

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

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

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

I shall greatly appreciate your assistance in this matter.

Sincerely yours,

(Sgd.) R. A. SPRUANCE

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

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

Business Prospects for 1954

By CORNELIO BALMAGEDA
Secretary of Commerce and Industry

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

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

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

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

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

1. Agricultural production for domestic consumption and for export continued to increase. The total combined production of certain selected commodities like palay, corn, sugar, etc. is estimated at 20,166,700 metric tons for the last crop-year, as against only 17,523,740 metric tons the previous year.
2. Production of gold as well as base metals likewise showed remarkable gains.
3. Average retail prices in Manila showed a downward trend. The cost of living of a wage earner's family also declined.
4. Wholesale prices of selected commodities showed mixed trends, but the prices of such export products as copra, coconut oil, desiccated coconut, lumber, leaf tobacco, iron ore, and chrome ore were higher than those of last year.
5. The international reserves were maintained at a higher level.
6. Investments made by corporations and partnerships registered with the Securities and Exchange Commission showed also marked increases from those of last year.

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

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