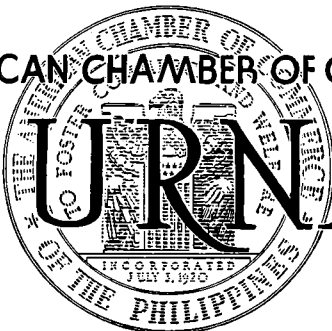


# THE AMERICAN CHAMBER OF COMMERCE

# JOURNAL



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*Editor and Manager*

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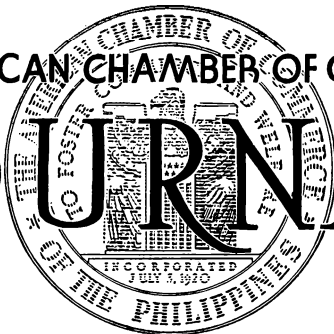
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## Editorials

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

President Quirino left Manila for the United States on August 6 and returned on the afternoon of August 18,—the trip thus covering a period of twelve busily crowded days which, many will agree, could not have been better spent.

### President Quirino's American Visit

The President was received in America not only with distinguished official courtesies, but with the utmost cordiality everywhere he went. He was welcomed at the airport by the President of the United States, who also, personally, bid him farewell there a few days later. He addressed both the House and the Senate in separate sessions, his speech in the Senate being an especially masterful one. He was also able to find time and energy to address a number of important financial and business groups in New York.

In connection with the dinner given in his honor by the Philippine-American Chamber of Commerce there and the National Foreign Trade Council, the former asked the Manila American Chamber of Commerce to send a message of greeting to be read at the dinner. President Frederic H. Stevens dispatched the following radiogram:

"American Chamber of Commerce of the Philippines is glad that President Quirino has been able to accept the dinner in his honor given by PACC and NFTC. We are sure the meeting will be to the mutual benefit of the Philippines and the United States. We are immensely pleased with the reports carried in the newspapers of the President's outstanding success in reinvigorating Philippine-American friendship. Our greetings, respects, and best wishes to him and you all."

That was a sincere expression of our sentiments. Other than his brief speech at the airfield on his return here, the President has not as yet at this writing, released an official statement regarding his possible achievements. But no man could say what practical results will follow from the President's visit to America, though there are bound to be such effects, ramifying in many directions, political and economic, national and international. We believe that these will be of decided benefit to both countries.

In reading a magazine article recently, we came across a paragraph which suggested to us certain side-reflections, a train of thought, which had nothing to do with the article we were reading, but which is of interest here in connection with the frequent agitation concerning the so-called "protection on the national patrimony".

### The Real and the False Conservation of Natural Resources

The paragraph read as follows:

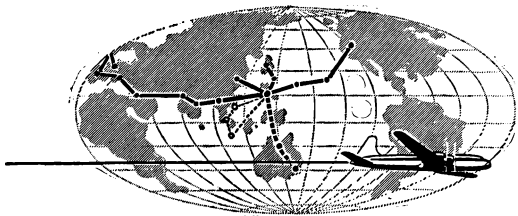
"Protection of natural resources: The richly endowed United States has been peculiarly vulnerable because of torrential rains and the susceptibility of our soils to sheet erosion. Conservation of the soil and of the moisture content by contour and strip farming, by improved rotation, and especially greater concentration on grass culture, is thus an indispensable requirement. The preservation and reproduction of timber resources is closely related to soil protection. Systematic conservation of minerals is not less important. We are obliged to think not in terms of centuries merely but of millenniums."

Note that here is no word about mere land ownership or about preventing lands or other natural resources from being acquired or developed by "aliens". Such questions are of the most temporary and indeed trifling importance compared to the conservation and wise utilization of the resources.

Here we enter the clear realm of science, of management, of constructive statesmanship. Here we regard realities, meet Nature's challenges, solve difficult problems, formulate sound policies, carry out wise programs, develop, advance, construct, establish. Here the air is fresh and clean and full of the hope of achievement.

Here we are away from the emotive, the narrow, the invidious, the stagnating, the retrogressive, the unutilized and wasted, the lost.

Are we in the Philippines to continue to waste time arguing about restrictive laws and unjust and unwise court decisions while the land itself is allowed to waste away through such torrential rains and such frightful erosion as few Americans can have any con-



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ception of? While some of our farmed areas are being utterly exhausted by years of cropping, always the same crop, producing harvests hardly worth the reaping, vast territories are still idle wilderness, spoiling for the will and labor and the implements of pioneers. With great wealth hidden in our lands and forests and mountains and seas, millions of our people hardly get enough to eat, and thousands are unemployed and hundreds of thousands only half-employed.

But some of our so-called leaders argue passionately, but emptily, about who is to be allowed to do anything. Ranting about the protection of the patrimony, it is being wasted and lost. The living generation can have but little hope for a better future unless capital is enlisted and work is undertaken, no matter by whom.

---

According to a recent Associated Press dispatch from Washington, the chances that President Truman will ask Congress to provide additional funds to the Philippine War Damage Commission to be used for larger payments for private and public war claims, appear to be slight, although it was emphasized, too, that the President still has the matter under consideration.

We hope that the President and members of Congress will realize that the War Damage Commission has been able to pay only approximately 30% of damage payments approved, and that the amounts approved are themselves admittedly way below present replacement costs, valuations being calculated on pre-war costs *less depreciation*, there being, furthermore, broad classifications of losses which, under the law, *may not be paid for at all*. The result has been that many claimants have received damage-payments so small in proportion to their losses that it has been impossible for them to re-establish their war-destroyed enterprises.

The foregoing is true only on the medium and large-scale enterprises,—small losses (under ₱1000) have been or are, under the law, being paid in full, but these are just the type of payments which, though important enough to the individuals receiving them, do not figure greatly in the rehabilitation of Philippine industry.

We have been informed that if another ₱100,000,000 or so were made available, the 30% payments to the larger losers could be increased to around 75%, and this would make a more than proportionately great difference to the industries and enterprises affected.

We hope that this will be understood in Washington.

---

The memorandum on Philippine investment problems, submitted to President Quirino at his request by an American Chamber of Commerce committee and published in substance elsewhere in this issue

**Excessive Taxation by Local Government** of the Journal, made no direct reference to the increased taxing powers of the Manila City Government under the new Charter, and we are pleased, therefore, to publish the following suggestive statement on the subject received from a member of the Chamber:

One of the drawbacks to both foreign and domestic investments in economic development projects is the fear of excessive taxation by local governments. Even with the limited taxing power vested in municipalities, they still have the power to make or break a business enterprise. The recent amplification of the taxing power of the City of Manila highlights the fear felt in some investment circles.

We do not assume that a local government will abuse its taxing power. We have too much faith in the principle of local autonomy to entertain such an assumption. Yet Philippine history records some examples of the killing of the goose that laid the golden egg.

Dependent as local governments are on hand-outs from the central government, there is steady pressure to raise more taxes. Once a large enterprise has already made a heavy capital investment, has given employment to hundreds or thousands of local citizens, and seems to be prospering, it becomes a tempting target for local revenue-raising ordinances. The local officials are quite aware of the fact that a fixed plant cannot afford to move to a more tax-favored locality, so little by little the impositions tend to grow. Inspection fees, license fees, and municipal taxes are all resorted to, to help the local government balance its budget.

To the American investor, particularly, this attitude is disconcerting, because it is so different from what he has experienced. The dispersion of industry to small communities in the United States during the past century has been largely the result of inducements offered by the local communities. Local officials join with civic and business leaders to "lure" industries to their town. Generally a free site is offered. Tax guarantees are made and observed. As a result, employment increases, retail trade expands, land values increase, and every element of the community enjoys greater prosperity. Hence, too, the revenues of the town from all sources increase, without the need to bleed the enterprise which has brought this increased prosperity and tax revenue.

Perhaps if local governments were granted authority to make "tax treaties" with industries they wish established in their midst, there would be greater incentive to private investment in industry, and with it a healthier geographical distribution of industrial equipment.

---

Welcome to many Americans in Manila who were interned by the Japanese during the war, was the announcement that on July 29,

**Appointment of the War Claims Commission**

President Truman had nominated the members of the War Claims Commission authorized by the War Claims Act, approved July 3, 1948,—more than a year before.

The persons nominated are: Daniel J. Cleary, of Illinois; Mrs. Georgia L. Lusk, of New Mexico; and David N. Lewis, of New York. Both men are lawyers and Air Force veterans. Mrs. Lusk, a former Congresswoman, lost a son in the war.

Rumors which circulated in the Santo Tomas Camp were that President Roosevelt had been heard to promise over the radio that internees would be given a per diem of \$10, payable immediately after liberation, but in addition to the fact that the aid is being so long delayed, is the fact that the "detention

benefit" authorized is only \$60 per month of detention (or hiding to escape internment) for persons over eighteen years of age and \$25 for persons under that age. However, also authorized are "injury, disability, or death benefits," the latter payable to certain heirs, which are to be based on the assumption that earnings would have been \$37.50 a week, with a total maximum payment of \$7,500.

Under the Act, prisoners of war and employees of contractors with the United States Government are entitled to certain benefits, and religious organizations may also be reimbursed for expenditures incurred in assisting members of the armed forces of the United States and civilian American citizens.

The benefits, especially for the civilian internees, might well have been larger, all the more so as the payments are to be made from a fund to come from liquidated enemy assets in possession of the Office of Alien Property. However, any assistance at all will be a godsend to many of the people affected, especially to those who for reasons of advanced age or broken health have not been as successful as some of the others in rehabilitating themselves.

The unfortunate thing is that there may still be further delay. At this writing, the Senate has not even as yet confirmed the President's appointments.

But there is a limit to delay. According to Section 2(c) of the War Claims Act of 1948—

"...The time limit within which claims may be filed with the Commission shall in no event be later than two years after the date of enactment of this Act."

And according to paragraph (d) of the same Section,—

"The Commission shall wind up its affairs at the earliest practicable time after the expiration of the time for filing claims, but in no event later than three years after the expiration of such time."

Two years after July 3, 1948, will be July 3, 1950, and three years after that is July 3, 1953, a total of eight years from the time of liberation.

Though many died in the Camp and many more have died since liberation, let us hope that most of the rest of the ex-internees will live that long at least. Let us hope also that the President's appointments will soon be confirmed and that the Commission will then take hold and act promptly to make up for the already too, too long deferment.

The delay would have been even greater if it had not been for the American Internees Committee in the United States which has done all it could to bring the plight of the former internees as a group to the attention of the American Government. Thanks are due especially to Mr. Frank Wilson, the Chairman of the Committee.

The Board of Directors of the American Internees Committee in Manila is at present composed of Alva J. Hill, President, Mrs. Louise M. Smith, Secretary, and Fay Bailey, Treasurer, with John Canson, Mrs. Ward B. Gregg, Donald Gunn, Stanley Lehman, and Julian A. Wolfson as the other members. Mrs. Germain Newman is the Executive Secretary. The Committee has asked all American civilian ex-internees to send their names and addresses to Mrs. Newman, P.O. Box 2418, Manila.

A prominent American businessman in Manila has asked how the Philippine Government can square the Krivenko Case decision of the Supreme Court and such legislation as the Tañada Bill, with its acceptance of the Universal Declaration of Human Rights passed and proclaimed by the General Assembly of the United Nations on December 10, 1948.

The Supreme Court in the decision referred to in effect interpreted certain parts of the Philippine Constitution to mean that foreigners may not acquire ownership of any land here, even a residential lot. The correctness of this decision has been questioned and it is believed in some legal quarters that it did not definitely settle the constitutional question because it was not concurred in by a sufficient number of the members of the Court. The Tañada Bill, — not passed, or not as yet, would provide for the forced sale of lands "illegally" held by foreigners.

Article 17 of the Declaration of Human Rights runs:

"(1) Everyone has the right to own property alone as well as in association with others.

"(2) No one shall be arbitrarily deprived of his property."

Article 12 runs in part:

"No one shall be subjected to arbitrary interference with his privacy, family, home, or correspondence..."

Article 13 states in part:

"(1) Everyone has the right to freedom of movement and residence within the borders of each state..."

Article 22 states:

"Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social, and cultural rights indispensable for his dignity and the free development of his personality."

Article 7 states:

"All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination."

Article 2 declares:

"(1) Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth, or status.

"(2) Furthermore, no distinction shall be made on the basis of the political, jurisdictional, or international status of the country or territory to which a person belongs, whether this territory be an independent, Trust, Non-self-governing territory, or under any other limitation of sovereignty."

It is to be noted that the rights proclaimed are for "all," for "everyone." They are not limited to citizens as distinguished from other inhabitants of a country.

Those who wish to follow discriminatory nationalistic policies may point out that the Declaration is not binding law, that the Preamble says that Member States are only pledged to "achieve, in co-operation with the United Nations, the promotion of universal respect for and observation of human rights

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and fundamental freedoms." They may point out that the Declaration itself says that the various rights are proclaimed as a "common standard of achievement," which they shall "strive" to reach, "keeping this Declaration constantly in mind."

But those who hold a decent respect for the Member Governments of the United Nations as well as for mankind, must believe that a Government which joins in the proclamation of any international declaration, does so in all sincerity, in this case especially a Government like that of the Philippines which itself played a notable part in the framing of the Declaration.

Those who so believe in the good faith of all these Member States of the United Nations can not conceive of any of them searching the text of what they have solemnly signed for loopholes of escape and evasion.

And if there are individuals in the Government here who would do such injury to the international

good name and the dignity of the Philippine Republic, then let them scan the text of the Declaration more carefully and consider the meaning of Article 30 which runs:

"Nothing in this Declaration may be interpreted as implying for any State, group, or person, any right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms set forth herein."

This final article in the Declaration appears to be intended especially for those States, groups, or persons who might seek to misinterpret and evade the commitments made by signing the Declaration.

Of course, this article is no more binding than any part or the whole of the Declaration or, it would seem, any international declaration so long as there is no true world government or any real enforcing authority.

But the conclusion stands: There is no "squatting" possible. And the question remains: Is the Philippine Government's signature good or not.

## Recommendations re American Investment

### *Memorandum To President Quirino*

By a Committee of the American Chamber of Commerce

UPON President Quirino's invitation, a group of members of the American Chamber of Commerce of the Philippines called upon him on the afternoon before he left Manila for his visit to the United States and had an hour's conference with him regarding the local business situation and Philippine-American business relations generally.

For the President's convenience, a memorandum was left with him which, previously prepared, had formed the basis of the discussion. Because this is of general interest as the considered statement of an able business group, the memorandum is reproduced here in substance, as follows:

IN appreciation of the opportunity given us to confer with His Excellency, the President, at his invitation, shortly before his departure for the United States on an official mission, and in confirmation of statements we made orally to him on this occasion, we have the honor to submit the present memorandum.

We expressed our support of the program of cooperation between the Philippine and American Governments and their respective business groups recently put forward by the National Foreign Trade Council (New York) which is briefly summarized as follows:

1. Elimination of double taxation through the restoration of the tax incentives to American business in the Philippines before independence by extending the effectivity of Section 251 of the U.S. Internal Revenue Code.

We stated that this would be one of the most practical steps the American Government could take toward encouraging further American investment here. We expressed the opinion that private capital would not be attracted to the Philippines so long as its Philippine income is taxed not only here but in the United States as well, which results in American corporations paying a 26% tax-premium over that paid by the

nationals of other countries with whom they are in competition and who also are extensive importers of American products.

2. Increased appropriations under the Philippine Rehabilitation Act for war damages to private and public property, and the extension of the 1950 expiry date of this Act to permit of further reconstruction under its terms.

3. Assistance to the Philippines in line with Point IV of President Truman's Inaugural Address.

4. Early conclusion of the Treaty of Friendship, Commerce, and Navigation now under negotiation between the two countries to establish *basic reciprocal rights*.

We stated that the conclusion of this Treaty would probably be the most effective, positive action which could immediately be taken.

5. Removal of the present obstacles within the Philippines to further private investment in industry and trade. These obstacles we particularized as follows:

A. — *Import Control*. Under this head we stated that we could not disapprove of Import Control as a means of balancing foreign exchange, but we pointed out that the rapid enlargement of the scope of the Control and the use being made of it for extraneous purposes is creating alarm among American businessmen and potential investors. The whole course of the Control appears to threaten more controls to come.

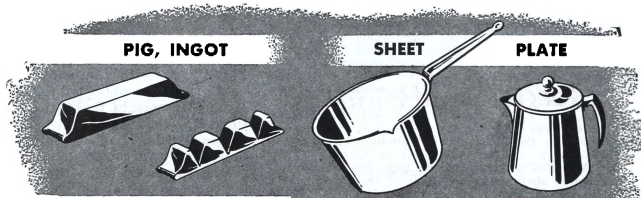
We stated that we feel very definitely that Import Control should be strictly limited to conserving the exchange position and that it should not be used as a means of discrimination against foreign businessmen nor as a means of forcing them to make such commitments as may be desired by the Government. In this connection we referred to the 20% quotas assigned to "new importers" and to the recent insistence of the Government that importers commit themselves to purchases of flour up to four years in advance. We pointed



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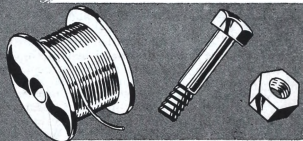
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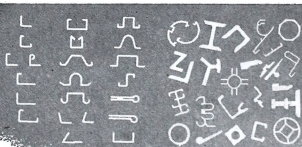
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out that Import Control, as it is now exercised, goes far beyond the announced purpose of conserving foreign exchange.

B.—*Government Competition: PRATRA.* We brought out the fact that equally discouraging is the direct competition in retail trade offered by the government trading company which is known as PRATRA. The arbitrary power granted PRATRA to commandeer and practically confiscate property or merchandise from private individuals and firms is such as to give hesitancy to any potential investor. Government-in-business stands opposed to everything which the American system of free enterprise represents.

C.—*Unequal Collection of Taxes.* We referred to the recommendation of the Joint Philippine-American Finance Commission in regard to the more uniform collection of taxes. We stated that although American business in the Philippines is not objecting to the tax-rates at present in effect, it is our opinion that the legal requirements with respect to keeping books of account and the actual payment of the different taxes levied on business operations are not generally applied in such a manner as to effect a uniform collection.

Though businessmen believe that the present tax-rates are high enough to support the increasing cost of government, they fear that the rates may be raised unless more effective methods of collection are adopted. They think that it may happen that those businesses which now comply strictly with the accountancy and tax laws may be asked to assume an even heavier tax-burden, while less honestly conducted business will continue able to avoid taxation and to retain the competitive advantage which they thus hold.

D.—*High Manila Port Terminal Charges: Export Control.* We pointed out that the cost of handling merchandise through the Manila Port Terminal is very high and prevents the use of Manila as a distribution point in the trade of the Far East. We called attention to the fact that the Government gets a large share of the proceeds of the charges. We stated that in view of the present conditions in China, Manila has an opportunity to assume the handling of much of the trade formerly conducted through various China coast ports. We urgently recommended that the whole question of cargo-handling costs here be carefully studied and that improved methods be adopted wherever possible, at reduced rates. We also recommended that export controls be removed insofar as possible and that a "free zone" be established in the Port in order to encourage the use of Manila as an entrepot.

E.—*Labor Difficulties.* We submitted that the present methods of settling labor disputes were very unsatisfactory. We pointed out that the Department of Labor and the Court of Industrial Relations are without real authority in enforcing their decisions in respect to the labor unions. We also stated that decisions of the Court in a number of instances have followed the expressed policy of making awards to labor on the basis of the ability of the employer to pay,—which is obviously both uneconomic and unfair. We pointed also to the difficulty currently experienced by contractors and others in connection with the termination of the employment of their workers when the work for which they were hired has been completed. We emphasized that satisfactory solutions to the

problems thus posed would be a very important factor in inducing foreign capital to enter the Philippines.

F.—*Threat of Discrimination Against Foreign Technical Men.* We referred to the disposition shown by the Congress of the Philippines to pass legislation which would restrict the freedom of possible investors in bringing here engineers and other technicians experienced in their various lines of activity and how this causes fear on the part of such interests that their investments could not be properly supervised.

G.—*Attacks on the Bell Act and "Parity".* We spoke, finally, of the frequent attacks made on the Philippine Trade Act of 1946 (the Bell Act) and on the so-called "Parity Provision", which lead possible investors to doubt the security of investment here. We stated that we felt that much might be done to allay such fears if the President and other officials would when occasion arises forthrightly point out the many advantages embodied in the present Philippine-American trade relationship. Unanswered charges that these relations were "forced" upon the Philippines and that they are designed to benefit American citizens at the expense of the Filipinos, have caused ill feeling toward the United States and has caused Americans to question the stability of political and economic thought in the Philippines.

We declared that we felt that the President, with the high-level conferences he would hold in the United States and with the extensive publicity which his visit there would doubtlessly receive, could give strong support to the various proposals and suggestions we had made and could do much to counteract the conviction being established in the United States that American capital and enterprise (the two must go together) are being discriminated against, as was indicated in recent articles in *Fortune* and the *Wall Street Journal*. We said that the statements made in these articles might possibly be refuted, but that the fact remains that worry and mistrust exist, and for cause.

Finally, we stated that we felt that mere friendly statements from both sides concerning American investment here could not fundamentally change the present situation, but that certain positive actions would have to be taken.

We ourselves pledged our full co-operation with the President in the effort he is engaged upon to improve present conditions and to strengthen the mutually advantageous bonds which still unite the two nations.

We ended by wishing His Excellency, the President, a safe voyage, a successful sojourn in America, and a happy return home.

## "All Feasible Assistance" to the Philippines

Official White House Statement of August 11.

THE President of the Republic of the Philippines and the President of the United States of America have met at Washington and discussed at length problems of common interest to the two nations.

The spirit of these conversations has reflected the historic and unique relationship between the two countries.

As in the past, it was the aim of the United States that the Philippines should assume its rightful position as a free and self-reliant member of the world community, so today the United States looks forward to the preservation and strengthening of the

position the Republic of the Philippines has achieved in order that it may make its full contribution to that community.

It is recognized that the capacity of the Republic of the Philippines to live up to the high hopes which the events of the past three years have kindled must depend in part upon its economic situation.

The two Presidents have discussed measures for the reinforcement and development of Philippines economy in the terms of recommendations of the report of the Joint Philippine-American Finance Commission, issued in 1947, being convinced that the economic progress of the Philippines will be not only in

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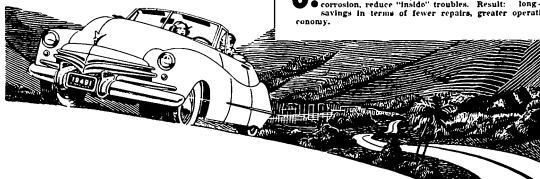


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the immediate interests of the two countries, but will contribute vitally to the determination of free peoples to resist those forces which seek their enslavement so long as that menace shall threaten.

The two Presidents are agreed that this resistance will be most effective in areas where the material well-being of the people allows full appreciation of the meaning of freedom and that conversely it is among peoples who have abandoned hope of individual betterment that least resistance will be offered to those perverted forces which would destroy the ideals to which the two nations are dedicated.

## American Aid to the Philippines

### Past, Present, and Future

By Ambassador Myron M. Cowen

AS a result of many years of experience, with countries in different parts of the world, my Government has come to certain conclusions concerning the most effective ways in which one country can aid another. These conclusions are as follows:

(1) The type and amount of such aid should be determined in light of the needs of the receiving country and the ability of the contributing country to meet these needs. As the predominant needs of a country change with the passing of time, the types of aids by the assisting country must change correspondingly if the best interests of the beneficiary nation are to be served in each of the successive stages of its development.

(2) The most permanently beneficial type of aid for a nation, as for a human being, is that type which is so planned and administered as to promote growth and self-development toward the ultimate goal of complete self-reliance. Aid which tends to prolong immaturity and dependence, in any phase of a nation's life, will prove, in the long run, to be more of a curse than a blessing, regardless of its immediate benefits.

(3) Aid by the contributing nation should not be a substitute for, but a supplement to, self help by the beneficiary nation itself. It should be accompanied by vigorous, sustained, local effort to utilize in maximum degree its own natural, human and capital resources. It should be the marginal increment which represents the difference between complete and partial success of the beneficiary nation, after it has done all it can for itself.

My Government, in its programs of aid to the Philippines in the past, has followed these three principles to some extent. In its future aid programs it is planning to follow them more closely.

UNITED States aid to the Philippines in the past can be divided roughly into three types, corresponding to the paramount needs of your country in the three general periods of its history.

The *first period*, I have in mind, runs from March 16, 1900, when President McKinley appointed the Second Philippine Commission for the purpose of instituting civil government in the Philippines, to the invasion of the Philippines by Japan in December of 1941.

We might call this the trusteeship period, during the last six years of which, the country, as a Commonwealth, enjoyed virtual independence except for military and foreign affairs.

During this 41-year period, the over-all purpose of American aid were *first* to help the Philippines establish a democratic form of government and way of life suited to its needs and desires and *second* to prepare the country through guidance, training and experience to become a stable, prosperous, independent state. Specific types of aid during this period included: protection of the territorial integrity of the country; protection against excessive immigration from neighboring countries; guidance in the drafting of a constitution and the development of a governmental structure with executive, legislative and judicial branches; assistance in the development of a civil service to provide a permanent body of efficient public servants capable of

The President of the Philippines has expressed the determination of his country to pursue with vigour the courses of action which offer the greatest promise.

The President of the United States has reiterated the desire and intention of the United States to render all feasible assistance.

The United States will continue to watch sympathetically the efforts of the peoples of Asia to forge stronger ties of economic co-operation and collaboration to hasten the progress of self-government and to preserve their freedom.

administering the government in a manner to contribute to national stability and progress; assistance in the establishment of a system of public education which we considered indispensable to successful self-government; and assistance in the establishment of modern systems of public health and social welfare to reduce disease, increase length of life and promote that physical health and energy on which alone could be based a sound and sturdy national development.

These different types of assistance the United States contributed to the best of its ability, through the services of some of its leading statesmen, jurists, economists, educators, engineers and technicians in many fields.

The *second period*, covers that nightmare period of Japanese occupation which began with the arrival of the first enemy troops in Aparri in December of 1941 and ended with the unconditional surrender of the Japanese Imperial Army in Baguio on September 3, 1945.

During this four-year period, the type of assistance overshadowing all others in urgency was military aid in liberating the country from the yoke of a brutal and oppressive conqueror. This assistance was forthcoming as soon as adequate men and material could be made available and the intervening island groups reclaimed.

To liberate the Philippines and defeat Japan involved, in addition to the indomitable aid of Filipino guerrilla groups and the invaluable assistance of the Australian armed forces, a fighting force of more than 5,000,000 United States army, navy, marine corps and airforce men. Victory in the Pacific was won at a cost of 300,000 United States casualties and the expenditure of many billions of United States money which, for years to come, will constitute a tremendous debt to be carried, and ultimately amortized, by the United States tax payer.

Thus did the United States fulfill its promise to use its manpower and resources to help liberate the Philippines.

The *third period*, we might call the period of reconstruction running from 1945 through 1951.

During this six-year period, which is now drawing to a close, the predominant need has been for United States money and technical assistance to supplement Philippine funds, natural resources and manpower in the reconstruction of your war-shattered country. Public buildings and private homes had to be rebuilt, bridges, roads and docks reconstructed, public services re-established and the wheels of the economic life of the country set in motion. To this great reconstruction undertaking, the United States, by the end of 1951, will have contributed under present authorizations, \$1,244,000,000 and the services of nearly 200 technical experts.

In addition to the foregoing amount of money which covers only the total of outright grants and relief, the United States Government will have spent over \$2,500,000,000 in the Philippines from V-J Day through 1951. This money which has been and still is being spent for wages, purchase of local supplies, and miscellaneous military expenditures has gone, and will continue through 1951 to go, into the nation's total economy, thus assisting very materially in the post-war task of setting in motion the economic processes of the nation.

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A third type of aid received from the United States, which has received little public attention, consists of the sums of money received by various church groups, organizations such as the Boy and Girl Scouts, YMCA and YWCA, and fraternal orders. These funds, which have been received either directly or indirectly from private donors, total more than \$20,000,000 a date and are still coming in.

Thus the people of the United States, both through their Government and in person, have contributed substantial assistance to this country during this period of post-war reconstruction, which is now drawing to a close.

My purpose in this briefly reviewing the history of United States aid to the Philippines to date has not been, I assure you, a desire to boast or to invite public praise for the aid my country has extended to your country during the last half century. Whatever the United States has done to help the Philippines down through the years has been motivated by a genuine devotion to the welfare and progress of this country and its people. The consistent aim of the American government in all its relations with the Philippines has been, as expressed by the Schurman Commission in 1898, to promote, to the best of its ability, "the well being, the prosperity, the happiness and the advancement of the Philippine people."

My real purpose in reviewing the history of American aid to the Philippines has been to focus attention on three simple facts, *first*, that aid, in one form or another, has been continuing for the past 50 years, *second*, that this aid has been varied from period to period to meet the predominant needs of your country in each stage of its development, and *third*, that this aid has been so planned as to promote national growth toward the ultimate goal of complete self-reliance.

SO much for American aid, past and present. Now let us consider the future. And may I open this second phase of my discussion this afternoon by reassuring you of the deep affection and the great respect which the American people will always hold for the Filipino people. The unprecedented welcome your President recently received in the United States is eloquent testimony to this fact. May I also assure you that my Government is keenly desirous of continuing its aid to this country in future years, within the limits of its ability to do so and with due regard to the independence and sovereignty of your nation.

In view of the long standing policy of my country to furnish that type of assistance most needed at a given time, the following question naturally arises:

"What type or types of aid, which the United States is in a position to render, will be most needed by the Philippines in the years that lie ahead?"

From my talks with governmental officials and leaders in both countries, it appears that there are two types of aid which my country is in a position to render and which your country will urgently need in the years ahead. These are (1) assistance in economic development and (2) military assistance to aid in equipping, training and maintaining armed forces adequate to the country's needs.

So far as military aid is concerned, legislation is now being considered by the United States Congress to authorize such assistance. This was one of the measures I worked hardest for during my recent sojourn in Washington. I am confident of the passage of this enabling legislation.

NOW let us turn our attention, in the remaining moments at my disposal, to the subject of the economic development of the Philippines, and what the United States can do to assist in this all-important, long-range undertaking.

Few subjects excite the imagination more than economic development. To most people these words signify more of the better things of life for more people, fuller and richer lives, social betterment, a higher standard of living for all.

Economic development, in the broadest sense of the term, implies the increasingly effective use of a nation's resources—human resources, natural resources and capital resources. It involves the production of more food, more clothing, more and better homes, and more mechanical power to lighten people's burdens. It applies to farms as well as to factories; to intellectual advancement as well as physical health; to habits of work and habits of leisure; to the saving of capital and to its constructive investment.

There is no uniform pattern of economic development applicable to all countries. Different countries have different needs and different potentialities. Development should take into account and be adapted to local resources, attitudes, social and legal structures, customs and practices. In some countries basic improvement in health, literacy, and vocational skills may

well be prerequisite to increased production and improved standards of living. In other countries, agriculture, rural and small-scale industry, and transportation may stand in most need of improvement.

May I emphasize the fact that economic development, as I am discussing it this evening, is not limited to industrialization in the narrow sense of manufacturing. While the development of manufacturing enterprises is usually a necessary part of economic development, it is not the whole story and frequently not even the most important element therein. Economic development embraces advances in agriculture, mining, transportation, communications, power, and in the skills and capacities of the people. It requires the expansion of the distribution system and the full machinery required for the exchange of goods. All these economic activities are mutually reinforcing elements in the process of a nation's economic development.

NEXT let us consider for a moment the purely domestic problems of economic development which are numerous and difficult, as they involve basic changes in the economic, political, and social institutions and habits of a country.

By and large, down through the ages, the habits and attitudes that have most effectively fostered economic development have been those of *work, saving, venturesomeness and adaptability*. The need for *work* extend to all groups. The working, self-disciplined business manager is as important to the expansion of production as the self-discipline and hard work of the farmer and laborer. *Saving* is the basis for capital accumulation. It can take place whenever people have hope and confidence in the future of themselves and their country. *Venturesomeness* is perhaps the most difficult of all new habits to acquire. The farmer must be willing to abandon the habits of father and grandfather and use new methods that appear to him to involve risk and danger. Domestic capital must be ventured in productive enterprises rather than put into real estate or hoarded in jewels, gold and strongboxes. Finally, there must be *adaptability* to changing concepts. Old forms of status and caste, archaic systems of land tenure and resistance to science and technology usually retard economic development.

In addition to the habits and attitudes of the people, economic development depends upon such normally unspectacular functions of government as the establishment of internal order, security and justice, the creation of money, credit and a sound fiscal system, the development of basic systems of communications and transportation, the spread of literacy and higher learning in the arts and sciences, the provision of basic health and social services, and the assessment and conservation of natural resources.

No country that aspires to economic development can say that it cannot afford these duties of government. It cannot afford not to educate its children. It cannot afford not to build up the health of its people. It cannot afford not to give aid and encouragement to art and science. It is the function of a government aspiring to economic development to establish and maintain the institutions which enable its citizens to become resourceful.

The bulk of the capital for the economic development of a country must come from its own people. There are important reasons for this. In the *first place*, the amount of funds that can conceivably be obtained from foreign sources will always fall far short of a nation's capacity to use capital. Larger amounts of capital have been moving across national boundaries since the end of World War II than at any time in the past, but the demands still far exceed the supply. *Secondly*, a country which imported too large a proportion of its capital would be faced for a long time with heavier carrying charges than it can readily meet in foreign exchange. Many industrialized countries, including the United States, have been developed in part by foreign capital, but in every case, the bulk of their capital investment is the result of their own savings. These considerations underline the importance for a government to create a climate and devise incentives which will stimulate and mobilize domestic savings, and then channel these savings into productive investment.

Thus have I indicated some of the functions of government, which are basic, indispensable ingredients to economic development. To discharge these functions effectively calls for government personnel trained in the art of administration, devoted to the public service, scrupulous of the public welfare.

In my discussion of economic development thus far, I have reviewed the main factors which a nation should keep in mind in planning and developing its economic life. In so doing I have attempted to emphasize the basic principle, applicable to every country in the world today, that *national development must be based primarily on national resources and must come largely from the effort of the people concerned.*

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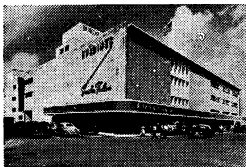
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With regard to assistance which a foreign country can furnish to aid and accelerate another nation's economic development, my government has decided to place chief emphasis on:

(1) Assistance in finding ways and means of tapping the reservoirs of foreign capital, to supplement local capital, in the creation and expansion of productive enterprises.

(2) Assistance in providing scientific and technical "know how" and "show how" in the various fields of activity directly related to a nation's economic development.

I have briefly discussed up to this point what a nation must do for itself and what assistance it is reasonable to expect from a foreign country in a wide-ranging, long-term program of economic self-development. Now let's apply this general information to the question at hand: *the economic self-development of the Philippines and what the United States can contribute to this great undertaking.*

The conditions my Government considers essential before assistance to a country can be justified have been clearly defined in connection with the European Recovery Program. These conditions, which will apply also to aid under the "Point Four Program," have been inherent in all I have said thus far about economic development. Specifically they are: (1) practical and realistic plans of action, (2) maximum self-help, by the nation itself, and (3) existence of internal conditions favorable to economic development.

1. *Agriculture:* The wealth necessary to support a prosperous nation exists in Philippine soil and waters. For this reason, the foundation of the country's economic structure must be agriculture. Increase in agricultural production is essential today to relieve the drain on foreign exchange from food imports and to maintain an expanding industrial population. Agricultural production can be increased by the use of better seed and fertilizer, irrigation, improved methods and techniques of farm operations, the more extensive use of mechanized equipment, improved marketing facilities, adequate credit at low rates for small farmers, a program of continuous research and experimentation and by bringing under cultivation a larger percentage of the arable lands.

Is the country at present doing all it can to increase its agricultural productivity in these and other ways? If not, what more can it do in terms of its own resources?

2. *Industrialization:* While I feel the primary emphasis should be placed on agriculture, it would appear that Philippine economy has developed sufficiently to warrant the launching of a carefully planned program of industrial development to produce products for home consumption, which otherwise would have to be purchased in foreign markets. New small-scale-rural industries, including handicrafts, could be developed which would furnish farm laborers with work during those periods of the year when they are not engaged in agricultural activities, thus increasing both their total productivity and their standard of living. Mining could be further developed and the processing of ore advanced to increase their sales' value in foreign markets and to form the basis for more advanced industrialization in the future. Of particular importance is the manufacturing of items to promote agricultural development, such as fertilizer. Progress in the field of industrial development will, of necessity, be slow. It must, however, be built on a sound foundation, in proper balance with an expanding agricultural program.

Does this country have plans for industrial development? If so, is it using its own resources, in maximum degree, to implement such plans?

3. *Power:* Basic to both industrial and agricultural development is, of course, the use of the nation's water resources for light, power and irrigation. Is the country, at present, doing all it can to utilize its water resources for economic development?

4. *Public health:* The economic development of your nation will depend to a considerable extent on the health and physical strength of the people. Every effort must be made to strengthen the nation's health by the development of effective physical training programs in the schools and by the eradication of those diseases, such as malaria and tuberculosis, which today are depriving the country yearly of millions of man-hours of productive labor. The United States Public Health Service has demonstrated by its work on Negroes and elsewhere what can be done to eradicate malaria and other disabling diseases. Is this country doing all it can for itself in the field of public health? Has it a future program leading eventually to the complete elimination of serious health hazards?

5. *Education:* All phases of economic development depend to a large extent upon education. The schools of a democracy such as yours and mine must produce men and women who have strong bodies, good minds, stable emotions, sound

character; they must be able to read and write and think straight; they must possess the knowledge and skills essential to productive effort in the fields of agriculture, industry and commerce and in the professions. Is the country doing all it can, within the scope of its own resources, to so train its youth as to make possible for the nation a maximum use of its human resources?

6. *Financial stability:* Financial stability is a prime requisite for economic development. In this connection, consideration must be given to whether financial stability is being maintained by holding budgetary expenditures to a level that makes it impossible for the government to meet the genuine needs of the country. The percentage of the national income that can be taken through taxation, without acting as a drag on the economy, is an open question. It is somewhat difficult, however, to establish the need for outside assistance for internal expenditures if the percentage of national income taken through taxation is much lower than that of most other countries and particularly lower than that of the country from which assistance is asked. It would appear equally difficult to establish the need for foreign exchange assistance unless the maximum effort is being made with what is available internally in the Philippines. Is the country providing and maintaining essential government services at an adequate level? If not, what more can it do within the scope of its own financial resources?

7. *Domestic capital:* I said earlier in this speech that the bulk of capital for the economic development of a country must come from its own people. I understand that there is a considerable amount of local capital here in the Philippines today that could be used for capital investment. If this is true what is being done, and what more can be done in the future, to increase the flow of such capital into productive enterprises?

8. *Foreign exchange:* A country that desires to use all the resources available to it to promote economic development, should make the most judicious use of its foreign exchange. By this I mean, the use of as a large a portion of such exchange as possible for capital imports and agricultural equipment and supplies that will help to increase productivity, and, conversely, as small a portion as possible for goods that would be immediately consumed. How is the foreign exchange of your country used at present? What can be done in the future to increase still further the percentage of foreign exchange used for those types of imports that will directly contribute to increased productivity?

9. *Internal conditions:* If United States private capital is to come to the Philippines in larger amounts in the future than it is at present, the government must establish internal conditions and devise incentives which will stimulate such investments. This involves among other things, law and order, a sound fiscal system, and an effective program to alleviate social unrest by promoting a higher standard of living for those of your people who for generations have been able to eke out only the barest possible existence.

Is your country doing everything it can to establish internal conditions favorable to economic development such as the maintenance of law and order, development of a sound fiscal system, and raising the living standards of its lowest economic groups?

10. *Production costs:* Another internal factor vitally affecting the inflow of foreign capital for industrial development is the question of production costs, which must be low enough to ensure the investor a reasonable profit on his investment. I discussed this matter a few weeks ago while I was in Washington. Unfortunately, my words were misquoted and my meaning was misunderstood. Let me make myself clear on this matter once and for all. Production costs in the Philippines today are high—in fact substantially higher than in many countries currently seeking United States private capital. If the Philippines is to compete successfully with these other foreign countries for United States capital, such costs must be reduced. I want to make it very clear, however, that I am not talking about employee wages, which constitute only one element in the total cost of production. I want to make it clear, also that I am definitely *pro-labor*, and confidently looking forward to the day when the standard of living of the laborer will be materially higher than it is today, as productivity increases. In referring to a reduction in production costs I have in mind such factors as the more efficient use of manpower through better planning, training and supervision, more attention to employee health and welfare and the development of more efficient production methods and techniques. The reduction of labor costs in Negroes, as a result of the malaria control program of the United States Public Health Service.



is a good example of what I mean by reducing production costs without reducing the wages of the laborers. What can be done to reduce production costs in other areas of the country without lowering wages?

FROM the answers to such specific questions as I have just raised should come the answers to such general questions as: Is the Philippines making a maximum use of its own resources to promote its own economic development? If not, what more can it do for itself?

With the answers to these questions in hand, the next step will be the formulation of a concrete, specific, realistic plan of action, based upon what appears to be the wisest course of action in terms of the most urgent immediate needs, as well as the long-range needs of the nation as a whole.

Long-range projects necessary to the most beneficial development of the country's resources must be carefully formulated. On the other hand, today's needs are urgent. Without prejudice to the plans for long-range development, top priority should be given to economic development projects which can be undertaken promptly and which will make the greatest net contribution within a reasonable period of time. In brief, a proper balance should be kept between long-run objectives and short-run realities.

The members of my Embassy staff will be glad to assist, to the extent desired by your government, in the drafting of a plan of action such as I have just discussed.

As soon as a plan has been completed, which provides for maximum self-help on the part of your country itself, my government stands ready and willing to cooperate in carrying out the plan by assistance under President Truman's "Point Four Program," when necessary funds are made available. Under

the "Point Four Program," two types of assistance will be available—

1. Assistance in finding ways and means of tapping the reservoirs of United States private capital, to supplement local capital, in the creation and expansion of productive enterprises.

2. Assistance, by furnishing scientific and technical knowledge and skill through such activities as training in administration, in industry, and in agriculture; health programs, broad technical missions, and the supplying of individual experts; experiment stations, training fellowships and local technical training institutes; dissemination of information through conferences, seminars, and publications; provision of laboratory material; demonstration services and equipment; advice concerning particular industrial and agricultural projects; resources surveys and general assessment of development potentialities; analyses of methods of production, marketing and management; and advice on steps designed to mobilize domestic savings for constructive investment.

In addition to the foregoing types of assistance under the "Point Four" program, I shall be willing to recommend to my government, from time to time, other types of assistance which might be required to supplement maximum effort by the Filipino people in order to enable them to build a sound balanced economy.

In closing may I say, as strongly as possible, that the Filipino people have every reason to have full confidence in the future of their country. You have vast resources and an intelligent population and the United States stands squarely behind you today, asking only that you do all in your own power to develop your own economy to the end that a steadily increasing percentage of the Filipino people may realize their aspirations for a happier, healthier and more prosperous life.

## Export Control

By V. E. Bunuan

*Administrator, Sugar Quota Office, Department of Commerce and Industry*

EXPORT control in the Philippines had its beginning with the control exercised by the U.S. High Commissioner of the Philippines in 1940 over strategic war materials such as munitions, with base metals added in 1941, by virtue of a proclamation of the President of the United States. With the re-establishment of the Philippine Government and of the High Commissioner's Office in 1945, the United States shipped to the Philippines, through Philippine importers authorized, and whose credits were sponsored, by the U.S. Commercial Company, acting as official representative or agent of the High Commissioner, much needed goods, mainly food supplies and articles of clothing, for sale among the inhabitants of the Philippines and expressly prohibited from exportation. It will be noted that this prohibition referred only to American goods that were imported into the Philippines and did not include any Philippine product.

This control continued until 1946, when the Philippines took over, it may properly be stated, the function of export control with the enactment on July 2, 1946, by the Congress of the Philippines of Commonwealth Act No. 728 authorizing the President of the Philippines, until December 31, 1948, to regulate, control, and prohibit the exportation to any destination, of agricultural or industrial products, merchandise, articles, materials, and supplies, and the Sugar Quota Office, being in charge of the exportation of sugar and other quota products to the United States, such as coconut oil, cordage, cigar, leaf tobacco, and

pearl buttons, was designated by the President of the Philippines as the logical office to take charge of the operation of the export control law in Executive Order No. 3, issued on July 10, 1946, prescribing rules and regulations for this control. Section 1 of this Order listed 41 products, articles, materials, and supplies, both of local and foreign origin, which were prohibited from exportation, among them articles of prime necessity such as rice, sugar, milk, cheese, butter, eggs, lard, poultry, grains, vegetables, coffee, textiles, cotton, shoes, soap, and such other products as were in short supply at the time and which were needed for the agricultural and industrial rehabilitation of the Philippines.

The prohibition of the exportation of the products in Section 1 of this Order, however, was not absolute in order not to unduly interfere with the country's foreign trade. If, upon due survey and investigation by the offices and entities of the Government to which each application to export is referred, it was found that there was sufficient supply of the articles or products applied for to take care of local demand, limited quantities of these products were permitted exportation.

Exportation of products, articles, materials, and supplies to the United States, whether of prohibited exportation or not, were not, under the provisions of this Executive Order, subject to the issuance of an export license; in other words, they were permitted to be shipped to the United States freely, the only requirement being the ordinary filing of a through

bill of lading with the Bureau of Customs. The Executive Order further provided that the exportation of products, materials, and articles purchased from the United States Foreign Liquidation Commission which were sold by said Commission specifically for export was, as it is now, permissible.

In a separate Executive Order issued in 1946 by President Roxas under the emergency powers of the President of the Philippines, the exportation of lumber was prohibited to the extent of 20% of the output of each lumber producer. Later this control was liberalized by permitting the exportation of lumber to the extent of 50% of the quantity of lumber produced. Finally, on June 7, 1949, the control was entirely abolished and since then the exportation of lumber has been free.

The President of the Philippines later amended Executive Order No. 3, imposing an application fee of ₱2 for each application submitted to the Sugar Quota Office, and an export license fee of ₱5 for each ₱1,000 of the declared value of the goods applied for exportation or fraction of said value amounting to ₱500 or more, provided that the license fee for each license issued does not exceed ₱50. Later the Cabinet prescribed a royalty fee for each kind of scrap metal permitted exportation, to be collected in addition to the application and export license fees. From November 1, 1946, when the license fees were put into effect, to August 31, 1949, the revenue derived by the Government from these sources amounted to

₱1,914,803.27. On March 17, 1947, the President further amended the Executive Order, requiring the issuance of export license on all shipments to the United States of copra and all properties transferred to the Philippines under the agreement between the Republic of the Philippines and the United States, dated September 11, 1946.

**E**XPORT control under Commonwealth Act 728 already referred to, expired on December 31, 1948. Though requested to do so by the President, the Congress failed to re-enact this law and the President therefore extended the export control by the use of his emergency powers, through the issuance of Executive Order No. 192, dated December 24, 1948. The control, as ordered by the President under this Executive Order, however, was greatly liberalized. Many of the articles in the prohibited list of exportation in the previous Executive Order were removed, such as sugar, textiles, cotton and light material, soap, oils, fats, waxes, and derivatives thereof, lamps and other lighting supplies, coal, and coke. There were, however, some articles and materials that were included in the new Executive Order as prohibited from exportation, and these were: all scrap materials, combat vessels and other combat equipment, and products exported by the United States and foreign countries to the Philippines under allocation. Liberalization of control was also effected through the abolition of the requirement that products not listed in

PRODUCTS EXPORTED TO THE PHILIPPINES UNDER ALLOCATION BY EACH FOREIGN COUNTRY, INCLUDING THE UNITED STATES, AND BY THE INTERNATIONAL EMERGENCY FOOD COUNCIL, AND, THEREFORE, PROHIBITED FROM EXPORTATION UNDER EXECUTIVE ORDER NO. 220, DATED JUNE 4, 1949, AMENDING ITEM 41, SECTION 1, OF EXECUTIVE ORDER NO. 192, DATED DECEMBER 24, 1948.

**UNDER UNITED STATES DEPARTMENT OF AGRICULTURE**

**MEAT AND MEAT PRODUCTS**

Hams  
Bacon  
Corned Beef

**MILK AND DAIRY PRODUCTS**

Condensed milk  
Butter  
Cheese

**FISH**

Canned  
Codfish, salted

**UNDER THE OFFICE OF INTERNATIONAL TRADE  
(DEPARTMENT OF COMMERCE)**

**COAL-TAR PRODUCTS**

Coal-tar pitch  
Cresote or dead oil  
Dimethyl phthalate

**MEDICAL AND PHARMACEUTICAL PREPARATIONS**

Insulin  
Quinine sulfate, hydrochloride  
Quinidine alkaloid, salts and compounds  
Streptomycin  
Bismuth sub-carbonate, sub-gallate, sub-nitrate, sub-salicylate  
Radium salts and compounds  
Radium (radium emanations)  
Chemicals containing artificial radioactive isotopes

**CHEMICAL SPECIALTIES**

Naphthalene balls and flakes  
Synthetic gums and resins

**INDUSTRIAL CHEMICALS**

Ethylene glycol  
Lauryl alcohol  
Lead acetate  
Sodium carbonate, calcined or soda ash  
Soda ash, causticized  
Sodium nitrate, ammonium nitrate  
Urea, urea ammonium salts  
Beryllium salts and compounds  
Bismuth salts and compounds

Chemicals containing artificial radioactive isotopes  
Chromium salts and compounds  
Gallium salts and compounds  
Lead antimonate, lead arsenite, lead dioxide  
Radium ore concentrates  
Radium salts and compounds (radium content)  
Tin compounds

**PIGMENTS, PAINTS, AND VARNISHES**

Lithopone  
Red lead, dry, in oil  
Litharge  
White lead, dry (basic lead carbonate), in oil  
Basic sulfate of white lead  
Chrome pigments containing 10% or more chromium, except lead-free chrome pigments  
Lead pigments, including blue lead and lead sulphate  
Lead sublimed in oil  
Paints containing radium

**NON-FERROUS METALS**

Copper pipes, tubes, plates and barewire  
Bronze and brass bars, plates  
Lead bars, sheets, solder type metal

**TIN PLATES**

**IRON AND STEEL**

Galvanized iron sheets  
Welded galvanized steel pipe  
Uncoated iron and steel wire

**UNDER INTERNATIONAL EMERGENCY FOOD COUNCIL**

**COCOA BEANS**

RICE

FROM INDIA

**JUTE BAGS AND BURLAPS**

FROM AUSTRALIA

**HAM AND BACON**

CHEESE AND BUTTER

FROM JAPAN

**STEEL SHEETS**

LIGHT RAILS  
REINFORCED STEEL BARS  
CONDUIT AND WATER PIPES  
RAILS  
BARBED WIRE  
BAILING HOOP

Sources: United States Embassy and Department of Foreign Affairs, Manila, as of June 27, 1949.

the list of articles prohibited from exportation were to be permitted exportation without the issuance of export licenses. The products, materials, articles, and supplies listed in the Executive Order as prohibited may be permitted exportation as exceptions under the following conditions:

1. If, after due investigation by the government entities concerned, the available supply of the article to be exported is found to be in excess of domestic requirements, its exportation may be allowed.

2. Shipment of materials and food, like fish and fish products, to the Filipinos in Hawaii and Guam shall be allowed.

3. Shipments by local firms of their own products to their branches or factories abroad, for the use of the latter, shall be allowed.

4. Exportation of articles or spare parts of articles in the prohibited list that have been brought into this country for assembly or for transhipment or reexportation, shall be allowed, provided that local needs for such articles are adequately supplied, or that new replacements for the same are made.

5. When a particular material under a prohibited class cannot be sold locally because there is no demand for it, its exportation shall be allowed.

**T**HIS was the situation in respect to export control in the Philippines when the Supreme Court decided on August 26 that Executive Order No. 192, issued under the emergency powers of the President, is not valid. As a result of this, export control is to be discontinued in accordance with the decision of the Supreme Court, 15 days from the date of the entry of final judgment, that is 15 days after the 15 days allowed by the rules of court to each side to file a motion for reconsideration. In other words export control will be discontinued 30 days after August 16, when the decision was promulgated, unless in the meantime, a way is found to permit it to continue pending enactment of the necessary legislation by Congress.

The question of whether or not export control should be continued, has thus been brought to public attention. It is believed that like other countries, including the United States, which still exercise export control, the Philippines should continue to do so, in a further liberalized manner, in the same way that the export control as exercised through Executive Order No. 192, in 1948, issued by the President of the Philippines, was more liberal than that which was exercised through the previous executive order issued by President Roxas in 1946, which is logical because of the fact that articles, products, and mer-

chandise that in the past have been of short supply are no longer so to the extent that they were in previous years. Export control is however to be deemed necessary in the following cases:

1. Export control should be continued in order to continue to prohibit the reexportation of products, articles, and merchandise that are exported to the Philippines under allocation by the International Emergency Food Council and by the United States and other foreign countries to needy countries. The Philippines is among the countries that receive allocations each year upon our request and that are given in consideration of our needs; in reciprocation, the exportation of these allocated products is prohibited not only because of our need for such products but in due recognition of the interest of the allocating countries.

2. Export control should be continued to prevent the exportation of combat equipment and materials of war which formed part of the war surplus property turned over by the United States Government to the Philippines with the request, later, that the Philippine Government cooperate with the American Government to prevent certain war combat equipment and materials from falling into the hands of countries which do not subscribe to the ideals for which the last war was fought and won. This combat equipment and these war materials are included in Proclamation 2776 of the President of the United States, dated March 26, 1948, which, by virtue of a joint resolution of the Congress of the United States, makes it unlawful for any person to export or attempt to export from the United States to any other state any arm or ammunition listed in said Proclamation, unless an export license is issued by the Secretary of State.

3. Export control should be continued to prevent the exportation of those war surplus properties transferred by the United States Government to the Philippines which, under the Agreement between the two governments dated September 11, 1946, are not to be permitted to be imported into the United States, said Agreement being as follows: "That the Philippines shall use its best endeavors to insure that property transferred pursuant to this Agreement shall not be imported into the United States in the same or substantially the same form, if such property was originally produced in the United States and is readily identifiable as such, unless such property is to be imported into the United States for the purpose of reconditioning for reexport, or by a member of the United States armed forces for his personal use".

4. Export control should be continued to prevent the exportation of articles and products which are in short supply in the Philippines, such as food products, building materials, tractors, agricultural implements, fertilizers and such products as are needed for the industrialization of the Philippines, which include scrap metals of all kinds and iron ore. These products being in short supply will, if permitted to be exported, result in the consequent rise in prices to the detriment of public interest. In this connection, it must be stated that nearly all the countries of the world, including the United States, still exercise export control especially with regard to local products and needed materials for industrialization, because they can not produce said products to the extent of permitting unlimited exportation.

**T**HE world is tired of political fanaticism. It is weary of the lies, propaganda, and hysteria created by dictatorships. It is disgusted by the practice of torture and political allegiance which is inspired solely by fear.

"Men want to live together in peace. They want to have useful work. They want to feel themselves united in brotherly affection. They want to enjoy that great privilege—a privilege denied to millions throughout the world today—the right to think their own thoughts and to have their own convictions."

PRESIDENT TRUMAN

At the 75th annual conventions of the  
Imperial Council of the Shrine

# The New San Miguel Glass Plant

By Andres Soriano  
President, A. Soriano y Compañía

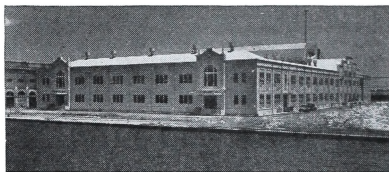
**A**N admixture of raw materials mostly sand, some soda ash, limestone, borax, "cullets" (broken glass), etc. plus a lot of high temperature heat and a world of scientific research and technical "know-how" — this all adds up to the product we recognize as "glass."

Chemistry and Engineering have played the most important roles in the formation of the structure or foundation on which the world's glass industry of today has been built, and it is upon this same foundation that a new and modern unit of this important industry has been erected and recently put into operation by the San Miguel Brewery.

This new Glass Plant unit is conveniently situated on the bank of the Pasig River in the Farola district on a piece of property which the San Miguel Brewery acquired in 1946 from the former Pacific Commercial Company for the sum of P2,000,000.

The "Farola Compound" as this property is generally referred to, comprises an area of 50,000 square meters, of which the Glass Plant proper covers an area of 8,540 square meters, with a total floor-space area of almost 2 hectares. Both the main building, which is an imposing structure, built strictly along factory lines but still retaining the traditional San Miguel Brewery motif, as well as the so-called "batch house," behind the main building, have been constructed entirely of steel and concrete at a cost of P2,650,000. All construction work was done by local building contractors who, during the period of construction, which lasted about 15 months, employed on the average from 350 to 400 laborers daily.

The production lines of the factory are in the rear of the building and consist of a melting furnace and a maze of intricate and automatically operated machines for making glass bottles. At present there is only one furnace in operation, but provision has



The new glass factory of the San Miguel Brewery on the Farola, near the mouth of the Pasig River.

been made for two additional ones, one of which is now under construction. The furnace presently operating is capable of melting 80 tons of glass in 24 hours when operated at a temperature of 2700° Fahrenheit.

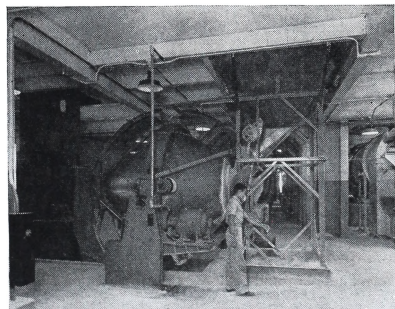
The glass is being kept at a constant level in the furnace and the amount present at any time inside this furnace is kept constant at 180 tons. The melting operation, however, is maintained at a continuous flow by automatically feeding the mixture of the sand and other ingredients into the rear of the furnace at the rate required to produce sufficient molten glass to keep the bottle-forming machines, which stand in front of the furnace, in uniform continuous operation.

There are four of these machines operating from the one furnace, and the speed at which they can be operated is in direct proportion to the size and weight of the bottles which are being made. The smaller the bottles, the faster is the production. Working on bottles that weigh 12 ounces, each machine is capable of producing 40,000 bottles in 24 hours; in other words, the four machines are capable of producing 160,000 bottles in this length of time.

The machines are the latest and most modern automatically operated glass-bottle-making machines yet devised. This complete installation, including melting furnace, tempering ovens or Lehrs, and auxiliary equipment such as air compressors, vacuum pumps, conveyors, etc., represents an overall investment of P2,403,000.

In order to properly maintain and operate this installation, a complement of highly skilled technical, mechanical and chemical engineers, operators, foremen, inspectors, and laborers are employed. They are all Filipinos, many of whom received their training in the small pilot plant operated by San Miguel Brewery before the war.

The quantity of the various kinds of raw materials entering into the manufacture of glass depends entirely upon the composition and purity of these materials. Representative samples of all materials must pass through the laboratories for exact determination of their composition so that the required quantity of each material can be accurately determined before mixing and a uniformly high-grade finished product may be assured.



The Batch Mixing Machine, where the automatically weighed raw materials are thoroughly mixed before being melted in the blasting heat of the furnace.

Samples of the finished product are taken from the production lines at intervals of 30 minutes, night and day, and likewise submitted to the laboratories where they are subjected to rigid physical tests as well as chemical analysis. Two laboratories, one for physical and the other for chemical determination, are situated alongside the Administration Offices in the front part of the main building facing Pasig River. These two laboratories are elaborately equipped with the most modern scientific instruments and are staffed by competent Filipino chemists who have acquired, through intensive training and study, the special technique pertaining to the analytical control of glass-making.

The first requisite for a successful and economic operation of a glass plant is an abundant supply of high-grade silica sand. After three years of intensive exploration in many different parts of the islands, a supply of this material was found on the east coast of the island of Palawan, about 60 miles north of Puerto Princesa. The sand deposits in this locality proved to carry a high percentage of pure silica (98%) and for this reason are particularly well suited for making glass. After a thorough survey had been made of the area, it was estimated that the reserves of high-quality sand therein would assure a supply for the continuous operation of the glass plant for a period of from 40 to 50 years.

Steps were immediately taken to establish mining operations in this locality, and the first consignment of sand consisting of 1,000 tons was delivered by barges to the Glass Plant on March 15 this year. Since then, an additional 10,000 tons has been extracted and delivered, to take care of the requirements of the Glass Plant which at present amount to 1,500 tons monthly.

Incidentally, it should be mentioned that since the day of the inauguration of mining operations in Palawan, the population of the small barrio of Del Pilar, where the headquarters are situated, has increased from 40 inhabitants to 400, of which more than 100 men are earning their livelihood by participating in the work of extracting the sand.

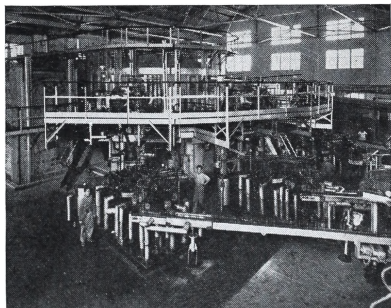
By his establishment of a great new Glass Plant, which he here describes, Mr. Andres Soriano, who is a member of the American Chamber of Commerce, has again demonstrated his faith in the Philippine future and has again shown how capital may be wisely invested here.

The venture into the "heavy industry" bracket by the San Miguel Brewery has not only opened up new opportunities for employment of our people, but fits admirably into our young Republic's economy program of conserving dollar exchange by eliminating importations of glass containers of all sorts. The following figures will substantiate the importance of this statement:

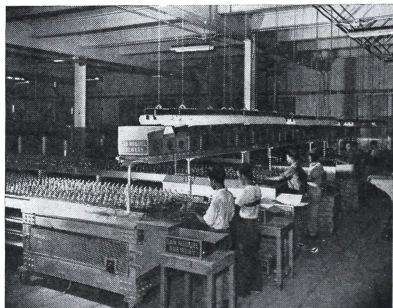
During the year 1946 the value of imported glassware into the Philippines (not including window glass or sheet glass) amounted to P3,650,140. The next year, 1947, this amount increased to P4,291,385. During 1948 the value of our importations showed a further increase of almost P2,000,000 to a total of P5,926,528.

Considering that by far the greater part of raw materials entering into the glass manufacture are obtainable in this country, the enormous benefits derived from the establishment of this industry in the Philippines can easily be realized.

In order to effect further economies, the San Miguel Brewery is proceeding with the installation of a modern carton-making plant for making corrugated carton boxes to be used for packaging the finished bottles, and a separate processing plant of the latest type of equipment for applying varied-color ceramic labels and other decorations on glass containers. These two new units will serve as a complement to the glass factory and at the same time eliminate importation of finished products of this nature. But this is another story which can be better told and appreciated after completion of these installations.



Battery of intricate bottle-forming machines which form the molten glass into bottles. These machines are capable of producing 160,000 12-ounce bottles in 24 hours. In the background is the melting furnace which supplies the molten glass to these machines.



The newly moulded bottles are conveyed to the annealing Lehrs for a 2-hour journey through various temperature zones to give them the proper temper; inspection and packing follows.

# The Business View

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

## Office of the President of the Philippines

**JULY 25**—Announced that the British Government has accepted the nomination of Jose E. Romero as Minister. He will succeed Ramon Fernandez in London.

The National Economic Council recommends to President Elpidio Quirino that the Rehabilitation Finance Corporation make a loan of P5,000,000 to the Metropolitan Water District for completion of its first priority projects. It also recommends that P2,500,000 be released to the National Development Company to replenish its capital funds, out of advances to the Government for development projects by the Central Bank.

F. D. Maramba, Director of Plant Industry, reports that the Rice and Corn Production Administration will have placed 20,000 hectares under cultivation by June, 1950, — rice, corn, peanuts, and other food crops, in Cotabato, Bukidnon, and Palawan.

**July 27**—The President administers the oath of office to Hermenegildo B. Reyes as member of the Government Enterprises Council. He has a degree of master of mechanical engineering from Cornell and is also an electrical engineer and a lawyer. He is Vice-President of the Manila Electric Company and former Vice-President of the University of the Philippines and President of the Far Eastern University. He will serve in the GEC as coordinator of the activities of the various government corporations and agencies.

Servillano de la Cruz, head of the National Rice and Corn Corporation, announces that rice will be sold at 90¢ a ganta in the immediate future, at which price NARIC stands to lose from 7 to 8¢ a ganta, but this will be offset by the profit realized from the sale of imported rice. The Government at present has some 70,000 cavans and is expecting about 60,000 from abroad. 80,000 cavans will be placed in reserve.

Delfin Buenacmino, Chairman of the board of the Rehabilitation Finance Corporation, announces that a branch of the RFC will be opened in Davao on August 1. He reports that the RFC has so far extended loans totaling P118,000,000 for the building and rebuilding of homes, P28,000,000 for the rehabilitation of farms, not including some P33,000,000 for the sugar industry, P69,000,000 for the revival and promotion of industrial establishments, P8,000,000 for the construction of public markets and slaughterhouses, and some P10,000,000 for the purchase and subdivision of 14 estates (total area of 12,000 hectares) for resale to some 5,000 tenants.

**July 28**—The President issues the following statement concerning his trip to Washington:

"I have accepted with pleasure an invitation from the President of the United States to visit Washington at an early date. The possibility of such a visit has been discussed in messages exchanged between us during the past several months and I am happy that we have been able to arrange a mutually satisfactory time. I know of President Truman's deep interest in the welfare of the Filipino people and I am looking forward to the opportunity of discussing with him a wide range of subjects of concern to our two countries. There is, however, no single plan or policy on which I shall seek to obtain agreement during the course of my visit. It is my hope that the visit may serve to strengthen the friendship long felt between the United States and the Philippines. I plan to leave Manila in time to arrive in Washington on the 8th."

Ambassador J. M. Elizalde informs the President that President Truman has issued a proclamation restoring the 2-cent differential in favor of Philippine copra. "This will insure practically exclusive access to the United States market for Philippine copra and coconut oil," he reports.

**July 29**—The President initiates action to hasten the reconstruction of the Metropolitan Theater, for which the War Damage Commission has allotted some P800,000.

The President names Judge Antonio Horriello Chairman of the Labor-Management Advisory Board, succeeding Judge Rafael Corpus.

**July 31**—The President gives a "despedida" dinner at Malacanang for U. S. Charge d'Affaires and Mrs. Thomas H. Lockett who are scheduled to leave the Philippines on August 15.

**AUGUST 1**—The President issues an executive order discontinuing the waiver of the additional progressive tax on sugar unless the sugar central concerned can show it is operating at a loss.

The National Economic Council adopts a resolution recommending a more strict enforcement of import control measures. It also recommends release of P1,000,000 out of the P5,000,000 made available by the Central Bank for irrigation projects, to be used as reimbursable funds for the purchase of portable irrigation pumps to strengthen the Administration's rice-production program.

The President's Action Committee for Social Amelioration (PACSA) reports that during the fiscal year ending June 30, it distributed palay seed and seedlings for root and other quick crops to the value of P383,500 to replant devastated farms; Pam-panga, Tarlac, Laguna, and Nueva Ecija received the largest shares. This aid did not include around P100,000 distributed in crop loans.

**Aug. 2**—The President honors his former teacher in the old Manila High School, E. J. Albertson, New York newspaper publisher, with a cocktail party at Malacanang attended by around 60 members of the 111 original members of the Class of 1910.

**Aug. 3**—The President hands Ambassador C. P. Romulo his letter of instructions on the proposed Southeastern Asia Union, placing him in full charge of the preliminary work.

The installations and facilities of the U. S. Army at Fort McKinley and Nichols Field are formally transferred to the Philippine Government as a prelude to the eventual transfer of the title. Not included in the transfer is the 10th General Hospital and a number of other units.

**Aug. 4**—Budget Commissioner Pio Joven announces that the Government is prepared to sell all former U. S. Army surplus property to the highest bidder, "as is, where is", bids to be received until 12 noon, August 15.

**Aug. 5**—The President holds a one-hour conference with a group of representative American businessmen headed by F. H. Stevens, President of the American Chamber of Commerce, who call at his invitation to discuss the business situation and investment problems. A smaller group of representatives of automobile dealers were received at the same time. Present also were Secretary of Finance Pio Pedrosa, Secretary of Commerce and Industry C. Balmaceda, and Central Bank Governor M. Cuaderno.

The President directs Secretary of Public Works and Communications P. Sanidad to release P100,000 for the immediate reconstruction of the Central Market in Manila which was destroyed by fire early this morning.

Announced that the Government has made representations with the United States Government requesting a reimbursement in the amount of over P29,000,000 paid by the Philippine Government in bonuses to enlisted men in the Philippine Army following its induction into the Armed Forces of the United States.

**Aug. 6**—The President leaves Manila for the United States on the Philippine Air Lines flagship *Manila* at 10 a.m., accompanied by Secretary Pedrosa and Jose Yulo, members of the Council of State. Among the technical advisers accompanying him also are Brig. Gen. C. Duque, Deputy Chief of Staff, Armed Forces of the Philippines and F. Rodriguez, General Manager, National Power Corporation. A squadron of 35 advanced trainer planes and a fighter squadron of 16 planes escort the Presidential plane up to the Sierra Madre mountains. The U. S. Information Service, Manila, announces that U. S. naval installations along the route have been alerted and that arrangements have been made "for hospitality, personal security, and aid in case of need" for the Presidential party.

**Aug. 9**—President Truman and Secretary of State Dean Acheson lead American officialdom in meeting President Quirino at the Washington airport on August 8 (Washington date).

The Department of Foreign Affairs announces that the primary concern of the first Philippine consular envoy to India, Judge Maynardo Farol, will be to "foster effective collaboration between the Philippines and India in the economic, cultural, and political fields."

**Aug. 10** (Washington date August 9) — President Quirino delivers separate addresses to the House and Senate of the U. S. Congress. He "pledged the Philippines to fight on the side of



and a drop of 50% from a year ago, in the export prices of copra), the value of exports for the first 6 months of this year decreased by P66,000,000 compared with the same period in 1948. This figure compared with the drop in value of imports of only P33,500,000.

The other principal contributing factor to the continued decline in the International Reserve during July, was the comparatively limited amount of dollars received from the U.S. Treasury, which funds cushion the effect of the adverse trade volume.

On August 12, the Central Bank notified the banking community that the Secretary of Finance had issued a directive to the Treasurer of the Philippines that henceforth the obtaining of a license from the Foreign Funds Control Office was no longer required for remittances abroad. Previously, such licenses were required for remittances in excess of \$2,500 monthly for other than payments of imports.

The Central Bank has recently released the following comparative figures for the period January through May, 1949.

Year and Month	MONEY SUPPLY*			Deposits, National Treasurer	Savings Deposits	Time Deposits
	Currency Net	Deposit Money	Total			
1948						
Dec. ....	526	607	1,133	22	227	22
1949						
Jan. ....	572	617	1,189	16	235	23
Feb. ....	571	589	1,160	16	236	24
Mar. ....	571	556	1,127	17	237	27
Apr. ....	586	569	1,157	17	236	28
May ....	552	549	1,101	16	237	28

\* Money supply consists of currency issued, minus cash in banks; plus the peso checking-deposit liabilities of banks, excluding the national government deposits and interbank deposits but including unused overdraft lines.

During the past month there has not been any alteration in the rates at which the Central Bank buys and sells to commercial banks, nor in the rates between which the banks are permitted to quote to clients. For prime business, banks generally are quoting Telegraphic Transfers 201.25 selling, and 200.625 buying.

## Stock and Commodity Markets

By A. C. HALL  
A. C. Hall Company

**New York Stocks.**—The advance, which began on June 13, has continued to make headway during the past month, with chemicals, foods (including sugars), and oils amongst the best-acting issues. Leading automobile stocks showed little response to record-breaking first-half 1949 earnings. Steels marked time as Wall Street tends to await the report of the Presidential fact-finding board on the steel wage situation.

As noted last month, monetary influences have continued to exert pressure toward lower yields for medium and long-term high grade bonds. This tendency is likely also to have a firming effect on the best quality common stocks.

Market fluctuations during the period, as measured by the Dow Jones Averages were as follows:—

	July 21	High	Low	August 19
Industrials .....	174.59	182.02	174.53	181.16
Rails .....	44.87	47.72	44.84	46.84

However, the movement of the averages is not too reliable a guide at the moment, as the market is a very mixed affair with numerous stocks moving against the trend of the averages, both on declines and advances.

Recent business news indicates that with consumption in many lines continuing to run ahead of output, inventories have been reduced to the stage that some shortages have appeared. This has resulted in satisfactory new buying and an increased rate of production in a number of industries. Other strong spots in the economy include the continuing high rate of automobile production and building construction. Offsetting these favorable factors in the business picture, are renewed wage demands in the steel and automobile industries. It is generally felt that further wage increases or any prolonged strikes in major industries at this time would seriously disrupt the progress already made toward a healthy peace-time economy.

In the face of many uncertainties, it is not surprising that financial opinion is very divided on the market outlook. According to Dow Theory, the current advance is a secondary reaction in a primary bear market. A leading statistical service feels that the November-July business recession has only accomplished part of the readjustments which are needed. On the other hand, another equally prominent stock review has held and continues to hold the view that the recession would be relatively mild and brief, although admitting the possibility that some jolts lie ahead before the economy gets out of the woods.

It is the writer's opinion, based on a study of the market action of a large number of individual stocks since 1946, that share prices, for the most part, have already completed their post-war adjustment, and, as usual, ahead of the business picture. However, having advanced uninterruptedly for nine consecutive weeks, the market must be considered vulnerable to any unfavorable new developments in the near future.

**COMMODITIES.**—The Government report as of August 1, estimated a further reduction of 57,000,000 bushels to 1,130,000,000 bushels as total wheat production. It is anticipated that larger amounts will enter the loan than last year, thereby creating a tightening of supplies later on in the year. September Chicago Wheat was quoted at \$1.98½ against \$2.02½ last month. There was a small increase in estimated total production of Corn as of August 1. Cash demand continues good but abundant supply is a depressing factor on Futures. September Chicago Corn was \$1.21½ against \$1.29½ the previous month. Cotton futures were slightly higher on good domestic and foreign demand with New York October closing at 29.85 as compared with 29.71 a month ago. The present sugar quota is causing a tighter statistical situation; September New York #5 Contract improved to 5.44 from 5.38 last month.

**MANILA Market.**—There was a good follow-through to last month's advance in well placed mining issues, but the sharpness of the advance carried the market into an overbought position, and vulnerable to profit-taking latterly. An unfavorable development during the past few days has been the slower demand for gold in the local market as a result of the deteriorating position in South China.



This is of major importance to the local gold industry in view of continuing high costs. It remains to be seen whether this is a temporary or permanent state of affairs. If the latter, then profit estimates of local gold mining companies in future will be subject to downward revision.

In the Commercial and Industrial section, selective demand for Sugar issues has been a feature.

impersonal expression of pesos and centavos cannot accurately gauge the human suffering involved nor the overall loss to the Philippine economy.

This staggering fire loss and burden to the Philippines should be of concern to all the people, for in one way or another they affect all the people be they taos or captains of industry.

### Mining Shares

1948-49 Range	High	Low	Close	Change	Total Sales
122.44 60.32	M. S. E. Mining Average	73.04	68.31	71.41	Up 1.63
P 375 P .12	Acoje Mining Company	P 145 P .12	P 141	Off	.011 286,100
.028 .01	Anamok Goldfields Mining	.011 .011	.011	Up	.001 130,000
.91 .43	Atok-Big Wedge Mining Co.	1.00 .44	.84	Off	.03 148,100
.075 .015	Baguio Gold Mining Co.	.....	.015a	.....	.....
3.75 2.00	Balato Mining Co.	3.60 3.40	3.40	Off	.35 1,100
.0022 .002	Bukay Gold Mines	.005 .0038	.0046	Up	.0014 790,000
.031 .016	Coco Grove, Inc.	.016 .016	.016	Off	.002 60,000
.011 .011	Consolidated Mines, Inc.	.015 .011	.011	Off	.001 2,680,000
.081 .038	Ilogon Mining Company	.055 .055	.055	Off	.003 31,000
.075 .025	J & L Mining Company	.025 .025	.025	Unchanged	30,000
.84 .42	Lepanto Consolidated	.59 .53	.56	Up	.03 381,518
1.26 .35	Mindanao Mother Lode	.67 .56	.63	Up	.04 166,047
.26 .105	San Mateo Mining Co.	.11 .11	.11	Off	.005 20,000
.43 .21	Surigao Consolidated	.295 .27	.281	Up	.011 620,000
.04 .015	Suyoc Consolidated	.017 .017	.017	Up	.002 25,000
.095 .034	United Paracale Mining	.03 .045	.045	Off	.002 40,000

### Commercial Shares

1948-49 Range	High	Low	Close	Change	Total Sales	
773.00 P16.00	Bank of the Phil. Is.	773.00	P76.00	P71.00	Up P 3.00	741
620.00 500.00	Central Azucarera de Bais	.....	.....	.....	.....	
168.00 81.00	Central Azucarera de la Carlota	168.00	160.00	168.00	Up P13.00	90
60.00 40.00	Central Azucarera de Tarlac	52.00	52.00	52.00	Up	62
107.00 70.00	Central Azucarera del Pinar	100.00	100.00	100.00	Up P10.00	100
23.00 22.00	Finanzas Cta. de Seguros	.....	.....	.....	.....	
8.00 7.00	Insular Life Assurance Co.	7.00	7.00	7.00	Off P 1.00	400
5.00 3.10	Manila Wine Merchants	3.10	3.10	3.10	Off .15	200
110.00 140.00	Metropolitan Insurance Co.	.....	.....	.....	.....	
1.16 .45	Pampanga Bus Co.	.50	.45	.45	Off	.01 4,422
.101 .065	Philippine Oil Development Co.	.095	.075	.0825	.....	.0171 411,471
1.42 1.00	Philippine Racing Club	.....	.....	.....	.....	
35.10 26.00	San Miguel Brewery	27.00	26.00	26.00	Off P 1.00	1,623
10.00 75.00	Williams Equipment Co. Pfd.	90.00	90.00	90.00	.....	11
10.00 7.00	Williams Equipment Co. Com.	7.10	7.10	7.10	.....	300

Over-the-counter business in mining stocks was again principally confined to Benguet Consolidated, with about 22,000 shares traded between high P4.75, low P4.35, close P4.45. Other business included 10,000 shares Taysan "A" at 12 centavos. In Commercial issues, 100 shares Kabankalan Sugar were reported at P85, also 4,300 shares Manila Broadcasting at 1.80 and 340 shares Victorias Milling at P155 and P160, with almost all business at the latter price.

## Insurance

VICTOR H. BELLO

Supervisor, American Foreign Insurance Association

RECENT investigations by Government entities into alleged arson anomalies should be applauded by all concerned.

All concerned in this instance means not only those bodies appointed to uphold law and order or fire insurance companies but the entire citizenry of the Republic of the Philippines.

Arson is a despicable crime. Perhaps more despicable and onerous than premeditated murder, injuring as it does in most instances the innocent stranger. The magnitude of such a crime is recognized throughout the world and is prosecuted by law-enforcing bodies with such vigor that the crime of arson in most countries is rare in comparison to other major crimes.

The Philippine economy today is burdened with a fire-loss ratio that it can ill afford. Manila alone, for the fiscal period ending June 30, 1949, suffered fire losses in excess of P10,000,000, or a per capita loss of P7.25 based on a population of 1,500,000. This

## Electric Power Production

Manila Electric Company System

BY R. J. BAKER

Manila Electric Company

	1949	1948
January	33 745 000	27 301 000
February	31 110 000	26 021 000
March	34 776 000	26 951 000
April	33 048 000	26 871 000
May	34 453 000	28 294 000
June	34 486 337	29 216 000
July	35 726 123*	31 143 000
August	35 381 500**	31 993 000
September	.....	32 012 000
October	.....	33 943 000
November	.....	32 661 000
December	.....	35 104 000
TOTAL	.....	361 510 000

\* Revised  
\*\* Partially estimated

The Caliraya Hydro Plant was shut-down for the period August 14-20, and we estimate a 1,200,000 KWH was not used during that period due to our inability to carry the load with the remaining generating equipment. The increase over August, 1948, was 3,388,500 KWH, or 16%.

## Real Estate

BY C. M. HOSKINS

(Of C. M. Hoskins & Co., Inc., Realtors)

REAL estate transfers in Manila during August totalled P2,228,597, compared with P3,019,784 for the month of July. Mortgages recorded amounted to P4,924,841 for August, against P12,446,530 for July.

Cumulative totals of sales for the first 8 months from 1946 to 1949 were as follows:

	January-July
1946	P27,926,910
1947	47,358,765
1948	39,277,629
1949	25,306,764

City of Manila real estate statistics seem to be losing some of their value as an index to metropolitan real estate activity, due to the steadily increasing volume of sales in other portions of the Greater Manila area, such as Santa Mesa Heights, New Manila, Diliman, and Mandaluyong. These sections are capturing a substantial share of the residential purchasing power of the metropolitan community.

**REAL ESTATE SALES IN MANILA, 1940-1949**  
Prepared by the Bureau of the Census and Statistics

Note: A large percentage of 1945 sales and a diminishing percentage of 1946 sales, represent Japanese Occupation transactions not recorded until after liberation.

	1940	1941	1945	1946	1947	1948	1949
January	P 6,004,145	P 962,970	P 7,943,605	P 4,385,011	P 6,030,012	P 3,644,734	P 3,965,420
February	918,873	779,783	1,337,830	2,267,151	7,217,317	3,879,633	2,701,668
March	1,415,246	1,532,104	(?)	2,622,190	7,166,866	4,243,719	3,362,635
April	883,207	988,380	213,262	1,916,293	8,611,076	5,121,093	3,677,630
May	403,866	1,129,736	962,008	3,684,937	4,618,181	3,129,799	4,253,395
June	542,187	598,431	1,212,780	3,637,956	3,988,560	8,019,246	2,793,217
July	1,324,861	559,742	1,123,565	4,974,862	4,097,183	5,146,529	3,019,784
August	1,905,828	1,239,414	699,740	4,438,510	5,627,572	6,192,876	4,924,841
September	1,141,114	815,112	1,870,670	4,698,896	7,437,213	4,737,571	
October	993,103	1,182,678	2,096,893	5,545,800	6,083,486	5,350,376	
November	938,416	858,235	2,555,472	3,340,384	4,177,054	3,046,287	
December	1,504,004	(?)	2,874,408	4,025,926	3,205,584	5,386,248	
<b>TOTAL</b>	<b>P17,974,844</b>	<b>P10,647,285</b>	<b>P22,890,133</b>	<b>P45,537,914</b>	<b>P68,260,104</b>	<b>P57,798,121</b>	<b>P28,698,590</b>

The rental situation in Manila shows an abundance of residential properties available in the P150 to P500 class, including both apartments and detached dwellings. Housing for low-income groups continues critically short, as very little reconstruction money has been channelled into low-income housing since 1941.

Choice retail locations are still in good demand, with a slight easing of rental rates. Office space shows a growing percentage of vacancies in new buildings, and warehouse space is more readily available than at any time since 1945. *Office and warehousing space appears to be feeling the effects of import control.*

During August the Supreme Court held invalid the executive order of President Roxas limiting residential rentals to 12% of assessed value. This decision restores to effectiveness Republic Act No. 66, which establishes a rental ceiling of 20% of assessed value. In some quarters it is felt that if the 20 figure is allowed to stand, it will bring about substantial activity in the construction of low-rent dwellings, particularly of the "accessoria" or row-house class.

## Ocean Shipping

BY F. M. GISPERT  
Secretary, Associated Steamship Lines

**T**OTAL exports continued to show an increase in tonnage over last year. A total of 189,210 tons was exported to all destinations during July of this year, as against 170,156 tons exported during the same month last year.

Exports of the more important commodities during July this year, as compared with July last year, were as follows:

	1949	1948
Alcohol .....	86 tons	174 tons
Coconut desiccated ..	9,412 "	8,376 "
Coconut Oil .....	9,472 "	2,800 "
Concentrates,		
copper .....	1,397 "	151 "
Concentrates, gold ..	174 "	44 "
Copro .....	50,014 "	38,516 "
Copro cake/Meal ..	4,544 "	4,544 "
Embroideries .....	176 "	171 "
Empty containers ..	450 "	310 "
Fish, salted .....	51 "	6 "
Furniture, rattan ..	307 "	590 "

## BUILDING CONSTRUCTION IN MANILA: 1936 TO 1949

Compiled by the Bureau of the Census and Statistics from data supplied by the City Engineer's Office.

MONTH	1936 (Value)	1937 (Value)	1938 (Value)	1939 (Value)	1940 (Value)	1941 (Value)	1945 (Value)	1946 (Value)	1947 (Value)	1948 (Value)	1949 (Value)
January	P 540,030	P 426,230	P 694,180	P 463,430	P 1,124,550	P 891,140	—	P 1,662,245	P 3,645,970	P 6,571,660	P 4,807,320
February	720,110	479,810	434,930	1,063,960	1,025,920	467,790	—	2,509,170	3,270,150	6,827,005	7,286,630
March	411,680	396,890	1,300,650	662,840	671,120	641,040	—	3,040,010	3,398,910	7,498,560	8,100,700
April	735,220	659,680	770,130	1,029,310	962,420	409,640	462,020	3,125,180	8,295,640	7,370,292	5,558,245
May	400,220	670,350	1,063,570	1,139,560	740,510	335,210	1,496,700	3,964,460	5,564,870	8,570,410	5,070,380
June	827,130	459,360	754,180	809,670	542,730	418,700	2,444,070	3,904,450	5,898,580	10,217,840	4,809,250
July	302,340	691,190	756,810	495,910	357,680	609,920	1,741,320	3,062,640	9,875,435	7,771,487	4,601,450
August	368,260	827,660	627,790	622,050	661,860	306,680	1,418,360	4,889,640	7,428,260	7,568,950	
September	393,100	777,690	684,590	554,570	590,380	530,820	1,015,250	7,326,570	7,770,310	7,095,860	
October	663,120	971,780	718,190	645,310	738,700	699,040	639,030	4,630,550	6,747,240	5,368,800	
November	460,720	320,890	972,310	461,580	485,100	315,930	1,364,310	4,373,390	7,088,283	3,424,125	
December	648,820	849,160	503,230	1,105,910	333,490	67,563	1,605,090	5,034,600	4,924,320	4,507,580	
<b>Annual</b>											
<b>TOTAL</b>	<b>P6,170,750</b>	<b>P7,530,690</b>	<b>P9,280,560</b>	<b>P9,053,250</b>	<b>P8,234,460</b>	<b>P5,692,273</b>	<b>P12,186,150</b>	<b>P47,526,905</b>	<b>P73,907,248</b>	<b>P82,792,569</b>	<b>P40,233,975</b>
<b>Average</b>	<b>P514,229</b>	<b>P627,557</b>	<b>P773,380</b>	<b>P754,438</b>	<b>P686,205</b>	<b>P474,356</b>	<b>P1,015,513</b>	<b>P3,960,575</b>	<b>P6,158,937</b>	<b>P6,899,981</b>	<b>P5,747,710</b>

Hemp	43,284	bales	55,071	bales
Household goods	154	tons	138	tons
Junk, metal	12,345	"	12,782	"
Logs	1,485,976	board feet	1,970,323	board feet
Lumber	700,266	"	1,848,590	"
Ores, chrome	13,000	tons	22,900	tons
Ores, iron	21,084	"	—	"
Ores, manganese	4,329	"	1,350	"
Pineapples, canned	11,564	"	4,196	"
Rattan, furniture	119	"	85	"
Rope	360	"	486	"
Rubber	114	"	—	"
Skins, hides	52	"	104	"
Sugar, raw	35,412	"	48,435	"
Tobacco	50	"	518	"
Vegetable oil products	102	"	253	"
Wines	57	"	—	"
Transit cargo	—	"	—	"
General merchandise	2,107	"	601	"
	2,181	"	5,915	"

**T**OTAL exports from the Philippines for the first half of 1949 showed a decided increase over exports during the same period of 1948. 1,285,195 tons of cargo left the Islands during the first six months of this year, as against 923,680 tons during the first semester of 1948.

Sugar, of course, showed the greatest gain, followed by ores and lumber and the minor commodities in general.

Copra which moved in such large quantities during the first post-war years, showed a decline of some 90,000 tons.

The following figures will show at a glance how the various exports for this period compare with those of last year for the same period.

	First Half 1949	First Half 1948
<b>ALCOHOL</b>		
China	95 tons	195 tons
Saigon, Straits, India	180 "	175 "
<b>BEER</b>		
Guam, Honolulu	171 "	—
Japan	1,029 "	—
<b>BUNTL FIBER</b>		
China	53 "	—
<b>CIGARETTES</b>		
Guam, Honolulu	12 "	46 "
China	24 "	47 "
Europe	4 "	—
<b>COCONUT, DESICCATED</b>		
U.S.A.	48,445 "	41,689 "
Canada	329 "	423 "
Europe	94 "	—
<b>COCONUT OIL</b>		
U.S.A.	17,710 "	15,385 "
Europe	7,544 "	171 "
Africa	503 "	—
<b>CONCENTRATES, COPPER</b>		
U.S.A.	13,033 "	410 "
<b>CONCENTRATES, GOLD</b>		
U.S.A.	1,270 "	556 "
<b>CONCENTRATES, LEAD</b>		
U.S.A.	189 "	—
<b>COPRA</b>		
U.S.A.	130,571 "	202,240 "
Canada	2,750 "	15,549 "
Japan	6,075 "	18,340 "
Europe	91,897 "	111,486 "
Africa	5,728 "	—
South America	2,319 "	2,211 "

<b>COPRA</b>		
<b>CAKE/MEAL</b>		
U.S.A.	23,236 tons	3,098 tons
Europe	9,698 "	19,628 "
South America	100 "	—
<b>EMBROIDERIES</b>		
U.S.A.	673 "	495 "
<b>EMPTY DRUMS</b>		
U.S.A.	2,096 "	2,031 "
China	17 "	10 "
N. E. Indies	—	81 "
Saigon, Straits, India	—	—
Australia	181 "	40 "
—	101 "	114 "
<b>FISH, SALTED, SMOKED</b>		
U.S.A.	81 "	101 "
<b>FOODSTUFFS, CANNED</b>		
U.S.A.	1 "	198 "
China	—	32 "
<b>FRUITS, FRESH</b>		
U.S.A.	5 "	—
China	1,029 "	140 "
<b>FURNITURE, RATTAN</b>		
U.S.A.	3,080 "	2,971 "
Canada	—	4 "
China	9 "	13 "
Japan	182 "	282 "
Saigon, Straits, India	—	—
Europe	18 "	6 "
Africa	16 "	—
South America	4 "	5 "
—	354 "	360 "
<b>GLYCERINE</b>		
U.S.A.	952 "	112 "
China	—	5 "
Europe	—	70 "
<b>GUM, COPAL</b>		
U.S.A.	318 "	443 "
China	2 "	2 "
Europe	17 "	63 "
South America	—	6 "
<b>GUM, ELEMI</b>		
U.S.A.	1 "	2 "
Europe	19 "	9 "
South America	—	1 "
<b>HEMP</b>		
U.S.A.	107,908 bales	190,522 bales
Canada	1,553 "	3,301 "
China	8,131 "	6,530 "
Japan	85,822 "	77,718 "
Saigon, Straits, India	—	—
Europe	3,745 "	2,385 "
Australia	83,243 "	103,669 "
Africa	800 "	42 "
South America	2,266 "	1,460 "
—	100 "	2,950 "
<b>HEMP, KNOTTED</b>		
U.S.A.	18 tons	28 tons
Europe	1 "	28 "
<b>HOUSEHOLD GOODS</b>		
U.S.A.	689 "	524 "
Canada	5 "	1 "
China	113 "	42 "
Japan	68 "	31 "
Saigon, Straits, India	—	—
Europe	117 "	14 "
Australia	229 "	41 "
Africa	24 "	24 "
South Africa	—	8 "
—	18 "	7 "
<b>JUNK, METAL</b>		
U.S.A.	46,341 "	39,396 "
Canada	96 "	—
China	1,806 "	2,779 "
Saigon, Straits, India	—	—
Europe	3,139 "	579 "
Africa	4,398 "	61 "
South America	—	71 "
—	3,140 "	336 "

<b>KAPOK</b>				<b>TOBACCO</b>			
U.S.A.	188 tons		432 tons	U.S.A.	345 tons		132 tons
<b>KAPOK SEEDS</b>				China	65 "		211 "
Japan	303 "		—	Saigon, Straits,			
<b>LOGS</b>				India	171 "		—
U.S.A.	3,269,364 board feet	5,597,260 board feet		Europe	1,603 "		1,869 "
Canada	101,525 "	150,073 "		Australia	55 "		
China	1,244,385 "	653,452 "		<b>VEGETABLE OIL,</b>			
Japan	4,092,256 "	271,268 "		<b>EDIBLE</b>			
N. E. Indies	26,914 "	—		<b>PRODUCTS</b>			
Saigon, Straits,				U.S.A.	51 "		75 "
India	86,461 "	—		Canada	—		2 "
Europe	—	1,371 "		China	20 "		18 "
<b>LUMBER</b>				Japan	8 "		13 "
U.S.A.	7,984,294 "	3,823,715 "		Saigon, Straits,			
China	1,299,897 "	—		India	27 "		36 "
Japan	3,244,000 "	—		Africa	—		295 "
Saigon, Straits,				South America	16 "		
India	—	600 "		<b>WINES</b>			
Europe	111,069 "	—		U.S.A.	139 "		153 "
Africa	348,320 "	—		Japan	51 "		—
<b>MOLASSES</b>				Saigon, Straits,			70 "
U.S.A.	1 tons		— tons	India	—		14 "
Japan	14,005 "	3,887 "		<b>TRANSIT CARGO</b>			
Saigon, Straits,				U.S.A.	1,410 "		264 "
India	3,900 "	—		China	853 "		437 "
Europe	37,811 "	—		Japan	103 "		—
<b>ORES, CHROME</b>				Saigon, Straits,			
U.S.A.	146,266 "	120,157 "		India	—		51 "
Canada	4,000 "	—		<b>GENERAL MER-</b>			
Europe	9,860 "	6,000 "		<b>CHANDISE</b>			
<b>ORES, IRON</b>				U.S.A.	4,894 "		34,240 "
Japan	123,172 "	—		Canada	59 "		135 "
<b>ORES,</b>				China	5,430 "		13,411 "
<b>MANGANESE</b>				Japan	370 "		3,106 "
U.S.A.	4,795 "	4,300 "		N. E. Indies	1,432 "		2,998 "
Japan	4,079 "	1,900 "		Saigon, Straits,			
<b>PINEAPPLES,</b>				India	1,178 "		2,667 "
<b>CANNED</b>				Europe	396 "		1,190 "
U.S.A.	18,360 "	6,341 "		Australia	298 "		2,439 "
<b>RATTAN,</b>				Africa	2,117 "		3,234 "
<b>PALASAN</b>				South America	—		2 "
U.S.A.	631 "	— 845 "					
Canada	6 "	—					
China	—	9 "					
Europe	—	1 "					
<b>ROPE</b>							
U.S.A.	344 "	708 "					
Canada	—	7 "					
China	61 "	140 "					
Japan	—	153 "					
N. E. Indies	65 "	163 "					
Saigon, Straits,							
India	617 "	740 "					
Europe	57 "	48 "					
Africa	9 "	95 "					
South America	326 "	218 "					
<b>RUBBER</b>							
U.S.A.	540 "	580 "					
<b>SHELLS</b>							
U.S.A.	244 "	505 "					
China	—	4 "					
Europe	—	36 "					
<b>SHELL,</b>							
<b>BUTTONS</b>							
U.S.A.	10 "	29 "					
<b>SOAP</b>							
Canada	—	58 "					
China	10 "	1 "					
Japan	6 "	2 "					
<b>SKINS, HIDES</b>							
U.S.A.	402 "	300 "					
Japan	59 "	134 "					
Saigon, Straits,							
India	3 "	—					
Europe	10 "	—					
<b>SUGAR, RAW</b>							
U.S.A.	379,324 "	125,737 "					
<b>TANNING</b>							
<b>EXTRACT</b>							
China	90 "	—					
Japan	111 "	—					

## Land Transportation (Bus Lines)

By L. G. JAMES

Assistant to the President

A. L. Ammen Transportation Co., Inc.

THE development of bus transportation facilities in the Philippines was pioneered by American capital and until the mid-1920's the majority of the larger companies were under American management and control. During the late 1920's and the following period prior to World War II, Filipino capital entered this field of enterprise on a broad scale. In the year 1941, there were many successful and substantial land-transportation companies in various parts of the country operated and controlled by Filipinos. The post-war period has seen widespread development of bus and truck operations representing new Filipino capital investment, with practically no new American capital entering this field, although the Parity Amendment offers American capital supposedly equal opportunity to that enjoyed by local investors in this form of enterprise.

The oldest and, until December, 1941, the largest transportation company in operation in the Philippines (with approximately 400 registered units) is A. L. Ammen Transportation Company, Inc., commonly known as "ALATCO". Founded by A. L.

Ammen and Max Blouse as early as 1910 and starting with one Grabowski truck unit, the company was incorporated in 1914 with a paid-up capital of P100,000. The operations expanded along with the economic development of the Bicol region during the course of the years, and at the outbreak of the war the assets of the corporation were in excess of P2,000,000.

These were largely wiped out by the war. All rolling stock disappeared during the war years, along with company shops, maintenance equipment, and other facilities. Starting post-war in 1945 with a few military truck units, the company now operates 200 modern busses and is increasing the number as rapidly as new bodies can be constructed in the company shops.

The Ammen Estate interests have owned the largest individual holding of the stock of the corporation. These holdings plus those of other American interests have represented control of the company. After lengthy negotiations, the Heirs of D. Tuason, Inc., a Filipino corporation, recently purchased the major part of these holdings, giving that company ownership of some 60% of the paid-up capital of Alato. The transaction also included the purchase of approximately 80% of the capital stock of Bicol Trading, Inc., truck and automobile dealers in the Bicol region.

The Tuason interests have announced that there will be no changes in the management of either company or in policies or procedure. The name of "Alato" will continue to symbolize bus transportation in the Bicol Provinces and the withdrawal of American financial interests from that local field will be noted by only the few who remember the early efforts of Messrs. Ammen and Blouse and those who have watched the growth and expansion of the company over the years. This transaction may be indicative of a trend whereby Filipino capital, seeking sound investments, will gradually absorb American enterprises that have been business successes for extended periods, thus taking an increasingly active responsibility in the various phases of the country's economy.

## Mining

BY CHAS. A. MITKE

Consulting Mining Engineer

### July Production

	Tons	Valued at
Benguet-Balato	47,492 tons	P680,750.00
Atco Mining Co.	2,500 "	113,750.00
Ako-Big Wedge	12,732 "	378,765.00
Consolidated Mines	16,000 "	320,000.00
Lepanto Consolidated	2,855.7 tons conc.	656,300.00
Mindanao Mother Lode	2,800	287,956.00
Misamis Chromite		
Surigao Consolidated	6,684	186,561.00

THE Philippine mining industry at the present time is experiencing difficulties. While only a few of the former producers have been rehabilitated, the outlook, particularly for the gold mines, is not very promising. Their best market — China — is fading, in consequence, the price of gold has been shrinking rapidly. There may come a time in the not too far distant future when the gold mines may have to reconcile themselves to selling in a \$35 market.

Until recently, gold producers in the Philippines were enjoying prices which ranged between P90 and P110 per ounce. It is assumed that most of the gold

went to China. A tremendous amount of gold must have found its way into China in recent years. Now, however, the Communists have taken over a large part of that country, and it is hinted that the Nationalist Government has been dumping its gold into the Hongkong market and exchanging it for silver with which to pay its troops. As evidence of this, the price of gold has gone down to somewhere in the 80's (pesos), while the price of silver in the New York market has gone up.

It has been remarked that gold mining is the only industry whose market is confined to a single buyer, the United States Government — by far, the largest gold buyer paying a fixed price for gold. This arrangement makes the producer a victim of the squeeze between rising costs and the fixed price.

Present operating costs in the Philippines are two to three times the pre-war costs, but the local price of the product is now rapidly approaching the 1941 figures — \$35 an ounce. Moreover, the mines are not as well equipped to meet a situation like the present, as none of them are up to former production levels and a considerable cash outlay would be necessary before they could achieve this position.

Something however, must be done to cope with the emergency. Short of a subsidy, which is not favored by government officials, no one thing can meet the situation, but a number of small aids and economies may, in the aggregate, afford relief. There are measures that can and are being taken by the Government, such as the levy of lower taxes, elimination of import duties on mining machinery, assistance offered by the Bureau of Mines, etc., but the greatest help of all would be to bring down the price of rice, which would have a marked effect on the cost of living.

WHILE considerable bread, made of imported wheat flour, is now consumed in the Philippines, for the great mass of the people, rice is still the staff of life. It is estimated that 40% of this rice is still being imported from abroad, and paid for with dollars. This swells the imports, reduces dollar credits, and keeps the cost of living high.

Before the war, the cost of rice was in the neighborhood of P5 to P7 a sack or cavan. Today, in the open market, it costs from P31 to P32 per sack or cavan. Think what a relief it would be to many if the price of rice could be cut in half. Even then, it would be twice the pre-war cost!

However, before the price of rice can come down, more rice must be grown at home. This can only be done by mechanized farming on a large scale. At one time there were plenty of tractors available from surplus, and there may still be a sufficient number of them left to save the situation.

Some temporary arrangement should be made to permit rice planting and farming on a large scale, using mechanized methods at least until such time as the country becomes self-supporting. Otherwise, the fate of certain European nations will be ours. In these countries, much of the funds advanced by America have gone into consumer goods rather than equipment, improved efficiency, and lower production costs. Consumer goods such as food, clothing, etc. do not reproduce themselves, and once they are gone the nation is no better off than before.

There are many places in the Philippines where corn flourishes, particularly in Cebu, where it is preferred and used as a substitute for rice. Everyone knows the value of corn as a food both for human beings and animals.

Recently, in the company of two Filipino government engineers, I rode horseback over 60 miles of beautiful hills in another island of the Visayan group. Here and there, were isolated farmhouses, about a mile apart. Each was surrounded by an acre of corn and an acre of mountain rice. The corn was 6 feet high, and the rice newly planted.

Elsewhere, the hills were uncultivated and covered with cogon grass about 2 feet high, so that for mile after mile the country looked like the wheatfields of Western Canada. The engineers remarked over and over again that they did not believe enough people realized the tremendous possibilities

that exist, not only on this island, but on many others, to produce corn and rice on a large scale through mechanized farming. One of them mentioned that there was room for half a dozen large corporations or organizations in this one island alone, each farming around 100,000 acres. What they said about this particular island, is true of many others, they reiterated, especially Mindanao.

Rice and corn are annual crops and do not require years to grow. With tractors and other machines, large acreages can rapidly be cultivated and planted. In a matter of several months, the crops are ready for harvesting.

Where there is plenty of food, there is contentment, and the cost of living is low. A low cost of living has its beneficial effect, not only on mining, but on all other activities.

As stated before, this could be done very quickly with big corporations, large acreages, and many tractors. One season would change the entire picture, but it must be done on a large scale to be effective. The corporation, so far, is the only instrument that has been found capable of doing this type of job in a hurry.

A plentiful supply of corn and rice would do more to bring the cost of living back to pre-war levels than anything else. This would naturally reduce the large number of dollars now going out for the purchase of the immense quantities of rice necessary to make up the 40% deficit.

**G**OVERNMENT officials and business men recognize that in order to increase exports, and add to the wealth of the nation, mining, once the No. 2 industry, must be brought back to its pre-war status. The country needs more producing mines, but lack of venture capital, and the high cost of living, have acted as deterrents so far, preventing the opening up of many promising prospects.

In 1934, venture capital invested in mining resulted in the development of a number of meritorious exposures, which eventually became the *mines of today*. This brought about a mining boom in the Philippines in the midst of a world-wide depression. The same thing could happen again if venture capital were available.

At the present time the general public has no venture capital for mining, but if the Philippine Government, through one of its various agencies, could see its way to allocate merely P1,000,000 of venture capital, for the proving up of — say, twenty meritorious prospects — there is no question but that a number of them would, eventually, become the *mines of tomorrow*, and offer opportunities for investors to make money. One or two good finds would serve to prime the market and result in the loosening up of private funds for use in an intensified search for, and development of, other mines, and with a lower cost of living, brought about by a reduction in the price of rice, mining would once more be on its way to resume its position as a leading, if not the leading industry of the Philippines.

## Lumber

BY LUIS J. REYES

*Philippine Representative, Penrod, Jurden & Clark Company*

**T**HE total lumber export for the month of July amounted to 3,505,004 bd. ft., of which 2,245,371 bd. ft. were logs and 1,259,633 bd. ft., sawn lumber. Half of this amount went to the United States, 40% to Japan, and the rest to four other countries. Importers of Philippine mahogany (lauan and tangle) in the United States still think that our prices should come down in order to meet the stiff competition offered by African and Mexican mahoganyes.

The Philippine Mahogany Import Association in the United States, held its Annual Convention recently at Colorado Springs. Though business has been poor during the past six months, there was optimism, and the delegates believed that Philippine mahoganyes will eventually recapture its lost market. A need was felt for more effective advertising, and, in this connection, ways and means have been agreed upon. The Philippine Lumber Producers Association also has had under consideration for some time a possible levy on all exports for advertising. With these two organizations thus working hand in hand, Philippine woods face a brighter prospect in the United States market.

Manila wholesale prices have gone down from P10 to P15 per 1000 bd. ft. as compared with the previous month. Prices in Manila are reported as follows: P125 to P130 per 1000 for white lauan, P135 for apitong, and P140 to P150 for tangle and red lauan. These prices are lowest since liberation and seems to be due to the general business recession and, to a certain extent, the rainy weather. More mills in the provinces have suspended operation.

In Japan, prices of Philippine logs have likewise gone down, with some companies quoting \$58.50 c.i.f., but there were some transactions on a barter basis in which the price quoted was \$57 c.i.f. It has been reported that Japan is beginning to take an increasingly large volume of Borneo lauan logs, which are quoted at a lower price than the Philippine logs. It is claimed, however, that Borneo shipments are composed of several species of "lauans" some of them sinkers,\* and that the shipments are not as well prepared for export as Philippine logs. Even before the war, Japan tried Borneo and Sumatra logs, but eventually turned to the Philippines for most of the logs to supply their mills.

\* Editor's Note—Logs which sink when thrown overboard at point of destination and which may therefore be lost unless loaded into barges, this entailing higher transportation costs.

## Copra and Coconut Oil

BY MANUEL IGUAL

*Executive Vice President, El Dorado Oil Works*

AND KENNETH B. DAY

*President, Philippine Refining Company, Inc.*

*July 16 to August 15, 1949*

**I**N the very height of the copra season and in spite of the fact that coconut oil is very much out of line with competing oils and fats and particularly with tallow, instead of the gradually declining prices we anticipated, we have seen a steady copra market throughout the period under review, with a sharp upward surge at the close.

Three circumstances have contributed to this situation. The first is a very definite shortage of copra and coconut oil in the United States for immediate and prompt delivery. This has been explained by European correspondents as follows:

"Early this year, all the 'pipelines' were filled and consumers, retailers, and wholesalers were all well stocked. It is hardly surprising that with prospects of large new crops ahead there was a general tendency to reduce stock without replacing. Subsequent events point to the fact that by early summer the 'pipelines' were empty. Persistent premiums for spot and early delivery bear this out. There was, however, still insufficient confidence in the future to encourage buy-

ing more than day-to-day requirements and it needed a new feature to induce retailers and wholesalers to restock. Obviously only the possibility of higher prices would induce them to buy, in anticipation of improved demand from the householder.

The second factor is that the American Government has provided this reason by deciding to give price support to cottonseed oil in the face of an expected bumper crop. This proposal served to strengthen all domestic oils and fats, which promptly advanced several cents a pound. The consequent demand created by this decision does not necessarily represent increased consumption, but rather an all around refilling of the "pipelines".

Furthermore, it has been persistently felt that while coconut oil was overpriced, domestic oil and fat surpluses have been more than discounted in American markets, and, frankly, these commodities were underpriced. This situation, together with certain inflationary trend-indications from Washington and combined with the probability of an upswing in consumer demand, contributed to stronger markets and higher prices, in which, rather unexpectedly, coconut oil held its relative position.

The third factor, which bears on the first two, is the disappointing production of copra this year in the Philippines. All reports indicate that coconut trees in general are full bearing. If the nuts were made into copra, supplies should be heavy. But the Philippine producer this year is in a more independent position than ever before due to the high prices he has enjoyed for the past two years, and unless prices are attractive, his tendency is to neglect copra-making until prices suit him. This has resulted in less copra for sale in primary markets than was expected, and consequently buyers, who had been counting on heavy purchases at this time of the year, are disappointed.

We entered the period under review with copra buyers desultory at \$160 c.i.f. and \$150 f.o.b., sellers ideas being \$5 higher. For a few days the market eased off but without substantial business, although every so often there were temporary reactions to cover immediate requirements of individual buyers. Shortly after the first of August, however, the market commenced to advance and reached a point by the 15th when buyers were perfectly willing to pay better than \$170 c.i.f. with sellers holding off for up to \$180. Practically all of this demand was for immediate or very prompt shipment, thus accentuating the Coast position where immediate supplies were all but exhausted. During this period a good deal of business was transacted on the advance, and there was reason to suppose that more business would be available if prices continued favorable.

Very little European business was done, for few European buyers have any U.S. dollars available nor will they have until new ECA allocations. When this time comes, there will be some European demand, but the demand may be restricted because these dollars will probably be earmarked primarily for purchase of domestic oils and fats. However, undoubtedly, some business is to be anticipated within the next month, which may well serve to keep strength in the market.

During this period, coconut oil, which was going begging at 14 cents a lb. f.o.b. P.C. on July 15 gradually advanced particularly for spot delivery until tanker sales were registered at as high as 16 cents a lb., with offerings very light. Bulk oil from the Philippines, which had been selling as low as 13 cents for September arrival, jumped to 15 cents for Sept-

ember and 14½ cents for October, with the greater part of Philippine supplies already sold. Most Philippine crushers participated in considerable business during the period, but the bright dealers were those who withheld part of their sales, and took advantage of spot premiums at near arrival dates.

It should be noted that during this period cottonseed oil and soybean oil advanced nearly 4 cents a lb. and tallow 7 cents to the highest levels since early in the year. While new crops are right around the corner, there is a definite squeeze for the August/early September position.

As usual, local markets followed export trends closely, copra prices ranging from P27 to P31 and perhaps higher in Manila and approximately the same in Cebu. Desiccators, who have been laying off the market for two months, once more resumed buying, probably largely for the American Christmas trade.

Copra exports for July totaled only 44,114 tons, as contrasted with 38,013 in 1948, distributed as follows:

*United States*

Pacific Coast .....	23,159	long tons
Atlantic Coast .....	2,551	" "
Gulf Coast .....	6,499	" "
Canada .....	1,500	" "
Europe .....	9,663	" "
Africa .....	538	" "
Equador .....	204	" "
Total .....	44,114	" "

These figures are somewhat misleading because actually 5,000 to 6,000 tons of copra was loaded in vessels in July which did not sail until the first days of August.

Coconut oil exports were on the increase and totaled 9,472 tons for July, as contrasted with 2,800 tons for July, 1948, distributed as follows:

*United States*

Pacific Coast .....	2,002	long tons
Atlantic Coast .....	7,307	" "
Europe .....	163	" "
Total .....	9,472	" "

Adding copra and the copra-equivalent of coconut oil together, we get a figure of between 55,000 and 60,000 tons of copra as such. Indications point to approximately the same volume in August, particularly if prices maintain their present trend.

American markets for copra meal and expeller cake were on the easy side, declining to about \$51 to \$52 c.i.f. Pacific Coast per short ton. The European markets remained steady at \$34 to \$35 f.o.b.

Early in August, the Philippines-European Freight Conference reduced the basic rate on copra meal to Europe by S20/6, equivalent to a little over \$4, which should be of help in encouraging additional sales of meal to Europe.

Copra shippers have been negotiating for two months for a substantial decrease in copra freight rates to the United States. At the present writing, it appears possible that no reduction will be granted at this time, which may force copra shippers to charter their own space; in a market such as this

they can easily do that at substantially under Conference rates.

WE have persistently stated that anything can happen in copra and coconut oil markets, and usually it is the unexpected which comes up. Two months ago, everything pointed to lower copra and oil prices during the remainder of the year. Today the picture is changed and it may be that we have seen our low prices for the year in July, and that the markets may hold steady for the rest of 1949. Undeniably, there is a great deal of speculation going on, and so many false reports and rumors are current that there is no real certainty of anything. At the same time, signs do point to a steadier situation during the coming months than had been thought possible. This does not preclude drops in price, which are to be expected, nor does it rule out an entire change in the overall picture at any time due to government action or to foreseeable circumstances. But it does indicate that the practically unanimous opinion of the trade of a few months ago, has once again been upset and that, for the moment at least, copra and coconut oil prices are likely to maintain higher levels than anyone had expected. The unjustified spread between coconut oil and domestic fats and oils remains unchanged, however, and as long as this persists, coconut oil will be used only where essential and in minimum quantities. This invites eventual adjustment, possibly later this year, when the "pipelines" are again full, and production and consumption are more nearly stabilized.

## Dessicated Coconut

HOWARD R. HICK

President and General Manager  
Peter Paul Philippine Corporation

THIS report covers the period July 15 to August 15, 1949.

Generally the industry continued at reduced capacity. The Peter Paul Philippine Corporation was shut down due to high inventory in the United States and Blue Bar remained shut down in Luzon.

The copra market firmed up during this period but generally the desiccators were able to bring coconuts down to lower than copra-value due to less activity in the Luzon area. At the close of the period the desiccators experienced a little difficulty getting nuts due to the fact that while they were shut down, nut supplies had been diverted to copra and to bring nuts back to the desiccators it was necessary to campaign and even pay a little more than the copra-equivalent to re-establish connections again.

Philippine copra and nut prices have well reflected world-values, and after four months of such a trend it can be said that copra and nut prices are normal and no longer so easily affected by local conditions as up until four months ago.

Labor-management problems were at a minimum and generally labor seemed to be settled as far as management was concerned. The Franklin Baker Company labor problem is an inter-union problem at bottom and does not directly affect the management.

The shipping statistics for the month of July are as follows:

Shippers	Pounds
Franklin Baker Company	4,409,340
Blue Bar Coconut Co.	584,130
Peter Paul Philippine Corporation	0
Red V Coconut Products, Ltd.	2,167,300
Sun-Ripe Coconut Products, Inc.	883,000
Standard Coconut Corporation	396,500
Co-operative Coconut Products	252,000
Tabacalera	642,000
Coconut Products, Inc.	543,850
Luzon Dessicated Coconut Corp.	227,200
Universal Trading Company	0
	10,105,320 pounds

## Sugar

By S. JAMIESON

Alternate Secretary-Treasurer  
Philippine Sugar Association

THIS review covers the period July 16 to August 15. Following the very severe decline recorded in our last report, markets generally steadied, closing distinctly firm.

Before the end of July, it became apparent that production for the month would be materially smaller than for the previous month, and exporters withdrew their offers on the New York market or only offered very sparingly. This policy steadied consuming markets, and buyers who had watched the decline came in only to find that there was little available. Prices recovered sharply with a minimum amount of business being recorded.

In the Philippines, the market developed a firm tendency as soon as the improvement in consuming markets began, and at present local dealers are holding off expecting higher prices.

Philippine provincial quotations, August 15:

	Per Picul Basis Loose
Davao I . . . . .	P55.00 — Up P2.50 per picul since July 15.
Davao J . . . . .	54.00 — Up 2.50 " " " " "
Davao G . . . . .	47.50 — Up 3.00 " " " " "
Non-Davao I . . . . .	50.00 — Up 3.00 " " " " "
Non-Davao G . . . . .	36.00 — Up 1.00 " " " " "
Non-Davao K . . . . .	24.00 — Unchanged.

New York quotations, August 15:

	Per Lb. c.i.f. New York
Davao I . . . . .	26 1/4¢ — Up 1¢ per lb. since July 15.
Davao J . . . . .	25 1/4 — Up 3/4 " " " " "
Davao G . . . . .	23% — Up 1 1/4 " " " " "
Non-Davao I . . . . .	24 1/4 — Up 3/4 " " " " "
Non-Davao G . . . . .	18 — Down 3/4¢ " " " " "
Non-Davao K . . . . .	14% — Up 1/2¢ " " " " "

Production for July, 1949, was only 35,625 bales — a decrease of 10,222 bales from June, 1949. Non-Davao balings totaled 19,203 bales — down 5,364 bales from June. Davao balings were 16,422 bales — down 4,858 bales from June. Exports for July amounted to 29,816 bales. Production for the first



seven months of 1949 amounted to 317,266 bales, against exports of 295,870 bales for the same period. Production for the first seven months of 1948 amounted to 401,131 bales — 83,865 bales more than for the same period this year.

## Manila Hemp

By H. ROBERTSON

*Vice President and Assistant General Manager,  
Macleod and Company of Philippines*

**T**HIS review covers the period from August 1 to August 31, 1949.

**New York Market.** — The market opened with sellers at 5.90¢ for prompt shipment but no buyers. For the first 10 days of the month, it was quiet but steady; there were small sales of Puerto Ricos at 5.85¢ for August shipment and a parcel of 3,000 tons Philippines afloat was resold at the same price. Thereafter the market firmed up and became quite active, starting off with a sale of 9,000 tons of Puerto Ricos at 5.88¢ for August/September shipment, followed by sales of close to 100,000 tons at 5.90¢ for August/September/October shipment. The market became still firmer toward the end of the month, perhaps upon the trade's realization that the available balances of United States quota sugar in Cuba and Puerto Rico were fast dwindling, and small sales of Cubas for second half of September shipment were made at 5.95¢. On August 29, the U. S. Secretary of Agriculture announced the re-allocation of an esti-

ated Hawaiian deficit of 200,000 short tons, of which Cuba got 126,220 tons, Puerto Rico 48,696 tons, and United States mainland cane 25,084 tons. This re-allocation does not, of course, increase the total quantity of quota sugars allotted to the United States market during the year, but will have the effect of making additional supplies of Cuban and Puerto Rican sugar immediately available to United States buyers. However, it is believed that the statistical position of supplies in relation to demand is such that this re-allocation is not likely to curb the growing strength of the market.

We give below the closing quotations on the New York Sugar Exchange for the period August 1 to 24, 1949, for contracts Nos. 4, 5, and 6:

	Contract No. 4	Contract No. 5	Contract No. 6
September .....	4.17¢	5.42¢	...
November .....	...	...	5.34¢
December .....	...	5.41	5.38
January .....	...	5.31	5.30
March .....	3.92	5.20	5.13
May .....	3.92	5.21	5.14
July .....	3.92	5.21	5.16
September, 1950 .....	...	5.21	5.16
November " .....	...	...	5.17

**Local Market.** — (a) Domestic. A survey of supplies available for domestic consumption as of August 1 indicated a stock of 31,000 tons, which was barely sufficient to cover requirements up to the end of September. As a result of the long dry spell earlier in the season, the start of next milling season will be delayed until well into October, and in an effort to assure adequate domestic supplies at reason-

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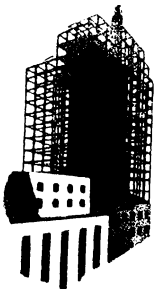
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able prices until new-crop sugar is available, the Sugar Quota Office authorized the conversion of export sugar to domestic sugar, stipulating that PRATRA would be the sole buyer of the converted sugar at P16.50 per picul, of which P15.50 would go to the owner and P1.00 to Sugar Quota Office for later apportionment to the producers of each district.

It is evident that there has been a considerable increase in the consumption of domestic sugar this season, to which the soft-drinks industry has no doubt substantially contributed.

On September 1 the Sugar Quota Office, under Philippine Sugar Order No. 1, allotted a domestic quota of 200,000 short tons for the crop-year 1949-50 and stipulated that the sugar may be withdrawn at any time during the season up to the limit of the planters' and mills' domestic allotments.

(b) Export Sugar. The authorization referred to for the conversion of available export stocks to domestic sugar at a price higher than exporters could afford to pay, naturally had the effect of taking the remaining free stocks of 1948-49 export sugar, which were in any case very limited, out of the market. Buyers are quoting P13.25 per picul ex-mill warehouse for new crop sugar.

*General.—Freight Rate.* The existing freight rate of \$15.50 on raw sugar from the Philippines to the United States Atlantic Coast ports has been extended to October 31, 1949.

*Hawaii.* The longshoremen's strike, which started on May 1, has not yet been settled, and there are now approximately 400,000 tons of raw sugar waiting to be shipped. The California and Hawaiian Refinery at Crockett, California, which depends on Hawaii for its raw sugar supplies, has announced that it will close its refinery on September 3 indefinitely owing to lack of raws. The stock on hand in Hawaii represents about 6 months supply for this refinery.

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## Tobacco

BY THE CONDE DE CHURRUCA  
*President, Manila Tobacco Association*

WHILE the buying season is ending in the provinces of Pangasinan, Union, and Ilocos, it has just started in the Cagayan Valley, especially in the province of Cagayan, the principal buyer being the National Tobacco Corporation, with other buyers following cautiously, as prices are still too high and can only be afforded for what is absolutely necessary to cover factory requirements or contracts already entered into by tobacco dealers which have to be completed.

Although the tobacco business and tobacco prices are both elastic, there is no getting away from the fact that the law of supply and demand cannot be rendered ineffective unless economic barriers are erected and imports are made practically impossible.

Some European countries have adopted this policy and jealously guard their local markets for their own products, the practical result of this being that they lose many customers in foreign countries. The biggest buyers are the richest countries, and naturally they are also the biggest sellers, and aim to continue so. They use every conceivable system to sell, — from manufacturing the best and cheapest

products, to financing their customers; and in the long run they are sure to get the business.

The Philippines is in a privileged situation, and its products could be sold practically everywhere if the prices could meet world competition; but high costs of prime materials and high wages make this impossible, and thus many hundreds of millions of pesos are lost and many workers remain idle.

For example, before the war 200,000,000 cigars were exported every year to the United States, this giving work to many thousands of men and women whose labor earned them over P1,000,000. Now most of these workers are out of work or if they have found other jobs, they automatically are keeping other workers out of them.

Those who are working at their own trade, even at wages 3 or 4 times higher than pre-war, are able to do only about one-fifth of the work they used to do, so, actually, they get less income than they did before.

I will give two examples: For the "Corona" cigar, a worker used to get P18 per 1000 and he made around 1000 weekly; now he gets P50 per 1000 but he only makes around 300 (or P15), as the workers divide the work among themselves so as to help each other. The practical result is: P3 less income, despite the increase in the rate for their work.

In the case of the "Londres", a cigar maker used to earn P5 per 1000 and he produced around 2,000 weekly; now he gets P15 but only produces about 500. Total wage: P7.50 instead of the P10 he made before. Another practical result is a higher cost of production as well as less money for the worker. The only "benefit" is more "leisure" or time for extra work somewhere else.

The same thing will probably happen in many other businesses; for example, gold mining. It is a pity that we have not arrived at some type of wage that would permit the workers to do a full job at a much better income, without increasing the cost of production to such an extent that manufacturers have great difficulty in selling their products.

The theory that higher wages are necessary to make up for the higher cost of living, explodes, for actually, in the cigar business at least, the workers get less money now than before.

If wages were still increased, there would be still more jobless workers or they would have proportionately less work to do.

It would benefit everybody concerned, especially the workers, to arrive at a level of wages that would permit an increase in production, for it is a well recognized fact that the basis of the prosperity of any nation is increased production (which means more and better work to compensate for higher wages), and not higher wages for less work.  
am chamber textiles LDR

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## Textiles

BY JAMES TRAYNOR

THE textile market during August continued the more or less satisfactory trend which ruled during July. Prices generally were fair, but during the month the New York market recovered from its low point with some cottons rising upward of 10%, and rayons even more. The local market

has not risen proportionately, causing buyers to show little interest in making commitments at present New York levels.

Arrivals from abroad are estimated to be about 25% greater than for July.

## Legislation, Executive Orders, and Court Decisions

BY EWALD E. SELPH  
*Ross, Selph, Carrascoso & Janda*

**I**N the case of Sunripe Coconut Products Company, G. R. No. L-2009, the Supreme Court has decided that piece workers under the *pakiao* system are not independent contractors and are employees covered by the law governing the Court of Industrial Relations.

The Court said:

"Petitioner also insists that the 'parers' and 'shellers' are piece-workers under the 'pakiao' system. In answer, suffice it to observe that Commonwealth Act 103, as amended, expressly provides that 'a minimum wage or share shall be determined and fixed for laborers working by the hours, day or month, or by piece-work, and for tenants sharing in the crop or paid by measurement unit. x x x' (Section 5.) The organic law of the Court of Industrial Relations, therefore, even orders that laborers may be paid by piece-work; and the fact that the 'parers' and 'shellers' are paid a fixed amount for a fixed number of nuts pared or shelled, does not certainly take them out of the purview of Commonwealth Act. 103.

"It is unnecessary to discuss at length the other facts pointed out by the petitioner in support of the proposition that said 'parers' and 'shellers' are independent contractors,

because a ruling on the matter would necessarily involve a factual inquiry which we are not authorized to make. Even so, we would undertake to advance the general remark that in cases of this kind, wherein laborers are usually compelled to work under conditions and terms dictated by the employer, a reasonably wide latitude of action and judgment should be given to the Court of Industrial Relations with a view to settling industrial disputes conformably to the intents and purposes of its organic law."

In another labor case (Philippine Can Company, G. R. No. L-2028) the Supreme Court affirmed a decision of the Court of Industrial Relations authorizing the dismissal of a number of laborers no longer needed by reason of the installation of labor saving machinery.

The Court said:

"It appearing that there has been fair hearing and that there is ample evidence to support the conclusions of fact of the lower court, we would have no ground for interfering with those conclusions. And these make it clear that there was real justification for reducing the number of workers in respondent company's factory, such a measure having been made necessary by the introduction of machinery in the manufacture of its products, and that the company cannot be charged with discrimination in recommending the dismissal of the fifteen laborers named in the above list since their selection was made by a committee composed of both officers and employees who took no account of the laborers' affiliation to the unions and only considered their proven record.

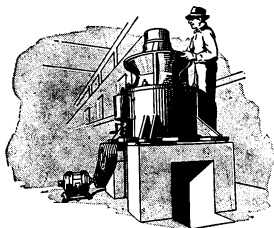
"There can be no question as to the right of the manufacture to use new labor-saving devices with a view to effecting more economy and efficiency in its method of production. As the lower court observes in its order,

"No se puede detener el curso de los tiempos. Si se quiere sobrevivir y prosperar, la unica alternativa es adaptarse a las exigencias del presente mundo moderno. No se puede cerrar los ojos a la realidad. No se puede depender de metodos antiguos, hay que recurrir a metodos mas eficientes y avanzados. La produccion no solo debe ser de elevada calidad



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sino ilimitada y su costa al alcance de todos. Debe seguirse el ejemplo de otros países."

"The right to reduce personnel should, of course, not be abused. It should not be made a pretext for easing out laborers on account of their union activities. But neither should it be denied when it is shown that they are not discharging their duties in a manner consistent with good discipline and the efficient operation of an industrial enterprise. We, therefore, approve of the following pronouncement of the court below:

"La compañía tiene derecho de despedir a sus empleados u obreros. Si bien este derecho está sujeto a la regulación del Estado, en su normal ejercicio no se inmiscuye la ley. El patrono paga el jornal de sus obreros por su trabajo, y es lógico y justo que el mismo tenga derecho a esperar de los mismos lealtad y fiel cumplimiento de sus obligaciones. No es el propósito de la ley obligar al principal a retener en su servicio a un obrero cuando no recibe de este trabajo adecuado, diligencia (diligencia) y buen comportamiento, o cuando su continuación en el empleo es claramente opuesta a los intereses de su patrono, porque la ley al proteger los derechos del obrero no autoriza la opresión ni la destrucción del principal."

\* Translations:

"One cannot stop the march of time. If one must survive and prosper, the only alternative is to adapt oneself to the exigencies of the modern world. You cannot close your eyes to reality. You cannot depend on old methods, you have to resort to more efficient and advanced methods. The production should not only be of high quality but unlimited and its cost within the reach of everybody. The examples of other countries should be followed."

"The Company has the right to dismiss its employees or laborers. While this right is subject to the laws of the State, the law however does not interfere in its normal exercise. The employer who pays the wages of his laborers in return for their work has in logic and justice the right to expect from them loyalty and faithful observance of their duties. It is not the purpose of the law to force the employer to retain in his service a laborer who does not render adequate and diligent service and who does not comport himself decorously, or when his continued employment in the service is clearly detrimental to the interests of his employer, because the law while it protects the rights of the laborer, will not countenance oppression nor destruction of the principal."

REPUBLIC OF THE PHILIPPINES

SUPREME COURT

ANGELITA V. VILLANUEVA AND PABLO C. SANIDAD, Petitioners, G. R. No. L-2035

Present:

MORAN, C.J.  
OZAETA,  
PARAS,  
FERIA,  
BENZON,  
PADILLA,  
TUASON,  
MONTEMAYOR,  
REYES, JJ.

— versus —

THE DIRECTOR OF POSTS,  
Respondent.

Promulgated:

AUGUST 23, 1949

DECISION

OZAETA, J.:

Before the war the petitioner Angelita V. Villanueva maintained a savings deposit with the Philippine Postal Savings Bank, which as of October 22, 1941, had a balance in her favor of P4.60. She made no further deposit in said account until the month of October, 1944. Between the 10th and the 31st of said month she made four deposits totaling P5.940.

The Director of Posts refused to recognize the validity of that deposit made during the occupation in Japanese Military notes on the ground that it had been declared invalid by Executive Order No. 49, series of 1945.

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Dodge Manufacturing	Smith Welding Equipment
Company	Corp.
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Inc.	Tube Turns, Inc.
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pany	poration
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pany	Western Rock Bit Mfg.
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The petitioner, assisted by her husband, seeks to compel the Director of Posts to recognize the validity of said deposit, contending that Executive Order No. 49 is unconstitutional in that it deprives her of her property without due process of law.

That question has been resolved by this court adversely to the petitioner in *Hilado vs. De La Costa* and the *Philippine National Bank, G. R. No. L-150*, April 30, 1949, wherein it was held:

"We are of the considered opinion, and therefore hold, that the provisions of Executive Order No. 49, do not deprive the plaintiff of his property without due process of law or impair the obligation of contract entered into between him and defendant bank; because they are but the logical corollary and application to bank deposits in Japanese war notes of Executive Order No. 25, in so far as it declares that said notes are not legal tender in territories of the Philippines liberated from Japanese occupation, the validity of which is not, and cannot seriously be, questioned.

"x x x x"

"It may safely be laid down as a rule that when a deposit is made with a bank or a person of notes made legal tender or currency by the military occupant of an enemy territory, and the occupation does not ripen into a conquest by the occupant because the territory is liberated and reoccupied by its legitimate government, the deposit must be considered as with specification of currency, that is, as a deposit of money made legal tender or currency by the occupant, without necessity of stating it expressly unless there is evidence to the contrary, because it is the only kind of money or legal currency in circulation after the genuine money of the territory has disappeared from circulation, as in the present case. It should not be understood to be a general deposit without specification of currency, that is a deposit of lawful money of the legitimate government, and it will have the same effect as if it were made with money that was legal tender or currency of a foreign country having no monetary treaty or agreement with the legitimate government; and therefore if such currency becomes valueless, the depositor shall have to suffer the loss, because the currency so deposited is exactly of the same condition and validity as that kept in the pockets, or safe of the depositor."

The petition is denied, without any finding as to costs.

(SGD.) ROMAN OZAETA

WE CONCUR:

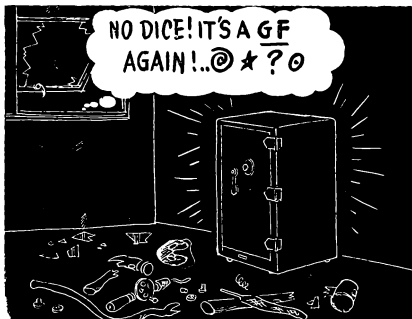
(Sgd.) MANUEL V. MORAN  
 " RICARDO PARAS  
 " F. R. FERIA  
 " CESAR BENGZON  
 " SABINO PADILLA  
 " PEDRO TUASON  
 " MARCELIANO R. MONTEMAYOR  
 " ALEX. REYES

## Philippine Safety Council

BY FRANK S. TENNY  
 Executive Director

BY affixing his signature to Executive Order No. 259, the President of the Philippines created a Fire Prevention Board on August 30, 1949. This marked the successful culmination of a movement led by the Philippine Safety Council in recent weeks. Local citizens, residents, and organizations hailed the move.

The order gives the Philippines a 21-member board of governmental department heads, professional fire-fighting experts, local safety experts, fire insurance executives, and chiefs of large civic organizations. One-half are members of the Government, the overall Chairman being the Secretary of the Interior. At least 16 members are citizens of the Philippines.



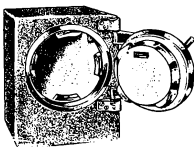
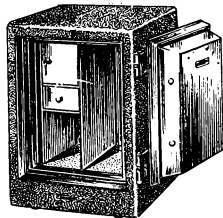
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(1937 = 100)

	1937	1938	1939	1940	1941	1945	1946	1947	1948	1949
January . . . . .	95.1	75.5	88.8	106.7	104.8	—	49.6	160.9	225.2	213.5*
February . . . . .	102.5	71.6	80.3	99.8	95.9	—	34.6	228.9	228.3	241.3
March . . . . .	105.9	85.2	87.1	104.3	107.2	—	61.1	218.8	257.5	289.6
April . . . . .	107.5	81.4	79.8	100.3	105.6	—	75.1	155.3	254.0	231.2
May . . . . .	100.4	76.9	80.1	97.5	113.0	1.6	117.5	216.0	273.8	261.3
June . . . . .	100.3	76.6	107.7	103.5	117.0	5.4	85.3	249.4	308.7	278.9
July . . . . .	105.7	72.0	90.8	98.8	110.0	8.4	89.7	240.4	313.2	238.2
August . . . . .	97.4	75.2	90.8	98.3	109.8	10.4	118.9	202.8	272.2	—
September . . . . .	83.4	76.8	103.3	93.1	114.0	110.7	116.4	219.2	261.1	—
October . . . . .	97.0	80.1	103.4	85.8	100.1	10.8	147.0	222.9	252.5	—
November . . . . .	100.4	104.2	110.1	105.6	97.7	21.4	165.1	278.7	215.8	—
December . . . . .	104.3	88.6	119.4	119.1	64.8	27.9	184.4	291.8	253.4	—

\* Revised figures for January, February, and March.

Each group is led by its own Chairman, who is empowered to call meetings of his group.

The purpose of the Board, as outlined in the original recommendations sent to President Quirino by the Safety Council a few weeks ago, is "to formulate and implement plans for the prevention and fighting of fires in the Philippines". The Executive Order defines these powers and purposes. It is hoped that the Board may be able to suggest and activate ways to lessen the destructive fires that are taking place almost daily in our towns and cities.

Names of the General Chairman and the Group Chairmen are as follows: General Chairman; Hon. Sotero Baluyut, Secretary of the Interior; Chairman Group One (Government), Hon. Nicanor Roxas, Undersecretary of the Interior; Chairman Group Two (Professional), Chief Cipriano Cruz, Manila Fire Department; Chairman Group Three (Safety), Executive Director Frank S. Tenny, Philippine Safety Council; Chairman Group Four (Fire Insurance), L. P. Ralph, Chairman of the Manila Fire Insurance Association; Chairman Group Five (Civil Organizations), Mr. Aurelio Periquet, President of the Chamber of Commerce of the Philippines.

The PSC Executive Director has contacted Secretary Baluyut and expressed the belief that meetings will be called in the very near future. The full cooperation of all members is expected, due to the importance of the subject matter. The full text of Executive Order No. 259 follows:

EXECUTIVE ORDER No. 259  
CREATING A FIRE PREVENTION BOARD

WHEREAS, destructive and dangerous fires occur frequently in some sections of the country, rendering people homeless and destitute; and

WHEREAS, the planning and study of efficient and modern methods of preventing and fighting fires are necessary to insure the safety of the people and the protection of their properties;

NOW, THEREFORE, I ELPIDIO QUIRINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby create a Fire Prevention Board composed of the following:


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The Secretary of the Interior ..... General Chairman

(GROUP ONE (GOVERNMENT))

The Undersecretary of the Interior ..... Group Chairman

A representative of the Department of Public Works and Communications to be designated by the Secretary thereof ..... Member

A representative of the Department of Education to be designated by the Secretary thereof ..... "

A representative of the Department of Commerce and Industry to be designated by the Secretary thereof ..

(GROUP TWO (PROFESSIONAL))

The Chief of the Manila Fire Department ..... Group Chairman

A Fire-fighting expert from the Manila Fire Department to be designated by the Chief thereof ..... Member

A provincial fire-fighting expert to be designated by the Group Chairman ..... "

A fire marshal, civilian or military, to be designated by the Group Chairman ..... "

(GROUP THREE (SAFETY))

The Executive Director, Philippine Safety Council .. Group Chairman

The Chairman, Advisory Safety Council to the Secretary of Labor ..... Member

The Chief of Safety Services, Philippine National Red Cross ..... "

A representative of fire-fighting equipment distributors to be designated by the Group Chairman .....

(GROUP FOUR (FIRE INSURANCE))

The Chairman, Manila Fire Insurance Association .. Group Chairman

The Manager, American Foreign Insurance Association Member

A representative of a local fire-insurance firm to be designated by the Group Chairman .....

The Manager, American International Underwriters (Phil.) .....

(GROUP FIVE (CIVIC))

The President, Philippine Chamber of Commerce ... Group Chairman

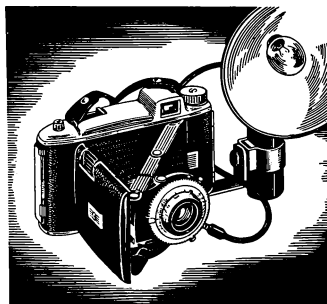
The President, Chinese Chamber of Commerce ..... Member

The President, American Chamber of Commerce of the Philippines .....

The President, National Federation of Women's Clubs of the Philippines .....

The Board which shall meet at the call of the General Chairman shall have the following duties:

- (a) To investigate the origin and causes of fires;
- (b) To study ways and means of preventing fires;
- (c) To study suitable fire-fighting plans and facilities;
- (d) To arouse the inhabitants of the Philippines to the necessity of combating and preventing fires by appealing to their sense of individual responsibility through the newspapers, radio, posters or other means of dissemination;
- (e) To cooperate with the authorities concerned in the adoption of such measures as may be necessary for the effective supervision and regulation of the manufacture, distribution, storage, and possession of pe-



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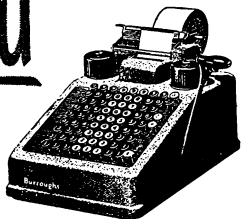
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troleum, gas, acetylene, dynamite, gunpowder, explosives, blasting supplies, or ingredients thereof, and other highly combustible matter;

- (f) To cause the inspection of factory buildings and other structures which are considered fire hazards and recommend to the proper authorities their removal or remodeling so as to provide sufficient protection against fire;
- (g) To encourage the observance in every municipality and chartered city of Fire Prevention Week Proclaimed in Proclamation No. 248 dated January 20, 1938; and
- (h) To submit from time to time to the President of the Philippines its recommendations on fire-fighting and prevention.

The General Chairman may also call the group chairmen to a meeting from time to time.

The groups shall meet at the call of their respective chairmen.

All officers and employees of the different departments, bureaus, offices, agencies, and instrumentalities of the National Government and those of the provinces, cities, municipalities, and other political subdivisions are hereby enjoined to cooperate with the Board in the performance of its functions and, with the approval of the corresponding Head of Department, shall, when necessary, render such service as the Board may assign to them.

Done in the City of Manila, this 30th day of August in the year of Our Lord, 1949, and of the Independence of the Philippines, the fourth.

(SGD.) ELPIDIO QUIRINO  
President of the Philippines

By the President:  
(SGD.) TEODORO EVANGELISTA  
Executive Secretary

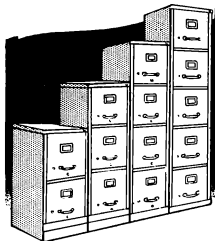
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## United States Government Agencies in the Philippines

The U. S. Maritime Commission

**T**HE U. S. MARITIME COMMISSION, the American Federal Agency entrusted under the Philippine Rehabilitation Act of 1946 with restoring and improving Philippine inter-island commerce, has been quietly engaged for three years in rehabilitating the Philippine maritime industry and looking after the interests of Filipino seamen who served in American ships.

To carry out its portion of the Philippine Rehabilitation Program, the Agency started operations with a large staff in April, 1945. Today, with most of its work done, the staff consists only of two Americans: Capt. F. H. Byrne, Superintendent of Engineers, USMC, and Mr. R. R. Spence, Maritime Attaché of the American Embassy.

Perhaps the most important work of the Commission is the chartering on a "bareboat" basis of U. S. Maritime Commission-owned vessels to local steamship companies. The company that charters a boat on "bareboat" basis acquires the boat alone without supplies, furnishings, or crew; the company itself has to supply these. At present there are nine ships chartered; two to the Everet Oriental Lines, three to the Philippine Steam Navigation Company, three to the Compañia Maritima, and one to the Manila Steamship Company. These chartered ships, together



with those turned over to the Philippine Republic by the U. S. Army, have helped Philippine shipping establish normal inter-island traffic once more.

At the time these vessels for charter were put to commercial use, many of the companies that chartered them were pessimistic about the enormous overhead expenses involved both in servicing and in operating the vessels. However, means were found to cut down on costs and today the country's seaways are traversed by ships that once flew the American colors but now display the flag of the Republic.

Shipping operators, whose first reactions to the U. S. Maritime Commission's aid were dubious, admit today that if this Federal Agency had not cut through maddening red tape in 1945 to secure ships for transporting badly needed consumer goods to the Philippines, the situation would have become critical. The first shipments started as a trickle in August of 1945, but later shipments flowed so copiously they choked harbor traffic.

Another important portion of the U. S. Maritime Commission's assignment is the training Filipinos as future deck and engine officers. Paragraph B of Section 306 of the Philippine Rehabilitation Act of 1946 authorizes the U. S. Maritime Commission to train Filipinos to be designated by the President of the Philippines at the U. S. Merchant Marine Academy at Kings Point, Long Island, New York. To date, 70 cadets have been sent. Fifty were sent in 1947 and are expected to graduate next year. Twenty were sent last February and will graduate in 1953. These students have been establishing records that reflect credit on the Philippines. An important part of their training is the one-year of sea duty spent on American ocean-going merchant vessels. Each cadet serves at sea in the second year of his four-year course. The graduates will qualify either as officers in the Philippine merchant fleet or in the Philippine naval reserve.

The Maritime Commission, in looking after the interests of Filipino seamen who served in the American merchant fleet, has been paying the beneficiaries to those Filipinos who were killed during the war while serving on American ships. To date, all claims, with the exception of two whose beneficiaries can not be found, have been paid. Total value of all claims is P600,000.

#### The U. S. Civil Aeronautics Administration

WHEN AN AIRLINER or an international flight stops at Manila in 1950, it will land on the Manila International Airport's modern runway under the guidance of expert airways communicators and airport traffic controllers — all Filipinos. In fact, by that time, all the service facilities necessary for the maintenance of interisland and international air navigation will be in the hands of Filipinos who know their business. This is the situation the U. S. Civil Aeronautics Administration will leave behind in 1950 after completing its assignment as provided in the Philippine Rehabilitation Act of 1946.

Section 307 of this Act authorizes the U. S. Civil Aeronautics Administration "to acquire, establish, operate, and maintain a system of air-navigation facilities and associated airways communications services in the Philippines for interisland airways operation and to connect Philippine airways with international and interoceanic routes." The Federal Agency

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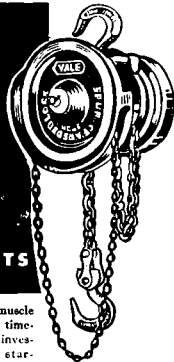
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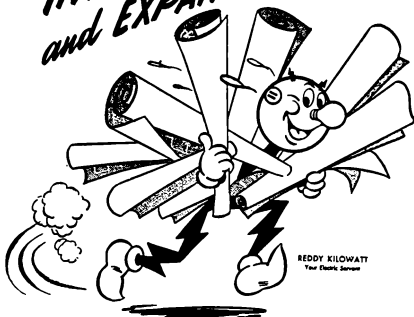
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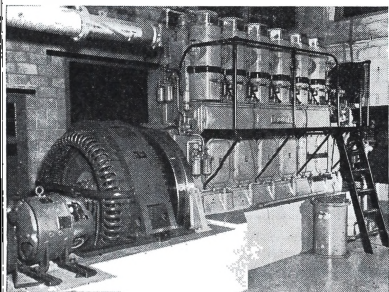
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was also authorized to train Filipinos in the handling of facilities and the discharge of various functions of the service.

Prior to the enactment of the Act, a preliminary survey of the possibilities for establishing a modern network of adequately equipped airports in the Philippines was conducted in December, 1945. A tentative estimate of a proposed program made by the Survey Mission later became the basis for the approval under Public Law 521, 79th Congress, of funds amounting to P16,000,000 to finance this particular rehabilitation project.

After the Act went into effect, the Federal Agency established a regional office in Manila and assigned 60 American technicians to work in the Program. In October, 1947, the U.S. Army airways traffic control center and airport control tower at Nichols Field and the Pan American Airways aeronautical communications station at Makati were acquired by the regional office of the U.S. Civil Aeronautics Administration. Besides these facilities, the regional office decided it would operate an interim station at Laoag and set about planning the construction of other major facilities which include a 7,500 foot runway at the Manila International Airport capable of handling large aircraft weighing up to 200,000 pounds, high-powered homers or radio beacons at Manila and Zamboanga, airways communication stations at Manila and Cebu, and a control tower at Manila.

The modern runway planned for the Manila International Airport is in accordance with the latest standards for airports and terminals of the International Civil Aviation Organization. Ground surveys and engineering plans were prepared by American and Filipino engineers. A prominent feature of the runway will be the installation of high intensity lights for night operations. The lights also will be extended to all runways and taxiways. Construction of this project started October 13, 1948, with the awarding of the P5,240,000-contract to two contractors.

The high-powered homer facilities at Manila and Zamboanga are at present under construction and are expected to cost around P1,040,000. These facilities are in addition to transmitting, receiving, and control stations being constructed in Manila at an estimated cost of P2,300,000.

The Overseas-Foreign Aeronautical communications at Manila is in communication with Guam, Tokyo, Shanghai, Hongkong, Bangkok, Saigon, Australia, Honolulu, and Wake Island.

At the inception of the program, the airways facilities were operated under the supervision of American airways communications experts and airport traffic controllers. A systematic training program however, enabled the Americans to relinquish many of these technical functions to trained Filipinos as time went on. For instance, 9 Americans and 8 Filipinos worked in the beginning at the Air Route Traffic Control Center. Today, there are only 3 Americans, and 13 Filipinos. The Americans will return to the United States by December this year.

In accordance with the authorization in the Philippine Rehabilitation Act, the American agency sent 50 trainees to the States in 1947 and another group of 50 in 1948, to train for one year in the various technical phases of civil aeronautics service. Of these two groups, 30 specialized in airways communications, 30 in traffic control, and 40 in maintenance of airways facilities. An additional group of 46 trainees will be sent early this month. The Philippine CAA officials believe that the next class of trainees will consist of key personnel now operating and maintaining the communications and air traffic control facilities. They may be sent to the United States in small groups for familiarization training of at least three months.

Many of the returning trainees have replaced American technicians, 20 of whom have already returned to their old positions in the United States. Meanwhile, the Philippine Civil Aeronautics Administration, patterned after its American prototype, is gradually taking over many of the functions formerly handled by the Americans. In July this year, it will take over operation and maintenance of all facilities. Activities of the U.S. Civil Aeronautics Administration will be confined the rest of the year to an advisory capacity in maintenance and operation, and the construction of the remaining projects.

Officials of the Philippine Civil Aeronautics Administration believe that if the Philippine Government cooperates with USCAA in setting aside the yearly appropriations for the maintenance of the facilities and organization established, the program will be successful.

With the completion of these facilities, the Philippines will have a modern system of communications and air navigational aids like those available to any country in the world today including the United States. The Manila Overseas-Foreign Aeronautical communications station will be equal to any similar type station operated elsewhere and the runway at the Manila International Airport will be one of the most safe and largest runways in this part of the world.

The U.S. Civil Aeronautics Administration expects to leave well established system of air navigational facilities when it ceases operations at the close of the Philippine Rehabilitation Program. United States Information Service.

#### OFFICE OF THE PRESIDENT (Continued from page 387)

Aug. 26—The Supreme Court promulgates a decision covering 5 cases involving the powers of the President under the Emergency Powers Act of 1941, voting 5 to 4 against the continued existence of these powers, which, however, is no judgment as the required majority vote is 6. On the validity of the executive orders putting into effect the General Appropriations Act of last year and releasing funds for the coming November general elections, the vote was 5 to 2 against their validity; also inconclusive. However, on two other executive orders, one by the late President Roxas on rent control and one by President Quirino on export control, the vote was 9 to 10 against their validity. The majority opinion is based on the view that the emergency powers were granted to the President only until the legislative body could meet again after the war.

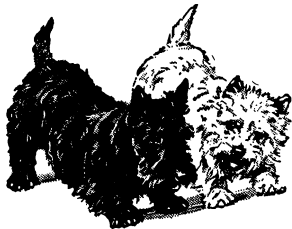
The President receives word from Ambassador J. M. Elizalde that the United States has approved the bill providing \$12,685,000 for the Philippine veterans hospital and medical program.

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Aug. 27 — Secretary of Finance Pedrosa, in a press interview in Baguio, stresses the need of extending the import control program "because we are just beginning to feel its salutary effects". To counteract the drain on foreign exchange reserves because of the excess of imports over exports, he urges three remedies: providing reserves for the purchase of imported goods necessary for rehabilitation, encouraging expansion of Philippine industries, and coordinating the policies of the Import Control Board with those of the Monetary Board of the Central Bank.

Aug. 30 — The President signs Executive Order No. 259 creating a Fire Prevention Board.

Aug. 31 — The President signs Executive Order No. 261 waiving the additional progressive taxes due from certain sugar mills from the 1948-49 crop, "either because they are now operating at a loss or are still heavily indebted and need assistance for rehabilitation". The Centrals listed are: Central Asturias, Central del Norte, Central Santos-Lopez, Luzon Sugar Company, Central Paniqui, Central Milling Co., Bogu-Medellin Milling Co., Central de Tarlac, Central Don Pedro, Hind Sugar Co., Ormoc Sugar Co., and Central Pasudeco.

Budget Commissioner Joven in his capacity as Chairman of the special Cabinet committee to evaluate existing surplus army property, announces that sealed bid for the purchase of all the remaining properties of this kind in possession of the Government will be received until September 15, 1949; the properties have been divided into 8 lots in accordance with the situation of the bases, and offers may be made for a single, several, or all lots.

## Weekly Changes in Retail Prices

Bureau of Commerce, Market Division

**M**INOR increases in prices of several native food commodities slightly pushed up the Bureau of Commerce Price Index to the 222.23 mark, up 0.59 point compared with the level prevailing a week before. As a consequence, the goods-exchange value of the Philippine peso which only last week reached a record high, was automatically reduced to 44.99 centavos compared with the pre-war (1941) peso.

Mainly responsible for the upswing of the index were marked increases in prices of eggs owing to lack of arrivals and seasonal decline in domestic production. Spearheading the upward movement were hen's eggs which recorded a conspicuous gain of 30 centavos at P1.70 per dozen, followed by increase of 10 centavos made by leghorn eggs at P2.50 per dozen. In sympathy with the rise in prices of hen's eggs, duck's eggs advanced by 10 centavos at P1.70 per dozen for either fresh or salted.

Except for a 25-centavo increment registered by Iapui-lapu at P3.75 per kilo, prices of other fish item recorded decrements. Prominent among the downward movers in this group were apahap, dalag and shrimps.

Fresh vegetable items were generally steady. Only string beans and chayote registered changes; the former recording a drop of 2 centavos at P0.45 per kilo and the latter easing off by 3 centavos at P0.18 per kilo.

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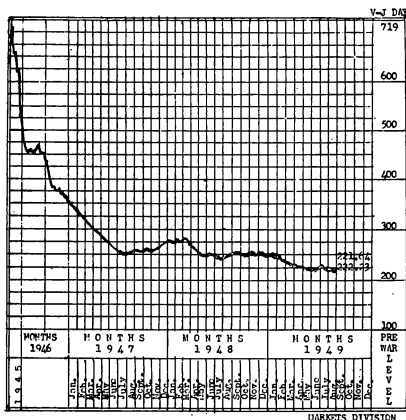
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The rice market was virtually quiet and featureless. Prices remained unchanged at ₱1.48 per ganta for first class wag-wag and ₱1.43 for second class; ₱1.35 for first class macan and ₱1.30 for second class.

A peculiar situation prevailed in the sugar market. While increases have been continually registered in wholesale prices, retail prices have remained steady at ceiling levels. However, there has been an apparent tightening of supplies of the commodity, particularly the refined variety, in some places.

The continued relaxation in prices of textiles and construction materials has been providing a most encouraging aspect to the overall price developments for the past several weeks.

Widespread mark-downs in quality fabrics dominated the recession in prices of textile goods. Taffeta, Romans Crepe, Baby Sharkskin, Sand Crepe, La Conga (Celanese) and Good-all Palmbeach suffered 5 to 10 centavo cuts per yard.

Slashes in a good number of important building items highlighted the general recession in this group. Galvanized Iron, No. 26, 3' x 8', plain, led off the deflationary movement with a drop of 15 centavos at ₱6.65 per sheet. Plaster Board, 1/4" x 4' x 8', receded to ₱3.90, off 10 centavos while size 3/8" x 4' x 8' eased off by 5 centavos at ₱5.85 per sheet. Recording 10-centavo decreases were Masonite (tempered), size 1/8" x 4' x 8', at ₱7.65 per sheet, Asbestos Board, size 3/16" x 4' x 8', at ₱6.65 per sheet, and Hardboard, size 1/8" x 4' x 8', at ₱5.65 per sheet. Gravel and sand recorded 5-centavo declines at ₱6.00 and ₱5.00 per cubic meter, respectively.

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**COST OF LIVING INDEX OF WAGE EARNER'S  
FAMILY\* IN MANILA BY MONTH, 1946 TO 1949**

(1941 = 100)

Bureau of the Census and Statistics  
Manila

1946	All Items	Food (69.15)	House Rent (8.43)	Clothing (0.62)	Fuel, Light and Water (13.94)	Miscellaneous (17.86)	Purchasing Power of a Pes.
January	603.4	759.2	236.4	984.0	363.8	434.8	1.657
February	547.2	656.3	236.4	940.3	369.5	460.5	1.827
March	525.9	631.0	236.4	940.1	340.4	445.2	1.902
April	556.2	684.1	236.4	910.3	345.5	435.9	1.798
May	545.1	675.6	236.4	762.5	342.3	409.6	1.835
June	538.7	666.4	236.4	737.9	343.3	404.2	1.856
July	552.7	704.3	236.4	598.9	341.3	364.6	1.809
August	477.9	590.0	236.4	384.7	320.9	346.3	2.092
September	477.9	591.3	236.4	378.7	314.5	347.2	2.092
October	487.4	587.2	236.4	382.7	405.8	342.7	2.052
November	484.8	607.8	236.4	406.4	346.5	305.2	2.063
December	461.9	570.8	236.4	371.9	344.7	302.1	2.165

1947<sup>2</sup> (100.00) (63.43) (11.96) (2.04) (7.73) (14.48)

January	426.2	368.2	453.9	381.9	326.2	282.5	2.346
February	418.5	454.9	453.9	356.2	344.8	281.4	2.389
March	406.8	440.1	453.9	295.2	334.7	279.4	2.458
April	387.7	413.3	543.9	269.2	328.9	271.6	2.579
May	381.0	404.4	453.9	250.9	325.4	269.4	2.625
June	386.3	414.4	453.9	236.8	316.6	258.6	2.589
July	393.4	426.8	453.9	217.7	309.3	269.9	2.542
August	387.4	419.8	453.9	210.2	292.0	269.1	2.581
September	368.9	392.1	453.9	216.4	283.3	266.8	2.711
October	358.7	376.3	453.9	212.7	280.5	267.7	2.788
November	358.4	376.3	453.9	215.1	280.5	265.3	2.790
December	371.9	395.8	453.9	219.1	298.2	262.9	2.689

1948

January	391.2	428.3	453.9	224.5	304.6	249.9	2.556
February	368.5	392.0	453.9	223.8	301.1	254.4	2.714
March	349.4	361.0	453.9	214.6	308.1	255.0	2.862
April	356.1	374.1	453.9	200.4	289.7	254.8	2.808
May	349.8	360.2	453.9	214.2	289.7	271.6	2.859
June	354.3	370.4	453.9	205.2	283.2	262.9	2.823
July	366.4	374.2	453.9	201.3	281.6	262.4	2.806
August	363.6	385.7	453.9	199.8	281.6	261.7	2.751
September	370.6	397.2	453.9	199.2	279.6	260.6	2.698
October	374.9	404.0	453.9	204.8	283.2	257.9	2.668
November	368.7	394.4	453.9	202.0	281.6	258.7	2.712
December	365.9	389.9	453.9	202.0	282.4	258.9	2.732

1949

January	363.8	386.8	453.9	202.0	279.0	258.9	2.750
February	343.8	355.5	453.9	203.0	277.5	258.9	2.909
March	346.3	358.2	453.9	202.0	276.3	258.5	2.896
April	348.7	362.6	453.9	197.6	287.5	257.1	2.868
May	348.8	362.8	453.9	197.2	287.5	257.1	2.867
June	349.0	362.0	453.9	203.9	287.5	257.2	2.865
July	351.7	374.0	453.9	194.2	265.8	240.5	2.844
August	337.5	351.2	453.9	196.3	266.6	241.2	2.963

\* Average number of persons in a family = 4.9 members.

<sup>2</sup> Revised in accordance with the new survey on the "Levels of Living, in Manila" by Department of Labor and the Bureau of the Census and Statistics conducted in December, 1946.

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WHAT I admired most about your exposure of the 'Confidential Agreement,' truly a historical scoop from a journalistic point of view, was the restraint with which you presented it...

"Seems to me you lost an opportunity to show up these fellows who during the Japanese regime swallowed whales without as much as a peep out of them and who now strain at a gnat and scream their 'injury' to high heaven. Of course, I refer to the Bell Act and 'Parity,' as against that euphoniously entitled 'Confidential Agreement' with the Japs which just meant that the Filipino 'leaders' of that time 'agreed' that the Japs should have the whole country."

We feel that the first of the two writers from whose letters we have quoted in the foregoing, understood us rightly. The article was written and presented with "restraint" and for the record, rather than for argument, and any comparison was deliberately avoided.

To us it seemed deeply offensive even to imply that there is any basis of comparison between that "Confidential Agreement," — voracious and utterly cynical, and secret, covert, never avowed, and the long and openly discussed terms of the Bell Act, frankly advocated and opposed, popularly accepted in a national plebiscite; between the special position which the Japanese sought secretly to "legalize" for themselves as masters of the country and everything in it, and the privilege extended to Americans to continue to participate, as before independence, on an equal basis in the development of the country's natural resources and public utilities,

which the American Congress believed would be necessary for the encouragement of further American capital assistance, so badly needed, and which the American Congress furthermore knew would be of far greater importance and benefit to the Philippines itself than it could possibly be to America.

Too much is made, in some hostile quarters, of this Parity. It extends no whit further than has been stated. There is no parity in the economic and business position in general, for instance, as is shown by the Philippine Flag Law and other legislation. There is no parity in civic or political rights. Americans have no right to vote or to hold office or to take any part whatever in politics. Americans have to register and be fingerprinted like every other alien, and they must report and fill out forms and answer questions and pay various fees just like any man from China or India or anywhere else. Regardless of the fact that they helped to build and establish the Philippine Republic, in fact, established by the wholly American act of a withdrawal of sovereignty, the Philippine Republic being truly a Daughter-Republic of the United States of America, — regardless of that, a bitter thing to many Americans, they are now officially foreigners and aliens, just as much as the Japanese are, except for that little parity clause which gives them a few privileges, no more, in fact, less than they had before, in such activities as mining and

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lumbering and running transportation companies and electric light plants. Is that so out-of-the way? Is that for a moment to be compared with the Japanese dictations and ferocious impositions?

WHEN the following letter and the accompanying comment had been prepared, a Chamber authority expressed the opinion that the subject was worthy of the more serious treatment it would receive in the editorial columns of this Journal than anything generally receives in these more ribald columns of the "Hair-Down" section. So the editor wrote the editorial which readers may turn to,—if they are interested, on page 370. However, on comparing the two compositions,—on the same subject and practically the same in content, but in different styles, the one (supposedly) sarcastic, ironic, cutting, and the other (supposedly) sober, dignified, earnest, some of us here thought that it might be interesting to print both, each in its proper place, allowing the reader to judge for himself which is the more effective. As for us, it seems just as likely that, for the reader, this experiment may turn out to be a frightful bore. Reading the editor once,—well, we suppose it has been done; but reading him (or virtually him) twice, in any "style," ye gods!

And, we ask, in all this attention being directed to the "style," or rather, they mean the manner, isn't the message likely to be lost? And wouldn't that be just too bad?

"You're always sneering," said the editor, heavily.

"We sneer when there is something to sneer at," said we.

"Remember we are talking about human rights. Is nothing sacred to you?"

"Oh, is that so? Didn't you shift the talk to 'style,' so called?"

"Did I shift the talk to style?"

"Come on, come on! Didn't you? Who (whom) do you think you're kidding?"

"Well," said the editor plaintively, "is it so wrong for anyone to take a little pride in his work?"

"Tschh!" said we.

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claration and those who voted for it thought should be or ought to be.

"If you will read the last of the 'whereases', you will see that the 'Member States' only 'pledged' themselves to 'achieve...the promotion of universal respect for and observance of' these so-called rights.

"According to the paragraph which follows this, the Declaration itself states that these so-called rights are proclaimed only as a 'Common standard of achievement', something to 'keep in mind', something to 'strive... to secure the universal and effective recognition' of, — *sometime*.

"So, you see, the Philippines is not committed to anything much. We'll just keep these things in mind. Oh, we'll *strive* all right. But give us time. We want to do a little discriminating first. Our Government may have joined the other nations in authoring and proclaiming the Declaration, but that was mostly for show. You know how it is."

And so some of our judges and law-makers seem to think they can uphold the dignity and international good name of the Republic.

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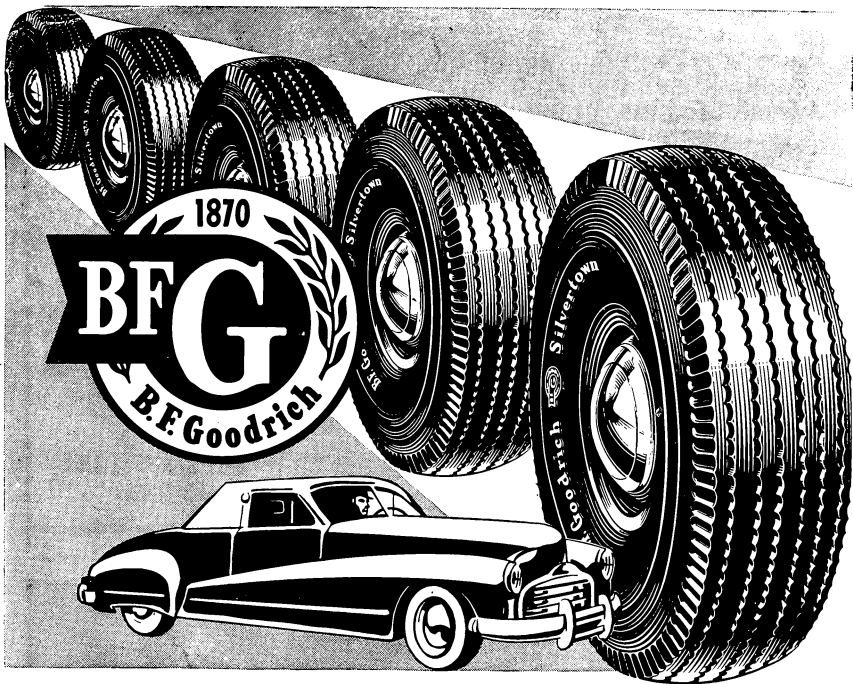
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