

The Marshall Plan, and a possible readjustment of Spain's supply of dollars, might any day open up foreign markets. That would encourage the farmers to try to raise prewar crops, as it will be necessary to supply the demand to prevent purchasers drifting to other markets.

The writer recently returned from a brief trip to Hongkong, Saigon, and Bangkok. In all these places the volume of tobacco business is small, although in Hongkong and Bangkok business conditions seem good. Not so in Saigon, where the Vietnamese uprising is still not entirely under control, and peace and a restoration of normal conditions does not seem near.

Textiles

By J. A. CONNOR

TEXTILES for March continued along the pattern predicted in this *Journal* in February.

Arrivals from the United States were a little larger in March than in February. Arrivals from Shanghai were less than in February.

Local prices continued to soften. Local stocks comprise a remarkably wide range of textiles with a very considerable number being sold below replacement costs. March local sales were a great deal smaller than in February. New bookings in March with American mills were much below those of January and February.

Some further reductions in prices were reported from New York. American mills continue sold up for months ahead.

Legislation, Executive Orders, and Court Decisions

By ROBERT JANDA

Ross, Selph, Carrascoso & Janda

THE tragic and unexpected death of President Manuel A. Roxas during the month, introduced an element of uncertainty into the entire legislative and judicial situation. Not only has the country lost an outstanding leader of proved integrity and ability, but the business community has lost a friend whose quick grasp of business problems and essentials gave a feeling of security to the entire community. It is as yet too early to reach any certainty as to whether the loss of its leader will cause the disruption and disappearance from Philippine politics of the Liberal Party or whether his successors will prove willing and able to carry forward the program he had outlined.

During the month, the Legislature enacted and the President approved, effective as of April 19, 1948, Republic Act No. 201, which provides a procedure for the issuance by a corporation of stock certificates in lieu of those which have been lost, stolen or destroyed.

Also, the Administration introduced its long awaited proposed amendments to the tax laws.

House Bill No. 1691 proposes to amend Section 183 of the Internal Revenue Code by adding a new section providing that the percentage taxes imposed by Sections 184, 185, and 186 shall be collected upon the landed value of imported articles at the time they clear the Customs. The importer may then take a credit for the amount of the payments made by him against his sales-taxes when the articles are later sold. Section 190, which imposes the compensating-tax is then to be amended to exclude, from the tax, articles which are to be used by the importer himself in the manufacture of articles to be consigned abroad and are to form a part thereof.

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House Bill No. 1692 purports to amend Sections 184, 185, and 186 of the Internal Revenue Code. The tax of 20% formerly imposed by section 184 on so-called luxury articles is increased to 30%. Automobiles whose sales price exceeds ₱7,000 and dice- and mahjong-sets are added to the items taxed under this section. The tax imposed by Section 185 on so-called semi-luxury items is increased to 15% and sub-section (a) is to be altered to read in part:

"(a) Automobile chassis and bodies, the selling price of which EXCEEDS FOUR THOUSAND FIVE HUNDRED PESOS BUT does not exceed SEVEN thousand pesos each: Provided, That if the selling price of an automobile DOES NOT exceed FIVE THOUSAND pesos, the SAME shall be taxed at THE RATE OF TEN PER CENTUM OF SUCH SELLING PRICE." (*Capitalization shows added words.*)

Refrigerators of less than seven cubic feet and musical instruments the value of which is less than ₱150 each are excluded from this Section, except that refrigerators of less than seven cubic feet capacity are to be taxed at the rate of 10%, as are electric flat-irons whose price does not exceed ₱50. In addition, the following new classes of articles are taxed by this Section:

"(c) UPHOLSTERED FURNITURE (EXCEPT RATTAN); TABLES, DESKS, CHAIRS, SHOW CASES, BOOK CASES, LOCKERS, AND CABINETS (OTHER THAN FILING CABINETS) OF WHICH WOOD, RATTAN OR BAMBOO IS NOT THE COMPONENT MATERIAL OF CHIEF VALUE, BUT NOT INCLUDING IRON OR STEEL CHAIRS AND TABLES COSTING NOT MORE THAN SIX PESOS EACH; and

"(d) TEXTILES IN THE PIECE, WHOLLY OR IN CHIEF VALUE OF SILK, WOOL, LINEN OR NYLON."

House Bill 1690 proposes to increase the specific tax on distilled spirits, wines, and cigarettes. The tax on distilled spirits, other than those produced locally, is increased from ₱1.70 to ₱3.50; those on sparkling wines from ₱2 to ₱4, and on still wines, except those produced from kasuy and duhat, to ₱0.50 and ₱1 depending upon whether the proof is less or over 14%. The specific tax on fermented liquor including beer, etc., is increased from 15 to 20%, and on the higher priced cigarettes from ₱4 to ₱6, from ₱5 to ₱8, and from ₱6 to ₱10, respectively, depending upon the price. In addition, a new specific tax is imposed upon soft-drinks or mineral-waters at the rate of ₱0.05 per liter of capacity. Objection has been made by certain soft-drinks manufacturers to this mode of assessing the tax on the ground that the soft-drinks are sold not by volume but by the bottle, and that this means of determining the tax, penalizes those merchants giving the public larger volume per unit of price.

House Bill 1794 would authorize the President to appoint a board or agency of his own choosing to fix import quotas "in such a way as to give priority to the importation of essential products; allocate quotas and determine the manner by which such allocations shall be distributed among importers, both individuals and firms and/or grant import licenses or permits." The declared purpose of the Act is to preserve foreign-exchange.

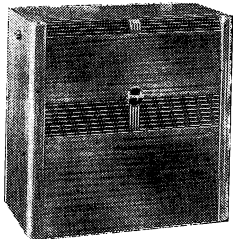
Two amendments have been proposed to the Mining Law, the first removing the restriction in the case of disseminated ore-bodies which limit individuals and companies to three claims on one vein or lode, or on one placer-ground, and to designated areas in each province. The amendment purports to allow location of unlimited number of locations on one vein-lode or ore-body, but the restriction contained in the present law to the effect that no person or company may own or control more than 250 claims in the entire Philippines is retained.

House Bill No. 1754 proposes to extend the period within which assessment work, etc., may be performed, for two years from and after the date of the approval of the Act.

From the judicial viewpoint, the most important news of the month was the promulgation by the Supreme Court on April 9, 1948, of its decision in the case of Haw Pia

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vs. China Banking Corporation. This case involved the legality of the payment made by one Haw Pia on various occasions from October 7, 1942, to August 29, 1944, to the Bank of Taiwan as liquidator of the China Banking Corporation of certain sums owed by Haw Pia to the China Banking Corporation and secured by mortgage. Haw Pia asked that the Bank be compelled to execute a release of the mortgage in view of her payments, contending that her payments to the Bank of Taiwan discharged her obligation. The Court upheld the plaintiff's contention, reversing a decision to the contrary by the trial court, and directed that the Bank execute the document in question. Justice Feria, in the majority opinion, stated that the Japanese military authorities had power to liquidate the banks, that their actions were a valid exercise of this power, and that the obligation was therefore discharged. The Court in effect finds the actions of the Japanese to have been legal and their intentions good; no suggestion is made that the payment was under compulsion, and no distinction is made between payments made in 1942, when "Mickey-Mouse" money had some value, and payments made in later years when this value was greatly reduced.

Labor

From an Official Source

May 1 — President Elpidio Quirino states in a Labor Day address at the Rizal Memorial Stadium that he is deeply moved by the magnitude and orderliness of the day's demonstration by the workers of the country.

"I am most confident that under an unselfish and far-sighted leadership, our workers can be counted upon to exert their combined power in the building of this new nation in such manner and measure that every element, through an implementation of the constitutional mandate, shall enjoy its just share of security, prosperity, and happiness. I consider it my highest duty as head of this nation to insure the well-being and economic security of all the people, especially the poor and laboring classes from which I myself have risen, and I pledge myself to the carrying out of that duty to fruition. . . . The objective of all enlightened governments is the promotion of the greatest good for the greatest number. Labor derives its importance from the fact that it is most numerous. It is also the sinews and bone of society, without which no economic structure can subsist. . . . Our country is so blessed by kind Providence with wealth untold that there need be no apprehension that honest labor will not be rewarded. Our population is but a small portion of the maximum number that this vast wealth can support in contentment. There is enough of the good things of life allotted to our country and people by the Almighty. . . . As possessors of this wealth, it should be our duty as a people to make use of it and share it alike with industry, and intelligence. There need be no disputes between labor and capital, for both are necessary in this great endeavor. The long-standing problem here as well as throughout the world is how to maintain the balance between labor and capital so that these two vital forces of our economy will joyfully exert their maximum efforts to increase constantly the usable wealth of the country and reap their just shares of the rewards of their endeavors. The coordination and synchronization of their activities have been the concern of every state. It shall be my daily preoccupation as it is my ambition to bring labor and capital together on a more equitable and workable basis of association. . . . The present situation suggests the creation of a Labor-Capital Advisory Board, representing the leading elements of labor and capital as well as the Government, to give advice on labor policies. . . . It is not the aim of the Government to impose its will or to dictate the manner in which labor shall organize or its problems with capital shall be handled and solved. The role of the Government shall be that of a mere ballast, insuring stability and reason when conflicting and clashing interests threaten to get out of hand. The Labor-Capital Advisory Board will be a sort of round-table for labor and capital to discuss their mutual problems with open minds and in the spirit of goodwill. When on top of their accumulated differences labor and capital can not reconcile themselves, it is the duty of the Government to step in and pave the way for understanding. That duty is inherent in its obligation to husband its manpower and capital resources in its supreme effort to raise the country from postwar paralysis and prostration. Only when labor and capital can exist side by side in a happy partnership can there be an assurance of economic recovery and progress. . . . This is the time for solidarity, for unity, for a new era of goodwill and understanding. I assure you that the Government will take a genuine interest in the achievement of such an end. I shall pray for its consummation."

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