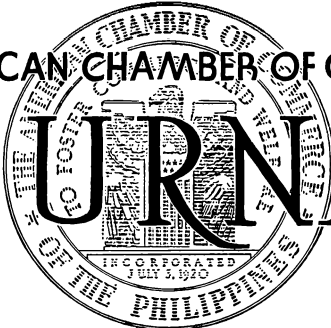


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Published monthly by the American Chamber of Commerce of the Philippines
424 San Luis Street, Manila, Philippines — Telephone No. 3-23-24

A. V. H. Hartendorp
Editor and Manager

Entered as second class matter at the Manila Post Office on May 25, 1921, and on December 10, 1945
Subscription rate: ₱5.00 the year; \$5.00 in the United States and foreign countries

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Vol. XXVIII

October, 1952

No. 10

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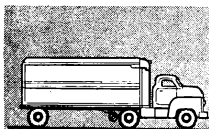
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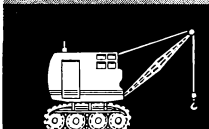
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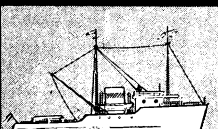
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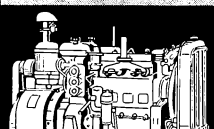
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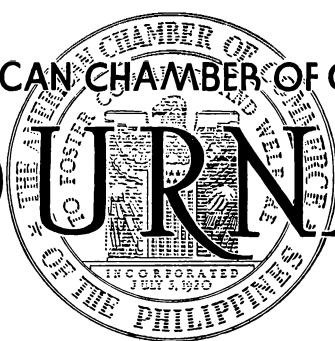
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Editorials

"... to promote the general welfare"

As members of the American Chamber of Commerce of the Philippines already know from the bulletins sent to them, but probably not many readers of this *Journal* who are not members of the Chamber, a communication was received by the Chamber from the American Embassy some time ago quoting the legal adviser of the Secretary of State to the effect that with respect to claims against the Japanese Government for funds on deposit in Philippine banks which were transferred to the Bank of Taiwan during the Japanese occupation,—

"except as otherwise provided in the Treaty of Peace with Japan, the Allied Powers under Article 14 (b) waive all reparation claims of themselves and their nationals arising out of any actions taken by Japan and its nationals in the course of the prosecution of the war. Inasmuch as the bank deposits of American nationals in the Philippines were transferred to the Bank of Taiwan pursuant to orders of authorities of Japan during its occupation of the Philippines, and while engaged in the prosecution of the war, the Department is of the opinion that claims of this character are waived under Article 14 (b)."

Article 14 (b) of the Treaty is short and reads:

"Except as otherwise provided in the Present Treaty, the Allied Powers waive all reparations claims of the Allied Powers, other claims of the Allied Powers and their nationals arising out of any actions taken by Japan and its nationals in the course of the prosecution of the war, and claims of the Allied Powers for direct military costs of occupation."

This whole subject was previously treated at length in an article published in the *Journal* for October, 1949, by Finley J. Gibbs, of the law firm then known as Gibbs, Gibbs, Chuidian & Quasha. Mr. Finley J. Gibbs is now practicing law in San Francisco, but the Chamber lately had a letter from his brother, Allison J. Gibbs, of the Manila law firm now known as Gibbs & Chuidian, in which he stated that while there is no question in his mind that, under the Treaty of Peace with Japan, the American citizens affected have no recourse against the Japanese Government, this does not necessarily mean that their claims may not eventually be met.

He wrote that on behalf of himself and his clients he had filed claims with (1) the Philippine Alien Property Administration, now the Office of Alien Property, U. S. Department of Justice, (2) the Central Bank of the Philip-

ppines, and (3) the U. S. War Claims Commission, explaining, however, that the first two steps were taken with little hope of success and mainly to obviate a possible future objection that all possible administrative remedies had not been sought when appeal is made to the United States Congress for remedy.

With respect to the appeal (3) to the U. S. War Claims Commission, Mr. Gibbs stated that he was informed that A. S. Hyman, General Counsel of the Commission, had recommended the inclusion of a statement in the Commission's recommendations to the United States Congress to the following effect:

"The Commission feels strongly that the American citizens who sustained losses by reason of the sequestration of these accounts in the Philippines should not be required to bear the burden of American policy and should be compensated for the losses they sustained. Many of the bank accounts belonged to American soldiers serving in the Philippines and to Spanish-American war veterans."

Mr. Gibbs urged that claimants communicate with their respective United States Congressmen to ask that they support this anticipated recommendation of the U. S. War Claims Commission. He believes there is hope of prevailing on Congress to correct the situation and "spread the loss to all Americans via taxation". This would be only just,—and, in fact, the first justice which the Americans here will have met with in this matter.

It is true that both in the case of the transfer of these bank deposits of American nationals and the wiping out of other credits they held by payments made, without their consent, in worthless Japanese war-note currency, the lower courts of the Philippines ruled uniformly in favor of the depositors and creditors, but the Philippine Supreme Court reversed these decisions, holding that the transfer of the bank deposits to the Bank of Taiwan and the collection of private credits referred to were *valid*. An authority on international law, Prof. C. C. Hyde, whom the Court quoted in support of its decision in one case, stated afterward in an article criticizing the decision, that the Court had misinterpreted his work as well as the commentaries of other authorities.

The Philippine Rehabilitation Act, passed by the United States Congress in 1946, provided for the partial compensation for war damage to tangible property only,

and failed to include the loss from Japanese seizure of bank deposits and credits. This was probably because the Philippine Supreme Court had not yet ruled that this victimization of Americans during the occupation was valid.

The War Claims Act passed by the United States Congress in 1948, while it provided chiefly for certain "detention benefits" to interned persons and prisoners-of-war, wage claims of employees of federal contractors, and certain injury, disability, and death compensations, also provided that the War Claims Commission, created by the Act, should study other types of claims arising from the war and should report thereon to the President of the United States for submission to Congress.

That is where the anticipated recommendation referred to by Mr. Gibbs comes in.

Mr. Finley J. Gibbs, in his article in the *Journal* for October, 1949, estimated that the deposits of some 2,000 American citizens and companies, totalling some ₱3,000,000, were transferred to the Bank of Taiwan by three banks which were in operation during the Japanese occupation,—the Philippine Trust Company, the Monte de Piedad, and the Bank of the Philippine Islands. All three of these banks have refused to pay their American and other Allied depositors. The Philippine National Bank, on the other hand, which also functioned during the occupation, made good the deposits of all its pre-war American, British, and other Allied depositors. Mr. Gibbs estimated the lost credits at some ₱2,000,000, but this did not include the credits voluntarily paid before the unexpected "Haw Pia" decision, some of which payments were later contested, and if these are included the total of American credits involved amounted to some ₱12,000,000, or a total of ₱15,000,000 in deposits and credits.

For the 2,000 American citizens and companies involved, this makes an average loss of ₱7,500. The American Chamber of Commerce itself, by the way, has some ₱25,000 at stake, Chamber funds which had been deposited in part in each of the three "Church" banks mentioned in the belief that the money would be safer there during the troublous times ahead.

The 47th anniversary issue of *Commerce*, official organ of the Chamber of Commerce of the Philippines, that for the month of August, which has just reached us, is an interesting one, containing a number of valuable articles, including re-prints of a number of editorials in the *Philippines Herald* on the proposed revision of the Bell Act, and the reply thereto of Governor Miguel Cuaderno, of the Central Bank.

The issue also contains a number of short congratulatory messages, one from the President of the American Chamber of Commerce of the Philippines, which we reprint here because of its general interest:

"On behalf of the American Chamber of Commerce of the Philippines, I comply with pleasure with your request that I send you a 'mesage' on the occasion of the publication of the 47th anniversary issue of *Commerce*, the official organ of the Chamber of Commerce of the Philippines which itself observed its 49th anniversary a few months ago.

"Both the Philippine Chamber and its monthly publication play enormously important roles in the business life of the country, and our American Chamber, a younger organization than yours, having been established only in 1921, has always recognized that fact.

"We have sincerely believed that the respective roles of your Chamber and ours are complementary, and often in the past have we found it to mutual advantage to combine our efforts, especially in promoting a better understanding on the part of the Philippine and American Governments, of the economic problems of the Philippines.

"Probably the closest cooperation between us was achieved during the time of the hearings of the Joint Preparatory Committee on Philippine Affairs in 1937 and 1938, when our whole economy was gravely threatened by the economic terms of the Hare-Hawes-Cutting Act.

"Although there has been a tendency in recent years in certain quarters to effect a division along national lines, I believe that the pressure of developments is again drawing us more closely together.

I think we shall all come to agree that the business interests of the Philippines are basically indivisible, and that any attempt at dividing them can not help but be destructive of the national economy as a whole.

"J. L. MANNING

President

"American Chamber of Commerce of the Philippines"

"Is it wrong?" asked Pablo Lorenzo, Secretary of Public Works and Communications, "for the Government to buy its badly-needed asphalt requirements and other construction materials direct from manufacturers in the United States if by so doing it can save substantial amounts of money, not to mention time and effort...?" (Malacañan press release, September 1)

Buying the government requirements of asphalt direct was recommended by the Secretary and approved by the Cabinet some time ago, a Malacañan press release stating that this was done,—as paraphrased in last month's *Journal*, because

"local dealers can secure import licenses only after a contract award has been made, which entails loss of time; because it is 'not unusual' that protests are filed against such awards, entailing further delay; because the local dealers are 'financially not in a position' to keep up sufficient stocks; and because a 'sizeable amount' would be saved by waiver of the 17% exchange tax and the 7% sales tax, in addition to saving the amount of the dealers' profits."

Though, according to the Secretary, "local major importers had been consulted on the policy of direct importation of asphalt products and they expressed no objection", and we are quite willing to accept the Secretary's word for this, we venture to express the opinion that they should have objected.

We believe, also, that the answer to the Secretary's question, "Is it wrong?" is, "Yes, it is wrong."

The situation of the Department of Public Works and Communications and of every other government entity with respect to obtaining equipment and supplies from outside the country, is not without elements of grim comedy. These entities all complain,—and rightly, about the almost insurmountable obstacles that have been placed in the way of normal business. But by whom or what? By the Government itself, of which these entities are a part. It is like the fingers complaining of what the arm is doing and appealing to the world for sympathy.

The obstacles are all too real,—the trouble about government contracts and import licenses and the exchange and sales taxes and the costly delays and the prices that make one gasp, but the whole country suffers from the existence of these obstacles, and the conditions they have created, not just the Department of Public Works and Communications. It is not only in asphalt that stocks are insufficient, but in almost everything else, including important foodstuffs and even certain drugs for the want of which people are dying.

If the Cabinet itself now comes to the conclusion that the obstacles that have been set up are intolerable for its own departments and bureaus and corporations, why should the situation be thought to be quite all right for the rest of the country?

Isn't that wrong?

Will the people cheerfully agree to the policy of the Government excepting itself and its entities from the impositions it lays on others? Seeking thus to evade, as for itself, the inevitable effects of the unwisdom of its own measures and to escape the large share of the due punishment which, otherwise, might be salutary and corrective?

Isn't the rational thing to do, when these deliberately "planned" obstacles to normal business and trade are at last discovered to be intolerable to the Government itself, to clear them away with one full sweep, rather than to seek

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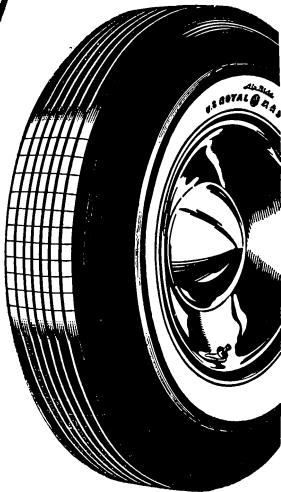
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to circumvent them and still leave them in the way of the prosperity and the happiness of the people?

We are not particularly concerned with the local importers of asphalt; they have not consulted us, nor we, them. But let it be noted that the savings the Government plans to make by importing direct are not based primarily on the amount of profits the local dealers would make, but on the savings in taxes and in time as represented by the present involved routine procedures. Naturally, no local dealer could compete with foreign sellers and local buyers who are able to escape these costs.

The Government, through its multitudinous corporations, has become one of the largest elements in the total organization of Philippine business. The competition with private enterprise is already tremendously damaging and should the Cabinet's decision in the case of the pur-

chases of the Department of Public Works and Communications be carried to its logical conclusion with respect to other government departments and entities, we would have a situation in which are large part of the business of the country paid no taxes in any way commensurate with what private business must pay. We would have a situation in which the Government not merely competes with private business on a more or less even basis, but competes with advantages on its side which would destroy great sectors of the country's private business. Then, where would the Government revenues come from?

Or are we eventually to have a totalitarian state, with the Government owning all the country's industry and doing all the country's business, with all the people slaves? Is there a dividing-line? If so alleged, where is it? It's all wrong, Mr. Secretary.

Short History of Industry and Trade in the Philippines

(Continued)

By A. V. H. HARTENDORF

THE "Short History of Business and Commerce in the Philippines", originally published by the Manila Rotary Club in 1929 in its "First Decennial Handbook" and reprinted in the August and September, 1952, issues of the American Chamber of Commerce *Journal*, closed with a mention of the administration of Governor-General Henry L. Stimson and included statistics up to the year 1927, now some 25 years ago.

The writer, who was joint author with the late Verne E. Miller of the "Short History", has been urged to write an additional section to bring the work up-to-date, and the following represents an effort in that direction.

As neither the year 1929, when the "Short History" was published, nor the year 1927, with which the statistics ended, are significant years statistically or historically, it will be well to begin by reminding the reader of a number of the more significant events, names, and dates since those years to provide a frame of reference.

A Few Important Political and Historical Events, Names, and Dates.—After Stimson, who had been appointed by President Coolidge, there were only three more American Governor-Generals in the Philippines,—Dwight F. Davis, appointed by President Hoover in July, 1929; Theodore Roosevelt, Jr., appointed by President Hoover in February, 1932; and Frank Murphy, appointed by President Franklin D. Roosevelt in June, 1933.

Pursuant to the terms of the Tydings-McDuffie Act of 1934, providing for the establishment of a commonwealth form of government in the Philippines and for complete independence ten years later¹ the Commonwealth of the Philippines was inaugurated on November 15, 1935, with Manuel L. Quezon as President and Sergio Osmeña as Vice-President. Governor-General Murphy became the first United States High Commissioner in the Philippines. (Murphy was succeeded in May, 1936, by Acting High Commissioner J. Weldon Jones who served until April of the following year when Paul V. McNutt was appointed High Commissioner. Jones again served as Acting High Commissioner from May, 1939, until October of that year, when Francis B. Sayre was appointed to the position.)

World War II broke out in Europe on September 1, 1939, when Germany invaded Poland; Great Britain and France declared war on Germany on September 3.

War broke out in the Pacific, some 2 years later, and 6 years after the establishment of the Commonwealth, on December 8, 1941 (the Philippine date). Large Japanese forces landed in Luzon during the next few days and Manila was occupied by the invaders on January 2, 1942. High Commissioner Sayre, President Quezon, Vice-President Osmeña, and a number of other high officials took refuge on Corregidor for some two months and were then taken to Australia and later to the United States. Sayre resigned as High Commissioner soon afterward. President Quezon died at Saranac Lake, New York, on August 1, 1944.

The first American liberating forces landed on Leyte some 7 weeks after Quezon's death, late in the third year of the war, October 20,

1944, and other large forces landed at Lingayen, Luzon, beginning January 9, 1945. The first American contingents entered Manila on February 3.

The Commonwealth Government was almost immediately (February 27) reestablished at Malacañan, with Sergio Osmeña as President.² McNutt was again appointed High Commissioner in September.

The first post-war elections were held the following year in April (1946), and on May 28 Manuel Roxas was inaugurated President; Elpidio Quirino was the Vice-President.

A week later, on July 4, 1946, the Republic of the Philippines was inaugurated as a fully independent nation,—despite the war, on schedule.

President Roxas, after close to two years in office, died of a sudden heart-attack, while on a visit to the United States air base at Clark Field, Pampanga, on April 15, 1948, and Vice-President Quirino succeeded him. Quirino was elected to a full 4-year term as President on November 8, 1949.

Trade Figures by Periods from 1885 to 1952.—The "Short History" contained a table showing the trade figures by periods from 1885 to 1927, in dollars. The following is the table brought up-to-date, in pesos (\$1.00 = ₱2.00), and with some slight changes as to the lengths of the earlier periods for purpose of analysis:

AVERAGE ANNUAL IMPORT, EXPORT, AND TOTAL TRADE FIGURES, AND THE AVERAGE ANNUAL FAVORABLE OR UNFAVORABLE BALANCE, BY PERIODS, FROM 1885 to 1951, IN PESOS:

	Average Annual			
	Imports	Exports	Total	Balance
	(In millions of pesos)			
1885-1894 (Last 10-year period recorded during the Spanish regime).....	31.7	41.1	72.8	9.4
1900-1909 (Prior to establishment of free trade between United States and Philippines).....	59.8	60.9	120.7	1.1
1910-1914 (Under free trade and up to World War I).....	104.5	94.7	199.2	(9.8)
1914-1918 (World War I period).....	129.6	177.3	306.9	47.7
1919-1924 (First post-war period).....	219.9	234.7	454.6	14.8
1925-1930 (Second post-war period).....	253.3	297.9	551.2	44.6
1931-1935 (Third post war period).....	165.0	213.2	378.2	48.2
1936-1941 (COMMONWEALTH period).....	245.2	312.2	557.4	67.0
1942-1944 (Japanese occupation period).....	—	—	—	—
1945-1946 (First two post-war years—all values highly inflated).....	324.8	64.8	389.6	(260.0)

¹ July 4 (to coincide with the American independence day) ten years after the acceptance of the Act,—actually therefore twelve years from 1934.

² Heavy fighting continued in parts of Manila, particularly in Intramuros, into the first week of March.

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1947-1949 (First three years of the Republic—inaugurated July 4, 1946—values still highly inflated).....	1121.9	558.0	1679.9	(563.9)
1950-1951 (Last two years—under trade and exchange controls).....	822.8	746.9	5169.6	(75.9)

Since the import and export values after the war are all highly inflated and the figures do not permit of a clear comparison, the following tonnage figures are given:

TONNAGE FIGURES OF OUTWARD AND INWARD CARGO IN THE PHILIPPINE FOREIGN TRADE FROM 1935 TO THE FIRST HALF OF 1952, INCLUSIVE:

Year	Inward Cargo (Tons)	Outward Cargo (Tons)
1935.....	1,538,094	1,546,903
1936.....	1,708,500	1,538,094
1937.....	1,871,071	2,741,854
1938.....	No available data	
1939.....	1,068,870	1,808,419
1940.....	2,184,088	3,435,071
	(Ave. 1,692,124)	(Ave. 2,214,068)
1947.....	No available data	1,591,313
1948.....	No available data	1,823,881
1949.....	2,138,329	2,239,399
1950.....	1,673,528	2,753,573
1951.....	1,910,769	3,802,297
	(Ave. 1,907,542)	(Ave. 2,442,092)
1952 (Jan. June)....	814,628	2,275,417

NOTE: Figures for 1935 to 1940 were supplied by the Bureau of the Census and Statistics; outward cargo figures for 1947 to 1952 were supplied by the Associated Steamship Lines; inward cargo figures for 1949 to 1952 were supplied by Mercantile, Inc.

It will be seen from the foregoing tonnage figures that the great increases in the peso-value of the 1947-1951 exports and imports, as compared with the latter years of the pre-war period, are misleading. For the years given, the weight or bulk increase, whether in exports or imports, was only slight,—despite the increase in population from 16,000,000 in 1939 to nearly 20,000,000 in 1948, and, it may be added, the heavy increase in taxation and the cost of government. And the wage-earner's peso, calculated at 100 in 1941, was valued at ₱0.2591 in 1947, ₱0.2750 in 1948, ₱0.2912 in 1949, ₱0.2966 in 1950, and ₱0.2784 in 1951. (Yearly average figures, Bureau of Commerce and Industry.)

Free trade between the United States and the Philippines.—The "Short-History" emphasized the importance of the free trade relationship between the United States and the Philippines brought about through the United States (Payne-Aldrich) Tariff Act and the Philippine Tariff Act, both dated August 5, 1909.³

From that year on the trade between the two countries developed rapidly, although the period from 1910 to 1914, in which year World War I broke out, shows an unfavorable average annual trade balance of around ₱10,000,000 in a total average annual trade of around ₱200,000,000. All the following periods given in the table, up to the years of the war in the Pacific, show large favorable balances, although there were two individual years when the balance was unfavorable,—1919 and 1921.

The writer divided the years from 1919 to 1935, inclusive, following World War I, into three periods because the annual figures naturally fall into this grouping. The first of these, from 1919 to 1924, spans the severe first post-war business recession in the United States in 1921 and the more moderate recession of 1924, but except for the year 1922,⁴ the period was a prosperous one for Philippine trade. The second post-war period from 1925 to 1930, which spans the American recession of 1927 and the shattering economic collapse of September, 1929, was an even more prosperous period for the Philippines.

³The Treaty of Paris (December 10, 1898), which ended the Spanish-American War, provided for equal tariff treatment of Spanish imports for 10 years.

⁴In 1922, after the first post-war depression had hit the United States, a number of coconut-oil refineries in the Philippines went bankrupt and cigar factories closed. A large volume of merchandise, on back order under irrevocable letters of credit, which had been pending shipment for months, suddenly arrived in Manila, and many large firms collapsed; the banks, for a time, became the biggest merchandisers in the country.

The Great Depression in the United States; the "New Deal."—It was during the third post-war period, from 1931 to 1935, that the effects of the great "second post-war depression" in the United States, which, beginning in 1929, lasted for some four years, were seriously felt in the Philippines and the country suffered its first real trade set-back since the opening of the American regime. And what was worse, the wide-spread bankruptcy and unemployment in the United States during the last years of the Hoover Administration led to agitation on the part of various interests, represented chiefly by the sugar and dairy lobbies, for the elimination of Philippine "competition" and to the introduction in Congress of a number of measures aimed at eliminating it through a grant of independence to the Philippines.

The depression had among its effects the defeat of President Hoover as a candidate for re-election and the victory of Franklin D. Roosevelt, who assumed office on March 4, 1933, the Democratic Party thus coming to power for the first time since Harding, in 1921, had succeeded Wilson. Conditions were unprecedented in United States history. General business had sunk to 60% of normal, estimates of the number of unemployed ranged from 13,000,000 to 17,000,000, and the credit structure had virtually collapsed.

Under the banner of Roosevelt's "New Deal," various emergency measures were adopted and numerous administrative agencies were set up in what was in effect an effort to establish a "planned economy". Less than a month after his inauguration, on April 19, Roosevelt proclaimed an embargo on the export of gold, on June 5 he approved a congressional resolution striking the gold-clause out of public and private contracts, and on January 31, 1934, he pegged the dollar "until further notice" at 59.06 in terms of the gold dollar and announced that the Government would buy all gold at \$35 an ounce; the price had been \$20.67.

The aim of these radical measures, which took the United States off the gold standard, was to initiate an upward trend in prices and thus to stimulate buying and a resumption of production; the measures reduced the value of all dollar holdings, favored debtors over creditors, and lowered real wages; they marked the start of a Keynesian program of deliberate inflation, unbalanced budgets, deficit spending, and greatly increased government controls over industry and business which, though masked by the Second World War, has characterized the policy of the United States Government ever since.

No doubt, emergency action had become necessary, but could have been such as not to threaten even greater disaster in the future. The great depression in the United States was but a part of the general world depression which economists, other than those of the Keynes school, hold was an inevitable result of the interventionist policies which had been pursued by practically every national government in the world for some decades past. Cyclical fluctuations in business are normal, but government interference with this natural process, as history has shown, must ultimately result in very severe crises. The New Deal measures brought some temporary relief, but they also pushed America far along the road to the economic absurdities of socialism and the serfdom of statism.

Government in the Philippines was naturally greatly influenced by the example of this new departure in the United States, the more so as the autocratic nature of the former Spanish regime predisposed government leaders here to a ready acceptance of the principles of statism while, also, the socialistic dream appealed to their idealism.

The Philippine-American Trade Relations Natural.—Regidor and Mason were quoted in the "Short History" as saying that although the earlier-established American firms in Manila went out of business during the

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latter part of the Spanish regime, the actual trade between the United States and the Philippines, conducted mainly through British firms, continued to increase, and that the American role in the Archipelago's foreign trade was so dominant that the assumption of sovereignty by the United States in 1898 seemed hardly to be an "initiating act".

According to a prominent Manila Spaniard, Enrique Brias Roxas, speaking in 1933,

"The United States was the Philippines' best customer for three-quarters of a century,—and long before the American occupation. During the period from 1855 to 1899, the United States bought 29% of the total Philippine exports, giving the Philippines a favorable balance of trade amounting to nearly P189,000,000. Though ranking 1st as a buyer, it ranked only 7th as a seller."

The 1932 Yearbook of the Manila Harbor Board called attention to the fact that the total foreign trade of the Philippines from 1899 to 1931, inclusive, amounted to nearly P10,000,000,000, of which a little less than 60% was with the United States, 20% with European countries, and 20% with Asiatic countries.

The total favorable balance of trade was over P500,000,000, this being the difference between a favorable balance with the United States of nearly P800,000,000 and an unfavorable balance of nearly P300,000,000 with other countries.

During the 11-year period from 1899 to 1909, when trade with the United States was not free, the total value of the Philippine overseas trade was only a little over P1,250,000,000 and the balance of trade in favor of the Philippines was only P2,250,000; the unfavorable trade with foreign countries during that period was P1,250,000.

As to the trade-balances with individual countries other than the United States during the entire 33-year period, 6 European countries,—the United Kingdom, Spain, France, the Netherlands, Italy, and Belgium, show favorable balances, while Germany and Switzerland show unfavorable balances, the total favorable balance with all these European countries amounting to P500,000,000. As for Philippine trade with the countries of Asia and the Australasia, with the single exception of Hongkong, principally a transhipment center, all these countries sold more goods to the Philippines than they bought from the Philippines, the total unfavorable balance being P770,000,000. The principal reason for the unfavorable balance with countries in this part of the world is that they all produce much the same products. The total trade of the Philippines with countries other than the United States shows an unfavorable balance of P270,000,000.

Other significant figures as to Philippine-American trade were contained in the 1937 report of Dr. Frank A. Waring and Dr. Ben Dorfman to the U. S. Tariff Commission in connection with the work of the Joint Preparatory Commission on Philippine Affairs, to which reference will again be made later.

Of the total value of the combined import and export trade of the Philippines, the United States accounted for 11% in 1900, 41% in 1910, 65% in 1920, and 72% in 1935. Exports from the Philippines to the United States advanced more rapidly than the imports from the United States, the Philippines purchasing annually from the United States on the average of 9% of the total imports during the period 1899-1901, 42% in 1909-1914, and 64% in 1930-1933, while it sold to the United States an average of 18% of its total annual exports in the period 1899-1901, 35% in 1905-1909, 73% in 1923-1928, 82% in 1930-1932, and 83% in 1933-1935.

A so-called favorable balance of trade is not *per se* an index of the profitability of any trade, as various invisible payments enter into the total balance and as, also, any remaining difference between two countries is largely, if not entirely, offset by the trade balances, favorable or unfavorable, with other countries. However, especially for any country still under-developed economically, an excess in the visible exports over the visible imports is advantageous because this generally means that capital is coming into the country which can be and largely is used in economic development.

Philippine Tariffs on Foreign Imports.—The spectacular growth of the Philippine-American trade was chiefly the result, as already stated, of the free-trade relationship established in 1909, which enabled the Philippines to sell its exports in the United States market free of the duties which other exporters to the United States had to pay. The Philippines was never under compulsion to send its exports to the United States; it was free to sell them elsewhere; the growth of the export trade with America was entirely due to the greater profitability of that trade. It is true that under the free-trade relationship, the Philippines naturally could not impose tariff duties on American imports and that the tariff duties imposed on foreign imports into the Philippines gave American exporters to the Philippines an advantage.

The Philippine Tariff Act of 1909 was an American measure and was amended a number of times by the United States Congress,—in 1913, 1922, and 1930, but also by the Philippine legislative body, for, although the Philippines had no "tariff autonomy" and Philippine tariff legislation required the approval of the President of the United States, the Philippines itself was permitted to amend the Act repeatedly,—in 1918, 1919, 1929, 1932, 1933, 1935, and 1939; the 1933 amendments were especially numerous.

The Philippine duties on foreign imports were never prohibitive and generally did not exceed an over-all average of around 28% of the total value of these imports. They were never so high that foreign importers in the Philippines could not offer competition, and, in later years, in textiles, for instance, the Japanese came to hold an almost dominant position. In respect to other imports, such as automobiles and trucks, the American importers would have held the first position regardless of the tariff.

Under the free trade relationship, both the Philippines and the United States did forego the customs revenues which they might otherwise have collected, but the advantage was still with the Philippines. As Waring and Dorfman stated in their report:

"It seems clear that the duties which the United States waives on imports from the Philippines represent fiscal losses for the United States to a much greater degree than is correspondingly the case in respect to the duties which the Philippines waives on imports from the United States. . . This is due largely to the importance of sugar among the exports from the Philippines to the United States."

On an average, the Philippines waived only around one-fourth as much as did the United States, but this was in part because the United States duties, especially under the Hawley-Smoot Tariff Act of 1930, were much higher than the Philippine duties.

The Trade Advantages were Mutual.—It must not be supposed, of course, that the advantage was all with the Philippines. The trade with the United States was much more important to the Philippines than the trade with the Philippines was to the United States, yet the trade with the Philippines was by no means negligible even to the United States. The Philippines was both an important source of supply and an important market for such United States products as iron and steel, cotton goods, mineral oil, tobacco products, automobiles and trucks, electrical machinery and apparatus, chemicals and drugs, dairy products, rubber and its manufactures, paper, flour, fertilizer, leather and its manufactures, meat and fish products, fruits and vegetables, etc. In 1934 the Philippines ranked 9th among the principal export markets for United States goods, and in 1935 it ranked 11th; in certain important products it ranked much higher,—as, in 1935, it ranked 1st for galvanized-iron and steel sheets, cigarettes, canned milk and cream, ready-mixed paints, soap, and a number of other more minor products; it ranked 2nd for cotton cloth, wheat flour, and canned fish.

Philippine Industrial Development.—It will have been understood that an expanding industry supplied the basis for the great growth of the country's external trade.

⁶Before the Manila Rotary Club, April 6, 1933.

HERE'S THE ACCIDENT RECORD IN MANILA!!

63 Manilans Hurt Daily In Mishaps

Sixty-three Manilans are killed or injured in traffic accidents every day, or about one every 24 minutes, in about nine traffic mishaps per day every day in the week.

This was gathered from police statistics released today in the wake of President Quirino's expression of alarm over accounts of the mounting accidents casualty toll.

The police listed 1695 traffic casualties within the nine month period from January to September. Of these, 40 were killed and 1645 injured, or averaging some 190 casualties per month.

During the same period, 2718 accidents occurred, making a monthly total of 274 accidents or about nine per day.

In January, there were 315 accidents, 8 persons killed, and 196 injured; February 309 accidents, 2 killed and 167 injured; March, 314 accidents, 3 killed, and 188 injured; April, 255 accidents, 2 killed and 146 injured; May, 285 accidents, 8 killed, and 149 injured; June, 310 accidents, 8 killed, and 160 injured; July, 346 accidents, 3 killed, and 168 injured; August, 304 accidents, 2 killed, and 148 injured; September, 210 accidents, 4 killed, and 141 injured.

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Indeed, the industrial expansion exceeded the growth in trade. It was estimated in 1937⁶ that 48% of the total production of Philippine industries of every kind was exported, leaving the remainder for local consumption and use. And as between exports and imports, it should be realized that if the exports had not increased so greatly, then the imports could not have increased in the same way, as, always, the one pays for the other. Nor could the exports have increased so greatly if the imports had not increased greatly also. It is not desirable, or even possible, that the over-all visible exports or the over-all visible imports should greatly exceed the other, except for the need for increasing capital investment which a reasonable excess of exports over imports makes possible. A country must import if it would export. No customer country of the Philippines, however wealthy, could afford to continue very long to buy from the Philippines if it could not also sell to the Philippines. Trade, as the word itself implies, is a two-way street.

Even the purely local industries of the Philippines,—power-plants, transportation facilities, saw mills, iron foundries, rice-mills, etc., could not have developed as they did had it not been for the prosperity brought about by the country's profitable trade. And, of course, directly coupled with the growing export and import trade and the growing industry of the country, were the growing revenues which accrued to the Government and which were devoted to the public service.

Virtually all of the great export industries of the Philippines were based on the natural products of the country, the trade in a number of which had their origins in pre-Spanish times. Sugar, for instance, was produced in the central and southern parts of the Spanish era. An annual average of nearly 300,000 tons of sugar was exported during the years from 1892 to 1895, almost 70% of which went to the United States even then. But the first modern sugar centrals were not erected until 1910 (San Jose, Mindoro) and San Carlos (Negros Occidental) and Calamba (Laguna), both in 1912, and all three were established by American capital. It will be noted that this was almost immediately after free trade was opened between the United States and the Philippines, and not before. The Philippine trade in centrals, and in 1910 advanced large sums for the construction of centrals and for crop-loans to sugar planters, and by 1920 the modernization of the industry was well under way, although it was not until 1925 that the production of centrifugal sugar exceeded the muscovado production. From 1920 to 1934, the area devoted to sugar-cane cultivation increased 55% and the sugar produced increased 200%. The average yield of sugar per acre rose from a little under 1 short ton to over 2 tons, due to the use of better varieties of cane, improved methods of cultivation, and the installation of modern mill equipment. As of 1935, the total investment in the industry was estimated at over \$500,000,000, of which some \$185,000,000 was invested in centrals which then numbered 46. Of the capital invested in the centrals, around 43% was Filipino, 33% American, 23% Spanish, and 1% cosmopolitan. Cane-sugar, produced in the tropics, must compete with the temperate-zone beet-sugar grown in most of the countries of the world outside the tropics, and this great Philippine trade and industrial development would have been impossible without access to the protected United States market. As a result of the American tariff and quota arrangements, the Philippines enjoyed a market which paid approximately 2.24 cents (U.S.) a pound above the world price; multiply that by several hundred thousand tons; in 1935 the industry yielded some \$45,000,000 more than would have been obtained had the Philippine sugar been sold at the world price,—and the Philippines could not have sold that much sugar if the United States market had been closed to it.⁷

The Philippine trade in copra also dates from pre-Spanish times. Exports were not great during the last half century of Spanish rule. The development of the soap and margarine industries abroad, however, and in the United States, greatly stimulated the production of and the trade in copra, and at the outbreak of World War I, the Philippines was supplying about 1/4 of all the copra which entered into world trade. While there is a virtually free market in copra throughout the world, it is different with coconut oil, for this competes with other fats and oils, both animal and vegetable, which almost all the countries of the world produce for themselves. Coconut oil was first produced on a commercial scale in the Philippines as early as 1896, but the advent of the motor and the automobile, and the use of a high glycerine content, however, and therefore in demand for the manufacture of explosives during World War I, the Philippines

began to build coconut-oil mills; at first there were only a few large mills and a number of small ones, but by the end of the War there were over 40 sizeable establishments. The drop in demand and in prices at the end of the war caused many of the more modern mills, and the few remaining were forced to modernize their equipment. The U. S. Tariff Act of 1922, which imposed a duty of 2 cents a pound on coconut oil, served practically to exclude imports from all other countries than the Philippines. There were some 8 large plants, 2 of which were American-owned, 2 British, 2 Spanish, 1 Chinese, and 1 Filipino. The smaller plants were mainly Chinese- and Filipino-owned. Soap was being manufactured by some 173 registered soap manufacturers, mainly for local consumption. The three largest factories were respectively American, Swiss, and Chinese, and these made soap mainly in connection with the manufacture of cooking-fats and margarine, also produced chiefly for local consumption. Some 1,500,000 acres, or over 1/4 of the total area planted to all crops was devoted to the cultivation of coconuts. It was estimated that the coconut industry represented a total investment of over \$220,000,000, of which some \$12,000,000 was invested in mills and refineries; of the latter, some \$5,500,000 was American capital, \$3,500,000 British, and the rest Philippine and Spanish.

Among the consequences of the U. S. Tariff Act of 1922 was the establishment of the *desiccated coconut industry* in the Philippines. The Act increased the duty on desiccated coconut from 2 cents to 3-1/2 cents a pound. Before it went into effect, Ceylon was the principal supplier to the United States, but by 1935, some 10 factories in the Philippines were supplying practically all of the product that was being imported into the United States. Of these factories, 6 were American, 2 were British, one was Chinese, and another one was Japanese.

The *abaca or Manila hemp industry* is another old industry in the Philippines. It was the largest export crop in the 19th century and in 1903 the Manila hemp comprised 68% of the total value of all exports. Most of the fiber was, and still is, exported to the United States, the United Kingdom, and Japan. Manila hemp being a virtual Philippine monopoly, as it is grown nowhere else in any quantity, is marketed free of duty throughout the world, but, again, the processed product, rope, as it competes, in some classifications, with cordage made from other fibers, must cope with tariffs and quotas. The U. S. Tariff Act of 1922 fixed the duty on cordage at .75 cents a pound and the U. S. Tariff Act of 1930 increased the duty to 1 cent a pound, plus various other valorem duties according to the size of the rope. In 1935 the Philippines exported over 17,500,000 pounds of cordage, of which some 8,000,000 pounds went to the United States. There were then 5 cordage factories, representing a total investment of around \$3,000,000. Of the total spindle capacity, some 53% was American, 40% Filipino, and the rest Chinese.

The *tobacco industry* was still another old industry in the Philippines, though not pre-Spanish, as the tobacco plant was originally brought to the Philippines from America. The industry which, in 1909, exported its products to a value of only around \$1,500,000, has not flourished as it might have, though in 1922 the export value was valued at over \$24,000,000. The year after that the export valued to only a little over \$2,000,000, only two years later, in 1925 and 1926, the value of the export exceeded \$10,000,000 in value. Between the years 1926 and 1935, the export ranged between \$5,000,000 and \$9,000,000. The U. S. Tariff Act of 1922 placed very high duties on foreign tobacco products,—35 cents a pound on filler and scrap tobacco and \$4.50 a pound plus *ad valorem* charges on cigars, and these rates were retained in the U. S. Tariff Act of 1930. In 1935, the United States took some 55% of the total exports (and Spain, the next largest consumer, 26.5%), but it competed with the United States entirely due to the tariff protection which the products from the Philippines received. The capital invested in tobacco lands and improvements was valued at \$21,000,000, and the investment in factories at \$9,250,000. There were some 30 companies manufacturing tobacco products, but 4 of these accounted for the major part of the production. The largest investment, 60%, was Spanish, the rest Swiss, American, Chinese, and Filipino.

Forests cover some 57% of the total land area of the Philippines and of the total forest area some 81% is considered to be profitable to commercial *lumber operation*. The existing stand of commercial timber in 1935 was estimated at 464,740,000 board feet. Though there is a wide variety of hardwoods, some 75% of the standing timber is of the lauan family, the principal species of which is referred to in the United States as "Philippine mahogany". In 1903 there were only 14 saw mills in the country, with a daily capacity of some 80,000 bd.ft. The industry developed rapidly and by 1935 there were some 90 saw mills, with a daily capacity of 1,330,000 bd.ft. The total production from 1933-1935 was approximately 700,000,000 bd.ft. annually. The capital invested in mills in 1935 was estimated at some \$13,500,000, of which around \$6,000,000 was American, the rest Filipino, Swiss, British, and Spanish. Over 80% of the lumber produced was marketed locally, however, the remainder being exported principally to the United States and to Japan; the United States took mainly high-grade cabinet woods in semi-finished form, and Japan took only logs. The exports were never very great, reaching a peak of \$3,600,000 in 1929 which declined to only \$835,000 in 1932; after that the export steadily in-

⁶Statement of the Manila Chamber of Commerce submitted to the Joint Preparatory Committee on Philippine Affairs in 1937.

⁷The statistics contained in the next few paragraphs concerning the leading Philippine export products are based on the Waring-Dorffman report of 1937.

produced to \$2,500,000 in 1935. Philippine lumber, like other Philippine products, entered the American market duty-free, but the duty on foreign lumber was not very high,—an *ad valorem* duty of 15% was imposed on foreign cabinet woods by the U. S. Tariff Act of 1930 and the Revenue Act of 1932 provided for an excise tax of \$3 per 1000 lb. ft. on all foreign hardwood and softwood. In the case of lumber, therefore, the saving in duties was not great.

Gold mining was yet another ancient Philippine industry, although not enough of the gold was mined to attract men like Cortez and Pizarro; much of the Philippine gold is in hard sulphide ore, difficult to work except with modern machinery. There was, therefore, no important development until early during the American regime, but of the companies incorporated before 1930 only 3, with a daily mill-capacity of some 500 tons, were producing gold in 1936. After 1930 the industry developed rapidly, stimulated, first, by the declining general price levels, which reduced the costs of operation, and, second, by the United States increase in the price of gold from \$20.67 to \$35.00 in 1934. By 1936 there were some 12 operating mines and 18 others; there were 3 companies were preparing for production, while there were more than 50 exploration companies in the field. The daily mill-capacity had risen to 4,500 tons. The total value of gold (and silver) had risen from around ₱7,400,000 in 1930 to nearly ₱32,000,000 in 1935.

Base-metal production was virtually negligible until 1933, but it rose to ₱1,300,000 in 1935, and to ₱3,200,000 in 1936. This value was mostly in iron. Chromium, which is of particular military value, was being mined and concentrated in Masinao and Zamboanga, where other chromium operations in various stages of development in Zamboanga; shipment began in 1936. Copper and manganese were only beginning to be mined that year.

In 1935-36 there was also some activity in *petroleum* exploration. There were two *cement* plants, one government company and one private company, and the total production in 1935 amounted to 640,000 barrels, all used locally.

From the point of view of the export value, the Philippine *embroidery industry* outranked some of the major extractive industries of the country. Embroidering began in the public schools, and under government encouragement as a household industry regular shipments of embroidery began in 1914. In 1935 there were some 30 firms engaged in the embroidery export business, with an investment of around \$4,000,000, most of which was represented by goods in process of being embroidered and in transit. During the 1925-35 period, the annual exports ranged from \$2,000,000 to \$6,000,000 in value; in 1935 the export totaled \$5,000,000. Around 90% of the export went to the United States. The U. S. Tariff Act of 1922 established a rate of 75% *ad valorem* on embroideries and the Tariff Act of 1930 increased this to 90%.

Minor export commodities of the Philippines such as hand-woven hats, pearl buttons, catch (export begun in 1928), etc., enjoyed substantial benefits as a consequence of the free access to the United States market.

Not a "Colonial" Economy.—Most of this development represented, under the circumstances, a sound industrialization, based on the processing of the Philippines' natural products in which the country had natural advantages. It is true that the degree of this development was the result of the tariff protection which the Philippines enjoyed in the United States market and that the economy had come to be dependent on the maintenance of that market to a very great extent. It is true that this dependence was dangerous, especially in view of the continued desire of the Filipinos to achieve political independence. Once the Philippines became an independent country, it would be a "foreign" country and would step outside the American tariff wall. But given the opportunity, what restraints could possibly have prevented the grasping of it? The outstanding prosperity of the Philippines was the answer to all questionings. Free trade between the United States and the Philippines had been proved right by its fruits. If there was anything wrong, the wrong lay with the tariff system itself as practiced by all the countries in the world. It lay in the general abandonment of the great principle of universal free trade.

What had been built up in the Philippines over the years through the goodwill of political policy and the enterprise and labor of uncountable numbers of men in the Philippines and the United States, was not a "colonial" economy in the sense that it had been deliberately planned to enrich the "mother country" at the expense of the "colony" or dependency. The American Government granted the Philippines free access to the American market, as soon as it was able to do so under the terms of the Treaty of Paris, because the country had come under American sovereignty and had a right to share in the benefits that

were showered so richly upon all the peoples who lived under the flag. The Philippines would have had rightful cause for protest if, while under the flag, it had been denied any of these benefits. With the protection afforded the Philippines by the American tariff system, an economic "dependence" naturally came about, but that dependence was a two-way one, a mutual one (though greater on the one side than the other); it was the dependence that comes of a perfect economic integration between any two units.

But now came the threat of the wilful destruction of all this.

The Attack of the "Interests" on Philippine-American Trade.—It was stated in the "Short History" that the "present [1929] agitation in the United States against the admission of Philippine sugar savors of medieval Spanish ideas of commerce."

At one time, that year, there were no less than three separate resolutions before the United States Senate providing for the grant of independence to the Philippines under the most disadvantageous conditions, and a Philippine independence "rider" to the Tariff Bill of 1929, which was an amendment proposed by Senator King of Utah (a beet-sugar State), was rejected only by the close vote of 44 to 36.

Mutually advantageous though the great trade between the United States and the Philippines was, and important as Philippine-American relations were in other, even broader, respects—political and military, elements of the American (and Cuban) sugar interests and of the American oil, dairy, cordage, and tobacco interests were conspiring to get rid of the Philippines and the "competition" it offered at the earliest possible time.

The alleged competition was largely imaginary. The prosperous trade between the United States in the temperate zone and the tropical Philippines was complementary and not competitive. In the case of sugar, the United States produced only enough beet sugar to supply around 1/6 of its total sugar needs. Around 1/3 of the total consumption came from Cuba and much less than half of the amount from Cuba came from the Philippines. It certainly would have been no advantage to the United States, especially to the consumers, if the country had been entirely dependent on Cuba.

As for coconut oil, much of this oil imported into the United States was and still is used for specific purposes for which oils and fats produced in the United States are not equally suitable. If there were any competition with the farm and dairy interests, the losses, if any, were well offset by the good market the Philippines afforded for canned milk, butter, cheese, as well as wheat flour and many other staple and processed farm products, including meat. The competition of Philippine tobacco and its products were offset by the good market here for American cigarettes.

But the Philippines was up against the propaganda of the powerful congressional lobbies of the special interests. During the one-month period from December 7, 1931, to January 7, 1932, twelve bills and resolutions were introduced in Congress providing for Philippine independence, some of them for immediate independence, others for independence within varying periods of time; among the latter was the Hare Bill in the House and the Hawes-Cutting Bill in the Senate (the latter first introduced in 1930, now re-introduced with some modifications).

The Philippines has always posed what was principally a political, not to say a psychological problem, rather than a basically economic one, and despite the very material as well as other benefits of American sovereignty, the Filipinos had continued to press for national independence, but they rightly wanted independence and life,—not independence and economic death, and they realized that any abrupt termination of the free-trade relationship with the United States would mean that.

(To be continued)

The Government

[From Official Sources]

SEPTEMBER 1—President Elpidio Quirino instructs various government departments and agencies to dispatch relief to Zamboanga province following the severe typhoon there of the 29th and 30th of August which caused flash floods and land-slides on the west coast in which more than 60 persons lost their lives and hundreds were made homeless; the floods and land-slides changed the courses of streams and did a still unestimated amount of damage to farms and buildings.

Malacañan clarifies the action of the Department of Public Works and Communications in directly purchasing asphalt from the United States needed for public works in pursuance of a Cabinet decision on August 5. Annual purchases amount to an estimated **₱2,986,000** at current local prices of which no less than **₱60,000** can be saved by direct purchasing. In reply to the criticism that this means another government incursion into private enterprise, Secretary Lorenzo asks:

"It is wrong for the Government to buy its badly needed asphalt requirements and other construction materials direct from manufacturers in the United States if by so doing it can save substantial amounts of money, not to mention time and effort, and use such savings to buy more of the material it needs? The policy of direct importation of asphalt continues to be for government use only, such a policy is not socialistic since it does not imply that local jobbers or middle-men or even major importers are not allowed to import asphalt and asphalt products for use by the public."

Sept. 2—The President confers with Secretary of Foreign Affairs J. M. Elizalde who submits a report on the latest developments on the negotiations for a proposed revision of the Bell Act. Also discussed are the air agreements with the United States and with Japan.

Officials of the Philippine National Bank testify in a closed-door session of the Integrity Board on alleged anomalous loans granted by the Bank and the Rehabilitation Finance Commission to certain persons and firms.

The President at a Cabinet meeting orders Economic Administrator Mariano J. Cuenco to investigate alleged irregularities committed in the National Rice and Corn Corporation; Secretary of Health Juan Salcedo, Jr., the anomalies allegedly committed by some of the personnel of the Alabang Serum and Vaccine Laboratory; Secretary Lorenzo certain irregularities committed in connection with the purchase of asphalt for the Government; and Import Control Commission Chairman Primitivo Lovina the so-called "potato racket"—the import of potatoes except for seed having been banned and large quantities having been imported nevertheless for "seed" by persons among whom there are a number of members of Congress.

The President informs the Cabinet that three department heads, Secretary of Finance Aurelio Montoliva, Secretary of Justice Oscar Castro, and Secretary of National Defense Ramon Magasaysay, are in Sulu to investigate all the phases of the present Moro troubles there.

The President instructs Secretary Lorenzo to study the report of the Committee on the National Pantheon, for the erection of which a law was enacted in 1948 and for which **₱1,000,000** was already appropriated.

Sept. 3—Announced that a Treaty of Friendship between the Philippines and Cuba is being signed today in the Philippine Embassy in Washington.

The President confers with Secretary Elizalde, Secretary of Commerce and Industry Cornelio Balmaceda, and Andres Soriano and Daniel M. Gomez of the Philippine Air Lines on the projected revision of the air agreements with the United States and with Japan: one difficulty with respect to the latter is that the Philippines is still technically at war with Japan because of the failure of the Philippine Senate to ratify the Peace Treaty.

Malacañan announces that the President has received the report of the Food Commission, of which Secretary Salcedo is the Chairman, on a 5-year food-supply program (1953-1957) for the Philippines.

Chairman of the Integrity Board, Luis P. Torres, in reply to certain newspaper criticism, states that the Board is investigating the Philippine National Bank loans in strict confidence, pursuant to a provision in the Bank's Charter that such information is not to be publicly revealed.

Sept. 4—The President turns down the request of the Food Importers Association, a delegation of which calls on him, that the retail ceiling price of canned sardines be raised, stating that increasing the prices of prime commodities is against his "economic religion" and explaining that any increase in the price of foodstuffs, particularly sardines, would hurt the masses who form the bulk of the local sardine consumers. The importers explain that the price has gone up in the places of origin and that if the retail price here is not raised, the importation must stop. The President replies that the people could always find ready substitutes in their *daeng*, *tuyo*, *tinapa*, *bangos*, and other local fish and that this would encourage the local fishing industry. **pa**

The President approves **₱25,000** in aid from the Sweepstakes fund to five provincial hospitals to prevent their closing; last week he released some **₱16,500** for the same purpose.

Sept. 5—The President orders the release of **₱150,000** for locust control, to be used by the Bureau of Plant Industry.

Sept. 6—The President signs the appointment of Serapio J. Dato as ad interim governor of the newly created province of Zamboanga del Sur. Announced also that the President has appointed former senator Melecio Arranz ad interim member of the Board of the Metropolitan Water District and Eduardo Taylor, General Manager of the Cebu Portland Cement Company, as Acting Chairman of the Board of the National Development Company during the absence of the present incumbent.

The President receives from office Assas Usman, Justice of the Peace of Siasi and Tapul, Sulu, as recommended by Secretary Castelo; Usman was charged with extortion, land-grabbing, immorality, etc.

Residents in the Roxas and Quirino housing districts in Quezon City hold a gratitude rally at Malacañan to thank the President for his decision that the government-constructed houses there will be sold to the tenants immediately instead of first being rented to them for a number of years, as was the original plan.

Announced that the Department of Foreign Affairs has started negotiations through the Philippine Mission in Tokyo for the extension of the Philippine-Japan border agreement for another 120 days, as it was instructed to do by the President following a decision made at a Cabinet meeting. The Central Bank and the National Economic Council had recommended that the agreement be definitely terminated on September 30 to enable the Philippine Government to collect the full amount of the difference between the values of Philippine exports to and imports from Japan, amounting to **\$4,500,000**, and to enable the Government also to enter into a revised agreement more strictly limiting imports from Japan to essential items of equipment and materials. The Department reveals that the main difficulty at present is legal and political and not economic as the question is posed whether it is proper to negotiate formally with a country with which the Philippines still is technically at war. This also affects agreements relative to the status of Philippine United Nations troops while in transit through Japan, to fisheries and air agreements, to the implementation of projected regular trade arrangements, etc.

Sept. 8—The President approves the release of **₱1,600,000** for various public works, chargeable against the Highways Special Fund.

The President issues Proclamation No. 336 withdrawing from settlement except by homestead or purchase in small parcels, the public lands situated within a strip 6 kilometers wide on each side of various proposed new roads in Mindanao, this land to be subdivided into lots of not more than 10 hectares each and with existing sites "into convenient sized lots without prejudice to any residual rights." It is announced that the following appointments have been made: Gabriel Belmonte as Acting Chairman of the Board of NARIC; Francisco Ortigas as ad interim member of the Board of NARIC; Pio Pedrosa as Acting Chairman of the Board of Governors of the Agricultural Credit and Cooperative Financing Administration, and Marcelo Adaduro, Luis Lichauco, and Vicente Araneta as ad interim members of the same Board.

Sept. 9—The President appoints Melecio Arranz ad interim Chairman of the Board of the Manila Railroad Company.

Sept. 10—The President receives a delegation of the Joint Veterans Committee of the Philippines headed by Col. Eleuterio Adevozo, who invite him to address the opening session of the 5-day Southeast Asia Veterans Conference to be held in the Manila Hotel next week. The delegation informs him that Australia, British North Borneo, Burma, Cambodia, Nationalist China, Indonesia, Laos, Malaya, Singapore, Hongkong, Thailand, and Vietnam had been invited and that delegates from these countries have begun to arrive in Manila. The President expresses his regret that another engagement will prevent his making the address, but states he will invite the members of the Conference to Malacañan for a meeting. He takes the opportunity to suggest that it would be a good thing if the two local veteran organizations,—Philippine Veterans Legion (PVL) and Confederation of Veterans of the Philippines (CONVETS)—would unite.

The President orders the release of **₱280,000** for the improvement of the Manila drainage system.

Sept. 11—To a group of members of the National Federation of Women's Clubs, who call on him, the President expresses his indignation against the wave of sex-crimes in the country and against the so-called employment agencies which have been discovered to be engaged in the trade of selling girls from the provinces to brothels in Manila and surrounding towns. He states he has ordered a thorough screening of such agencies and that he will see to it that the extreme penalties of the law are applied to any guilty parties.

The Department of Foreign Affairs announces that the Indian Government has agreed to the appointment of Narciso Ramos as the first Philippine Minister to India; Ramos, who was Minister in Buenos Aires, is now on the way to New Delhi.

Sept. 12 — The President swears in the members of the Board of Governors of the Agricultural Credit and Cooperative Financing Administration. The Chairman is Philippine National Bank President Pio Pedrosa and the other members are Marcelo Addurdu, Vicente Araneta, Luis Lichauco, Ricardo Gonzalez Lloret, and Domingo Paguirigan; the President states that he will name a seventh member in the person of Feliciano Bauso, who won a prize in 1936 as "model farm taster." An appropriation of P100,000,000 has been authorized for the Administration but has not been made yet, and the President states that he expects the MSA will extend enough aid to enable it at least to initiate its work while waiting for a general appropriation from Congress.

General Ralph B. Lovett, Manager of the U. S. Veterans Administration, informs the President that some 830 veterans are undergoing treatment in several hospitals in Manila and the provinces and that work on the proposed veterans hospital at Diliman will be started as soon as the revised plans are received from Washington.

The President receives Dr. Herbert Zipper, conductor of the Manila Symphony Orchestra and Mrs. Trudi Dubsky Zipper, who are returning to the United States after giving a series of concerts and ballet performances here, and came to say goodbye. He tells them of his decision to rehabilitate the Metropolitan Theater and also speaks of his plans for the Botanical Gardens.

Sept. 13 — The President approves a recommendation of the National Economic Council for a P2,000,000 RFC loan to the National Land Settlement and Development Corporation to push through the program of land settlement, especially in Mindanao.

The President receives Managing Director C. Roesholm of Caltex (Phil.), Inc., who informs him that his Company has started repairing the wharf at Batangas and that work on the construction of the projected refinery will be begun next month. The proposed plant will process some 13,000 barrels of crude oil a day into motor gasoline, kerosene, and fuel and diesel oils.

The President issues Executive Order No. 530, banning the importation of certain sizes of incandescent electric-light bulbs and fluorescent tubes, grey cloth, foreign lining and sheepskin lining and spits, and pure tomato catsup, and Executive Order No. 531, placing new ceiling prices on certain brands of coffee and corned-beef.

The Department of Foreign Affairs announces that Rene Guillaume, chargé d'affaires of Belgium, has been appointed Minister of Belgium to the Philippines.

Sept. 14 — The President instructs Secretary of Public Works and Communications Lorenzo to submit to him immediately concrete plans for the rehabilitation of the Metropolitan Theater. The Theater was originally built from the proceeds of the sale of shares of stock reportedly controlled by the El Hogar Filipino, on land belonging to the State on a long-term lease. The President also instructs Secretary of Agriculture and Natural Resources Camus to rehabilitate the Botanical Gardens immediately.

Sept. 15 — The President receives visiting members of Nationalist China's Legislative Yuan, who are accompanied by Ambassador Chen Chih-ping. Later he receives Minister Philip Bonsal, of the U. S. Department of State and in charge of Southeast Asian Affairs, who calls to pay his respects accompanied by Ambassador R. A. Spruance.

The Council of State at a meeting authorizes Secretary of Education Cecilio Putong to utilize certain unobligated funds amounting to P2,889,000 to open some 3,000 extension classes in the public schools. The Council also approves the 1952-1953 economic development program with Mutual Security Aid as submitted by PHILCUSA Chairman Yulo. With respect to the housing of people being moved from the Manila slums to Diliman, Mr. Yulo states that there is an amount of P11,500,000 available from the Counterpart Fund for low-cost housing, and that construction will be undertaken immediately. The largest part of the year's appropriations will go to agriculture. During the past fiscal year a total of \$47,000,000 plus P53,335,000 was assigned to various project categories; this fiscal year the amounts are \$30,000,000 plus P41,000,000. The program for the present fiscal year is in the main a continuation of program last year.

The President during the evening receives a number of civic and student delegations in connection with the government campaign against the "sex syndicates."

Sept. 16 — The President boards the presidential plane *Laong Laan* for Zamboanga City; he is accompanied by Secretary Montinola, Maj. Gen. Calixto Duque, and various others.

Secretary Elizalde receives courtesy calls from the delegations from Thailand, Cambodia, and Vietnam to the forthcoming Southeast Asia Veterans Conference in Manila.

Sept. 17 — The President, aboard the yacht *Apo* at Zamboanga, confers with Maj. Gen. G. B. Francisco and former Senator Teofisto Guingona on the Jolo situation.

Later, the President, at Pagadian, inaugurates the new province of Zamboanga del Sur. During the night the President sails for Parang, Cotabato, to open a number of new bridges in the province.

The Department of Foreign Affairs announces that the Philippine Government has approved a proposal of the Japanese Government for the establishment of an overseas agency in Manila to minimize the

difficulties resulting from the present abnormal relations between the two countries. It will be known as the Japanese Government Overseas Agency and, it is understood, will have the same status and privileges now enjoyed by the Philippine Mission in Tokyo. The Agency personnel will consist of four members, headed by Tohru Nakagawa who was a former attaché in the Japanese Embassy in the United States and who was later attached to the Office of the Prime Minister. Stated that the Philippine Foreign Office insisted that the name of the agency personnel should be previously served in the Philippines during the last war either in a military or civilian capacity.

Sept. 18 — The President inaugurates the Quirino bridge in Cotabato, symbolic also of the inauguration of two other bridges near-by, the Roxas Bridge and the Matambay Bridge, built at a cost of P2,000,000, mostly with United States funds. The President speaks of the \$250,000,000 United States aid, most of which, he states, has been expended in Mindanao for its development. Later the President boards the *Laong Laan* for Davao City.

Sept. 19 — The President visits the Davao Petal Farm. The Mindanao Abaca Planters Association presents a petition to him to establish a revolving fund of P10,000,000 to be used in buying Manila hemp at a floor price of P50 a bale for the J-grade in order to stabilize the price; the petition states that during August the price of this grade of hemp fell to P33 which is far below the production cost of P43.

Acting Executive Secretary Marciano Roque informs an importer, J. M. Glaiserman, Inc., of a recent Cabinet decision rejecting its request for the de-control of the importation of canned red tuna paste in view of the expected shortage in canned sardines.

Sept. 20 — The President returns to Manila from Mindanao. In the evening, he addresses a group of Southeast Asia veterans who call on him at Malacañan.

A Department of Foreign Affairs press-release states that the U.S. Food Administration, following representations made by Philippine Ambassador C. P. Romulo, is not expected "to make further condemnation for the time being" of Philippine imports of copra, Romulo having assured officials that the Philippine Government will make every effort to insure proper standards of cleanliness, etc.

The Department of Foreign Affairs announces that Filipino troops in Korea have received a unit citation from President Syngman Rhee for their "gallantry and courage."

Sept. 22 — The President visits the Department of Agriculture and Natural Resources and urges officials to speed up the Department's activities in Mindanao, stating among other things that some 200,000 people are reported to have come to Cotabato during the past three years and that many of them who have applied for homesteads are squatting and running into difficulties which may result in bloodshed.

The President orders the suspension of Manila Deputy Chief of Police Celestino M. Jan, pending decision on a charge of malversation case brought against him by Mayor Benigno H. Lacson.

Sept. 23 — Upon inducting the officers of several veterans organizations, he was asked to do, the President states that he is "getting confused" by the number of these bodies and expresses the wish that they unify.

The Cabinet approves in principle a proposal that import licenses be issued "in reasonable quantity" for foreign products exhibited at the Philippine International Fair, scheduled for February 1 to April 30 of next year, should there be a demand for these products later.

Sept. 24 — The President, in a conference with returned delegates of the Manila Junior Chamber of Commerce to the 7th world congress of the Jaycee International in Melbourne, at which Roberto Villanueva was elected JCI President, expresses his compliments and incidentally remarks on his desire to hold another regional conference of Southeast Asia members at a follow-up PHILCUSA-BIAO Conference of 1950.

The President receives Arthur K. Watson, vice-president and general manager of the International Business Machines Corporation, who, having seen devastated Manila in 1945, expresses his amazement over the "fantastic" progress made in the rebuilding of the city.

Sept. 25 — The President holds a breakfast conference with Vidal A. Tan, President of the University of the Philippines, who is leaving for the United States to represent the Philippines at the coming UNESCO conference there, and with Dr. A. B. M. Sison, Director of the Philippine General Hospital, who has just returned from Baltimore where he worked for P200,000 Rockefeller Foundation aid for the College of Medicine of the University. During President Tan's absence, Dr. Enriquez will be acting President of the University.

The President receives Belgian Minister Rene Guillaume who presents his credentials.

Sept. 26 — The President instructs officials of the National Rice and Corn Corporation to find a way to reduce the price of rice (Macan) from P1.10 to P.80 a ganta during a surprise visit to the NARIC offices. NARIC officials express the opinion that with the 53,000 tons of foreign rice already received and the 16,000 tons more arriving, there will be a sufficient supply. During the visit the President expresses displeasure at seeing farmers with apples with hanging heads.

The President releases P15,000 for expenses in connection with the Indo-Pacific Fisheries Council conference to be held here October 23-November 27; the Council is a regional agency of the United Nations Food and Agricultural Organization and the conference will be attended by some 40 delegates representing 17 member nations. The President

also authorizes Philippine Participation in the second session of the Sub-Committee on Electric Power to be held in Bangkok, September 29-October 2, and designates Hermenegildo B. Reyes, of the Manila Electric Company, and Jose U. Jovellanos, of the National Power Corporation, as delegates.

Sept. 27 — The President signs Executive Order No. 534 fixing new ceiling prices on corned beef, then flies to Lingayen, later also visiting Bimbleay and Dagupan.

Sept. 28 — The President visits San Carlos, home-town of Speaker Eugenio Perez.

Sept. 29 — The President inspects the site of the projected portland cement plant at Luna, La Union, and also visits Pora and the people of the lonely peninsula of Caracavan.

Sept. 30 — The President visits Vigan, then flies to San Fernando to return to Manila tomorrow.

John M. Allison, U. S. Assistant Secretary of State for Far Eastern Affairs, makes a courtesy call on Secretary of Foreign Affairs Elizalde, accompanied by Ambassador Sprounce.

Malacañan announces the President's approval of a ₱100,000 special budget for the Bureau of Plant Industry for the anti-locust drive.

Senator Justiniano Montano is indicted for alleged complicity with some 22 others in the murder of the Mayor of Maragondon, Cavite, and three policemen on September 2.

Banking and Finance

By J. BROWNLEY

Sub-Manager

National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31 1949	As of June 30 1952	As of July 31 1952	As of Aug. 29 1952
ASSETS (In thousands of Pesos)				
International Reserve.....	₱460,689	₱491,328	₱456,272	₱472,836
Contribution to International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	113,306	107,570	107,570	107,570
Loans and Advances.....	77,047	21,365	36,382	45,055
Domestic Securities.....	92,197	234,680	233,098	233,824
Trust Account Securities Stabilization Fund.....	—	12,233	12,233	—
Other Assets.....	20,390	37,343	46,967	44,200
	₱793,629	₱934,519	₱923,332	₱933,485
LIABILITIES				
Currency—Notes.....	₱555,576	₱539,281	₱525,454	₱516,495
Coins.....	74,384	91,787	91,564	91,406
Demand Deposits—Pesos	117,682	252,855	257,701	277,126
Securities Stabilization Fund.....	2,000	12,233	12,233	12,233
Due to International Monetary Fund.....	22,498	496	496	496
Due to International Bank for Reconstruction and Development.....	2,389	2,383	2,383	2,383
Other Liabilities.....	2,636	11,593	8,568	7,345
Deferred Credits.....	—	3,629	4,250	1,852
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	3,129	3,551	7,017
Surplus.....	—	7,132	7,132	7,132
	₱793,629	₱934,519	₱923,332	₱933,485

The increase of ₱16,000,000 in the Central Bank's international reserve registered on August 29, 1952, was attributable to the increase in the U. S. Depositories Account of ₱8,000,000 and the Bank's purchase of about ₱8,000,000 worth of U. S. Government Securities during the month under review. However, foreign currency holdings of other banks declined ₱28,000,000 for the same period, hence the net loss of international reserves amounted to ₱12,000,000. In an attempt to rectify the serious drain on foreign currency resources, the Government is trying to cut down imports as evidenced by the very small volume of import licenses being released. As letters of credit against old licenses continue to run off, the cash positions of the local banks have become progressively easier.

It will be observed that in the August statement above (under Assets) there is no figure corresponding to the Trust-Account Securities Stabilization Fund. This was written off to the debit of currency issued, as the account actually represents inactive cash held in the Central Bank's vault. As a result, a substantial decrease in outstanding money in circulation was registered in August. There was, however, an increase in demand deposits from ₱257,701,000 to ₱277,126,000 during the same period. Loans and advances continued their upward trend. The figure on August 29, 1952, was ₱45,055,000, up 24% from the previous month, a total increase of 111% since June 30, 1952.

There have been some reports indicating a better turn-over in the construction-materials line compared to last month, but in general, the rhythm of commercial activity is still dull and sellers are forced to offer longer terms of credit. Mass purchasing power has been much curtailed by the sharp drop of copra and abaca prices during the past half year.

Revised figures obtained from the Bureau of Census and Statistics indicate that imports for the first 6 months of 1952 totalled ₱473,015,000 against exports of ₱392,609,000. Therefore, the adverse trade balance was ₱80,406,000 instead of ₱89,493,000 as previously reported.

(NOTE: The information contained herein has been derived from responsible sources but the Bank assumes no responsibility for its accuracy.)

Manila Stock Market

By A. C. HALL

Hall, Picornell, Ortigas & Co.

August 23 to September 19.

EXTREMELY narrow and quiet conditions have prevailed in mining shares during the past month.

Gold shares are fractionally lower, on balance, as compared with four weeks ago. The dismal prospects for gold mines under present conditions have been referred to in this column on two or three previous occasions. Until the outlook brightens, it seems unlikely that shares in this group can put on a better performance.

Base-metal shares have ruled quietly steady, but the very narrow fluctuations in these issues possibly reflect some caution toward future prospects. Up to quite recently, the tendency in local investment circles has been to consider the demand for base metals as more or less infinite and price structures as not subject to the declines or adjustments which have been visited on other commodities. However, lately, indications are that within a year or so, different conditions may well prevail in these markets.

A factor of overall negative import to stock-exchange values, as a whole, has been the continued contraction in the money supply.

There has been a slight improvement in the price of gold in the local free market during the past month from approximately ₱100 to ₱102.50 per fine ounce.

In the commercial and industrial section, San Miguel Brewery common rallied from its recent low on the news that the Company contemplates a stock-dividend distribution around the end of the year. Sugars were somewhat more active and easier, with further sellers at last prices, but buyers withdrawn.

Fixed-interest securities have been quietly firm throughout the period.

MINING SHARES

1951-52 Range	High	Low	M.S.E. Mining Share	High	Low	Close	Change	Total Sales
131.55	68.11	—	Average	102.56	99.81	100.23	Off .32	7,088,141
0.315	0.155	—	Acile Mining Co.	7.017	1.15	1.18	—	124,000
0.0925	0.028	—	Antcom Goldfields	1.04	1.04	1.04	—	10,000

401, with a total value of **₱2,881,288**, sales were for the cities of Quezon and Pasay, and in the suburban towns of Caloccan, Makati, Malabon, Navotas, Mandaluyong, Parañaque, and San Juan.

Among the bigger sales registered during the month were:

A property with a lot of 6,751.83 square meters on Dewey Boulevard, Pasay City, sold by James B. Jensen to Gilbert Zuellig for **₱220,000**;

A property with a lot of 1,557 square meters, at 1126-34 Miericordia Street through to Anacleto Street, Sta. Cruz, sold by Philippine Rural Investments to Ernesto T. Santos for the reported sum of **₱100,000**;

A tract of 4,614.2 square meters on Tanque Street, Paco, sold by Mayson Realty, Inc., to Antonio Miranda for **₱92,284**;

A property with a lot of 10,117 square meters on Roosevelt Avenue, San Francisco del Monte, sold by Arthur W. Ralston to Domingo Imperial for **₱85,000**; and

A property with a lot of 836.4 square meters on Pennsylvania Street, corner Dagony Street, Malate, sold by Virginia Gonzales to Andres Caberte for **₱85,000**.

REAL ESTATE SALES, 1952

	Manila	Quezon City	Pasay City	Suburban	Total
January	₱6,085,610	₱1,592,939	₱197,596	₱1,285,689	₱9,161,834
February	2,629,939	1,052,519	274,017	2,066,314	6,022,789
March	3,757,283	1,809,583	366,011	1,427,608	7,360,485
April	2,216,532	1,249,898	352,130	1,239,492	5,058,052
May	2,978,391	1,277,309	687,901	1,346,563	6,289,264
June	2,387,996	1,598,090	440,171	2,348,711	6,775,768
July	2,127,614	1,235,423	466,223	1,617,947	5,447,207
August	1,902,420	1,191,815	62,196	2,139,672	4,042,092
September	2,441,728	1,339,775	421,953	2,881,288	5,323,016

REAL ESTATE MORTGAGES, 1952

January	₱6,184,617	₱4,245,805	₱265,740	₱3,933,904	₱14,630,066
February	2,938,398	1,424,431	441,044	2,656,070	7,459,943
March	4,543,653	1,607,573	548,067	1,872,536	8,571,829
April	7,041,757	1,989,774	676,481	2,895,044	12,603,056
May	6,976,566	2,898,379	317,200	1,910,870	14,203,015
June	4,967,085	13,757,050	1,480,500	4,082,733	22,187,368
July	5,446,923	2,107,155	471,600	2,913,070	10,938,748
August	4,061,478	2,506,703	580,950	5,558,478	9,619,956
September	13,215,004	2,183,513	467,150	6,641,864	19,856,866

REAL ESTATE mortgages registered in the Greater Manila area during the month of September numbered 576, with a total value of **₱19,856,868**, as compared with 228, with a total value of **₱4,061,487**, registered during the preceding month.

Of the September total, 235, with a total value of **₱13,215,004**, represented deals within Manila proper, while 341, with a total value of **₱6,641,864**, were deals within Quezon City, Pasay City, Caloccan, Makati, Malabon, Navotas, Mandaluyong, Parañaque, and San Juan.

Building Construction

By JUAN J. CARLOS

President, Philippine Contractors' Association

DURING the month of August, the Office of the City Engineer approved building permits for construction work amounting to **₱2,838,540**. For the same period last year, the volume of work authorized amounted to **₱3,109,275** in comparison with **₱2,412,325** in 1950 and **₱4,150,280** in 1949. Among the big projects that were started during the month under review were:

A 3-story office building for the Manila Electric Co. on Marquez de Comillas Street, estimated at **₱400,000**;

On Quezon Boulevard near corner Acarrage, a 5-story commercial office building and theater for Mrs. Evelina Kalaw Katigbak, costing **₱350,000**;

A 3-story theater building on Raon Street, near corner Quezon Boulevard, for Cesario G. Nazario, estimated at **₱130,000**;

Alterations in the office of the Equitable Banking Corporation on Juan Luna Street, costing **₱100,000**.

A market building on Bilbao, Tondo, with an area of 1,800 sq.m., estimated at **₱150,000**.

A perusal of the list of permits issued by the City Engineer shows that there is a dominance of permits issued for theaters, bank offices, and new school buildings. It seems that these three types of businesses are the only ones not much affected by the present tight financial conditions. In the Quiapo Church area alone, there are at least four new theaters being constructed at present.

With the arrival of a big shipment of portland cement from Japan for PRISCO, the tight supply of this commodity eased up considerably. Likewise, the price of galvanized-iron sheets, gauge 26, dropped in price from **₱8.00** to **₱7.30-₱7.50** a sheet.

Freight Car Loadings

By JOSE B. LIBUNAO

Traffic Manager, Manila Railroad Co.

LOADINGS of revenue freight in the month of July, 1952, totaled 2,222 cars. This was an increase of 7 cars, or 0.003% over that of July, 1951, which was 2,215 cars.

REVENUE CARLOADINGS BY CLASSES

Revenue freight carloadings by general classes of commodities for the month of July are shown below:

	1952	1951
Products of agriculture	5,039	5,591
Animal products	293	824
Mineral products	684	1,060
Forest products	5,948	14,558
Products of manufacture	16,648	16,943
Merchandise less carload	9,098	7,290
Total	<u>37,710</u>	<u>46,266</u>

THE decrease in tonnage affected shipments of the products of agriculture, animal, mineral, and forest. Articles which registered declines in volume of shipments were rice, flour, hemp, livestock, crushed stone, hogs, lumber, wood fuel, mineral and vegetable oils, molasses, and cement. The causes were decreased production, limited importation, decline in the export crops due to low prices, and competition of other means of transportation.

Ocean Shipping and Exports

By B. B. TUNOLD

Secretary-Manager

Associated Steamship Lines

TOTAL exports during the month of August this year showed an increase of approximately 45,000 tons over exports during August of last year.

111 vessels lifted 349,148 tons of exports during the month as compared to 303,612 tons, lifted by 114 vessels, during the same month last year.

Commodities which have registered a sharp increase over last year's figures for the same month are: molasses from 4,185 to 15,309 tons; chrome ore from 24,800 to 54,217 tons; manganese ore from 450 to 2600 tons; canned pineapples from 5,344 to 15,880 tons, and centrifugal sugar from 9,000 to 23,222 tons.

Exports during August, 1952, as compared with exports during August, 1951, were as follows:

Commodity	1952	1951
Beer	34 tons	240 tons
Coconut, desiccated	7,069 "	5,677 "
Coconut oil	7,172 "	8,803 "
Concentrates, copper	10,661 "	9,503 "
Concentrates, gold	160 "	542 "
Concentrates, lead	142 "	—
Copra	52,643 "	78,435 "
Copra cake and meal	7,222 "	4,313 "

Embroideries	238 "	352 "
Empty cylinders	639 "	1,753 "
Furniture, rattan	422 "	1,230 "
Hemp	80,591 bales	96,568 bales
Household goods and personal effects	352 tons	314 tons
Junk metals	121 "	—
Logs	18,971,654 bft.	14,088,927 bft.
Lumber	7,449,955 "	4,102,360 "
Molasses	15,309 tons	4,185 tons
Ores, chrome	54,217 "	24,800 "
Ores, iron	81,829 "	93,838 "
Ores, manganese	2,600 "	450 "
Pineapples, canned	15,880 "	5,344 "
Rattan, palasan	600 "	206 "
Rope	541 "	551 "
Rubber	53 "	139 "
Shells, shell waste	57 "	11 "
Skins, hides	30 "	—
Sugar, cent. raw	23,222 "	9,000 "
Sugar, muscovado	594 "	498 "
Tobacco	1,792 "	1,588 "
Vegetable oil	18 "	69 "
Wine and liquors	22 "	—
General merchandise	350 "	550 "

Port of Manila

By L. R. WENTHOLT

Vice-President, Luzon Brokerage Company

DURING the month of September, approximately 79,000 tons of cargo were discharged on the piers and shipside. Ship arrivals this month were fewer than the month before and there were days when there was not a single ship docked at the piers, which, generally, has been a rather rare sight.

Apparently the effects of the tightening import controls and the reduction in the number of import licenses issued, now show in the decreasing arrival of general merchandise.

However, greater activity is expected soon due to the approaching Christmas season.

Large shipments of rice and flour were discharged during September. The *Charles E. Dant* discharged 3,000 tons of flour in 36 hours, which rate of discharge compares favorably with that of any port in the world.

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Mining

By NESTORIO N. LIM

Secretary, Chamber of Mines of the Philippines

BASE METAL PRODUCTION IN THE PHILIPPINES JANUARY TO JUNE, 1952

NAME OF COMPANY	JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE		
	Quantity in M.T.	Value in Pesos	Quantity in M.T.	Value in Pesos	Quantity in M.T.	Value in Pesos	Quantity in M.T.	Value in Pesos	Quantity in M.T.	Value in Pesos	Quantity in M.T.	Value in Pesos	
Consolidated Mines.....	28,800	P 835,200	28,100	P 814,900	33,200	P 962,800	27,600	P 800,400	38,000	P 1,192,000	46,800	P 1,357,200	
Lepanto Consolidated.....	1,178	1,863,247	1,153	1,810,937	1,100	1,718,734	1,031	1,589,392	968	1,505,713	994	1,606,073	
San Mauricio (Cu).....	None	None	None	None	None	None	None	None	None	None	None	18	17,708
Mindanao Mother Lode.....	23	22,995	21	21,433	23	22,747	23	23,058	27	27,294	21	21,555	
United Paracale.....	None	None	None	None	None	None	None	None	None	None	15	15,204	
Hixbar Gold Mining.....	None	None	None	None	81	46,090	None	None	None	None	None	None	
Far East Metals & Ores.....	None	None	None	None	None	None	None	None	None	None	None	None	
Pan-Philippine Corp.....	None	None	None	None	None	None	None	None	35	45,034	None	None	
Philippine Iron Mine.....	39,304	723,972	50,603	981,802	60,808	1,112,779	66,615	1,227,855	68,306	1,251,197	61,387	1,171,367	
Samar Mining Co.....	19,307	354,965	32,214	689,515	35,503	649,705	38,064	686,571	38,262	700,195	39,896	730,097	
Macarinduque Iron Mine.....	4,895	93,005	9,633	183,027	14,074	267,406	16,106	192,014	13,445	225,455	9,316	177,004	
Gabun Paracale.....	None	None	None	None	2,160	42,120	None	None	2,600	50,700	3,208	62,517	
Acoje Mining.....	None	None	1,000	50,000	2,925	61,900	3,556	213,531	3,556	213,933	7,900	424,773	
Luzon Stevedoring Co. chro- mitite.....	None	None	1,000	34,500	None	None	None	None	None	None	2,940	205,800	
Luzon Lead-Silver Mines.....	None	None	99	62,908	None	None	None	None	None	None	57	47,196	
San Mauricio (Pb).....	None	None	None	None	None	None	None	None	None	None	114	74,887	
Surigao Cons. (Pb).....	35	29,516	48	39,667	48	38,359	68	56,318	76	63,808	77	64,369	
United Paracale.....	None	None	None	None	55	4,400	None	None	None	None	18	11,518	
Luzon Stevedoring Co. man- ganes.....	None	None	None	None	None	None	None	None	None	None	717	61,562	
General Base Metals.....	4,840	242,000	None	None	1,651	92,445	None	None	None	None	None	None	
Palawan Manganese.....	None	None	1,000	96,000	None	None	None	None	None	None	None	None	
Amalgamated Minerals.....	None	None	None	None	1,500	52,260	None	None	None	None	None	None	
Cia. Mineral de Filipinas.....	None	None	None	None	370	29,600	None	None	None	None	None	40,000	
Selo Manganese.....	None	None	None	None	None	None	None	None	None	None	None	None	
Otto Sales Corp.....	None	None	None	None	None	None	None	None	None	None	540	32,400	
Palawan Mining Corp.....	None	None	None	None	561	44,880	None	None	None	None	None	None	
Surigao Cons. (zn).....	48	40,693	66	56,160	89	74,041	119	99,060	150	129,024	140	120,120	
T Ref. chrome ore.....	28,800	P 835,200	28,100	P 814,900	33,200	P 962,800	27,600	P 800,400	38,000	P 1,192,000	46,800	P 1,357,200	
O Met. chrome ore.....	None	None	2,000	104,500	2,925	81,900	3,556	213,531	3,556	213,933	9,940	630,573	
T Copper metal.....	1,201	1,886,242	1,174	1,832,270	1,204	1,787,571	1,054	1,612,430	1,030	1,578,041	1,048	1,660,540	
L Lead metal.....	35	29,528	147	122,375	48	38,359	68	56,318	76	63,808	246	198,070	
L Iron ore.....	63,596	1,171,942	92,450	1,754,345	112,545	2,072,019	114,785	2,116,440	122,613	2,227,547	113,805	2,140,985	
S Manganese ore.....	4,840	242,000	1,000	96,000	4,137	223,585	None	None	None	None	1,737	134,062	
Zinc metal.....	48	40,693	66	56,160	80	74,041	119	99,060	150	129,024	140	120,120	
GRAND TOTALS	48	P4,205,603	66	P4,780,850	89	P5,240,266	119	P4,898,199	150	P5,314,353	140	P6,241,550	

—Compiled in the Bureau of Mines.

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Lumber

By PACIFICO DE OCAMPO
Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

DURING the month under review, August, 1952, the Philippines exported 32,899,153 bd. ft. of logs and lumber, representing another increase of 6,001,077 bd. ft. as compared to 26,898,076 bd. ft. exported during the preceding month, and also a considerable increase of 9,871,552 bd. ft. over 23,027,601 bd. ft. exported during the same month of last year. This increase was the result of a general improvement of demand from Japan, the United States and Canada, and other countries. Shipments to Japan increased by 3,051,565 bd. ft.—from 17,691,132 bd. ft. in July to 20,642,697 bd. ft. in August; shipments to the United States and Canada improved by 2,109,572 bd. ft.—from 6,144,654 bd. ft. in July to 8,254,226 bd. ft. in August; and to other countries—from 3,162,290 bd. ft. to 4,002,230 bd. ft., an increase of 839,940 bd. ft.

Hereunder are the figures for the lumber and timber inspected for export during August, 1952, as released by the Bureau of Forestry:

Shipper	Destination	Volume in Board Feet Lumber	Logs
Abarro & Sons, Inc.	U. S. A.	58,321	
Aguinaldo Development Corp.	Japan	1,614,281	

Agusan Timber Corporation	U. S. A.	509,987	
American Rubber Co.	Japan	2,699,990	
Anakan Lumber Company	U. S. A.	226,473	
B. R. Valencia Co., Inc.	Japan	1,125,860	
Basilan Lumber Company, Inc.	U. S. A.	1,050,757	248,214
Bitlig Bay Lumber Co., Inc.	Hawaii	241,473	
Dahican Lumber Co., Inc.	Hongkong	115,169	
Dee Cho Lumber Co., Inc.	U. S. A.	518,257	
Dee Hong Lue & Sons	Japan	1,120,000	3,254,818
General Enterprise	Guam	13,831	
Iligan Lumber Co., Inc.	South Africa	7,740	
Insular Lumber Company	Japan	499,996	500,000
Johnstn Lumber Co., Inc.	U.S.A.	626,876	
Marsman Development Co.	South Africa	572,079	
Martha Lumber Mill, Inc.	Hawaii	215,317	
Misamis Lumber Co., Inc.	Belgium	46,147	
Nasipit Lumber Co., Inc.	Erie	25,708	
North Camarines Lumber Co., Inc.	Canada	29,042	
Pacific Manufacturing & Plywood Corp.	Japan	687,241	
	U. S. A.	236,589	
	U. S. A.	200,000	
	Japan	2,164,177	
	Japan	869,889	
	U. S. A.	1,185,792	
	Canada	21,901	
	Formosa	931,446	
	Japan	467,436	

COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF JULY AND AUGUST, 1952

Period	Lumber in Board Feet					Logs in Board Feet				Grand Total
	Western States	Eastern States	Gulf States	All States	Others	Western States	Eastern States	Gulf States	Others	
July, 1952	3,592,076	127,132	90,409	159,634	4,578,251	649,995	499,997	1,232,809	—	1,479,989
August, 1952	4,704,006	693,912	27,642	128,395	5,553,955	1,158,201	258,318	732,812	—	2,649,328
Difference (Increase +, Decrease -)	1,111,930+	43,221-	62,767-	31,239-	974,704+	508,206+	258,318+	732,812+	—	1,169,339+
					974,704+	508,206+	258,318+	732,812+		2,144,043



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Pan Asiatic Commercial Co., Inc.	Japan		500,000
Reynaldo Lumber Co.	U. S. A.	49,969	
Serra & Co.	Formosa		900,000
Sta. Clara Lumber Co., Inc.	U. S. A.		400,000
Surigao Timber Co.	Japan	1,172	599,979
Tagtag Sawmill Co., Inc.	U. S. A.	256,301	182,840
Taligaman Lumber Co., Inc.	Japan		501,407
Tirador Lumber	Japan		1,000,387
Verliano C. Bueno	Japan		371,392
West Basilan Lumber Co., Inc.	Japan		560,359
Western Mindanao Lumber Co., Inc.	U. S. A.	50,000	550,876
Woodcraft Works, Ltd.	Japan		977,257
	Formosa		800,033
	Israel		94,089
	S. Africa	39,198	
	U. S. A.	231,769	
Totals		6,881,560	26,017,593

Resumé of Exports to:

	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	20,642,697	20,642,697
United States and Canada	5,604,898	2,649,328	8,254,226
Other countries	1,276,662	2,725,568	4,002,230
Totals	6,881,560	26,017,593	32,899,153

Trend of Exports to:

	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	—	20,642,697	—	17,591,132	—	14,800,996
United States and Canada	5,604,898	2,649,328	4,664,665	1,479,989	3,722,503	3,071,599
Other countries	1,276,662	2,725,568	1,519,035	1,643,255	403,061	969,442
Totals	6,881,560	26,017,593	6,183,700	20,714,376	4,185,564	18,842,037

SUMMARY OF EXPORTS DURING AUGUST, 1952, ARRANGED BY COUNTRIES OF DESTINATION IN THE ORDER OF VOLUME OF SHIPMENT TO EACH COUNTRY

Countries of Destination	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	20,642,697	20,642,697
United States	5,553,955	2,649,328	8,203,283
Formosa	—	2,631,479	2,631,479
South Africa	619,017	—	619,017
Hawaii	456,790	—	456,790
Hongkong	115,169	—	115,169
Israel	—	94,089	94,089
Canada	50,943	—	50,943
Belgium	46,147	—	46,147
Erie	25,708	—	25,708
Guam	13,831	—	13,831
Totals	6,881,560	26,017,593	32,899,153

ARRIVALS of logs and lumber in Manila suffered another decrease of 584,620 bd. ft.—from 12,440,861 bd. ft. in July to 11,856,241 bd. ft. in August, 1952.

The local wholesale lumber market, which slightly improved during the early part of July, firm up definitely toward the close of the month under review, August, 1952, featuring minor increases in the prices of lumber. Opening, thus, at ₱130-₱135 per 1000 bd. ft. for white lauan, ₱135-₱145 for apitong, and ₱160-₱165 for red lauan, the market at the close of the month quoted white lauan at ₱130-₱140, apitong at ₱140-₱145, and red lauan at ₱160-₱170.

THE Wage Board for the Lumber Industry has recommended a three-month extension in the application of the minimum wage of ₱4 in the provinces from August 4, 1952. A formal hearing on this recommendation was held before Secretary of Labor Jose Figueras, in the course of which additional evidence was presented chiefly in the

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form of resolutions, telegrams, and memoranda from various labor unions in the provinces requesting the suspension of the minimum wage as requested in order to help the industry survive. Lumber producers are worried as to the possible effects of a non-confirmation of the recommendation of the Wage Board, which could result in the closure of many lumber mills, particularly those of small operators, with the consequent laying off of thousands of laborers.

THE hearings on the Philippine Mahogany case were continued before the Federal Trade Commission at Washington, D. C. last September 16, and the Philippine Government through Ambassador Carlos P. Romulo pleaded for a continuance of the use of the term "Philippine Mahogany" to designate Philippine woods. It is not unlikely that lumber trade in the Islands would be seriously disrupted if an adverse decision is handed down.

Copra and Coconut Oil

By DOUGLAS C. KELLER

Manager, Philippine Refining Company, Inc., Cebu

August 16 to September 15

THE market now under review opened dull and sluggish for copra, coconut oil, and copra meal, but markets for all three improved as the month went by, gaining strength slowly but surely until the middle of September, the end of our period. Substantial demand from the United States and Europe indicated that the market would continue strong and rising for some time to come.

Sellers ideas for copra in San Francisco at the opening were around \$125 per ton c.i.f. but were steadily raised until at the end of the period the lowest offer from the

Philippines for first-hand copra was \$137.50. However, crushers and speculators bought steadily all the way up the market and considerable buying-interest, mostly occasioned by shorts, remained at the end of the period to justify further increases. Exporters, generally speaking, anticipating that the peak had not yet been reached, withdrew and offers were very sparse.

The European market followed a very similar pattern and showed a similar gain of some \$12.50 per ton; opening quotations of \$140 per ton c.i.f., had increased to \$152.50 per ton by the middle of September and it was reported that a small volume had been traded as high as \$155. The strength of the market in Europe was largely due to scattered short-coverings, as we hear of only a relatively small consumer-interest. Most of these shorts were the result of the issuance of Bank of England dollar licenses mentioned in our last report.

On the 11th September the British Treasury announced that it has been decided not to reopen for the time being the exchange-control arrangements permitting purchase of certain dollar primary commodities for resale to countries in the European Payments Union. The scheme was started with a limited objective of reducing the United Kingdom deficit with the E.P.U., thereby accelerating the recovery of the 100% gold paid to the Union, while at the same time giving United Kingdom merchants the opportunity of increasing the invisible earnings from E.P.U. The volume of approved applications for merchandising transactions since the scheme was started has been large enough to attain this limited objective for the time being.

The local market in Manila for copra followed the world markets and rose from ₱22.50 per 100 kilos to ₱24.50. In Cebu, which has been a strong and difficult market, exporters as usual, in the face of fierce competition for supplies, were forced to pay the usual peso above the Ma-

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nila market; prices ranged from P23.50 at the opening, to P25.50 at the close.

Reports from the provinces, particularly Mindanao, indicate that production is good and will continue so at these price levels.

In line with gains made by the copra market, crushers on the United States Pacific coast steadily advanced their quotations for coconut oil throughout the period and sellers' ideas for tank cars rose from a nominal 9 cents at the opening to 10 cents per pound f.o.b. at the close for September delivery, while October positions were 1/4 cent lower. Demand for oil was only moderate throughout this period, but at the close a much more substantial interest was anticipated.

Bulk oil to the Atlantic coast enjoyed a similar 1-cent increase over the month; sellers' ideas were around 10 cents at mid-August but had steadily increased to 11 cents by mid-September. While the demand for oil was not as strong as that on the Pacific coast, a reasonable tonnage changed hands during this period and, since consuming-interest was not strong, we can only guess that a large proportion of the stocks on the Atlantic coast is in the hands of speculators. From what little information we can gather on the subject, and because the demand is heaviest for spot or prompt shipment, we assume that consumers' inventories are dangerously low. If this is true we can, therefore, expect a further strong and rising market at least until the end of September.

In Europe, coconut oil was offered at \$207 per ton c.i.f. at the beginning of this period, but advanced in sympathy with the ascending market in the United States and was nominally quoted at \$220 at the close. Again, it is reported that consumer demand was not over-strong and the interest for Philippine oil came mostly from dealers who were filling short positions. Further increases in this market are also expected.

A more or less normal volume of copra cake and meal was traded during this same period and the market followed the same advancing trend of copra and coconut oil. The market opened at around \$79.50 per ton c.i.f. Pacific coast and closed at the end of the period some \$3.00 to \$3.50 higher; a high of \$84 was recorded some few days before September 16 but then settled back, as stated, to around \$82.50. Demand during this time was not exciting but fairly steady, and there is nothing to indicate that we may expect any violent reactions one way or the other.

STATISTICS published by the U. S. Department of Commerce show a decided reduction of imports of Philippine copra and coconut oil for the first 6 months of this year as compared with the corresponding period of 1951. Actual figures, with copra expressed in terms of oil, were:

	Jan/June 1951	Jan/June 1952
Copra	133,600	90,700
Coconut oil	32,300	17,200

This substantial reduction is presumably the result of restricted purchasing for stock-piling purposes and a much reduced factory usage.

In connection with factory usage, we are advised that detergents, on a poundage basis, have risen from 25% of the total market to 40% during the last 12 months.

MEANWHILE reports are on hand that Europe may expect a slowing down of supplies of copra from Indonesia, which is attributed largely to the chaotic conditions prevailing there.

From Ceylon, however, we have reports that the exports of copra, coconut oil, and coconut products for the period January to June, 1952, amounted to the copra equivalent of 141,700 long tons. This showed an increase of roughly 25% over the same period for 1951.

Copra exports from the Philippines during the month of August, 1952, are reported as follows:

To United States Pacific coast ports	16,750 long tons
United States Atlantic coast ports	2,253 "

United States Gulf ports	2,433	"	"
Canada, Pacific coast ports	1,500	"	"
Japan	3,826	"	"
Europe	16,700	"	"
Israel	1,400	"	"
South American ports	7,781	"	"
Total	52,643	long tons	

This compares with 42,657 tons of copra exported during July, 1952, and 78,435 tons shipped during August of last year. The total exports for the first 8 months of 1952 are now 394,031 long tons, as against 484,206 tons during the same period last year.

With regard to shipments of coconut oil, total exports during August, 1952, were as follows:

To United States Pacific coast	3,000	long tons
United States Atlantic coast	4,450	" "
South Africa	510	" "
Belgium	708	" "
Holland	1,501	" "
Total	7,172	long tons

By way of comparison, the July, 1952, exports of coconut oil amounted to 8,017 long tons, while during August, 1951, the total was 8,803 tons. The total for the first 8 months of 1952 now amounts to 55,308 long tons, as against 48,833 tons during the same period in 1951.

Desiccated Coconut

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

THIS report covers the period from August 15 to September 15 during which time the desiccated coconut factories stepped up production approaching 80% of the normal capacity.

Copra firmed up near the close of the period and nut prices followed accordingly, with desiccated operators buying slightly under the copra equivalent.

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

Shippers	Pounds
Franklin Baker Company	5,086,764
Blue Bar Coconut Co.	1,147,500
Peter Paul Philippine Corporation	1,350,000
Red V Coconut Products	2,174,900
Sun Rippe Coconut Products	725,000
Standard Coconut Corporation	—
Cooperative Coconut Products	482,800
Coconut Products (Phila.) Inc.	—
Tabaclera	—
	<hr/> 10,966,964 pounds

Manila Hemp

By T. W. JURIKA
Acting General Manager
Columbian Rope Company of Philippines, Inc.

THE fiber market which had turned from weak to steady during the latter part of August developed increasingly firmer tones in early September. In all parts of the Islands balings fell off drastically as production touched a new low point for the year. Dealers hoarded what loose stocks they could find, hoping to force prices up.

The extension of the Philippines-Japan Trade Agreement to January 31, 1953, which was announced in early September, permitted a continuation of the heavy buying by Japan during July and August. Spinners continued taking up practically all fiber offered during September, apparently acting on the premise that it would work to their advantage to stay in the market steadily and at least fill their requirements rather than try to depress prices by waiting until the last moment permitted by the Trade

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Agreement expiry date, at which time they might not be able to buy at all.

London and New York showed no inclination to outbid each other for available supplies, although manufacturers generally were willing to pay a 1/2 to 1 cent per pound premium for prompt shipment. With inventories in the United States reported to be inadequate to meet potential consumption, manufacturers were in no position to sit by for too long a period. Nevertheless, the general opinion was held that the current shortage of abaca was a purely temporary condition, and that with the end of the rice-harvest season and the stimulus of revived attractive prices, production would again reach normal figures and buying could be resumed without creating any drastic reaction.

Sisal, while quoted at 14-1/2 cents c.i.f. New York, may have regained this position by the same means used by abaca producers, in other words, holding and hoarding. Reports of large unsold stocks of East African, coupled with an accumulating surplus of henequen, do not sustain any possibility of a further advance in price in these fibers. Any sudden weakness would immediately carry abaca down with them to a certain extent.

The general outlook for October is one of mixed trends when probable increased production and uncertain demand will tend to offset any price gains in recent weeks. Toward the first half of November we may again see the beginning of a decline which in a short period of time could conceivably reach the low point of early August.

We list below baling and export figures for the period January-August inclusive:

	BALINGS—JANUARY/AUGUST INCLUSIVE				
	1952	1951	1950	1949	1948
Davao.....	42,069	339,211	238,643	143,853	141,783
Albay, Camarines, and Sorsogon.....	11,427	184,960	115,300	79,717	130,931
Leyte and Samar.....	5,982	120,176	77,022	72,253	78,867
All other non-Davao.....	5,744	70,696	50,974	53,109	84,382
Total.....	611,445	715,043	481,939	348,932	435,963

	EXPORTS—JANUARY/AUGUST INCLUSIVE				
	1952	1951	1950	1949	1948
United States and Canada.....	226,708	429,963	240,564	129,854	195,608
Continental Europe.....	107,637	112,653	80,390	67,028	72,354
United Kingdom.....	62,388	128,091	54,009	24,959	52,945
Japan.....	103,233	87,108	55,630	81,977	114,901
South Africa.....	6,750	13,115	4,125	3,034	2,257
China.....	5,143	3,930	9,258	9,531	7,916
India.....	3,300	4,632	4,230	3,100	818
Korea.....	—	—	3,110	—	—
Australia and New Zealand.....	1,150	1,300	1,631	1,187	42
All other countries.....	160	—	—	80	2,853
	516,469	778,792	452,737	320,750	448,794

While production declined from 77,000 bales in July to 65,000 bales in August, to 51,000 bales in September, exports to Japan increased from 16,401 bales in June, to 17,539 bales in July, to 26,651 bales in August, or an August percentage of 38% of total exports, a substantial increase over Japan's 26% in July. It can be clearly seen that Japan is fast regaining its former position as an important market for Philippine abaca. The United States during August took 35% of the exports, against 48% in July.

Sugar

By J. H. D'AUTHREAU
Theo. H. Davies & Co., Far East, Ltd.

THIS review covers the period September 1 to September 30, 1952.

New York Market. Market activity was greater than in the previous month, with trading in actuals about

in line with deliveries of refined. Trading on the exchange showed a marked increase over the preceding month, consisting principally of switches to the more distant positions, chiefly March and May. Sales to refiners for the previous month up to September 17 were reported at 100,939 tons and exchange transactions for the month totalled 169,650 tons. Refined-cane quotation remains unchanged at 8.80¢ with demand quite satisfactory for the time of year. Deliveries for the month to September 20 were 502,846 short tons. Refined distribution from January 1 to September 25 was—

Total to date.....	6,077,508 short tons
To same date last year.....	5,803,440 "

Distribution to date indicates an annual rate of about 8,400,000 tons. Atlantic Coast longshoremen voted on September 19 to submit to arbitration their wage demands for the new contract beginning October 1.

Spot and near deliveries advanced in value during the period from 6.45¢ to 6.60¢, occasioned by the rapidly declining open balances of the Cuban and Porto Rican quotas estimated on September 30 at 43,000 short tons only for Cuba and 177,000 for Porto Rico. The market expects some action soon from U. S. Department of Agriculture increasing the domestic quota still established at 7,700,000 short tons. The November position was quoted firmly at 6.00¢, ex duty, but the new crop positions closed considerably down from the end of August levels. On September 26 a sale of 4,000 tons Philippines, November/December shipment, was reported at 6.00¢ to refiners, and on September 29 it was reported that 24,000 tons for same shipment were offering at the same price. No sale, however, was reported. Closing quotations on the No. 6 New York domestic exchange were as follows:

November.....	6.02¢
March.....	5.36
May.....	5.41
July.....	5.54
September.....	5.61

Molasses. The Cuban Committee sold 60,000,000 gallons at 7¢ per gallon, subject to early delivery, with the price scaled up to 12¢ per gallon for deferred deliveries. A further 47,000,000 gallons were sold for use in Cuba. United States tank-car prices continued to decline and on September 23 were quoted at 11.5¢ at New Orleans and 13.5¢ at New York.

Local Market. (a) Domestic Sugar. The market for old crop has remained steady at previous levels. The new crop will shortly be available with three Negroes centrals scheduled to begin milling during the first week of October. Business in new crop washed 99° for October delivery has been reported at ₱16.25 per picul, ex Negro warehouse, which would indicate an approximate value for ordinary of ₱14.50/75. The Sugar Quota Administration under its Sugar Order No. 1, dated September 1, has established a 1952/53 domestic quota of 280,000 short tons, the same as last year, which should tend to promote a steady market. 25% of current millings are to be reserved against domestic allotments in order to ensure steady supplies.

(b) Export Sugar. A leading export house went into the market at mid-month for immediate delivery and purchased 43,000 piculs at ₱14.80. This was the only activity reported for the month and about cleaned up available old crop except for the current millings at Victorias Central whose 1951-52 operations will cease on October 15. No quotations have yet been heard on new crop, and present New York values for March arrival do not encourage active interest.

Atlantic Freight Rate. No announcement has yet been made by the Associated Steamship Lines, although charters have been reported for November/December/January at \$15.50 liner terms.

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General. 1951-52 Milling. Of the 27 centrals milling for the 1951-52 crop, 25 have finished milling, with a production of 934,820 short tons. The production of the two centrals still milling is estimated at 140,382 short tons, of which 139,135 short tons have been produced up to September 21, 1952, or a total production to date of 1,073,955 short tons, indicating a final production of 1,075,202 short tons, or 9,030 short tons more than the previous official estimate.

1952-53 Milling. Milling operations were scheduled to begin during the first week of October at Hawaiian-Philippine Co., Binalbagan-Isabela, and Ma-so Sugar Central. The 1952-53 crop is estimated by the Sugar Quota Administration at 1,333,573 short tons, which should result in an excess production of approximately 100,000 short tons. Heavy rains have fallen, however, in most districts during September and it is thought initial purities will be adversely affected.

Tobacco

By LUIS A. PUJALTE
Secretary-Treasurer

Manila Tobacco Association, Inc.
(Member Tobacco Board)

THE buying of tobacco in La Union, Pangasinan, Ilocos, and the Visayas practically ended last month, with the Compañía General de Tabacos de Filipinas (Tabacalera) having taken a larger percentage of the crop than in any year since liberation. The prices paid by Tabacalera were from 10% to 25% higher than those paid by other buyers, who were overly cautious in spite of the prevailing low prices. This was largely because of a lack of disposable funds, as most of these dealers are still quite heavily stocked with balances from the 1951 crop and are meeting with a very weak local market for their products.

In Isabela and Cagayan, the Tabacalera has also bought a major part of the crop, but at prices on a level with those paid by others. Though the Tabacalera will have bought approximately the same quantity as it bought last year, the percentage will be larger, inasmuch as the crop is much smaller this year.

All this is significant in that the Tabacalera purchases are all for export with the exception of the requirements of its own factory. This, and other exports to Europe, Indo-China, and the United States by other dealers will account for by far the major part of the crop and will leave the local market not too over-stocked,—which may create a better demand for the next crop and better prices for the farmers who have been quite disappointed with the prices paid this year.

It is still too early to predict how the buying will go next year, as weather conditions are a determining factor in tobacco culture, but with the increase in exports the possibilities are good that higher prices will be paid for the next crop.

Imports

By S. SCHMELKES
Mercantile, Inc.

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

Commodities:	August, 1952	August, 1951
Automotive (Total).....	752,334	1,569,706
Automobiles.....	79,093	339,061
Auto Accessories.....	3,405	7,295
Auto Parts.....	84,962	313,982
Bicycles.....	7,336	1,956

Trucks	19,923	18,969
Truck Chassis	310,627	203,214
Truck Parts	59,390	119,162
Building Materials (Total)	1,597,525	9,899,460
Beacon Fibre	73,592	115,440
Cement	14,786	3,345,759
Glass, Window	275,470	543,756
Gypsum	—	—
Chemicals (Total)	6,638,920	10,532,787
Caustic Soda	464,807	769,070
Explosives (Total)	147,376	—
Firearms (Total)	7,179	4,893
Ammunition	6,030	4,856
Hardware (Total)	2,712,210	6,809,713
Household (Total)	1,049,029	1,319,605
Machinery (Total)	1,925,940	2,761,913
Metals (Total)	5,690,571	7,534,074
Petroleum Products (Total)	102,099,289	90,836,612
Radios (Total)	19,132	18,212
Rubber Goods (Total)	514,688	1,285,230

Beverages, Misc. Alcoholic	4,261	11,755
Foodstuffs (Total kilos)	39,645,326	41,263,146
Foodstuffs, Fresh (Total)	59,055	115,982
Apples	3,627	4,933
Oranges	19,160	16,106
Onions	8,905	30,914
Potatoes	11,349	25,563
Foodstuffs, Dry Packaged (Total)	35,976	36,161
Foodstuffs, Canned (Total)	327,898	507,675
Sardines	56,823	34,687
Milk, Evaporated	147,108	181,759
Milk, Condensed	43,300	70,250
Foodstuffs, Bulk (Total)	708,035	395,500
Rice	199,116	186,807
Wheat Flour	459,912	147,883
Foodstuffs, Preserved (Total)	890	3,947

Bottling, Misc. (Total)	1,027,378	2,023,350
Cleanse & Laundry (Total)	9,018	123,667
Entertainment Equipment (Total)	22,019	3,529
Livestock-bulbs-seeds (Total)	4,993	3,333
Medical (Total)	219,407	788,890
Musical (Total)	42,813	78,356
Office Equipment (Total)	176,791	60,175
Office Supplies (Total)	34,258	89,957
Paper (Total)	4,475,737	7,080,974
Photographic (Total)	27,684	85,340
Raw Materials (Total)	1,752,133	1,595,459
Sporting Goods (Total)	16,693	21,950
Stationery (Total)	113,480	425,988
Tobacco (Total)	1,090,494	824,281

Chucheria (Total)	73,481	89,252
Clothing and Apparel (Total)	313,004	257,259
Cosmetics (Total)	24,058	63,633
Fabrics (Total)	1,233,071	1,158,657
Jewelry (Total)	393	24
Leather (Total)	69,924	166,978
Textiles (Total)	1,600,712	3,348,766
Twine (Total)	28,991	130,762
Toys (Total)	15,555	7,076
General Merchandise (Total)	701,505	590,526
Non-Commercial Shipments (Total)	98,545	106,447
Advertising Materials, Etc. (Total)	20,799	9,892

Food Products

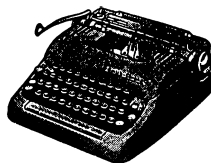
By C. G. HERDMAN
Vice-President, Marsman & Company, Inc.

THESE is nothing new to report this month as regards the local foodstuffs market. Stocks of decontrolled items are ample but the various imported commodities listed under controlled essentials and controlled non-essentials are becoming shorter and shorter each month.

FLOUR stocks are more than ample,—to the point that flour is being sold not only in Manila, but in Cebu, Iloilo, and Davao as well, at prices materially below government ceilings. In spite of this fact, PRISCO has not discontinued its rationing of flour although it had been officially stated previously that such rationing would be done away with when the stock position became normal.

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All concerned complain of the manner in which flour rationing is handled by PRISCO, particularly of the fact that bakers applying for authority to purchase their requirements, if entitled to them, are given such an authority but with specification of the brand of flour which they must purchase. The bakers complain of this practice as it does not permit them to purchase the brands of flour which they believe to be most suitable and most productive and they are forced to purchase at times brands of inferior quality even though the ceiling price is the same on all brands under the same general classification. Flour dealers are likewise dissatisfied, in many cases, feeling they are being discriminated against and that competing brands are being favored.

The rationing of flour by PRISCO is essentially to control the flow of flour to bakeries and to make sure that these entities secure only their actual necessities, thus preventing purchasing for speculative purposes. It would seem that this could be accomplished equally well if a baker when given authority to purchase flour, would have specified in such authority the quantity he is entitled to purchase of each grade of flour; namely, American First, Second or Third quality, Canadian First on Second quality, whatever his necessities are, instead of specifying definitely the brands he may purchase. This would give the baker the opportunity to purchase flour he prefers and which he knows will give him good results within the general classification which he is entitled to purchase. It would also give flour dealers the opportunity to compete for such business and would undoubtedly result in lower quotations on flour to the bakeries. This matter has been taken up with PRISCO but up to this writing at least it continues to follow the practice of specifying definite brands in the authorities to purchase.

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CANNED fish, particularly sardines, is the only decontrolled item in food products which is in short supply, and the shortage of this essential food item has become acute. The run of sardines on the Pacific Coast where sardine canning usually begins in August, has been practically non-existent and the pack to date is nil. The season in Southern California opens on October 1. However, October 3 is full moon, making it improbable that there will be any fishing done until October 6 or 7. It remains to be seen if ample supplies will be available in that district. The indications to date are that the run of sardines in Southern California will be very light. This shortage of supplies has resulted in increased prices of canned sardines at the source. The cost of importing this product in the Philippines today is far above government ceilings and as a result importations have been very small and undoubtedly will continue so as legitimate importers are unwilling to import merchandise which cannot be sold at or below government ceilings with at least a small profit, certainly not when such importers know they will take material losses on such importations.

THERE have recently been fair arrivals of corned beef but very small importations of other canned meats and the shortage of these is beginning to be felt throughout the country. This is another essential food item the shortage of which will undoubtedly be felt by the people as a whole.

Importations of canned fruits and vegetables, fresh fruits, etc., continue but in very small volume and when available can only be secured at comparatively high prices.

There have been some hopes that additional import licenses would be made available during September to old importers for controlled essentials and non-essentials, but there have been no developments in this line up to this time although many importers still have hopes additional allotments will be granted.

Textiles

By W. V. SAUSSOTTE
General Manager
Neuss, Hesslein Co., Inc.

FOR the third consecutive month the New York market continued firm during the month of September.

There were no price reductions but fractional gains were made in all types of finished textiles as well as raw cotton and synthetic fibers. Local market prices registered appreciable gains during September and the prospects are that further increases will occur during October.

On September 30 the Import Control Commission discontinued the receipt of import-permit applications from both new importers and old importers, but producers may still submit their applications.

Arrivals from the United States during September totaled 16,843 packages, or approximately 7,700 packages more than during August. September's arrivals are approximately the same as the average monthly consumption.

Arrivals from United States included 6,944 packages of cotton piece goods, 2,014 packages of rayon piece goods, 1,844 packages of cotton remnants, and 1,548 packages of rayon remnants. Included also were 537 packages of sewing thread, 1,622 packages of cotton knitting yarn, and 387 packages of hosiery.

Arrivals of all types of textiles from countries other than the United States totaled 2,148 packages. Included were 441 packages from China, 178 packages from Japan, and 1,526 packages from India, the latter consisting entirely of jute cloth and jute sugar bags.

Legislation, Executive Orders, and Court Decisions

By ROBERT JANDA
Ross, Selph, Carrascoso & Janda

THE Bureau of Internal Revenue has again revised its position with regard to the deductibility of war losses for income-tax purposes. The National Internal Revenue Code allows deduction of—

"losses of property within the Philippines arising from fires, storms, shipwreck, or other casualty, and from robbery, theft, or embezzlement, and losses actually sustained during the year in transactions entered into for profit in the Philippines although not connected with their business or trade, when such losses are not compensated for by insurance or otherwise".

The Secretary of Justice in Opinion No. 161, Series of 1952, stated that war losses, to be deductible under the foregoing section, must be within the scope of the term "other casualty" and that the intent of the legislature with respect to this term was to limit it to other casualties of the same nature and kind as fires, storms, and shipwreck. In other words, unless war losses arose from fires, storms, shipwreck, or other casualties of similar nature, they were not deductible.

The Collector of Internal Revenue, in General Circular No. V-139, has adopted that position and has further voided *ab initio* the ruling of the Secretary of Justice, General Circular No. V-123, dated September 18, 1951, relating to the time when war-loss deductions must be taken, and has now taken the position that deductible losses which arose during the period of World War II "shall be deducted for the purposes of the income tax in the year of actual loss or destruction of said property". This new rule is applicable regardless of whether a war-loss claim was filed or not.

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THE Court of Industrial Relations in the case of Philippine Land-Sea-Air Labor Union (PLASLU) vs. Cebu Portland Cement Co., ordered the reinstatement of the general superintendent of the Company with full back pay since the date of discharge. The general superintendent had been discharged by the Board of Directors on the ground of inefficiency and economy. The Court stated that the general superintendent was an employee and not included within the term "management" and that the Court could review the action of the Board of Directors and if it found that the discharge was without proper cause could order the reinstatement of the general superintendent with back pay. The Court held that the fact the general superintendent was over 65 years of age was immaterial provided he was still able and efficient.

The ruling is on appeal to the Supreme Court.

THE Supreme Court in the case of Jison, Administrator, vs. Warner, Barnes & Co., Ltd., G. R. No. L-4079, upheld the action of the probate court in ordering payment

(Continued on page 402)

Other Chambers...

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**COST OF LIVING PRICE INDEX OF WAGE EARNER'S
FAMILY* IN MANILA BY MONTH, 1948 TO 1952***
(1941 = 100)

Bureau of the Census and Statistics
Manila

1948	All Items (100)	Food (63.43)	House Rent (11.96)	Cloth- ing (2.04)	Fuel, Light and Water (7.73)	Miscel- laneous (14.84)	Purchas- ing Power of a Peso
January.....	390.7	427.6	453.9	224.5	304.6	249.9	.2560
February.....	369.8	394.0	453.9	223.8	301.1	254.4	.2708
March.....	349.4	361.0	453.9	214.6	308.1	255.9	.2862
April.....	354.6	374.1	453.9	209.4	289.7	254.8	.2820
May.....	349.8	360.2	453.9	214.2	289.7	271.6	.2859
June.....	354.3	370.4	453.9	205.2	283.2	262.9	.2813
July.....	356.4	374.2	453.9	201.3	281.6	262.4	.2806
August.....	363.6	385.7	453.9	199.8	281.6	261.7	.2751
September.....	370.6	397.2	453.9	199.2	279.6	260.6	.2698
October.....	374.9	404.0	453.9	204.8	283.2	257.9	.2668
November.....	368.7	394.4	453.9	202.0	281.6	258.7	.2712
December.....	365.9	389.9	453.9	202.0	282.4	258.9	.2739

1949	All Items (100)	Food (63.43)	House Rent (11.96)	Cloth- ing (2.04)	Fuel, Light and Water (7.73)	Miscel- laneous (14.84)	Purchas- ing Power of a Peso
January.....	363.8	386.8	453.9	202.0	279.0	258.9	.2750
February.....	343.8	355.5	453.9	203.0	277.5	258.9	.2909
March.....	345.3	358.2	453.9	202.0	276.3	258.5	.2896
April.....	348.7	362.6	453.9	197.6	287.5	257.1	.2868
May.....	348.8	362.8	453.9	197.2	287.5	257.1	.2867
June.....	349.0	362.9	453.9	203.9	287.5	257.2	.2865
July.....	351.7	374.0	453.9	194.2	265.8	240.5	.2844
August.....	377.5	351.2	453.9	195.3	266.6	241.2	.2963
September.....	333.6	345.5	453.9	190.3	264.8	243.1	.2998
October.....	332.9	343.3	453.9	199.9	264.6	245.0	.3004
November.....	339.6	356.1	453.9	191.1	258.4	239.8	.2945
December.....	329.6	335.9	453.9	202.9	259.5	256.2	.3035

1950	All Items (100)	Food (63.43)	House Rent (11.96)	Cloth- ing (2.04)	Fuel, Light and Water (7.73)	Miscel- laneous (14.84)	Purchas- ing Power of a Peso
January.....	332.3	336.8	453.9	238.0	253.1	269.3	.3010
February.....	336.9	340.2	453.9	233.3	257.8	284.1	.2969
March.....	339.0	341.4	453.9	236.7	257.8	292.6	.2950
April.....	331.8	328.6	453.9	237.7	252.9	301.2	.3015
May.....	320.2	308.6	453.9	244.7	249.7	309.1	.3123
June.....	323.1	310.9	453.9	243.5	249.7	319.1	.3095
July.....	332.0	322.4	453.9	252.6	249.7	328.7	.3012
August.....	334.4	325.9	453.9	258.7	251.1	328.4	.2990
September.....	341.3	335.0	453.9	317.4	252.5	327.5	.2930
October.....	352.8	351.1	453.9	337.3	249.7	334.5	.2835
November.....	354.1	353.2	453.9	322.9	249.7	335.9	.2825
December.....	352.2	350.5	453.9	325.2	249.7	334.8	.2839

1951	All Items (100)	Food (63.43)	House Rent (11.96)	Cloth- ing (2.04)	Fuel, Light and Water (7.73)	Miscel- laneous (14.84)	Purchas- ing Power of a Peso
January.....	358.2	355.0	453.9	331.5	249.7	334.6	.2816
February.....	358.4	359.8	453.9	342.8	249.7	334.4	.2790
March.....	357.4	349.3	453.9	379.4	249.8	318.3	.2838
April.....	361.2	362.6	453.9	398.6	247.5	334.7	.2769
May.....	365.0	367.0	453.9	410.4	247.5	339.5	.2740
June.....	367.8	372.0	453.9	399.5	247.5	337.7	.2719
July.....	366.3	370.1	453.9	382.0	247.5	339.0	.2730
August.....	365.1	371.4	453.9	354.0	247.5	329.1	.2739
September.....	363.0	369.0	453.9	356.4	247.5	325.4	.2755
October.....	358.1	361.1	453.9	350.4	247.5	326.7	.2793
November.....	351.1	351.1	453.9	343.8	247.5	323.3	.2848
December.....	349.0	348.9	453.9	335.2	247.5	319.4	.2865

1952	All Items (100)	Food (63.43)	House Rent (11.96)	Cloth- ing (2.04)	Fuel, Light and Water (7.73)	Miscel- laneous (14.84)	Purchas- ing Power of a Peso
January.....	355.1	357.8	453.9	323.0	247.5	324.6	.2816
February.....	348.0	349.8	453.9	282.9	243.4	318.3	.2874
March.....	344.3	345.1	453.9	273.7	243.4	315.0	.2904
April.....	342.7	342.7	453.9	276.1	243.4	313.8	.2918
May.....	342.2	341.8	453.9	279.9	243.4	313.8	.2921
June.....	345.4	346.3	453.9	277.1	243.4	316.3	.2895
July.....	347.6	349.5	453.9	273.6	243.4	318.3	.2877
August.....	347.9	349.4	453.9	276.1	243.4	320.4	.2874
September.....	348.3	350.0	453.9	274.8	243.4	320.5	.2871

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

† For explanatory note, see the August, 1951, Journal.



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MONEY AND REAL WAGE RATES* OF SELECTED INDUSTRIAL WORKERS IN MANILA, 1941, 1945-1952

Bureau of the Census and Statistics, Manila

Year and month	Money Wage rates in pesos		Real Wage rates in pesos	
	Skilled laborer	Unskilled laborer	Skilled laborer	Unskilled laborer
1941.....	2.29	1.24	2.29	1.24
1945.....	5.83	3.27	0.85	0.66
1946.....	6.73	4.53	1.29	0.87
1947.....	7.54	4.66	1.94	1.20
1948.....	7.47	4.69	2.05	1.28
1949.....	7.61	4.90	2.19	1.41
1950.....	7.59	4.29	2.25	1.27
1951.....	7.43	4.56	2.07	1.27
January.....	7.44	4.51	2.09	1.27
February.....	7.46	4.50	2.08	1.26
March.....	7.44	4.49	2.11	1.27
April.....	7.42	4.55	2.05	1.26
May.....	7.43	4.55	2.04	1.25
June.....	7.42	4.58	2.02	1.23
July.....	7.43	4.50	2.03	1.23
August.....	7.47	4.64	2.05	1.27
September.....	7.41	4.60	2.04	1.27
October.....	7.39	4.59	2.06	1.28
November.....	7.38	4.60	2.10	1.31
December.....	7.45	4.64	2.13	1.33
1952.....	—	—	—	—
January.....	7.44	4.62	2.13	1.32
February.....	7.46	4.62	2.14	1.33

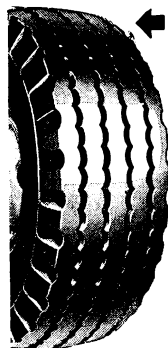
March.....	7.49	4.60	2.18	1.34
April.....	7.50	4.65	2.19	1.36
May.....	7.51	4.62	2.19	1.35
June.....	7.49	4.61	2.17	1.33

* Money wage rates are the weighted daily average money wage rates of each group of laborers. When money wage is expressed in terms of goods and services it can purchase, the term real wage is used. This is obtained by using the cost-of-living price indexes (1941=100) as deflators.

Legislation... (Continued from page 400)

of a pre-war debt by the administrator despite the defence of moratorium. The Court held that the defence had been waived for failure of the administrator to file an answer setting up the defence within five days from receipt of a copy of the claim, that in any case the moratorium did not prevent the filing of a claim as claims whether due or not could be filed against any estate, and, further, that the general objective of the Moratorium Law, which is the rehabilitation of debtors, must give way to the more urgent necessity of settling the estate of a decedent and distributing its residue among his heirs as soon as possible, thereby minimizing, if not avoiding altogether, expenses of administration.

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The "LET YOUR HAIR DOWN"

Column

"It beats me!" said the editor. "Often I work for a week or more on an editorial, and no one says a word about it; then, again, I dash off something in a few hours, something born of a casual evening's reading, something run more or less as a filler, and it arouses comment, people clip it and send it to their friends! I must say that in such cases my appreciation is somewhat tinged by annoyance when I think of the hard work I may have put into a piece run right alongside of it which no one seems to notice! Here's an example,—a note from our good friend, C. M. Hoskins:

"Dear H—I liked your 'Error-actuated controls' analogy. In clipping it to send a friend abroad I also clipped the 'American Chamber of Commerce Journal' and 'September, 1952' to paste above the article. I looked in vain for the phrase 'Manila, Philippines'. Not even the ads told where Manila is with the exception of Columbia Rope, which used the obsolete 'Manila, P. I.'"

"Some people abroad still write to 'Manila, Cuba,' and to 'Manila, Hawaii.'"

"Suggestion: On front-page masthead, change to read:

"Printed monthly by the American Chamber of Commerce of the Philippines at 424 San Luis Street, Manila, Philippines. Telephone 3-23-24."

"Yours truly, etc."

That's a good suggestion, and we acted on it immediately. We also, hereby, hope to call the attention of our advertisers and the different advertising agencies to Mr. Hoskins' remark as to 'Manila, P.I.' But the editor said: "That editorial being picked out by Mr. Hoskins still gets me! Why, I even kept it standing in type for two months before running it!"

"Well, this is different," said he a few days later. "Here is a letter from a prominent New York banker and member of the National Foreign Trade Council, Inc., on a *Journal* editorial that some hard work was done on. Do you want to read it? Go on, read it."

So we read it.

"May I commend most heartily your editorial in the July issue of the *Journal* on parity? I thought it was a very clear statement and one which was needed in order to emphasize to all American businessmen the importance of this issue. I think there has been a tendency on the part of some to feel that parity affected only a few lines of industry and, consequently, was not of great general importance.

"My feeling is, however, that if parity were done away with, it would only be the first step toward further legislation which would require all foreign companies to be

60% Filipino-owned. In addition to this, if parity were removed, even though it affected only a few industries, those industries are important. Under American management they produce a very substantial sum of dollar exchange for the Philippines. If this dollar exchange were substantially reduced, there would be just that much less dollars to pay for imports and thereby affect every American importer in the Islands. In other words, I think the effect of abolition of parity would be much more widespread on all American business interests in the Islands than would appear at first glance.

"Again I would like to compliment the Chamber on having published this article. I feel sure that the business organizations in the country will be glad to cooperate with you in any stand you think it wise to take.

"Best wishes,

"Sincerely yours, etc."

"But this letter," said we, "is addressed to Mr. Manning, not to you!"

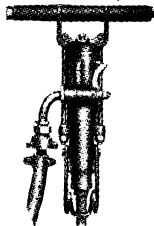
"Oh, that! That's nothing. He's the President, isn't he? And we always work together. He had his part in that editorial. And," the editor grinned happily, "do you think a playwright begrudges the star the applause he gets?"

Leading Philippine Mining Men Say:

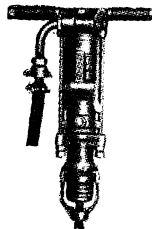
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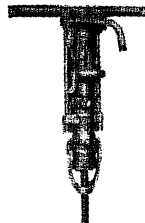
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WE received during the month a 36-page booklet, handsomely printed on fine paper, entitled "Manila Stock Exchange—Its Functions and Operations", published on the occasion of the 25th anniversary of the founding of the organization. It is informative and interesting and a really excellent piece of work. Various statistics are given for the post-war years but unfortunately none for the pre-war period, it being stated in explanation that "all pre-war records of the Exchange were destroyed during the war." The authorship of the booklet is not indicated. The original founders and

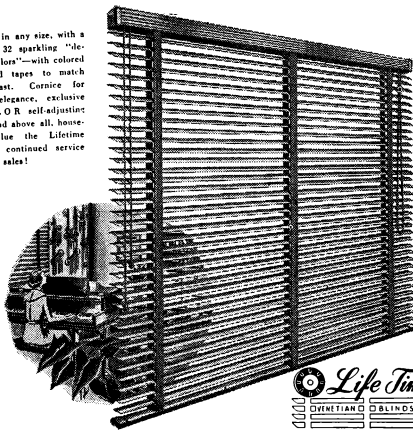
incorporators of the Exchange were W. Eric Little, Gordon W. Mackay, J. J. Russell, F. W. Wakefield, and W. P. G. Elliot. The present member firms are: M. Alcuaz & Co., Inc., H. E. Bennett, Securities; Dee K. Chiong & Co., Gaberman & Hagedorn, Inc., Hall, Picornell, Ortigas & Co., Ledesma & Ledesma; Leeper & Marti; R. H. Machado & Co., Inc., Marino Olondriz y Cia., O. T. Kang & Co., Inc., E. Santamaria & Co., Inc., P. Nolasco da Silva & Co., Anselmo Trinidad & Co., Uy-Tioco & Co., and Wolf & Co., Inc. Jose D. Gelano is Executive Secretary.

WE recently received a 120-page publication, in board covers, a special bulletin of the Department of Agriculture, Federation of Malaya, entitled, "Investigations into the Mechanical Cultivation of Padi in Malaya". According to the Preface:

"Cultivation by machines anywhere in the tropics presents its own particular problems which are made all the greater when the work has to be carried out in the watery environment under which padi thrives. It is in fact already obvious that the success or failure of mechanization will largely depend on the degree of water-control that can be exercised over the padi lands. The very essence of mechanization is speed, and speed is also necessary in providing adequate water through irrigation at the critical time of padi planting and removing the water

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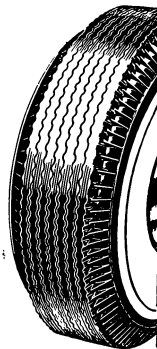


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equally quickly through drainage at the time of harvest. . . Common to all mechanical operations is the need for a competent organization to service and repair the machines and to teach operatives how to handle them correctly. . .

Those interested in the problems mechanizing tropical agriculture of will find this a most interesting and useful publication. It has been placed in the Chamber Library.

The editor let his hair down a little and replied:

"Dear Mr. . . I appreciate your writing me and sending me the excerpt from the Severeid book (which I have not read) and the other statement by Assistant Secretary of State Thorp. However, with all due loyalty to liberal principles, which I have believed in all my life, do you not think that the emphasis in both these quotations is more than a little misplaced if applied to the situation of American business in the Philippines today? How about our Government 'expecting' that the welfare of private American investors be given due regard? that they do not pay more, much more, than a fair share of the taxes? that the 'recipient, country give them a fair run for their money? The Americans here have for fifty years been engaged in labors and enterprises little short of heroic and which it is an insult to symbolize with a 'gold-tipped fountain pen'. I, for one, will never apologize for our 'American envoys' to the Philippines,—not, at any rate, those who helped to build this country and are now meeting with something less than due appreciation and reward. Yours, etc."

THE editor sent out drafts and proofs of the first of a planned series of articles in continuation of the "Short History of Business and Commerce in the Philippines", reprinted in the August and September issues of the *Journal*, to a number of members of the Chamber for criticism before publication. He said he received a good many helpful suggestions, a number of corrections, and, we may add, considerable praise. One of his friends wrote, in part:

"I find it difficult,—not to read the manuscript, but to criticize it, as it is on the whole so excellent and shows such thorough research and study as to be a truly admirable exposition of business and commerce during the period in question. I do not know where I have seen one that could come anywhere near equalling it. . . Again, may I tender to you my most sincere congratulations. . ."

A prominent "sugar man" wrote:

Dear Mr. H.—I thank you for the compliment of allowing me to read the attached proof. Although not an 'old timer', having come to the Philippines as late as 1933, I have nevertheless been closely associated with the sugar industry since that time and I believe the facts you record are true and accurate, that is as to sugar; for the other industries I can not speak. I must say, however, that the article as a whole conveys a true impression of the years it covers,—which I relived again while reading it.

A cordage man wrote:

"I thank you for the privilege of permitting me to read over your 'proof' of the continuation of a 'Short History of Industry and Trade in the Philippines', and now return

same to you with my compliments on a job well done. It is comprehensive and contains a wealth of information unavailable to the average businessman unless he has the time and patience to do his own research work in divers quarters. The publication will, I am sure, be of interest to the business world and form a ready reference from many angles. Your treatment of the abaca and cordage industry is concise and factual for the period under review, and without reference to statistics, which are not immediately available to me, there is nothing I can add to your recording. I feel congratulations are in order on the acclaim I know the publication of your synopsis is to receive."

A lumberman wrote:

"Thanks very much for the opportunity of reading your excellent 'history'. It is a valuable and comprehensive piece of work and my only comment is *favorable*. I shall be much interested in reading the next installment. . ."

Another wrote in part:

"I have read with much interest your manuscript on the history of business and commerce in the Philippines and I think you have done a very good job. This document should be a valuable source of reference for many people. . ."

Another reader said:

"I congratulate you on this painstaking and laborious job well done. . ."

Still another wrote:

"I took it home last night and was delighted with it. What I marvel at is the extent of your research and the exactness and preciseness with which you have developed your story. . . I shall look forward anxiously to an opportunity to read the balance of your literary efforts. If they are equal to that produced so far, and I have no doubt that they will, you will have written something that will prove to be of inestimable value for all times to come. . ."

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The present (October) issue of the *Journal* contains only about half of the article which these friendly critics saw. What is probably the more interesting part will be published in the November issue and will carry the story up to the beginning of the war in the Pacific. A succeeding article, now in the "mill", will cover the enemy occupation, and this will be followed by another article or two on the present post-war period, so the editor said, and he added that covering this present period will be the toughest. We can imagine! What we would like to know is why a man makes so much work for himself and, possibly, trouble. The editor could have reprinted that Rotary Club pamphlet, as he did, in the past two issues, and let it go at that. Ancient history, that could hurt nobody. But no! He had to undertake this new thing. Even if he was asked to do it, he could have said that he was too busy or that he lacked the references, or something like that. What will it get him? More readers? Huh, at ₱5 a year! More advertising? Another huh!

"Don't be so down-hearted," said the editor, after reading this. "I like to do it. I am having a good time! And think of those nice things that have been said already!"

"Yeh, words, words," we said. "And aren't you forgetting something? Wait until you have to put together the historic words about PRATRA and PRISCO and the Import Control Administration and the Import Control Commission, the Central Bank and the Exchange Tax, the total economic (de)mobilization. . ."

"Don't remind me," said the editor. "Right now I am happily at work on the Mitsui Mining Company and the Mitsui Agricultural, Commerce, and Forestry Company, the Philippine Copra Purchasing Union, the Fishermen's Association of Manila, the Philippine Export Control Association, and the Philippine Prime Commodities Distribution Control Association (N. Mori, manager of Daido Moeki Kaisha, Chairman), in which the Federation of Filipino Retailers Associations was invited to invest part of its 'idle funds' . . ."

"Don't expect me to keep all that straight. . . Are you crazy? Why do you do it? Go into all that. . .?"

"Because," said the editor, "unless you know something about what went on here under the Japanese, you can not understand the present."

"Wow!" said we. "Did you ever hear about making your own bed and having to lie in it?"
"Yep," said he.

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SWORN STATEMENT
(Required by Act No. 2580)

The undersigned, A. V. H. Hartendorp, editor and manager of the American Chamber of Commerce Journal, published monthly in English at the Office of the American Chamber of Commerce of the Philippines, Manila, after having been duly sworn in accordance with law, hereby submits the following statement of ownership, management, circulation, etc., which is required by Act No. 2580, as amended by Commonwealth Act No. 201:

Editor, A. V. H. Hartendorp,
424 San Luis, Manila
Business Manager, A. V. H. Hartendorp,
424 San Luis, Manila
Owner, American Chamber of Commerce
of the Philippines

424 San Luis, Manila
Publisher, American Chamber of Commerce
of the Philippines
424 San Luis, Manila
Printer, McCullough Printing Company
1104 Castellon, Manila

Stockholders owning one per cent or more of the total amount of stocks: None.
Bondholders, mortgagees, or other security holders owning one per cent or more of the total amount of security: None.

Total number of copies printed and circulated of the last issue, dated September, 1952:
Sent to paid subscribers 800
Sent to other than paid subscribers 1200

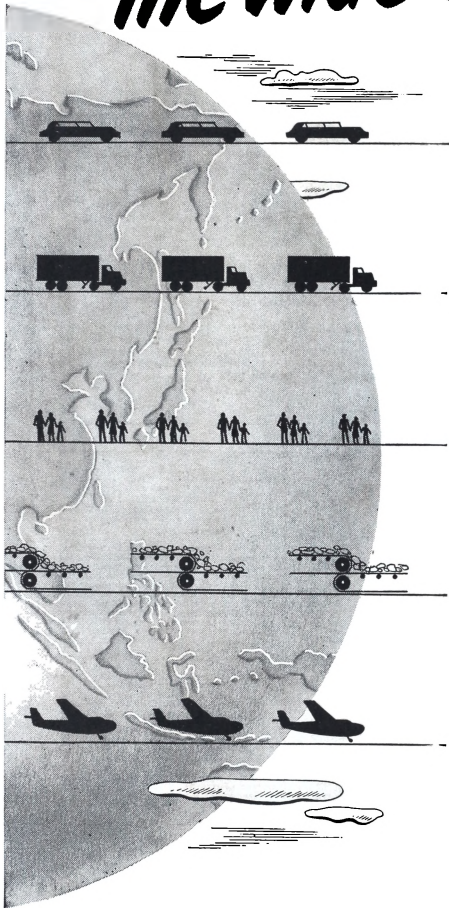
Total 2000
(Sgd.) A. V. H. Hartendorp
Editor and Manager

Subscribed and sworn to before me this 16th day of October, 1952, at Manila the affiant exhibiting his Resident Certificate No. A-0056371, issued at Manila on January 8, 1952.

Felix P. Wijnango
Notary Public
Until December 31, 1952

Doc. No. 274; page 63;
Book No. 19; series of 1952.

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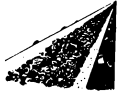
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