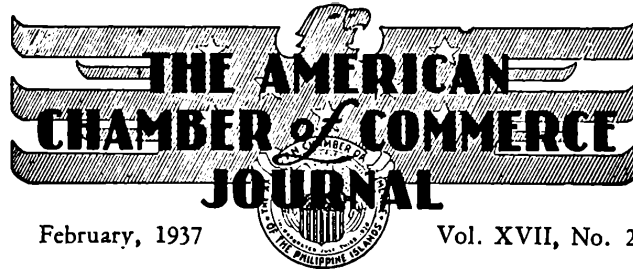


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# Hon. Ricardo Nepomuceno

## *How Judge Nepomuceno Works as Securities & Exchange Commissioner*

Our cover is honored this month with a portrait of the man charged with one of the greatest responsibilities in the whole public service of the Philippine Commonwealth—Hon. Ricardo Nepomuceno, the Commissioner of the Securities & Exchange Commission. You meet him in his new offices in the oldtime American Hardware building on calle Echague. You find him accessible; you find him firm but reasonable; you had better guess that he is incorruptible or it will be bad for your digestion. His business is to serve the mining industry, principally, of the Philippines without either discouraging it or giving it too free a rein. More precisely, he sees that companies shall respect the Mining Act, the Corporation Act, the Blue Sky Law, and the Securities & Exchange Act.

True, he has a staff and there are departments at the Commission; committees have been organized and matters go from hand to hand, finally coming up to the Commissioner. That is Judgment Seat. President Quezon deserves the public's commendation for having found such a man as Judge Nepomuceno to fill it; for fill it he does, in most praiseworthy manner.

It is the *Journal's* belief that Judge Nepomuceno will find many things to be cleaned up both among mining corporations, not all of them new, and among the exchanges and the brokers. So feeling, the *Journal* wishes to broadcast Judge Nepomuceno's demonstrated interest in his job. He is sleepless at it, tireless at it. Don't imagine that just because the 4 o'clock whistle has blown and government offices have emptied that it is too late to see Judge Nepomuceno that day—the chances are he will be at his desk two hours longer at least.

By the way, here is a little trick your broker might pull that you don't have to stand for. You have bought a stock and deposited the margin your broker requires. The stock begins rising. Say you bought at 28; in a day or two you decide to

sell, the market being 33, but you find that your broker sold you out at 31-1/2—he says he feared the market would break, that he called your office and tried to get you but you were out. Well, you don't have to take this thick stuff, it's a sharp practice and the Commissioner won't stand for it; get the 33 you wanted. If you don't, who knows but that the broker sold you out to himself?

This of course is just a little example of how the Commission serves the public, even its humblest members.

There are some credit questions for the Commission to get around to—just now the chief preoccupation is the avalanche of new companies seeking permits to issue their securities. But this credit business—it even worries High Commissioner J. Weldon Jones. There are sales under *Delayed Delivery* stamp, setting a week aside for certificates to reach Manila from the provinces. That way your broker only uses your money a week, and meantime your trading need not be hampered—you have your confirmation and can use it. But who thought up this little one, *Delivery at End of Month*? It could duplicate credit. You buy early in the month, your confirmation is given you, but the certificate will be along at the end of the month. Your broker has your money, he can trade with it; and you have your negotiable confirmation, you can trade with it.

That one isn't so good, on the face of things—it looks for all the world like undue inflation of credit and something that could readily get all tangled up.

So there is plenty for Judge Nepomuceno to do, plenty for him to look into. For there never was a gold boom quite like ours, plumped right into the midst of settled agrarian communities—tempting the lambs with fire their innocence hopes

(Please turn to page 10)

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### Hon. Ricardo Nepomuceno

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will not singe off their wool.

The Commissioner hails from Marinduque. He is a Tagalo; you would suppose the folk of Marinduque to be either Bikols or Bisayans, but they are Tagalos and may have migrated from Batangas—they speak with the rising inflexion of Batangueños. (In Marinduque, Mineral Resources is developing a lead-zinc property under the skillful guidance of Victor Lednicky)

Commissioner Nepomuceno is a little past forty. He is married. Mrs. Nepomuceno is also from Marinduque, and they have five children, all attending the public schools, three girls and two boys. The Commissioner graduated in law at the University of the Philippines. He tends to be laconic, which may be a natural trait heightened by his long experience at the Supreme Court as a law clerk. During seven years at the court he was Associate Justice Thomas A. Street's private secretary; better training, in the Philippines, no aspiring student of the law could have than seven years' association with the late Justice Street—who was wont to remark the sound character and ability of Nepomuceno.

Leaving the court, the young barrister repaired to politics and between 1922 and 1931 without a break was elected and reelected Marinduque's representative in the lower house of the old Philippine legislature. Then he lost, but in 1934 came back as a member of the constitutional Convention and took a leading part in the counsels and debates that led to the drafting of the Constitution of the Commonwealth—to be carried on after 1946 as that of the independent Philippines.

President Quezon first appointed Commissioner Nepomuceno a judge of first instance, in Nueva Ecija—it being a cardinal rule of Quezon's never to name a judge to his home province. This position was held less than six months, when Quezon, announcing to a large press conference one Friday afternoon, "I have decided who the Commissioner will be, but won't tell you now because the appointment isn't signed and I don't want a lot of disappointed friends down on me—all I will say is that when you know who he is you will approve his selection—" the next day, or possibly the next Monday morning, came through with the name, Ricardo Nepomuceno.

The Commissioner's former colleagues in the law-making branch of the government share the unstinted confidence President Quezon has in him as a law administrator.

### The Philippines' Case . . .

(Continued from page 6)

legislation gives the Islands.

Let the wisemen of politics east and west meet as they may, and arrange as they will, a stout American demand for Philippine surplus products must remain the basic factor in the Islands' economics and those who take most advantage of this fact will prosper best. President Quezon, whose particular delight is to speak with his tongue in his cheek, probably knows as well as any man that even during the British period in the Islands after the decline of American maritime facilities in the Civil War period and the opening of the Suez canal hardly a decade later, America was really buying large quantities of Philippine products—just as she has since, just as she will until chemists, should it ever be possible, obviate her necessity for them. Only, during the British period, the trade was round about instead of being direct; cargoes were loaded at Manila for London and Liverpool whose real and final destination was New York or Baltimore, Boston or Philadelphia.

Earlier, American ships hauled the cargoes themselves and had the major part of the business. As to American imports, just let Juan de la Cruz have a peso to spend instead of fifty centavos or a peseta, and generally you will see him buying something of an American brand. The Philippines have sufficient sound trade to offer America to keep her interest in this market as alert as her general indifference to overseas commerce for manufactures permits. But this interest will grow, rather than diminish, under any set of circumstances fate determines.

### "Right" Baldwin?

(Continued from page 7)

and he had strong notions of how to implement this concern and make it effective. He more and more insisted upon his wife's prerogatives; instead of taking every suggestion from the cabinet, he had suggestions of his own for that august power to take from him, therefore from the crown. But he died, so there was no final rumpus; Victoria was left disconsolate to the alternate hammering righteousness of Gladstone and the velvet diplomacy of Disraeli, and no monarch ever in London knew better than she where to find the dotted line and fill it out with the royal signature.

Albert had already looked to the empire, and staged a great empire fair; thereafter Britain had Albert Hall, until fire consumed it a few weeks ago, and Queen-Mother Mary went and visited the ruins to distract her mind from worries provoked by a forward son forty-two years old—a young and liberal king in step with his times but out of harmony with that nebulous entity too delicate even to boast a shadow, the tough and tender British constitution.

There is little more to this British constitution save that what is done is right; but of course what is done must be done by the cabinet or under its aegis: sometimes it likes Canterbury to do it, and His Grace obliges; as in Edward's case, it was no question that he was king and even would be king should he marry Mrs. Simpson, or perhaps her maid, and