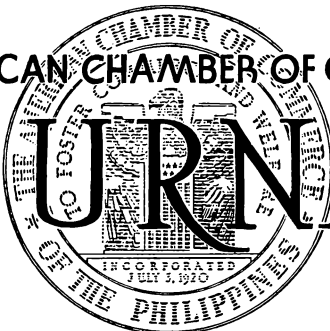


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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Editor and Manager

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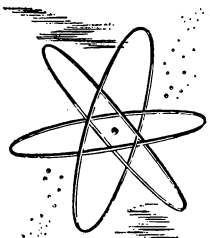
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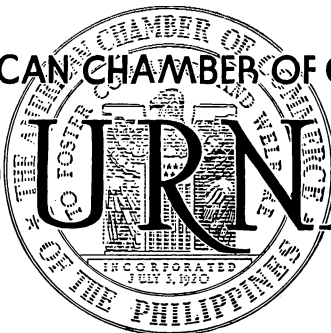
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Editorials

“ . . . to promote the general welfare ”

In connection with the implementation of the Social Security Act of 1954 (R.A. No. 1161, approved June 18, 1954), which was scheduled by

Application of the Social Security Act created by the Act to take effect, with very little advance notice,

on December 1, 1954, it is of interest to make of record here that President Magsaysay on November 21 received a group of businessmen who submitted a memorial to him, which had been signed by the representatives of some fifty Manila firms at the Manila Hotel on the 19th, requesting that the implementation of the Act be deferred to July 1, 1956, to permit a more careful study of its provisions by government, management, and labor and to enable employers to adjust their own social security practices and plans to its requirements. The group, which was headed by Francisco Ortigas, for the mining industry, Antonio de las Alas, for the lumber industry, and Jose Olbes and Emilio Abello, for the insurance interests, also presented a separate letter, dated November 19, addressed to the President and written by Paul R. Parrette, President of the American Chamber of Commerce of the Philippines, in which he, also, suggested a six-month deferment to give time to those firms which are not seeking exemption to adjust their existing employee benefits to the requirements of the Act and time to those other firms which are seeking exemption to qualify for this. Mr. Parrette's letter was written after the Chamber had circularized its members on the subject and the great majority had been shown to favor such postponement.

Something over a week later, on November 29, President Magsaysay received some 2,000 members of a number of large Manila labor unions who were staging a rally at Malacañang to seek deferment of the effectivity of the compulsory extension of the Act. The President, in a Malacañang press-release subsequently issued, was quoted as having told these workers that the Act would, "in all its aspects, be gradually implemented"; that "private business establishments providing equal or better benefits than those specified in the Act would be given every opportunity to argue for their exemption"; and that "Labor would be given representation on the Social Security Commission". The President also stated that he had directed Secretary of Justice Pedro Tuason, Social Security Administrator Dr.

Manuel O. Hizon, and Malacañang legal assistant Prof. Enrique Fernando to "solve the controversy over the law".

On that same day, the Social Security Commission itself issued a press-release which ran as follows:

"In a meeting held at the residence of the ailing Chairman, Secretary [of Health] Paulino J. Garcia, the Social Security Commission, after taking into consideration additional arguments, both factual and legal, decided to hold in abeyance its determination setting December 1, 1955, as the effective date of the compulsory coverage provision. While resolutely determined to apply, without fear or favor, the Social Security Act, which admittedly is not free from defects, the deferment is, in the words of its Chairman, 'responsive to the challenge of new facts and circumstances'.

"In this holding in abeyance a resolution which subsequently became controversial, even a portion of organized labor demonstrating against its effectivity on December 1, 1955, the Commission hopes that the time thus gained may be utilized in the further objective study of some of the arguments pro and con.

"The Commission likewise invites both management and labor elements to submit their objections to it for appraisal.

"During the period of deferment, the Commission will continue to consider the legal issues raised at hearings conducted by the Commission for the purpose of giving everybody opportunity to present his views on the Social Security Act. Such legal issues will be referred to the Secretary of Justice for study with the assistance of the Acting Legal Officer to the System, Atty. Higinio Francisco, and Prof. Enrique Fernando.

"Chairman Garcia made it clear that the Commission's decision suspends payment of premiums from employers and employees previously declared covered by the Social Security System.

"Secretary Garcia also stated that it is obvious that the President and the Commission are of one mind on the Social Security Act."

IN an editorial in this *Journal*, published a month after the approval of the Act (the July, 1954, issue), an exposition of the history of this piece of legislation and of its various faults, as brought out by a number of well-known experts in the field, was undertaken at some length, and it is therefore not necessary to repeat this here.

It is enough to say that, especially for a general application of the Act, the Philippine industrial economy is not sufficiently advanced to assume the burden of providing such broad security benefits as its framers wrote into it. There is no actuarial evidence that these benefits could be supported by the employers' contribution of 3% of the pay-roll and the employees' contribution of 3% of their wages. The cost of the projected unemployment benefits alone,—because of the seasonal nature of so much of the work in this country, would probably exceed the total amount of the funds raised by these contributions, though a 3% wage-deduction is more than the average

worker can well afford. Employees are all the more opposed to such a deduction if, as many of them do, they already enjoy benefits more or less equal to, or in some cases exceeding the benefits envisaged in the Act.

Like so much of recent "social" legislation, the Act puts the cart before the horse. Philippine business is already so burdened by the demands imposed by a number of laws of this kind that this has served to discourage not only new investment, but the expansion of existing enterprises, which, in turn, has inevitably tended to increase the already large-scale unemployment.

Government economic planners and legislators should turn their attention to this very serious problem of the unemployed rather than seek to force additional benefits for those already, and comparatively happily, employed. The unemployment problem can be solved only by the expansion of existing industry and the encouragement of new enterprises, and neither of these aims can be promoted by laying heavier burdens on industry.

The decision merely to hold the implementation of the Social Security Act "in abeyance" for an unspecified period of time, is not the solution to the problem which had been created both for the Government and for business by the adoption and approval of this premature law. Fortunately, a number of prominent members of Congress have given indication of the fact that they understand that modification is necessary. The principal author of the Act, Representative Floro S. Crisologo, has been defending it against recent criticism, but Senators Puyat and Magrinal-Warns are among those who have stated that they would support modification; and Speaker Laurel has said that he would sponsor such a course in the House.

Many of us will have to confess to a feeling of something like relief at the evaporation of the so-called Geneva

The Evaporation of the Geneva Spirit spirit during the conference of the foreign ministers of Britain, France, the Soviet "Union", and the United States at Geneva, October 27 to November 16. The semblance of bonhomie which had developed between the Western leaders and the Moscow slave-masters at the "summit" meeting in the same city last July, actually was the more irksome the more sincere it appeared.

Molotov again showed the true nature of the Soviet Russian dictatorship at the foreign ministers' conference, and, in the words of Secretary of State Dulles, the Geneva meeting "didn't get us anywhere at all". There was only disagreement, arrogant and scornful on the Russian side, on the reunification of Germany and the European security system, on the limitation of armaments, and on the development of East-West contacts and exchange of ideas.

The distortions of fact and the venomous lies in the speeches made in India by Premier Bulganin and Communist Party Secretary Khrushchev during their "good-will" visit to that country, and, most recently, the declaration of a German communist leader that Berlin is no longer under four-power occupation but is under the rule of the East Germany Communist puppet regime, are among the manifestations of the true spirit of the Communist masters which are fast getting the world back to a clear perception of the absolute incompatibility between two embattled systems, one based on the principle of human freedom and the other of an inhuman serfdom, the age-old issue being whether the People or the "State" shall be supreme.

It now seems evident that the hypocritical Russian smirking at the first Geneva meeting was to draw out the Western leaders on the subject of disarmament and peace, and the Western pronouncements were so seriously,—almost so desperately, pacifist, that the Russian ruffians now

believe they can press ahead with their plans for world-conquest without fear of serious resistance.

Hitler, Mussolini, and the Japanese militarists only recently presumed on the West's, and particularly America's, devotion to peace and peaceful advancement; they so presumed at the cost of their ultimate destruction.

The masters of Russia and of a score of enslaved nations, are again making that same mistake. No one knows better than the American leaders that war today would be unimaginably more horrible than ever before in history. But if it comes to the Western world, and particularly to America, of having unescapably to make a choice between freedom under democratic government and submission to a totalitarian world-sway, there is not one of us who would not face even atomic war to preserve his and his children's liberty or perish in the attempt.

That deadly challenge, like that of a murderous scoundrel who interposes the body of a woman or a child between himself and his armed victim, but multiplied a million-fold, is the challenge of the Moscow monsters to the free world. Men who place all of humanity in such a fearful dilemma defy all adequate epithet; they are beasts outside the human family; they should be given no countenance or shift in any free country or by any free nation; they should be expelled from every international union and council; and they should be menaced, sternly and without intermission, with all the power at mankind's command held at instant readiness, until they are finally disposed of, as, sooner or later, it is our firm faith, they will be.

The Chamber has just received for its Library a copy of the "Philippine Economic Handbook" by Urbano A.

New Zafrá Importers-Exporters Handbook on the Philippines Zafrá, Commercial Counselor in the Philippine Embassy in Washington and former Acting Consul-General of the Philippines in New York City.

It was published in Washington, this year, and is copyrighted by the author, publication being made possible, according to the Preface, by the encouragement and generous assistance received from Ambassador Carlos P. Romulo, Senator Gil Puyat, Col. Andres Soriano, Mr. Gerald Wilkinson, Mr. Miguel Ossorio, Mr. Armand Hazard, Col. Frank Hodson, and others. The book, which runs to 220 pages and contains a number of pages of advertising, is bound in a stiff-paper cover.

It contains much material of general interest and of interest to the prospective investor, but it is principally a handbook for the importer and exporter, and in this respect the chapters on banking and finance, tariff and taxation, and government controls and regulations are the most useful as they contain much detailed information.

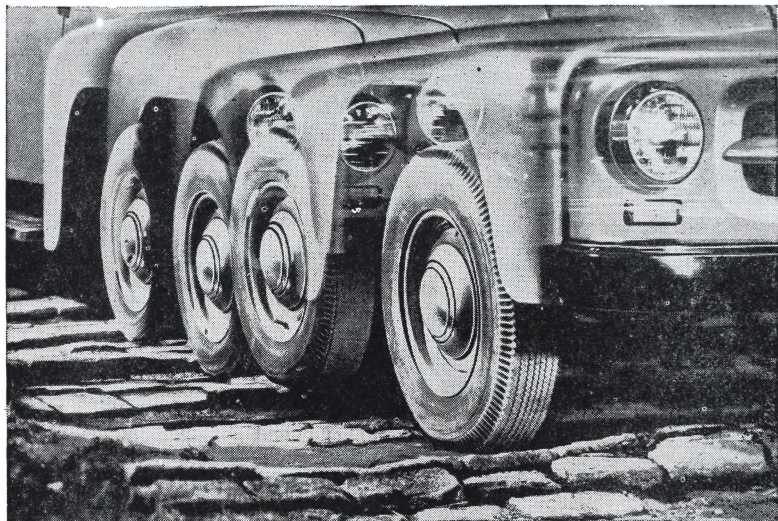
The Chamber obtained its copy through the First National City Bank of New York, price \$5.00, the "address of the beneficiary" on Central Bank form No. 10, being given as 4936 Brandywine Street, N.W., Washington, D.C.

The American Chamber of Commerce has just acquired for its Library a small paper-bound book of 62 pages, "The Free Convertibility of Sterling", by George Winder, published in London for the

A Good Book on Exchange Control Institute of Economic Affairs by the Batchworth Press.

Though the title refers to the free convertibility of sterling, everything in the book applies just as much to the free convertibility of any other currency. The author, who is well-known in England for his articles in the press on eco-

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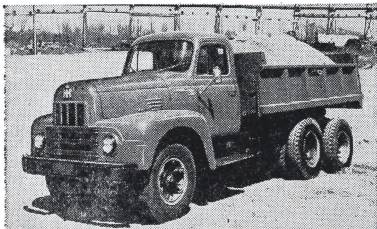
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conomic affairs, explains the mechanism of foreign exchange in simple language, reviews the history of government exchange control since 1914, the beginning of World War I, clearly explains its confiscatory nature and the damage it inflicts on the economies of the various nations and the economy of the world as a whole, and as clearly disposes of all the false arguments that are raised in support of such control. The International Monetary Fund and the European Payments Union are criticized as institutions which, though formed to check the evils arising from national control of foreign exchanges, actually are creating

further evils and making it more difficult than it otherwise would be to return to exchange freedom.

The book, in its advocacy of the abolition of exchange control, is more than an eloquent political polemic; it is a small but sound and comprehensive textbook on the subject.

Much to be desired is that it finds many readers in the Philippines as in every other country plagued and damaged and retarded by exchange control.*

*We have been informed that the Free Enterprise Society of the Philippines, Inc. has ordered 100 copies of the book through the Philippine Education Co., Inc., and more are on order. The price is \$1.75.

By Our Guest-Editor*:

For a Business Council

By SALVADOR P. BIGAY
Business Editor, The Manila Chronicle

THERE is no denying that the present Administration has been making blunders in its efforts toward establishing a workable and stable national business policy. What has saved the situation so far is Mr. Magsaysay's sincerity and his dedication to the public welfare. Almost everyone admits that if the President errs, he errs with the national good in mind. But this virtue will not avert the possibility that sooner or later his Administration will run headlong into disastrous difficulties.

It needs little discernment to see that the business community is not at all comfortable. The many instances of reversal of previous commitments in administration policy and the continuing tendency to administer affairs on a case-to-case basis,—even the absence of a truly long-term economic program, all point to a situation that is of great concern. And the problem seems to be rooted in the fact that the Administration continues risking policies that are almost purely one-sided,—on the side of the Government, that is. Business, anywhere in the world and especially in progressive countries, has as much to do with government in many of its phases, as the leaders of state themselves.

What, then, could be done to remedy a situation which is producing so many disturbing effects? I propose the creation of a Business Advisory Council with its membership picked from among a cross-section of all the business elements in the country, including foreign business.

This body could be set up in the manner of the Council of State. The situation in the Government today is ripe for the creation of such a Council. First, there is an entity—a superbody—the National Economic Council, which exercises a strong influence on the policies affecting industry and trade; second, there is a growing disposition among top policy-makers to encourage advice from non-governmental entities; and third, there are business executives available capable of advancing the necessary authoritative and constructive advice.

I understand there is a similar advisory body in the United States which has contributed to the great achievements of the Government in that country in the promotion of industry and trade. If such a council has succeeded in the United States where business is vast and complicated, there is no reason why it could not be made to work even

more advantageously here, where the Government is just starting on a program of economic expansion.

Only recently, the Import-Export Department of the Central Bank, under the forceful leadership of Mr. Licaros, has demonstrated the constructive effect of securing advice from private sources. Largely because of this, the program of revising industry-priorities is proceeding smoothly, and in the end this may mean a thorough reorientation of the Government's control functions.

Chairman Montelibano has opened even the National Economic Council to advice from chambers of commerce and other trade organizations. A man endowed with a keen sense of business, Mr. Montelibano has asked these groups for ideas and recommendations as to the Government's economic program, and the response has been encouraging.

However, aside from these isolated cases, government offices have rarely consulted with private trade groups on the wisdom and practicality of their policies and regulations. A policy to be effective must have the support and cooperation of all concerned.

The examples of the National Economic Council and the Central Bank's Import-Export Department are in the right direction. But such mainly individually-initiated moves to seek advice from private business sectors when convenient, can never be as effective as obtaining it from an official Business Advisory Council could be. As a matter of fact, the seeking of private advice by the heads of government entities often results in efforts actually running counter to national policy.

Perhaps, however, the question to ask is, are there business executives of top calibre who in an advisory capacity could put aside their personal interests and think only of the national good? My answer is yes. Many of our top businessmen are recognized for their ability not only here but in major councils of the world abroad, and quite a number of them have demonstrated their honest public spirit.

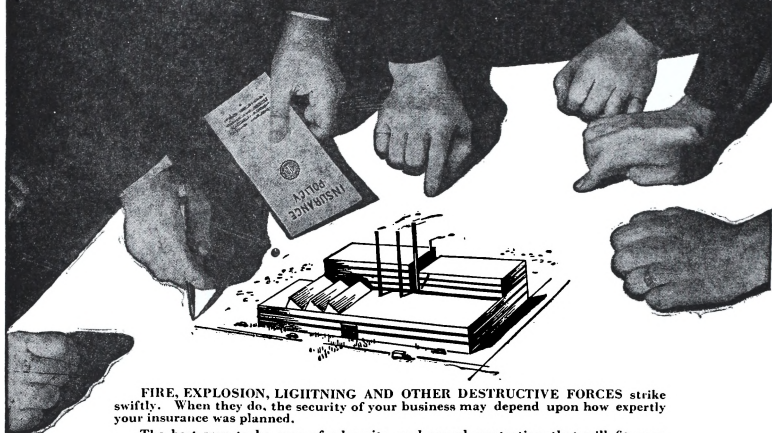
The Government would do well to look into the problem of why, so far, it has not clicked with private business. I understand that the Economic Affairs Committee of the Manila Jaycees has undertaken studies on the feasibility of creating a business advisory council in the Government. The project may well be urged on the various trade organizations in the country. What is important is to have in mind, all the time, that the national economic interest is best served by cooperation between Government and private sectors.

*See page 560.

"SOLON, asked how justice could be secured in Athens, replied, 'If those who are not injured feel as indignant as those who are.'—EARL WARREN, Chief Justice of the United States, in an article in the November *Fortune*.

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Central Bank Policies re Remittances of Profits, Capital Retirement, etc.*

By CESAR M. LORENZO
President, Chamber of Commerce of the Philippines

REMITTANCES By New Industries.—Sizeable amounts have been invested since 1949 by foreign businessmen in the drug, paint, gasoline and oil, aluminum, transportation assembly, and steel industries. Side by side with this healthy development, a formula for remitting profits and dividends to non-resident investors abroad has been devised. The underlying principle is for investors to demonstrate, first of all, that the operating results of their new industries justify the remittance, and in no case should the total remittable amount exceed current net profits realized during the year for which the profits are being transferred.

As a general rule, the remittable amount is equivalent to 10% of the current net profits (after taxes), or 10% of the paid-up capital outstanding as of the date of the organization, whichever is higher. In addition, another 30% of the foreign participation in the depreciated fixed assets of the industry as of the date of the organization, or 30% of the foreign participation in the paid-up capital as of the date of organization, whichever is higher, is likewise allowed.

There are some notable exceptions to this general rule, however, considering the essentiality of the industry and as an incentive. Thus, the Central Bank, in the case of "A" Company, allows remittance of profits and/or dividends equivalent to 30% of the net profits, plus 10% of the net sales of the products manufactured here for royalties. "B" Company, on the other hand, is allowed to transfer profits to the extent of 30% of the capital investment, plus 10% of the wholesale value of the sales of products manufactured here corresponding to royalties. This company is barred, however, from remitting 10% of the net profits provided by exchange control regulations.

"C" Company is a very distinct case. A division is treated as a separate entity for purposes of ascertaining the remittable amount of profits and dividends. It is allowed to transfer 10% of the current net profits, or 10% of the paid-up capital stock as of the date of completion of the division project, whichever is higher, plus 30% of the foreign participation in the capital stock outstanding as of the date of the completion of the project. The maximum is limited to the amount of the current net profits for the year for which the profits are being remitted.

Foreign Capital Investment Base.—Foreign participation in the capital of a new and necessary industry may take the form of cash dollar inward remittances, or capital equipment imported under no-dollar remittances, or imported intangibles, such as patents, trade marks, etc., or a combination of any of the three, as the case usually is. Raw materials and/or finished consumer goods, in this connection, are never considered part of any capital investment base.

For the purpose of including capital equipment in the investment base, the c.i.f. value is used as a basis. In the case of intangibles, there is decidedly some difficulty attendant upon the precise evaluation that such intangibles should receive, hence, there is no fixed rule upon which the Central Bank can rely in reckoning just how much of their value will constitute part of the total foreign capital investment base.

The percentage of the value of intangibles to the total foreign capital investment base of "D" Company, for instance, was 11.1%, whereas in the case of "E" Company, the percentage was 66.67%. These go to prove that each case has to be treated individually according to its individual merits.

Rental of Capital Equipment.—In some cases, manufacturers of capital equipment will not allow title to pass to the investor through direct purchase, preferring instead to lease the machinery. In this event, the Central Bank allows a remittance equivalent to not more than 10% of the c.i.f. value to pay for annual rent, with the cost of repairs and replacement of spare parts chargeable to the lessee's account. Upon termination of the contract, the equipment may be re-exported, subject to regulations currently in force, unless their retention is adjudged to be of paramount importance to our economic development by Export Control agencies by virtue of Republic Act 613.

Raw Materials.—Imports of raw materials by industries are generally limited to a maximum of 30% of the total value of the raw materials that go into the manufacture of the finished product. Excepted from this rule are industries which, by their establishment, will lead to the development of the country's natural resources, or, when there are other equally strong and justifiable reasons in support of the manufacture of any commodity which the proposed industry intends to produce.

In practical application, there is no hard and fast rule adopted by the Central Bank for the accurate determination of the amount of raw materials that may be imported; neither is there a fixed rule for

determining the proportion of the imported raw materials to the total value of the raw materials used. Nevertheless, Central Bank Regulation No. 10, implementing Circular No. 44, fixes a maximum of 60% as the ratio of the imported raw materials to the prime cost for non-essential industries.

The case of "D" Company, previously cited, illustrates a case in which the Central Bank approved the importation of all raw materials that go into the manufacture of a product after a showing that the establishment of this industry would involve substantial savings in foreign exchange.

The case of "C" Company is another. Although all the raw materials are to be imported, the Central Bank was convinced that the establishment of that plant project would mean a conservation of our dollar resources, and more important still, would answer the country's defense needs in case of emergency.

Another decision of the Central Bank on the importation of raw materials, supplies, and equipment in the case of "B" Company and the "G" Company, limits such imports to actual requirements only.

Labor Requirements.—Existing rules allow new industries to engage the services of foreign technicians if none are available locally, and limited to the actual needs of the particular industry. Foreign technicians so engaged are given preferential treatment by the Central Bank which allows them to remit up to 50% of their basic monthly salaries; if the foreign technician has been assured of certain sums intended to meet his peso requirements (aside from his monthly salary), the remittable rate may even exceed 50%. This is especially true where such men are engaged under short-term special contracts like those of the "H" Company and the "I" Company.

Royalties For Patents, Trade Marks, Formulae, Etc.—Where the Central Bank has allowed the inclusion of intangibles, such as patents, trade marks, formulae, technical know-how, etc., into the capital investment base of a new firm or company, the payment of royalties for the use of these intangibles has been denied. In those cases where the remittance of royalties was allowed, some conditions were imposed.

In the case of the "A" Company, previously cited, for instance, the remittance of royalties was allowed in an amount equivalent to a fixed rate of 10% of the net sales of the products manufactured in the Philippines. On the other hand, in the case of "J" Company, royalties amounting to 10% of the wholesale value of the products sold, which should not exceed \$56,000 (representing 10% of the total value of importation of these products in 1950), was allowed to be remitted abroad. Again, in the case of the "K" Company, the remittance of royalties was allowed in an amount equivalent to 10% of the gross sales.

These specific instances demonstrate again the flexibility of the policy currently observed for the remittance of royalties for the use of intangibles by industries now in operation here. As a rule, therefore, it would be best to submit the subject before the Central Bank for judgment according to the merits of each particular case.

Service Agreements.—Generally, whenever the services to be performed by the foreign investors of the new company have been included in the foreign capital investment base, the remittance to pay such services is not permitted, with the exception of a few instances. Such agreements may cover services to procure raw materials to be utilized by the industry, payment of which is to be made in the form of a buying commission.

The contract in the "L" Company with a corporation in Pennsylvania, is a case in point where the Central Bank approved the payment of buying commissions ranging from 3% to 10% of the cost of raw materials, supplies, and equipment.

But the Central Bank refused to grant this kind of concession to "E" Company when it was shown that the parties who will procure raw materials, supplies, and equipment turned out to be the stockholders of the new company. Furthermore, it appeared that such services were dispensable because after the receipt of the initial shipment of raw materials, subsequent shipments could be made on a similar basis.

The second type of service agreement involves the payment of labor salaries with a schedule of amortization of such capital investments. It is limited to the number of units produced, on the basis of a fixed amount to be paid monthly, or on the basis of a certain percentage of the total value of the net sales.

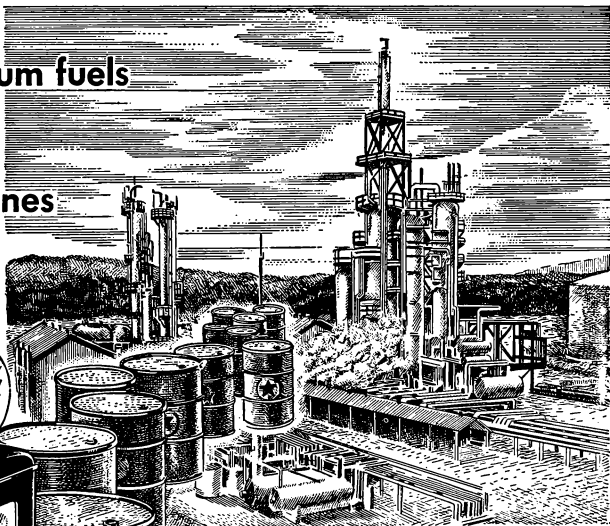
Retirement of Capital Investment.—Capital invested in the Philippines after December 9, 1949, by non-residents may be remitted abroad subject to the approval of the Central Bank. Investments in certain approved industries may be withdrawn upon application in accordance with a schedule of amortization of such capital investments. It is limited to the visible dollar investments and the value of the approved visible dollar investment must be exclusive of the value of intangible assets.

One form of retiring capital investment which the Central Bank has already approved is similar in its operation with respect to a loan. The system permits the transfer of the total sum in 10 equal annual

*Excerpted from the text of an address before the Men's Fellowship luncheon at the Union Church, December 2, 1955. Mr. Lorenzo was Chief Statistician, Department of Economic Research, Central Bank from May, 1949, until he became Director of the Exchange Control Division, Central Bank, in June, 1954. He is now Vice-President and General Manager of the Philippine Phoenix Surety and Indemnity Co., Inc. He is also Acting Director in June, 1954, and later Director, of the Import-Export Department; he resigned from the Bank in February, 1955. He is now Vice-President and General Manager of the Philippine Phoenix Surety and Indemnity Co., Inc. He has been for two years statistician and economist with the U.N. Food and Agriculture Organization and is President of the Philippine Statistical Association.

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installments for a period of 10 years from and after the date of the completion of the project, together with the interest thereon at the rate of 4% annually.

The Central Bank has also enunciated the policy of allowing the withdrawal of foreign investments after a lapse of 5 years from the date of the actual operation of the business at the rate of 20% per annum. This obtains in the cases of "F" Company and the "G" Company which have both been authorized to retire their capital after 5 years from the date of their operation at the rate of 20% per annum of their dollar investments.

Under the Investment Guaranty Program of the MSA (please see Chapters III-IV, pp. 9-18 of the Investment Guaranty Manual), foreign investments in the Philippines made with the prior approval of the PHILCUSA and the MSA (now the ICA), would be insured against the risk of inconvertibility of local currency into US dollars. Essentially, the convertibility of guaranty contract assures that "a means, available at the time the investment is made, for converting local currency receipts into dollars, will remain available."

Beginning January 1, 1956, taxes on foreign exchange on the remittances on profits, dividends, capital transfers, and other invisible items will be abolished, in accordance with the Laurel-Langley Agreement. In lieu of the exchange tax on the sale of foreign exchange, there will be a special import levy on the importation of merchandise from the United States. However, most capital equipment for agriculture and mining will be exempted from this import levy.

Shortages of power, fuel, and transportation for intensified economic development are still felt. The Government is using all its resources to provide the production of power and fuel for industries and inducements in the production of transportation equipment for the movement of raw materials and finished products. It is believed that the time is not far off when this problem will have been solved.

Up to the present time, the Government does not have a categorical and clear-cut policy on the national treatment of foreign investments in the general framework of the Government's industrialization program. This was also bluntly declared by National Economic Council Chairman Alfredo Montelibano in his speech on October 27, 1955, before the Philippine Technological Club. A study of foreign investment possibilities in the Philippines by the United States Bureau of Foreign and Domestic Commerce also reveals that there is a lack of a clear-cut, long-range policy regarding economic development, this contributing to uncertainties that are not favorable for attracting foreign investments into the Philippines. These, as Chairman Montelibano pointed out, are detriments to any desired progressive economic and industrial development scheme for the ultimate objectives of increasing the standard of living of our people.

Another factor which has discouraged foreign investors is, as the United States Bureau had pointed out, the frequent changes in the rules and regulations which have increased the degree of business uncertainty in the Philippines. These frequent changes and uncertainties are doing more harm than good to our general economic development and to the investment climate which our leaders desire to have to promote the easy flow of foreign investments into the Philippines.

It is obvious that in order to stimulate foreign private investors to help hasten our program of economic development, our rules, regulations, and policies whatever they may be, should be fixed and stable, for the adequate guidance of every businessman in the Philippines. The foreign investment bill which failed to pass in the last session of Congress should be given a high priority among the various national bills that Congress is planning to consider in the forthcoming session. And in the consideration of such foreign investment bills the entire business community must be given an opportunity to express its views on the basis of its experience and study of the problem.

The Safety Outlook for 1956

By FRANK S. TENNY

Founder and Executive Director
Philippine Safety Council, Inc.

THE local "safety movement" has developed to the point where (although much remains to be done) the outlook in various safety fields may be intelligently explored for the coming year. The following comments are based upon an approximately equal mixture of the accomplishments and disappointments of the past nine years.

The American businessman is in a unique position vis-a-vis local safety matters. By experience and inclination, he is generally ahead of other groups in this category, and he finds it difficult to understand why many firms do not share his interest. He is still shocked, for example, when one of his drivers commits an unforgivable traffic violation; but he also wonders why his competitor appears to ignore a similar action. When safety inspectors of a government entity appear, he is unworried for he has maintained safety factors as a matter of course. Yet a trip through another plant making a similar product, discloses an almost complete disregard of safety requirements. The net result is an attitude which does not exactly encourage his desire to adhere to rules and regulations.

Insofar as accident-prevention efforts are concerned, most commercial and industrial firms fall into one of two classifications: (1) Those which are progressive and ahead of the law, and (2) those which are far behind even the dictates of humanitarianism and deserve the strictest type of government supervision. It is one of the purposes of the Safety Council to increase the number of firms in the first category, so that enforcement entities may concentrate on the second. It is a noteworthy truth, however, that many alien businessmen are under the impression that the first type of firm receives far more attention from various inspectors than does the second.

According to Secretary of Labor Adevoso, the inspection staffs of the Industrial Safety Division will be increased in 1956. This will afford a wider coverage of firms, and habitual violators may feel the strong arm of the law. This

should result in not only an improvement in safety conditions, but a more fair application of enforcement directed at companies operating manifestly unsafe establishments. The Secretary's personal inspections during the 1955 Safety Week revealed many factors on which to build the 1956 program. It is proper to add that Secretary Adevoso is sincerely interested in safety and appreciatively receives suggestions.

There is a trend among fire, electrical, and construction inspectors to be more active and effective. Some of the regulations are obsolete, or overlap and conflict with those of another agency. However, the Council knows of and is involved in several activities tending to improve this matter and we believe that progress will be made in 1956. Again, well-run companies will have little real inconvenience in this connection.

This type of discussion would be pointless without a mention of bribery, or "pabagsak". There is no question but what both the current national and city administrations have made progress in reducing this factor. Of course, some of it persists. A recommendation that businessmen report cases of attempted bribery may sound trite and unrealistic, but it remains that such is the only truly effective way of wiping out the pernicious practice. As long as bribes are made available, there will be people to accept them.

MUCH could be written about the traffic-safety situation. In spite of the horrible muddle which is "traffic", there is hope for 1956. At least one bill will be presented to Congress urging the strengthening of a national traffic authority. A model traffic code may well be enacted in the City of Manila next year. The recently re-elected city administration has serious plans for the improvement of traffic-law enforcement and traffic-safety education programs. The TrafCon (Traffic Control Unit, P.C.) is functioning effectively, as can be told from the squawks

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being heard from apprehended violators. The Bureau of Public Highways handles the engineering factor of traffic safety most satisfactorily. We are assured that efforts will continue to cause the Motor Vehicle Office to examine drivers more strictly and the Public Service Commission to scientifically re-assign bus and jeepney routes.

It is not the intention of the writer to dismiss the traffic problem hurriedly. Still, it must be realized that "traffic" is a social as well as a technical matter, reaching to the very roots of contemporary habit, tendency, and sense of civic responsibility. Progress is slow but sure. It is not made easier, however, with owners blithely sitting in the back of their cars and ignoring the consistent violations being perpetrated by their own drivers. In short, we will probably have the kind of traffic situation that we deserve.

REGARDING fire-prevention and protection, again some improvement is forecast for 1956. The Fire-Prevention Board, a national entity, is being reorganized and strengthened. A fire chiefs' association is being organized, with modern fire-fighting instruction as one of its main objectives. Slowly but consistently, fire-extinguishment equipment is being acquired in various cities and towns and by industrial establishments. Fire-insurance associations and companies are quite naturally taking a great interest in this problem and are no small contributors to the progress already made. Admittedly, great handicaps must be overcome. Negligent habits, flimsy construction, low water-pressure, underpaid firemen, equipment shortage, and arson are all obstacles which face fire-safety specialists. However, we can assure you that attention is being devoted to these matters.

SECURITY and crime prevention is another item. To be realistic we must admit that many persons feel that it is both clever and popular to break the law. Even policemen and security-guards oftentimes do not feel that necessary righteous indignation when a crime is committed in their presence. There is no great public stigma attached to being accused of, or even convicted of, a crime against society. Therefore this phase of the safety movement is encountering tough sledding, and any progress in 1956 or future years will depend on factors not completely under control of safety specialists. On the bright side, we can report that a national police chiefs' association was formed in 1955, that more and more law-enforcement entities are operating police training schools, and that quite a number of police officials have attended schools abroad or visited foreign police departments for observation purposes. This is, by and large, a most difficult public safety problem.

THIS article will not attempt to treat marine safety, air safety, home safety, and farm safety. They all deserve attention, but space is limited. In general, we seem to be learning "by accident". A sufficiency of disasters took place this year to direct serious attention to almost all safety fields. It is noteworthy that many organizations now have safety committees, or have added some form of safety to their activities. As the closest approach to a nationwide safety organization dealing with all kinds of safety, the Philippine Safety Council does its best to coordinate efforts and guide programs. Our main function, as we well know, at this time, is to continue to agitate for improvement in the "national safety movement". Damaged toes and nettled egos must stand aside in the larger interest of public safety. The year 1956 looks like a hopeful one for safety as a whole.

IN general connection with the foregoing, and much more, we take the opportunity of satisfying the inquiries of many Chamber members as to the history of the Safety Council. In doing so, it is only proper to mention that the Manila Rotary Club formed what was intended to become a national safety body in 1933-34, but unfortunately this laudable project did not prosper, in spite of the sincere efforts of the sponsors.

The Philippine Safety Council was founded by your author in October, 1947, after his separation from duty as Safety Director, U. S. Armed Forces, Western Pacific Area. A most excellent group of incorporators and directors was formed and the Council was duly incorporated as a non-stock and non-profit entity in March, 1948. For about one-and-a-half years our activities were limited to traffic-safety and security matters. In late 1949 the scope was enlarged by the formation of departments for Industrial Safety and Accident Prevention and Fire Protection and Prevention.

The membership has continuously grown to a present figure of about 230 prominent firms and businessmen. A list of both companies and individuals which have been long and prominently identified with the Council would be too long for publication here. However, three of our Past Presidents have served two terms each. They are Joseph A. Thomas (MERALCO), Col. Jose Razon (Roxas y Cia) and Manuel M. Aycardo, Jr. (Soriano y Cia). The incumbent is William A. Chittick, electrical engineer.

The Council is known for its affiliation with government boards, commissions, and committees. Some of these have been the National Fire Prevention Board, the National Traffic Commission, the Advisory Safety Council to the Secretary of Labor, the Manila Traffic Committee, the Provincial Bus Terminals Board, the National Police Academy of the NBI, the National Civil Defense Administration, the Manila Civil Defense and Disaster Organization, various special and short-term committees, the National Committee on Safety Services of the PNRC, the National Intelligence Coordinating Agency, and several others. Although all objectives have not yet been attained, our efforts are persistent and continuous.

In answer to a specific inquiry, the Council does not sell goods and does not directly or indirectly represent any entity offering goods for sale. So that there be no hint of violation of our by-laws or objectives, the Council or its staff members have refused offers to become agents for insurance interests, fire extinguisher firms, and similar factors. The Council, for maintenance, does perform services for members in excess of normal annual requirements.

The Council has "fathered" two entities which were formerly part of its operations but which grew to a point where separate staffs had to be formed. These are (a) the Security Delivery Service, Inc., the first air-ground armored security delivery firm here, and (b) the Taxicab Inspection Service, a patrol system for taxi firms. Both activities are progressing well.

In conclusion, your interest, support, and inquiries are most welcome. The purposes of the Chamber and the Council are parallel in many respects, and a very good number of firms are members of both. Whether it be suggestions on public safety matters, or problems involving industrial safety, you may count on P.S.C. cooperation.

"MY [Russian prison-camp] informants used to tell me, 'Remove all human relationships from the apparatus of government planning, and our whole economic edifice will collapse. These relationships may be corrupt, but they are necessary to us because they alone can mitigate the endless jurisdictional conflicts and all the nonsensical theoretical planning and centralized clumsiness.'"—WILHELM STARLINGER, M.D., in "Limits of Soviet Power".

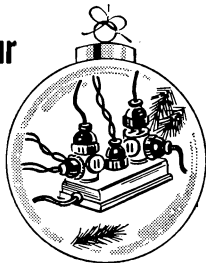


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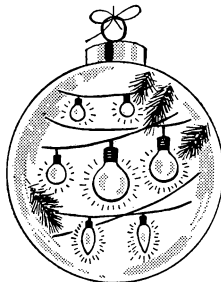
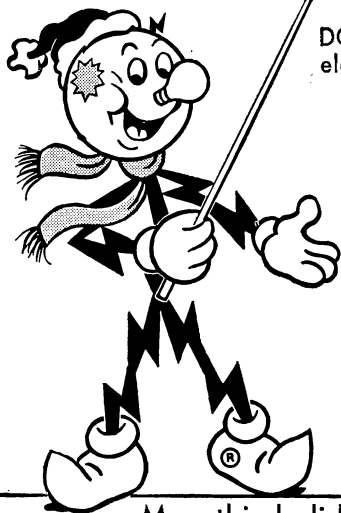
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Short History of Industry and Trade in the Philippines (Continued)

The Quirino Administration

By A. V. H. HARTENDORP

Foreign Affairs

The World Scene

THE Philippines during the six years of the Quirino Administration (1948-1953) saw tremendous events transpiring on the world scene. The time was characterized chiefly by the growing menace of the communist imperialism, which had its satanic center in the Kremlin, and by the organization of defensive measures by the free world. Among these measures was the action of the United States in extending economic relief and military assistance to the threatened nations on an unprecedented scale.

It began in 1947 with the economic and military aid given to Greece and Turkey in direct response to Soviet Russian pressure against these countries. This was followed by the famous Marshall Plan and the United States Aid to European Recovery, that same year; the Economic Recovery Act of 1948; the North Atlantic Treaty and the Mutual Defense Assistance Act, both of 1949; and the International Development Program, also of 1949, better known as the Truman "Point Four" Program,—all based on the central idea that the security of the United States depends in large part on the security of all other nations.

The Philippines was first related to that super American effort to preserve freedom, during the Roxas Administration, with the signing, in 1947, of the Military Bases Agreement and the Military Assistance Agreement. Subsequent developments with respect to continued American aid to the Philippines will be taken up later in this short history.

The Philippines saw the communists taking full control of Manchuria in 1948, the seizure of Shanghai by the communists in May, 1949, and the fall of the Nationalist Government of China in October of that same year, previous to which Chiang Kai-shek had already withdrawn to Formosa and had visited the Philippines (July, 1949). The Philippines saw the furtive communist invasion of Tibet,

¹United States post-war aid to the rest of the free world during the period from July 1, 1945, to the end of 1953, amounted to over \$44,000,000,000, of which \$33,000,000,000 was in grants and \$11,000,000,000 in credits.

CHRONOLOGY OF THE KOREAN WAR:

- 1950
- June 25 North Koreans attack South Korea.
- November 25 Chinese enter the war.
- 1951
- July 7 Secretary of State Acheson says truce at 38th parallel would "keep faith" with United Nations policy.
- June 23 Soviet delegate Jacob Malik suggests in the United Nations that truce talks be held.
- July 10 Formal truce talks begin at Kaesong (within Communist-held area).
- July 25 Talks broken off by United States when Communists violate the neutrality of the conference zone.
- July 26 Agenda agreed upon.
- August 5-10 Talks again broken off by United States because of presence of armed communist troops in conference zone.
- August 23 Communists break off talks charging United States planes violated the neutrality of the zone (the fake bombing).
- October 25 Talks resumed at Panmunjom.
- November 27 Agreement on cease-fire line.
- December 18 Agreement on exchange of prisoners-of-war lists.
- 1952
- February 19 Agreement to hold a political conference after the truce.
- May 22 Admiral C. Turner Joy, who served as Chief of the United Nations Command delegation, is replaced by Maj. Gen. William K. Harrison.

begun at the end of 1950, with full control gained during the first half of 1952.

Meanwhile, the puppet "Peoples Republic" of North Korea had been set up in May, 1948, and this was followed, in August, by the establishment of the Republic of (South) Korea after an election held under United Nations supervision. On June 25, 1950, open aggression broke out with the invasion of South Korea by Russian-trained and equipped forces from North Korea. At a meeting of the Security Council of the United Nations, from which Russia was absent, held on the 26th, a resolution was adopted calling for the immediate cessation of hostilities and the withdrawal of the invading forces, and this was followed the next day by a resolution calling upon all the members of the United Nations to render every assistance in the execution of the first resolution. The United States took the lead in the subsequent armed action, the Philippines being among the sixteen other nations which sent troops. In November (1950), Communist China openly joined the aggressors, and not until a year-and-a-half of bloody fighting and negotiations prolonged for two years, was the truce signed at Panmunjon, July 27, 1953, which has proved so unsatisfactory.

Fearful that the fighting in Korea might set off another world war, the United Nations placed restrictions on the action of its forces in Korea which precluded the victory that otherwise could quickly have been won. But over all the world hung the dread of the improved atomic (uranium) bomb and of the still more terrible hydrogen bomb, first tested by the United States in 1951 and by the Russians two years later. The possession of these "absolute" weapons of total destruction by both the free world and the slave empire brought on a stalemate between them with respect to engaging in any large-scale warfare. Stalin, one of the most ferocious despots the world has even seen, died on March 5, 1953, was succeeded by Malenkov, and he, in turn, was displaced by Khrushchev, after the elimination of the evil Beria; but no one believed that these events meant the end of the "cold war" between the so-called

- October 8 The United Nations calls off the talks indefinitely.
- 1953
- February 22 Gen. Mark W. Clark proposes an exchange of sick and wounded.
- April 11 Agreement on the exchange of the sick and wounded.
- April 20 The exchange begins.
- April 26 Truce talks resumed.
- June 7 Agreement on exchange of other prisoners by voluntary repatriation.
- June 16 South Korean President Syngman Rhee releases 25,090 anti-Communist North Korean prisoners; talks halted for 30 days as a result.
- July 27 Truce signed.

The 10th Battalion Combat Team, AFP, 1200 officers and men plus 200 replacements, under the command of Col. Mariano C. Auzar, left Manila for the port of Pusan, Korea, on September 15, 1950, arriving there several days later. Colonel Auzar was replaced by Col. Dionisio Ojeda in November. The 20th Battalion Combat Team, under command of Col. Salvador Abcede, took over on September 6, 1951; the 19th, under Col. Ramon Z. Aguirre, on June 10, 1952; and the 14th, under Col. Nicanor Jimenez, on April 3, 1953. All of these units saw active combat and the 19th was honored with the South Korea Presidential Distinguished Unit Citation during its period of service. All the other Battalions, however, ultimately also received the Citation. The 10th Battalion Combat Team suffered the heaviest casualties in men killed, wounded, and missing—over 200 of them. All of the first three Battalions suffered casualties of over 10%. The 14th was in action for only a short time, as the truce came in June, 1953, but it also saw some heavy fighting. The 14th was relieved by the 2nd Battalion Combat Team, under Col. Antonio de Veyra, on April 2, 1954, Colonel de Veyra being replaced by Lt. Col. Reynaldo Mendoza after a few months. The last element of the 2nd Battalion to come home arrived in Manila on May 26, 1955.

It is estimated that some P142,000,000 a year was needed to equip and maintain one of these battalions and as this would have strained the financial resources of the Philippine Government, most of the logistical support was obtained on a loan basis from the United States Army.

"East" and the West. The Korean truce was almost immediately followed by stepped-up communist aggression in Indo-China.

Although the pre-war communist area of some 8,000,000 square miles of the world's territory had been extended to well over 14,000,000 square miles, and the enslaved populations had increased from some 170,000,000 to more than 750,000,000, and the Kremlin, in the words, recently, of John Foster Dulles, the American Secretary of State,

now "dominated one-third of the human race", the gains were not all on the side of slavery.

The Philippines, as we know, became an independent nation in 1946; India and Pakistan became independent in 1947; Burma and Ceylon in 1948; Indonesia in 1949. Unhappily, however, this "massive withdrawal of European power from the Orient", as the London *Economist* has called it, is not without its danger to the newly sovereign, but largely inexperienced, nations, as it exposes them

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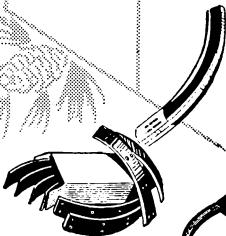
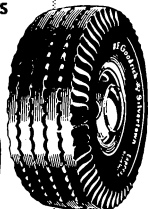


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probably more than would otherwise have been the case, and at this most critical time in history, to increased communist subversion and aggression.

To maintain and safeguard the independence of these countries has been an all-important problem of the past decade.

Foreign Policy Aims

THE foreign policy of the Philippines had to be developed within this general world-situation and amid these great perils. The foreign problems of the Philippine Government were made the more difficult because of the slow rate of economic progress after the initial burst of energy devoted to the rehabilitation from war-destruction, which, strongly aided by the United States, was fairly rapid. With the exception of the President himself and a number of high officials of the Department of Foreign Affairs and some of the more responsible members of Congress, many of the Philippine politicians were much less interested in foreign affairs and in the insurance of the security of the nation than in utilizing the government-machinery to enrich themselves and their friends under the guise of a "nationalization" which meant discrimination against important foreign elements in the population and naturally led to resentment on the part of their Governments.

Under President Roxas, and under President Quirino, who, as Vice-President before Roxas' death was concurrently Secretary of Foreign Affairs and who retained the Foreign Affairs portfolio in his own possession for some time after he became President, and with the devoted aid of such men as Carlos P. Romulo, Joaquin M. Elizalde, Fernando Lopez, Felino Neri, and other men in the diplomatic service, and also a number of able members of Congress, a foreign policy was worked out which was, on the whole, a wise one and which was quite naturally and necessarily, as well as desirably, influenced, though not controlled, by United States foreign policy.

Toward the end of 1949, then Under-Secretary of Foreign Affairs Neri outlined the objectives of Philippine foreign policy as follows:

"1. The promotion and maintenance of friendly relations with all the nations of the world;

"2. Adherence to the principles of the United Nations Charter and support of the measures taken by that international organization to maintain international peace and security, solve pressing economic, social, and cultural problems of international importance, and promote fundamental human rights for all;

"3. Promotion of the mutually advantageous special relations between the Philippines and the United States;

"4. Adherence to the principles of democracy and the preservation of our democratic way of life;

"5. Support of the aspirations of dependent and non-self-governing peoples to self-determination;

"6. Early and material recognition of our just claims against Japan and an unequivocal position against Japan's resurgence in the future as a dominant power capable once more of threatening the peace in this part of the world; and

"7. Development of the Republic's national economy along lines of international cooperation and regional integration."

Early this year (1955), Mr. Neri, who now has the title of Ambassador, and is special adviser to the President on foreign affairs, made the statement that the foreign policies of Presidents Roxas, Quirino, and Magsaysay show a "basic identity". This time he listed the objectives of Philippine foreign policy as follows:

"1. Promotion and maintenance of our special relations with the United States, particularly as regards the problems of national security and economic well-being;

"2. Development of understanding and cooperation with the other countries of Asia, particularly in matters involving self-determination, self-government, and independence as well as in dealing with common problems pertaining to economic, social, and cultural development;

¹In a radio address, Manila, October 17, printed in the *American Chamber of Commerce Journal*, November, 1949.

"3. Maximum participation in the work of the United Nations and support of its purposes and principles;

"4. Promotion and maintenance of friendly and peaceful relations with other peace-loving countries, particularly those belonging to the Latin-American group and including those with which we were formerly at war so as to place these relations on a normal and stable basis."

The change in emphasis indicated in the two listings of objectives made six years apart, is significant. Under the stresses and strains of the past few years, what was listed in 1949 as objective No. 3 (promotion of mutually advantageous relations with the United States) is listed as the No. 1 objective today; the word "special" is applied to these relations, and the problems of the national security and of economic wellbeing are specifically mentioned. It is perhaps significant, also, that what was listed as objective No. 2 in 1949 (adherence to the principles of the United Nations, etc.) has become No. 3, the No. 2 objective now being the development of understanding and cooperation with the countries of Asia, and that the No. 1 objective in 1949 (the promotion and maintenance of friendly relations "with all the nations of the world") has been superseded by the emphasis on the countries of Asia, as already noted, and on the countries of South America in the 1955 objective No. 4. Furthermore, the strictures against Japan, in the 1949 No. 5 objective, have been dropped, the present objective No. 4 stressing a desired return to normal relations with that country.

All this points to the strengthening, as between sovereign nations, of the special relationship with the United States since independence, while at the same time due value is given to cooperation with the countries of Asia, to continued adherence to the purposes and principles of the United Nations, and to a somewhat belated recognition of the fact, pressed long ago by the United States, that a return to normal relations with Japan was necessary to the rebuilding of the East Asia economy and to the general security. The rapprochement between the Philippines and some of the Latin-American countries is natural because of their more or less similar relations with Spain and the United States, but this drawing together, though natural and desirable in many ways, was not without its undesirable effects,—particularly as to the Philippines' taking as models worthy of adoption the hyper-nationalistic and totalitarian measures taken by some of these countries.

The Diplomatic Corps in Manila

By the end of the Quirino Administration, the following countries (in alphabetical order) had established embassies in Manila: Republic of China, Holy See (Apostolic Nunciature), Indonesia, Spain, United Kingdom of Great Britain and Northern Ireland, and the United States of America. The following had established legations: Argentina, Australia, Belgium, France, India, Italy, Netherlands, Norway, Sweden, and Thailand. Consulates had been established by Canada, China, Indonesia, Netherlands, Norway, Portugal, Spain, Switzerland, United Kingdom, and United States. Countries which had appointed consuls *ad honorem* were: Austria, Chile, Costa Rica, Denmark, Dominican Republic, Ecuador, El Salvador, Finland, Greece, Guatemala, Honduras, Ireland, Israel, Lebanon, Mexico, Nicaragua, Panama, Sweden, Thailand, Uruguay, and Venezuela.

American Ambassador Paul V. McNutt, by order of seniority, was the doyen or dean of the diplomatic corps, but on his resignation that distinction came to the Chinese Ambassador. During the time of American Ambassador Myron M. Cowen, at the instance of the Philippine Government, the U. S. State Department was queried as to the recognition of the papal nuncio as the dean, and the State Department making no objection, agreement was informally reached on this point among the members of the diplomatic corps in Manila. Recognition of the papal

²As quoted in an article by Rafael P. de Tagle, published in the *Manila Chronicle*, April 21, 1955.

nuncio as the dean of the diplomatic corps regardless of seniority in most Catholic countries, goes back to an agreement reached at the Congress of Vienna in 1815. Before the independence of the Philippines, the Holy See was represented in Manila by an apostolic delegate whose status is purely ecclesiastical; a papal nuncio is a diplomatic official.

Regardless of ceremonial rank, the American Ambassadors who have served here have remained, by far, the most influential foreign representatives in Manila, as was natural under the circumstances of the historic relationship between the Philippines and the United States and the special political, economic, and military relations which have continued on a treaty basis. It is interesting to note that in the printed "Diplomatic and Consular List", issued by the Department of Foreign Affairs in September, 1953, in which the names of the diplomatic officials of the various countries and the members of their staffs generally take up less than one page, the names listed under the American Embassy run to 9-1/2 pages, plus 13 pages for the U. S. Special Technical and Economic Mission, plus 1-1/2 pages for the U. S. Consulate General. China's list runs to 2 pages, and the lists of Indonesia, Spain, and the United Kingdom to 1-1/2 pages each.

The American Ambassadors

AMBASSADOR McNutt resigned in May, 1947, and a few weeks later, President Harry A. Truman appointed in his place Emmet O'Neal, a lawyer and former member of Congress from Kentucky, who, however, did not reach Manila until late in September, presenting his credentials to President Roxas on the 22nd. Ambassador O'Neal left for the United States late in April, 1948, a week or two after the death of President Roxas. He resigned shortly afterward, but the President did not appoint his successor, Myron M. Cowen, until March of the following year. Mr. Cowen, an Iowan, was also a lawyer and, at the time, was Ambassador to Australia. He arrived in Manila in May, 1949, and presented his credentials to President Quirino on the 23rd. Ambassador Cowen resigned effective November 15, 1951, but left the Philippines shortly before the Philippine election of that year held on November 13. Admiral Raymond A. Spruance, noted American naval commander, was appointed Ambassador to the Philippines by President Truman early in January, 1952. He reached Manila on February 4 and presented his credentials to President Quirino on the 7th. Despite the change in Administrations in the United States with the election of General Dwight D. Eisenhower to the Presidency on November 4, 1952 (he took office on January 20, 1953), no change was made in the Philippine ambassadorship. Ambassador Spruance served in the Philippines throughout the remainder of the Quirino Administration and for more than a year of the Administration of President Ramon Magsaysay. He left the Philippines on April 1, 1955, and was succeeded by Ambassador Homer Ferguson, one of the leading constitutional lawyers in the U. S. Senate and Republican member from the State of Michigan, from 1943 to January, 1955. Appointed by President Eisenhower on March 11, he reached Manila on April 7, presenting his credentials to President Magsaysay on the 12th.

AMBASSADOR McNutt, as the last U. S. High Commissioner during the period of the Commonwealth and the first American Ambassador to the Philippine Republic, represented the United States here during the critical transition period to independence which followed the end of the war so closely. As told in earlier chapters of this short history, the destruction and disorganization was all but total and Mr. McNutt was a tower of strength during both the short Administration of Commonwealth President Sergio Osmeña and during the difficult first year of the

Roxas Administration. McNutt was unquestionably one of the ablest Americans ever sent to the Philippines and his untimely death in New York City on March 24, 1955, was deeply mourned in the Philippines.

AMBASSADOR O'Neal, McNutt's successor, served less than a year in the Philippines. His tour of duty was rather uneventful and he devoted himself chiefly to fostering the goodwill between the American and Philippine peoples. He interested himself in such questions as equal treatment of the Filipino veterans, the war-damage payments, and the matter of the "double-taxation" of Americans.

AMBASSADOR Cowen arrived in the Philippines when things had begun to go wrong and great financial difficulties were developing,—the "crisis" year of 1949. Cowen was instrumental in obtaining vitally needed additional assistance from America, and, in the words of an editorial in the *Manila Daily Bulletin*, written at the time of his departure late in 1951:

"Never once has he [Cowen] lost faith in the ultimate ability of the Filipinos to correct their mistakes or in the fundamental worth and inevitable prosperity of this nation. He has kept the faith when even his own Government, if we may judge by official pronouncements, was close to despairing. Ambassador Cowen was mainly responsible for getting the Bell Mission out here to look things over and to make recommendations at a time when financial affairs were so precarious that the Government was skipping salary payments. Without Mr. Cowen, the present military assistance program would not have progressed to the point it has now reached. His share in the fashioning and completion of the Mutual Security Treaty with the United States was larger than the general public had reason to know. In all these matters, diplomatic requirements caused him to remain in the background."

The period of Ambassador Cowen's service coincided with that during which the Philippine Government instituted the system of economic controls which ultimately did the country so much harm. His apparent support of this system aroused the irritation and criticism of many of his countrymen here, but it should be taken into consideration that this attitude must have been taken in compliance with his instructions from Washington.

Although, as stated, he left the Philippines a week or so before the election of 1951, he took a deep interest in the efforts then being made to assure an honest election and shortly before his departure he attended a meeting in San Pablo, Laguna, of the National Movement for Free Elections (NAMFREL) and even delivered a short speech at this meeting in which he praised the work of the organization and said:

"I am... grateful that I shall be able to report to my Government and to the American people that of all the facts in this part of the world of which we may feel certain, the one fact that stands out firm and clear is that the people of the Philippines today have a firm grip upon freedom, and now show every evidence of their determination and ability to hold and strengthen that grip."

AMBASSADOR Spruance, who, during the war, was in over-all command of the invasion and occupation of the Gilbert, Marshall, and Marianas Islands and of Iwo Jima and Okinawa, and also of the forces which in June 1944, routed the Japanese fleet in the Battle of the Philippine Sea, preparing the way for the liberation of the Philippines, was naturally a personage whom the Philippines was disposed to like and admire, even to revere.

He was man of few words and upon his arrival in Manila said only that he hoped to keep up the good work done by his predecessors who fostered the friendly relations which have always existed between the Philippine and American people. It can be said that he succeeded in doing so. He was of a retiring disposition and was in the news less than any of his predecessors.

In March, 1953, when the presidential election campaign of that year had already begun, President Quirino and other members of the Liberal Party were angered because it appeared that the Ambassador had invited several more members of the Nacionalista Party to a dinner for

visiting Governor Adlai Stevenson than members of the Liberal Party. The fact was that a number of liberals who had been invited, could not come. On this occasion, Ambassador Spruance issued one of his rare press-releases. It read:

"In regard to the current charges by President Quirino and other members of the Liberal Party of American 'meddling' in local politics, Ambassador Spruance has issued the following statement: 'This is an election year in the Philippines. Charges and counter-charges are being made each day. Some of them involve the United States Embassy.

"I wish to state now that the United States Embassy will observe strict neutrality in the course of the coming campaign and the election. For this reason, I do not propose to comment upon, to confirm or deny, charges of the sort that have appeared in the public press recently, as to do so would be tantamount to intervention in Philippine politics."

Several weeks before this, the Embassy had already issued a statement addressed to all American residents in the Philippines warning them to "refrain scrupulously from any kind of participation in the elections".

"The right of a people who enjoy the privilege of democratic self-government to choose their political leadership freely and without outside interference, is a fundamental one, on which such self-government must be based. . . It is the spirit and intent of American law and practice to discourage Americans from interfering in a matter which is one exclusively for decision by the Filipino people".

Toward the end of the election campaign and also after he had failed of re-election, President Quirino again spoke of American "interference", but his protest was not directed so much against the Embassy as against the United States press which had sent a considerable number of correspondents to the Philippines to observe the election, and against JUSMAG² which, in the course of its legitimate functions, had checked on the behavior of Army personnel in various parts of the Philippines. President Quirino's protests were quite unjustified and generally regretted, probably even by himself, later.

But these developments and incidents give some idea of the sometimes difficult situations in which an American Ambassador may find himself in the Philippines and of the pitfalls he may stumble into unawares in the course of his duty. As before the Philippines became an independent nation, American officials are still often chosen to be the whipping-boys of the politicians. Ambassador Spruance, however, gave them little opportunity to cast him for that role.

An editorial on the appointment of Admiral Spruance as Ambassador to the Philippines, in the February, 1952, issue of the *American Chamber of Commerce Journal*, stated:

"As a fighting man, Admiral Spruance played a leading part in the winning of the 'Great Pacific Victory' during the years from 1942 to 1945. Now, in 1952, he is called out of retirement to play a part in conserving the fruits of that victory through the protection and encouragement of democratic forces in this part of the world."

Ambassador Spruance did play the latter part as devotedly, if not also as spectacularly, as he played the first part. Here he was not collared upon to deal with an enemy, here he met with friends, here there was peace, and yet, here also, there were principles to uphold and there was a victory to be won or defeat to be suffered. Admiral Spruance won this engagement also.

Diplomatic and Consular Establishments Abroad

BEFORE Mr. Quirino became President in April, 1948, only a few Philippine missions, embassies, and legations had been established and these were, in the order of their establishment: Philippine Mission to the United Nations (July 12, 1946); Embassy in Washington (July 19, 1946); Legation in London (November 12, 1947); Legation in Rome (January 28, 1948).

The following consulates general and consulates had been established: Consulate General, New York City (September 25, 1946); Consulate General, San Francisco

(December 2, 1946); Consulate, Honolulu (January 9, 1947); Consulate, Hongkong (August 1, 1947); Consulates in Chicago, Los Angeles, and Seattle (all three on February 18, 1948); Consulate, New Orleans (March 12, 1948).

During the Quirino Administration a good many other diplomatic and consular establishments were opened, the list reflecting the growing importance of the country's political and economic relations with the rest of the world. They were, in chronological order:

Legation, Nanking (April 19, 1948); Philippine Mission, Tokyo (October 15, 1948); Consulate, Sydney (February 19, 1948); Legation, Buenos Aires (April 4, 1949); Legation, Madrid (April 5, 1949); Legation, Bangkok (June 1, 1949); Consulate, Karachi (September 8, 1949); Consulate, Djakarta (November 6, 1949); Consulate General, Calcutta (November 16, 1949); Legation, Nanking, transferred first to Canton, then to Taipei (confirmed February 6, 1950); Legation, Djakarta (March 4, 1950); Legation, Sydney (March 24, 1950); Legation, Madrid, raised to Embassy (January 5, 1951); Legation, Paris (March 13, 1951); Legation, Djakarta, raised to Embassy (April 27, 1951); Consulate, Singapore (December 18, 1951); Legation, New Delhi (January 4, 1952); Consulate, Agana, Guam (August 3, 1952); Legation, Mexico City (April 23, 1953); Legation, Karachi (July 1, 1953)⁶

THE great volume of work handled by the foreign department of a modern nation is not generally realized. Attendance at the large number of international conferences and meetings held each year, the amount of work involved, the miles traveled, the expense entailed,—all that is very great. In 1946 there were only 6 of such conferences and in 1947 only 4, but in 1948 there were 34 conferences and meetings attended by Philippine representatives, some of them by only one or two men, others by larger groups. In 1949 the Philippines was again represented at only 5 conferences, but in 1950 the number attended was 37, in 1951 it was 49, in 1952 it was 34, and in 1953, 23.

Most of these conferences were meetings of the agencies of the United Nations Organization, held in various capitals and other important cities all over the world. Sometimes economy is effected by sending delegates who pay their own expenses or by delegating Philippine officials already assigned to duty at the place of the conference.

A respectable number of such conferences have been held in the Philippines, these being the ECAFE (Economic Commission for Asia and the Far East) Conference (second session) held in Baguio, late in 1946; the FAO Rice Meeting held in Baguio in March, 1948; the famous Baguio Conference of 1950, of which more later; the second meeting of the Regional Committee for the Western Pacific of the WHO (World Health Organization), held in Manila in September, 1951; the meeting of the Indo-Pacific Fisheries Council (ECAFE) held in Quezon City in October, 1952, and the United Nations Conference for Non-Governmental Organizations held in Manila that same month; the Trade Promotion Conference of the ECAFE held in Manila in February, 1953, the Pan-Pacific Tuberculosis Conference held in Manila in April of that year, and the Eighth Pacific Science Congress and the Fourth Far Eastern Prehistoric Congress held in Quezon City in November of that same year.

The Japanese Peace Treaty and the Mutual Security Treaties

FROM the international point of view, the most important treaties negotiated during the period of the Quirino Administration were the Treaty of Peace with Japan and the other treaties signed at about the same time with a view to securing peace in the Pacific.

⁶Since the end of the Quirino Administration: Consulate, Hamburg (November 9, 1954); Consulate, Manila (February 4, 1953); Consulate, Saigon, (temporarily opened on October 20, 1955). Opening of consulates in Seoul, Vancouver, and Cairo is projected.

²Joint United States Military Advisory Group.

The San Francisco Peace Conference opened on September 4, 1951, six years after the formal surrender of Japan on September 2, 1945. The Philippines was one of the 49 nations out of the 52 represented there which, on September 8, signed the Japanese Peace Treaty, only Russia, Poland, and Czechoslovakia abstaining. Those who signed for the Philippines—Secretary of Foreign Affairs Carlos P. Romulo, Ambassador J. M. Elizalde, Senator Vicente Francisco, Chairman of the Senate Foreign Relations Committee, Senator E. T. Yirona, Representative D. Macapagal, Chairman of the House Foreign Relations Committee, and Prof. Vicente Sinco, received their final instructions that same day from President Quirino who himself was then in the United States.

President Quirino had left Manila for the United States on August 27 and he and President Truman had signed the United States-Philippine Mutual Defense Treaty on August 30. The Tripartite Security Treaty among the United States, Australia, and New Zealand had been signed in Washington the following day, August 31. President Quirino had entered Johns Hopkins Hospital in Baltimore for a physical check-up on September 1 and watched the proceedings in San Francisco by means of a television set in his room.¹ These three treaties, signed almost at the same time, together with the Security Treaty between the United States and Japan, signed in Washington, also on September 8, constituted an immensely significant interlocking treaty system for peace and security in the Pacific.

As President Quirino well said in his message to the Senate on March 16, 1952, recommending ratification of the Peace Treaty and of the United States-Philippine Mutual Defense Treaty:

"... It must be recognized that the Peace Treaty does not meet all the requirements of the Philippines or of any one country. The Philippines would have wished that the Treaty provided for explicit restrictions on the armaments of Japan and for a less restricted formula for the payment of reparations to the Allied Powers for the damage and suffering caused by Japan during the war.

"It was believed, however, that circumstances were not conducive to a policy of intransigence on our part. In the spirit of compromise, our special interests in these particular matters were subordinated to the broader interests of the free world because of the urgent need to utilize Japan's strength in the collective effort at defense against communal aggression and thus bring about stability in Asia. Happily, however, whatever fears we may entertain over the possible resurgence of Japan should be set at ease by our Mutual Defense Treaty with the United States taken in conjunction with the Security Treaty between the United States and Japan.

"The problem of reparations due from Japan is yet to be resolved. Exploratory negotiations carried on recently with representatives of the Japanese Government have been marked with substantial progress in reconciling the positions of the two Governments and have prepared the ground for formal negotiations in the near future.

"These two treaties—the Mutual Defense Treaty and the Treaty of Peace with Japan—are steps of the utmost importance toward liquidating the old war and preventing a new one. They will help restore stability and peace to the Pacific and thus make possible for the peace-loving nations in this area to follow their fruitful pursuits in freedom and without fear. I therefore recommend that the Senate give its concurrence to their ratification."

The first American draft of the Peace Treaty had provided for a complete waiver on the part of the Allied Powers of reparations. It was principally through the efforts of the Philippine negotiators that the Treaty, as signed, provided, in Article 14, that—

"... Japan will promptly enter into negotiations with Allied Powers so desiring, whose present territories were occupied by Japanese forces and damaged by Japan, with a view to assisting to compensate those countries for the cost of repairing the damage done, by making available the services of the Japanese people in production, salvaging, and other work for the Allied Powers in question. Such arrangements shall avoid the imposition of additional liabilities on other Allied Powers, and, where the manufacture of raw materials is called for, they shall be supplied by the Allied Powers in question, so as not to throw any foreign exchange burden upon Japan. . . . Each of the Allied Powers shall have the right to seize, retain, liquidate, or otherwise dispose of all property,

¹President Quirino left the United States on September 25 and after visiting Spain and Italy returned to the Philippines on October 11, 1952.

rights, and interests of (a) Japan and Japanese nationals, (b) persons acting for or on behalf of Japan or Japanese nationals, and (c) entities owned or controlled by Japan or Japanese nationals, which on the first coming into force of the present Treaty were subject to its jurisdiction."

Nevertheless, while the Philippine Senate duly ratified the United States-Philippine Mutual Defense Treaty on May 12, 1952, it failed to ratify the Peace Treaty. The Peace Treaty went into effect, for all the States which had ratified it, on April 28, 1952, but these States did not include the Philippines.

Philippine critics of the Treaty objected especially to the flat statement made at the beginning of Article 14, that—

"It is recognized that Japan should pay reparations to the Allied Powers for the damage and suffering caused by it during the war. Nevertheless it is also recognized that the resources of Japan are not presently sufficient, if it is to maintain a viable economy, to make complete reparation for all such damage and suffering and at the same time meet its other obligations".

Despite repeated efforts on the part of President Quirino and Secretary of Foreign Affairs Elizalde to secure ratification, the Senate refused to do so until an acceptable reparations agreement had been worked out. At the time of this writing, November, 1955, after nearly two years of the Magsaysay Administration, the Peace Treaty, has still not been ratified by the Philippine Senate. Technically, the Philippines and Japan are still at war.

The Reparations Question

THE Philippine reparations demand totalled something over P16,000,000,000, as itemized in an earlier chapter of this short history. At this time the Philippines had already received certain reparation goods under the "transfer program" of the Supreme Commander for the Allied Powers (SCAP). Under this advance transfer program, 30% of Japan's arsenal equipment available for reparations was divided among the four nations whose countries were considered to have suffered most,—China to receive half of the 30% and the United Kingdom, Philippines, and Netherlands to receive one-third each (5%) of the other half. From the time the advance transfers started in April, 1947, up to the time they were terminated by SCAP two years after, the Philippines received from Japan 3,583 units of various types of reparations equipment, weighing 11,000 metric tons, and aggregating P24,000,000 in value in terms of the 1948 value of the Philippine peso. Under the terms of Article 14 of the Peace Treaty, the total value of this equipment is deductible from total reparations which may be agreed upon.

Japanese properties in the Philippines transferred to the Philippine Government, as authorized by various orders of the President of the United States and by several Acts of the United States Congress, this action being confirmed in the Peace Treaty, included 80,000 hectares of agricultural land and 150,000 hectares in which Japanese held a leasehold interest, 400,000 square meters of residential and commercial land, 50 buildings, 3,000 items of machinery and other personal property, 135 sunken vessels, and P4,550,000 in cash, by the end of 1952.

Formal reparation negotiations began in Manila late in January, 1952, when the Japanese Government sent a mission to the Philippines headed by Juichi Tushima, Adviser to the Japanese Ministry of Foreign Affairs. The Philippine negotiators pressed for recognition of the P16,000,000,000 claim to be settled within a period of from 10 to 15 years, but subsequently proposed that the value of whatever services were rendered by way of reparations be credited to an amount of P1,600,000,000, representing 10% of the total claim, which would be agreed upon as an initial settlement, the balance of the claim and the manner and period of payment to be determined within one year after the Peace Treaty went into effect. The Japanese stated that they could make no definite commitments but would lay the matter before their Government. To show

The Business View

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

The Government

From Official Sources

NOVEMBER 2 — With President Ramon Magsaysay, who has spent the night with his parents in Castillejos, Zamboales, absent, Secretary of Justice Pedro Tuason presides over the regular meeting of the Cabinet which receives a report from Secretary of Health Paulino Garcia and Budget Commissioner Dominador Aytona on the progress made in the Bureau of Health during the past three months, this Bureau being one of those in which the new performance budget was put into effect. Upon recommendation of Commissioner Aytona, the Cabinet appoints a committee, headed by Secretary of Finance Jaime Hernandez, to study means of paying back the financial obligations incurred by a number of government agencies during the period from 1950 to 1953, totalling more than ₱400,000,000. The Cabinet approves a recommendation of Under-Secretary of Foreign Affairs Raul S. Manglapus that the Philippine Government participate in the Brussels World Exposition of 1958, considered one of the most important in Europe.

Nov. 3 — At the request of President Magsaysay, the Commission on Elections and the Philippine Constabulary report to the nation at a press-radio conference held in Malacañang on the measures which have been taken to insure a free, orderly, and honest election on Tuesday, November 8. Chairman Domingo Imperial and members Rodrigo Perez and Gaudencio Garcia all take part, as also Brig. Gen. Manuel Cabal. The President himself expresses his satisfaction over what has been done. He states that he wishes it were possible to conduct the elections free of any police or military intervention, but that the realities forced the Commission to call upon Constabulary assistance in a number of places to protect the freedom of suffrage.

President Magsaysay issues the following statement with respect to the Nacionalista Party campaign in Manila:

"I urge the voters of Manila to vote for Mayor Lacson and Secretary Roces for the sake of clean, honest, and efficient government in the city. I believe that the Ramon-Roces team can best serve the welfare of Manila citizens."

Nov. 5 — Announced that Malacañang is taking further steps to implement the new Land Tenure Law with the filing of two additional expropriation proceedings, one for the Fabie Estate in Paco and Santa Ana, Manila, consisting of around 30 hectares, and the other for the Pecson Estate near Guagua, consisting of 15 hectares, comprising almost the whole barrio of Ebus. An earlier case was filed for the expropriation of the Hacienda Metrico, at La Paz, Tarlac, consisting of 1,086 hectares. Other expropriation proceedings are being prepared against additional haciendas in Nueva Ecija, Pangasinan, and Pampanga,

the sincerity and good faith of Japan, they offered to make immediate preliminary arrangements for such services as a survey of the sunken ships in Philippine waters.

In December, 1952, Mr. Eiji Wajima, Chief of the Bureau of Asian Affairs in the Japanese Foreign Ministry, visited Manila on his way to India and submitted a long list of the various services Japan was prepared to render, including the survey and salvage of the sunken ships. He explained that these services might include equipment and material readily available in Japan. The latter would be considered as reparations to the extent of the value of the Japanese services involved in their processing.

The visit of this Mission bore fruit in the conclusion of the "Interim Agreement on Reparations concerning the Salvage of Sunken Vessels between the Republic of the Philippines and Japan", signed on March 12, 1953, by Under-Secretary of Foreign Affairs Neri and Mr. Toru Nakagawa, Chief of the Japanese Mission in Manila.⁴

This Japanese Mission, more properly called the Japanese Government Overseas Agency in Manila, had been opened on October 29, 1952, following an exchange of notes between the two Governments. The Philippine Mission in Tokyo had been accredited to SCAP during the Allied occupation of Japan, but with the coming into effect of the Peace Treaty, it became necessary to enter into a reciprocal arrangement. And as the Philippine Mission did not have full diplomatic status and was accredited to the Japanese Ministry of Foreign Affairs and not to the Emperor, so the Japanese Government Overseas

according to Manuel E. Castañeda, Malacañang technical assistant on landed estates.

Nov. 6 — President Magsaysay delivers a short speech broadcast by radio comparing the record of the Administration during the last two years with the preceding Administration when the Liberal Party was in control and asking the voters to—

"give this Administration the support it requires to fulfill its program by voting into office all of our Nacionalista candidates... What I ask is that you give me 1 support in terms when share my outlook and are willing to win your approval not work rather than words. What I ask is that you think carefully, pray for the guidance of God's wisdom, then go out and vote."

Nov. 7 — President Magsaysay instructs the Monetary Board of the Central Bank to hold the release of \$250,000 for the National Marketing Corporation for the purchase of non-essentials until he has conferred with the members of the Board and the NAMARCO officials on the controversial award which has been criticized by private importers on the ground that the Bank was cutting down their license allocations for non-essentials while allowing the NAMARCO to begin such imports although it was intended that it should deal only in essentials. NAMARCO Manager Manuel J. Gonzalez states that the \$250,000 represents only a reconversion of a part of its exchange quota from essentials to non-essentials in order to enable it to obtain some badly needed commodities obtainable only under the "non-essentials" category.

In his final election-eve instructions, the President orders the Philippine Constabulary to comply with all instructions from the Commission on Elections; he includes a stern warning to Constabulary officers and enlisted men to refrain from "politicizing."

Nov. 8 — The mid-term election is held throughout the Philippines. The President motors from Castillejos, where he had gone to vote, to Iba, Zamboales, to inspect the progress of public work there. In the evening, about 7 p.m., he wires the following statement from Castillejos:

"All reports so far seem to indicate that the balloting throughout the country was generally peaceful, free, and honest. I hope and pray this trend continues. I urge the people to remain vigilant in order to prevent post-balloting violence and disorder. If the present trend does not change, the credit will have to go chiefly to the people themselves. Their determination and respect for democratic processes will have made possible this fresh demonstration of their political maturity and capacity to discharge the grave responsibilities of democratic government."

Nov. 9 — President Magsaysay spends the whole day at his parents' home in Castillejos receiving reports on the election returns. While there he sends instructions to Secretary of Public Works Florencio Moreno to look into the delay in the construction of the Davao-Agusan road allegedly due to the laxity of the contractor, and he sends instructions to the Departments of Foreign Affairs and of Justice and to the Philippine Constabulary and the Bureau of Immigration not to allow Chinese millionaire Co Pak, who was deported some time ago, to

Agency in Manila was accredited to the Philippine Department of Foreign Affairs and was not included in the "Diplomatic and Consular List".

Late in September and early November, 1953, a few months before President Quirino stepped out of office, Foreign Minister Katsuo Okazaki, on his way to Indonesia and Burma, stayed for a few days in Manila saying that he had come on a goodwill visit and to exchange views on matters of mutual interest. He reiterated Japan's willingness and readiness to settle the reparations issue and confirmed the statement of the Wajima Mission that Japan agreed to a liberal interpretation of Article 14 of the Peace Treaty by including capital goods under the term "services".

Later in November, press dispatches from Tokyo stated that Japan was prepared to pay \$250,000,000 in settlement, but Acting Secretary of Foreign Affairs Neri was quoted as expressing doubt that the report had any official basis.

In December Under-Secretary Neri sent the Japanese Government an *aide memoire* on the whole question.

A real settlement still seemed a long way off.⁵

⁴The Bureau of Coast and Geodetic Survey had located 276 sunken ships in Philippine waters, but the salvage of 7 of these ships had already been awarded to local private salvagers by the Technical Committee on Sunken Vessels headed by Secretary of Commerce and Industry Cornelio Balmaceda.

⁵Japan's recent reparations agreement with Burma is based on a Japanese undertaking to pay by way of reparations a sum of \$200,000,000 spread over 10 years and \$50,000,000 to finance Burma's Japan economic cooperation. The more recent agreement with Thailand is based on Japan's offer to pay \$15,000,000 in cash and to make available \$26,000,000 for economic cooperation. The negotiations with Indonesia, as with the Philippines, have not as yet been concluded.

land in the Philippines; unconfirmed reports are to the effect that Co plans to return.

Nov. 10 — President Magaysay issues a proclamation declaring November 15, 1955, as Philippine-American Day. November 15, 1935, was the date of the inauguration of the Commonwealth of the Philippines, "the first official move toward Philippine independence . . . preparatory to the inauguration of the Republic" (July 4, 1945).

Nov. 12 — President Magaysay instructs the Army Engineer Corps to increase and to double, if possible, its output of pre-fabricated school houses at a conference with Col. Antonio Chanco, Chief of the Corps.

At ceremonies in the Winter Garden of the Manila Hotel in observance of the Golden Jubilee of the Bureau of Public Works, Executive Secretary Fred Ruiz Castro reads an address for the President expressing his "heartfelt appreciation of the splendid cooperation" extended by the Bureau to his Administration. The President said, in part:

"It is a matter of record that during the first two years of this Administration, out of a total of 9,012 projects of various types of public works authorized and initiated, 3,413 projects were completed and 3,599 projects were launched under way. This accomplishment represents almost three times as much as that during the last two years of the previous Administration. For irrigation alone, 147 national and communal gravity irrigation systems were completed and 42 are under construction, with an aggregate irrigable area of 157,000 hectares. For water-supply systems, including spring development, there are 652 projects in progress, 221 completed and 441 under way, serving a total of about 520,000 people in different communities of the country. A total of 4,312 artisan well projects were initiated, out of which 1,234 are actually completed and installed and 1,078 are under way. Also, the new famous Liberty Wells. On port facilities, including national and municipal ports, 138 out of 347 projects were completed. A total of 3,336 building projects were programmed and 1,068 are completed. A total of 1,068 pre-fabricated school buildings completed, there is a total of 1,543 buildings of all types completed. Accomplishment of mechanical and electrical installations consisting of power plants, electrical installations, air-conditioning systems, etc., covers the completion of 30 out of 40 projects. . ."

Nov. 13 — Announced that President Magaysay will nominate Guillermo S. Santos for Presiding Judge of the Court of Agrarian Relations, as recommended by Secretary of Justice Tugano.

The President approves a recommendation of the Agricultural and Cooperative Financing Administration to transfer 50,000 kilograms of garlic which it has in stock to the NAMARCO for sale to the public and he also approves the impotation by NAMARCO of onions not to exceed 2,000,000 kilos and some 365,000 kilos of garlic. Garlic is selling at ₱7 a kilo and onions at from ₱2 to ₱3 a kilo. The ACCFA stock, according to Osmundo Mondoñedo, was originally imported for seed purposes but preparations for planting have not been completed.

Nov. 14 — Malacang announces the appointment by President Magaysay of Manuel E. Castañeda as Acting Chairman of the Land Tenure Administration and of Amanda Dalisay as Foreign Aid Director of the National Economic Council.

The President receives A. F. Tegen, President of the General Public Utilities Corporation, National Economic Council Chairman Alfredo Montelibanu, W. R. Snyder, President, and H. D. Reyes, Vice-President, of MERALCO (Manila Electric Company), and discusses with them the feasibility of installing an atomic electric plant in or near Manila. The President tells them he welcomes the plan of the General Public Utilities Corporation and the MERALCO.

"To explore the feasibility of constructing an atomic power plant in the Philippines for generating electricity. . . In the atomic age we live in today, more and more countries are turning to atomic energy for the solution of their problems. We can ill afford to lag behind. However, as peace-loving people, I should like to stress that we seek nothing but the peaceful uses of atomic power. We are only interested in its application to industry, health, and its utilization in such other allied activities as are dedicated to the well-being of mankind. As a source of power for peaceful ends, the atom is indeed a new fountain-source of incalculable benefits for people everywhere. The General Public Utilities Corporation and the MERALCO should be commended for their vision and their initiative in undertaking this useful project in the Philippines. They can count on our sympathetic cooperation in resolving whatever problems they may encounter in the course of their study and survey."

Nov. 15 — President Magaysay receives the letters of credence of Dr. Benedetto D'Acunzio as Minister of Italy to the Philippines at a Malacang ceremony.

The President receives Vice-Admiral Stuart H. Ingersoll, who will take over the command of the 7th U. S. Pacific Fleet from Vice-Admiral Alfred Friede; he is accompanied by Ambassador Homer Ferguson and Rear Admiral Hugh Goodwin, Commander of U. S. Naval Forces in the Far East.

The President receives C. A. Larsen, General Manager of the Standard Vacuum Oil Company, A. F. Tripp, Assistant General Manager, and J. A. Parrish, Far Eastern Coordinator, who inform him of the Company's plans to establish an oil refinery in the country.

The President at noon has luncheon with former U. S. Ambassador William Bullitt and Ambassador Fredo Ruiz Castro administers the oath of office to Guillermo S. Santos, former Chairman of the Agricultural Tenancy Commission, as Executive Judge of the Court of Agrarian Relations.

Malacang announces that U. S. Rep. Olin E. Teague, Chairman of the House Committee on Veterans Affairs, Rep. Ed Edmondson, member of the same committee, Rep. Harlan F. Hagan, member of the Committee on Agriculture, and Harlan V. Higley, Administrator of the Veterans Affairs and his wife, scheduled to leave Manila on the 18th to attend the inauguration of the Veterans Memorial Hospital in Quezon City, will be the house-guests of the President.

Nov. 16 — President Magaysay receives re-elected Mayor Arsenio H. Lacson of Manila and Vice-Mayor-elect Jesus Marcos Royce, together with City Engineer Alejo Aquino, and discusses with them the

conversion of a part of the Bilibid compound into a playground, the resettling of squatters in Intramuros elsewhere and the rebuilding of the area, the disposal of part of Barrio Fugoso to the tenants and conversion of the ruins into a harbor area, the construction of the East Wing of the City Hall, and representation of the City of Manila on the Board of the National Waterworks and Sewerage Authority.

The President, at a meeting of the Cabinet, in connection with the suspended plan to grant \$250,000 in dollar exchange to NAMARCO for the purchase of "non-essentials", instructs the Central Bank to undertake immediately a "commonsense reclassification" of its list of essential Bank classification items governing dollar-exchange licensing; NAMARCO General Manager Gonzalez, invited to the meeting, explains that the Bank's system of classification includes among the "non essentials" such items as soups, vegetables, fruits, and other foodstuffs, as well as textile remnants, which he wanted to make available to Filipino traders for the Christmas trade; on the other hand, he states, the Bank classifies such items as "Hemo", "Ovaltine", and "Quaker Oats" among the essentials. Governor Cuaderno states that the current Central Bank classification system was largely copied from lists adopted by the United Nations which are considered standard in some countries. The President states that the classification should take into consideration Filipino eating habits, tastes, and personal needs. Meanwhile, the suspension of the ₱250,000 will remain pending the results of the reclassification, which, the President states, should take not longer than one week.

The President is informed by NEC Chairman Alfredo Montelibanu, General Secretary of Commerce and Industry Oscar Ledesma that the bidding for the proposed ₱5,000,000 Manila International Airport Terminal Building will be opened on December 10, the plans having been adjusted to meet the criticism of airline companies and other interests.

The President approves a recommendation of Mr. Montelibanu that corn-starch factories be allowed to continue to operate as the protest of cassava growers against their operation has no merit in view of the fact that not enough cassava is produced to meet the need for starch.

Nov. 17 — President Magaysay receives a delegation from the Free Enterprise Society of the Philippines, headed by Benedicto Padilla, which presents him with a resolution expressing the Society's support of the President six-point program outlined in his recent letter to the National Economic Council; among the delegation were Sen. Lorenzo Sumulong, Rep. Diosdado Macapagal, Filemon Rodriguez, Antonio Araneta, and Jose Diokno.

The President receives Mrs. Letty Pagua, Chairman of the Manila Baseball League, and John F. Clarkin, Chairman of the Pepsi-Cola Bottling Company, to permit him to attend the opening game of the two-game series between the New York Yankees and the All-Filipino selection; Clarkin is sponsoring the series.

The President formally launches the Government's housing program in inducting into office Commodore Jose Andra as Acting Chairman of the Home Financing Commission, of which J. E. Chipco, Sixto L. Orosa, Jr., N. R. Jimenez, and Eduardo Ortigas are members; the President states that the program to be implemented by the Commission is a "joint venture of government and private enterprise" and appeals to financing institutions and construction companies to cooperate; Dominador Cepeda, President of the Philippine Housing and Land Development Association, states his group will support the program with enthusiasm, and thanks the President for this opportunity to improve the living conditions of the less privileged.

Nov. 18 — President Magaysay receives Mons. Egidio Vagnozzi, Papal Nunco, recently returned, and the Archduke of Hapsburg, Ludwig de Bar and his wife, Princess Yolande de Ligne, who are on a world tour.

The President at a special meeting of the Cabinet launches a corn-production campaign and decides on government purchase of corn produced at a floor-price of ₱7 a cavan; prizes (₱30,000; ₱30,000; and ₱20,000) will be offered to the three provinces which harvest the largest crop; the money to be used for the construction of barrier roads.

Nov. 19 — Malacang releases the texts of the messages exchanged between the President of the Philippines and the President of the United States on the occasion of the celebration of Philippine-American Day. President Magaysay's message runs as follows:

"I am happy to express to you and to the American people my cordial greetings on this, our second annual observance of Philippine-American Day which I have promised to commemorate the historic partnership between the two countries and to further strengthen the foundations on which that partnership rests. On this occasion, the Filipino people join me in reiterating our desire to keep alive the spirit of friendship and respect and cooperation that has characterized the relationship between America and the Philippines all through these years. On this day, we also dedicate ourselves anew to the common ideals for which our two countries stand and to the objectives they are pledged to pursue in the interest of world peace, freedom and security."

President Eisenhower's reply:

"Philippine-American Day gives me the opportunity to express the specially warm friendship which Americans feel for the Philippines. We have enjoyed the benefits of your freedom as well as your earnest efforts to develop your land for the benefit of your people. We are proud of the long and close relationship between our two countries which you continue to success. Warmest personal regards."

President Magaysay receives the members of the New York Yankees team accompanied by Manager Casey Stengel, and is made an honorary member of the team; accompanying them also were Mrs. Pagua and Mr. Clarkin.

Earlier the President had breakfast with the visiting United States congressmen here for the inauguration of the Veterans Memorial Hospital; present were Reps. Teague, Edmondson, and Hagen. Administrator Higley and his wife, Ambassador and Mrs. Ferguson, Executive Secretary and Mrs. Ruiz Castro, local USVA Chief and Mrs. John T. Cooper, and Lt. Col. Emilio Borromeo, presidential aide. Later the guests witness a parade and review in honor of the visiting officials by the Presidential Guards Battalion. In the evening the guests are honored by a state dinner, the President and his daughter, Miss Mila Magaysay, receiving the guests.

Nov. 20 — President Magaysay awards Representative Teague a Golden Heart presidential decoration in ceremonies at Camp Murphy.

In the afternoon, the President delivers a speech at the inauguration of the P18,000,000, 722-bed Veterans Memorial Hospital, which occasion brings to a close the week-long celebration of the relationship between the United States and the Philippines. Speeches are also made by Representative Teague and by Administrator Higley. Late in the afternoon, the visitors, except Administrator and Mrs. Higley, take an airplane to Clark Field, where they will board a plane for the United States.

The President, in an interview with Judge Guillermo Guevara, directs him to include in his investigations the reported overpricing by some importers of their goods in order to black-market the dollar difference, and to prosecute those found guilty of this.

Nov. 21 — President Magaysay awards the decoration of an Officer of the Philippine Legion of Honor to U. S. Administrator of Veterans Affairs Higley in ceremonies at Camp Murphy.

The President signs a proclamation declaring Thursday, November 24, 1955, as a special public holiday.—Thanksgiving Day.

The President announces that he has accepted the resignation of Col. Fred Ruiz Castro as Executive Secretary for violating an executive directive against nepotism (in the case of the President's nephew-in-law Feliciano de Gala, Jr.).

The President issues instructions to Lt. Gen. Vargas, Chief of Staff, AFP, to effect the immediate discharge of Private Feliciano de Gala, Jr., now in Washington, D. C., and state he bears the expense of his trip, per diems, etc., if any, should be charged against his parents, or if the latter are insolvent, charged against the President's own salary. It was brought to the President's attention that de Gala was unduly favored as his relative.

The President confers with Col. Salvador T. Villa, General Manager of the Manila Railroad Company, and Customs Commissioner Manuel Manahan and later, Malacañang releases a statement to the effect that beginning January 1, 1956, the Arrastre Service at the Port of Manila will be jointly undertaken by the Bureau of Customs and the Manila Railroad Company; profits from the service will be invested in material improvements at the piers, subject to the approval of the Philippine Port Commission.

The President receives a group of businessmen representing some 50 firms in Manila who submit a petition requesting the postponement of the implementation of the Social Security Act to give employees and employers an opportunity to be heard.

Nov. 22 — President Magaysay receives the delegates to the Pacific Regional Air Navigation Conference of the International Civil Aviation Organization who call to pay their respects on the 25th day of their convention here held in the Legislative Building; they represent 15 countries flying the Pacific route and have been meeting since October 27 to adopt plans for the safety, regularity, and efficiency of international air travel; they are accompanied by Civil Aviation Administrator Urbano Caldoza, head of the Philippine delegation and Chairman of the Conference.

The President approves the resignation of General Manager Eligio J. Tavanlar of the National Resettlement and Rehabilitation Administration (NARRA), who has reportedly accepted a directorship in land settlement with the World Veterans Federation in Paris. The President approves a recommendation of the NARRA Board, present at his conference with Tavanlar, to expedite the purchase of Hacienda Lilihaucro, Gapan, 800 hectares, and Hacienda del Rosario, Cabañatuan, 600 hectares, both in Nueva Ecija.

The President instructs Director Maj. Jose Lukban, of the National Bureau of Investigation, to proceed with the investigation of the notorious Isabela "murder syndicate" and directs Lt. Gen. Vargas to transfer the Provincial Commander, Maj. Jose Alejandro, for indifference in the performance of his duties in connection with this matter; out of 53 cases of reported "disappearances" the bodies of only 4 have been recovered.

The President congratulates Central Bank Special Assistant Gregorio S. Licaros for his uncovering of numerous cases of irregularity in the issuance of import and export licenses and of undervaluation of exports.

Nov. 23 — President Magaysay has breakfast with a 4-man mission from the International Monetary Fund organization.—H. Merle Cochran, Deputy Manager; Edgar Jones, Assistant Director, Exchange Restriction Department; Dr. C. C. Liang, Assistant Director of the same Department; and Richard Goods, Chief, Finance Division, Research Department; present also are Sen. Gil Puyat, Central Bank Governor Cuadernos, National Economic Council Chairman Montelibano, Secretary of Finance Hernandez, Budget Commissioner Aytona, Central Bank Deputy Governor Castillo, and Daniel Aguinaldo.

The President inducts the new officers of the Philippine Chamber of Industries in the Malacañang ceremonial hall, headed by President Roberto Villanueva; on display in the room are locally produced galvanized-iron sheets, plastic products, barbed-wire, nails, paints, ready-made dresses, bags, fluorescent lamps, handkerchiefs, canned foods, sporting goods, dolls, fans, books, etc. Villanueva informs him that some 500,000 workers are employed in Philippine industrial establishments.

The President presides at a meeting of the Cabinet at which it is decided to abandon the preparation of a training site for the 8th Infantry, AFP, near Cabanatuan in view of the price now asked by the owners of the 18,000-hectare site. The Cabinet creates a 6-man committee to study the conditions regarding the Philippine position with respect to the revision, next year, of the International Sugar Agreement, which presently permits the Philippines to sell abroad 22,000 metric tons yearly and to barter another 20,000 tons for rice with rice-producing countries, the question being whether the Philippines should accept a continuation of these conditions, seek larger quotas, or get out of the Agreement entirely; the committee is composed of Vice-President and Foreign Secretary Garcia, Chairman Montelibano of the National Economic Council, Central Bank Governor Cuadernos, and a representative of the planters and another of the millers. The Cabinet directs the ACCFA (Agricultural Credit and Financing Administration) to negotiate contracts with local cigarette manufacturers to purchase all locally-grown Virginia tobacco next year. The Cabinet also approves plans for the P1,000,000 Veterans Memorial Building.

Nov. 24 — President Magaysay receives Under-Secretary of National Defense Jose M. Crisol who recently returned from a mission to the United States.

President receives a report from Acting General Manager Gonzalez of NAMARCO stating that to help Filipino retailers the Corporation had approved the importation of 8543,095 worth of goods for the month of November; the budget of the Corporation has been cut to P800,000 for salaries and wages and to P600,000 for sundry operational expenses a year as compared to the budget of the former PRISCO of P2,200,000 a year for salaries and wages alone; the report further states that NAMARCO is negotiating for the importation of 500 metric tons of galvanized-iron sheets from Japan to forestall a possible shortage.

The President visits the Tutuban Station of the Manila Railroad Company and orders that air-conditioning equipment be installed there; he also visits Calococan Yards to view the two Diesel locomotives, 40 of which have been ordered from the United States at P140,000 each, all expected to be delivered by March, which will cut running-time in half and effect other economies.

Nov. 25 — President Magaysay receives the delegates to the Third Session of the ECAPF Sub-committee on Highways which closes its 5-day sessions today. He also has an hour-long conference with Administrator Higley, accompanied by Ambassador Ferguson and Manager Cooper of the Manila office of the U. S. Veterans Administration.

The President receives Carlos Pellicer who offers to sell his 600-hectare hacienda in Pangasinan to the Government, most of it good, irrigated rice-land, at only P600 a hectare; he states he has no tenantry troubles but wishes to help the Administration in its landless program; he offers to sell the land in P2,000 a hectare.

The President instructs Customs Commissioner Manahan not to permit the unloading of any shipments of leaf-tobacco from abroad except on authority of the President which can be given only after the ACCFA has certified that local production is insufficient to meet the demand, as stipulated in R. A. No. 1194; he instructs him to check on reports that a "phantom shipment" is on its way to Manila from the United States and states that he has not authorized any such shipment. Malacañang announces that the Land Tenure Administration, which has taken over the functions of the Landed Estates Division of the Bureau of Lands by operation of R. A. No. 1400, is now housed in the Metropolitan Theater Building, on Plaza Lawton.

The President honors Administrator and Mrs. Higley with a state dinner at Malacañang; they will leave for Washington tomorrow.

Pacific Air Navigation Conference ends.

Nov. 26 — President Magaysay holds a conference attended by Chief of Staff, Lt. Gen. Vargas, Commodore Jose Francisco, Col. Dionisio Ojeda, G-3, Ambassador Ferguson, ICA Chief Harry F. Brenn, Rear Admiral Hugh H. Goodwin, and Maj. Gen. William Lee; subject of the conference was not released.

The President instructs Secretary of Justice Tuson to require the resignation of Mrs. Soledad Binzon de Jesus, recently appointed Registrar of Deeds of Bulacan, if he find that the degree of relationship between Mrs. de Jesus and the wife of the President is within the prohibited third degree either by consanguinity or affinity (Ex. Or. No. 111 on nepotism).

Nov. 27 — The President in a conference with Col. Antonio Chanco Chief of Corps of Engineers, AFP, approves the use of the portable soil-block machine, recently acquired, for the construction of barrio schoolhouses. Chanco informs the President that about 400 pre-fabricated schoolhouses have been manufactured with 1100 sent to where they are most needed.

The President in a directive to Primitivo de la Costa, Chief of the Artesian Wells Section, instructs him to go ahead until every barrio in the country has been provided with safe drinking-water; during the first 2 years of his Administration, 4,312 well projects have been initiated, with 2,354 completed.

Nov. 28 — President Magsaysay has breakfast with former President Sergio Osmeña and Dr. and Mrs. Elpidio Valencia, the latter a daughter of Mr. Osmeña. Mr. Osmeña is in Manila to attend a meeting of the Council of State.

The President receives U. S. Senator Ralph Flanders, member of the Armed Services Committee, accompanied by Ambassador Ferguson.

The President issues proclamation No. 217 calling upon all young men, citizens of the Philippines, who will attain the age of 20 years during a calendar year, to register for military service, places of registration to be prescribed by city and municipal mayors.

The President nominates four associate judges to the Agrarian Court to serve with Executive Judge Guillermo Santos,—Tomas Pangniban, Leon Dacayo, Jose Cabatuano, and Domingo Cabangon.

The President orders Lt. Gen. Vargas to send additional troops to Jolo after receiving a report that Usumail, an important witness against the Moro outlaw Kamlon, was recently killed by followers of the bandit.

Nov. 29 — President Magsaysay presides over a meeting of the Council of State which approves a large number of requests for bond issues from departments and agencies in carrying out the Administration's economic development program. R. A. No. 1000 requiring that such issues be considered and recommended by the Council; Budget Commissioner Aytona calls attention to the provision in the Act requiring that the P1,000,000,000 bond issue be expended over a period of 5 years at the rate of P200,000,000 per issue and that at least 80% of the issues be expended in self-liquidating projects; the President points out that the members of the International Monetary

Fund mission here had "noted the success with which the Government is maintaining a strong currency and is pursuing progressive economic development without ignoring the need of maintaining monetary stability."

The President receives some 2,000 employees of 10 large business firms in Manila who staged a rally at Malacang to seek deferment of the date of effectivity of the compulsory coverage of business establishments under the Social Security Act.

The President gives a cocktail party in honor of the joint sponsors of the Harvard Advanced Management program in the Philippines which will conduct a course for business executives during July and August, 1956; the sponsors of the program are the Harvard Club, the Management Association of the Philippines, the Executive Training Institute of the Philippines, the Philippine Association, Inc., and the Philippine Industrial Development Center in conjunction with the ICA (International Cooperation Administration).

Nov. 30 — President Magsaysay attends the unveiling of a memorial marker at the Clark Air Force Base where the late President Manuel A. Roxas died on April 15, 1948.

Following a conference with ACCFA Administrator Osmando Mondoñedo, President Magsaysay creates a committee to determine the actual stock position of the country with respect to Virginia leaf-tobacco; the committee is composed of NEC Chairman Montelibano, Customs Commissioner Manahan, Internal Revenue Collector Silverio Blaquera, ACCFA Chairman Mondoñedo, Vicente F. Barranco (representing the consumers), and a representative of the planters to be selected by the Federation of Tobacco Cooperatives.

Banking and Finance

By J. C. HART
Sub-Manager

The First National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31, 1949	As of Dec. 29, 1954	As of Sept. 30, 1955	As of Oct. 31, 1955
(In thousands of pesos)				
ASSETS				
International Reserves...	P460,689	P375,259	P357,167	P335,070
Contribution to the International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	113,306	106,940	106,940	106,940
Loans and Advances.....	77,047	62,547	11,964	30,504
Domestic Securities.....	92,197	261,102	353,325	366,893
Other Assets.....	20,350	63,858	59,607	57,985
	P793,629	P899,706	P919,003	P927,391
LIABILITIES				
Currency — Notes.....	P555,576	P629,219	P587,259	P599,167
Coins.....	74,384	85,176	86,613	86,569
Securities Stabilization Fund.....	2,000	4,985	10,834	10,814
Demand Deposits - Pesos Due to International Monetary Fund.....	117,682	135,903	174,717	170,202
Due to International Bank for Reconstruction & Development.....	2,389	2,376	2,376	2,376
Other Liabilities.....	2,636	9,211	4,883	5,119
Deferred Credits.....	—	402	1,619	2,013
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	8,671	4,770	5,199
Surplus.....	—	13,268	15,436	15,436
	P793,629	P899,706	P919,003	P927,391

The International Reserves as of October 31, 1955, were as follows:

Central Bank International Reserves.....	\$167,534,973.59
Japan Open Account (due from).....	11,569,080.75
Net FX Holdings, Other Banks.....	58,371,009.41
	\$237,475,063.75

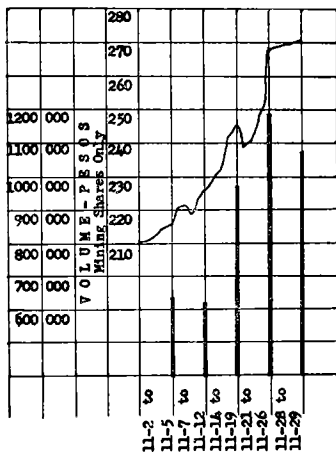
This is a decrease of \$8,427,000 from the end-September figure.

Currency and coins issued totalled P685,736,223.36.

Money remains tight, both in banks and in the market. Collections continue very slow.

Manila Stock Market

By LEONARDO L. RECIO
L. Recio & Company



THE market recovery which started in the latter part of October extended almost throughout the whole month of November with most issues establishing new highs and the MSE averages closing at P720.35, a new all-time high. Inflationary fears together with expectations of an aggressive public development program for the coming year and prospects of higher earnings encouraged heavy purchases of selected issues, principally copper stocks. Also, the gradual strengthening of the world-price of copper, which has approached the 50-cent level, again has a tremendous boosting effect on the market. Volume for the

month was approximately ₱21,000,000, up ₱5,000,000 from the previous month. The total number of shares sold, 73,000,000, compared to the 69,000,000 of the previous month.

The rise of the copper issues was spear-headed by Marinduque Iron Mines, closing at 1.44 for a net gain of 38 points on 2,170,000 shares sold. Atlas, aided by heavy demands from abroad, registered a net gain of 18½, closing at .64 on a sale of 10,000,000 shares. Hixbar Gold Mining Co. made a substantial gain of 9 centavos after establishing a new close at .43 on sales of 928,000 shares. Mindanao Mother Lode also made a substantial gain, selling up to 40½, closing at .39½, up 9½ points, on 2,200,000 shares sold.

In the other base-metal issues, Acoje Mining Co. closed at .32½, up 4 points, selling as high as .37 on a sale of 5,335,250 shares. Consolidated Mines continues to be heavily traded, closing at .06¼, up .0195, on a volume of 23,000,000 shares.

The gold issues were relatively quiet with the exception of Surigao Consolidated Mining Co., which closed 6 points higher on a total sale of 728,000 shares.

Philippine Oil Development Co. made only a slight gain of 1½ points on a sale of 6,817,000 shares.

In the Commercial and Industrial Section, San Miguel Brewery was up ₱1.50, closing at ₱29.50, on a sale of 33,000 shares.

The dividends declared during the month were as follows:

Amount of Dividend

Name of Company	Per Share	Payable
Consolidated Mines, Inc.	₱0.001	Dec. 14, 1955
Lepanto Consolidated Mining Co.	0.02	Dec. 15, 1955
China Banking Corporation	6.00	Dec. 29, 1955
Philippine Long Distance Telephone Co.	0.33-1/3	Jan. 15, 1956

MINING SHARES

Price Range from November 1 to 30, 1955
Opening High Low Close Change Sales

1954-55 Range	Manila Stock Average	11.02	17.0	27.0	216	80	27	80	29
270.35 84.82	Acoje Mining Co.	30	37	28	325	04+	5,335,250		
.39 .0875	Atlas-Big Wedge	94	94	94	94	00+	1,000		
1.20 .60	Atlas Consolidated	46	67	46	64	18+	10,178,736		
.39 .66	Baguio Gold Mining Co.	165	19	165	19	01+	2,014,000		
.92 .60	Balator Mining Co.	0038	0039	0035	0036	0002-	6,020,000		
3.80 2.60	Benguet Cons. Min.	3.30	3.80	3.30	3.80	.50+	6,000		
.06 .008	Coco Grove, Inc.	028	032	026	032	-	190,000		
.065 .0395	Consolidated Mines	043	065	043	0625	0195+	23,445,833		
.19 .038	General Base Metals	085	085	08	08	02-	139,175		
.435 .09	Hixbar Gold Mining	305	43	30	39	09+	928,000		
.145 .02¼	Itoyan Mining Co.	0875	115	0875	1075	0175+	3,323,000		
1.26 .355	Lepanto Consolidated	92	126	92	126	34+	831,500		
1.46 1.25	Marinduque Iron Mines	1.06	1.46	1.06	1.44	.38+	2,169,800		
.405 .055	Mindanao Mother Lode	30	405	295	395	.095+	2,190,000		
.20 .15	Palawan Consolidated	20	20	15	17	-	60,000		
.45 .30	Palawan Quicksilver	30	30	27	275	03-	44,000		
.36 .085	Paracale Guano	22	36	22	35	10+	63,500		
.31 .175	Philippine Long Distance Telephone, Inc.	295	31	275	30	-	2,997,000		
.50 .07	Philippine Oil Dev. Co.	42	445	39	425	.015+	6,817,500		
.34 .27	Semur Mining Co., Inc.	27	34	27	295	-	3,057,000		
1.475 .008	Suway Consolidated	0725	09	0725	075	.005+	953,000		
.19 .07	San Mauricio Mining	075	08	07	08	01+	818,000		
.48 .175	Surigao Consolidated	345	48	345	45	06+	728,000		
.08 .015	United Pacific Corp.	03	03	03	03	003-	78,000		

COMMERCIAL SHARES

230.00	173.00	Bank of the Philippine Islands	—	—	—	—	—
—	—	Insular Life	—	—	—	—	—
170.00	153.00	Metropolitan Ins. Co., Inc.	—	—	—	—	—
—	—	Philippine Guaranty Co.	—	—	—	—	—
15.00	13.00	Universal Insurance Co., Inc.	—	—	—	—	—
11.25	10.50	Cia. Celulosa	11.00	11.25	11.00	11.25	25+
1.46	1.30	Industrial Textiles	1.30	1.30	1.30	1.30	160,910
.76	.40	Manila Broadcasting	.70	.76	.70	.76	17+
4.50	3.00	Manila Wine Merchants	3.65	3.70	3.65	3.70	2,376
10.00	5.00	Philippine Air Lines, Inc.	—	—	—	—	—
18.75	11.50	Philippine Long Distance Telephone	—	—	—	—	—
1.60	.75	Philippine Racing	75	75	75	75	2,000
96.40	96.00	Tobacacera, 5%	96.00	96.00	96.00	96.00	100
31.50	27.00	San Miguel, 1%	28.00	29.50	28.00	29.50	1.50+
107.00	102.00	San Miguel, 8%	102.50	102.50	102.50	102.50	50
163.00	90.00	San Miguel, 7%	90.00	92.00	90.00	90.00	580
14.00	14.00	William Equipment	—	—	—	—	—
70.00	53.00	Central Bus	54.00	54.00	53.00	54.00	283

15.00	11.00	Central La Carlota	12.50	12.50	12.50	12.50	—
45.00	32.00	Central Trade	—	—	—	—	7,755
10.00	6.50	Central de Pilar	8.50	10.00	6.50	10.00	7,550
28.50	28.50	Pampanga Sugar Dev. Co.	28.50	28.50	28.50	28.50	—

Credit

By DUNCAN BURN

Manager, Eastern Inspection Bureau and
Manager, Association of Credit Men, Inc. (P.I.)

THE membership of the Association of Credit Men, Inc. (P.I.) reached a total of 105 active members just before this article was prepared. Several formal applications from prospective members are to be acted upon by the directors of the Association in December. The marked increase in membership has been due at least in part to the worsening conditions having bearing on credit and collections. The increased membership provides wider sources of information and wider distribution of protective and other helpful information. The number of account-names being processed through the Association continues at a high level. Responses of members in providing their own information keeps at a good level. With tight conditions, there is frequently an increase in unusual, unscrupulous, and even illegal activity. The Association, through its members and other sources, attempts to be on the alert to minimize and reduce such practices. An advisory system protecting members against irregular and fraudulent practices has proved most helpful to members.

In many lines sales have been good but collections bad. Prices have been going up along many lines, but some merchants are holding back stocks until after January 1, 1956. Financial informants report banks are loaded with bills and have less money in circulation. Post-dated checks continue heavy and many checks are returned by banks for insufficient funds and other similar reasons.

Credit executives are in almost complete agreement that collection in November were as difficult and as unsatisfactory as in any month since the war. One executive who has usually found November and December the best months in the year, found 1954 a poor year and so far 1955 has been the poorest since the war. Another reports practically no change in his own collections and indicates conditions have been as tight in November as at any time. This executive was hopeful that a slight improvement noted in September and October might be a beginning of real improvement, but found November a poor month with no real prospect of change for the better. He reports that even unusual incentives have not helped as had been expected.

Several credit men express some hope for improvement, but admittedly without much concrete basis for such hope. Many individuals have more money in December than in any other month, but expenses are also usually high. However, some benefits might be noted from the increase of money in general circulation. While holidays in November resulted in decreased spending and worked hardships on collections, the Christmas holidays may not only result in increased spending but improved collections. Some credit men anticipate help through year-end settlements which are habitual in some circles.

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Vice-President, Manila Electric Company

1941 Average—16,316,000 KWH

	1955	1954
	Kilowatt Hours	
January	61,315,000	57,301,000
February	56,626,000	52,447,000
March	64,029,000	57,779,000

April.....	60,839,000	54,408,000
May.....	66,035,000	57,773,000
June.....	65,130,000	58,523,000
July.....	66,812,000	60,205,000
August.....	67,336,000	60,385,000
September.....	66,688,000	59,680,000
October.....	69,966,000	62,184,000
November.....	67,604,000	58,739,000
December.....		62,328,000
Total.....		701,755,000

NOVEMBER output was 8,865,000 kwh, or 15.1% above the same month last year. This is the highest rate of increase since April.

Despite four holidays in November the average daily output equalled the record set in October. A new daily record of 2,537,800 kwh was made on November 16. A new peak of 177,300 kw was registered on November 15.

Real Estate

By ANTONIO VARIAS

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

REAL ESTATE SALES registered in the Greater Manila area during the month of November, 1955, numbered 546, with a total value of P6,095,512, as compared with 646, with a total value of P6,836,257, registered during the preceding month of October.

Of the November transactions, 157, with a total value of P2,616,198, represented deals within Manila proper, while 389, with P3,479,314, represented transactions in Quezon City, Pasay City, and in the suburban towns of Caloocan, Makati, Malabon-Navotas, Mandaluyong, Parañaque, and San Juan.

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

CITY OF MANILA

Binondo
Onpin St. No. 509-510. A property with a lot of 1,392 sq. m. sold by Rosario Felix, et al to Jose N. Duanan for the reported sum of P300,000.

Sampaloc
R. Papa St. No. 344. A property with a lot of 1,581 sq. m. sold by Carmen Palanca to the Far Eastern University for P275,000.

San Nicolas
Valdebaran, Lara and Vives Sts. A tract of 2,448.5 sq. m. transferred by Festi Institute of Technology to Araneta Institute of Agriculture at a consideration of P246,012.

Sia Cruz
Plaza Coliti. A share corresponding to 17,435.2% of that property with a lot of 996.4 sq. m. sold by Intestate Estate of Miguel Varela Calderon to Gregorio Araneta, Inc. for P130,764.

PASAY CITY

F. B. Harrison St., Int. A house with a lot of 4,655.07 sq. m. sold by Santiago Picoll to Eduardo M. Lezaca for P160,000.

Del Pan St. A property with a lot of P3,102,282.

QUEZON CITY

Piedra Estero—A tract of 216,261 sq. m. sold by Philippine Red Lumber Co., Inc. to the Peoples Homesite & Housing Corp. for P648,783.

Sta. Mesa Heights—A tract of 14,000 sq. m. sold by Francisca Calabuinto to the Philippine Tobacco Flue Curing Co. for P98,000.

SUBURBAN TOWNS

Caloocan
Grace Park. A property with a lot of 10,008 sq. m. sold by Philippine Realty Corp. to Guillermo C. Reyes for P75,000.

5th & 6th Avenues, Grace Park. A property with a lot of 9,230 sq. m. sold by Eugenio Lopez to Henry S. Goñin for P119,900.

Makati
Tamarind Road. A property with a lot of 1,894 sq. m. sold by Maurice Klingler to Richard Baldwin for P110,000.

Mandaluyong
Barraanca. A parcel of 14,511 sq.m. sold by Ortigas Madrigal y Cia. to General Dairy Corp. for P145,110.

REAL ESTATE MORTGAGES registered in the Greater Manila area during the month numbered 554, with a total value of P7,318,480, as compared with 675, with a total value of P13,413,573, registered during the month of October.

Of the November mortgages, 172, with a total value of P2,996,261, represented deals within Manila proper, while 382, with a total value of P4,322,219, were deals within the cities and suburban towns mentioned above.

REAL ESTATE SALES, 1955

	Quezon City		Pasay Suburban		Total
	Manila	City	Towns	Towns	
January.....	P 2,248,421	1,988,738	P175,472	P1,284,216	P6,658,847
February.....	2,659,845	1,494,750	227,674	1,145,481	5,797,750
March.....	3,698,757	1,380,500	520,341	2,034,848	7,633,948
April.....	3,017,054	1,165,215	217,211	2,026,449	6,426,429
May.....	1,819,794	1,499,356	653,003	1,521,412	5,493,565
June.....	2,057,966	1,245,396	367,749	1,662,925	5,334,036
July.....	2,121,345	1,592,103	372,860	2,439,237	6,525,545
August.....	5,226,005	1,496,747	397,041	2,200,768	9,315,561
September.....	5,371,165	2,009,807	393,310	1,538,359	9,664,462
October.....	3,202,732	1,524,216	455,268	1,654,041	6,836,257
November.....	2,616,198	1,441,765	411,765	1,625,863	6,095,512

REAL ESTATE MORTGAGES, 1955

January.....	P 2,639,978	P1,626,001	P358,600	P2,882,074	P7,506,603
February.....	4,518,421	1,988,647	346,000	1,284,585	7,097,948
March.....	5,371,165	2,009,807	413,700	1,627,048	9,664,462
April.....	4,638,698	1,397,006	326,650	1,430,191	7,972,545
May.....	2,626,424	1,481,249	964,048	1,810,284	12,882,005
June.....	4,207,704	2,691,135	279,900	2,104,705	9,283,444
July.....	3,602,539	1,392,439	314,600	2,529,866	7,839,444
August.....	5,716,434	1,033,438	528,455	2,102,450	9,380,777
September.....	7,410,353	1,903,994	150,674	3,955,373	13,420,394
October.....	5,052,612	5,237,413	598,598	2,524,590	13,413,573
November.....	2,996,261	1,549,901	528,100	2,244,218	7,318,480

Building Construction

By JUAN J. CARLOS

President, United Construction Co., Inc.

DURING the month of November, the Office of the City Engineer of Manila approved building permits for construction work amounting to P5,199,680.

For the same period in 1954, the volume of work authorized amounted to P3,013,465 in comparison with P3,704,580 in 1953 and P2,748,600 in 1952.

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

A 4-story office and theater building on Azcarraga, corner Rizal Avenue, for Susana Realty, owned by the Madrigal family, costing P700,000;

On Muelle de la Industria, a 1-story steel building for San Miguel Brewery, estimated at P150,000;

For the Shell Co. of the Philippines, Ltd., one steel tank at Pandacan, costing P150,000;

A 4-story reinforced concrete apartment building, owned by Norberto Ty, on Ylaya, Tondo, estimated at P120,000;

On Paz Street, Paco, a 2-story accessory building, for Zulueta, Algue, Inc., costing P100,000;

On Miguel Street, Sampaloc, a 2-story residence, for Domingo Jose, estimated at P75,000.

DURING the period under review, scarcity of lumber has been felt in the market. The shortage was attributed to the fact that after the approval of Republic Act 1410, otherwise known as the "Barter Law", the demand for lumber export increased considerably because of the privilege extended to exporters to barter dollar-credit for non-essential commodities which may easily and profitably be sold in the market. With the scarcity of supply, the corresponding increase in price followed. All kinds of lumber registered increases of from P20 to P50 per 1000 board feet.

The supply situation in Portland cement eased up with the arrival of Japanese cement, imported by the government-owned Cebu Portland Cement Company. About 220,000 bags were received in the first shipment and another shipment of the same amount is expected soon.

The effect of the reduction of dollar allocations to importers is now being felt. Prices of imported iron products registered increases of from P20 to P40 per ton.

The Council of State met recently to deliberate on the proposed development program of the Administration. After a long discussion, the following projects were approved according to reliable information:

1. For irrigation..... P60,000,000
2. Artesian wells..... 5,750,000

3. Prefabricated school buildings.....	5,000,000
4. Waterworks.....	7,609,400
5. Highways.....	48,818,600
6. Portworks.....	3,000,000
7. Air navigation.....	2,000,000
8. Hospitals and other buildings.....	10,000,000
9. Buildings for schools of the National Government.....	2,463,000
10. NARRA revolving fund for colonists.....	8,000,000
11. Home financing fund.....	5,000,000
12. Cebu Portland Cement Company.....	17,000,000
13. Public Land Survey fund.....	4,000,000
14. Cadastral Survey fund.....	2,500,000
15. People's Homesite and Housing Corporation.....	5,000,000
16. Philippine Coconut Administration.....	30,000,000
17. Marikina multi-purpose project.....	13,400,000
18. Ilog multi-purpose project.....	200,000
19. For implementation of the Land Tenure Act.....	50,000,000

Plywood and plywood products.....	745	278
Rope.....	477	383
Shells, shell waste.....	103	160
Shell buttons.....	12	12
Sugar, refined.....	1,204	449
Sugar, cent. raw.....	4,000	27,520
Sugar, muscovado.....	198	226
Tobacco.....	1,444	59
Vegetable oil.....	10	45
Transit cargo.....	64	1,288
Merchandise, general.....	1,720	994

Freight Car Loadings

By JOSE B. LISUNAO

Traffic Manager, Manila Railroad Company

LOADINGS of revenue freight during the month of October, 1955, totalled 2,602 cars. This was an increase of 245 cars or 10.39% over the loadings of October, 1954, of 2,357 cars.

Revenue freight carloadings by group commodities for the month of October were as follows:

Group Commodities	October 1955	Tonnage 1954
Products of agriculture.....	6,520	7,903
Animal products.....	233	160
Products of mines.....	1,125	620
Products of forests.....	14,154	11,748
Products of manufactures.....	25,153	27,726
Merchandise less than by carload.....	7,377	8,093
Total.....	54,562	56,428

There were 44 items treated in this review, with 18 items registering a total increase of 14,213 tons and 26 items a total decrease of 16,079 tons, resulting in a net decline of 1,866 tons.

There were 8 principal items which registered increases namely, centrifugal sugar, 3,274 tons; logs, 2,018 tons; molasses, 1,625 tons; fertilizer, 1,578 tons; lumber, 1,519 tons; desiccated coconut, 1,086 tons; gasoline, 860 tons; and charcoal, 551 tons, or an aggregate increase of 12,521 tons. On the other hand, 6 items which registered decreases were cement, 7,186 tons; "other manufactures," 2,996 tons; palay, 1,736 tons; merchandise less than by carload, 716 tons; firewood, 587 tons; and refined sugar, 542 tons, or an aggregate decrease of 13,763 tons. Only products of the forests—logs, lumber, firewood, and charcoal, and products of mines—manganese ores and ceramic materials, registered increases. Although there were increases in shipments of refined sugar, desiccated coconut, and gasoline, the products of manufacture as a whole showed decreases. It is worth noting that the export items registered the increases.

The report for next month should show improvement with the advent of the sugar-cane milling season.

Lumber

By PAFICIO DE OCAMPO

Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

DURING the month under review, October, 1955, the Philippines exported 67,573,736 bd. ft. of logs and lumber, 5,058,536 bd. ft. more than the preceding month's 62,515,200 bd. ft. The increase was mainly due to a rise in the shipments of logs to Japan, from 47,229,619 bd. ft. in September to 52,759,463 bd. ft. in October, an increase of 5,529,844 bd. ft. The exports to the United States and Canada increased by 1,241,496 bd. ft., from 7,484,512 bd. ft. in September to 8,726,008 bd. ft. in October. Exports to all other countries decreased by 1,712,804 bd. ft., from 7,801,069 bd. ft. in September to 6,088,265 bd. ft. in October, 1955.

Port of Manila

By FRANCISCO DELGADO

General Manager, Delgado Brothers, Inc.

	Dockside	Shipside and Bulk
January, 1955.....	115,469.230	32,651.714
February ".....	109,176.273	23,855.125
March ".....	125,065.040	15,585.867
April ".....	131,307.661	21,891.203
May ".....	146,157.354	30,691.812
June ".....	133,082.212	31,310.448
July ".....	98,009.995	18,945.464
August ".....	97,301.348	14,947.147
September ".....	106,860.497	26,850.275
October ".....	112,651.292	52,835.775
November ".....	99,686.264	53,622.253

Ocean Shipping and Exports

By E. H. BOSCH

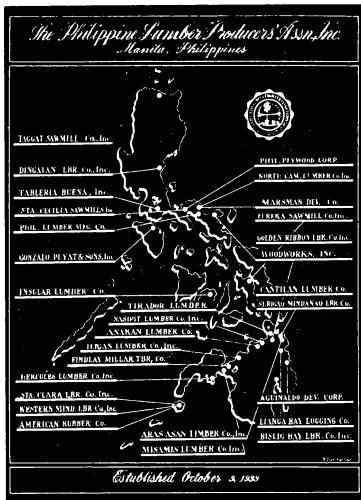
Secretary-Manager

Associated Steamship Lines

TOTAL exports during the month of October this year showed an increase of 6,958 tons over exports during October of last year; 136 vessels lifted 456,377 tons of exports during the month, as compared to 449,419 tons lifted by 149 vessels during the same month last year.

Total exports during October, 1955, as compared with exports during October, 1954, were as follows:

Commodity	1955	1954
Beer.....	442 tons	246 tons
Buntal fiber.....	12 "	19 "
Cigars and cigarettes.....	48 "	25 "
Coconut, desiccated.....	5,754 "	5,259 "
Coconut oil.....	8,811 "	5,565 "
Concentrates containing copper, gold, silver, lead, and zinc.....	463 "	511 "
Concentrates, copper.....	8,012 "	6,474 "
Copra.....	92,497 "	83,607 "
Copra cake and meal.....	6,453 "	6,675 "
Embroideries.....	496 "	382 "
Empty drums.....	148 "	90 "
Fish, salted.....	16 "	16 "
Furniture, rattan.....	728 "	802 "
Glycerine.....	441 "	299 "
Gums, copal.....	266 "	140 "
Gums, elemi.....	20 "	—
Hemp.....	72,066 bbs.	69,291 bbs.
Hemp rugs.....	58 tons	186 tons
Household goods and personal effects.....	409 "	378 "
Junk metal.....	4,851 "	—
Logs.....	54,848,084 bft.	60,403,431 bft.
Lumber, sawn.....	6,983,735 "	5,645,594 "
Molasses.....	9,262 tons	23,881 tons
Ores, chrome.....	66,960 "	5,768 "
Ores, iron.....	102,049 "	131,060 "
Pineapples, canned.....	64 "	—



E. A. Luna Lumber Trading ..	Japan	499,960
F. E. Zuelig, Inc.	U. S. A.	43,750
Findlay Millar Timber Co.	Japan	900,000
General	U. S. A.	110,359
Inc.	Japan	847,079
Insular	Korea	620,922
Golden Ribbon Lumber Co.,	Japan	1,533,897
Inc.	U. S. A.	150,455
Gonzalo Puyat & Sons, Inc.	U. S. A.	500,000
Gordon Caldito Co.	Japan	700,000
Iligan Lumber Co., Inc.	U. S. A.	1,211,055
Insular	U. S. A.	1,020,384
S. Africa	Canada	57,692
Lumber	Hawaii	166,117
Company	Belgium	124,748
Inc.	Eire	179,310
Denmark		8,380
Jebenuar & Co.	Japan	443,690
Johnston Lumber Co., Inc.	Japan	531,835
Jose Salumbides Lumber Co.,	Japan	400,000
Inc.	Japan	449,998
Lanao Timber Mills, Inc.	Japan	872,988
La Villa de Manila	Japan	
L. G. Wagner	U. S. A.	47,985
Luzon Brokerage Co., Inc.	Formosa	192
Luzon Mfg.	Korea	849,968
Ent.	Japan	730,000
Lee Chao	Japan	699,932
Martha Ent.	U. S. A.	8,558
Inc.	Japan	330,000
Misamis Lumber Co., Inc.	Japan	749,999
North Camarines Lumber	U. S. A.	100,000
Co., Inc.	Japan	500,000
Nasipit Lumber	U. S. A.	134,631
Co., Inc.	Japan	1,375,000
Inc.	Japan	4,650,000
Poblete Lumber Co.	Japan	1,337,237
Ralph W. Dempsey	U. S. A.	550,503
Redwood Co.	Japan	1,132,544
Sanchez Logging Co.	Japan	1,958,452
Serra & Co.	Japan	282,852
Sotero Baluyot & Co.	Japan	1,299,726
Standard Sawmill	Japan	700,000
Sta. Clara Lumber	U. S. A.	259,026
Company,	Japan	499,997
Inc.	S. Africa	1,230,000
S. Africa		44,618
Sanggaya Logging Co.	Japan	220,000
Surigao Timber Co.	Japan	251,627
Tagtay Sawmill	U. S. A.	314,177
Co., Inc.	Hawaii	136,842
Valeriano C. Bueno	Japan	500,003
Vic Lumber Co.	Japan	911,000
Inc.	U. S. A.	18,000
Western Mindanao	U. S. A.	96,789
Lumber Co., Inc.	Japan	2,160,756
Woodworks, Inc.	U. S. A.	29,656
Inc.		416,464
TOTAL		7,181,941 60,391,795

The following are the figures for logs and lumber in bd. ft. inspected for export during October, 1955, as released by the Bureau of Forestry:

Shippers	Destinations	Volume in Board Feet Lumber	Logs
Agulanan Development Corp.	Japan	2,799,945	
Agusan Export & Import Co., Inc.	Japan	1,299,985	
Agusan Timber Corp.	Japan	4,650,000	
Anakan Lumber Company	U. S. A.	400,000	
Anacleto O' Rathnes	Japan	2,750,000	
Associated Lumber Mfr. Co.	U. S. A.	182,860	300,000
Atkins Kroll & Co., Inc.	Japan	1,000,003	
Basilan Lumber Company	U. S. A.	1,169,066	401,476
Bislig Bay Lumber Co., Inc.	Hongkong	170,071	
Bonifacio Sawmill	Japan	600,000	250,000
Brigido R. Valencia	U. S. A.	300,699	250,000
Calapan Lumber Company	Hongkong	346,523	
Cantilan Lumber Co.	Japan	6,175	5,353,500
Cipriano Luna Lumber Ent.	Japan	1,016,213	
Claveria Timber Corp.	U. S. A.	91,405	
Coronado Timber Corp.	Japan	504,517	
Cuisan Lumber Co., Inc.	Japan	499,993	
Davao Loggers Coop. Assn., Inc.	U. S. A.	142,230	573,743
Davao Stevedore Term. Co., Inc.	Japan	304,087	865,000
Dec Cho Lumber Co., Inc.	U. S. A.	1,198,205	699,982
D. O. Enterprise	Japan	618,921	
Dy Pac Lumber Co., Inc.	U. S. A.	108,000	
	Guam	2,140	
	Japan	499,999	
	United States	1,219,845	
	Korea	1,100,000	

Shippers	Destinations	Volume in Board Feet Lumber	Logs
Sanggaya Logging Co.	Japan	220,000	
Surigao Timber Co.	Japan	251,627	
Tagtay Sawmill Co., Inc.	U. S. A.	314,177	
Valeriano C. Bueno	Hawaii	136,842	
Vic Lumber Co., Inc.	Japan	500,003	
Volcan Lumber Const. Co.	Japan	911,000	
Western Mindanao Lumber Co., Inc.	U. S. A.	18,000	
Woodworks, Inc.	U. S. A.	96,789	
	Japan	2,160,756	
	U. S. A.	29,656	416,464
TOTAL		7,181,941	60,391,795

Resume of Exports to:	Lumber (Bd. Ft.)	Logs (Bd. Ft.)	Total (Bd. Ft.)
Japan	—	52,759,463	52,759,463
United States	4,982,616	3,743,392	8,726,008
Other countries	2,199,325	3,888,940	6,088,265
Total	7,181,941	60,391,795	67,573,736

SUMMARY OF EXPORTS DURING OCTOBER, 1955, ARRANGED BY COUNTRIES OF DESTINATION IN THE ORDER OF VOLUME OF SHIPMENTS TO EACH COUNTRY

Countries of Destination	Lumber (Bd. Ft.)	Logs (Bd. Ft.)	Total (Bd. Ft.)
Japan	—	52,759,463	52,759,463
United States	4,918,749	3,743,392	8,662,141
Korea	—	3,888,940	3,888,940

COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF SEPTEMBER AND OCTOBER, 1955

PERIOD	Lumber in Board Feet					Logs in Board Feet					Total
	Western States	Eastern States	Gulf States	All Others	Total	Western States	Eastern States	Gulf States	All Others	Total	
September 1955	2,357,724	347,912	205,485	259,586	3,570,717	1,864,599	965,695	532,200	484,967	3,847,456	7,418,173
October 1955	3,577,062	889,732	—	451,055	4,918,749	1,996,928	416,464	780,009	550,990	3,888,940	8,662,141
DIFFERENCE (Increase—Decrease)	1,020,228 +	341,820 +	205,485 +	191,469 +	1,348,032 +	132,328 +	549,231—	247,809 +	65,037 +	41,484 +	1,243,968 +

South Africa.....	1,065,002	—	1,065,002
Hongkong.....	516,594	—	516,594
Hawaii.....	302,959	—	302,959
India.....	179,310	—	179,310
Belgium.....	124,748	—	124,748
Canada.....	63,867	—	63,869
Denmark.....	8,380	—	8,380
Guam.....	2,140	—	2,140
Formosa.....	192	—	192
Total.....	7,181,941	60,391,795	67,573,736

	This Month		Month Ago		Year Ago	
	Lumber (Bd. Ft.)	Logs (Bd. Ft.)	Lumber (Bd. Ft.)	Logs (Bd. Ft.)	Lumber (Bd. Ft.)	Logs (Bd. Ft.)
Japan.....	—	52,759,463	—	47,229,619	4,997	40,283,068
United States and Canada.....	4,982,616	3,743,392	3,637,056	3,847,456	3,378,301	2,143,178
Other countries.....	2,199,325	3,888,940	1,621,138	6,179,931	2,108,421	3,881,216
Total.....	7,181,941	60,391,795	5,258,194	57,257,006	5,491,719	46,307,462

ARRIVALS of logs and lumber in Manila during the month under review, October, 1955, aggregating 8,289,382 bd. ft., decreased by 878,988 bd. ft. as compared to arrivals during the previous month of 9,168,370 bd. ft.

Prices in the local wholesale market slightly increased during the month under review, October 1955, compared with those of the previous month—P160-P175 to P165-P180 for white lauan; P160-P175 to P165-P180 for apitong, and P195-P210 to P195-P215 for red lauan per 1000 bd. ft.

The "No-Dollar Import Law" has given impetus to lumber producers to increase their export production in order to take advantage of the "straight barter arrangement" provided for in the statute and the regulations issued thereunder. The lumber industry, with all the efforts being exerted by the producers to increase the log and lumber output, particularly for export, will aid the country's economy. Criticism coming from importers can hardly be justified if we consider that the benefits derived from increased exports will redound to the nation's benefit. It is basic to the improvement of the nation's economy that export producers should be given every incentive to produce.

Mining

By HENRY A. BRIMO
President

Philippine Gold Producers Association, Inc.

ONCE again there were no developments of major consequence during the past month in the fortunes of Philippine gold producers. It is known that San Mauricio has reduced its working force due to inability to make ends meet on current millheads, but all other mines more or less maintained their production rates. Meanwhile, the local gold price remained within the narrowest trading range in recent monthly history, "fluctuating" throughout the month of November between P102.10 and P102.50, and closing at P102.38.

At the present time, it is estimated that almost all local gold produced by mines qualified to sell to the Central Bank is being sold under the terms of the Gold Subsidy Act. The Benguet Consolidated Mining Company, Balatoc Mining Company, and Surigao Consolidated Mining Company, having been declared over-marginal mines, are receiving a total of P103.00 per refined ounce, while Baguio Gold, Itogon, San Mauricio, and Coco Grove are receiving P105.00 per fine ounce as marginal producers. It is interesting to note that the present price of bullion in the local market is approximately equal to the price being received by the over-marginal producers, taking into consideration the cost of sending bullion to the United States

for refining and delivery to the Federal Reserve Bank as provided by subsidy regulations. It is probable, therefore, that with a slight further advance in the Manila market, a large quantity of bullion would be channeled for sales to local buyers. As a matter of fact, the long delays sometimes experienced by gold producers in receiving total payments for their sales under subsidy terms, thus increasing interest-costs, has probably caused more than one past sale to be channeled to the local market instead of to the Central Bank, notwithstanding a small sacrifice in price on the part of the producers.

The only other source of news-interest to our readers is the present study being made to introduce new legislation during the next session of Congress to extend the Gold Subsidy Law, which expires next June. In fact, as we were preparing this article, we received the first draft of the proposed new Subsidy Bill prepared by the Technical Committee of the Gold Subsidy Board. It may be stated that it was prepared in a strictly preliminary form and forwarded to the gold producers for their comments and suggestions. The preliminary draft is similar to the present Subsidy Act No. 1164, with several exceptions. These are as follows:

- (1) The final subsidy price has been left open, pending further studies and negotiations.
- (2) All mines producing gold, whether as a principal product or as a by-product, are included.
- (3) All mines will be obliged to sell "at least" 50% of their production to the Central Bank and receive the subsidy price. This means that the Central Bank would be obliged to accept and pay for the total of all gold produced, at the discretion of the producer.
- (4) Several technical points covering "unacceptable" cost items are also included in the proposed bill.
- (5) It is suggested that the Act should be for a period of five years.

We will, of course, refrain from comment until we have had a chance to discuss the new proposals with our Member-Mines of the Gold Producers Association.

Gold producers are well aware of the fact that the tax relief, approved June 20, 1953 (R. A. No. 909) will expire 6 months hence. Whether or not there will be an attempt to seek new relief, or combine the Subsidy and Tax Relief into a single law, or consider taxes to be paid in the future as part of the revenues which will become available to provide funds to pay for a higher subsidy price, are matters that have not yet been decided. The final decision will depend, in part, on progress toward a satisfactory agreement on the new subsidy legislation.

Copra and Coconut Oil

By ROBERT J. MCCOMBE
Manager, Buying Department, Philippine
Manufacturing Company

DURING November the market was easier. Prices again moved in a relatively narrow range, slowly reaching lower levels. The easy market was due primarily to the very heavy supply of copra throughout the country. On any attempt of the market to rally, heavy local and European dealer selling forced prices down again.

Copra Cake: European buyers were still interested in Philippine copra cake. Premiums of \$2.00-\$3.00 per ton over American buyers were available. However, almost no business was done due to the lack of shipping space to Europe. Early in November the European Conference raised the freight rate from 151 to 170 shillings per long ton, but additional space will not likely become available until late January or February.

Prices in November:

Copra:	High	Low	Close
Pacific Coast c.i.f. per short ton, nearby shipment or afloat.....	\$151.00	\$146.00	\$147.00
Europe, c.i.f. per long ton, shipment in 45-60 days.....	\$180.00	\$170.00	\$177.00

Manila, fresh, resecada basis, per 100 kilos at bodegas, 30 days. P 26.25 P 24.50 P 25.00

Coconut Oil:

Pacific Coast, per pound, f.o.b. tank cars in 45-60 days.	10-7/8¢	10-3/8¢	10-1/2¢
Atlantic Coast, c.i.f. per pound, in bulk, afloat or nearby shipment.	11-1/2¢	11¢	11¢
Copra Cake:			
Pacific Coast, c. & f. per short ton, in bags, shipment in 30-60 days.	\$67.00	\$66.00	\$66.00

Copra Statistics:

PHILIPPINE COPRA, COCONUT OIL AND COPRA CAKE/MEAL EXPORTS (In long tons)

	September	October	November
Copra Exports			
United States	22,809	27,072	20,114
Europe	42,550	60,525	37,935
Other countries	11,694	4,900	12,400
Totals	77,053	92,497	70,449
Coconut Oil Exports			
United States	6,447	7,492	5,238
Other countries	1,295	991	450
Totals	7,742	8,483	5,688
Copra Cake Meal Exports			
United States	3,564	4,683	2,936
Europe	6,050	1,770	3,813
Totals	9,614	6,453	6,749

MANILA AND CEBU COPRA ARRIVALS (In metric tons)

	Manila 1955	Cebu 1955	Manila & Cebu 1955	Percentage 1955/54			
January	9,856	13,056	15,458	15,410	25,314	28,258	89
February	11,451	11,674	19,926	18,218	31,377	25,892	121
March	10,718	10,356	16,927	14,179	26,475	24,526	109
April	10,337	10,300	16,455	13,926	26,792	24,236	111
May	9,851	14,592	16,212	19,307	26,063	33,489	77
June	11,596	13,601	16,465	19,664	29,061	33,565	87
July	16,325	17,578	20,454	23,889	36,779	41,467	89
August	17,061	19,025	20,378	26,845	37,438	45,870	82
September	17,921	17,091	19,634	21,510	37,655	38,601	97
October	21,145	17,884	26,126	24,971	47,271	42,855	110
November	18,083	16,199	16,521	18,502	34,604	34,701	100
Totals	155,349	161,338	203,656	212,792	359,000	374,130	96%

Desiccated Coconut

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

THIS report covers the period from October 15 to November 15, 1955, during which copra and equivalent nut prices remained steady until the close when prices dipped slightly, particularly raw nut prices.

Due to anticipated low desiccated coconut production for late November and December, few contracts were made and lack of production-interest resulted in nut prices dropping under the equivalent copra quotations. This condition will last throughout the remainder of the calendar year.

It appears at this writing that the production for 1955 will be about 15% below normal, an estimated 95,000,000 pounds instead of 115,000,000 pounds.

The possibility of barter business in 1956 with countries not buying Philippine coconut at the present time, looms as a possible outlet for desiccated coconut; however, the volume would not materially affect Philippine production as there is considerable difference between Philippine desiccated coconut prices and those of other producers.

The following are the shipping statistics for the month of October:

Shippers	Pounds
Franklin Baker Company	3,339,200
Blue Bar Coconut Corp.	366,065
Peter Paul Philippine Corporation	2,515,000
Red V Coconut Products, Ltd.	3,694,300
Sun Rippe Coconut Products, Inc.	779,500
Cooperative Coconut Products, Inc.	—
Total	10,694,065

Manila Hemp

By WILLIAM PENDARVIS
Assistant Manager

Columbian Rope Company of Philippines, Inc.

UPON rechecking our accumulative totals for the various hemp-producing areas, we found a few mistakes which have been corrected, starting with the baling figures published herewith. The total balings for the first 10 months of 1955 of 733,802 bales show approximately a 75,000-bale increase over the total for the corresponding months of 1954. All of this increase can be attributed to the Non-Davao areas, as Davao production of machine-cleaned hemp continues to slowly decline with the mosaic disease continuing to take its toll of the small individual farms planted to abaca.

The overseas market continued throughout November with a weaker undertone, especially in Davao grades. The London market was solely responsible for maintaining a rather steady tone in the Non-Davao market as buyers there were willing to purchase substantial quantities of the lower Non-Davao grades. United States buyers were very quiet, with limited business reported being done on the basis of 19-1/2 cents per lb. c.i.f. New York for Davao machine-cleaned J1. Japan buyers have found themselves short of funds, resulting in a noticeable decrease in activity from that area which is likely to continue until the next exchange allocation is released by the Japanese Government. Sales in Japan were reported to be at \$50.50 per bale, c.i.f. for Davao machine-cleaned J1, and \$48.00 per bale c.i.f. for Davao machine-cleaned G and S3. A decided increase in interest from all areas for various streaky grades was responsible for the rise in prices of Davao and Non-Davao S3. The Japanese and London buyers were the chief supporters of the higher-than-usual prices for streaky grades, as these grades continue to gain popularity among the manufacturers of certain types of fishing-lines and ropes.

BALINGS—JANUARY/OCTOBER INCLUSIVE

	1955	1954	1953	1952	1951	1950
Davao	346,331	378,264	420,739	430,270	418,688	313,883
Albay/Camarines/Sorsogon	181,750	102,073	147,777	132,249	212,975	147,638
Leyte/Samar	88,594	106,677	94,010	95,060	143,051	104,459
All others	117,127	68,994	79,418	65,321	81,352	64,614
Total	733,802	656,008	741,944	722,900	856,066	630,594

EXPORTS—JANUARY/OCTOBER INCLUSIVE

	1955	1954	1953	1952	1951	1950
United States and Canada	183,862	161,112	253,361	317,706	501,375	323,319
Continent of Europe	177,265	151,477	149,586	136,335	137,119	109,074
United Kingdom	105,000	91,663	92,556	81,421	149,826	70,124
Japan	214,530	187,090	205,517	159,067	112,006	58,745
South Africa	9,835	9,797	8,950	7,010	14,150	5,550
China	1,439	3,022	1,495	5,935	6,289	11,767
India	7,354	6,649	8,600	4,440	5,282	6,730
Korea	1,985	17,842	1,580	600	—	3,100
Australia and New Zealand	7,662	6,264	2,200	2,015	1,900	1,826
All others	6,255	7,917	1,295	70	—	747
Total	715,147	637,803	725,040	713,899	928,147	590,482

Sugar

By J. H. D'AUTHREAU
Philippine Sugar Association

THIS report covers the period November 1 to November 30, 1955.

New York Market. Hearings for establishing the 1956 U. S. domestic quota were held in Washington on November 2. The domestic producers submitted a brief joint statement instead of testifying individually, as in the past. They requested no specific quota but asked for fair prices to producer and consumer. The industrial users, as has become customary, requested a high quota, 8,875,000 short tons, to ensure low prices. The Cubans suggested an initial quota of 8,045,000 short tons, and the Philippines

restricted itself to announcing it would have no difficulty in filling its quota. The U. S. Department of Agriculture's announcement of the quota is expected sometime in December.

Domestic refined prices have successfully maintained the October increases and are generally unchanged. The prompt raw market weakened temporarily under the influence of the belief held by some refiners that the 1955 quota was perhaps in excess of requirements. This was later seen to be ill-founded, and the market recovered with sales at 6.05¢. All in-quota sugars are now thought to be sold. The raw market in 1956 arrivals has been inactive, refiners no doubt awaiting the quota announcement. Heavy January arrivals, including an estimated 26,000 tons Philippines, were offering at 5.85¢ and buyers quoting 5.80¢. A sale of 2,000 tons Philippines for early February arrival is reported at 5.80¢, and 3,000 tons December loading at 5.85¢.

Reported sales of actuals totalled approximately 131,453 long tons, of which 1,000 tons were Philippines. Exchange operations for the period approximated 31,850 tons. Deliveries of refined for the period October 23 to November 26 were 526,181 short tons, as compared with 619,218 for October and with 561,000 for November, 1954. Total deliveries for the year to November 26 were 7,708,000 short tons, as compared with 7,439,000 short tons on the same date in 1954. Deliveries for the first 10 months are reported to be an all-time record. On November 26 refiners stocks were 211,635 long tons, as against 188,264 long tons on the same date last year.

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

	March	May	July	Sept.
November 1.....	5.34¢	5.39¢	5.48¢	5.54¢
30.....	5.34	5.39	5.48	5.52

Average spot price for November was 5.473684¢.

Average spot price January 1 to November 30 was 5.462664¢.

Local Market. (a) Export Sugar. The New York market has at no time during the period justified more than P13.50, but certain exporters obliged to fill space-commitments have paid up to P13.65 for limited quantities. These requirements have now been satisfied and the price at the end of the month has receded to its proper level, that is, on the assumption of the freight rate continuing at \$16.00. Most carriers, however, appear to be asking \$17.00 for January, which makes present prices somewhat speculative. Very little sugar has so far changed hands.

Total export shipments of 1955-56 crop sugar for the month were 35,836.87 long tons, as compared with 40,213 up to the same date in 1954. Total Philippine arrivals in New York for the period January 1 to November 26, 1955, are reported at 847,731 long tons, as against 833,297 long tons for the same period in 1954.

(b) Domestic Sugar. The market is essentially unchanged. Stocks in dealers' hands are ample for current requirements and further market activity is suspended pending outcome of current endeavors of producers to establish a single selling-agency.

World Market. Opening and closing quotations on the No. 4 Exchange were as follows:

	Spot	March	May	July	Sept.
November 1..	3.26¢	3.21¢	3.20¢	3.20¢	3.20¢
30.	3.14	3.12	3.13	3.14	3.16

The market has declined rapidly during the month as a result of heavy remaining stocks and lack of importer-demand. A meeting of the International Sugar Council is to be held in London in early December to consider the advisability of revising the Agreement. Formosa has given out in advance its intention of withdrawing due to dissatisfaction with the size of its quota. The Philippines is



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also expected to express similar dissatisfaction. Good progress is now reported concerning the negotiations with Japan for disposal of the two Philippine world-market quotas for 1955. An official announcement is expected soon.

Cuban sales in the world market to November 30 are unofficially estimated at 2,074,421 English long tons.

1955-56 Milling. Nine Centrals are now milling and have produced 96,155 short tons (1,379,156 piculs) of sugar. The average purity of the first expressed juice is 84.70. An unreported typhoon of local origin, subsequently named "Patsy", brought very heavy rains to the Visayan areas on November 28/30, and damage to the 1955-56 crop is estimated to be between 2% and 5%. In some districts floods were the severest in living memory. Fortunately wind velocities were not extreme.

Tobacco

BY BALDOMERO FERNANDEZ

Tabacalera

and

LUIS A. PUJALTE

Wholesale Dealer & Exporter of Leaf Tobacco

THE weather was quite unfavorable during the later part of November throughout Isabela and Cagayan. It rained very heavily and many seed-beds were destroyed. This damage may tell on the future crop. But at this early stage new seed-beds may still be planted and if the weather is favorable during December and January there may still be a large tobacco crop during 1946.

Visayas and Mindanao have also suffered on this account but reports are not very alarming.

Pangasinan, La Union, and both Ilocos have been more fortunate in the weather, and if it continues favorable

a very large crop is expected for next year, especially for the Virginia-type tobacco.

Rice

BY FILOMENO DOMINGO

MIXED trends prevailed in the Manila rice market during November, with the first week characteristically weak, the second and last steady, and the third somewhat firm. The month closed with the trend definitely downward as deliveries from the new crop are expected to increase by December when the harvest in Central Luzon will be in full swing.

As a clear indication of the down-trend normal during this period, the average price for November for macan (first class and second class combined), the principal variety traded in the market, receded substantially, by P1.18 per sack of 56 kilos to P20.00, as compared with P21.18 for October.

The general weakness of the market during the last week of October continued up to the opening week of the month under review. Wagwag Cotabato and wagwag Davao sagged by P0.50 each, per sack of 56 kilos, to P21.00-P22.00 and P20.50-P21.00, respectively; bencer by P0.30 to P21.00-P22.00; and macan by P0.50 to P19.50-P20.50. The decline was ascribed mainly to the slack demand brought about by widened NARIC distribution in the face of heavy stocks in the hands of wholesalers. The appearance of elonelon and macan, new-crop varieties, in the Manila market, and the presence of newly-harvested rice in Mindanao, the Mindoro provinces, and the Bicol region, contributed to the drop in prices. On the other hand, the prices of the old-crop varieties, like wagwag, elonelon, raminaid, and Thailand, and new-crop elonelon and macan, were unaltered.

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The second week was steady. Although arrivals were limited because of the dwindling supply of the old-crop palay in Central Luzon and the Cagayan Valley, prices of all varieties remained unchanged at the preceding week's closing levels. The over-all volume of trading was moderate. Dealers were apathetic to taking more stock, on the expectation that prices would soon sink still further due to the expected big shipments of the new-crop varieties from Central Luzon. Orders from the distant provinces were in small quantities. These places of consumption, heretofore depending for the bulk of their rice on Manila, shifted the larger part of their purchases to the several provinces in Mindanao, Mindoro, and the Bicol region, which are now turning out the new crop.

The rice market awoke from its lethargy in a slight selective rally during the third week. As arrivals of new-crop wagwag Cotabato and elonelon from Mindanao had started slowing down during the preceding week, prices of these varieties moved to a higher level by ₱0.50 to ₱0.75 per sack of 56 kilos. As a sign of the fast depleting supply of old-crop wagwag, this arrived in trickles, while elonelon disappeared from the market altogether about the close of the week. Buying operations were confined mostly to the Manila area and suburbs, and the several provinces bordering on Manila. As soon as commitments were covered, the mild buying-interest subsided and the market relapsed into its steady position of a week before. There was no buying-interest in the lower varieties because of the continued wide distribution by the NARIC of varieties belonging to this group.

Trading early during the last week was a comparatively steady affair, with the majority of dealers showing hesitancy or exercising caution until a clear picture of the supply-demand situation would be apparent. The two storms, which swept the country at the close of the month under review, did not disturb the increasing flow of the

inapostol and macan new-crop, now available from Central Luzon. Pressing shipments from this sector of production levelled off the prices of these varieties by ₱0.50, per sack of 56 kilos. Prices of the old crop varieties were unaltered.

The following are the November average prices in Manila for macan, first class and second class combined, per sack of 56 kilos, as compared with those in October of this year and in the same months of November during the last five years:

November, 1955	₱20 00
October, 1955	21 18
November, 1954	23 57
November, 1953	24 45
November, 1952	23 32
November, 1951	19 00
November, 1950	20 09

Imports

By S. SCHMELKES

The Robot Statistics (Mercantile, Inc.)

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

Commodities	October, 1953	October, 1954
Automotive (Total)	3,546,923	3,900,418
Automobiles	424,039	147,289
Auto Parts	421,204	155,287
Bicycles	8,506	20,491
Trucks	153,478	546,064
Truck Chassis	300,620	1,111,655
Truck Parts	1,603,652	721,389
Building Materials (Total)	10,386,936	4,357,946
Board, Fibre	23	—
Cement	5,345,149	679,297
Glass, Window	410,536	273,085
Gypsum	15,876	200
Chemicals (Total)	16,381,516	4,320,470
Caustic Soda	1,308,489	504,641



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Explosives (Total).....	30,192	52,533	Fabrics (Total).....	413,388	381,733
Firearms (Total).....	17,168	15,732	Jewelry (Total).....	51	192
Ammunition.....	12,831	13,382	Leather (Total).....	458,635	164,333
Hardware (Total).....	5,396,534	4,857,107	Textiles (Total).....	3,232,375	4,994,640
Household (Total).....	1,241,038	885,320	Twine (Total).....	95,975	112,026
Machinery (Total).....	2,793,172	2,864,135	Toys (Total).....	1,790	118,297
Metals (Total).....	9,941,240	13,157,866	General Merchandise (Total).....	2,012,634	1,607,446
Petroleum Products (Total).....	132,685,653	69,349,885	Non-Commercial Shipment (Total).....	146,092	111,246
Radios (Total).....	18,261	22,071	Advertising Materials, etc. (Total).....	18,299	29,762
Rubber Goods (Total).....	1,019,320	613,108			
Beverages, Misc. Alcoholic (Total).....	12,039	10,582			
Foodstuffs (Total Kilos).....	49,853,691	33,239,527			
Foodstuffs, Fresh (Total).....	56,020	77,674			
Apples.....	9,902	6,699			
Oranges.....	5,809	5,742			
Onions.....	—	32,460			
Potatoes.....	907	—			
Foodstuffs, Dry Packaged (Total).....	9,548	14,759			
Foodstuffs, Canned (Total).....	424,860	558,852			
Sardines.....	38,492	42,241			
Milk, Evaporated.....	224,567	192,023			
Milk, Condensed.....	25,633	12,900			
Foodstuffs, Bulk (Total).....	674,848	620,612			
Rice.....	189,198	50,010			
Wheat Flour.....	633,160	520,158			
Foodstuffs, Preserved (Total).....	87	741			
Bottling, Misc. (Total).....	376,055	440,230			
Cleansing & Laundry (Total).....	61,907	137,357			
Entertainment Equipment (Total).....	5,880	4,631			
Livestock-bulbs-seeds (Total).....	569,788	630,992			
Medical (Total).....	487,593	706,547			
Musical (Total).....	60,072	44,725			
Office Equipment (Total).....	58,045	43,291			
Office Supplies (Total).....	23,759	11,783			
Paper (Total).....	7,601,517	789,376			
Photographic (Total).....	22,664	49,890			
Raw Materials (Total).....	1,145,676	1,684,074			
Sporting Goods (Total).....	14,712	6,254			
Stationery (Total).....	154,175	220,138			
Tobacco (Total).....	1,193,333	374,519			
Chucheria (Total).....	77,144	81,206			
Clothing Apparel (Total).....	478,935	449,014			
Cosmetics (Total).....	31,334	32,920			

Food Products

By C. G. HERDMAN

Vice-President, Marsman & Company, Inc.

IMPORTS of all lines of food products have been above normal during November and promise to be much larger still during December. Flour arrivals were in excess of 900,000 bags and are estimated at not less than 1,500,000 for December.

There are ample stocks of all foodstuffs in the local market with the sole exception of potatoes, onions, and garlic. The small quantity of potatoes available is of very poor quality. Onions are practically non-existent and what little garlic can be found is generally priced at from ₱6 to ₱8 a kilo. Prices on the whole on foodstuffs in the local markets are very reasonable. This is particularly true of flour, canned fish, canned meats, and canned milk. But on many of the so-called "luxury" items, those listed as "non-essential" in the classification of commodities by the Central Bank, prices are considerably above normal and becoming higher almost daily due to the heavy demand for the holiday season.

Rumors of depreciation of the Philippine Peso have been widespread and very persistent recently, and a tendency to firm up prices even on staples in ample supply is evident as those with stocks of such merchandise are reluctant to make forward commitments on the basis of today's market prices.

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FABRICA, OCCIDENTAL NEGROS

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Insular Saw Mill, Inc.
340 Canonigo, Paco, Manila

MANILA OFFICE: 603 FILIPINAS BUILDING

Textiles

By W. V. SAUSSOTTE
Second Vice-President

International Commercial Corporation

ARRIVALS during November were approximately 22,500 packages, representing an increase of about 22% over October's arrivals. However, November's arrivals were still about 30% below normal. The low level of this year's November arrivals is evident when compared with November arrivals in previous years. The reduced arrivals are largely attributed to the July/August 50%-cut in textile quotas.

During November the price structure in the Manila market strengthened moderately in response to the normal Christmas Season demand. The trade, however, does not expect that any of these gains will be reversed after the current Christmas Season. Due to strong demand for goods, particularly in the domestic market in the United States, and to increased wages for labor achieved during August and September, prices in the textile markets in the United States and Japan have noticeably increased during recent months. Replacement costs for replenishing local stocks therefore, will certainly not be any lower than at present but will probably remain at current levels or may possibly even increase.

This replacement-cost factor combined with the presently reduced quotas, the low level of current and future arrivals, and the probability that quota allocations for the first part of 1956 will not be increased, make for prospects that prices will remain at least at current levels and may even go higher.

In August of this year, one of the leading textile trade associations ran an advertisement in the Manila newspapers describing the prevailing textile situation in its relation to

import quotas. Among the suggestions made to remedy the so-called "textile mess" was a plea for "a more realistic alignment in the rank of textile commodity classifications" and the further appeal that this "be made without delay".

While the trade is unaware of any remedial measures taken by those charged with responsibility for such matters, and while the trade has not been approached for its views on the matter, it is heartening to note that about a fortnight ago President Magsaysay issued a directive whereby the commodity classifications are to be made "more responsive to the needs of the times" and more realistically aligned with the customs, traditions, and habits of the Philippine consumer.

Due to previous disappointments, certain segments of the local textile trade are skeptical that suitable measures actually will be taken to remedy the existing defects which have prevailed for the last five years. However, many in the local textile trade and industry are hopeful that those responsible for the execution of the Presidential directive will at long last give the trade an opportunity to present its views on both the technical and practical considerations which are involved.

Legislation, Executive Orders, and Court Decisions

By ROBERT L. JANDA
Ross, Solph, Carrasco & Janda

THE following recent decisions of the Supreme Court are of interest to the business community:

In the case of Sun-Ripe Coconut Products, Inc. v. The National Labor Union, (G. R. No. L-7964), the

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CAGAYAN DE ORO

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403 A.I.U. Building, Juan Luna

Mailing Address
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Growers of **PINEAPPLE & COFFEE** • Packers of **DEL MONTE BRAND PINEAPPLE** • Manufacturer of **TIN CANS**
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Philippine Agents for:

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SUPPORT PHILIPPINE AGRICULTURAL
AND INDUSTRIAL DEVELOPMENT

Supreme Court held the retroactive award by the Court of Industrial Relations of back vacation leave to be improper, on the ground that the purpose of vacation leave is not primarily to compensate the laborer but to give him a period of rest to make him more efficient in his tasks, which is of interest to both the employee and the employer. The Court said:

"... But the purpose of vacation leave is to afford to a laborer a chance to get a much-needed rest to replenish his worn-out energies and acquire a new vitality to enable him to efficiently perform his duties, and not merely to give him additional salary or bounty. This privilege must be demanded in its opportune time and if he allows the years to go by in silence, he waives it. It becomes a mere concession or act of grace of the employer. As it was once held 'The stipulation in the contract for the allowance of a vacation to employees is merely a recognition by management and labor that a short interval of complete rest and relaxation from daily routine with the benefit of full pay is essential to the mental and physical wellbeing of the workman... The parties to the agreement in contracting for the allowance of vacation, did not intend that the stipulation should be considered as providing a cash bonus in lieu of vacation pay...' (Bondio v. Joseph Binder, Inc., 24 So. 2d 398; 30 A.L.R. 2d 352.) The only case where vacation pay may take the form of a bonus is when there is an agreement whereby that option is given to the laborer (30 A.L.R. 2d p. 372). At any rate, the rule is that vacation leave should be demanded opportunely considering its purpose and if this is not done, it is deemed waived (Schurr v. Savigny, et al., 48 N. W. 549; Giorno v. Banco De Napoli Trust Co., 43 N.Y.S. 2d 921)."

In the case of *The People of the Philippines v. Avelino Pantig*, (G. R. No. L-8325), the Court reversed a civil award in a criminal case. Criminal charges had been brought against the accused for obtaining money through false and fraudulent representations. The trial court held that in fact no crime was committed but that there was a civil liability, and handed down a judgment confirming the same. The Supreme Court held that an award of the civil liability was not proper in the criminal case.

In the case of *Bernabe B. Aquino v. Macondray & Co., Inc., et al.*, (G. R. No. L-5976), the Court had before it the purchase by defendant at an execution sale of several parcels of real estate which had been mortgaged to the defendant company. Among the grounds urged by plaintiff to set aside the sale was the contention that defendant could not acquire and hold the real estate under the Corporation Law. The Court stated that only the Government could raise this question and that it was not properly raised by plaintiff in private litigation.

In the case of *Veronica Sanchez v. The Collector of Internal Revenue*, (G. R. No. L-7521), the Court again considered the liability of an individual for real estate dealer's tax. The Court distinguished its prior decision of *Argellies v. Meer* and found that in the present case, the plaintiff had constructed the accessoria for the purpose of renting it for a profit and that she derived her principal income from this. The Court held that under these circumstances, she was liable for the tax, stating:

"The case of *Argellies v. Meer*, G. R. No. L-3730, promulgated on April 25, 1952, cited by appellant in support of her appeal, is not in point. In that case, *Argellies* had always resided outside the Philippines, and his properties in Manila were administered and managed by a local real estate company. We held that *Argellies* could not be considered as engaged in business of letting real estate, because he did not appear to have reinvested the rents received by him from this country, nor to have taken part in the management of his local holdings. In the case at bar, however, it was appellant who had the apartment in question constructed, purposely for lease or profit, and she manages the property herself. While she runs a small store in Pasay market, it is unlikely, and the evidence does not show, that she devotes all her personal time and labor to such store, considering its size, and the fact that she derives little income therefrom. On the other hand, the work of attending to her leased property and her tenants would not take much of her time and attention, especially since she lives in the premises herself. And the leasing of her apartment appears to be her principal means of livelihood, for the income she derives therefrom amounts to more than five times that which she makes from her store.

"Considering, therefore, that appellant constructed her four-door 'accessoria' purposely for rent or profit; that she has been continuously leasing the same to third persons since its construction in 1947; that she manages her property herself; and that said leased holding appears to be her main source of livelihood, we conclude that appellant is en-

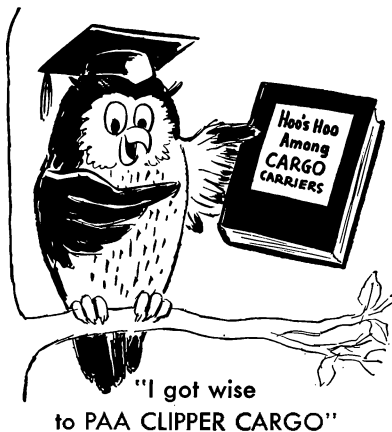
PACIFIC MERCHANDISING CORPORATION

449 Dasmariñas

Manila

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SANITARY CORPORATION
AMERICAN VALVE COMPANY
AMES BALDWIN WYOMING COMPANY
BADGER METER MANUFACTURING CO.
BADGER FIRE EXTINGUISHER CO.
BALL BROS. MASON JARS
BOMMER SPRING HINGE COMPANY
CAPEWELL MANUFACTURING CO.
CARBORUNDUM COMPANY
COLUMBUS COATED FABRICS CORP.
COLUMBIAN VISE & MFG. CO.
CORBIN LOCK COMPANY
DICK BROTHERS MANUFACTURING CO.
EKCO PRODUCTS CO.
GREAT NECK SAW CO.
JACOBS MANUFACTURING CO.
KEENEY MANUFACTURING COMPANY
MALEABLE IRON FITTINGS CO.
NORTH WAYNE TOOL COMPANY
PABCO PRODUCTS, INC.
"Pabco" Products
R. E. DIETZ COMPANY
RADIUS AKTIEBOLAGET
SLOAN VALVE COMPANY
SOLARINE COMPANY
TEMPLETON KENLY JACK CO.
UNION CARBIDE & CARBON CORP.
National Carbon Division
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gaged in the leasing of real estate, and is a real estate dealer as defined by Sec. 194(a) of the Internal Revenue Code, as amended by Rep. Act No. 42."

In the case of Hilario S. Nagrampa v. Mulvaney, McMillan & Co., Inc., (G. R. No. L-8326), the Court considered the subsidiary liability of the employer of the driver of the truck who had been found guilty of damage to property through reckless imprudence. The driver had been found to be insolvent and had been imprisoned for insolvency. In an action against the employer, the employer contended that the amount of damages found in the criminal case to be incorrect and denied that the damages claimed to have been suffered were in fact suffered. The Supreme Court, after considering the matter carefully, held that the determination of the damages in the criminal case was conclusive as to the civil liability of the employer and the issue could not again be tried in an action to enforce this subsidiary liability. The Court stated:

"Considering that, as thus held, the employer becomes *ipso facto* subsidiarily liable upon conviction of his employee and upon proof of the latter's insolvency; that the only proof of the employee's insolvency in the Martinez case was a certificate, of the Director of Prisons, regarding service of subsidiary imprisonment by the accused involved therein; that a similar certificate, issued by the Provincial Sheriff of Rizal, (Appendix C and Exhibit C) appears in the record hereof; that, as above stated, defendant herein has impliedly admitted the insolvency of its driver Blarama; that there is no allegation or even insinuation, that the decision Exhibit B, rendered against Blarama, is tainted with fraud, collusion or clear mistake of law or fact, or lack of jurisdiction; and that, although defendant maintains that the damages sustained by the plaintiff amount to P300, only, this pretense is untenable in view of the conclusive nature of the decision against Blarama (Exhibit B), fixing the amount of said damages at P1,037.30, it follows necessarily that the second and third assignments of error can not be sustained."

In the case of the Testate Estate of the late Isabel de Rohde, et al. v. Intestate Estate of the late Manuel Urquico, et al., (G. R. No. L-6833, prom. October 10, 1955), the Court held that a pre-war debt owed to an American citizen resident of the Philippines was discharged by a voluntary payment made in September, 1944, to the Japanese Enemy Property Custodian. The debtor had endeavored to pay the obligation but payment was refused by the creditor. Due to his American nationality which prevented actions being brought against him without the permission of the Japanese authorities, it was impossible to make a consignment in court. When such permission was sought by the debtor, he was instructed to make payment if he wished to the Enemy Property Custodian. The trial court which had held the payment did not discharge the debtor, endeavored to distinguish the Haw Pia case on the ground that there had been no sequestration of the debt and no compulsion of payment. The Supreme Court, however, held this to be immaterial and that the debt had been discharged by payment in military currency to the Japanese authorities of the face amount of the obligation, which at the time the payment was made had only a small fractional value of the debt discharged.

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AUTOMOTIVE PARTS • ACCESSORIES

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BATTERIES • TIRES • TUBES

230 13th St., Port Arca

Tel. 3-36-21

Taxes

BY WASHINGTON SYCIP
Sycip, Gorres, Velayo & Company

SUMMARIZED below are some of the rulings issued by the Bureau of Internal Revenue in October, 1955:

1. Percentage Tax

(a) Section 189 of the National Internal Revenue Code provides that the 2% miller's tax payable by proprietors or operators of sugar mills should be based on the actual selling price or market value of all the sugar milled, including the by-products, at the time the commodities leave the factory or mill warehouse. From this provision, it can be inferred that if the sugar central does not maintain a warehouse, the removal from the factory shall be the basis of computing the market value for purposes of this tax. However, if the central maintains a warehouse and the sugar, upon leaving the factory, is immediately stored in the said warehouse, the removal from the warehouse, and not from the factory shall be the determining factor in the computation of the market value. In the instant case, as your client maintains a warehouse for the storage of the sugar milled by it, the removal therefrom, and not from its factory, is the basis of determining the market value for 2% tax purposes. The fact that the warehouse is situated at Iloilo City is immaterial, as the law does not fix the place where the warehouse may be located. In other words, the warehouse may be located inside or outside the factory premises. (BIR Ruling, October 6, 1955)

(b) Under Section 191 of the National Internal Revenue Code, publishers engaged in the publication of any newspaper, magazine, review or bulletin which appears at regular intervals, with fixed prices for subscription and sale, and which is not devoted principally to the publication of advertisements are not subject to the percentage tax imposed therein. (BIR Ruling, October 17, 1955)

(c) If at least 80% of the cement and building materials you intend to produce are minerals extracted by yourselves from your mineral claims, your sale in this country of such mineral products shall be exempt from the sales tax. However, your sale thereof shall be subject to the graduated fixed annual tax prescribed in Section 182 of the Tax Code. It is understood that as lessee, concessionaire, or owner of a mining claim, as the case may be, you shall be liable for the corresponding rentals, royalties, and *ad valorem* taxes prescribed under Sections 242 and 243 of the same Code. (BIR Ruling, October 18, 1955)

(d) The 2% tax prescribed by Section 192 of the National Internal Revenue Code on common carriers is based on the actual receipts derived by the taxpayer. Accordingly, if payment of freight is made in dollars and you collect ₱2.00375 for every dollar as exchanged in banks, such conversion rate should be used in computing the 2% tax mentioned above. (BIR Ruling, October 19, 1955)

2. Documentary Stamp Tax

(a) The tax exemption provisions of the Military Bases Agreement, contained in Article XVIII thereof, refers only to merchandise and services sold or dispensed by United States Government agencies and concessions, such as sales commissaries and post exchanges, messes, and social clubs, for the exclusive use of the United States military forces and authorized civilian personnel and their families. This tax-exemption provision of the Bases Agreement clearly cannot find application in respect to the documentary stamp tax due on insurance policies sold to United States Government agencies and concessions.

The documentary stamp tax on insurance policies is imposed on and payable by the issuer thereof, the insurer. Accordingly, following the principle evolved by the authorities above-mentioned, a claim for immunity from the tax by the United States Government agencies and concessions, as the insurer, cannot hold ground since the law does not in terms impose the tax on them. (BIR Ruling, October 6, 1955)

(b) If the original of a foreign draft under commercial letter of credit on drawees in the Philippines is not retained by the bank after the same has been paid, redeemed, or negotiated, the required documentary stamps corresponding to the proper value of the instrument sought to be taxed may be affixed and cancelled in the bank's office record (manifest register) for internal revenue purposes. (BIR Ruling, October 8, 1955)

3. Specific Tax

(a) Denatured alcohol, sold to the Directorate of Procurement, Manila Branch, U.S. Military Port of Manila, is exempt from the internal revenue taxes, including specific tax. (BIR Ruling, October 17, 1955)

4. Residence Tax

(a) The estate of a deceased person is exempt from the residence tax. However, the value of the aliquot share of each heir in the real properties and income of the estate shall have to be considered in the determination of the respective liabilities to the annual additional residence tax prescribed by Section 1 of the Residence Tax Law. (BIR Ruling, October 12, 1955)

5. Inspection of Books

(a) Provincial and city treasurers and their deputies are not allowed to inspect the books of accounts of businessmen, pursuant to the pro-

Richness and flavor from a family of fine liquors



Signed,
Sealed
and
Delicious



A truly great
name Among
America's
Great Whiskies



Head of the
Bourbon
Family



Kentucky
Straight
Bourbon
Cheerful
as its name

Choose any one of these premier brands
and be assured of matchless enjoyment.

Exclusive Distributors:

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FAST - REGULAR - DEPENDABLE

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33602
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SOUTHWESTERN SUGAR & MOLASSES CO.

(FAR EAST), INC.

MOLASSES BUYER

145 Muelle de Binondo

Tel. 2-63-10

visions of Department Order No. 192, dated September 25, 1952, of the Department of Finance. Consequently, said officials do not possess any authority to demand and take such books to their offices. (BIR Ruling, October 8, 1955)

TAX CALENDAR—JANUARY, 1956

January 1, 1956

From January 1, 1956, to December 31, 1958, customs duty shall be collected on United States articles imported into the Philippines at the rate of 25% of the duty imposed on such articles coming from foreign countries other than the United States. After December 31, 1958, the percentage rates will be increased. (R. A. 1355)

January 10, 1956

1. Last day for payment of amusement taxes for December, 1955, (Sec. 260, National Internal Revenue Code).

2. Last day for submission of monthly report by radio dealers (Sec. 19, Revenue Regulations No. 9).

January 16, 1956 (January 15 being Sunday)

1. Last day for corporations having fiscal years ending August 31, 1955, to pay first installment of income tax (50%) (Sec. 51-c, National Internal Revenue Code).

2. Last day for corporations having fiscal years ending May 31, 1955, to pay second installment of income tax (50%) (Sec. 51-c, National Internal Revenue Code).

3. Last day for registration with City or Municipal Treasurer of alien individuals, association, partnership or corporation not wholly owned by citizens of the Philippines who are authorized to engage in retail trade under Republic Act No. 1180.

January 20, 1956

1. Last day for payment of all internal revenue quarterly percentage taxes (manufacturers sales tax, brokers percentage tax, gross receipts tax, common carriers, banks, mining companies, and water rentals) (Secs. 183, 184, 185, 186, 189, 191, 192, 195, and 304, National Internal Revenue Code).

2. Last day for payment of fixed taxes on businesses and privilege taxes on occupations. Fixed taxes on business under Sec. 182 are paid annually while those under Sec. 193 may be paid quarterly, semi-annually or yearly; privilege taxes on occupations under Sec. 201 may be paid semi-annually or annually (Secs. 182, 193 and 201, National Internal Revenue Code).

3. Last day for submission of registration by employers to the Workmen's Compensation Commission. (Workmen's Compensation Act as amended by Republic Act No. 889).

January 25, 1956

1. Last day for employers to submit quarterly returns (Return of income tax withheld on wages—Form W-1) and pay the taxes withheld for the 4th quarter, 1955.

In addition to this, Form W-3 (reconciliation statement) and the triplicate of the withholding-tax receipts (Form W-2a) together with a list showing names of employees, their total salaries before withholding, total taxes withheld, and number of withholding exemptions of each employee should also be submitted (Sec. 19, Revenue Regulations No. V-8-A).

2. Last day for payment of all quarterly municipal licenses, fees, or taxes in the City of Manila.

January 30, 1956 (January 29 being Sunday)

1. Last day for corporations and partnerships having fiscal years ending November 30, 1955, to file their income-tax returns (Sec. 46-b, National Internal Revenue Code).

2. Last day for taxpayers on the calendar year basis to submit their year-end inventories to the Bureau of Internal Revenue (Sec. 13, Revenue Regulations No. V-1).

3. Last day for individuals, partnerships, and corporations, exempt from taxes under Act 35 or 901, to file with the Department of Finance their profit and loss and manufacturing statements for the 4th quarter of 1955 (Sec. 2, Department Order No. 185, Revised).

January 31, 1956

1. Last day of use of 1955 residence certificates in connection with any transaction with the government.

Why not listen for a change?

Yes! And it's easy to do so with an ACOUSTICON Hearing Aid. Come and see our specially arranged fitting room. Our New York trained Acoustician will be there to serve you.

Or you can make an appointment with her at your own convenience at our

Merchandising Division

W. A. CHITTIK & CO., INC.

510 Romero Salas, Manila

Tel. 5-30-33

Advertising

By **GEORGE COHEN**

General Manager, The Robot Statistics
(Mercantile, Inc.)

PRINT ADVERTISING:

	October 1955	September 1955
Five Top Brands		
1. Fresco Soap.....	P24,257	P14,287
2. Cortal.....	20,087	26,163
3. Aguinaldo, L. R.....	19,603	18,062
4. Coca-Cola.....	16,568	16,504
5. Chelsea Cigarettes.....	16,021	14,208
6. Purico.....		

Five Top Classifications

1. Cigarettes.....	P119,782	P101,087
2. Toilet Soaps.....	61,016	53,348
3. Company Institutional Ads.....	51,456	*
4. Headache and Colds Drugs.....	51,278	56,622
5. Department Stores.....	41,547	31,098
6. Soft Drinks.....	*	35,174

Five Top Advertisers

1. Philippine Manufacturing Company.....	P70,804	P48,982
2. Sterling Products International.....	43,205	56,071
3. Colgate-Palmolive, Philippines.....	38,687	32,401
4. San Miguel Brewery.....	37,165	34,178
5. L. R. Aguinaldo.....	31,775	*
6. La Perla Cigarette Factory.....	*	27,103

Total Advertising Volume P1,712,843 P1,373,015

*Not included in top five.
NOTE: Rates based on rate-cards of the publications. Volume and combination-rate discounts not taken into account.

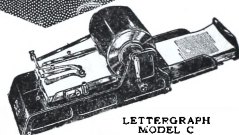
HIGHLIGHTS

Most outstanding gain in print advertising expenditures among the 5 top brands for the month under study was Fresco Soap. From 4th position in September, it has become the month's most advertised brand. Purico dropped out of the 5 top brands and was replaced by L. R. Aguinaldo. Shifts in ranks were recorded for Cortal, Coca-Cola, and Chelsea cigarettes. In the 5 top classifications, cigarettes, as usual, spent the most in print advertising. With almost a 20% increase in expenditure, cigarettes had close to double the print expenditures for toilet soap, which was second in the 5 top classification. Soft-drinks was edged out by Company Institutional ads; Headache and Colds Drugs and Department Stores remained in the top 5. Philippine Manufacturing Company now occupies the premier position among the 5 top advertisers, replacing Sterling Products. San Miguel Brewery and Colgate-Palmolive interchanged positions in 3rd and 4th ranks; La Perla Cigarette Factory dropped out of the list and was supplanted by L. R. Aguinaldo for the 5th top advertiser category. The most gain in print advertising expenditure was made by Philippine Manufacturing Company. A slight drop was shown for Sterling Products. The other 3 top advertisers were steady. The total advertising volume increased by approximately P340,000 from the September report.

Make this
YOUR HEADQUARTERS
FOR EVERY OFFICE
SUPPLY NEED

HEYER DUPLICATORS

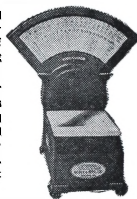
Higher Quality Since
1903. Offer every essential
feature... sturdily built
for years of service.



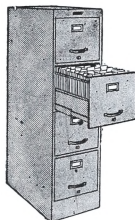
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MODEL C

Ohmer CLASS 300 Cash Registers

Electric or manual
operation. The result of
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experience making
precision registers.



TRINER Scales
High Grade All Steel
Scales for your mail
and for many other
weighing purposes.
Different weight
capacities.



COLE & YSMAEL STEEL FILES

Portable • Executive • Desk

Smooth-gliding, ball-
bearing rollers. Beau-
tiful in appearance.
Built for a lifetime.



ACME Office & Building Di- rectory and Bulletin Boards

Sturdily constructed frames. Grooved
changeable letter backboards, with or with-
out glass doors. They add dignity to any
lobby they grace.



PECO Safes

Modern-Streamlined

Made by the manufacturers of the
famous "Protectall" SAFES. Under-
writer's Approved Class C-1 Hour
Label, Relocking Device Label.

The Finest Office Equipment Is Available At—

PHILIPPINE EDUCATION CO.

SHIPPERS!

When booking cargo with

American Steamship Agencies, Inc.

please mention this ad.

Thanks

Cable Address: Tel. 3-34-20 212 Myers Bldg.
"AMERSHIP" 3-34-29 Port Area, Manila

Chamber Business

By STANLEY N. FISHER
Executive Vice-President

American Chamber of Commerce of the Philippines

AT its regular November meeting, the Board of Directors re-appointed last year's Nominating Committee*, and authorized—

"... a plan for securing a slate of nominees (for the 1956 Board), the subsequent election of 9 of whom would ensure that the guidance of the Chamber's affairs, and the protection of its members' interests, would be in the hands of a group of men not only fully representative of all major sectors of the business community, but also men whose election would accurately reflect the desires of the whole membership..."

In pursuance of this plan, the Nominating Committee mailed out to the Chamber's 220 Active Members, on November 15, 1955, nominating ballots with the request that each member complete his by writing in the names of 10 eligible men he would wish to have serve on the 1956 Board, returning same to the Committee on or before December 5, 1955. It was explained that the Committee, upon receipt of these ballots, would first obtain from them those 35 names most frequently mentioned and then rearrange them in order of their (the Committee's) combined preference; then, calling in strict descending order, secure a final slate of 20, each of whom had given his consent to run.

By the deadline date—December 5, 1955—only 95 ballots had been returned, and

63 individuals had received 1 to 4 mentions
57 individuals had received 5 to 9 mentions
23 individuals had received 10 or more mentions

143 individuals had received 1 or more mentions

*Messrs. J. F. Cotton, T. H. Diehl (vice L. C. Hayden), J. L. Manning (Chairman), R. J. Monical, J. T. Neylor, L. B. Nestle, and F. S. Townsend.

As these 95 ballots represented returns from only 43% of the Chamber's Active Membership, the deadline was extended to December 7, by which time a total of 115 ballots had been returned (from 52% of Active Membership) and

58 individuals had received 1 to 4 mentions
69 individuals had received 5 to 9 mentions
30 individuals had received 10 or more mentions
157 individuals had received 1 or more mentions

In the manner described above, the Nominating Committee has now secured, and presented to the Board, the following official slate of 20, from which 9 will be elected at the next Annual Meeting, Friday, January 27, 1956:

Baldwin, Newland	Macondray & Company, Inc.
Bardey, J. C.	Benguet Consolidated Mining Company
Boots, J. E.	General Electric (P.I.), Inc.
Cameron, D. M.	Everett Steamship Corporation
Carroll, Earl	Philippine-American Life Insurance Co.
Diehl, T. H.	Franklin Baker Co. of the Philippines
Dollarhide, K. L.	Reynolds Philippine Corporation
Dunn, W. J.	Philippine Advertising Associates, Inc.
Fittinghoff, N. A.	Koppel (Philippines) Inc.
Gibbs, A. J.	Allison J. Gibbs Law Office
Healey, S. P.	American President Lines, Ltd.
Hick, H. R.	Peter Paul Philippine Corp.
Hutchison, G. R.	First National City Bank of New York
Huie, B. S.	Luzon Stevedoring Company, Inc.
Janda, R. L.	Ross, Selph, Carrascos & Janda
Muni, D. S.	Lawyers Co-operative Publishing Co.
Nestle, L. B.	Erlanger & Galinger, Inc.
Pockmire, R. W.	Goodyear Tire & Rubber Co. of the Philippines Ltd.

(Continued on page 559)

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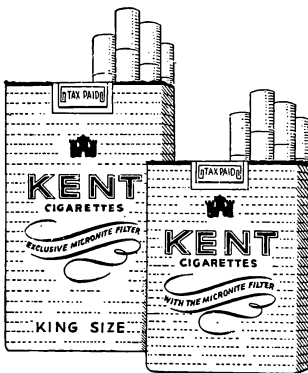
COST OF LIVING PRICE INDEX FOR WAGE EARNERS' FAMILIES IN MANILA, BY YEAR AND BY MONTH, 1935-1955
(1941 = 100)

Bureau of the Census and Statistics

Year and Month	All Items (100)	Food (63.43)	Household Rent (11.96)	Clothing (2.04)	Fuel, Light and Water (7.73)	Miscellaneous (14.84)	Purchasing Power of a Peso
1935.....	89.7	89.7	96.4	89.7	85.1	90.2	1.1148
1936.....	87.4	88.3	96.6	88.4	77.5	87.7	1.1442
1937.....	86.8	88.3	96.4	88.2	85.2	89.5	1.1261
1938.....	92.1	92.1	96.8	92.2	88.8	92.5	1.0858
1939.....	93.2	94.8	97.7	94.8	84.3	92.9	1.0730
1940.....	97.3	98.9	98.9	99.0	89.9	96.7	1.0277
1941.....	100.0	100.0	100.0	100.0	100.0	100.0	1.0000
1945.....	691.5	834.3	236.4	1448.4	379.1	650.9	0.1446
1946.....	521.7	649.4	236.4	649.7	348.2	383.3	0.1917
1947.....	387.2	415.4	453.9	256.8	310.0	271.2	0.2583
1948.....	364.2	386.1	453.9	208.4	288.9	259.1	0.2746
1949.....	343.7	357.9	453.9	198.4	272.9	251.1	0.2910
1950.....	332.9	333.7	453.9	270.7	252.0	282.8	0.3004
1951.....	352.6	361.5	453.9	365.3	248.0	285.7	0.2836
1952.....	339.4	347.4	453.9	295.9	244.1	268.4	0.2946
1953.....	318.2	314.3	453.9	280.1	243.7	269.5	0.3143
January.....	342.8	350.9	453.9	330.8	247.5	269.7	0.2917
February.....	341.2	349.8	453.9	311.2	243.4	268.5	0.2931
March.....	337.9	345.1	453.9	301.1	243.4	268.1	0.2959
April.....	335.9	342.7	453.9	302.7	243.4	264.6	0.2977
May.....	335.1	341.8	453.9	293.2	243.4	264.4	0.2984
June.....	338.1	346.3	453.9	290.2	243.4	265.5	0.2952
July.....	340.4	349.5	453.9	286.6	243.4	268.1	0.2938
August.....	340.7	349.4	453.9	289.1	243.4	269.9	0.2938
September.....	341.1	350.0	453.9	287.7	243.4	270.7	0.2935
October.....	337.6	344.6	453.9	289.3	243.4	269.4	0.2962
November.....	340.5	349.3	453.9	286.2	243.4	269.8	0.2937
December.....	340.9	348.9	453.9	284.4	247.5	272.3	0.2933
1954.....	312.9	307.3	453.9	274.1	236.2	268.7	0.3196
January.....	311.7	304.7	453.9	279.3	243.4	267.0	0.3208
February.....	323.0	321.1	453.9	281.5	243.4	273.0	0.3096
March.....	318.6	314.3	453.9	281.5	243.4	272.4	0.3139
April.....	317.6	312.8	453.9	281.1	243.4	272.2	0.3149
May.....	314.3	307.8	453.9	280.9	243.4	271.1	0.3182
June.....	313.1	306.0	453.9	277.8	243.4	271.1	0.3194
July.....	316.0	311.0	453.9	277.8	243.4	269.5	0.3165
August.....	316.1	311.9	453.9	277.8	243.4	266.4	0.3164
September.....	315.8	311.6	453.9	277.8	243.4	265.6	0.3167
October.....	315.3	310.6	453.9	279.0	243.4	266.4	0.3172
November.....	315.2	310.1	453.9	280.9	243.4	267.0	0.3173
December.....	315.5	310.7	453.9	280.9	243.4	267.0	0.3170
1955.....	312.9	307.3	453.9	274.1	236.2	268.7	0.3196
January.....	311.7	304.7	453.9	279.3	243.4	267.0	0.3208
February.....	305.3	294.9	453.9	278.3	232.1	267.0	0.3321
March.....	301.1	289.5	453.9	274.9	232.1	267.0	0.3321
April.....	302.9	292.5	453.9	272.2	232.1	266.8	0.3301
May.....	309.7	302.8	453.9	272.2	235.7	266.5	0.3229
June.....	312.6	306.9	453.9	271.8	238.4	267.3	0.3199
July.....	318.6	316.2	453.9	278.5	236.7	267.9	0.3139
August.....	321.6	320.7	453.9	274.7	236.7	269.3	0.3109
September.....	321.3	320.0	453.9	271.7	236.7	271.0	0.3112
October.....	317.8	314.4	453.9	271.8	236.7	271.2	0.3147
November.....	318.2	314.9	453.9	271.8	236.7	271.5	0.3143
December.....	318.5	315.4	453.9	272.2	236.7	271.5	0.3140
1955.....	311.4	304.2	453.9	275.0	236.7	271.5	0.3211
February.....	305.3	294.9	453.9	267.6	236.7	271.2	0.3275
March.....	303.9	292.9	453.9	267.6	236.7	270.1	0.3291
April.....	303.9	293.6	453.9	267.6	236.7	266.8	0.3291
May.....	307.0	299.2	453.9	266.8	236.7	264.4	0.3257
June.....	309.1	302.4	453.9	266.0	236.7	264.4	0.3235
July.....	312.0	307.3	453.9	267.9	236.7	263.0	0.3205
August.....	313.8	310.1	453.9	270.8	236.7	262.7	0.3187
September.....	313.7	310.0	453.9	271.1	236.7	262.6	0.3188
October.....	313.8	310.3	453.9	269.5	236.7	261.0	0.3187
November.....	313.8	310.5	453.9	269.5	236.7	261.0	0.3187
December.....	315.3	313.0	453.9	269.5	236.7	261.0	0.3172

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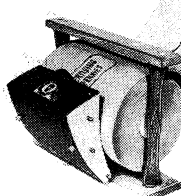


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Philippine Safety Council

BY FRANK S. TENNY

Founder and Executive Director

THE most important safety event for December is the annual "Safe December" campaign sponsored by the Council and aimed at reducing accidents occurring during the holiday season. Each year the period December 20-January 2 encompasses more accidents of various kinds than any other fortnight. Following are listed a few of the pertinent factors, in which businessmen may be interested:

1. There is a decided tendency by employees of all classes to become extremely negligent during the holidays. Safety rules are violated, minds are not on their work, false absenteeism is rampant.
2. This tendency is abetted by the absence, sometimes for more than a week, of many of the company executives. Employees of course know this. Discipline suffers accordingly.
3. Criminals are active during the holiday season and take advantage of reduced alertness of management, security personnel, and other persons concerned.
4. Fires are at a high peak, due to overloaded electrical circuits, improperly watched candles, and general inattention to danger or other serious matters.
5. Driving habits become the worst of the year. Private drivers are careless, many drink to excess, professional chauffeurs are on leave, students abound on the streets, commercial drivers feel a freedom to violate laws, and pedestrians seem more negligent than ever. The result is death, injury, damage and various difficulties.

THE National Traffic Commission, with Public Works Secretary Moreno sitting as Chairman, met for the first time in a year on December 5. The Council representative made several emphatic suggestions relative to administration of the body and traffic-safety in general. Results are not yet released by our December *Journal* deadline.

American Chamber members will each receive a complimentary copy of the Council's "Safety Week Report", in booklet form later this month. Included are many items and pictures of activities carried on in commercial and industrial firms, mainly Chamber members. Comment on this report is invited.

Eleven "Awards of Merit" for the year 1954 were presented to deserving entities during the recent Safety Week. Briefly, the winners were: Group One—Caltex, Stanvac, Shell, and Tidewater, comprising the oil industry; *Philippines Free Press*, *Evening News*, Radio Stations DZRI (Dagupan), DYRC and DYBU (Cebu), and H. P. Vibal's *Insurance & Finance Journal*, for the press and radio; the Bureau of Mines and the Itogon (Marsman) Mining Co., for the mining industry. This completed the awards for the year.

The Fire-Prevention Board has met twice on the subject of reorganizing and strengthening itself. The name may be changed and more powers may be involved. Recommendations must be approved by the President, probably in January. Plans are also underway for the annual observance of Fire-Prevention Week the first week of March.

Manila Trading & Supply Co., Philippine Tobacco Flue Curing & Redrying Corp., Luzon Stevedoring Co., Philippine Match Co., Luzon Brokerage Co., Delgado Brothers, Inc., PANTRANCO, San Miguel Brewery, MERALCO, Atlantic Gulf & Pacific Co., Philippine Iron Mines, and several other firms are conducting company safety programs this month under Council coordination.

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Chamber Business . . .*(Continued from page 556)*

Wood, Paul. . . . International Harvester
Co. of Phils.
Wren, Paul C. . . . Winthrop-Stearns Inc.

On Monday, December 5, 1955, at a luncheon held at the Elks Club, Mr. Louis J. Kroeger, of Louis J. Kroeger & Associates, the San Francisco management consulting firm which, since last year, has been conducting a wage and position classification survey of the Philippine National Government, addressed a group of some 100 members and friends of the American Chamber of Commerce on implications to Philippine business management to be drawn from the survey.

Although the Chamber has not, in the past, followed the practice of some other trade organizations of holding regular monthly meetings and securing guest speakers to address them, the attendance at the December 5th luncheon was of such a size, and the reactions of members so favorable, that it has been decided to continue this program. Meetings will not be held on any regular schedule, but only when a speaker becomes available whom, it is felt, Chamber members would really go out of their way to hear.

In passing, it might be noted of the attendance at this luncheon that, with the exception of last July's 35th Anniversary Banquet and the previous August's cocktail party inaugurating the Chamber's new quarters in the Elks Club Building, it represented the largest group of Chamber members all gathered together at one time since the mind of man runneth not to the contrary.

On Monday, Tuesday and Wednesday, December 5, 6, and 7, the Chamber, as in past years, made arrangements for mobile registration teams from the Bureau of Immigration, the City Treasurer's Office, and the National Intelligence Coordinating Agency to be present at the Chamber offices for the annual registration of the American community in Manila.

Although registration this year (just under 1,000) was somewhat lighter than 1954's record 1,200, it was noted that an awkwardly large number of registrants waited until the last day. In order to make next year's registration more efficient and pleasant, it is now being considered to conduct it on an alphabetical basis—A to I on Monday; J to P on Tuesday; Q to Z on Wednesday; and, possibly, A to Z on Thursday.

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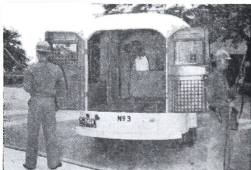
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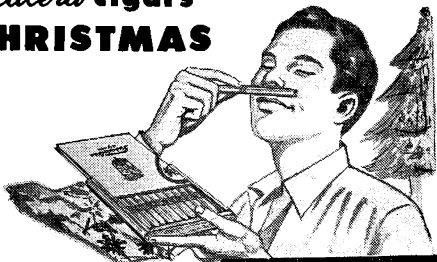
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The "LET YOUR HAIR DOWN" Column

IT was suggested at a recent meeting of the Board of the Chamber that an interesting added feature for the *Journal* would be a "guest column" to which the various editors of the business sections of the Manila dailies would be invited to contribute in monthly rotation. The editor was glad to accept this sug-

gestion and has invited the various business editors to so contribute, each on a subject of his own choice, a modest honorarium being mentioned not so much as a special inducement but because it would hardly have been fair to ask for free contributions of this kind. While so far only the editors of the business-

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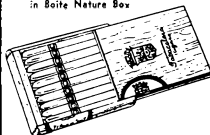
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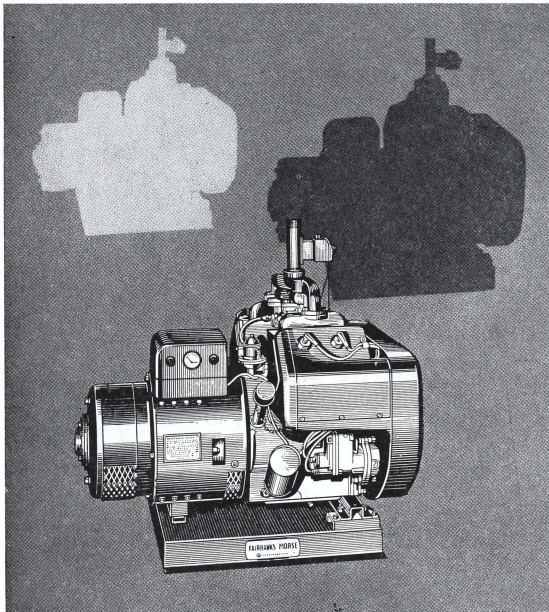
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sections of the Manila dailies in English have been invited, the invitation may later be extended to a wider group of writers on business subjects.

As for convenience the names of the business editors were listed in alphabetical order in the letter of invitation sent out by our editor, the first contribution is by Mr. Salvador P. Bigay, business-section editor of the *Manila Chronicle*.

ATTO RNEY Guillermo Fernandez, who is connected with the Westinghouse Electric Co., Ltd., was kind enough to call the editor's attention to errors in two dates given in his last month's instalment of his history of the Quirino Administration. He stated that the date of the Supreme Court decision in the Rutter Esteban case was May 19, and not April 17, 1953, and that with respect



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to the date of effectivity of the new Civil Code, the Court of Appeals has held in a number of cases that this was August 30, and not July 1, 1950. The editor was pleased to have these errors corrected and will be grateful for correction of any other errors he had made or may make in future instalments of the series.

THERE is reason why we do not say, "Happy Christmas and merry New Year". Christmas does have its religious, devotional aspect, but it has come to be a day of merriment and mirth, associated with the rosy-cheeked old Santa Claus, gaily decorated Christmas trees, gift-giving, laughing and excited children, affectionate parents, relatives, and friends. We wish for our friends that merry kind of day.

New Year has its gay side, too; drinking and dancing, fire-works, much noise, but it is also a day for serious retrospection and for equally serious but generally hopeful speculation as to the year that lies ahead. We wish for our friends that the coming year will be a happy one for them.

And so we have in the phrase, "A merry Christmas and a happy New Year", an example of how our common expressions often are, unconsciously, so accurately worded, so right.

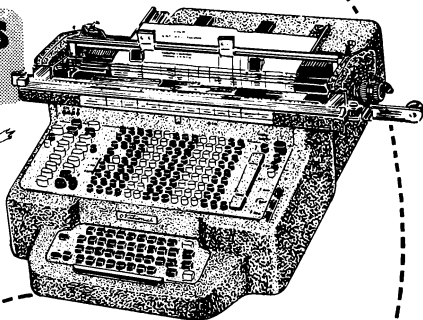
It is hopeless to look for better wording, and so we wish all *Journal* readers a merry Christmas and a happy New Year.

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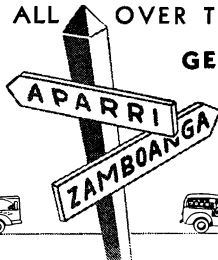
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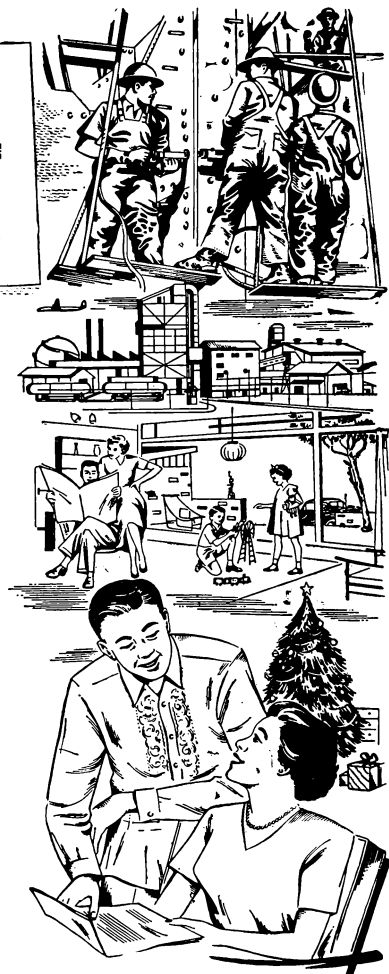
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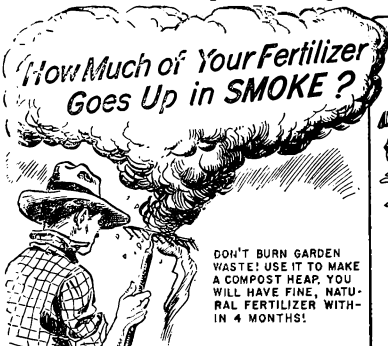
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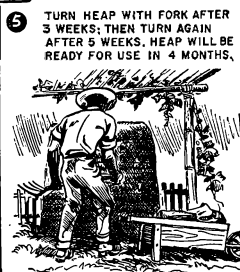


3 SECOND: SPREAD A LAYER OF GARDEN WASTE, ABOUT 15 CENTIMETERS THICK, ON BARE GROUND; COVER WITH A 5 CENTIMETER LAYER OF MANURE, SPRINKLE OVER A THIN LAYER OF EARTH AND WOOD ASH OR LIME. BUILD FENCE AROUND HEAP.



4 PILE ALTERNATE LAYERS OF GARDEN WASTE, MANURE AND EARTH UNTIL HEAP IS ABOUT 1-1/2 METERS HIGH. TAPER SIDES OF HEAP SLIGHTLY, AND INDENT TOP TO HOLD OCCASIONAL RAIN. PRICK HOLES THROUGH HEAP TO PROMOTE VENTILATION. SHELTER HEAP IN RAINY SEASON. IN DRY SEASON KEEP HEAP MOIST.

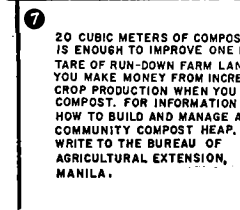
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5 TURN HEAP WITH FORK AFTER 3 WEEKS; THEN TURN AGAIN AFTER 5 WEEKS. HEAP WILL BE READY FOR USE IN 4 MONTHS.



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7 20 CUBIC METERS OF COMPOST IS ENOUGH TO IMPROVE ONE HECTARE OF RUN-DOWN FARM LAND. YOU MAKE MONEY FROM INCREASED CROP PRODUCTION WHEN YOU USE COMPOST. FOR INFORMATION ON HOW TO BUILD AND MANAGE A COMMUNITY COMPOST HEAP, WRITE TO THE BUREAU OF AGRICULTURAL EXTENSION, MANILA.

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This information on compost-making has been approved by Cayetano Pineda, director of the Bureau of Agricultural Extension, and endorsed by Secretary Salvador Araneta, Department of Agriculture and Natural Resources.