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JOURNAL



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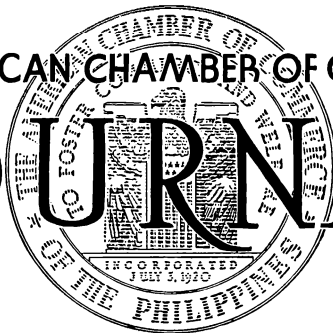
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JOURNAL



Editorials

"... to promote the general welfare"

At the general elections in the United States to be held on November 4, between 50,000,000 and 55,000,000 voters will go to the polls to elect, by secret ballot, the President and the Vice-President, one-third of the members of the Senate, all of the members of the House, the Governors and other executive officials of most of the States of the Union, and city, town, and county officials by the thousands.

The people may retain the Democratic Party in power or they may choose to return the Republican Party to power for the first time since the Hoover Administration, twenty years ago.

It is estimated that from 10,000,000 to 15,000,000, or around one-fifth of all the voters, are independent voters and by a "preponderant swing in either direction, they might be able to determine the outcome of the presidential contest." Anyway, as a recent bulletin of the United States Information Service stated:

"Political party alignments are flexible, and party reins lie loosely. The individual voter may belong to either party, or to neither. He may be affiliated with one party normally, and on occasion may vote for the candidates of the other. He is free to change at any time from one party to the other, or to support some candidates from one party and some from the other. Candidates for office are similarly free to decide their own course and to advocate any policy and support any program of their own choice."

With respect to the last sentence, it may be explained that the party platforms are also broad and flexible and that while a candidate is expected to uphold the party platform, in the formulation of which he generally takes a prominent part, there is always wide scope for individual interpretation.

It is better so. It is better that there should not be anything too definite, too formal, anything already crystallized, about democracy and its processes and programs. The calculated and the planned, the decided, the fixed, the set,—belongs to despotism and totalitarianism.

The great figures, the world figures, in the coming election are, of course, Eisenhower and Stevenson, the candidates for the Presidency. But no one knows or can know, before hand, whether the one or the other will be elected or which party will come into power.

No totalitarian government would allow itself to come to such an impasse,—or could afford to. Under a system of free elections, such a government could never be re-elected. When, for the sake of appearances, a totalitarian government decides on holding an election, the voters are required to vote "yes" to whatever is proposed to them. The outcome, therefore, is always sure! But this very concession to appearances and this fixing of the election in advance, constitute both the evidence and a confession of the inherent weakness of the totalitarian system. It can never accept the risk of being driven out of power.

As the individual citizen in a democracy would scorn to surrender his freedom in exchange for what misled advocates of totalitarianism call "security";—the security, at best, of the fed slave, so the leaders in a democracy would scorn to attempt to maintain themselves in office except by the will of the people whom they serve. Democracy resists both the acceptance and the imposition of slavery. As there are no slaves, there are no despots.

Democracy welcomes the "upset" of elections and the hazards pertaining to them. Democracy believes in change for only through change can there be advancement. In a democracy, the uncertainties of a great election are always as heady and exhilarating as wine.

Yet democracies in some respects move more slowly than totalitarian states in which the will of one man or of a small oligarchy may bring about sudden and sweeping changes. A democratic movement must carry the whole people with it. Therefore, though ultimately tremendous issues may depend on the outcome of an election in a great and powerful democracy, a change in administration is not likely to result in immediate and drastic reversals of course. The people feel that both the administration about to complete its term and the administration which will succeed it, whether of the same party or not, have represented and, in turn, will represent them, and that in either case their will will be carried out as they themselves become aware of what that will is.

Therefore, in a democratic political struggle, there is little or none of that desperate determination to cling to power and that equally desperate determination to seize it, which characterizes political struggle under other regimes. Yet there is always a great earnestness.

The first lines of Longfellow's poem, "The Ship of State", are so familiar that they have become somewhat stale. The last few lines, not so well known, express the feeling of every citizen in a democracy:

"Sail on, nor fear to breast the sea!
Our hearts, our hopes, are all with thee,
Our hearts, our hopes, our prayers, our tears,
Our faith triumphant o'er our fears,
Are all with thee—are all with thee!"

President Quirino is to be congratulated on the success of his ten-day state visit to Indonesia which he made last month in return for the visit of

President Quirino's Visit to Indonesia President Sukarno to this country early last year.

The President and his party were made to feel most welcome and the visit definitely strengthened the cordiality of the relations between the two countries.

The Philippine President carefully avoided the hortatory in the several speeches he made, yet found opportunity to suggest that in the present world situation, an independent policy, seen in effect as neutrality, to which Indonesia is clinging even at the expense of refusing Western aid, is of doubtful value, and that the idea of the people of southern and southeastern Asia constituting themselves into a "third force" is not likely to be effective in practice.

There is good evidence for the belief that the Indonesians, though their territory is vastly greater than the Philippines and their population four times as large, and though their culture is far more autochthonous, yet *look up* to the Filipinos, and it may become clearer to them as time passes that what they admire in the Filipinos is precisely that which the Filipinos owe to their eclecticism.

While the people of Indonesia have clung to their old and established ways, the Filipinos for centuries have not scorned to borrow from other peoples and have not hesitated to adapt themselves to the modern world. As a consequence, they are better prepared for modern nationhood.

Thanks largely to Spain, the Filipinos are more united as a people; thanks largely to America, they are more practiced in governmental administration. Literacy is further advanced and the people are better prepared to govern themselves.

The nationalistic spirit runs high in Indonesia, at least in the major parts of it, but this nationalism takes the form largely—as it does in some other Moslem countries, of suspicion and fear of foreigners and distrust of all foreign influence. The offer of American technical assistance was recently refused because of a misunderstanding of American motives.

As the Indonesians may learn in these matters from the Filipinos, so the Filipinos may take an object lesson from Indonesia as to the dangers of a narrow nationalism.

But the situation involves much more than merely the taking of such lessons. For without outside assistance, for a period of time at least, Indonesia may not, almost certainly would not, be able to stand. And the risks to the world entailed in a collapse would be very great.

A writer in the July *Foreign Affairs*, General Augustin Guillaume, states that it is clear that—

"the ancient East, from the Arab states of the Mediterranean basin to Pakistan, India, and the new Indonesian Republic, is not yet fully aware of this [the present] world revolution. . . . Whatever dreams it may have of forming a third, pre-traditionalist, feudal, and artisan in nature—can not survive the inexorable lessons of reality. Should the West succumb, each of these countries would have to surrender to Communism; their very nationalism would have prepared them for that fate."

Another writer in that same issue of *Foreign Affairs*, Jacques Soustelle, states:

"The time has come to view things in the Far East realistically. If France retreated from Tonkin and Saigon, Indo-China would at once fall into Soviet hands, and Malaya as far as Singapore would quickly follow. What would happen then to Indonesia, Burma, and Siam? And who would expect that the Philippines, Ceylon, and India would be immune? With all Southeast Asia at stake, the mastery of the Pacific as a whole is plainly in balance."

A collapse in Indonesia as much as the fall of Indo-China would break America's, that is to say, civilization's, defense chain in the Pacific and would largely isolate the Philippines,—which was liberated during the last war, as everyone knows, from the direction of Australia and the East Indies.

There was great good reason in President Quirino's state visit to Indonesia and in his wise counsel with respect to "neutrality" and the practical powerlessness of the so-called "third force".

The Amendments to the Foreign Exchange Tax Law Act 601, known as the Foreign Exchange Tax Law, which imposed a 17% tax on the value in Philippine pesos of foreign exchange sold or authorized to be sold by the Central Bank, was made effective for two years from the date of its approval on March 28, 1951, and would therefore have expired in March, next year.

Although it was allegedly an emergency measure, adopted to arrest a flight of capital and to further curb imports, it also proved lucrative as a revenue measure, and there was little hope, therefore, that the Act would be allowed to expire, despite the fact that, while it accomplished the purposes aimed at, it also brought about effects extremely deleterious to the Philippine economy,—not only further heavy increases in the cost of imports, but also further discouragement of foreign capital investment.

As it appeared obvious that the life of the Act would be extended regardless of all argument to the contrary, few serious voices were raised demanding that the exchange tax be abolished, but it was strongly urged that the law be drastically amended in various respects.

The most practical proposals to this effect were advanced by Mr. J. A. Parrish, then President of the American Chamber of Commerce, in an article entitled, "Should the Exchange Tax Law be Amended?" which was published in the January issue of this *Journal* and which received widespread attention and support.

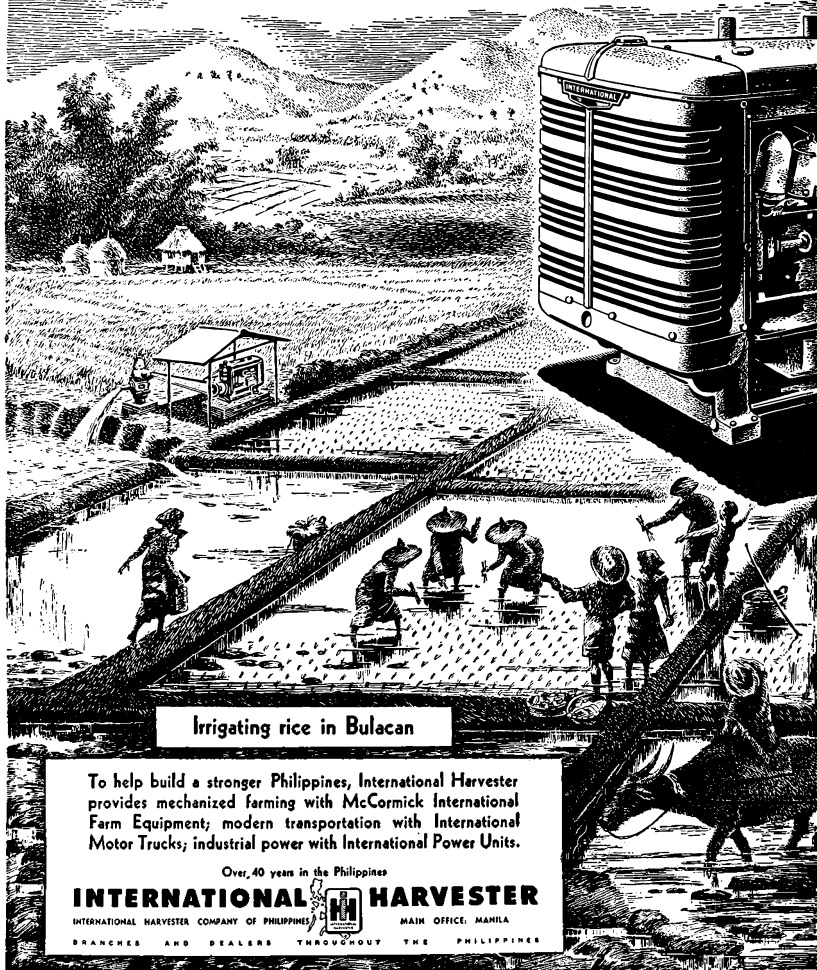
At least three bills embodying amendments were introduced in the House of Representatives and in February and March the Committee of Ways and Means, under the Chairmanship of Representative Cipriano S. Allas, held a number of public hearings which were attended by Mr. Parrish and other members of the American Chamber of Commerce. Following the hearings, the Committee of Ways and Means submitted a report and introduced Bill No. 3116, prepared by the Committee, which incorporated some of the features of the three earlier bills,—No. 2322, introduced by Representatives Roy and Marcos, No. 2476, introduced by Representative Romualdez, and No. 2990, introduced by Representatives Ferrer, Fortich, Hilado, Marcos, and Pelaez.

The first of these bills, No. 2322, sought to exempt from the tax the remittances for payment of outstanding obligations contracted prior to March 28, 1951, (the date the law went into effect) the proceeds of which were used for agricultural or industrial rehabilitation. The second, No. 2476, would have extended the life of the Act for another year but reduced the tax from 17% to 12-1/2%. And the third, No. 2990, would have included agricultural machinery and implements among the imports payment for which is exempted in the original Act.

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The compromise bill, No. 3116, provided for the extension of the life of the Act until the end of 1953, but compromised on the amount of the tax, specifying that 17% would continue to be levied until June 30, 1953, the tax to be reduced to 12-1/2% during the period from July 1, 1953, to December 31, 1953. It also included, among the exemptions, payments for agricultural machinery and implements and payments for outstanding obligations contracted prior to March 28, 1951, as in Bill No. 2322.

The Committee's compromise bill was further amended on the floor, most of the amendments being minor ones and the principal one being the elimination from the original Act of the highly objectionable requirement that the tax shall be collected even on the payments of exempted imports, for later refund by the Bank. The amended Act now simply states that the tax "shall not be collected" on such payments. Besides the inclusion among the exempted imports of "agricultural machineries and implements and their spare parts and accessories", also exempted are the "supplies and equipment purchased directly by or for the Armed Forces of the Philippines and the Civil Aeronautics Administration as certified by the corresponding Department heads"; also "spare parts, equipments, accessories of airplanes and vessels of Philippine register", with certain reservations. The proposed amendment exempting payments for outstanding obligations contracted prior to March 28, 1951, the proceeds of which were used for agricultural and industrial rehabilitation, was lost.

It will be seen that the gains made against the continued imposition of the exchange tax, in spite of all the effort made to obtain more important modifications, are not great. The reduction from 17% to 12-1/2% will apply to only the latter half of the year 1953. On the other hand, the life of the Act has been extended for less than a year beyond the originally specified period.

And completely blocked was the earlier proposal that the tax be increased from 17% to 25%! Republic Act No. 814, amending the original Foreign Exchange Tax Act No. 601, is not as bad as it might have been in view of all the circumstances.

However, the only eventuality, with respect to the exchange tax, to which industry and business and the people as a whole can look forward to with any optimism, is its total abolition come end of the year 1953.

Meanwhile, and for as long as this capital-trap may continue to exist, we must give up all hope of any large private foreign capital investment in local enterprise.

This past session of the Philippine Congress, both the Philippine Immigration Act of 1940 and the Alien Registration Act of 1950 were again amended.

Aliens "Fees" and the Rule of Law The first was amended by Republic Act No. 749 which provides, among other things, for an increase in the alien head tax from ₱16.00 to ₱25.00, this tax being payable by every alien over 16 years of age admitted to the Philippines. The Act also increases various fees, as (1) for executing an application for a passport-visa for a non-immigrant, from ₱5.00 to ₱10.00; (2) for an extension of a re-entry permit, from ₱10.00 to ₱20.00; (3) for executing an application for an immigration visa, from ₱5.00 to ₱10.00; (4) for a petition for preference-quota status, from ₱10.00 to ₱40.00; (5) for a petition for a visa for a non-immigrant coming to pre-arranged employment, from ₱20.00 to ₱80.00. The Act furthermore provides that if an alien's certificate of residence has been lost, original fee, ₱50.00, the fee for a duplicate is ₱40.00; and while the fee for a re-entry permit is ₱20.00, the fee for a duplicate re-entry permit is ₱40.00. The fee for an extension of a temporary stay is ₱10.00 for every month of extension.

Even in the case of students, the Act provides that for every year, or fraction thereof, of a stay beyond two years, as a non-immigrant student, the fee is ₱50.00. This list does not include many other fees which the Act leaves unchanged.

Republic Act No. 751, which amends the Alien Registration Act, increases the annual report fee for aliens from ₱0.50 in documentary stamps to ₱20.00 in documentary stamps for all aliens 14 years of age or over, and from ₱0.50 to ₱10.00 for all aliens less than 14 years of age. The same Act increases the fee for a duplicate-original of a lost alien certificate of registration, original fee, ₱50.00, from ₱2.00 plus a 30-centavo documentary stamp, to ₱10.00.

The explanatory note prefixed to the original Bill stated:

"No less than ₱3,000,000 will be collected annually in the form of alien annual report fees if the proposed rates are approved."

This referred only to the revenues from the increase in the annual report fees, not to the increase in revenues expected from the increases in the other fees.

The sponsors of the two original bills were, in the one case, Representatives Macapagal, Allas, and Lacson, and, in the other, Representatives Macapagal, Cases, and Duran. Both were recommended for approval by the House Committee on Foreign Affairs, of which Representative Macapagal is the Chairman, and were duly approved, not only by the House, but by the Senate, and, finally, by President Quirino.

In the issue of this *Journal* for March, of this year, we published a list of government fees and other incidental expenses incurred by a hypothetical American, with a family who comes to take a position in the Philippines, say in a mining firm. In addition to the costs of the journey,—railroad fare, hotel expenses, sea or air transportation, new clothing suitable to the Philippine climate, and the loss and expense usually entailed in breaking up a household and setting it up again many thousands of miles away, these fees and incidental expenses were, as of a few months ago:

United States Passport

Husband.....	\$10.00	
Wife and 3 children (combined).....	10.00	
Application for 2 visas—Philippine Government.....	5.00	
2 visas.....	20.00	
	<hr/>	
	\$45.00	₱ 90.00

Philippines

Husband		
Head Tax.....	₱ 16.00	
Alien Registration Certificate and stamps.....	50.30	
Immigrant Residence Certificate and stamps.....	50.60	
12 photographs (not paid to Government).....	7.00	
City Residence Certificate.....	.50	124.40
Wife		
Head Tax.....	16.00	
Alien Registration Certificate and stamps.....	50.30	
Immigrant Residence Certificate and stamps.....	50.60	
12 photographs (not paid to Government).....	7.00	
City Residence Certificate.....	.50	124.40
Child No. 1 (16 years old)		
Head Tax.....	16.00	
Alien Registration Certificate and stamps.....	50.30	
Immigrant Residence Certificate and stamps.....	50.60	
12 photographs (not paid to Government).....	7.00	123.90

Child No. 2 (14 years old)		
Alien Registration Certificate and stamps	50.30	
Immigrant Residence Certificate and stamps	50.60	
12 photographs (not paid to Government)	7.00	107.90
Child No. 3 (2 years old)		
Alien Registration Certificate and stamps	2.30	
3 photographs	3.50	5.80
Total		₱ 576.40

Under the two laws and recently amended, the fees and incidental expenses are as follows:

United States Passport		
Husband	\$10.00	
Wife and 3 children (combined)	10.00	
Application for 2 passport visas—Philippine Government	5.00	
2 passport visas for non-immigrants	20.00	
Petition for visa for non-immigrant coming to pre-arranged employment*	40.00	
	\$ 85.00	₱ 170.00

* According to Commissioner de la Cruz, only the head of the family pays this fee.

Philippines		
Husband		
Head Tax	₱ 25.00	
Alien Registration Certificate and stamps	50.30	
Residence Certificate (For pre-arranged employes) and stamps	50.60	
12 photographs (not paid to Government)	7.00	
City Residence Certificate	.50	
		₱ 133.40

Wife		
Head Tax	25.00	
Alien Registration Certificate and stamps	50.30	
Residence Certificate (For pre-arranged employes) and stamps	50.60	
12 photographs (not paid to Government)	7.00	
City Residence Certificate	.50	
		133.40

Child No. 1 (16 years old)		
Head Tax	25.00	
Alien Registration Certificate and stamps	50.30	
Residence Certificate (For pre-arranged employes) and stamps	50.60	
12 photographs (not paid to Government)	7.00	132.90

Child No. 2 (14 years old)		
Alien Registration Certificate and stamps	50.30	
Residence Certificate (For pre-arranged employes) and stamps	50.60	
12 photographs (not paid to Government)	7.00	107.90

Child No. 3 (2 years old)		
Alien Registration Certificate	2.30	
3 photographs (not paid to Government)	3.50	5.80
Total		₱ 683.40

Before the recent amendments to the two pertinent laws, the total fees, etc. paid by such a small family amounted to ₱576.60; under the new amendments, the total fees, etc. amount to ₱683.40. This is just for the American and his little family to get into the country and to establish temporary residence and for him to take a position. Over and above this, he is, of course, subject to all the taxes, direct and indirect, which every head of a family has to pay.

In addition to the ordinary taxes, however, he had until the recent amendments, to pay an annual report fee

on his Alien Registration Certificate and those of his wife and all three children, of 50 centavos, or a total of ₱2.50 for the five certificates. This did not amount to much in money, but was a great bother. Under the amendments, this 50-centavo fee has been increased to ₱10.00, or, for him, a total of ₱50.00 a year.

If we suppose that after a few years, the American wants to go home for a vacation, he meets with new exactions. He must get an emigration clearance certificate, fee ₱20.00, plus 60-centavo stamp for every member of his family if they all go,—₱100.00 total. He must also get a re-entry permit in advance, fee ₱20.00, for every member of his family 14 years of age or over,—another ₱80.00. A re-entry permit, however, is only good for one year, and if he remains away longer, say because of an illness in the family, he has to make out a sworn application for an extension of the re-entry permits, which is ₱5.00 per application, or ₱20.00 for the four, and for the extended re-entry permits themselves, he is charged ₱20.00 each,—or a total of another ₱80.00.

This is still not all, for before he can leave the country he must get a tax clearance certificate, for each member of his family except the baby, at ₱15.00 each. He must also get a foreign funds control license to take home what money he has been able to save, and if, in spite of all, he has saved a few thousand pesos, the chances are that he will not be permitted to take more than a part of it.

Such is the bed of roses which the Philippine law-makers have made for the aliens who live in the Philippines, among whom Americans are now included. And as they contemplate their situation,—if they remain cool enough to contemplate it, they wonder whether our law-makers know the meaning of what is known in jurisprudence as the Rule of Law, as opposed to the Rule of Status, and whether they know that the "movement of progressive societies" is from the rule of status to the rule of law, as only the latter can safeguard "that equality before the law which is the opposite of arbitrary government."

Our law-makers, as a whole, seem to be of the opinion that there is no limit to the rightful powers of the legislator and that "so long as all actions of the state are duly authorized by legislation", the Rule of Law is preserved, but this, declares an authority, "is completely to misconceive the meaning of the Rule of Law." He goes on:

"This rule has little to do with the question whether all actions of government are legal in the juridical sense. They may well be and yet not conform to the Rule of Law. . . By giving the government unlimited powers; the most arbitrary rule can be made legal, and in this way a democracy may set up the most complete despotism possible. . . It is possible to pursue a policy of ruthless discrimination against national minorities by the use of recognized instruments of economic policy [and other measures] without ever infringing the letter of the statutory protection of minority rights. . ."

"The Rule of Law implies limits to the scope of legislation; it restricts it to the kind of general rules known as [formal laws and excludes legislation aimed at particular people or at enabling anybody to use the coercive power of the state for the purpose of such discrimination. . . Such limitations of the powers of legislation imply the recognition of the inalienable rights of the individual, the inviolable rights of man. . ." (F. A. Hayek: "The Road to Serfdom.")

Disregard of the Rule of Law in legislating establishes a regime which "knows no other limit than that set by expediency" and which is therefore completely unethical. The aliens in the Philippines are being made to feel that they live under such a regime.

There was nothing even remotely approaching the situation in which aliens now find themselves during the years of American sovereignty and during the years of the Commonwealth. It came about during these last few years under the *Republic*.

AFTER the draft of this editorial had been prepared, the editor sent the included tables and several other pertinent paragraphs to Immigration Commissioner Vicente de la Cruz, with the following self-explanatory letter:

Sir:

"We are considering the publication of an editorial on the new fees being charged in the Bureau of Immigration under the Immigration Act and the Alien Registration Act as recently amended. The editorial we have in mind would naturally be critical and we realize that it would probably not make pleasant reading for you (although, to be sure, you are not responsible for the laws it is your duty to execute). Nevertheless we feel that we may count on your assistance in avoiding errors of fact, as you would rightly object to them and we ourselves, have no desire to make things appear worse than they are.

"May we ask, therefore, that you be so kind as to go over the attached few pages of the draft and check them for any possible error and also for possible omissions? We would greatly appreciate your assistance. It goes without saying that we do not have in mind to criticize, directly, either your Bureau or yourself.

"Very sincerely yours, etc."

We were favored with the following very prompt and informative reply:

"Sir: "This is to acknowledge receipt of your letter of July 25, 1952, requesting correction of the draft of your proposed editorial on the new immigration fees which were approved recently by Congress. It has been duly corrected as requested.

"Your editorial will certainly place the question of increase in fees in a very unfavorable light. As you will mention in that article the cost of the journey,—the costs of the photographs required for identification not paid to us, railroad fare, hotel expenses, sea or air transportation, new clothing suitable to the Philippine climate and the loss and expense usually incurred in breaking up a household and setting it up again many thousands miles away, together with the immigration fees, a false impression is necessarily created by your proposed editorial which might serve to discourage the travel of Americans to the Philippines. Nevertheless, we thank you for any constructive criticism as it is your right to make, and we are only explaining to justify our recommendation to Congress.

"Incidentally, we wish to mention the fact that as of April 30, 1952, we have the following number of aliens in the Philippines:

(1) Chinese	145,720
(2) Americans	11,754
(3) Spaniards	2,421
(4) British	1,065
(5) Germans	511
(6) Belgians	288
(7) Other nationalities	2,262
Total	165,976

"Naturally, all of the 165,976 aliens are affected by the two amended acts of legislation. When we recommended the approval by Congress of our revised immigration fees, we had no intention to adversely affect any American, or any alien for that matter, but it was only our intention to follow the recommendation of the Bell Mission which came to the Philippines a few years ago recommending the increase of government income so as to meet the expenses of our Government due to our necessary public services incidental to our independence. We thought of recommending exemption to Americans, Filipino-Americans, and Missionaries from the increase in fees, but since this would have constituted class legislation, we decided that we could not legally do it.

"For permanent residents no increase in immigration fees has been provided with the exception of the annual report fee which was increased from \$0.50 to \$1.00 in view of the importance of the service performed. The head tax was also increased from \$15.00 to \$25.00.

"With respect to aliens who came under pre-arranged employment, the following information is given: "In 1946, only 3 came; 1947—173; 1948—207; 1949—196; 1950—200; 1951—288; and 1952—160; or a total of 1,227 arrivals from 1946 to 1952. Practically all of these paid the old rate of fee of \$20.00. Very few, therefore, came in even under the old rate. The increased rate of \$80.00 for pre-arranged employees is applicable to all nationalities.

"Again we want to state that in recommending the increased rates, we were only guided by the recommendation of the Bell Mission as stated above, as we need funds for public education, public health, peace and order, economic development, and other necessary activities. Whatever increase is made out of the two amendatory legislations, will go to help meet the expenses of the Government.

"It should not be forgotten that even in the United States which has plenty of government funds, its Congress has deemed it fit to increase the rate of taxation and fees; so is also the tendency of other governments throughout the world.

"Very sincerely yours,
"VICENTE DE LA CRUZ
"Commissioner of Immigration."

I N reply to this letter of the Commissioner, we should like only to observe, very respectfully, that a bureau of immigration is not generally organized as an entity charged with the function of collecting government revenues, as is a bureau of internal revenue or a bureau of customs. It seems to us that the distinction between govern-

ment taxes and government fees is being lost sight of. The costs of government are met by the levying of taxes, which are paid by everyone. Government fees are generally paid for certain services which directly benefit only those who pay the fees and these are generally just high enough to cover the cost of administration.

Republic Act No. 749, amending the Philippine Immigration Act of 1940, commented upon in another editorial in this issue of the *Journal*, besides

Aliens Gagged and Denied Right of Appeal to the Courts increasing various fees charged by the Bureau of Immigration in connection with aliens entering and leaving the country, contains a number of provisions which impress us as not only extremely dangerous but as definitely unconstitutional.

One of these is the following:

"Sec. 7. Section forty of the same Act, is hereby amended to read as follows: . . .

"(d) The Commissioner of Immigration may, in the exercise of his sound discretion, deny the release under bond of any detained alien who is the subject of exclusion or deportation proceedings, and the filing of an action before a court of justice seeking relief from any order, resolution, or decision rendered by immigration officials in connection with the exclusion or deportation proceedings shall not divest the Commissioner of Immigration of the power granted him under this section."

The explanatory note prefixed to the original Bill explained the purpose of this provision as follows:

"Under Section 7, it is stated that the discretionary power of the Commissioner of Immigration to permit the release under bond of an alien subject of exclusion or deportation proceedings is not subject to review or interference by the courts. . . .

Can the right of appeal to the courts be thus denied to anyone, and can the authority of the courts be thus limited? We do not believe so.

There is another provision in the Act which gives broad scope to the most flagrant abuse, particularly in connection with the protection of the authority given the Commissioner of Immigration by the provision just referred to. It runs:

"Sec. 5. The following grounds for deportation are hereby added to, as paragraph (14) of the subsection (a) of section thirty-seven, of the same Act, as amended, to read as follows:

"(14). Any alien who makes a public and malicious or libelous imputation of a crime, or of a vice or defect, real or imaginary, or any act, omission, condition, status, or circumstance tending to cause dishonor, discredit, or contempt of the person of the President or Vice-President of the Philippines, or the members of the Congress of the Philippines without prejudice to whatever action, civil or criminal, the offended party may file against said alien. . . .

This provision renders the Act the most dangerous gag law which can have no conceivable place among the laws of a democratic country such as the Philippines has for some considerable period of years been believed to be.

It is true that the provision applies "only to aliens", but it denies them the right even to protest against the very discriminations which this same Act, in its other provisions, heaps upon them. Are the rights of free speech and press under the Constitution to be reserved exclusively to Philippine nationals? If this should meet with general acquiescence among them, then they themselves will in time be inevitably stripped of these same rights, for they can not be preserved by those who fail to recognize the necessity of their universality. It is not possible to maintain democracy undemocratically. Those who undermine it surely dig a pit for themselves.

"The American 'Alien and Sedition Acts'"—"The troubles with France [during the administration of John Adams], which for the moment had increased the strength of the Federalists and had enabled them to win their last political victory in the congressional elections of 1798-1799, was in the end to prove their undoing. Taking advantage of the war future and the temporary weakening of the Republicans, they pushed through Congress in 1798 four acts known collectively as the alien and sedition acts. A Naturalization Act lengthened the period of residence necessary for citizenship from 5 to 14 years while two alien acts gave the President the power to expel from the country aliens judged dangerous to the peace and safety of the United States and in time of war to expel or restrain aliens as he deemed fit. The alien acts were both enforced, but the accompanying Sedition Act, which made it a crime under penalty of fine or imprisonment to write or publish any false, scandalous, or malicious statement concerning the President or either house of Congress, or bringing into contempt or disrespect any officer was enforced. We might have given a partial excuse for some of this legislation, but the

Philippine Better Roads Association, Inc.

By P. J. DAYRIT

Executive Secretary and Legal Counsel

THE Philippine Motor Association, principally through its President, Mr. Benito Legarda, is credited with much of the spade-work that initiated the Better Roads movement in the Philippines.

The first organization meeting of the Philippine Better Roads Association was held in the Manila Hotel on September 21, 1951, and on the 29th of the following month, a meeting of the members took place in the same hotel at which the following men were elected to serve until the annual meeting held on January 28 of this year.

President	Jose P. Marcelo
Vice-President	Cirilo Paredes
Treasurer	Roy Davis
Secretary	David SyCip

After the recent annual meeting, the present Board was constituted as follows:

R. J. Monical, Caltex (Philippines), Inc.
M. E. Holt, Firestone Tire & Rubber Co.
Roy Davis, Goodyear Tire & Rubber Co. of the Philippines
John D. Coon, International Harvester Co. of Philippines
B. G. Brandt, Luzon Stevedoring Co.
Jose P. Marcelo, Marcelo Rubber & Latex Products
Cirilo Paredes, Nalatroa
David SyCip, Northern Motors, Inc.
Eduardo Melian, San Miguel Brewery
Pete Syquia, Rizal Motors, Inc.
J. A. Parrish, Standard Vacuum Oil Co.

Mr. Marcelo was elected President while Mr. Monical was elected Vice-President, Mr. Davis, Treasurer, and Mr. SyCip, Secretary.

ONE of the outstanding developments in 1951 was the increasing trend among governments to welcome the cooperation of industry and business in highway planning and construction.

Despite the worldwide surge in roadbuilding, temporarily aided by large expenditures of the United States for this purpose in Europe, Africa, Asia, and Central America, there remains the almost universal difficulty of insufficient funds for highways. This prevents both effective planning and adequately stabilized programming of highway development.

This and other problems impeding the extension and improvement of highway systems and the unrestricted use of highway transportation can be solved more readily by government and industry working together. The national good-roads associations affiliated with the International Road Federation (IRF) have intensified their efforts to bring about such teamwork. This unity of interests holds the hope of an accelerated highway development and more rapid social and economic progress as a consequence.

THE Chilean Association, for instance, received official recognition for its contribution to highway development in a national decree, and the President of the Association was made a member of the Council of Ways and Communications, giving him a voice in the planning and coordination of all the communications of the country. (Comparable recognition had been given earlier to the IRF's Brazilian associate). One of the outstanding

achievements of the Association was its successful campaign for an anti-diversion clause in a law concerning gasoline and oil levies.

The Bolivian Association worked for an official routing of the Pan-American Highway in Bolivia. The Government recently established such a routing, this forming the backbone of the future national highway development in the country.

The Peruvian Association in 1951 successfully concluded a campaign for a six-year highway-development program and for government adoption of the contract system in highway construction.

Among the many other activities of this Association is a drive for the creation of a national highway council, to be composed of government and private enterprise representatives, which would decide highway policy.

The Ecuadorian Association has been administering a limited program involving the expenditure of approximately \$1,000,000 yearly for highway improvements and maintenance.

The Indian Association, while promoting a rural road-program, has worked against nationalization of highway transportation and is campaigning for a separate budget for the national road system, with a central board in charge of all revenues raised from road users. It is constantly working for the removal of present discriminatory measures hampering the development of road transportation,—for example, the present excessive taxation and the restrictions preventing long-distance haulage.

The Belgian Association is working for the creation of a road fund to provide the necessary continuity required for an improved road system. In addition, this group is undertaking the publication in French of outstanding technical manuals published abroad.

The British Association, which represents more than 200,000 various business and industrial interests, is leading campaigns for an increased highway budget and for correction of traffic bottlenecks. The Association implements its campaigns with films, pamphlets, books, and radio programs and is carrying out an intensive educational program in the schools.

The Canadian Association, in addition to supporting the Trans-Canadian Highway project, is developing a national roads-research institute with the cooperation of government, industrial, and educational leaders.

The Spanish Association has five specialized sections: Technical, Construction, Manufacturers and Distributors of Equipment, Road Users, and Education. All work closely with the government authorities.

The French Association was instrumental in the removal of gasoline rationing in France.

Comparable activities are being carried out by the many other associate national members of the IRF. Each association strives to have its national government define and establish a long-range highway program; to assure the necessary financing for the construction, maintenance, and operation of such a program; and to obtain public support for these aims.

Republicans had a well-grounded suspicion that it was aimed at them rather than at the enemies of the Republic. Many French aliens were residents in America, and with few exceptions they were active in Republican politics. Of some 25 persons arrested and 10 convicted under the Sedition Act, most, it was noticeable, were Republican editors or politicians, thus conveniently eliminated.

"The Sedition Act was a boomerang. Wise leaders of the Federalist Party, such as Hamilton and Marshall, had advised against it but with no success. The Republicans, who considered the acts directly aimed at their party and who hailed everyone convicted as a martyr, actively opposed them, and Republican leaders decided to make a direct appeal to the States. Madison drew up resolutions passed by the Virginia legislature and Jefferson's resolutions passed by Kentucky. . . . The Kentucky resolutions called upon the other States to concur in declaring the alien and sedition acts void and to unite in requesting their repeal. Both resolutions insisted that Congress had violated the First Amendment, and in this they were quite correct.

"Important as are the Virginia and Kentucky resolutions in the history of American political theory as the first platform of the States' rights movement, their immediate purpose was largely that of a political thrust at Federalism. But the day of the Federalists was almost ended. The temporary patching of the differences with France undermined their prestige, factional fights weakened their position, taxation imposed in preparation for war aroused opposition, the alien and sedition acts were unpopular, and the common man distrusted the party of the 'rich and well born' . . .

"Working closely with Congress and taking an active part in the framing of legislation proceeded to undo what he considered some of the worst abuses of Federalist rule. The Naturalization Act was repealed and the 5-year period necessary for citizenship restored. The alien and sedition acts having expired in 1801, Jefferson pardoned persons convicted under them. . . .—Harold Underwood Faulkner: "American Political and Social History."

The associations depend on the International Road Federation as a source of information and technical guidance; they are receiving greater and greater service as they grow and the International Road Federation itself expands.

PRESIDENT Elpidio Quirino in his recent State-of-the-Nation Message stressed the importance of maintaining the highways and in his "Annex to the Message" asked Congress for a "more systematic construction of roads, bridges, and other means of transit".

The rehabilitation program of roads, streets, and bridges, authorized by the United States Congress under the Rehabilitation Act of 1946, is nearing completion.

This program, which was authorized in the amount of \$40,040,000, has been prosecuted under the general direction of the U. S. Bureau of Public Roads in cooperation with the Philippine Bureau of Public Works. The Philippine Rehabilitation Act approved a program of construction and rehabilitation and the re-establishment of certain governmental functions to be carried out by nine U. S. government agencies. The act stipulated that eight of these agencies were to complete their work by June, 1950, and the ninth by April, 1951. The U. S. Bureau of Public Roads has been granted two extensions, or until June 30, 1952, to accomplish this very necessary road-building program.

Through the joint efforts of the U. S. Bureau of Public Roads and the Philippine Bureau of Public Works, there have been built since 1946, using rehabilitation funds in whole or in part, approximately 254 major and 239 minor bridges and 495 kilometers of improved highways and streets. Of the \$40,040,000 allocation, approximately \$36,500,000 has been spent to date. The remainder of this fund is obligated by work under contract and is expected to be substantially expended by June 30, 1952, the deadline for the completion of the rehabilitation program.

The lengths of national roads in existence in the Philippines as of June 30, 1951, classified as to four general types of surfacing, are given in Table 1. The same information for provincial roads and city streets is given in Tables 2 and 3, respectively:

TABLE 1—National roads in existence in the Philippines as of June 30, 1951, classified as to surface-type and class:

Type of Pavement	NATIONAL				Total Length (Kms)	%
	1st Class Length (Kms)	2nd Class Length (Kms)	3rd Class Length (Kms)	Length (Kms)		
High Type	1465.8	16.2		1465.8	11.8	
Intermediate	1375.0	15.3		1375.0	11.1	
Gravel	6175.0	68.5	2646.2	99.0	64.3	9.3
Earth			27.2	1.0	625.6	90.7
Total	9017.8	100	2673.4	100	689.9	100

TABLE 2—Provincial roads in existence in the Philippines as of June 30, 1951, classified as to surface-type and class.

Type of Pavement	PROVINCIAL				Total Length (Kms)	%
	1st Class Length (Kms)	2nd Class Length (Kms)	3rd Class Length (Kms)	Length (Kms)		
High Type	182.5	3.7		182.5	4.1	9024.9
Intermediate	477.5	9.8		477.5	9.8	66.8
Gravel	4229.3	86.5	4644.0	94.8	3593.8	95.9
Earth			247.8	5.2	3745.5	100
Total	4889.4	100	4891.8	100	13526.6	100

TABLE 3—City streets in existence in the Philippines as of June 30, 1951, classified as to surface and class.

Type of Pavement	CITIES				Total Length (Kms)	%
	1st Class Length (Kms)	2nd Class Length (Kms)	3rd Class Length (Kms)	Length (Kms)		
High Type	108.0	20.3		108.0	8.4	
Intermediate	208.6	25.1		208.6	16.1	
Gravel	451.8	54.6	610.5	99.9	80.0	14.6
Earth			0.5	0.1	469.7	85.4
Total	828.4	100	611.1	100	549.7	100

Summarizing, the existing roads and streets in the Philippines as of June 30, 1951, are as follows:

	Length	Percent
High Type	1816.3 kms.	6.5
Intermediate	2065.2 Kms.	7.4
Gravel	19050.8 Kms.	68.3
Earth	4964.6 Kms.	17.8
Total	27896.9 Kms.	100

These figures show that only a small percentage of the existing highways in the Philippines is well-surfaced; more than four-fifths are only gravel or earth roads.

According to the engineering standards on highways being adopted by the Bureau of Public Works, 9,533.5 kilometers, or 77%, of the 12,381.1 kilometers of national roads and 5,410.6 kilometers, or 40%, of the 13,526.6 kilometers of provincial roads fall below desirable standards. Even if a considerably lower standard is applied, to measure the condition and needs of the present road system, the records show that there still are 5,571.5 kilometers, or 45%, of the total national roads and 2,975.9 kilometers, or 22%, of the total provincial roads which fall below tolerable standards.

With respect to bridges and other river-crossing facilities—spillways, fords, ferries, and pontoons—there are 9,127 of them existing as of June 30, 1951, totaling an aggregate of 177,720.8 lineal meters. Of this number, 7,372, or 81%, are of temporary construction; ferries or fords involve 127,271.4 lineal meters, or 71%, of the total length of all structures.

It is estimated that around P225,000,000 is required for improvement alone to bring the highways in the Philippines up to desirable standards. With the present highway revenues available for maintenance, improvement, reconstruction, and construction, estimated at P90,000,000 for the fiscal year 1953, such a gigantic improvement program could not be accomplished in less than ten years. In a work like this, which involves the selection and execution of a limited number from a mountain of desirable projects, most skillful and intelligent planning and programming is necessary. It is a difficult task to select those which would represent the best investment of available funds.

The main financial backbone for road construction and maintenance in the Philippines is the so-called Motor Fuel Tax (Sec. 142 and 361 of the National Internal Revenue Code), the proceeds of which are exclusively earmarked for the construction and maintenance of roads and bridges. The Philippine Better Roads Association (PHIBRA) has actively helped in the propagation of the better roads movement through the dissemination of information by means of letters, pamphlets, newspapers, and radio on the central theme that good roads are the basis of better living.

The PHIBRA, in cooperation with the International Road Federation (IRF), has also awarded a scholarship in advanced highway-training in the United States for the school-year 1952-1953. It has actively cooperated in the public information campaign in connection with the approval by Congress of the Highway Bill with its anti-diversionary clause prohibiting the use of the gasoline tax fund for purposes other than the maintenance of roads.

Conferences are often held between those actively engaged in road building and other responsible officials interested in roads for the purpose of studying the common problems of highway development and working out the solutions thereof.

At present there are 30 active members. The basic membership fee is P250 a year and runs up to P1,000 for sponsor members, the fee being based on the financial ability of the organization, firm, or member, to support and further the aims of the Association. The Association is operating on a minimum budget, and for more effective work additional sustaining members are needed. The PHIBRA, therefore, appeals to members of the American Chamber of Commerce to join. Mr. J. L. Manning, President of the American Chamber of Commerce, has offered his cooperation to the Philippine Better Roads Association of which he, personally, is one of the most active members.

For its part, the Philippine Better Roads Association will endeavor to help in studying the financial problems (Continued on page 319)

A Short History of Business and Commerce in the Philippines*

Prepared by

ROTARIAN VERNÉ E. MILLER

President, Philippine Education Company, with the co-operation
of the Editor of the Philippine Magazine

A RUSSIAN writer, Captain Otto von Kotzebue, wrote of Manila in his "A New Voyage Around the World":

"The whole world does not offer a more advantageous station for commerce than the town of Manila." The Frenchman, J. Mallat, in his "The Philippine Islands," predicted that "the Archipelago is destined to become the dominant power in the Eastern World." These statements may be exaggerations, but more recently an official observer, Col. Carmi A. Thompson, reported to the President of the United States: "I believe the economic possibilities in the Philippines are almost beyond comprehension." A recent (1927) report of the United States Department of Commerce speaks of "the great natural resources of the Philippine Islands" and of their "almost phenomenal commercial development within the past twenty years."

Manila as an International Mart Before the Coming of the Spaniards.—The rich natural resources of the Philippines and the value of Manila as a trading center have long been known to the people of the East, the Indians first visiting the Islands in the 4th or 5th century, B.C., and the Chinese about the 3rd or 4th century, A.D.; and shortly afterward the first Arab traders came. General trade was well developed by the 9th century, long before the European renaissance. For centuries before the coming of the Spaniards, Manila was an international mart. Vessels from India and the East Indies, and from China and Japan called at Luzon, Mindanao, Sulu, and other parts of the Archipelago. Manila was the most important center in this ancient bartering, and various nations possessed islets at the entrance of the Pasig River for trade bases. Tondo, Navotas, Malabon, Obando, and Maynila were held by the Indians and the Borneo Mohammedans; Parian, Baybay (Meisic), and Minondoc (now Binondo) were in the possession of the Chinese; while the Japanese inhabited

"THIS "Short History of Business and Commerce in the Philippines" was written especially for the "First Decennial Handbook, January, 1919—January, 1929," of the Manila Rotary Club, published in Manila in 1929. The material covering the Spanish period was taken largely from Regidor and Mason's "Commercial Progress in the Philippine Islands" (London, 1905). Because both this work and the Rotary Handbook are now out of print and not easily available for consultation, special permission was obtained to reprint the "Short History" in this *Journal*. The senior author, the late Verne E. Miller, President of the Philippine Education Company, died in Tucson, Arizona, in 1943; the editor of the *Philippine Magazine*, a pre-war monthly, is now the editor of this *Journal*.

In a Foreword, the then President of the Manila Rotary Club, Mr. E. A. Perkins, said:

"WE, the representatives of many nationalities and different races, justly pride ourselves on the fact that this community in which we live demonstrates in a practical way that with true tolerance and good will different races and different people can live together and work out their respective destinies without strife and without enmity.

"We are thoroughly in accord with the principle that, 'the advancement of good will and international peace through a world fellowship of business and professional men united in the ideal of service', is the one solution to hasten the day when racial and national jealousies, with all the unhappiness that follows in their wake, will be things of the past."

"The Manila Rotary Club is typically a cosmopolitan organization in a cosmopolitan community. Many different nationalities are represented in the Club, and the principles of Rotary are exemplified and typified in a very high degree."

Quiapo, Nactajan, Sampaloc, Dilao, and Palengue (now San Marcelino). These are today all districts in Manila.

The Products of the Old Philippines.—Among the indigenous products of the country exchanged for the cutlery and lacquered ware of Japan, the spices of Malay, the silks and porcelains of China, and the beads, jewels, ivory, and carpets of Siam and India,—were such table delicacies as trepang, sharks' fins, dried and salted fish and ducks, edible birds' nests, preserved eggs, fruits, sugar, rice, coconuts, areca nuts, betel leaves, and spirits. The Filipinos were always fond of good food. Besides all this, the Islanders possessed for barter fabrics of silk, silk and gold thread, cotton, pineapple and hemp fibre, etc. The people of the coasts did not go naked, but were well dressed. There was also some gold in the Islands, and pearls, mother-of-pearl, and tortoise shell was obtained from neighboring waters. Iron arms, brass cannon, agricultural tools, and kitchen utensils were manufactured. And there was some copper and sulphur obtainable, and, of course, much of the finest hardwood. The Filipinos showed marked proficiency in cannon making.

Early Philippine Business.—The Filipinos secured most of their profit by exacting tribute from the traders, although they did some business of their own. They had a well-developed code of laws, a system of writing, weights and measures; they understood compound interest, and there was also money, although most of the trading was conducted by barter. There was even a class of professional sureties. The Philippines escaped the attention of such men as Cortez and Pizarro, and the fate of Mexico and Peru, chiefly because of the absence of silver and gold in large quantities.

The Spaniards Make Manila an Open Port.—The first permanent Spanish colony was founded in Cebu in 1565, and Manila was occupied in 1571. The Spaniards recognized the value of the Oriental trade they found here in the 16th century. They abolished the system of levying tribute, and for a time established free trade at Manila, the first open port in the Far East and one of the few in the world. Several years later they levied a small duty of 3% on goods from the Orient and 2% on goods from Mexico, but this was purely as a revenue tax.

The Enormous Profits.—The rich trade drove from the minds of the Spaniards any thought of acquiring wealth through the tedious process of developing the resources of the country, and they themselves became traders, forwarding Oriental merchandise to the nearest ports across the Pacific instead of to ports in Spain by way of the Cape of Good Hope to avoid contact with the Portuguese and other rivals. Manila soon became the foremost commercial center in all the Orient, and from China alone thirty or forty large junks, carrying crews of from 150 to 300 men, came annually laden with produce for transhipment across the Pacific. Many other ships brought rich cargoes from Japan, Siam, Cambodia, Borneo, and Malacca.

One Spanish merchant wrote in 1590 that as a result of a voyage from Mexico to Manila and back again "two hundred ducats in Spanish commodities and some Flemish wares. . . I made worth 1,400 ducats there in the country [Manila]. So I make account that with those silks which I brought with me from thence to Mexico, I got 2,500 ducats with the voyage, and had gotten more if one packe of fine silkes had not been spoiled with salt water." A profit of 1,300 per cent!

Philippine Prosperity Sacrificed.—But the invasion of Mexican markets by Philippine Spaniards threw their countrymen at home in a panic, and the Madrid authorities were beseeched to take action. Spain was unable to adapt itself to the new conditions and profit by the development of the Philippines, so the colony was sacrificed to the ignorance of the age. The merchants of Seville demanded that the Archipelago be abandoned, and King Philip II went almost as far, for in 1585 he ordered the Viceroy of Mexico, the overlord of the Philippines, to compel the cessation of all Chinese trade with Manila. This order was disobeyed, but obedience was ultimately compelled to a similar decree in 1593. According to the terms, the export trade of the Philippines was not to exceed 250,000 dollars annually, and only two ships of 300 tons each were to carry the merchandise to Mexico. Direct intercourse with Spain was forbidden, and all goods had to be sent to Acapulco. The merchants in the Philippines, of course, protested, so for good measure the decree was again repeated in 1604.

Serious Deficits in Revenue Result.—For nearly two centuries this commercial insanity continued, with slight enlargements from time to time in the value of the goods allowed to be sent across the Pacific, and with the ultimate substitution of a single galleon of between 1200 and 1500 tons for the two smaller ships. Other restrictions were enforced locally in the Philippines. The result was that the Spanish treasury was obliged to make good serious deficits in the Philippine government budget, Spain's annual contribution to the Philippine exchequer reaching as high as 1,500,000 dollars.

Efforts at Reform Blocked by the Monopolists.—The Spaniards in the Philippines finally had powerful interests working in their behalf, particularly the religious orders in Manila, and in 1733, King Philip V approved the formation of the Company of the Philippines which was given the right to trade between Manila and Cadiz by way of the Cape of Good Hope. But the export of the Philippines had during the preceding century been cornered by some of the chief personages in the colony, and as these people were opposed to the disturbance of their monopoly, the first Company of the Philippines did no business whatever.

The Chinese Expelled—and Asked to Come back Again.—A commercial depression resulting from decrees against the exportation of silks and woven goods and from the decreasing markets in Mexico, brought about the expulsion of all non-Christian Chinese in 1755, and this led to most serious consequences. A company, which had been formed by the Spaniards to buy all the goods brought from China for resale to other Spaniards engaged in the Acapulco trade, had to pay such high prices for these goods, that it failed, and, driven by sheer necessity, the Spaniards had to invite the Chinese to return to Manila in 1778.

The Shoe Begins to Pinch the Other Foot.—The trade depression in the Philippines now began to affect the Spanish merchants at home, and they changed their attitude. A new decree was issued, providing that a galleon should traffic annually between Cadiz and Manila. The vessel, the *Buen Consejo*, was the first vessel from Europe to reach Manila by sailing westward around Africa.

The Monopolists Again Oppose the Government.—But the merchants of Manila did not take favorably to this opening of a new route. They had no desire to buy European goods, and their objection to the disturbance of their trans-Pacific monopoly was as strong as ever. They therefore did all they could to kill the new enterprise, and the *Buen Consejo* returned to Cadiz with much of its cargo unsold. Nevertheless, the voyages were continued, but after fourteen trips, the project was abandoned in 1783.

The Royal Company is Organized—and Fails.—The Government at Madrid was in earnest, however, and searched for other schemes to extend Spanish trade with the Philippines, and in 1785 the Royal Company of the Philippines was formed. This marked the turning point in Spain's policy of repression and restriction to one of development. But the Company's buyers were ignorant of the class of goods to bring back from the Orient, and it took several years to sell the first cargo. The Company became involved in financial difficulties, and although efforts were made to save it, the enterprise came to an end in 1844. Added to the incompetence of the officials, and a policy of repression and persecution of native Filipinos who interested themselves in industrial and commercial undertakings, which the Company had to face, was the handicap of abnormal political conditions which resulted in a series of native uprisings.

The Persecutions of Filipinos in Business.—There were extensive persecutions of the most prominent Filipinos, including Don Domingo Roxas, founder of the millionaire Roxas family, who died in a cell in Fort Santiago, Francisco Rodriguez who later founded the first foreign bank in the Philippines, Mariano Tuason, another banker, and many others.

Foreign Merchants Allowed to Visit Manila for a Few Months.—The failure of the Royal Company of the Philippines had one good result. It led to the conviction in the minds of the authorities that the old policy of exclusiveness and monopoly must be abandoned. Foreigners were from then on given gradually extended rights. In 1789 foreign vessels were given permission to convey goods of all the Indies to the Philippines. Later, foreign merchants were allowed to visit Manila for a few months during the trading season, and finally they were given the right of permanent residence. In 1809 an English company* was admitted, and others began to follow in 1814. In 1830 Manila was opened to foreign trade.

Americans Assume the Lead in Philippine Business.—The trade and commerce of the Islands were now soon on a highly successful plane, and American firms began to play a leading part. American trade with the Orient had been begun by merchants of Boston and Salem during the Revolutionary War, and had increased with great rapidity. The Americans secured a foothold in Canton, where all the trade of China was centered, and before long the business of the English merchants was so diminished that Parliament in 1820 appointed a special commission of investigation. It was found that American shipowners were able to undercut British freight rates by more than 50%, and also that the Americans at Canton had a better "trading character" than the merchants of any other nation. American trade went from Canton to the Philippines, and two American houses—Russell, Sturgis & Company and Peel, Hubbell & Company—that were established in Manila, took the chief part in the contest for Philippine trade. It was at this time that the country began to export hemp, sugar, tobacco, and indigo in ever increasing quantities.

The Obras Pias and the Banco Español-Filipino.—The religious fraternities in Manila which were helping to finance Spanish business, were amalgamated in 1851 under the name Obras Pias by order of Captain-General Urbiztondo, and the next year he founded the Banco Español-Filipino. As the personages interested in the Bank were more powerful than those behind the Obras Pias, the former was given every privilege the Spanish authorities could grant, and it became, in fact, the official government bank of the Philippines with the sole right to issue bank notes.

*Wise & Company.

The Government

From Official Sources

JULY 1—President Elpidio Quirino signs Executive Order No. 512 establishing a rat-proof building zone in the Manila Port Area and prohibiting the maintenance of homes, kitchens, and restaurants there as well as banning domestic animals from the area. The Order supersedes Executive Order No. 292, of August 5, 1940.

The President signs Executive Order No. 514 increasing the ceiling price of packaged sugar (in cellophane, cotton, or other bags) by 5 centavos a kilo.

July 2—The President, following an inspection of Manila flood-control projects, authorizes the release of ₱450,000 to enable the Department of Public Works to resume the work begun late in 1948 and suspended early in 1950 because of lack of funds.

The President signs Executive Order No. 515 raising the ceiling prices on galvanized-iron pipe.

The President signs Executive Order No. 516 fixing the ceiling prices on pneumatic tires, the prices including the 17% special excise tax on foreign exchange, the 7% sales tax, and the 1% municipal tax.

July 3—President Harry S. Truman sends President Quirino felicitations and best wishes in connection with the 4th of July observance, as do also the Governments of Denmark, Israel, Canada, Korea, Indonesia, Norway, etc.

The President pays high tribute to the Armed Forces in the traditional yearly parade and review given in his honor at Camp Murphy.

The President recommends to Congress the inclusion of an item of ₱250,000 in the Public Works Bill for the construction of a river-wall along the north bank of the Pasig from the National Development Company compound westward. Malacañan also releases a list of 9 more bills submitted by the President for consideration during the present special session.

The annual Civic Assembly of the Women of the Philippines is held in the Malacañan Park recreation hall and President Quirino presents the Presidential Reward of Merit for this year to the family of Amado V. Aldaba, for family solidarity; Miss Fe Horillano, for social service; Justice Delfin Jaranilla, for public service; Mr. and Mrs. Victorino Santiago, for leadership in cottage industries; Elvessa S. Stewart, for education; Miss Felicing Tirona (post-humous) for advancement in teaching of music; and E. S. Turner for service to youth (Y.M.C.A.).

July 4—Impressive ceremonies are held on the Luneta in celebration of the 6th anniversary of the establishment of the Republic of the Philippines. The President departs from his prepared speech to apologize for the appearance of a float in the parade of the "Filipino National Patriotic League", which carried an unauthorized banner stating, "We demand mass deportation of the Chinese". He also orders an immediate investigation of the matter.

July 5—The President issues Proclamation No. 328 further extending up to July 12, the period of the special session of Congress "to consider and finish urgent legislative measures."

July 8—The President at a Cabinet meeting orders immediate land, air, and sea investigation of the areas devastated by the recent typhoon "Emma" and directs the Department of Agriculture to prepare a report on the crop damage in northern Mindanao and the eastern Visayas.

Secretary of National Defense Ramon Magsaysay interposing no objection, the President authorizes the use of Camp Overton, at Iligan, Lanao, for the site of the NASSCO steel mills which will manufacture steel products from scrap metals and will eventually process iron ores from Surigao and Samar.

The President at the formal inauguration of the Philippine Air Lines new plane, the *Magellan's Cross*, states that "every new unit

we acquire in order to expand the facilities of PAL is one ambassador more in friendship and goodwill." The plane is a 4-engine Douglas DC-6B, with accommodations for 54 passengers, a speed of 350 m.p.h., and a service ceiling of 30,000 feet; it cost ₱2,400,000. It will be placed on the Manila-Madrid run but the President will first use the plane on his projected tour to London.

July 9—The President designates Division Superintendent of Schools Fernando Fuentes as Acting Provincial Governor of Negros Occidental, succeeding Provincial Treasurer Leon Miraflores who has acted in the capacity since the suspension of Governor Rafael Lacson; Miraflores asked for leave of absence because of illness.

Vice-President Fernando Lopez, concurrently Secretary of Agriculture and Natural Resources, issues a statement allaying fears of a rice-shortage, although the expected 1951-52 production of 2,830,700 metric tons has been reduced by more than 1,000,000 cavans because of some six different typhoons which swept the Philippines.

July 10—The President issues a statement expressing grief over the death of Dr. Angel S. Arguelles, Director of the Institute of Science and Technology and former Director of the defunct Bureau of Science.

July 11—At ceremonies held in the Department of Foreign Affairs, a Treaty of Friendship between the Republic of the Philippines and the Republic of India is signed.

The President instructs Under-Secretary Felino Neri of the Department of Foreign Affairs to look into the feasibility of eliminating the \$12.50 visa fee charged by Philippine diplomatic offices abroad, said to be the "most excessive visa fee" charged by any country.

Acting Executive Secretary Marciano Roque states that nearly 20 foreign countries have already expressed their intention to send exhibits to the first Philippine International Fair scheduled to be held in Manila from February 1 to April 30, 1953, and urges all Philippine provinces and cities to participate.

July 12—The President issues Executive Order No. 519 providing instructions to be followed in the conduct of public affairs during his absence from the Philippines, the Vice-President being authorized to exercise supervision over the executive departments for and in the name of the President. The President confers with former Senate President Mariano J. Cuenco and Governor Sergio Osmeña, Jr. of Cebu, during which Osmeña supports the President's intention to appoint Cuenco Administrator of Economic Coordination and Cuenco, in turn, supports the proposed appointment of former Representative Jose V. Rodriguez as Mayor of Cebu City.

Secretary of Public Works Pablo Lorenzon recommends to the President a ₱20,000,000 loan from the Central Bank for the construction of the Agno river irrigation project in Pangasinan which would bring water to some 40,000 hectares of agricultural lands; use would be made of the tail-water from the reservoir of the hydro-electric plant now under construction at Ambuklao.

July 13—The President sends a letter to Senate President Eulogio Rodriguez, Sr., urging action on the Japanese Peace Treaty, saying, in part:

"We can not keep the 20,000,000 people of our country in suspense or place them in the dark as to our future relations with Japan. It is necessary to provide on time the basic policy upon which to guide our future action in connection not only with our trade or political relations with Japan, but the issue of peace in the Orient. For more than a year, our people have been studying as to what would be the stand of the Government on the matter. The 15-member committee which I appointed, representing all the vital elements of the country and our two major parties, unanimously endorsed this Treaty. It has now become a matter of conscience on the part of our leaders responsible for the final action to be taken on this Treaty to define their stand in unmistakable terms for the future guidance of our Government. Before confusion increases in our midst, our people, who have a great stake—material, political, and military—in the final outcome of this Treaty, are entitled to know what should be the guiding thought and foreign policy of the Philippine Government in which our present university students in San Francisco."

July 14—Secretary of Foreign Affairs J. M. Elizalde releases a statement declaring:

This was done not to make money from the loans, but to get produce for export.

Early Filipino Business Pioneers.—Shortly after the arrival of the foreign traders, two Filipino financial houses were opened, one by Damaso Gorricho did a small business as a simple money-lending concern, and the other by Francisco Rodriguez was under the protection of the British consul at Manila, as Rodriguez had become a British subject when he had escaped to England after his arrest for political activities. About the time of the closing of this bank, at the death of Rodriguez, Mariano Tuason, another Filipino, opened a bank of his own.

(To be continued in the September Journal)

"I am and have been in full agreement with Governor Cuaderno as to the necessity of amending the Trade Act with the United States to conform with nature requirements to stabilize and secure our dollar reserves. The way to arrive and the price to be paid for the change I do not think have yet been finally decided. My personal view is that the study will be done by a Joint Committee of Filipino and American experts at the earliest possible time. A system more or less along the lines laid down in the economic provisions of the Tydings-McDuffie Act which also after a time required revision.

July 15 — The President signs the General Appropriations Bill authorizing a P417,151,580 national budget for the 1952-53 fiscal year; this is P30,000,000, more than the appropriation for 1951-52.

The President, with the concurrence of the Council of State, approves a peso financing program of aid to sound industrial, agricultural, mining and other enterprises prepared by Jose Yulo of the Philippine Council for United States Aid which has been endorsed by the Mutual Security Agency. The fund initially will amount to P10,000,000 to be drawn from the Counterpart Fund Special Account, transferred to a separate account in the Central Bank, and is to be administered by the Bank on behalf of PHILCUSA and the MSA in accordance with the terms of a master agreement.

July 16 — The President, leaving Manila at 10:22 a.m. aboard the plane *Magellan's Cross* with an entourage of 43 persons including his daughter, Mrs. Victoria Quirino-Gonzalez and her husband, reaches Jakarta at 4:50 p.m. escorted by Indonesian planes during the last lap of the journey. The party is met at the airport by President Sukarno and Vice President Hatta and their wives and many other officials.

July 17 — President Quirino addresses the Indonesian Parliament, his address being very well received.

Malacañan announces that the President, before leaving for Indonesia, referred to the Secretary of Agriculture and Natural Resources for study the plans prepared by Mr. Per Klem, a Norwegian specialist, for the establishment of a large pulp and paper industry in the Philippines which envisage mills in the Cagayan Valley, Ilocos Sur, Pangasinan, Davao, Agusan, and Manila capable of producing paper for local needs and for exports estimated at around P163,000,000 a year; a capital expenditure of \$155,000,000 would be required. Presently, imports of paper approximate 70,000 tons a year at a value of around P50,000,000. Mr. Klem was sent here at the request of the Government to assist the Cebu Portland Cement Company in its paper project, but also made studies for the larger project.

July 18 — The Department of Foreign Affairs releases a statement to the effect that, according to a report from the Philippine Legation in London, the temporary suspension of the Philippine flour quota of 196,000 metric tons under the International Wheat Agreement "will be lifted momentarily". The International Wheat Council recently suspended the quota "pending receipt of clarification from the Philippine Government of the import procedures being followed locally to control the purchase of IWA flour."

July 19 — The Department of Foreign Affairs issues a statement declaring in part:

"If, as speculation seems to indicate, the Japanese will gradually endeavor to come across with larger reparations, then the plan of 'wait-and-see' may be desirable. However, let us not lose sight of the possibility that with such a 'wait-and-see' policy, we may only be postponing the day when, as time goes by, we shall get, not more reparations but less than we would have obtained if negotiations had been terminated in time. This is no doubt the basis for President Quirino's insistence on an early ratification of the Treaty, which is the 'fundamental' to bring about, without any further delay, normal diplomatic, commercial, and cultural relations and to better coordinate the efforts of the democracies in trying to present a united front against the aggressor of the East."

July 21 — Secretary of Foreign Affairs Miguel Elizalde receives John Paul Clarkin, head of the Pepsi-Cola Bottling Company of the Philippines, Inc., who was recently appointed Honorary Consul of the Republic of Ireland.

July 23 — Announced at Malacañan that President Quirino has authorized Ambassador Carlos P. Romulo to sign the \$20,000,000 power loan contract with the Export-Import Bank for the clause which the Philippines originally wanted reserving the right to purchase machinery and supplies for the Ambuklao projects from countries other than the United States if they can not be supplied by American manufacturers. Bank officials stated that under their charter they could not accept such a provision, but that if a specific case of this nature arose, the facts could be submitted and would be considered on their merit. The loan is for a period of 20 years, payable in installments after July, 1955, and bears 4% interest.

July 24 — The Department of Foreign Affairs announces that the UNICEF (United Nations International Children's Emergency Fund) has expressed its gratitude to the Philippines for a contribution in-kind in 1951-52 of 184 long tons of coconut oil and 1,380 lbs of margarine, valued at around P100,000.

July 25 — The Cabinet approves the release of funds to combat a serious locust infestation in Cotabato, Samar, and Sorsogon provinces and the islands of Burias and Ticao. It is estimated some P150,000 will be needed.

July 26 — President Quirino, at the one and only press conference he held, states in Jakarta that communists in the Philippines are being prosecuted not because they are communists but because they seek to overthrow the government. He expressed his approval of the "tremendous spirit of nationalism" in Indonesia and expressed the belief that under this spirit, "Indonesia will be solidified in due time". He states that the neighboring countries of the East should cooperate in the development of their rich potentialities as untapped resources are a temptation to scheming and more powerful countries. He reiterates that his visit was not political or military, but was an economic and cultural mission, explaining that he brought along Secretary of Finance

Aurelio Montinola and Central Bank Governor Miguel Cuaderno to look into the possibility of arriving at a common understanding on a basis of economic cooperation.

July 27 — The President arrives in Manila on the PAL plane "Bataan" about 5 p.m. from his 10-day visit to Indonesia and is warmly welcomed by a large crowd. He states in a short speech at the airport that he returns "with a message of goodwill, friendship, and cooperation... from the people of Indonesia."

"We are only 20,000,000. They are 75,000,000. Our land is only about 114,000 square miles and there is 735,000 square miles, and with their vast resources, all most inexhaustible compared to ours, we are just like Corregidor in the middle of the Philippine Sea... Our duty is to cultivate their friendship and see if it will bear fruit in our permanent existence as a sovereign nation, cementing the lasting friendship of our two peoples..."

July 29 — The President, at a Cabinet meeting, orders the Philippine Airforce to provide all the planes needed to fight the swarms of locusts in the infested areas, which now include Masbate, also. Due to lack of time the Cabinet fails to consider the reports of Secretary of Finance Montinola and former Economic Coordination Administrator Pablo Lorenzo on the recommendation of the Import Control Commission to ban the importation of some 23 commodities, totally or in part, including slide-fasteners and zippers, rice hullers, plastic combs and tooth-brushes, cotton weaving yarns, pianos and pedal organs, athletic goods like baseballs, baseball gloves, volley-ball nets, etc., incandescent lamps of 115 and 220 v, fluorescent lamps of 14 to 40 watts, grey cloth, upper leather, pure tomato juice, etc.

July 31 — The President receives Justice William O. Douglas of the United States Supreme Court who is on an unofficial 3-months tour of Southeast Asia. The Justice was accompanied by Ambassador Raymond A. Spruance. The Justice is Chairman of the International Mass Education Movement and the President invites him to breakfast the following morning to meet a number of Filipino officials and educators concerned with mass education.

Banking and Finance

By W. M. SIMMONS

Manager, National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31 1949	As of Apr. 30 1952	As of May 30 1952	As of June 30 1952
ASSETS (In thousand of pesos)				
International Reserve.....	P460,689	P492,703	P487,370	P491,328
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	29,364	24,365	21,365
Domestic Securities.....	92,197	234,730	234,716	234,680
Trust Account—Securities Stabilization Fund.....	—	12,233	12,233	12,233
Other Assets.....	20,390	33,062	33,790	37,343
	<u>P793,629</u>	<u>P939,662</u>	<u>P930,044</u>	<u>P934,519</u>

LIABILITIES

Currency—Notes.....	P555,576	P556,115	P545,411	P539,281
Coins.....	74,384	92,501	91,963	91,787
Demand Deposits—Pesos.....	117,682	251,180	249,026	252,855
Securities Stabilization Fund. Due to International Monetary Fund	2,000	12,233	12,233	12,233
Due to International Bank for Reconstruction and Development.....	2,289	2,383	2,383	2,383
Other Liabilities.....	2,636	5,467	8,734	11,593
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	2,155	2,666	3,129
Surplus.....	—	7,132	7,132	7,132
	<u>P793,629</u>	<u>P939,662</u>	<u>P930,044</u>	<u>P934,519</u>

At the end of June, 1952, the Central Bank's international reserve was approximately P4,000,000 higher than the previous month-end balance. This upward tendency may not continue in view of the weakness in the commodity markets especially in copra and hemp, notwithstanding anticipated lower imports this year than in 1951.

Loans and advances decreased by P3,000,000 and stood at P21,365,000 as of June 30. Money in circulation dropped from P637,374,000 in May to P631,068,000 in June, but there was an increase in demand deposits from P249,026,000 to P252,855,000 during the same period.

Statistics obtained from the Central Bank show that during the first 6 months of this year foreign exchange transactions of the Philippines resulted in a net receipt of \$1,830,000. The deficit of \$16,760,000 incurred last January, was wiped out by the narrow monthly margin of surplus noticeable from February to June. Responsible for the favorable tone was the increase registered by receipts from invisible exports over invisible imports which more than offset the unfavorable balance resulting from larger disbursements for visible imports than receipts from visible exports.

Receipts aggregated \$258,800,000 (from visible exports—\$165,730,000 and invisible exports—\$93,070,000) against disbursements of \$256,970,000 (consisting of payments for visible imports of \$217,180,000 and invisible imports of \$39,790,000). Compared with the corresponding period in 1951 total receipts showed a decrease of 8.3% while disbursements rose by 1/2%.

Local money rates appear to be slightly easier, probably due to diminished volume of import licenses released and some liquidation of inventories, which earlier this year were on the high side in anticipation of a continuing inflationary trend which did not develop. Collections are reported to be retired satisfactorily.

It was announced by the Collector of Internal Revenue that total tax receipts for the 1951-52 fiscal year (excluding excise tax on foreign exchange) had already reached a new high of \$408,742,000 with June figures not yet tallied and April and May not complete. This figure is about 20% higher than total collections from July 1, 1950, to May 31, 1951, because of the intensified and systematic collection campaign and the imposition of new and increased taxes. It is also reported that excise tax on foreign exchange totaled \$179,261,000 during the period March 29, 1951 (when it was first imposed), and the end of May, 1952. This total represents some \$140,000,000 for the 1951-52 fiscal year and \$39,000,000 from March 29 to June 30, 1951.

Manila Stock Market

By A. C. HALL
Hall, Picornell, Ortigas & Co.

June 28 to July 25

EARLY in the month, gold-mining shares showed some further weakness as the difficulties confronting the mining industry were emphasized during the public hearings then being conducted by the Wage Board in regard to the industry's attempt to obtain a postponement of the effective date of application of the Minimum Wage Law scale. However, selling was never forceful, and during the past week has dried up completely. The lack of offerings and the growing impression that the industry will receive some compensating tax-relief when the full minimum wage scale goes into effect have combined to lift some prices from their recent lows, and to give the market a better appearance at the close.

Base-metal issues have ruled steady to firm, with the exception of some easiness of a technical nature in Acocje and Philippine Iron Mines as a result of their recent new stock issues. Following the effective date for subscription to rights, Philippine Iron Mines has staged a sharp recovery.

The commercial and industrial section of the market has been easier in quiet trading. Fixed interest securities ruled quietly firm with offerings negligible.

Around this period of the year, local stock prices usually register their annual lows, principally due to the fact that money is at its tightest around this season. In the writer's view, this year is unlikely to prove any exception to the others, as prospects indicate easier money conditions during the last half of the year.

The price of gold in the local free market has ruled remarkably steady during the period under review with an approximate high, low, and close per fine ounce of ₱105.75, ₱104.25, and ₱104.50.

1951-52		Range		MINING SHARES					
High	Low	High	Low	High	Low	Close	Change	Total Sales	
131.53	88.11	M. S. E. Mining Share							
0.315	0.155	Average	105.10	98.44	102.03	Off 3.61	6,283,726		
0.0295	0.028	Acocje Mining Co.	19.17	18.04	Off .01		541,500		
7.80	2.85	Atok Big Wedge Mining Co.	0.43	0.04			130,000		
0.14	0.0775	Beguin Gold Mining Co.	3.40	2.85	3.15	Off .25	22,110		
2.80	2.00	Balotoc Mining Co.	0.95	0.775	0.775	Off .0225	185,000		
0.0035	0.002	Batong Buhay Mines	2.00	2.00	2.00	Off .50	100		
5.30	3.90	Benquet Consolidated	0.03	0.028	0.03	Off .0002	1,109,000		
0.10	0.026	Bonifacio Gold Mines	4.15	4.00	4.00	Off .10	12,100		
0.40	0.011	Consolidated Mines, Inc.	0.35	0.35	0.35	Off .003	10,000		
0.29	0.16	Inco Gold Mining Co.	0.37	0.35	0.37	Up .02	1,663,000		
0.17	0.075	Itoyon Mining Co.	26.26	26.26	26.07	Off .02	57,000		
0.06	0.031	L. J. Mining Co.	0.85	0.08	0.08	Off .01	67,000		
0.96	0.59	Lepanto Consolidated	0.41	0.04			165,000		
0.05	0.024	Mashate Consolidated	82.78	82.26			250,300		
0.43	0.1375	Mindanao Mother Lode	0.64	0.31	0.39	Up .009	1,004,858		
0.1275	0.05	Paracale Gummas Cons.	185	137.5	145	Off .02	523,000		
3.26	1.20	Philippines Iron Mines, Inc.	2.70	2.15	2.55	Off .25	55,500		
0.32	0.17	San Mauricio Mining	20	19	20	Off .005	138,400		
0.305	0.185	Surigo Consolidated	28	26.5	26.5		83,000		
0.035	0.01	Suyoc Consolidated	0.12	0.12	0.12		29,000		
0.13	0.05	United Philippine Mining Co.	0.07	0.06	0.0625	Off .0125	156,000		

1951-52		Range		COMMERCIAL SHARES					
High	Low	High	Low	High	Low	Close	Change	Total Sales	
143.00	105.00	Bank of the Philippine Islands	120.00	120.00	120.00	Off 5.00		160	
15.00	15.00	Bogo-Medelling Milling Co.				20.00a			
171.00	110.00	Central Azucarera de la Carlota	112.00	110.00	110.00	Off 5.00		189	
111.00	109.00	Central Azucarera de Tarlac	110.00	110.00	110.00			13	
50.00	30.00	Central Azucarera de Negros	40.00	39.00	40.00			2,386	
27.50	25.00	Philippine Cigarette Co.	25.00	25.00	25.00	Off 2.00		80	
12.00	10.00	Industrial Textiles Mfg. Co. P. I.	11.00	10.00	10.00	Off 1.25		6,400	
0.36	0.27	Manila Broadcasting Co.				30a			
5.50	3.20	Manila Wine Merchants	3.50	3.50	3.50	Up .30		500	
0.18	0.12	Maramba & Co., com.				20a			
0.10	0.045	Mayon Metal, class "B"				11a			
0.12	0.085	Mayon Metal, class "A"				11a			
105.50	100.00	Meralco, 6-1/2%				102.00b			
		Metropolitan Insurance Co.				150.00b			
23.00	20.50	Passedco				20.50b			
7.50	5.00	Philippine Air Lines, Inc.	6.00	5.00	6.00			665	
27.50	25.00	Philippine Guaranty Co., Inc.	25.00	25.00	25.00			60	
0.0925	0.012	Philippine Oil Development Co., Inc.	0.44	0.04	0.04	Off .01		70,000	
43.00	26.50	San Miguel Brewery, 8% pref.	38.50	38.50	38.50			18,160	
100.00	93.00	San Miguel Brewery, 7% pref.	100.00	98.00	98.00a	Up 2.00		489	
108.0	102.00	San Miguel Brewery, 8% pref.	105.00	103.00	104.50	Up 1.50		260	
16.00	13.50	Universal Insurance & Indemnity Co.				12.00b			
7.00	6.00	Williams Equipment, com.	6.00	6.00	6.00	Off 1.00		496	

Company	Over-the-Counter		Close	Total Sales
	High	Low		
Cia. Celulosa de Filipinas	₱10.00	10.00	10.00	24,750
Cia. Qui. de Tabacos de Filipinas				
6% bond	97.00	97.00	97.00	₱20,000.00
Credit Corp. of the Philippines	6.00	6.00	6.00	64
Manila Jockey Club, Inc.	2.35	2.35	2.35	2,800
Philippine Iron Mines (rights)	.30	.13-1/3	.13-1/3	203,251

Credit

By C. M. MULLENBURG
Manager, Credit & Collection Department
International Harvester Company of Philippines

SEVERAL local credit men have indicated that collections are continually getting more difficult. Some have suggested that collections are harder now than

at any time since the war. Credit men confirm the comment of bankers that money is presently extremely tight. One concrete item of evidence of this is the fact that banks are now not only readily accepting fixed deposits but have increased the interest rates on such deposits.

The general situation is naturally reflected in the slowing down of collections, with balance sheets showing larger figures in the various past-due categories from 30 days to over 90 days.

As of June 30, 1952, the total of trade accounts receivable was equivalent to 46.52 days billing, as against 28.90 days billing on December 31, 1951, according to figures compiled from a representative list of from 12 to 14 reporting members of the Association of Credit Men.

Another result of slower collections and money tightness of concern to credit men is the increase in the amount of receivables with a corresponding reduction in cash sales.

Firms which do installment selling have observed the trend in the lowering of down-payments and the reduction in installment payments by lengthening the period of financing.

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Treasurer, Manila Electric Company

1941 Average - 16,316,000 KWH

	1952		1951	
	Kilowatt	Hours	Kilowatt	Hours
January	45,152,000	40,713,000	45,128,000	40,117,000
February	42,450,000	37,066,000	42,798,000	39,197,000
March	45,128,000	40,117,000	45,580,000	40,405,000
April	42,798,000	39,197,000	45,223,000*	40,712,000
May	45,580,000	40,405,000	47,590,000**	42,817,000
June	45,223,000*	40,712,000	41,852,000	40,712,000
July	47,590,000**	42,817,000	44,017,000	42,628,000
August			44,017,000	42,628,000
September			45,655,000	45,655,000
October				
November				
December				
Total		497,211,000		

* Revised.
** Partially estimated.

A NEW monthly output record was set in July. Output was 5,549,000 kwh, or 13.2% above July, 1951. Steadily increasing industrial activity is indicated by these figures.

Real Estate

By ANTONIO VARIAS

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

REAL ESTATE SALES in the Greater Manila area registered during the month of July, 1952, numbered 629, with a total value of P5,447,207, as compared with 612, with a total value of P6,775,768, registered during the preceding month of June.

Of the July sales, 190, with a total value of P2,127,614, represented deals within Manila proper, and 439, with a total value of P3,319,593, were sales within the cities of Quezon and Pasay, and in the suburban towns of Caloocan, Makati, Malabon, Mandaluyong, Parañaque, and San Juan.

Among the bigger sales registered during the month were:

A property with a lot of 863.5 square meters on Gandara, corner Ongpin streets, Sta. Cruz, sold by Dec Kee Chiong to L. Commercial Co. for P250,000;

A property with a lot of 6,753.8 square meters on Dewey Boulevard, Pasay City, sold by May McCoy to James B. Jensen for \$85,000 (U.S.);

A tract of 11,420 square meters on Vergel and Zamora streets, Pasay City, sold by Brooke D. Cadwallader to P. Lovina & Co., Inc. for P130,000, or about P11 a square meter;

A property with a lot of 1,837.5 square meters on Dewey Boulevard, corner Fresco, corner M. H. Del Pilar streets, Malate, sold by M. C. S. Tanunlong to American International Underwriters, Inc. for P148,837;

A property with a lot of 5,718 square meters on Shaw Boulevard, corner Highway 54, Mandaluyong, together with ground improvements, sold by Dr. Andres Torres to Construction Service Corporation for P114,360;

A tract of 9,631 square meters in the Forbes Park Subdivision, Makati, sold by Ayala Securities Corporation to Natividad Vda. de Padilla for P86,679;

A property with a lot of 336.8 square meters on California, corner Kansas streets, Ermita, sold by Rosario D. Katigbak to Leopoldo de Ocampo for P86,000;

REAL ESTATE mortgages registered in the Greater Manila area during the month of July numbered 716, with a total value of P10,938,748, as compared with 628, with a total value of P22,187,368, registered during the month of June.

Of the July total, 283, with a total value of P5,446,923, represented deals within Manila proper, while 433, with a total value of P5,491,825, represented deals within Quezon City, Pasay City, Caloocan, Makati, Malabon-Navotas, Mandaluyong, Parañaque, and San Juan.

REAL ESTATE SALES, 1952

	Quezon City		Pasay City		Suburban Towns		Total
	Manila	City	City	Towns	Total		
January	P6,085,610	P1,592,939	P197,596	P1,285,689	P9,161,834		
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	687,001	1,346,563	6,289,264		
June	2,388,796	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		

REAL ESTATE MORTGAGES, 1952

January	P6,184,617	P4,245,805	P265,740	P3,933,904	P14,630,066
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	4,010,870	14,203,015
June	4,967,085	13,757,050	1,480,500	1,982,733	22,187,368
July	5,446,923	2,107,155	471,600	2,913,070	10,938,748

Building Construction

By JUAN J. CARLOS

President, Philippine Contractors' Association

DURING the month of June, the Office of the City Engineer approved building permits for construction work amounting to P3,274,050. For the same period last year, the volume of work authorized amounted to P5,152,480 in comparison with P3,776,630 in 1950 and P4,809,250 in 1949. Among the big projects that were started during the month under review were:

A 4-story office building and a first-class theater on Florentino Torres Street, for the Republic Theater, costing P600,000;

For the Palomo Department Store, on Acarraga Street, a 3-story reinforced-concrete building, estimated at P250,000;

On Benavides Street, for Toribio Teodoro, a commercial building, costing P150,000;

A 3-story commercial building on P. Paterno, for Getulio G. Castro, estimated at P110,000.

The new theater on Florentino Torres will bring to at least five the number of new theaters that are now being constructed in downtown Manila. It seems that this particular kind of business is the only one not adversely affected by the import and exchange controls nor the tight money condition.

The supply of cement continued to be scarce. With the start of construction on diversion tunnels number

11 and 12 of the Ambuklao Hydro-electric project in Baguio, for which about 360,000 bags will be needed in these two projects alone, the PRISCO has placed an order for Japanese cement to alleviate the situation. Galvanized-iron sheets and pipes are difficult to get in the market. The effect of the steel strike in the United States, recently settled, was being felt. Japanese sheets are also in short supply.

Plans and specifications are now being issued for the bidding on the Ambuklao Dam scheduled for October 1, 1952. The project is estimated to cost about ₱35,000,000. The dam will be 430 feet high and 500 meters wide at the base. When completed, it will be the second highest of its kind in the world and will only be about 10 feet lower than the Mud Mountain Dam in the United States.

Port of Manila

By L. R. WENTHOLT

Vice-President, Luzon Brokerage Company

DURING the month of July approximately 65,000 tons of general cargo were discharged on the Piers in Manila. Besides during this month a considerable quantity of rice was imported which arrived here on five different vessels from Burma as well as Bangkok.

The number of American ships calling at Manila was far below the average due to the continuation of the strike on the West Coast. According to latest information, the chances for settlement have improved suddenly and an agreement is hoped to be reached in the very near future. In view of the fact that foreign-flag vessels are allowed to load on the West Coast, the effects of the strike have not been greatly felt here because the carriage of cargo was shifted from American-flag to foreign-flag vessels.

The work in the Harbor is going on smoothly and the terminal company shows signs of greater efficiency.

The Portuguese steamer *Timor* made her first call at Manila this month and started a regular passenger-freight service between the Philippines and Portugal.

There was no congestion on any of the piers this month, and pilferage has decreased.

Ocean Shipping and Exports

By B. B. TUNOLD

Secretary-Manager

Associated Steamship Lines

TOOTAL exports for the first half of 1952 amounted to 2,275,417 tons, as against 2,022,947 tons for the first half of 1951, or approximately 253,000 tons more this year than last year.

This increase is mainly attributed to an increase of molasses, chrome and iron ores, and sugar (cent./raw) exports.

Total exports for the first 6 months of 1952, as compared with the first 6 months of 1951, were as follows:

Commodity	1952	1951
Alcohol.....	498 tons	574 tons
Beer.....	1,619 "	825 "
Cigars and cigarettes.....	78 "	63 "
Coconut, desiccated.....	25,490 "	35,067 "
Coconut oil.....	40,119 "	34,002 "
Concentrates, copper.....	31,227 "	25,518 "
Concentrates, gold.....	3,588 "	2,845 "
Copra.....	296,731 "	346,953 "
Copra cake and meal.....	36,965 "	29,920 "
Embroideries.....	1,186 "	1,498 "
Empty cylinders.....	2,610 "	2,773 "
Fish, salted.....	115 "	83 "
Foodstuffs.....	68 "	11 "
Fruits, fresh.....	667 "	1,207 "
Furniture, rattan.....	6,496 "	4,622 "

Glycerine.....	1,064 "	884 "
Guns, copal.....	121 "	554 "
Guns, elemi.....	32 "	40 "
Hemp.....	460,880 bales	560,698 bales
Household goods and personal effects.....	1,579 tons	2,396 tons
Junk metals.....	8,800 "	31,742 "
Kapok.....	61 "	100 "
Logs.....	75,718,503 bft.	86,020,654 bft.
Lumber.....	28,644,504 "	30,384,313 "
Molasses.....	119,143 tons	78,955 tons
Ores, copper.....	452 "	—
Ores, chrome.....	187,095 "	123,288 "
Ores, lead.....	179 "	159 "
Ores, iron.....	596,577 "	404,556 "
Ores, manganese.....	14,157 "	15,716 "
Pineapples, canned.....	26,067 "	39,78 "
Plywood and plywood products.....	159,872 sq.ft.	504,030 sq.ft.
Rattan, round (palasan).....	1,433 tons	2,313 tons
Rope.....	2,371 "	3,141 "
Rubber.....	639 "	562 "
Shell, shell waste.....	275 "	325 "
Shell buttons.....	40 "	26 "
Skins, hides.....	221 "	1,015 "
Sugar, cent./raw.....	569,636 "	495,728 "
Sugar, refined.....	27 "	—
Sugar, muscovado.....	6,547 "	—
Tobacco leaf.....	7,384 "	3,834 "
Vegetable oil.....	332 "	124 "
Wines and liquors.....	27 "	—
Transit cargo.....	1,919 "	6,176 "
Merchandise, general.....	4,585 "	12,501 "

Mining

By NESTORIO N. LIM

Secretary, Chamber of Mines of the Philippines

MEMORANDUM TO THE WAGE BOARD FOR THE MINING INDUSTRY (METALLIC GROUP)

THE mining industry is faced by the most critical period in its history by the imposition of the P4 a day minimum wage on August 4, 1952, the extension of which the Chamber has petitioned for in order to enable the industry to survive.

The mining companies have shown facts and figures to prove that they have been losing money on their last 6 months' operations, or if they have profited, that these profits will surely be lost after the application of the P4 minimum wage.

The application of the minimum wage will force the mines to dismiss a portion of their personnel gradually until such time that they can no longer operate. The mining industry now actually employs 20,281 workers. Workers connected with the mining industry, such as farmers, timber operators, machinery operators, barbers, teachers, restaurant men, bartenders, soldiers, and many others will bring the total to 40,562. If each employee has an average of 5 dependents, the total number depending on the mining industry would be 202,810. This number of people is supported daily by the mining industry. If the mines stop operations, what can the Government offer to these people? Can the Government afford to see these numbers go hungry? The Government, instead, should help the industry to explore, develop, and operate more mines in order to absorb the increasing number of unemployed and at the same time help check robbery, banditry, and starvation, rather than increase the hardships attendant on mining enterprise.

Mining is a risky venture in which capital, once expended, may never be recovered again. A large number of mining companies spent millions of pesos before any dividend was realized. This kind of risk needs higher returns on investment, and the payment of a dividend of from 5% to 10% is not proportionate to the risk. Once in a while a company may pay a 20% to 25% dividend and at once the impression is that all the mining companies are making big profits....

By enforcing the effectivity of the P4 minimum wage on August 4, the Government would stand to lose millions and millions of pesos not only in the form of taxes but also in the value of natural resources unmined and left underground... If the P4 minimum wage is put into effect, the cost of production will increase and only high-grade ore will be mined. Take for example a company mining an average-grade ore of P18 per ton. This mine will mine X tons of P10-ore, Y tons of P15-ore, and Z tons of P12-ore. If the P4.00 wage is put into effect, this mine will mine only tons of Z P25-ore, and the low-grade P10 and P15 ore will be left wasted. The investor will mine in the quickest possible time all the high-grade ore to recover his capital or part of it, and will abandon all low- or medium-grade ore which can not be mined at a profit. The Government should rather see that the mining companies mine all the low-and medium-grade ore by cutting down taxes...

The present trend of gold prices is downward. The last price is ₱103.60 in the free market for 75% of the output and ₱70 for 25% at the Central Bank, or an average of ₱95.20 per ounce. While at the present scale of wages of a ₱3 minimum, the average cost of production is ₱96.00, and a loss already of ₱.80 per ounce is now sustained, how much greater will be the loss when the wage is raised to ₱4 a day! This would raise the cost of production per ounce to ₱101, entailing a loss of ₱5 per ounce. The abolition of the requirement that 25% of the gold produced must be sold to the Central Bank at ₱70, of the 17% dollar tax, and of the 2% fee charged by the Import Control could wipe out the losses incurred due to the big drop in the price of gold in the free market. Remember that when the Minimum Wage Law was being enacted in April, 1951, the price of gold was ₱136 per ounce, going as high as ₱160. But, unfortunately, from May of 1951 to December of the same year, the price has continually dropped and now it is only ₱103.60 (as of July 15, 1952)...

The mining companies now are providing all possible incentives to the laborers to increase their earnings. It has been shown that most of the laborers have increased their earnings by an average of ₱.52 per day over their minimum cash-pay...

The houses, the schools, the hospitals, the recreation facilities, the vacation and sick leaves, the Christmas bonuses, the rice rations, etc., which the mining companies give to their employees for their comfort and happiness... all necessitate large capital outlays by mining companies which in some cases may never be recovered. Some companies cannot, all at once, provide the ideal living conditions many labor leaders want... but I say that the mining companies have done their best for their employees and will always do so, provided they can get a proper return for their investments.

From 1946 to 1952 many mines have sought financial aid and tax relief from the Government, but under the rigid bank regulations, aid came in some cases only after all a company's assets had been mortgaged to the bank... The mines got a little tax relief in the condonation of assessments and occupation taxes. But, actually, the Government collects tremendous revenues from the production tax, the 17% dollar exchange tax, the 2% fee, the 6% surcharge, the B-Tax, the real estate taxes, the 29% corporation income tax and the stockholder income tax, besides numerous other indirect taxes for gasoline, diesel fuel oil, timber license, transportation, etc. If the Government wants the elevation of the mine workers, why should it not forego some of the taxes enumerated to cover the differential of ₱1.00 called for by the Minimum Wage Law? By doing this the Government could make the workers happy and at the same time lessen the burden of the mining companies,

thereby increasing the mining incentive. Many more mines would open and more employment throughout the country would result.

Mine workers know the effect of the Minimum Wage Law on the mines in that it will shorten their employment, as capital will mine only the rich ore and leave the low- and medium-grade ore in the ground. They know that the price of gold has gone down since April, 1951. They know that the cost of machinery, supplies, spare parts, and explosives has gone up. They know that heavy taxes of all kinds are being collected from the mines. They know the difficulties that the mines are undergoing in getting their licenses for the export of their ore, licenses for the use of explosives, licenses for importing machinery and supplies; they know the difficulty of getting licenses for the dollars to pay for their mine-machinery, spare parts, and supplies. I, therefore, hope that labor will take all these difficulties into consideration and show its cooperation by favoring the postponement of the effectivity of the ₱4 minimum wage.

Respectfully submitted,

NESTORIO N. LIM
Secretary

July 22, 1952
Manila.

Lumber

BY PACIFICO DE OCAMPO
Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

DURING the month under review, June, 1952, the Philippines exported a total of 22,631,474 bd. ft. of logs and lumber, which, compared with the export of 19,597,870 bd. ft. during the preceding month, was an increase of 3,033,604 bd. ft., but was a decrease of 3,944,542 bd. ft. compared with the export of 26,576,016 bd. ft. during the same month of June last year. Like the month last reviewed, this increase was mainly due to further improved Japanese demand for logs—from 12,603,322 bd. ft. in May to 18,174,183 bd. ft. in June, an increase of 5,570,861 bd. ft. Shipments to the United States and Ca-



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nada dropped further by almost 50%—from 5,253,172 bd. ft. in May to 2,779,909 bd. ft. in June, a decrease of 2,473,253 bd. ft. Shipments to all other countries also decreased by 63,994 bd. ft.—from 1,741,376 bd. ft. in May to 1,677,382 bd. ft. in June.

The lumber producers, at the initiative of the Philippine Lumber Producers' Association, Inc., have petitioned the Secretary of Labor, with respect to the provisions of Republic Act No. 602, otherwise known as the Minimum Wage Law, to suspend the application of the minimum wage of ₱4 to producers outside of the City of Manila for a period of 6 months, beginning August 4, 1952, when the full statutory minimum wage automatically takes effect. A Wage Board has been created, and is now actively deliberating on the question of whether the implementation of the minimum wage on August 4, 1952, would work undue hardship upon the lumber industry. It is the opinion of various elements which are cognizant of present conditions, particularly the unfavorable market situation, both local and abroad, that the automatic application of the law, if not suspended, as requested, would force many producers, particularly the small operators, either to limit their operations and lay off a considerable portion of their laborers, or to totally close their mills.

The Philippine Lumber Producers' Association, Inc. has likewise made representations in connection with the Federal Trade Commission's reconsideration of the question of whether the use of the term "Philippine Mahogany", an established trade-name for Philippine woods, should be modified, restricted, or altogether prohibited. The hearing of the Commission which opened on June 30, is to be continued on September 16, 1952, to enable Philippine exporters to present their views on this vital question. Government support has been solicited, and the Philippine

Embassy in Washington has taken steps to protect the good name of "Philippine Mahogany".

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

Shipper	Destination	Volume in Board Feet Lumber	Board Feet Logs
Aguinaldo Development Corp.	Japan		1,989,894
Agusan Timber Corp.	U.S.A.		170,547
Anakap Lumber Company	Japan		2,159,965
	U.S.A.		449,999
B. R. Valencia & Co., Inc.	Japan		3,149,995
Basilan Lumber Company	U. S. A.	431,172	99,998
	Japan		1,769,705
	Hongkong	164,564	
	England	320,756	
Bislig Bay Lumber Co., Inc.	U. S. A.	319,602	
Central Sawmill	Japan		829,036
Cipriano Luna Lumber Enterprise	Guam	72,576	
Dee Cho Lumber Co., Inc.	Japan		998,444
Dee Hong Lue & Sons	Guam	24,861	
	U. S. A.	8,840	
	Guam	20,493	
General Enterprise	South Africa	5,506	
Gocheo Sawmill	U. S. A.	29,925	
Higan Lumber Co., Inc.	South Africa	6,000	
Insular Lumber Company	Japan		381,588
	U. S. A.	169,845	
	South Africa	282,557	
	Hawaii	179,138	
J. S. Alvarez	U. S. A.	42,924	
Johnston Lumber Co., Inc.	Japan		1,449,390
Marsman Development Co.	U. S. A.	177,593	
Misamis Lumber Co., Inc.	Japan		1,100,000
North Camarines Lumber Co., Inc.	Japan		849,983
	Guam	100,748	
North Star Lumber Co., Inc.	Japan		770,490

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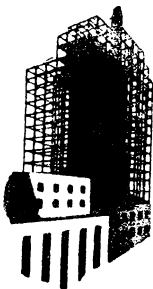
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Philippine Manufacturing Co.	U. S. A.	25,000	
Reynaldo Lumber Company	U. S. A.	40,465	300,000
Schnabel & Cuerva	Japan		
Sta. Clara Lumber Co., Inc.	Guam	197	
Valderrama Lumber Mfrs. Co., Inc.	U. S. A.	70,000	200,000
Western Mindanao Lumber Co., Inc.	Japan		382,295
Woodcraft Works, Ltd.	Japan		963,353
Zuellig & Company, Inc.	Formosa		499,986
	U. S. A.	44,000	
Totals		3,036,761	19,594,713

RÉSUMÉ OF Exports To:

	Lumber (bd.ft.)	Logs (bd.ft.)	Total (bd.ft.)
Japan	—	18,174,183	18,174,183
United States and Canada	1,859,365	920,544	2,779,909
Other countries	1,177,396	499,986	1,677,382
Totals	3,036,761	19,594,713	22,631,474

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	—	18,174,183	—	12,603,322	—	18,231,195
United States and Canada	1,859,365	920,544	3,813,177	1,439,995	2,387,799	3,999,234
Other countries	1,177,396	499,986	1,684,217	57,159	1,750,528	207,260
Totals	3,036,761	19,594,713	5,497,394	14,100,476	4,138,327	22,437,689

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

Period	Lumber in Board Feet					Logs in Board Feet					Grand Total
	Western States	Eastern States	Gulf States	All Others	Total	Western States	Eastern States	Gulf States	All Others	Total	
May, 1952	2,990,827	522,798	77,698	91,111	3,682,434	1,018,503	—	421,492	—	1,439,995	5,122,429
June, 1952	1,001,821	691,289	131,250	35,005	1,859,365	—	199,999	250,000	470,545	920,544	2,779,909
Difference (Increase +; Decrease -)	1,989,006-	168,491 +	53,552 +	56,106-	1,823,069-	1,018,503-	199,999 +	171,492-	470,545 +	519,451-	2,342,520-

SUMMARY OF EXPORTS DURING JUNE, 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	—	18,174,183	18,174,183
United States	1,859,365	920,544	2,779,909
Formosa	—	499,986	499,986
England	320,756	—	320,756
South Africa	294,063	—	294,063
Guam	218,875	—	218,875
Hawaii	179,138	—	179,138
Hongkong	164,564	—	164,564
Totals	3,036,761	19,594,713	22,631,474

Arrivals of logs and lumber in Manila decreased by 1,925,132 bd. ft.—from 14,649,172 bd. ft. in May to 12,724,040 bd. ft. in June.

The weakening condition of the local wholesale lumber market, which began during the second week of May, continued during the month of June because of the inclement weather which hindered the progress of construction activities. Consequently, prices of lumber, which at the opening week of the month in review were quoted at ₱125-₱130 per 1000 bd. ft. for white lauan, ₱135-₱140 for apitong, and ₱160-₱165 for red lauan, receded from week to week with the above species quoted at the close of the month at ₱120-₱125, ₱135, and ₱155-₱160, respectively.

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Copra and Coconut Oil

By H. DEAN HELLIS

Vice-President, Philippine Refining Company, Inc.

June 16 to July 15

DURING the period under review, a very confusing market has been experienced for both Philippine copra and coconut, occasioned for the most part by the continued maritime strike on the Pacific Coast which had its beginning on May 26. This strike continues as of this writing, and consequently there is considerable copra impounded on American-flag strike-bound vessels now awaiting eventual discharge at Pacific Coast ports.

While there is no definite indication as yet when the strike will be terminated, the feeling is that it must now be nearing its end, with the result that the markets have already begun to show a much easier tendency than during the second half of June and the early part of July.

In addition to this, a fair quantity of copra, though actually less than normal requirements, has already arrived at destination, and more is still afloat en route, on ships of non-American registry, and thus the extremely acute shortage of supplies on the Pacific Coast during the earlier part of the strike has eased off considerably. No doubt much more copra would have been shipped on non-American vessels had it not been for the fear that they too might eventually be tied-up on arrival in the United States if the longshoremen were to strike as a result of the jurisdictional dispute over the loading of ships' stores, supplies, etc.

Briefly, then, market prices during the period have clearly reflected at first an acute shortage of copra on the Pacific Coast, as, likewise, of the resultant coconut oil; followed next by at least some relief from shipments which have been received ex non-American vessels, plus the fact

that Philippine oil mills have to a certain extent temporarily satisfied the most urgent consumer demand by shipment of bulk oil to the Atlantic Coast; finally, the market now begins to show the effect of the optimism felt that the strike will soon be ended, in which case there should be plenty of copra available for immediate milling by the Pacific Coast mills ex present strike-bound vessels as soon as they start unloading.

The time element resulting from the strike, in other words, has been the dominating factor in the market during the period, with a consequent "famine-to-feast" effect in the matter of available supplies to the American consumer.

With respect to other conditions generally affecting the Philippine copra and coconut oil markets, there does not seem at present to be any justification anywhere for anyone to think except in terms of lower prices once the Pacific Coast strike is actually ended. Copra production here in the Philippines, it is felt, will be plentiful during the next few months, and perhaps even considerably in excess of the total demand from abroad. As far as we can learn, there are not a great number of short sales for near positions to be filled, which otherwise might have a tendency to sustain the market. There does not appear to be much demand from Europe at anywhere near present prices, and accordingly there seems to be no strength to the market from this source. The Korean and general international situation remains about unchanged, and there is nothing new in this picture at the moment that should cause or result in higher prices for copra or coconut oil.

THE United States Congress adjourned "sine die" early in July without taking action on H.R. 6292, the bill which proposes to eliminate the excise tax. This piece of legislation was not reported out by the Ways and Means Committee of the House of Representatives prior to adjournment, and it is now felt that there is little chance of

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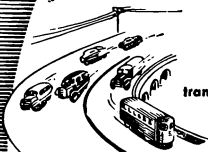
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the bill being approved this year even if Congress should be re-called into a special session, which at this writing, this being an election year, seems somewhat doubtful. Therefore there also can be no reason from this source to expect improved prices or a sustained market.

The Pure Food and Drug Administration in the United States has recently undertaken a program of condemning certain parcels of Philippine copra and coconut oil for edible usage, and although this situation is not yet entirely clear to us, the fact remains that it would create a condition far from helpful to the trade if the Pure Food and Drug Administration persist in finding a lot of imaginary faults with respect to these supplies. Coconut oil, when refined, is certainly a fit and safe product for human consumption, just as are cottonseed and soybean oils which are extensively used in the United States and elsewhere throughout the world.

The overall situation at this writing, therefore, appears to be somewhat discouraging as far as market prices and tendencies are concerned, and unless some unforeseen condition in the near future should bring about a reversal of the present probabilities, lower prices for both copra and coconut oil can be anticipated for the time being.

The copra market at mid-June was reported with sales at \$140.00, and perhaps even \$142.50, c.i.f. Pacific Coast, with the majority of sellers holding and hoping to obtain \$5.00 to \$7.50 per ton higher. The situation continued with little, if any, change until early into July, when due to conditions already referred to above, prices began to soften, and markets abroad became for the most part inactive on extremely thin buying interest. By the middle of July, as we close, some business has resulted at down to \$123.50 c.i.f. for nearby shipments, with sellers generally resisting and asking \$125 to \$130 c.i.f. Buyers, on the other hand, are now thinking in terms of \$120 c.i.f. Pacific Coast, realizing that one of these days, probably very soon, the maritime strike will be terminated, with the result that they will have ample copra ex present strike-bound vessels already awaiting discharge on the Pacific Coast.

As far as Europe is concerned, some business was reported around mid-June at \$155 c.i.f. usual European ports, but it was not long after that buyers reduced their ideas, and as we close at the middle of July, it would seem that no better than \$135 c.i.f. is possible.

Prices during the period on an f.o.b. basis fell correspondingly to approximately \$115 at close.

Local copra markets here in the Philippines followed the same general pattern from ₱25.50 to ₱26.00 per 100 kilos of resacada at opening down to ₱20.50 to ₱21.00 at close, at which point a general resistance on the part of sellers to a further decline seems imminent for the time being.

The coconut oil market in the United States during the period under review has no doubt shown the effect of the Pacific Coast maritime strike even more than copra, for it was actually coconut oil that was in short supply to the American consumer, not, of course, copra. Accordingly substantial premiums were paid, particularly on the Pacific Coast, for any coconut oil that was available for guaranteed nearby deliveries. This situation was likewise true to a lesser degree with respect to shipments of bulk oil from the Philippines c.i.f. the Atlantic Coast, and any unsold parcels already afloat for early arrival, of which there were several, found a ready market at attractive prices. The usual spread in the price of coconut oil between the Pacific and Atlantic Coasts, which generally is in the neighborhood of around $\frac{3}{4}$ to 1 cent higher on the Atlantic Coast, practically disappeared during the early part of the period under review. At one time the limited amount of oil that was available on the Pacific Coast was actually quoted at a price higher than that then prevailing for Atlantic Coast supplies.

The market for coconut oil on the Pacific Coast at mid-June was approximately 9-3/4 cents per pound f.o.b. tank cars. It was not long, however, before sellers were asking as high as 11 cents per pound for guaranteed deliveries, this at a time when afloat bulk oil was being offered on the Atlantic Coast at 10-5/8 cents c.i.f. A fair amount of trading, however, was done in bulk oil direct from the Philippines at prices ranging from 10 to 10-1/2 cents per pound c.i.f. Atlantic Coast before the market started to ease off during the first half of July. As the market closes at mid-July, we find prices both on the Pacific and Atlantic Coasts somewhat reduced from the high points reached, and it is doubtful now if better can be done than 8-3/4 cents f.o.b. tank cars on Pacific Coast, while at the same time offerings are being made without success at 9-3/4 cents per pound for bulk oil c.i.f. Atlantic Coast. Generally, the situation has been so greatly confused during the period that it becomes extremely difficult to report accurately with respect to coconut oil prices and happenings in the United States, but with the maritime strike probably soon over, conditions should return to normal soon thereafter.

There was very little demand from Europe during the period for bulk oil shipments from the Philippines, with buyers at close expressing nominal views at around \$195 c.i.f. It is felt, however, that an offer even at this price would fail to result in actual business being done, as there is no indication whatsoever of definite buying interest at this time.

The copra cake and meal markets are again unchanged at around \$82 to \$83 per short ton c.i.f. Pacific Coast. As soon as the maritime strike is terminated, however, it is felt that perhaps these prices will suffer a moderate decline.

COPRA exports during the month of June, 1952, are reported as follows:

To United States Pacific Coast.....	15,149 long tons
United States Atlantic Coast.....	4,031 " "
United States Gulf Ports.....	4,084 " "
Canada, Pacific Coast.....	2,250 " "
Japan.....	1,283 " "
Europe.....	12,850 " "
Africa (Haifa).....	3,500 " "
South America.....	6,150 " "
Total.....	49,297 long tons

This compares with 42,824 tons of copra exported during May, 1952, and 51,878 tons shipped during June of last year. The total exports for the first 6 months of 1952 are now 298,731 long tons, as against 346,953 tons during the same period last year.

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

To United States Atlantic Coast.....	3,979 long tons
United States Gulf Ports.....	668 " "
Formosa.....	291 " "
Europe.....	628 " "
South Africa.....	505 " "
Total.....	6,071 long tons

By way of comparison, the May, 1952, exports of coconut oil amounted to 7,736 long tons, while during June, 1951, the total was 6,035 tons. The total for the first 6 months of 1952 now amounts to 40,119 long tons, as against 34,002 tons during the same period in 1951.

IN summary, we can only look for the present to lower prices in the near future for both Philippine copra and coconut oil. We think it reasonable to assume that the markets therefor may decline to a point somewhere near previous lows for the year. No matter how discouraging the picture may presently look, however, we cannot at the moment anticipate new lows being established, and it will not surprise us greatly if before year-end renewed interest from abroad will bring about at least some small improvement in prices again, even though of a temporary nature only.

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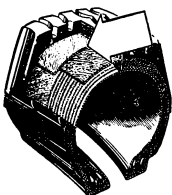
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Desiccated Coconut

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

THIS report covers the period from June 15 to July 15 during which time copra and nut prices remained firm but started to skid toward the end, with prospects of lower prices during the latter part of July.

Factories continued operating at low production, the entire industry operating at about 65% capacity, with not much likelihood of improvement before September.

Following are the statistics for the month of June:

Shippers	Pounds
Franklin Baker Company	4,107,600
Blue Bar Coconut Company	931,070*
Peter Paul Philippine Corporation	—
Red V Coconut Products, Ltd.	1,703,700
Sun Ripe Coconut Products, Inc.	—
Standard Coconut Corporation	195,000
Cooperative Coconut Products, Inc.	543,800
Tabacalera	—
Coconut Products (Phil.) Inc.	—

TOTAL..... 7,481,170 lbs.

NOTE:	
*Zamboanga Factory Production	140,700 lbs.
Lusecan	790,370 "

TOTAL BLUE BAR SHIPMENTS..... 931,070 lbs.

Sugar

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

THIS review covers the period July 1 to July 31, 1952. *New York Market.* Market activity has been relatively light during the greater part of the month with refiners continuing a policy of purchasing prompt and nearby raws as needed partly in expectation of shaking out the weaker speculative September longs. The West Coast Pacific strike continued to furnish support to the market. C & H purchased substantial quantities of Cubas for prompt loading at 6.70¢ c.i.f. San Francisco, duty paid, equivalent to about 5.67¢ f.a.s. Cuban basis. Several cargoes of Philippines were also purchased by C & H under East Coast — West Coast option terms on the basis of 6.55¢ c.i.f. San Francisco. On Friday, July 18, after the close of business, the U. S. Department of Agriculture announced the re-allocation of 200,000 short tons of beet-deficit to: Cuba 129,737; Puerto Rico 45,155; Mainland Cane 24,810; Virgin Islands 298. This took the market by surprise and spot dropped at the reopening from Friday's 5.95¢ to 5.88¢, accompanied by losses of 10 points and 9 points in the September and November exchange positions. The distant positions of March, May, and July also declined from 4 to 5 points. Two theories were advanced by market commentators: one that the Department consider 6.50¢/6.60¢, duty paid, as being a proper value for raw sugar; the other that the Department preferred to have such announcements out of the way well before the Louisiana harvest rather than to make them later in the year when old-crop prices tend downwards of themselves in the face of seasonal discounts on the new-crop months. The Department, however, is reported to have disclaimed any attempt to influence prices and to have considered the action as routine based upon statistics indicating a deficit and in accordance with the law. The end of the month saw the market recovering somewhat, with sales of August arrivals at 6.45¢ and further offerings at 6.50¢. The undertone seemed firm and this recovery, albeit slight, was effected despite the termination of the West Coast strike and the removal of the bullish influence of the C & H purchases.

Total volume of sales of raws to refiners for the four weeks ending July 24 approximated 170,410 short tons.

Deliveries of refined sugar for the week ending July 19 totalled 165,826 short tons, compared with 163,392 short tons for the previous week and 114,214 short tons for the corresponding period in 1951. Total United States distribution to July 19 was 4,500,410 short tons, as compared with 4,489,620 short tons to the same date last year.

Molasses. The Molasses Committee of the Cuban Sugar Institute sold 7,500,000 gallons to Publicker at \$0.12 per gallon f.o.b. plus 2-3/4% export tax. The previous quotation had been \$0.20 per gallon. Total shipments of Cuban molasses to the United States for storage, as of July 15, were 130,900,000 gallons. Only 9,500,000 gallons had been sold for export as of that date. 1952 Cuban production of molasses up to July 15 was approximately 400,000,000 gallons.

International Sugar Council. Following its meeting on June 23/24 in London, attended by representatives of 18 governments and by observers from 7 other governments and from the FAO, the Council issued a press communique reading in part as follows:

"The Council adopted the report of its Statistical Committee estimating free market supplies for the crop-year ending 31 August, 1952, at 7,335,000 metric tons, and estimating requirements at 4,950,000 metric tons.

"The Council heard a report from Baron Kronacker, the Chairman of its Special Committee, on the progress made in the drafting of a new International Sugar Agreement.

"The Council decided to recommend the governments which signed the Protocol prolonging the present Agreement to 31 August, 1952, to sign another Protocol prolonging that Agreement, on the understanding that as soon as a new Agreement comes into force the Protocol will terminate. To this end the Council decided to press on with the negotiation of a new International Sugar Agreement and that a meeting of its Special Committee should be held in September."

Local Market. (a) Domestic Sugar. Demand continued good throughout the month with prices ranging from ₱15 to ₱16, ex mill warehouse, for ordinary centrifugals, and from ₱15.90 to ₱16.90 for regular grade washed. The Sugar Quota Administration, in the face of recurrent fears of a shortage materializing later in the year, has established a tentative domestic quota for the 1952-53 crop of 299,000 short tons, and it is thought that the first 1952-53 crop millings will be charged against the domestic quota until the local stock position is assured. This expectation has kept the market on a fairly even keel. In addition to these steps, the Sugar Quota Administration is permitting the remainder of unsold export sugar to be converted into domestic.

(b) Export Sugar. The month under review has seen little or no activity in the United States export sugar market, most of the crop being already disposed of and most traders having withdrawn from the market. Attention is being directed in political circles to the increasing quantities of so-called Muscovado sugar being shipped to Japan.

General. 1951-52 Milling. Of the 27 centrals milling for the 1951-52 crop, 24 have finished milling, with a production of 1,039,789 short tons. The production of the 3 centrals still milling is estimated at 158,306 short tons, of which 119,795 short tons have been produced up to July 13, or a total production to date of 1,039,789 short tons, indicating a final production of 1,078,300 short tons, or 4,000 short tons in excess of the previous official estimate.

Manila Hemp

By M. S. ROBE
General Manager

Columbian Rope Company of Philippines, Inc.

June 30 — July 30

DURING the first two weeks in July the market for Manila hemp, which had steadied somewhat during the latter part of June, showed mixed trends which were characterized by continued sizable buying on the part of Japanese spinners and a fairly steady market for certain selective grades of Davao and non-Davao in both New York

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and London, but with a general underlying weakness which became steadily more apparent as the month progressed. Finally, during the last week in July, the market experienced a further serious decline in prices which has been, as of this writing, impossible to properly evaluate due to the almost complete absence of buying interest in London and New York, this having caused exporters in the Philippines in many places to withdraw from the market pending stabilization of prices at some level at which they could make selling progress.

The long-awaited increase in production which was expected in non-Davao areas had not yet materialized in the middle of July, but there were indications during the last half of the month that an increase was underway.

Although the rope business has continued poor according to recent reports from the United States, it is our belief that the almost complete withdrawal of American buyers from the fiber market has been occasioned by (1) the news which has leaked out that the Stockpile in Washington will not be purchasing additional quantities of Philippine abaca, and (2) the continued weakness in sisal prices. Insofar as the European markets are concerned, they continue to be plagued with a shortage of dollars and the situation during the period under review indicates that their problem in that respect has become even more serious. Japanese interest in the market was somewhat abated due to the fact that the Philippines-Japan trade Agreement was extended until September 30. Also, they began to take cognizance of the fact that they had been paying over other consuming markets and so were not buying as aggressively at the close of the month as had previously been the case. There will undoubtedly be more interest in Japan in the lower grades of Philippine abaca for paper-making as prices continue to decline.

As of this writing it is impossible to see anything in the immediate future other than a further decline in prices. The question does arise, however, as to how far a decline can go in the Philippines without seriously affecting production, particularly considering the fact that the cost of living for the average producer in this country has not declined apace with the decline in selling prices of the commodity which he is producing.

Below are the figures for balings and exports for the January/June period.

BALINGS—JANUARY/JUNE INCLUSIVE

	1952	1951	1950	1949	1948
Davao	264,451	254,895	166,038	112,701	116,744
Albay, Camarines and Sorsogon	86,426	151,254	89,343	63,449	112,069
Leyte and Samar	76,098	97,887	58,436	60,853	65,038
All other non-Davao	41,804	55,813	40,277	44,638	68,395
Total	468,779	559,840	354,094	281,641	362,246

EXPORTS—JANUARY/JUNE INCLUSIVE

	1952	1951	1950	1949	1948
United States and Canada	170,017	330,913	157,669	100,092	166,279
Continental Europe	86,621	92,687	55,296	59,597	57,926
United Kingdom	50,394	93,729	37,204	17,688	47,185
Japan	59,043	69,913	50,724	75,777	83,175
South Africa	5,800	9,590	2,885	2,616	1,460
China	4,808	2,145	7,960	7,673	5,988
India	2,670	3,442	3,830	2,181	490
Korea	—	—	3,100	—	—
Australia and New Zealand	850	1,300	625	350	42
All other countries	160	—	—	80	2,853
Total	380,363	603,719	319,293	266,054	365,398

It is interesting to note that whereas the exports to Japan for the first 5 months of the year averaged slightly in excess of 8,000 bales a month, that this jumped to over 16,000 bales during the month of June. On the other hand, the exports to the United Kingdom and the Continent

which had averaged approximately 24,000 bales during the first 5 months of 1952 dropped off to only approximately 15,000 bales during the month of June. Exports to the United States during June were somewhat higher than the previous 5 months average. Balings continued their downward tendency during June, being some 13,000 bales lower than the January/May average.

Tobacco

By **LUIS A. PUJALTE**
Secretary-Treasurer
Manila Tobacco Association, Inc.
(Member Tobacco Board)

TOBACCO purchasing in La Union, Ilocos, Pangasinan, Visayas, and Mindanao is continuing very slowly, with approximately 85% of the crop already in the hands of dealers. In Isabela and Cagayan, dealers are proceeding with caution and, generally, most of the tobacco purchased to date was that on which the dealers had previously made cash advances payable on the basis of prices current at delivery time. In general the crop in Isabela and Cagayan is not very good because of the lack of moisture during the growing period. It is estimated that the decrease in the First to Fourth Superior qualities, as compared to last years' crop, will be up to only 35%. Consequently, prices will be lower than last year, as the percentage of filler-leaf will be much greater and it has a lower market value.

I am pleased to quote a United States crop report received from Messrs. J. E. Bohannon & Co., Inc., Bowling Green, Kentucky:

"Generally speaking, the weather has been hot and dry in practically all tobacco growing sections of the United States for the past week. However, the crops beginning in the Georgia-Florida belt extending through South Carolina, eastern North Carolina, middle belt, and old belt are most promising. The planting as a whole has been about two weeks earlier than normal. The acreage is fully as large as last year. Therefore, unless something unforeseen happens, we should have an excellent quality crop and a large one. We understand support prices by grades will be just about the same as last year.

"It is estimated that in south central Kentucky and Tennessee the Burley acreage has been all transplanted with a good stand and that in central and northern Kentucky the crop has been 85% transplanted. There has been a sufficient amount of plants in the planting of these types, which is also about two weeks earlier than normal, and should make an excellent crop of tobacco. The acreage will be fully as large as last year.

"The same condition appears in the Dark Fired, One Sucker, and Green River Districts."

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	June, 1952	June, 1951
Automotive (Total)	1,344,193	877,725
Automobiles	111,630	195,087
Auto Accessories	935	80
Auto Parts	277,870	127,315
Bicycles	749	132
Trucks	73,719	34,489
Truck Chassis	285,542	104,021
Truck Parts	163,755	82,188
Building Materials (Total)	8,483,456	3,533,462
Board, Fibre	80,801	34,973
Cement	6,360,714	121,589
Glass, Window	608,647	525,390
Gypsum	—	80,739
Chemicals (Total)	4,215,970	9,483,675
Caustic Soda	273,782	395,403
Explosives (Total)	—	133,984
Firearms (Total)	7,152	9,063
Ammunition	6,938	9,060

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Household (Total).....	894,162	620,213
Machinery (Total).....	2,076,691	3,130,605
Metals (Total).....	8,804,024	11,048,864
Petroleum Products (Total).....	49,667,708	96,397,632
Radios (Total).....	22,260	14,082
Rubber Goods (Total).....	536,155	1,361,095

Beverages, Misc. Alcoholic.....	2,025	7,390
Foodstuff (Total Kilos).....	20,218,961	44,098,044
Foodstuffs, Fresh (Total).....	131,524	101,569
Apples.....	1,000	1,305
Oranges.....	9,237	14,569
Onions.....	94,943	37,079
Potatoes.....	2,500	26,905
Foodstuffs, Dry Packaged (Total).....	19,620	19,995
Foodstuffs, Canned (Total).....	217,853	1,041,131
Sardines.....	18,140	27,225
Milk, Evaporated.....	105,290	558,807
Milk, Condensed.....	37,650	63,576
Foodstuffs, Bulk (Total).....	315,662	586,042
Rice.....	—	12,501
Wheat Flour.....	283,058	493,036
Foodstuffs, Preserved (Total).....	723	83

Bottling, Misc. (Total).....	626,108	1,022,876
Cleaning and Laundry (Total).....	43,007	51,016
Entertainment Equipment (Total).....	20,330	2,300
Livestock-bulls-seeds (Total).....	40,373	1,776
Medical (Total).....	284,519	496,630
Musical (Total).....	23,842	13,775
Office Equipment (Total).....	89,927	14,113
Office Supplies (Total).....	121,521	36,043
Paper (Total).....	4,233,121	7,062,209
Photographic (Total).....	56,412	30,492
Raw Materials (Total).....	1,070,247	1,477,818
Sporting Goods (Total).....	6,895	27,080
Stationery (Total).....	350,749	351,601
Tobacco (Total).....	1,015,919	458,832

Chucheria (Total).....	22,141	55,784
Clothing and Apparel (Total).....	308,447	267,249
Cosmetics (Total).....	11,876	50,843
Fabrics (Total).....	1,236,723	1,193,447
Jewelry (Total).....	305	156
Leather (Total).....	47,227	72,421
Textiles (Total).....	2,044,187	998,100
Twine (Total).....	34,767	136,995
Toys (Total).....	3,784	16,003
General Merchandise (Total).....	505,252	457,209
Non-Commercial Shipments (Total).....	61,065	104,235
Advertising Materials, Etc. (Total).....	58,590	71,908

Food Products

By C. G. HERDMAN

Vice-President, Trading Division
Marsman & Company, Inc.

ARRIVALS of foodstuffs in the Philippines during July were quite light in volume except for a few commodities.

Wheat flour arrived in considerable quantities and there is quite a large volume expected during August. In fact, the market today is if anything slightly overstocked. It promises to be so for 60 days or so. In spite of this fact, PRISCO has continued rationing flour, although it has been stated it will probably discontinue rationing during August. There definitely would seem to be no necessity for rationing to continue when supplies are more than ample.

Canned milk also arrived in very fair quantities and there would appear to be no probability of a shortage in the market of this commodity anytime in the near future.

There were quite heavy arrivals of potatoes and onions, most of which were covered by import licenses specifying that these imports were to be used for seed. All such import licenses carried an expiry date of June 30; that is, shipment from point of origin had to be effected by that date. Further importations are banned by executive order

and it is anticipated that stocks of both potatoes and onions from now on will be practically non-existent as the local product will not satisfy even a small fraction of the consumer demand.

Considerable quantities of canned coffee have also arrived during the last few weeks and supplies of imported brands are freely available. Local roasters are complaining that importation has been so large as to make it difficult to dispose of the local product and local roasters have in some instances closed down altogether and in others are working part-time only.

Imports of canned fish have been far below normal. In spite of continued requests by importers for revision of ceiling prices on canned fish, no action has been taken. Ceiling prices established by the Government continue to be below the landed cost of canned fish, based on prices ruling in the markets from which supplies are secured, and importations undoubtedly will continue to be very light. An acute shortage of canned fish appears to be almost inevitable in the near future. The fishing season in California in the Monterey District is supposed to open about the 10th of August but advices from California are that the run of fish in that district this year promises to be very light and that it is doubtful that supplies will be available in any real volume. Costs there have further advanced as fishermen are demanding a higher price for their catch.

Canned fruits and vegetables, canned meats, and miscellaneous groceries of all description, also fresh fruits, have been received in very limited quantities and there is a definite shortage of these items and every prospect that there will be an acute shortage from now on.

Information is that import quotas for established importers of controlled essentials and non-essentials for the present semester will be reduced by the Import Control Commission to a figure not more than half of that licensed during the first semester of 1952. This means in effect that established importers during the remainder of this year will be unable to do more than half the business they did during the first semester and this is going to work great hardship on general importers and their employees, as the reduced volume of business will force a curtailment of expense. Some firms will undoubtedly be forced out of business altogether. Almost without exception, they will have to reduce personnel.

Textiles

By W. V. SAUSSOTTE

General Manager

Neuss, Hesslein Co., Inc.

THE strengthening of New York market prices, which began to be felt during the second half of June, continued with gathering force throughout the entire month of July. This upsurge followed 15 months of declining prices, so that it was considerably overdue. The change in the market in New York indicates that the rather heavy inventories held in the distributing trades as well as at mill levels during most of 1951, have now been liquidated. While these inventories were heavy there was a production-curtalement program followed by many mills in an effort to steady the market.

In addition to the reduced inventories and the curtailed mill production, the U. S. Department of Agriculture announced early in July that about 7% less acreage has been planted to cotton this year than last. This conceivably could mean a crop of about 14,500,000 bales, whereas the program of the United States Government contemplated 16,000,000 bales for this year's production. This year's carry-over of raw cotton is one of the smallest on record



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and this combined with the reduced acreage planted to cotton, has led to a strong demand for raw cotton itself.

The foregoing are the main factors which account for the strengthening of prices in New York for all types of finished textiles so that it now appears that a firm foundation has been provided for the continuance of a strong market at least for the rest of this year.

The local market did not immediately respond to the strengthening in New York until about the second week in July and since that time there has been a general upswing in the local market both as regards cottons and rayons, the average increase being somewhere between 10 and 15%.

At the end of July, the Import Control Commission announced that insofar as textiles are concerned, old importers would be given "advance allocations" in respect to licenses for the second semester of this year amounting to 5% of their 1949 imports for items falling within the Controlled Essential category and 2-1/2% for items falling within the Controlled Non-Essential category. This represents a reduction of 50% in comparison with the "advance allocations" given for the first semester. Producers may apply for no more than 50% of the value of the licenses granted to them during the first semester of 1952. The licensing policy in respect to new importers has not as yet been announced, but it is expected that the I.C.C. will begin to receive applications from new importers on the 1st of September.

The reduced allocations are directly attributable to the cut in the basic dollar appropriation given by the Central Bank to the I.C.C. This figure is \$160,000,000 for the second semester, as compared with the initial appropriation of \$190,000,000 for the first semester. However, it is understood that the Central Bank will be giving the I.C.C. a supplemental appropriation in the near future so that old importers may expect to receive additional allocations at a later date.

The reduction in the quantity of textiles licensable in the immediate future has undoubtedly contributed to the strengthening of local prices.

DURING July, arrivals from the United States totalled 14,825 packages, or about 2,700 more than June. The quantity, however, is still slightly below the normal monthly consumption.

The arrivals from the United States included 6,253 packages of cotton piece goods, 2,594 packages of rayon piece goods, 1,508 packages of cotton remnants and 1,013 packages of rayon remnants. Included also were 901 packages of sewing thread and 921 packages of cotton knitting yarn.

Arrivals of all types of textiles from countries other than the United States totalled 2,139 packages. Included were 466 packages from China, 392 packages from Japan, 170 packages from Europe, and 1,174 packages from India, the latter consisting entirely of jute cloth and jute sugar bags.

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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
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	2823
July	356.4	374.2	453.9	201.3	281.6	262.4	2806
August	363.5	385.7	453.9	199.9	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	2732
1949							
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	345.2	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	337.5	351.2	453.9	196.3	266.6	241.2	2963
September	333.6	345.1	453.9	190.3	264.8	243.1	2998
October	332.9	343.3	453.9	199.9	264.8	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							
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	335.5	453.9	217.4	252.5	327.5	2929
October	352.8	351.1	453.9	337.3	249.7	334.5	2835
November	354.1	353.2	453.9	322.8	249.7	335.9	2825
December	352.2	350.5	453.9	325.2	249.7	334.8	2839
1951							
January	355.2	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	352.4	349.3	453.9	379.4	248.8	334.3	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							
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	2922
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

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

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

Philippine Better Roads . . .

(Continued from page 298)

that will arise in connection with road improvement, and in promoting the education of both the public and officials of the Government in the social and economic benefits generated by adequate road systems. The Association will serve as a clearing house for information relative to highways and highway transport, and will provide a non-government approach to technical assistance in the planning, financing, and development of highways and highway transport. The slogan of the Federation and its affiliates is "Better Roads Mean Better Living." Good roads raise living standards, and the establishment of higher living standards is our ultimate goal.

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Legislation, Executive Orders, and Court Decisions

By E. E. SELPH

Ross, Selph, Carrasco & Janda

DURING the last month several decisions of interest to employers of labor were rendered by the Supreme Court.

In the case of Philippine Manufacturing Company vs. National Labor Union, L-4507 (July 31, 1952) the Court affirmed a Court of Industrial Relations decision which held that temporary laborers not employed for a specified period or for a specific job were entitled to the benefit of Article 302 of the Code of Commerce. This article provides for one month's notice of termination and that the employee shall be entitled to the salary corresponding to such month. The Court also held that waiver of notice signed by the employee was invalid because the laborer is not a free agent and does not stand on an equal footing with the employer. The Court cited the provision of the Constitution (Art. II, sec. 5) to the effect that the promotion of social justice to assure the economic welfare of all the people should be the concern of the State, and (Art. XIV, sec. 6) that the State shall afford protection to labor and shall regulate the relations between labor and capital.

This decision would indicate that all contracts entered into by an employer with employees and laborers, should be submitted to the Court for approval. In any event all such contracts are subject to review by the courts. It is also authority for the principle that no constitutional or statutory right or privilege given a laborer can be waived by him whether supported by a valuable consideration or not.

This decision also reaffirms the principle that where a laborer is discharged without just cause while a petition or dispute is pending, he is entitled to reinstatement with pay as provided in the Court of Industrial Relations Law (Com. Act 103, sec. 19) which stipulates that no employer shall dismiss any employee without just cause while any petition or dispute is pending, and if the employer does so, the Court may direct the employee's reinstatement with the pay that he should have received had he not been dismissed.

IN another case (Ammen Transportation Co. vs. Bicol Transportation Employees Association, L-4941, July 25, 1952) the Supreme Court held that a check-off could be compelled in the event the employee had signed an order to that effect. This is the first time the check-off has been before the Supreme Court as a direct issue. Previously, the Court of Industrial Relations in banc had ruled that the employer could comply with the check-off or not as he saw fit but could not be compelled to do so even though so authorized by the employee. In this case the company had agreed to the check-off at one time but wished to discontinue it and objection was made that the check-off entails unnecessary time and expense and much additional accounting work. The Court said that all concessions made to labor impose burdens on the employer, and that the employer could make the check-off easier and at less

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expense than the union could collect its dues if it had to send its members out to do so. The new Minimum Wage Law (Rep. Act 602, sec. 10) provides that wages shall be paid directly to the employee except in certain cases. One of the exceptions is in cases where the right of the employee or his union to the check-off has been recognized by the employer or authorized in writing by the individual employee concerned. The Court held that this was an alternative proposition and unless the last clause was for some purpose it was superfluous as the first clause required the consent of the employee. The Court concluded that under the last clause consent of the employer was not required. The Court further stated that—

"At any rate, Republic Act No. 602 is a clear signal that check-off is one of the matters affecting labor-management relations which the Court of Industrial Relations may include in an award, order or decision. . . In fact, the circumstances of this case make said adoption more compelling than in ordinary cases. . .

"The system of check-off is avowedly primarily for the benefit of the union and only indirectly of the individual laborers. However, the welfare of the laborers depends directly upon the preservation and welfare of the union. It is the union which is the recognized instrumentality and mouthpiece of the laborers. Only through the union can the laborers exercise the right of collective bargaining and other privileges. Without the union laborers are impotent to protect them-

selves against 'the reaction of conflicting economic changes' and maintain and improve their lot. To protect the interests of the union ought therefore to be the concern of arbitration as much as to help the individual laborers."

There is a dissenting opinion by two justices in which it is pointed out that section 10 of the Minimum Wage Law is permissive as to check-off but not obligatory; that there is no law compelling check-off and there are no limitations such as are provided in the United States for the protection of the employee.

In the case of Manila Terminal Co. vs. Court of Industrial Relations (L-4348, July 16, 1952) the Supreme Court held that an express waiver of overtime pay is invalid and that the principle of estoppel and laches cannot be invoked against the union. The Court said:

"In the first place, it would be contrary to the spirit of the Eight-hour Labor Law, under which, as already seen, the laborers cannot waive their right to extra compensation. In the second place, the law principally obligates the employer to observe it, so much so that it punishes the employer for its violation and leaves the employee or laborer free and blameless. In the third place, the employee or laborer is in such a disadvantageous position as to be naturally reluctant or even apprehensive in asserting any claim which may cause the employer to devise a way for exercising his right to terminate the employment."



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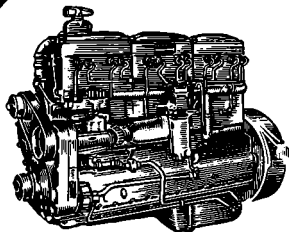
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Philippine Safety Council

By FRANK S. TENNY
 Founder and Executive Director

SAFETY activities are most intensive, possibly hitting a new peak for the five years of the Council's existence. Many new members have been enrolled recently, public safety activities are numerous, clients and members are embarking on a record number of safety campaigns of one sort or another, and several interesting projects are underway.

New company members include Fabar, Inc., Laguna-Tayabas Bus Co., Philippine Manufacturing Co., Baguio Gold Mining Co., Batangas Transportation Co., Bulkley Dunton Paper (E.E.) Co., Philippine Aviation Develop-

ment, and Ramcar, Inc. To Ramcar went the distinction of becoming the Council's "100th Member".

Meetings of the Fire Prevention Board and of the Manila Mayor's Traffic Committee have been resumed, partly through Council suggestion. Heavy agendas face both of these official technical bodies.

The projected Armored-Car Service is actually being implemented, and inquiries are solicited from interested parties. It is hoped to create a local system similar to Brink's Delivery in the United States, which will work in close conjunction with the Council's existing air payroll-delivery service.

A new public service is being offered by the Manila Trading & Supply Co., in conjunction with the Council. Free "car-safety checks" will be given to any car brought in, covering essential elements such as tires, lights, brakes, wipers, etc. A large response is expected from the public to this excellent opportunity.

Considerable traveling is being done by the Council's technical-staff members as work becomes necessary in outlying places. Recently safety inspections and lectures were conducted in Iloilo, Bacolod, Cebu, Cagayan de Oro, Naga, Larap, San Pablo, Batangas, Subic Bay, La Union, Baguio, Dagupan, and other places. This is in addition to the intensive work being done in the Manila area.

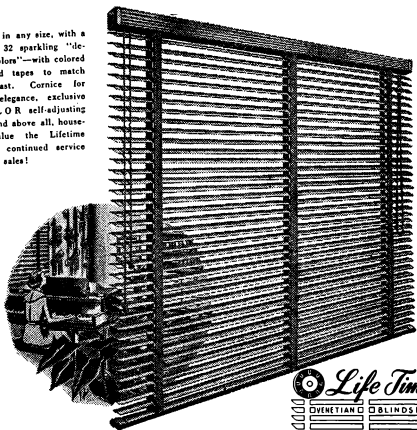
Considerable progress is being made in the taxicab industry, as new innovations having to do with safety and security are being undertaken. Around-the-clock inspections of cabs in the street continue, drivers are being carefully screened and trained, and a Driver's Identification Card will be placed in each cab within view of the passenger. This is made possible through the cooperation received from the Manila Taxicabs and Garages Association.

Security-classes for potential guards are being conducted by the Council for the benefit of the members. New security clients include the American International Underwriters Building and the Rockgas Service, Inc.

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The "LET YOUR HAIR DOWN" Column

"WHAT one thing in the *Bulletin* this morning do you think most worth clipping?" asked the editor. We told him we hadn't had time to look at it yet, but his query aroused our curiosity and we started looking. We couldn't find anything that seemed much out of the ordinary and there was no reference to the *Journal* or to the editor, either! We were more than ever puzzled and finally walked into sanctum sanctorum to admit our defeat.

"Why, it's on the Society Page, too!" he exclaimed.

We looked, Bessie's column, a tea, a fete. . .

Finally, the editor said: "The picture, the picture! Those newly-weds! Look at that sweet face. . . Those lovely eyes and that happy side-long look of hers at the bridegroom. Ah! the lucky fellow! I wish I could have somebody look at me like that. . ." He paused and then added, "again."

"Again?" we echoed.

He ignored the sarcasm and said, "Anyway, that wonderful picture cheered my whole morning. I haven't seen anything,—let alone read anything, in a newspaper that made me feel so happy myself for a long time."

"Do you know those two young people?"

"No, I don't need to. But I hope, in fact, I am sure, that they will be happy all their lives. People don't have that look otherwise. . . The photographer was lucky, too. That picture is a photographer's dream.* You know the usual stiff, self-conscious wedding pictures. These two must have been taken unaware, after the ceremony, as they looked at each other just after they had gotten into their car. . . believing themselves unobserved. . . But it was a justified thing. . . That picture must have made the thousands of people who saw it feel a little better this morning than they otherwise would have. . . No matter how low some of them may have felt in spirit, this was proof, such lovely proof, that there still is happiness in the world. . ."

We went back to our clipping, just about ready to wipe away a tear.

A BRIEF note from a member raised high expectations, for it read:

"The most inspirational article concerning chambers of commerce which I have seen in a long while appears in *Collier's* of May 10, from which I have cribbed the enclosure. Its application to the American Chamber of Commerce is obvious."

Turning to the clipping, which we noted was, after such a build-up, disappointingly brief, we read:

"So the Camden, Maine, Chamber of Commerce decided that its latest membership drive should have sex appeal. And Mr. V. B. Crockett, of here, hastened to send us the slogan that they adopted: 'Your Chamber of Commerce is like a kiss—what you get out of it depends on what you put into it.'"

"For heaven's sake!" said the editor, who, we think, is sometimes too literal-minded, "who would want to kiss a chamber of commerce? And just how would it be done?"

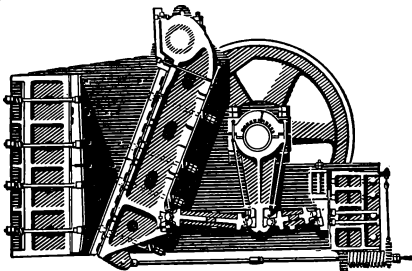
"It's only a,—you know, simile," we said.

"Yes," he said, "but a simile should be appropriate and it should not be too far-fetched; also, it should not create a negative reaction, like this does."



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* The picture was in the *Manila Times*, too, and was captioned as an "Angel" photo.

"What do you mean, negative reaction?" we said. "Don't you think people like kissing?"

"Yes, they do, but not a chamber of commerce."

"Well," said we, "how about kissing somebody in a chamber of commerce?"

"Personally," said the editor, "I'd prefer a more romantic, or, a, ah, cozier, place. . . Besides, all the girls here are either engaged or already married."

"Look," said we, "I think we are both missing the point. Why does the Chamber member who sent this in say in his note that the application of this slogan to our Chamber

is obvious?"

"I wouldn't like to guess."

"You're still thinking of just kissing," said we. "Be your age!"

The editor gave us a stricken look, but we went on to say,—"What you get out of anything depends on what you put into it. . . See? Isn't that one of those basic truths you are always so fond of? Now take our Chamber. . . If the members all pitch in, take part, contribute, cooperate. . ."

"Then the Chamber will give them a nice kiss. . ."

"That's only a simile, stupid. . ."

"Well, I still say a chamber of commerce is not like a kiss. Business and kisses don't mix. That slogan is ridiculous. I hope our Board. . ."

"Oh, so that is what you are worrying about!"

"No, not particularly. . ."

"Then what do you think a chamber of commerce is like?"

"Well, it is like a lot of things, beautiful things. . . It's an organization, like other organizations, like a fine machine, for instance, constructed to do certain work, but which must be tended, fueled, operated, as, I believe, our Chamber is. But let us not have any slogans, least of all kissing slogans. . ."

"Well, it was all only a joke. Can't you take a joke?" we asked.

We have just received an extraordinarily valuable and interesting book, "A Half-Century of Philippine Agriculture / Written by Men of the Bureau of Agriculture and its Successors, the Bureau of Plant Industry, the Bureau of Animal Industry, and the Fiber Inspection Service / Published for the Bureau of Agriculture Golden Jubilee Committee by Graphic House, Manila, 1952." The book is bound in cloth and runs to 464 pages, of which, however, the last 80 or so pages are given over to advertising by private firms. This suggests a practical means of financing other such half-century reviews by important bureaus of the Government, now so especially desirable because of the destruction during the war of most of the extant annual reports and other publications of our various government entities.

What we say about this book here is not a review, for time is lacking for that, but we do wish to call the attention of *Journal* readers to this compendium of history, science, and government with respect to Philippine agriculture. The Introduction, by Dr. Gonzalo Merino, Director of the Bureau of Plant Industry, is especially informative and readable.

There is only one thing we are a little sorry about, a quotation from Benjamin Franklin, of all people, which heads Dr. Merino's Introduction. One, of course, may smile at it,—as was probably intended, but when our commerce is passing through such difficult times as the present, a quotation as misleading as this, is no help. It runs:

"There seem to be but three ways for a nation to acquire wealth. The first is by war. . . This is robbery. The second is by

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commerce, which is generally cheating. The third, by agriculture, is the only honest way. . ."

That "commerce" is cheating, may have been true in small part during the days when Yankee peddlers were selling wooden nutmegs as the real thing, but it certainly is not true, even generally. It can not be over-emphasized that commerce, concerned with distribution, is just as important an economic function as production itself. In a sense, it is production, for it causes goods to appear where before they were not! Except under artificially sustained monopolies, there is, in buying and selling, no "cheating", no deception, no fraud. In fact, if it were still possible to engage old Ben in an argument, we might allege with some justification that the farmer is really a cheater; think of the bees cheated of their honey, the hens of their eggs, the poor little calves of their milk, the sheep of their wool, the horses of their labor, the animals of the field and the birds of the air of their home-grounds and sustenance, and the cattle and pigs of their very lives! Let's not throw stones, Mr. Director.

THE editor received a letter from Mrs. Marie Willimont (address: 1226 South Williams Street, Denver, Colorado) which read, in part:

"Greetings again—and what in the world has happened to my good friends in the Chamber office?—nary a word from any of you, and I do long to know how you all are and what is happening with all of you. . . . Said to say, my Journals have discontinued coming—or else somebody wants them more than I do (and I can't see how that could be), so I am at a loss to know what goes on, from the business and legislative and other angles. Joe Parrish has been good in writing to me and telling me some of the news, but his letters do not go into the detail I crave. Got a nice letter from Jack Manning and from him I got a bit more of gleanings about the fight the Chamber has been waging against the 17% exchange tax. But I long to hear more—the Chamber is still a very vital part of me—absence or no absence—and I do want at least to sit in the last seat of the gallery and watch proceedings since I no longer can act with you.

"Life goes on as usual back here,—frantic, hectic, breathless, delirious, and at an enthusiastically rapid pace. I try to keep up with it all and with the youngsters' gyroscopic programs, and now I know that I shall never gain those few anticipated pounds that seemed within my reach when I first got back here. But it is all fun, in spite of the fact that I long for the life in the tropics and am positive now that I shall never be a rabid follower of skating, skiing, or snow-balling; much better to sit under the fronds of a gently waving palm tree, with Old Sol smiling down on an up-turned San Migüel container (or even a gimlet), to continue so until the same Sol, still smiling and with reddened face by that time, gently disappears from sight over Mariveles to leave us to moon-maddened merry-making! What more could one want, even with the exchange tax, anti-alien discrimination, pro-

tests, continual slugging for the life of foreign business, etc. It is still home, and I only hope that our various individual and collective presences will not be tossed out of the country until, anyway, we are in our wheel-chairs. So please let me hear from you, with all the minute details we used to discuss as we looked down on the sluggish Pasig during the intermissions of editorial writing. . .

"What did you think of the Republican Convention? I saw MacArthur on the television giving his opening speech, and I thought it very excellent,—the speech, not the television. . . . Ike has taken up his headquarters at the Brown Palace Hotel for the rest of the summer, so we feel proud that we have a potential President in our midst. Oh, if I could only vote,—two months is all that stands between me and a vote, but nothing can be done about that.

"One can actually smell autumn in the air now and the mornings are wonderfully spicy. Soon the aspens in the mountains will be taking on their new fall garb in colors rich in browns, reds, yellows, and tans. We hope to go up to see them before the snow falls.

"Please remember me to everyone in the office. . .

"Sincerely,

"Marie Willimont

"P.S. Did you hear the one about the young American boy, wounded, who was taken to a hospital in Sydney, Australia? He was unconscious when he was brought in, and, hours later, when he gradually came to, he looked around with glazed eyes. When he saw an Australian nurse hovering over him, he sat up in bed and exclaimed: 'Did they bring me here to die?' Whereupon the nurse said: 'No, lad, you came in yesterday.'"

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"Sounds just like Marie," said a member of the Chamber staff.

"Yes, but 'moon-maddened' merry-making!" said another. "Is that the kind of time we are supposed to be having? That sure makes me feel cheated."

"The part about the smell of autumn in the air and the aspens in the mountains turning color, is what gets me!" said the editor. "Denver is my home-town, you know."

"You know what happened to me the other day?" asked Mrs. Gonder. "A member telephoned and called me Marie Gonder!"

WE received a letter from the Librarian of the United Nations Economic Commission for Asia and the Far East, with headquarters in Bangkok, which read:

"Your American Chamber of Commerce Journal, which has always been useful to this Secretariat in its work, has not been received by us for some months. The last issue that reached us is No. 3 of Vol. XXVIII, March, 1952. We should appreciate it if you would kindly look into the matter and despatch all subsequent issues and also ensure continuity of supply in the future."

The lacking copies have been supplied, as requested, but we must state again that as we have a system under which the wrappers for the Journal are automatically addressed

by a machine to all subscribers, copies of all the issues since that of March must have been mailed. The losses must have occurred in the mail.

WE have always thought gratitude to be rather a minor virtue, but are considering revising this view after we happened to read the following letter from a correspondent in a British periodical. We don't hold much by theology, but there seems to be much truth in what the writer says. The letter ran:

"Sir,—While I agree entirely with your correspondent, Mr. D. S. White, in his lectures on Mr. Hugh Ross Williamson's interpretation of the Parable of the Good Samaritan, may I join issue with him over the last sentence of his letter in your issue of May? 'Gratitude' is not a 'poorer and less disinterested virtue.' It is the root from which springs all 'morality.' Man can only obey God's Law when he is grateful for his 'creation' as well as for 'all the blessings of his life.' He obeys not because he expects more 'favors to come', but because he 'loves God' more than he loves himself. My great teacher of more than sixty years ago, Dr. B. F. Westcott, was never tired of insisting that the foundation stone of 'personal religion' (and, therefore, of morality) is gratitude for certain events in human history which revealed God's unconquerable love for His wayward creature, man.—Yours, etc."

"London, S.W. 1.

"H. MARTYN SANDERS."

The letter was copied from a clipping handed us by a friend as possibly something suitable for the "Hair-Down Column" and when we asked him why he thought so, he only gave us a long look. Thinking there might be a catch in it somewhere, we looked up the word "gratitude" in the dictionary. The definition is:

"State of being grateful; warm and friendly feeling toward a benefactor, prompting one to repay a favor."

Well, we knew that.

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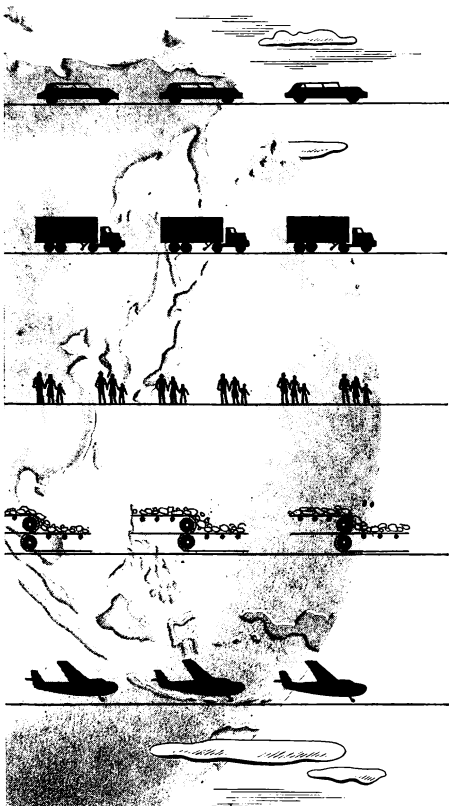
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