-shortages and restrictions on exports by the manufacturing countries.

Chemicals used in the food industry. Restricted exports characterize the sale of chemicals obtainable from America. However, these restrictions will not be too severely felt in the Philippines as long as, against the imports of finished products, a larger Philippine production of manufactured foodstuffs does not start. The sugar industry is fortunately not hampered by any particular shortage in chemicals, except, of course, in fertilizers. The vegetable-tard industry is, on the contrary, placed in a difficult situation due to the shortage of other vegetable fats than coconut oil which are necessary in the manufacture.

Industrial chemicals. Many shortages persist in supplies from abroad, but the picture of local stocks and conditions is extremely changeable, as we have already mentioned, due to some inconsidered imports and the rather sporadic consumption, directly bound to the state of local industry, whether in mining, textile, rubber, and soap manufacture, canneries, or any other.

If chemicals are imported in reasonable quantities, and if the rehabilitation and development of Philippine industry improves in the near future, then business here, as far as chemicals are concerned, should rest on a sounder foundation.

Textiles

By JAMES TRAYNOR

THE arrivals of textiles from the United States during the month of November were estimated to be about 30% higher than the arrivals during October. The arrivals from Shanghai during November were about the same as October. There were no arrivals reported from Japan during the month of November.

The large arrivals caused a softening in local prices and while sales volume was generally satisfactory, prices were in some cases below replacement. Some importers with connections in nearby countries wanted to re-export at prices higher than obtainable locally, but were not successful in obtaining export licenses.

The New York market continued firm and in many cases rises were noted.

New bookings for the month were well below those of October.

Automobiles and Trucks

By G. E. SHINGLEDECKER

Assistant Manager, Ford Motor Company,
Manila Branch

AUTOMOTIVE production in the United States for the first two weeks of November, 1947, averaged over 102,000 passenger cars and trucks. If this production rate continues through the end of 1947, the industry as a whole will have produced 5,000,000 new units. If the 5,000,000 mark is reached this year, it will be the fifth time in the history of the industry and the first since 1941.

Steel-shortages continue to slow all manufacturers' operations and vital parts are now transported by air express in order to prevent the stopping of assembly lines.

With the increased cost of production due to shortages of material, and increased labor and distribution costs, the industry at this time cannot foresee any decrease in retail prices.

The "Big Three" (Ford, General Motors, and Chrysler) are expected to announce several post-war models during the late spring and summer of 1948. Most of the new models will feature streamlined, pontoon-sided bodies, with maximum interior room.

The industry as a whole is pointed to greater production in 1948, and if the steel situation improves, as it is hoped, total production should be in excess of 5,500,000 units for the next year.

Legislation, Executive Orders, and Court Decisions

By ROBERT JANDA

Ross, Selph, Carrascoso & Janda

THE Congress of the Philippines will go into session during January of next year and already there are indications of certain legislative trends. According to newspaper reports, the President announced from Baguio the intention of the Administration to introduce legislation substantially raising tax-rates and, particularly sales-tax rates on so-called "luxury" goods. It appears from the statement that the Administration would adopt the tax program outlined in the report of the Joint Philippine American Finance Commission. While the greatly increased rates are of vital interest to the business community, of even greater importance are the indications that the Administration was adopting a tax program designed for economic rather than revenue purposes.

There have been reports that legislation proposing much-needed changes in the Securities Act, the Corporation Law, and the Mining Law, would be introduced in the coming session of Congress.

In the cases of Henares v. Cordova and Ma-ao Sugar Central Co. Inc. v. Barrios, the Supreme Court held that the debt moratorium proclaimed in Executive Order No. 25, as amended by Executive Order No. 32, did not have the effect of divesting the courts of jurisdiction to try and to hear claims covered by the orders. The moratorium conferred a personal right upon the debtors which

the debtors could waive. However, the Court held that if the defense of the moratorium is raised by the debtor, the effect of such defense is not merely to suspend execution of a judgment which might be recovered but to completely bar action on the obligation; the Court held that when this defense is raised the trial court must dismiss the case.

In the case of Tiacho v. Tan Si Kok et al., the Supreme Court held that Emergency Civilian Administration Order No. 12, prohibiting the increase of the rental of houses and buildings in the City of Greater Manila to more than 25% over the rental prevailing as of the last semester of the year 1941, conferred a right upon the lessee which he could waive. The Court held that the finding of the trial court,—that the rental agreed upon between the parties was reasonable, which was sustained by the Court of Appeals, could no longer be passed upon by the Supreme Court, and that since the parties had agreed upon the same, the fact that it was in excess of the rental allowed by Order No. 12 did not invalidate the agreement. Mr. Justice Perfecto, in a concurring opinion, stated that in his opinion Order No. 12 is unconstitutional and void.

During the past two months, the Director of the Bureau of Commerce has been circulating the Manila representatives of foreign steamship-lines advising them that foreign lines owning vessels calling at Manila ports were engaged in business in the Philippines and must register in accordance with Section 69 of the Corporation Law. Several of the lines have referred the matter to their diplomatic representatives for discussion with the Philippine Government, contending that international law and usage sanctions the allowance of free access to the ports of a country by vessels registered under the laws of a friendly nation subject only to customs, revenue, and police regulations, and that the requirement being imposed by the Director of Commerce is contrary to such international law and usage. The matter is still pending between the various governments concerned. It is understood that the Office of the American Ambassador has referred the question to Washington for instructions.

The President, by Executive Order No. 105, authorized the acting airport administrator at Nichols Field, to sign all contracts of lease involving real properties within the airport on behalf of the Philippine Government.

Executive Order No. 106 extended until February 28, 1948, the period within which treasury certificates without the official seal of the Republic stamped, printed, or superimposed thereon may be circulated.

Executive Order No. 107 prohibits advance payments on government contracts for services or supplies.

Executive Order No. 112 permits the export of sawn lumber on the same terms as the export of logs is now permitted.

Other Chambers of Commerce

Chamber of Commerce of the Philippines

AFTER listening to the speech of Ambassador Emmet O'Neal of the United States of America, delivered at the luncheon tendered in his honor by the Chamber of Commerce of the Philippines, the members who crowded the elegant Champagne Room of the Manila Hotel, where the gathering was held on November 4, 1947, felt a close attachment to him and to the American Embassy. Whoever is privileged to meet Ambassador O'Neal is instantly attracted to him, because of his simple and unassuming manners and the depth of his cordiality and understanding. Devoid of any vestige of arrogance, his personality, radiating sympathy, has endeared him to the Filipinos since his assumption of the important post of American Ambassador.

Closing his speech, couched in simple language, with an invitation to come to see him as "the Ambassador will be glad at all times to see each and everyone of you", he said that he was sent here—

"of course, to represent my country and its best interest. But I was also charged with the duty of doing all I can to promote the best interests of the Philippines. I am happy to have that as a part of my duty, for like other Americans, I cannot feel, though I know you are, that you are a foreign country. We were a long time together, we were comrades-in-arms, and we put everything we had into the fight that we might be free. With all that in mind you can understand why I, as Ambassador, and the American Embassy are ever ready to serve you."

President Gil Puyat responded, thanking Ambassador O'Neal and stating that, availing themselves of his invitation, groups from the Chamber would from time to time call on him at the Embassy to present some of the problems confronting the Philippines which may be solved with the aid or sympathy of the United States.

Before the war, specific economic problems, affecting the conduct and development of business, called for concerted action by the business community, particularly after the establishment of the Commonwealth. At the initiative of the Chamber of Commerce of the Philippines, a Joint Committee of Chambers of Commerce, integrated by their Presidents and Vice-Presidents, was organized. Meetings were frequently held, either on the premises of our Chamber, on Magallanes Drive, or at the offices of the American Chamber in the old Heacock Building. In addition to these two Chambers, the Chinese, the Spanish, the British (Manila), the Japanese, and the German Chambers of Commerce held memberships in the Joint Committee. Many joint representations were made and some of them resulted in positive accomplishments.

War came, and with the paralyzation of our economic life, Chambers of Commerce were closed.

After liberation, President Sergio Osmeña called a conference of the Chambers of Commerce, following which mea-

sures were taken toward our rehabilitation. When Mayor Valeriano Fugoso called on the Chambers of Commerce for assistance in starting a fund for the families of members of the City Police force killed in line of duty, the American, Chinese, Spanish, and Manila Chambers and this Chamber of Commerce donated the initial funds. Later, the movement was taken over by the community in general, spearheaded by the ex-Police Chief, Col. Angel M. Tuason, and ample funds are now assured.

Recently, on the 18th of November, in the Champagne Room of the Manila Hotel, the American Chamber of Commerce, upon the initiative of President F. H. Stevens, the "simpatico" oldtimer, played host to the Chamber of Commerce of the Philippines. It was a get-together between the officers and directors of the ACC and those of the CCP. Both Presidents Stevens and Puyat pledged mutual close cooperation in matters of common objective. Already, concerted action was agreed upon to petition for the lifting of the Moratorium, and most likely before this issue of the *Journal* comes out, it will have been forwarded.

A friendly voice was heard on Capitol Hill, when Representative Fred Crawford (R. Michigan) delivered a short speech in Congress urging that an "extremely sympathetic view" be taken of efforts to help rehabilitate the Philippines. Enlarging on his thoughts in a statement to the United Press, Representative Crawford said the United States has "a moral obligation to get the Philippines back in operating condition." Asserting that though "we need all the Philippines can produce and need it badly", despite more than two years since V-J day "we have not yet seen fit to put the Islands back to business." This attitude is "awfully cheap" when "we apparently are so willing to get rid of \$20,000,000,000 for Europe".

**HAPPY
NEW
YEAR**

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MANILA ELECTRIC COMPANY

134 San Marcelino, Manila

REDDY KILOWATT
Your Electric Servant

Commenting on the limitations of our shipments to the United States of hemp and copra, Representative Crawford suggested that "perhaps the United States has been too negligent in making war-damage payments to the Islands." He emphasized that the Filipinos are not begging, and stated that the United States has "a specific obligation" to the Philippines entirely dissociated from the over-all Far Eastern problem, adding that "we had a moral obligation to the Philippines far before we had anything to do with China and Japan."

George C. Dankwerth, former old-timer here, and now an investment-broker in San Francisco, who recently returned from a three-months business trip to the Philippines, spoke of his disappointment with the delay in the rehabilitation of Manila and the Philippines. "It seems to me", he said, "that we are treating our former enemies, the Japanese, better than we are treating the Filipinos." Criticizing the \$500 limitation on individual war-damage payments, he said, "that little amount won't bring adequate employment and won't even start to rebuild industry."

It is comforting to know that we, the Filipinos, have good friends in the United States such as Representative Crawford and Mr. Dankwerth, and this Department records their heart-warming views on the Philippines and its problems with extreme satisfaction.

On November 22, 1946, President Puyat was received by Chairman Commissioner Waring and Commissioner Delgado of the War Damage Commission at its Office, then located in the Aguinaldo Building, in the presence of other key-men of the Commission. One of the points made by Mr. Puyat was that the basis for payment of damages should be in proportion to the amount submitted as damages incurred. If the purpose is to rehabilitate the economic life of the country, claims filed for damages should be classified, and the money available for payment should be distributed proportionately among the different groups. Chairman Waring expressed himself as fully in favor of the proposal, but he, as well as Commissioner Delgado and members of his staff, were one in the opinion that the law does not permit the adoption of this suggestion of Mr. Puyat. However he said that if Congress decided later on to increase the amount of money for payment of war damages, that would open an avenue. Commissioner Delgado stated that the members of the Commission had already discussed this plan among themselves, but had been unable to find a way. He said that it might be possible to amend the law after the Commission had ascertained the facts and placed them before Congress.

After more than a year of operation, the members of the Commission know the facts, and it is hoped that they will press for an increased appropriation to assure that war-damage payments will actually help in the reconstruction and economic rehabilitation of the war-torn Philippines.

PEDRO J. OCAMPO, *Secretary.*

Philippine Chinese General Chamber of Commerce

IN retrospect, the Chinese businessman may look back on the year 1947 glad not only because he has survived it, but also because he has shared with his fellow businessman, be he Filipino, American, Indian, or any other, the benefits as well as the reverses brought about by the prosperity and the depressions which characterized the past twelve months. For although business was not actually at its best at one time or at its worst at another, the ups and the downs were noticeable enough to be graphically presented. Yet no serious consequences followed the "poor" business during some months of 1947.

Judged from the analysis made of the businesses in which most members of the Chinese Chamber of Commerce have

been engaged, the trends as reviewed in accordance with the different items of business they handled, to wit:

Textiles: From January to March, the business was generally fair. A big slump occurred in April and May, particularly during the latter, and most importers lost money. In June and July, the textile business picked up a bit; in August, September and October, the market greatly improved. As generally in the past, the months of November and December were quite all right. All in all, the volume of the 1947 textile trade was six to seven times that of any pre-war year.

Hardware: Contrary to general belief, the hardware business was not the best business, although a few items, especially galvanized iron, gave considerable profit. The first half of the year was very good, but the market weakened due to shortage of supply. The United States was the only source of galvanized-iron sheets, although stocks came later from Belgium.

Groceries and Canned Goods: Business was at its worst from January to April, due to oversupply of imports and the Army surplus. During the following two months, these commodities began to pick up until at the end of the year they were in brisk trading. Philippine consumption was about thrice that of any pre-war year.

Tobacco and Cigarettes: The first half of the year business was good, but the second half was not profitable to dealers and operators. Expenses were just recovered as manufacturers broke even. Locally manufactured cigarettes found no market, while the business in imported cigarettes ran to about twenty times the pre-war volume. Importers of American cigarettes had fairly good business throughout the year.

Lumber: During the early part of the year, business was good, due to active reconstruction. When the Government assumed control of prices during July, August, and September, there was a slump, and the retailers (not the concessionaires) had only a very small margin of profit. Although trade was active, the lumber dealers made no profit in December.

Glassware and Chinaware: Good during the early part of year, but from May to October, the business was very slow. Recovery was made in November and December as the volume of buying increased with the approach of the holidays. The volume of trade was five times that of any pre-war year.

Bakeries: Good from January to middle of the year. The increase in prices of flour from Canada and the United States beginning in June, and the government specifications on the weight of bread made bakeries struggle to merely remain in business. Brisk trading before the holiday season relieved the bakeries a bit.

Restaurants: Business during the first half of the year was fair, but during the last six months it was so bad some of them went out of business.

Chucheries: From January to the middle of the year, business was rather stable and then gradually increased until it reached its peak in November and December.

YANG SEPENG, *Executive Secretary.*

Spanish Chamber of Commerce of the Philippines

AMONG our activities during November and December, there was, in the first place, the definitive reorganization of our *Camara* under the laws of the Philippines.

A legislative mandate after the war required this, and on November 28 our Corporation was newly registered under the name of "*Camara Oficial Española de Comercio de Filipinas.*"

Our Chamber was maintained during the war under great difficulties, but also with great integrity on the part of those who were acting during those painful times.

At the time of the liberation our Camara was presided over by Don Antonio Porta, of Porta Pueo & Company, who died recently in Spain. This sorrowful event was registered at the last meeting with the affection which Mr. Porta deserved; to him we pay the tribute of these lines.

We think it is desirable also to acknowledge here our gratitude of the protection and support we have received from the Spanish Representatives in the Philippines during these years after the war when we have been struggling back to normalcy. We can not but express our appreciation of the patronage of such detached personalities. The experience has been a tonic to our spirit. We wish to extend our full cooperation toward the renewed development of the commercial relations between the Philippines and the old metropolis.

To conclude these lines, we may say with complacency that we reached the end of the year 1947 with a number of new members who have recognized the advantages of the contacts this membership affords them in rebuilding Hispano-Philippine trade relations.

J. M. ROSALES, *Secretario.*

Philippine Safety Council

FRANK S. TENNY

Director, Philippine Safety Council

THE Philippine Safety Council will become a non-stock, public service corporation during this month. Elected Board President was Benito F. Legarda; Vice President and Treasurer, Louis P. Croft; Executive Director

and Secretary, Frank S. Tenny. Board members are Solicitor-General Manuel Lim and Manila Railroad Manager Sergio Bayan. Other directors may be V. A. Brussole and Primo Villar.

The Board authorized Major Tenny to continue the company safety programs which are in progress in several local organizations for six months into 1948. These companies as of this month are Manila Electric Company, Elizalde and Company, San Miguel Brewery, and Ang Tibay. Including subsidiaries, this makes a total of 16 safety programs in operation.

Having concluded its instruction of the Rizal City Police Department, the PSC moves on to teach the men of the new Customs Patrol Service, under Col. Terry Adevos. Police-safety-traffic matters will comprise the course.

The Safety Council this month begins a new emphasis on fire-prevention activity. This is being incorporated into the safety programs, the publicity, and all plans. Cooperating are the Manila Fire Department, the PHILRYCOM Fire Marshal, Liberty Motors, Erlanger-Galinger, and Universal Trading Corporation.

Complete joint civilian-military safety plans for 1948 were formulated at a meeting last month under PSC auspices. Safety Directors of PHILRYCOM, COMNAVFIL, HPA, and 13th AF took part.

The new driver and vehicle tests now going on at the Motor Vehicle Office under Chief Primo Villar are PSC inspired. A better driver and a safer vehicle should result. This program will be gradually enlarged this year, both in scope and geographically. In some cases new legislation is needed.



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THE ASSURANCE OF GOODWILL ON THE ROAD

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**STANDARD-VACUUM OIL COMPANY
PHILIPPINES**

Philippine Government Corporations

From an Official Source

DEC. 14—Mr. Jack Rapoport of Standard Products, Inc., aided by the staff of the National Development Company, gives a demonstration in the NDC compound of how a substitute milk may be produced from a mixture of skim-milk powder and refined coconut oil and water, processed by a special machine, for a price of around 12 centavos a pint. Chocolate, sugar, and vitamins may be added to make the product more nutritious.*

Dec. 23 — President Roxas informs the Cabinet that the Enterprises Council, which will be the ruling body of the different government enterprises, should be organized immediately and asks that an appropriate executive order be drafted. He also inquired after the plans on the Institute of Science soon to be organized.

The Cabinet at the President's request, approves turning over from the Sweepstakes Funds, ₱2,000,000 to the People's Homesite and Housing Corporation for the construction of houses for low-salaried government employees.

H. G. Henares, Assistant Manager and Executive Officer of the Agricultural Machinery and Equipment Corporation, has reported that the Corporation has earned a net profit of ₱918,631.82 from its activities which includes the sale of tractors and agricultural implements, the manufacture and sale of plows, the operation of repair shops, and the raising of crops. Sales during the fiscal year 1946-47, ending with the third quarter of 1947, amounted to ₱13,237,498.78. The Corporation paid a total of ₱2,392,461.85 to the Surplus Property Commission for tractors and implements bought up to November 30. Its paid ₱508,453.73 in percentage taxes.

Dec. 27 — Executive Order No. 114 is released requiring that all contracts for repair or construction work costing ₱3,000 or more, entered into by government corporations, with certain exceptions are to be submitted to public bidding and awarded "to the lowest responsible bidder".

Dec. 27 — President Roxas instructs Director General I. Coscolluela of PRATRA to assume control over sugar prices, brown sugar to be sold at 35¢ a kilo, washed sugar at 45¢, and refined sugar at 55¢, and instructs Mayor Fugoso and Chief of Police de la Fuente to close stores that sell at higher prices and prefer charges against the vendors.

The President instructs the Director General of PRATRA to commandeer all roofing materials and to take control of the prices of all building materials in order to avoid profiteering after the destruction caused by typhoon "Jean". He also instructs him to release certain quantities of rice to the Red Cross for distribution to typhoon victims in Manila, Tayabas, and Laguna.

Dec. 30 — The President appoints Filemon C. Rodriguez as Manager of the National Power Corporation, Filemon M. Zablán as Assistant Manager and Chief Engineer, and Casimiro Pagsanghan as Secretary-treasurer.

The Cabinet creates the Government Enterprises Council which is to direct all government corporations; the members will be composed of the chairmen of the various boards of directors and the managing heads of the corporations; the President of the Philippines will be Chairman and the Secretary of Commerce and Industry Vice-Chairman.

Office of the President

(Continued from page 11)

mally organized to coordinate the nursing service in the different bureaus and offices of the Government. Mrs. Genara S. M. de Guzman is the Chief.

Dec. 23 — The Cabinet approves setting aside an additional ₱100,000 from the Sweepstakes Funds for the purchase of athletic equipment for the public schools; a previous appropriation was for ₱50,000.

Dec. 24 — The President signs 26 absolute pardons and 13 "special" absolute pardons, and 45 conditional pardons.

Dec. 26 — The President orders all relief and welfare agencies to be on the alert, following a typhoon the center of which passed over Manila about 8 o'clock in the morning and which did extensive damage.

Dec. 27 — Announced that President Roxas has accepted the resignation of Mayor Valeriano Fugoso to take effect January 1, 1948, and has appointed Chief of Police Manuel de la Fuente to succeed him.

The President being informed by the Mayor and the Chief of Police of Manila that many "barong-barongs" (temporary building structures) have been destroyed by the typhoon, instructs the two officials to inform their owners that if they wish to rebuild, they must build on government lots which will be set aside for them. He also instructs them to start immediately the construction of permanent market buildings with second floors, as planned, which will be used to house vendors who have been using the streets.

Announced that the Philippine Naval Patrol, of the Armed Forces of the Philippines, has been deputized by the Bureau of Customs for the enforcement of the Customs Laws. Captain Jose V. Andrada, Commander of the Patrol, issues a warning declaring that vessels ordered to stop must hoist the International Flag *King* and signal similarly with the searchlight, and if at night, by blinker or searchlight, and stop engines and lie to. If order to stop is not heeded, the Patrol vessel will first fire twice across the bow, then "shall be constrained to fire at the vessel to forcefully stop her".

Dec. 29 — The Cabinet approves the appointment of Vicente Orosa as Under-Secretary of Public Works vice Sergio Bayan who has been elected by the Board of Directors of the Manila Railroad Company as permanent Manager after his release by the Department of Public Works.

The Cabinet also approves the appointments of Dr. Regino Ylanan as National Physical Director, and Cirio H. Panganiban as interim Director of the Institute of National Language.

Announced that the Agrarian Commission will be dissolved at the end of this year.

Dec. 30 — At a conference between the President and the University of the Philippines Council, the President asking whether the members favor the transfer of the University to Quezon City, the reply is in the affirmative. The U. S. Army lease of the University site there will terminate December 31, 1948.

Announced that Dagupan City will be formally inaugurated on January 1, 1948.

Dec. 31 — The President issues Proclamation No. 48 calling upon all young men, citizens of the Philippines, who will attain the age of 20 years during the calendar year 1948 to register for military service.

The President announces that he will submit the Report of the Joint Philippine-American Finance Commission and the Beyster Report to the National Economic Council, composed of the members of the Cabinet and a number of others, under the chairmanship of the Vice-President, to coordinate the Government's economic policies.

* Apropos of "luxuries," a "specific" tax of 25 centavos per kilo is collected on skimmed milk imports! (Republic Act No. 56)

COST OF LIVING INDEX OF A WAGE EARNER'S FAMILY IN MANILA BY MONTH, 1945 TO MAY, 1947

Prepared by the Bureau of the Census and Statistics
1941=100

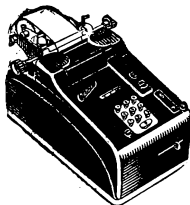
	All Items	Food (59.15) ²	House Rent (8.43) ²	Clothing (0.62) ²	Fuel, Light and Water (13.94) ²	Miscellaneous (17.86) ²
March.....1945	559.8	635.5	236.4	1695.2	237.1	674.4
April.....	598.8	702.1	236.4	1611.9	254.3	661.4
May.....	689.7	799.4	236.4	2041.5	380.7	734.8
June.....	745.8	872.7	236.4	1860.8	410.8	788.7
July.....	751.5	886.9	236.4	1664.2	393.4	794.1
August.....	724.7	848.5	236.4	1484.5	397.6	774.3
September.....	708.4	852.4	236.4	1034.0	367.7	709.1
October.....	735.3	937.8	236.4	1045.1	466.1	499.5
November.....	747.8	955.8	236.4	1017.0	480.2	499.9
December.....	669.4	852.7	236.4	1030.3	401.9	463.0
January.....1946	603.4	759.2	236.4	984.0	363.8	434.8
February.....	547.2	656.3	236.4	940.3	369.5	460.7
March.....	525.9	631.0	236.4	940.1	340.4	445.2
April.....	556.2	684.1	236.4	910.3	345.5	435.9
May.....	545.1	675.6	236.4	762.5	342.3	409.6
June.....	538.7	666.4	236.4	737.9	343.3	404.2
July.....	552.7	704.3	236.4	598.9	341.3	364.6
August.....	477.9	590.0	236.4	384.7	320.9	346.3
September.....	477.9	591.3	236.4	378.7	314.5	347.2
October.....	487.4	587.2	236.4	382.7	405.8	342.7
November.....	484.8	607.8	236.4	406.4	346.5	305.2
December.....	461.9	570.8	236.4	371.9	344.7	302.1
January.....1947	394.1	468.2	236.4	381.9	326.2	282.5
February.....	389.5	454.9	236.4	356.3	344.8	281.4
March.....	378.6	440.1	236.4	295.2	334.7	279.4
April.....	360.3	413.3	236.4	269.2	328.3	271.6
May.....	354.2	404.4	236.4	250.9	325.4	269.4
June.....	358.6	414.4	236.4	236.8	316.6	268.6
July.....	364.1	426.8	236.4	217.7	309.3	269.9
August.....	358.0	419.8	236.4	210.2	292.0	269.1
September.....	340.4	392.1	236.4	216.4	283.3	266.8
October.....	331.1	376.9	236.4	212.7	280.5	267.7
November.....	329.9	376.3	236.4	215.1	280.5	265.3
December.....	343.9	395.8	236.4	219.1	298.2	262.9

¹ Weekly average only ² Weights

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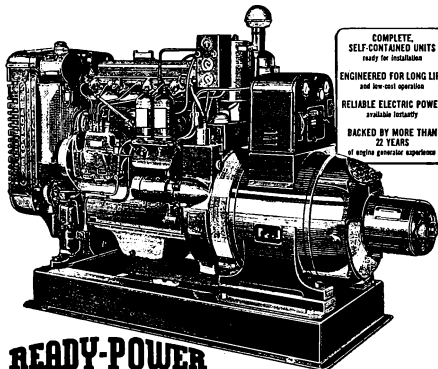
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TREND OF REAL WAGES OF LABORERS IN INDUSTRIAL AND COMMERCIAL ESTABLISHMENTS IN MANILA, BY OCCUPATIONS:
1941-1945-1946-1947¹

Prepared by the Bureau of the Census and Statistics

Occupation	Average Daily Wages (Pesos)				Index (1941=100)			Daily Real Wages ² (Pesos)		
	1941	1945	1946	1947	1945	1946	1947	1945	1946	1947
Blacksmiths.....	2.55	4.25	5.57	6.58	166.6	218.4	258.0	0.62	1.07	1.82
Boilermen.....	2.82	6.40	5.20	7.50	226.9	184.3	265.6	0.94	1.00	1.71
Carpenters.....	2.75	6.02	6.66	7.51	218.9	242.1	273.1	0.97	1.28	2.01
Chauffeurs.....	1.64	4.05	5.78	6.50	264.9	352.4	396.3	0.59	1.11	1.83
Cigar-makers.....	0.96	2.83	4.87	5.12	294.7	507.2	533.3	0.41	0.93	1.50
Compositors.....	1.84	6.14	7.29	7.92	333.6	396.1	430.4	0.90	1.40	2.19
Draftsmen.....	3.28	7.54	7.48	8.31	232.9	228.0	253.4	1.10	1.44	2.43
Electricians.....	2.67	5.20	7.82	8.07	194.7	292.8	302.2	0.76	1.50	2.20
Foremen.....	3.35	7.38	7.96	8.58	220.2	237.6	256.1	1.08	1.53	2.41
Lathemen.....	2.60	4.88	7.31	6.80	187.7	281.1	261.5	0.71	1.40	2.29
Linotypists.....	2.64	10.22	10.17	9.75	387.1	385.2	369.3	1.50	1.95	2.81
Machinists.....	2.23	5.75	6.48	8.59	257.8	290.5	385.2	0.84	1.24	2.39
Masons.....	1.94	5.90	6.58	6.95	304.1	339.1	358.2	0.86	1.26	1.92
Mechanics (auto).....	3.00	7.46	6.90	9.27	248.6	230.0	309.0	1.08	1.32	2.25
Painters.....	1.83	7.77	6.28	7.73	424.5	343.1	422.4	1.14	1.21	2.15
Plumbers.....	2.00	4.80	7.67	7.77	240.0	383.5	388.5	0.70	1.47	2.17
Tinsmiths.....	1.72	4.23	5.04	8.01	245.9	293.0	465.7	0.62	0.97	2.31
AVERAGE—										
Skilled laborers.....	2.34	5.93	6.76	7.66	261.7	306.1	387.4	0.87	1.30	2.14
Common laborers.....	1.24	3.27	4.53	4.67	263.7	365.3	376.6	0.66	0.87	1.30

¹ Preliminary, subject to change as more data become available.

² Wage in terms of goods and services it can buy. This is obtained by dividing the 1945, 1946, and 1947 wages by the cost of living index for the year 1945 (683.3), 1946 (520.9), and 1947 (372.6), respectively. Commonwealth Act No. 444 limits regular working hours to eight a day.

The index used for 1947 was the average for January to December, 1947.

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The Annual Meeting of the American Chamber of Commerce of the Philippines, Inc. will be held on Friday, January 30, 1948, opening at 4:00 P. M., at the Chamber, fifth floor, Insular Life Building, to receive the report of the Board of Directors for 1947, to elect the members of the Board for the year 1948, and to transact any other business which may come before the meeting.

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History of the American School

(Continued from page 9)

1936, the final transfer was effected, and soon the American School was operating in its ideal new location.

As might be expected, this single building was soon filled to capacity as more families began to enroll their children in the various classes. The advantages that another building would give the school were apparent but financial conditions dashed the hope of raising a second structure. At this point, however, Mr. and Mrs. J. P. Heilbronn, always ready to extend a helping hand, generously donated P50,000 for the construction of another building. This money constituted the Heilbronn's second gift; the first having been a sum of P5,000 which was used to pay for the fence enclosing the school compound. Thus, Heilbronn Hall, as the new edifice was christened, was finally completed in the latter part of 1939. Included in the building were a gymnasium with a balcony, a stage, classrooms, and shower rooms for girls and boys. And so, once again the school achieved a major objective and the dreams of the original founders had more than come true.

The total cost of the school's new quarters was in the vicinity of P205,000. In addition to the Main Building and Heilbronn Hall, there had also been constructed living quarters for the janitors, a storeroom, a Boy-Scout club-room, and a washing room for chauffeurs. At the beginning of the 1941-42 term, the school still owed the sum of P84,000. Of the original cost, P70,000 was procured on promissory notes, P40,000 was obtained from the treasury, while the remainder came from contributions and gifts. The outstanding contributors were Mr. and Mrs. J. P. Heilbronn who have been mentioned previously, Mr. Carl Hamilton, the American Chamber of Commerce, and the members of the now-dissolved Philippine Society of Engineers. The majority of the school's library books

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had been donated by the University Club and the Estate of Sydney D. Rowland. Many others have contributed to the development of the American School and, without their aid, the school might not have achieved its prosperity and success.

As the year 1941 was drawing to a close, children of army and navy personnel were ordered back to the United States, since the nebulous state of Far Eastern affairs seemed to portend trouble for the Philippines. On December eighth, 1941, (December seventh in the United States) that trouble came in the form of a surprise attack on Pearl Harbor. Within a matter of hours, the Japanese has effected landings on the coast of Luzon and the school immediately closed its doors. The Board of Trustees offered the U.S. Army use of the school buildings and here the headquarters of an engineer group was established. However, a few weeks later, when Manila was declared an "Open City", the school grounds were vacated as all military forces were compelled to withdraw from the city.

On January second, 1942, Manila was occupied by the invaders. Three or four days elapsed before Japanese authorities paid the compound a visit. Finally, several officers inspected the buildings, sealed the doors, and warned the janitors not to meddle with property that now belonged to the "Imperial Japanese Army". Within a few weeks, a group of Nipponese officers and men has set up their headquarters in the Main Building, while at the same time British and American citizens were being herded into Santo Tomas Internment Camp. Sports equipment, books, desks, and chairs were freely distributed among the neighboring populace as the conquerors attempted to exemplify the "benignity of the Imperial Japanese Army". Other equipment which later served as fuel for Japanese fires, was heaped into a large pile at the north end of the school compound. Guards were posted at three gates and civilian

passersby were required to bow to the sentries on duty. During the early months of the occupation, several carloads of books were obtained from the school through the persevering efforts of a group of Anglo-American internees. These books made possible the continued education of boys and girls imprisoned in Santo Tomas. For approximately thirty-seven months the invaders enjoyed the use of the fine concrete school buildings. During this time several violators of the Japanese laws were punished and tortured within the walls of the campus. Neighboring residents claimed that several men were hanged; others told tales of the torturing of captives who were often permanently disfigured. Finally, however, the day came when the Japanese were forced to evacuate the premises as American tanks blazed their way through the streets. Throughout the fire, shelling, and counter-shelling, the American School buildings stood as a symbol of American culture, and, when the dust of battle had cleared away, they remained unscathed in the midst of a battered and torn Manila.

After the area had been cleared of enemy troops, a food center was set up in Heilbronn Hall while the Main Building served as a hospital for the sick and wounded. When the need for a hospital had disappeared, the Main Building was converted into a warehouse and finally, the Philippine Relief and Rehabilitation Association took charge of both structure. However, as more Americans began to drift back to Manila, a cry for a good educational system whereby foreign children in the city might receive proper teaching was taken up in the early months of 1946. A meeting of all parents interested was held in March of that year at the Army and Navy Club for the purpose of reaching a solution to the problem. Although at that time there were comparatively few boys and girls ready to enroll in courses, it was finally decided that the American School

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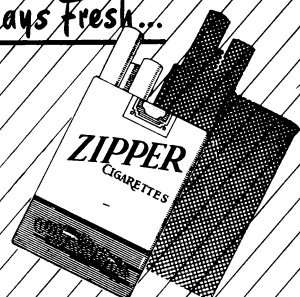
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should once more open its doors. Because of prevalent conditions, it was realized that an operating loss would be sustained by the school; however the Board of Trustees felt that within a short period of time more children would arrive from the United States and that then the financial disadvantages would be alleviated.

A cable requesting Mrs. Lois Croft, who was principal prior to the war, to take over the job of supervision was immediately dispatched. Mrs. Croft accepted the position but announced that she would not be able to arrive in the Islands until August. In the meantime, repair work had begun on the interior of the Main Building. Supplies with which it has been filled were moved, and partitions were installed in the empty building. Soon after the arrival of Mrs. Croft on August 4, the work of preparing the building for occupancy was completed. On September 9, 1946, the American School once again threw open its doors and stood ready to offer its first post-war student body the best in education. Although at first grades one through twelve were situated in one building, Heilbronn Hall was soon renovated and roomier classrooms were given to the lower grades. The school-grounds were beautified and the campus as a whole is now in a better shape than ever before. The present enrollment is well over five hundred students as compared to four hundred in 1941. And so with each passing day the American School is improving more and more.

Indeed, the American School, Inc. is an organization which has really fulfilled the hopes of its founders, — nay, it has gone beyond their dreams, it has attained a position of the greatest importance in the lives of the youngsters who study there. Symbol of education, center of American youth in the Philippines, the American School stands forth as an institution dedicated to those men and women whose efforts made it possible.

Ovid Boni is sixteen years old and a member of the senior high school class. He was a pupil in the American School from the second to the eighth grade and took his ninth grade work in the Santo Tomas Internment Camp; his tenth and eleventh grade work was done in Proctor, Maine. He is co-editor of the American School magazine, belongs to both the basketball and badminton teams, and plays the violin in the school orchestra.



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Editorials

(Continued from page 5)

conference in Havana. It will be recalled that President Roxas protested vigorously against attempt in connection with the ITO Charter to modify the trade preferences between the Philippines and the United States for the duration of the trade agreement, and that he instructed Secretary Abello, who is now head of the Philippine delegation in Havana, not to sign any agreement which might in any way disturb our preferential trade with the United States or prejudice the interests of the Philippines.

The President expressed appreciation of the attitude of President Truman and remarked that he is grateful to Ambassador O'Neal with whom he and the Vice-President conferred on this subject (to enlist) his cooperation in bringing this matter to the attention of the President of the United States.

In this connection, the Secretary of Foreign Affairs released for publication a telegram received from the Philippine Embassy in Washington which reads as follows:

WASHINGTON D.C. DECEMBER 18, 1947

SECFORAF
MANILA

2129 REURAD 4286 PRESIDENT TRUMAN AT PRESS CONFERENCE TODAY FLATLY DENIED UNISTATES HAS ANY INTENTION ABANDONING ITS TREATY UNDER WHICH PHILIPPINES GETS CERTAIN PREFERENTIAL TREATMENT FROM UNISTATES. PRESIDENT DECLARED THERE IS NOT A WORD OF TRUTH IN ANY REPORT THAT THE ADMINISTRATION HAS IN MIND ABANDONING THIS TREATY. HE ADDED IT WOULD NOT ABANDON THE TREATY AS LONG AS HE WAS PRESIDENT.

STATE DEPARTMENT TRANSMITTED AMBASSADOR O'NEAL'S MESSAGE AMERICAN DELEGATION HAVANA. BEFORE TRUMAN MADE STATEMENT REACTION OF DIVISION COMMERCIAL POLICY DEPARTMENT INFORMALLY EXPRESSED TO US WAS THAT ON BASIS OF DRAFT CHARTER APPROVED GENEVA THERE SHOULD BE NO GROUND FOR APPREHENSION IN THIS REGARD AS UNDER ARTICLE 16 PARAGRAPH 2 SUBPARAGRAPH B PREFERENCES GRANTED PHILIPPINES PURSUANT TRADE AGREEMENT WILL NOT BE ELIMINATED. THEY SUGGEST THERE MIGHT BE MISUNDERSTANDING ON INTERPRETATION. WE HAVE ARRANGED FOR CONFERENCE TOMORROW BETWEEN EMBASSY REPRESENTATIVES AND STATE DEPARTMENT EXPERTS ON THE SUBJECT. WILL INFORM YOU FURTHER.

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"LET YOUR HAIR DOWN"

Column

THE *Journal* this month had distinct and heartening evidence of the dependability of the invaluable cooperation it is receiving from the writers of the various columns published each month under "The Business View" heading. The editor, realizing that the usual monthly date when the material for these columns falls due fell on our about Christmas Day, when many of the writers would be either especially busy or at least otherwise occupied, sent out a letter to them stating that he had been having nightmares about the January *Journal* coming out perforce with some of the best columns missing, and asking that if it were at all possible they send in their copy before Christmas. He averred in closing that Heaven would reward them.

The response,—which is deeply appreciated, was that all but four or five of the regular column contributors sent in their copy well before Christmas Day. Of those who did not, one was in a hospital, recovering from an operation, and the others, we are sure, also had good cause for not being able to comply.

This evidence not only of goodwill, but doubtless of a sense of responsibility on the part of the thirty or so men who are collaborating regularly in the publication of the present *Journal* without direct recompense, has buttressed our confidence and raised our morale. We may as well reveal the fact that there have been persons who have said that the *Journal* is really quite a unique production as a business magazine written by business men, but that it would not last. When the "novelty" wore off, the contri-

butors would "get tired" and "drop out", they said, or, if they did not say this outright, they would pityingly insinuate it. The editor would pale, and then hotly repel the idea. Indeed, the Index for 1947, published in the December issue of the *Journal*, shows no more than a normal "turn-over" in the writers of the columns published in "The Business View" pages.

Another, perhaps more upsetting reflection, made by some others, was that the material being published in "The Business View" department is too valuable to the column editors themselves "to give away". Why should these men make their hard-won information and their own carefully studied opinions available to their competitors, among others?

The implication of this is that these writers do not know what they are doing! We could not and would not deny that the material contributed by them is valuable. That is what we want it to be and know it is. Yet, speaking generally, we do not believe that it is necessary or even desirable that contributors to the *Journal* should "give away" information to their own detriment. We believe, too, that,—as it is often, though not wholly accurately, put, "the truth never hurt anyone"; anyway, not in the long run.

Why shouldn't a wholesaler say, for instance, that an over-supply exists. It is not to his interest to over-sell his customers. And why shouldn't he say that a scarcity exists, or is threatened, if such is the case? The chances are that if this concerns his own orders, his competitors know this well enough.

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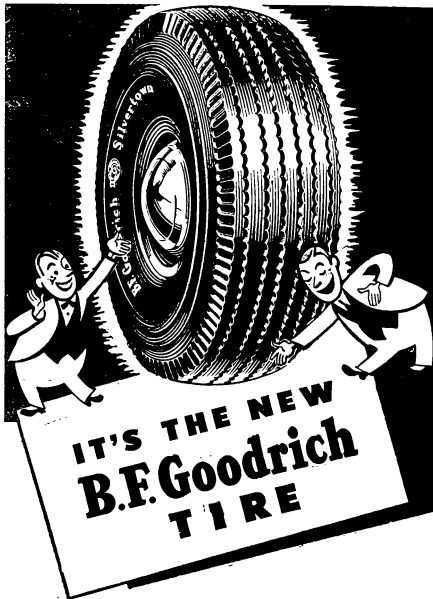
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To publish information of use to business men is the purpose of all good business publications. The idea back of the *Journal*, as it is now put out by the American Chamber of Commerce here, is that certain general local business information being either lacking or difficult to get to hand for easy reading and reference, there were certain distinct advantages to be gained if business men themselves would, as it were, club together and cooperatively supply this information for the benefit of themselves and such others as might read the Chamber's monthly publication. That is all there is to it, and the idea has proved entirely workable. Best of all, the information thus brought together each month, coming as it does from leaders of business here, at first-hand, has naturally proved to be authoritative and valuable. Now is the very success of the venture to be turned against it?

"The Business View" department, together with a strong, informed, and clear-cut editorial policy, promises to make the *Journal* a genuine factor in the development of the economic life of the country. The *Journal* is being read not only by business men for information, but it is read by many high Filipino and American officials who are the shapers of policy. Its articles and editorials are also widely reprinted, this widening still further its constructive and wholesome influence.

If one puts against this public achievement and promise of our joint enterprise, the fact that occasionally some "outsider" may be able to sniff out something in "The Business View" columns from which he can make some money he otherwise would not have made, and at the expense of one of the *Journal's* contributors, are we not justified in accepting any actual occurrence of this as entailing a sacrifice, honorably and deliberately incurred, for which we all owe him thanks? Whether their columns actually cost them anything more than time and effort, or not, our contributors merit our gratitude,—and manifestations of this whenever opportunity offers. We are certain that their professional attitude and their community spirit is recognized by all their readers, and that in one way or another they have their reward.

E. J. Mora, of the E. J. Mora Electric Co., Inc., throws additional light on the situation created by the present "Flag-materials Law," which was the subject of an editorial in the



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December issue of the *Journal*, in the following letter addressed to the editor:

"Your editorial in the December number of the *Journal* relative to the Flag Law is certainly very interesting and the points brought up are impressive.

"You might perhaps be interested to know that the U.S. State Department, in requesting bids for the electrical work in the Philippine Sea Frontier, gave Filipino contractors equal opportunity with American contractors to submit their bids; the State Department enforced no flag-law to discriminate against the Filipino contractors.

"This being the case, why should the Philippine Government discriminate against the Americans?

"No doubt there will be a great deal of work carried on by the American Government in the future, and if the Philippine Government insists on discriminating against Americans with this Flag-Law, we believe that the Chamber should take steps to see that the American Government does likewise.

"There is really no reason for the existence of the Flag-Law today."

This letter is only another example of how naturally and how justly the question of reciprocity always comes up.

"I didn't know you were such a good salesman, Pop," said the editor's youngest son while reading the "Hair-down" column last month. His manner was teasing and the editor tried to grin it off, but his soul writhed within him. "So that is the effect of that column," he groaned to himself. Not that the editor despises salesmen, or would not be thought of as a salesman. Far from it. He knows very well, for instance, that though economists have until recently given but scant attention to consumption as compared to production, that consumption is really the end-all, and that since large-scale production began, selling, or the creation of demand, has become increasingly important. No, the editor only wishes that he were a good salesman, knowing that he is not, and if the Hair-down column suggests that he is, that is because what he has to "sell"—that is the *Journal*, actually is such a superlative product that it sells itself. Ahem!

What the editor groaned about is that he tried and still tries to make this really a hair-down column, with room for relaxation and quiet or for rough-housing, as the mood may take the contributor and reader,—but, above all, with room for some sport and railery, witticism, humor. And here the editor was innocently charged with having ulterior motives, of being a salesman trying to sell and over-sell his wares! And perhaps the boy *did* see through his old man. That may be what everybody thinks. Could it be true? Is it the

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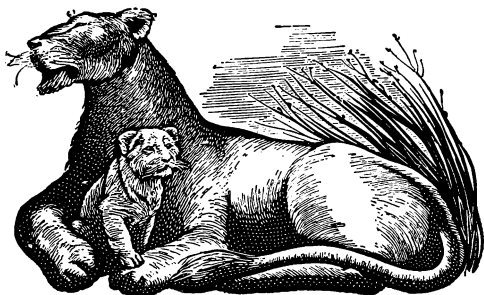
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real old Adam in me? the editor cried. It is always so easy for a man in his secret heart to believe "himself guilty of almost anything that anyone may be uncharitable enough to suggest to him. Anyway, we generally act from such inextricably mixed motives, that we stand half convicted of any low purpose at the outset. After much such painful soul-searching, the editor finally fell asleep with the faintly comforting idea that the boy had really been teasing and having his fun, and that he (the editor) should not try to run a humorous column because he was not even capable of seeing a joke when it was thrown at him.

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