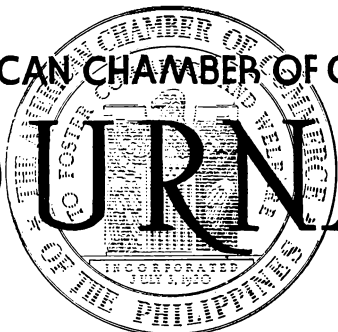


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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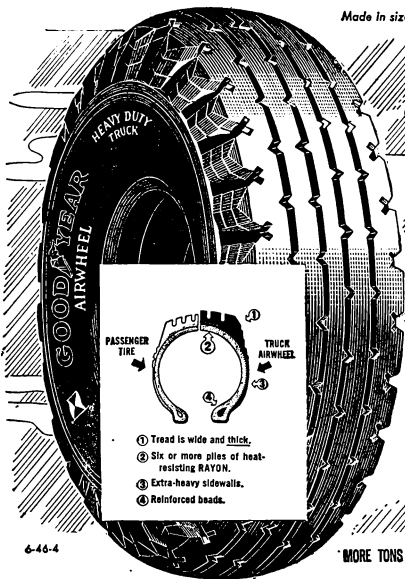
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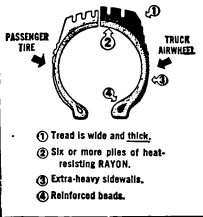
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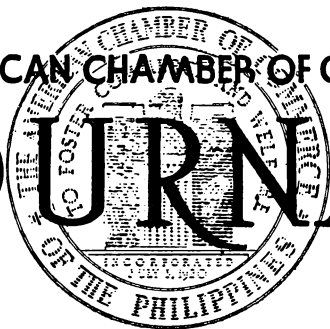
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JOURNAL



Editorials

The reception in honor of His Excellency, the United States Ambassador, Emmet O'Neal, and Mrs. O'Neal, at the Army and Navy Club on September 24, was sponsored by the American Chamber of Commerce of the Philippines. Ambassador after an invitation to such a proposed function had been kindly accepted, though the affair was scheduled during what was for them a very busy and arduous week.

The Chamber's desire was to honor and welcome the Ambassador and his family, and to give the American community an opportunity to meet the new representative of their country here.

The Ambassador will find that the American community is eager to do what it can in giving him all possible support in his work and in making his stay as pleasant as long American experience in the Philippines has shown it can be.

This issue of the *Journal* contains a summary of the "Proposed Program for Industrial Rehabilitation and Development", commonly referred to as the Beyster Report. The August issue contained a similar summary of the "Report and Recommendations" of the

Joint Philippine-American Finance Commission. The writers of these *Journal* summaries merely outlined the reports and attempted no critical evaluation.

While much adverse opinion as to the Various recommendations made in the two reports is to be heard expressed in financial, industrial, and business circles, and the *Journal* announced that it was eager to assist in bringing this criticism before the public while intelligent discussion would be of value to the authorities which must decide upon the adoption, in whole or in part, of the programs and projects advocated, no such frank statements as the *Journal* asked for, have been received by the editor.

This can not be attributed to a lack of competent critics in Manila or to indifference on their part, and is most likely due to both a natural unwillingness to enter into public controversy and to the realization of the fact that detailed criticism of the numerous and varied recommendations made would have to be based on painstaking and time-consuming studies. Were the authorities to ask

for the considered opinion of competent persons here on the fundamental issues involved and on various specific proposals, these men would no doubt be willing to give the Government all possible assistance in arriving at wise decisions.

The *Journal* is, however, loath to leave the matter at that, as some sort of critical estimate seems to be called for on the part of such an organ as this publication. But all the *Journal* can do under the circumstances is to give expression to what inquiry indicates is the general opinion of these two reports in informed circles.

As near as we can determine it, the following seems to be that general opinion:

Whatever may be thought of the various proposals and recommendations made, it is felt that the Government is to be commended for having had these studies undertaken at this time, which it is realized is highly critical with respect to the future economic development of the country.

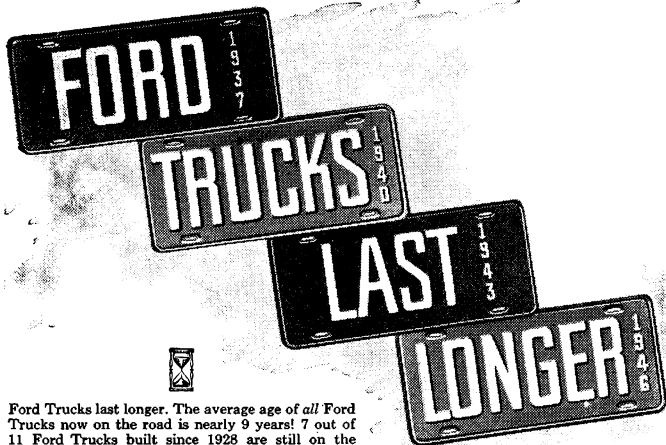
Both reports deal with matters which are recognized to be of vital importance in that development, and it is good to have the results of the studies brought before the public in eminently readable form.

The broad objectives proposed are generally endorsed, but, in the case of the finance report, it is felt that the approach should be more cautious, and, in the case of the industrial report, more within the bounds of the practically possible.

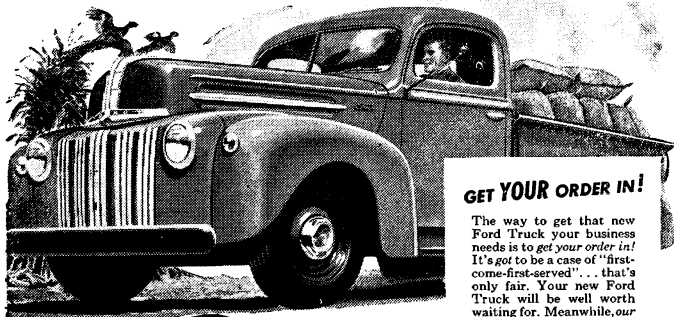
Proposals are made which, in the finance report, are considered too drastic, and, in the industrial report, too all-inclusive and indiscriminating.

Both reports are, nevertheless, very valuable in suggesting possible general courses of action, though most of the specific recommendations made are thought to require much further study before the great risks involved are assumed; this is true especially with reference to proposed changes in the country's currency structure, the institution of an artificial and arbitrary control of trade, and the investment of huge sums of money in far too numerous and wholly untried industrial-plant developments.

It does not seem possible to say much more of these two reports in speaking in general terms. Specific issues will no doubt be debated point by point as they arise, and the various projects will have to be weighed as they pass from the theoretical into the practical and executory phases.



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THE shocking losses due to spoilage in the canned milk stocks of the National Trading Corporation,* should serve the country as a valuable, though costly, lesson. It remains a pity that all this milk was not turned over, before it spoiled, to government hospitals, periculture centers, schools, the Philippine Army, and even the prisons. It can hardly be questioned that the total loss of this valuable food-product was due to very bad management.

This development does not stand alone. The Government would have lost heavily in flour if it had not been able to sell more than 20,000 tons (800,000 50-pound bags), to SCAP, and it is reported to be facing large losses in sugar. It is also known that the National Rice and Corn Corporation is heavily overstocked. And every-one knows of the difficulties the Government is having in disposing of the immense stocks of Army surplus goods.

All this illustrates the disadvantages and dangers of a government going into "business" especially when it is poorly prepared for doing so.

IT is not possible to make any absolute statement as to the functions a government should or should not undertake. Governments vary greatly throughout the world. In some countries, government functions are still almost at a minimum; in totalitarian governments they are at a maximum.

The essential functions have been fairly well determined and comprise the national defense and foreign representation; the making and execution of orders and laws, including levies for revenue purposes; and the preserving of internal peace and order.

So-called optional functions are those which are not essential to the existence of the state, but which are conducive to the general welfare. Non-socialistic optional functions are those which do not compete with the activities which individuals would ordinarily undertake, such as the building and maintenance of roads, bridges, and harbors, and systems of public sanitation, and the regulation of industries affecting the public interest. So-called socialistic functions are those which compete directly with activities which individuals could and would carry on if the government did not.

What functions any government should undertake to exercise, whether socialistic or not, depends upon the conditions and problems of the time,—the stage of political and economic development, the needs of the people. As conditions change, so must the governmental measures which deal with them.

In general, as populations grow and civilization become more complex, the trend is for governments to assume ever broader functions. The necessity of this is accepted, and differences of opinion arise mainly on the question as to how far in this respect a government should go.

IN the Philippines we must consider the fact that the country is still sparsely populated and that the economy is as yet relatively simple, so that any radical expansion of the functions of the Government is not necessary. In so far as the assumption of economic functions is concerned, we must reckon with the fact that there are few if any men here, in or outside the Government, who have had any extensive training or experience in "big business".

The Government could, probably advantageously, do considerable "pioneering" in an attempt to get various new industries under way. But it is certainly unwise for the Government to remain in the business of trading in staples which the country's private business can very well carry on as it has for many years, and far more efficiently than the Government can do so.

For some months after the liberation, when international trade was carried on chiefly between governments

and through semi-governmental organizations, it was undoubtedly necessary for the Philippine Government itself to import stocks of commodities of prime necessity which the country was in dire need of. But that period of emergency has passed.

The Government's essay in trading has been criticised here on the basis of the fundamental principles involved. That thousands of cases of milk bought and commandeered and kept off the market, have now spoiled, is only an incidental, though striking case of incompetent management, yet it serves to emphasize the point made that it is neither necessary nor wise for the Government to enter into a competition with private business in this field.

It may well be posited as an axiom that no government should undertake the performance of a function which is better performed in the public interest by private entities.

President Truman was recently quoted as having said:

"We look upon international relations as governed by the same standards of moral conduct by which individuals are governed."

This simple statement, expressing so apparently natural a view, is actually most revolutionary and of deepest import.

For probably never in history have the relations between nations been so governed. Machiavelli, the arch-realist, advised his Prince, Lorenzo the Magnificent:

"You are to understand that a Prince . . . can not observe all those rules of conduct in respect whereof men are accounted good, being often forced, in order to preserve his Principedom, to act in opposition to good faith, charity, humanity, and religion. He must therefore keep his mind ready to shift as the winds and tides of Fortune turn... he should know how to follow evil courses if he must."

It would be possible dismally to quote many famous and infamous leaders of the remote and recent past, and of the present day, who in their franker moments, have spoken in the spirit of Machiavelli.

While diplomatic relations between sovereign states have generally been carried on, in times of peace at least, under rules such as may be compared to those guiding the amenities of social intercourse, such polished conduct has too often concealed bad faith and deceit. Brute force has ever stood in the background and national policies have been largely determined either by the crassest self-interest or by mere expediency.

The best that can be said is that both international law and international morality have tended to lag behind the general standards of ethics.

In this unholy glare which History casts upon the subject, President Truman's simple, human declaration takes on a startling meaning. And he speaks not as a moral leader or as a philosopher, but as the executive head of a great and powerful nation.

In the sickening propaganda of a hostile government which now beats about the world and which rings even in the conference chambers of the United Nations, we hear also a different expression of a very different view of international relations. This voice is lying and libelous as well as raucous and violent to a degree such as would never be tolerated in private society. This government has laid ordinary diplomacy aside, not because diplomacy is so often false, for this government itself is false, but because, holding a low view of the human being, it believes that this vilification will have its appeal to the world's masses.

We may be confident that morality is firmly based on the natural evolution of human society; that good is therefore stronger than evil and that truth can not be overcome by lies; finally, that bad faith and knavery can not be long concealed whether by diplomatic deception or a scurrility mistakenly supposed to be "proletarian".

*Under the recent government reorganization, the National Trading Corporation was merged with the Philippine Trade and Rehabilitation Administration.

Manila's Obsolete Sewer System

By Manuel Mañosa

Manager, Metropolitan Water District

THERE seems to be a sort of confusion in the minds of some people as to the purpose and scope of a "sanitary sewer system" or, briefly, a "sewer system". In the first place, rain water falling on roofs, grounds, and roads which flows away through a drainage system, has nothing to do with the sanitary sewer system, at least in Manila where we have a separate, dual system of collection: the sewers and the drains. There are two kinds of avenues, so to speak, with two distinct kinds of traffic. One avenue carries highly objectionable traffic, which rapidly decomposes and is laden with germs and parasites. The other collects relatively cleaner, but sometimes also highly polluted waters, thought it is as a rule uncontaminated. Because of the quantity of water collected in the latter, it oftentimes floods areas where free flow is hindered by obstacles or by insufficient slope.

The source of confusion lies in the fact that from the engineering viewpoint both systems follow the same principles of flow, of construction, and even of disposal, inasmuch as, ultimately, both seek low levels and are discharged into nearby water-courses or large bodies of water. By popular conception both systems are laid underground and are affected by high tides and, in times of flood, both are under water. In fact, flooded areas become temporary lakes of a mixture of muddy rain water and sewage from households. This parallelism contributes to frequent wrong judgments and misleading statements. The drainage or the "storm-sewer system" in Manila is under the management of the City Engineer; while the "sanitary sewer system" is under the management of the Metropolitan Water District.

Way back on May 25, 1909, the newspapers in Manila reported the "turnover, by the Contractor, of the newly built sewer system to the City Government" and declared that "the system recently built ranks easily among the best installations in the Orient". This was the modest beginning of a major, beneficial, and indeed enduring contribution of American engineering in the Philippines. The sewer system built in 1909 still is to be considered one of the important public improvements of which our Government may well be proud, for it has provided that added comfort looked for by citizens, and has protected and promoted the public health.

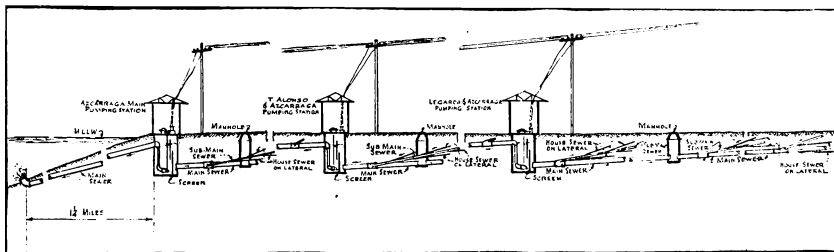
Before proceeding, let us recollect that we owe this achievement to the undoubtedly eminent but forgotten

designer, Mr. O. L. Ingals, Sanitary Engineer of the Bureau of Health and for a short time Acting City Engineer of the City of Manila. Sewerage projects are seldom if ever planned for more than 25 to 30 years of life. In fact, the auxiliary mechanical equipment used, such as sewage-pumps, motors, screens, foot-valves, etc., are seldom given more than ten years of existence, not only because of obsolescence but because their efficiency decreases rapidly due to wear and tear and the rapid deterioration of both moving and fixed parts in contact with sewage and the by-products of decomposition. Yet this system has been in continuous operation and has rendered uninterrupted service for almost 50 years! We have heard much in the past of the surprising progress our people have made along lines of modernized environment, improved sanitation, higher standards of living. May we ask to what factors this progress was chiefly due? Undoubtedly the answer is that the sewerage system of Manila was one of the principal factors which contributed to this progress. We know of no greater monument of municipal service, no greater engineering accomplishment, than this system devised by Mr. Ingals. He was one of the greatest of the City's benefactors, one of the principal contributors to the progress of Manila.

But...

When Ingals designed his system in 1904, he planned one to serve 223,000 people but capable of expansion to serve a population of 440,000, using 100 gallons of water per capita per day. Briefly outlined, the system is as follows: The sewer mains start at a minimum depth of five feet below the surface of the streets at their upper end and descend until they reach a level so far below the surface that it becomes necessary to raise the sewage by pumping. This process is repeated until all the sewage is conveyed to the main pumping-station situated at the west end of Azcarraga Street, where it is lifted for the last time and discharged into the Bay. Graph (I) gives a graphical representation of the system designed by Mr. Ingals.

In the course of time, these first sewer-lines have gradually been prolonged towards the periphery of the City as is shown in Graph (II) to such an extent that a number of upper ends now lie at a depth of only two and one-half feet below the crown of the streets. Manila has tripled the maximum population upon which the original design was based. The water-consumption in 1909 was



Graphical Representation of the Manila Sewer System

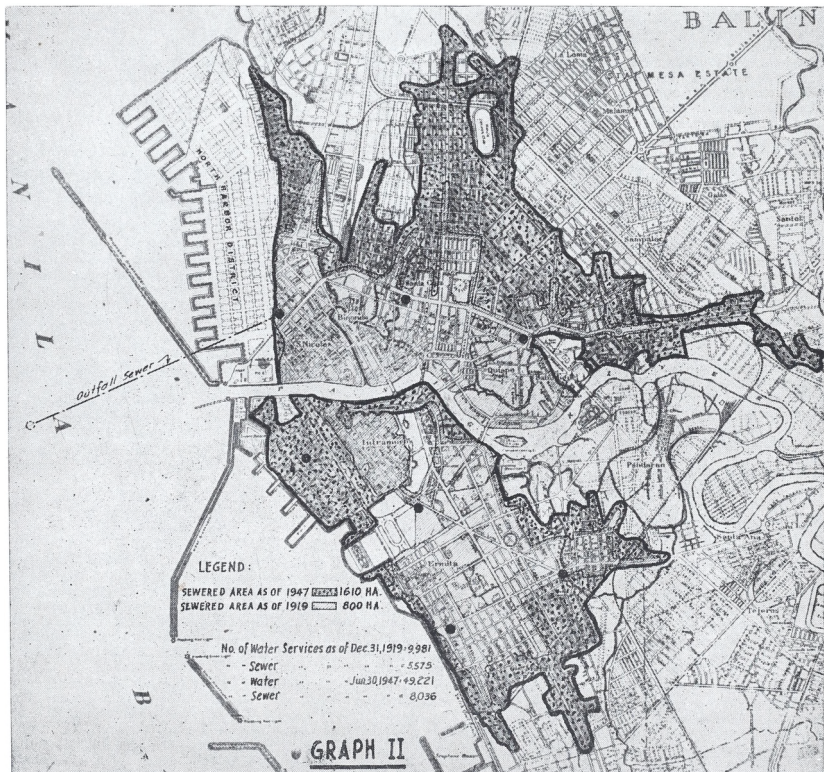
only 10,000,000 gallons a day; now it has jumped to an estimated 57,000,000 gallons a day within City limits. Most of the sewage-pumps and appurtenances still in use are those originally installed in 1909. Two pumps were replaced after the liberation with whatever was available without much regard to conformity or efficiency requirements.

How is this equipment working after 48 years of hard use? Only the Lord knows. The pumping-stations have not been provided with measuring devices, and all inlets and outlets are submerged. Before the war the whole sewer system, which was laid at an average depth of ten feet below the street-surface, could be emptied by operating the different pumps for a few hours during low tide. At present, the whole sewer system is full of sewage and infiltration water from surrounding grounds, with all its load of solids, organic matter, and bacteria. Under these circumstances, even when all the pumps are operated simultaneously at lowest low tide, the most that can be

achieved is to draw down the sewage level three or four feet below the street-surface.

Before the war the following incident occurred: A lady accidentally dropped a valuable ring into a toilet-bowl and in her nervousness flushed it. Her husband came to the District headquarters to ask about the possibility of recovering the jewel. A cleaning-gang was called to work and by emptying the sewer-line on the street in front of the house, the ring was recovered in about two hours' operation, right at the first sewer manhole.

During the latter part of the Japanese occupation, when the buying and selling of jewelry was at its peak, a similar accident occurred. This time the valuables dropped out of a man's pocket just at the moment of flushing. The same pre-war operation was tried, but to empty the sewer-lines was impossible; laborers provided with diver's helmets and working with long scoops, toiled for three consecutive days,—a filthy, dangerous, and degrading operation, without success.



Manila's Sewered Areas as of 1919 and 1947

This gives one an idea of the present status of our sanitary sewer system. Though monumental, too old! It has withstood all the burdens thrown upon it for 48 years but it is becoming obsolete. Most of our sewerage men are now being employed in clearing actual obstructions. Its operation and maintenance requires not only all the income of the District from sewer charges, but more from its other sources of income.

In 1909 Manila was a pioneer in modern city sanitation. Today Manila no longer leads, and is being left behind. If effort is not exerted, Manila will soon be only a very distant follower of Singapore, Bandoeng, Shanghai, Osaka, Kyoto, and other cities we may not even have heard from in this part of the world.

No more appropriation and expenditure of funds can make for a successful operation of a sewage system, nor will the importation of experts or the sending of technologists on tours abroad. The important consideration is the experience gained in the actual operation of a given system. The design, construction, and maintenance of a sewage system involve the consideration of topography and of climatic and living conditions, combined with the application of technical knowledge and gained experience.

A fundamental factor in any community sewage problem is the final disposal of the sewage. The inhabitants of Manila are so fortunate in this respect as to have a large body of water nearby,—Manila Bay, where the sewage discharge can be mixed, diluted, and disposed of. When Mr. Ingals designed the system, he suggested two outfalls or discharge points, one out on the line of the extension of Herran Street, Malate, and the other on the prolongation of Azcarraga Street, Tondo. The first was stopped and discontinued in 1904 upon recommendation of Mr. Desmond Fitzgerald, a consulting engineer from Boston, who advised that all the sewage flow should be directed to the north side of Manila and dumped from the Azcarraga pumping-station in order to avoid the possibility of pollution and contamination of the shore-lines of Ermita and Malate and the South Harbor. He further recommended that the outfall be located at a point one-and-a-quarter miles from the Azcarraga pumping-station, on the path of the discharge of the Pasig River.

At that time the method of disposal proposed by Ingals and Fitzgerald was considered the best for several reasons. The first and most important was that it was the most economical; the second, that it was believed that nature would automatically carry out the purification process or treatment work; the third, that there would be no fear of public nuisance if the discharge was timed with the outgoing tide. Since then, however, conditions in the Manila Bay area have changed a great deal. There is now a new port development over the outfall line which has been extended seaward (see Graph II), with a breakwater quite close to the sewage outlet. It must be stated in addition that during the liberation operations, two breakages occurred on the outfall line, as a result of which raw sewage is pouring out inside the Harbor. Besides all this, there is the discharge of our filthy esteros and the industrial waste along shore-lines. These conditions make it imperative that we re-study the dispersion of sewage in the Bay, and re-determine the direction and duration of sewage dilution and its relation to the raising of oysters and the cleanliness of our beaches.

Instead of first undertaking this absolutely essential preliminary work, plans were prepared for two complete sewage-treatment plants, the designs being based on the activated-sludge process, a kind of treatment or purification considered at that time to be the last word, one which would convert sewage into perfectly clear water! One of them was to be located right at the ingress of the North Harbor development, on the prolongation of Azcarraga Street, and the other near Harrison Park at a site very close to the intersection of Cortabitarte and Nebraska streets. While waiting for funds to finance these projects, the Government set aside for the District about two city

blocks at the south entrance of the Tondo Port Area; and on the Malate project a 42-inch cast-iron outfall was laid across Dewey Boulevard in a westerly direction along the south wall of the Yacht Club.

In our opinion, sewage treatment in tropical localities has two drawbacks which should be taken into account in both the selection of the treatment-processes and in locating the plant site. The first is the prevailing higher temperatures which favor decomposition of the organic constituents of sewage, bacterial growth, and the generation of gases and obnoxious odors. The second is the limited financial resources of our people and of the Government with which to meet the cost of complex installation-works and elaborate operations. These two limitations are such as to make it inapplicable to say, "They have done this in New York and Chicago; why shouldn't we?"

Sewage treatment can be a most expensive municipal undertaking. Oftentimes it is to be compared to the establishment of a large industry, as in the case of these expensive, activated-sludge plants.

And steps were taken to construct them in places close to the heart of the City! In case of interruptions of operation as a result, for instance, of a stoppage of electric power, which now so frequently occurs, how could public discomfort and danger be avoided? Singapore before the war built a plant similar to that intended for Manila, but about four miles from any inhabited area.

The evidence seems to be that since Ingals no one has made a serious study of the new elements in the sewage problem in Manila. The records show that the developmental work of the District has been limited to waterwork improvement, and that what funds remained were used on trivial sewer-line extensions. It was apparently thought that if and when the water-supply system attained perfection, then, and only then, could the attention of the District be shifted to sewage.

From the point of view of a sanitarian who has the conviction that the sewage problem is next in importance to the problem of water-supply, the following measures have recently been proposed and adopted, and are now being carried out:

1. The use and operation of the sewer system in the Santa Ana District. This system was completed in 1940, but for one reason or another abutting houses were left unconnected.

2. The construction for the City of Manila of a new night-soil disposal plant at the west end of Azcarraga Street. The condition of the old disposal station there was the principal cause of the interruption in the operation of the pumping-station in this district.

3. The construction of an experimental sludge-digestion tank to determine the possibility of producing power from sewage gas.

4. In conjunction with the Bureau of Coast and Geodetic Survey, the study of the directions of water currents in Manila Bay.

5. With the assistance of the Weather Bureau, the determination of the direction and intensities of winds and their influence on surface movements in the Bay.

6. The study of ways and means for the immediate replacement and enlargement of all sewage-pumps in all pumping-stations. This item was fished out by the *Manila Daily Bulletin* which published the news that with half a million pesos the District could solve the flood-problem in Manila.

7. The carrying on of studies on the extension of sewage-drainage areas in and around Manila including the proposed Capital City site, and on the possible location of sewage-treatment and disposal plants.

When these measures have been taken and the studies have shown definite conclusions, a final plan will be prepared. Consulting engineers from the United States will be asked to help in putting Manila in the lead once more, in the Orient, in matters of municipal sanitation.

Ambassador Emmet O'Neal

From an Official Source

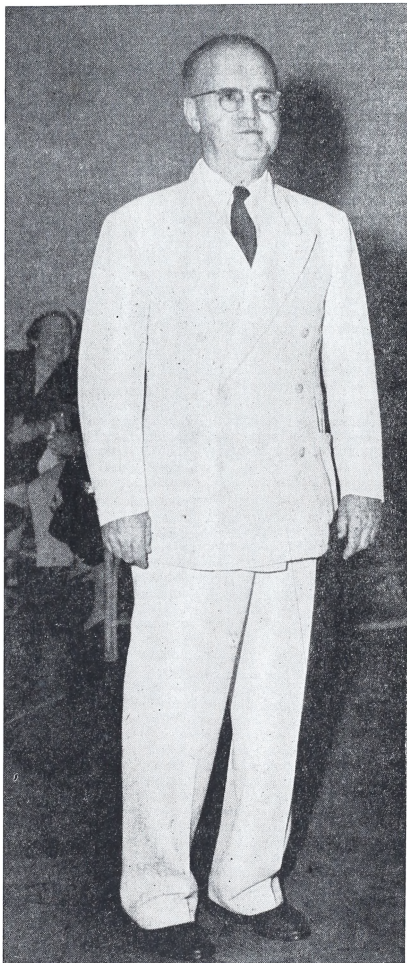
ON May 23, 1947, Emmet O'Neal of Kentucky was nominated by President Truman for the post of United States Ambassador Extraordinary and Plenipotentiary to the Republic of the Philippines. The United States Senate concurred, giving unanimous confirmation to the appointment on June 10. Ten days later, on June 20, Emmet O'Neal took the oath of office and became the second American Ambassador to the Philippines.

Ambassador O'Neal was born in Louisville, Kentucky, on April 14, 1887. He belongs to a family of lawyers; his father was a judge of the Court of Appeals of Kentucky, and his brothers, Joseph and Merrit, both became lawyers. Emmet, following the family tradition, chose law instead of professional baseball, refusing a bid to join the New York Giants.

After attending public schools and graduating in 1907 with an A.B. degree from Centre College in Danville, Kentucky, O'Neal went to Yale University for a year. He obtained his Bachelor of Laws degree from the University of Louisville in 1910. Later, he returned to Yale for postgraduate work.

O'Neal was admitted to the bar in 1910 and practiced law in Louisville until 1917, when he enlisted in the First Division of the American Army in Paris, France. In 1921, he served as one of the first department commanders of the American Legion of Kentucky. Later, he served the same organization in various capacities. From 1926 to 1934, he was a member of the firm, O'Neal, Alden & Company, a firm engaged in investment securities. During the same period, he was a member of the board of trustees of Centre College.

On November 6, 1934, he was elected to Congress from the third district (Jefferson County) of Kentucky.



Mayflower Studio Photograph

AMBASSADOR EMMET O'NEAL, from a photograph taken at the reception on September 24, sponsored by the American Chamber of Commerce.

He was reelected five times, serving continuously for a period of twelve years. As a member of the House Appropriations Committee during his six successive terms in Congress, he helped secure financial aid for the Philippines. For his efforts he received the personal gratitude and commendation of the late President Quezon.

Ambassador and Mrs. O'Neal and their daughters, Lydia Wright and Mary Hamilton, sailed from San Francisco August 22 on the S.S. *President Monroe*, arriving in Manila on September 19.

At four o'clock on the afternoon of September 19, Ambassador O'Neal paid a courtesy call on Vice-President and concurrently Secretary of Foreign Affairs Elpidio Quirino at Malacanang. He presented his letter of credence to President Roxas on Monday afternoon, September 22, three days after his arrival. The following night, President and Mrs. Roxas honored Ambassador and Mrs. O'Neal with a state dinner and a reception and ball.

Ambassador O'Neal is a lover of sports. He played football, basketball, and football during his college days as a member of the varsity teams. While in Congress, he kept fit by playing handball and golf. Today, at sixty, he is in excellent condition.

In Louisville, Ambassador O'Neal was a member of the Pendennis Club and the Louisville Country Club. In Washington, he was a member of the Army and Navy Club. Mrs. Glessie O'Neal, the Ambassador's wife, was for many years Vice-President of the Congressional Ladies Club in Washington. Their daughters, Lydia and Mary, were very popular and active in Washington society. Both have indicated their desire to aid in social welfare work in the Philippines.

The Beyster Report; a Summary

By the Editor

WHAT is generally referred to as the Beyster Report, released last month, is officially entitled, "Proposed Program for Industrial Rehabilitation and Development", and was prepared by the technical staff of the National Development Company under the supervision of the H. E. Beyster Corporation, Consulting Engineers, of Detroit, Michigan. The report is dated June 24, 1947.

According to the Foreword the Report is submitted to the Republic of the Philippines for study of the basic outline of the proposed industrial development program presented. Approval in principle of the proposed program is requested prior to the submission of specific reports, the majority of which, it is stated, can be made available on short notice. The Report is published in two volumes, the second volume consisting of a series of charts, maps, and graphs illustrating and supporting the data contained in the first volume.

Though the first volume runs to 200 pages, it is itself so condensed that it is impossible adequately to summarize the contents within the scope of a few pages, and therefore only an outline is here attempted. It is believed, however, that this outline will be of interest to the general reader and may also be of value to those who later wish to study the Report itself in detail.

The first section of the first volume of the Report, comprising 19 pages, reviews the facts of Philippine geography,—area, population,* arable land,** and national resources.

The mineral resources are reviewed as metallic (gold, silver, iron, manganese, chromium, copper, lead and zinc, aluminum, tin), fuel (coal and petroleum, including asphalt), and non-metallic (sulphur, gypsum, salt, asbestos, limestone, cement materials, clay, building and ornamental stones, guano and phosphate rocks).

The agricultural resources are reviewed under the heads of sugar cane, rice and corn, abaca, ramie, tobacco, coconuts and coconut products, and brief paragraphs follow on animal industry, and forestry, fishery, and power resources.

THE second section of Report takes up the general question of the economic development of the country and runs to 28 pages. Introductory is the statement that the construction of basic industries and the rehabilitation of the established pre-war industries are absolutely essential and should be first considered. The authors suggest the following order of priority in rehabilitation of pre-war industries—power, rice and corn, fishing, sugar, lumber, mining, transportation, communication, animal husbandry, building materials, coconuts, abaca, textiles, and handicrafts. The proposed new industries are given the following order of priority—ammonium sulphate, soda ash and caustic soda, iron and steel, sulphuric acid, agricultural implements, salt production, pulp and paper, and shipyards. The proposed initial program is said to be a moderate one, based on raw materials available and on domestic requirements, and would take from 10 to 15 years to establish.

Under the heading "Labor" in this section, the authors say that there is a definite need for labor to take a well defined stand with respect to the proposed industrialization program, and the opinion is expressed that the plan to unify all trade unions into a Philippine Federation of Labor might, if followed, become a stabilizing factor; this would call for abiding by contract agreements and for discipline within the ranks of labor. They also say that the Government should define its labor policy, and suggest that a broad,

general social security and hospitalization program would assist in guaranteeing stability.

Before the war, out of nearly 8,500,000 persons gainfully employed, only some 600,000, or 7%, were engaged in manufacturing and mechanical industries. It is estimated that the manufacturing part of the proposed industrialization program alone would establish a potential skilled industrial labor force of 1,500,000.

Past and present Philippine trade relations are reviewed at some length, and it is pointed out that under the terms of the Philippine Trade Act of 1946, 20 years will elapse before the United States duties on Philippine products will equal one-half of the most-favored-nation rate, this providing an "ample period" in which to rehabilitate pre-war industries and establish a number of new export industries, even though it may be judged that the industries so re-established could not survive full American duties.

The advantages of reciprocal free trade between the Philippines and the United States are mentioned, but the volume of luxury goods being imported into this country is said to be "one apparent weakness", and controls acceptable to both countries are advocated.

The authors anticipate that, geo-politically, pressure from highly organized industrial nations against undeveloped states will increase, and that therefore, together with the establishment of new industries, the Philippines should strive for greater efficiency in the production of agricultural export items. The Philippines will be hard-pressed by the growing industrial economy of China, India, and Australia.

Philippine war damages are stated to have been "enormous." In real property, amounting in 1938 to P2,568,000,000, the country sustained damages estimated at P1,574,000,000, but total destruction and loss is estimated at P3,433,000,000, this including values of commandeered goods and services, Japanese currency issue, and budgetary expenditures allocable to the war against Japan. The figure still does not include the loss due to the disruption of domestic trade, estimated at P300,000,000, nor the depletion of natural resources as a result of the military occupation estimated at P448,000,000. It is said to be conservatively estimated that some P9,837,000,000 would be required to reproduce all the losses sustained. War-time casualties, including killed, missing, and injured, amounted to an estimated 752,500 persons.

Against these losses, there stands the P1,240,000,000 provided by the Tydings War Damage Act, and future Japanese reparations. Of the excess plant-capacity of Japan of 30%, 5% has been assigned to the Philippines, and the authors state that the various possible industrial allocations have been fitted into the proposed overall Philippine industrialization program. The employment of the equipment acquired as reparations is considered practical and will reduce the financial strain of recovery upon the national income.

The organization and present projected activities of the National Development Company are next taken up; also the activities of other government corporations. Approval is expressed of the plans for the reorganization and integration of these various companies. The writers advocate the establishment of National Development Company

*Population 19,000,000, of whom 8-1/2 million were gainfully employed before the war, about 41% in agriculture, 29% in domestic and personal services, 19% in industry, trade, and transportation, and 11% in professional services.
**Total land area 73,000,000 acres of which about 57% is forest land and 43% agricultural and other land; nearly 85% still is public domain; land available for agriculture amounts to 29,000,000 acres, only 16,000,000 of which is under cultivation.

sals offices in the United States, declaring that though the Philippines is an independent nation, it still enjoys special relationships with America which, if properly nurtured, will prove of advantage in holding the American market. A proper development of this market would ultimately enable many Philippine industries to stand full American taxation, according to the Report. Rigid inspection should, however, be maintained to enforce standards of sanitation, purity, uniformity, and identification.

In conjunction with the proposed industrial program, the authors advocate the construction of model communities, which project may be inaugurated by the existing Urban Planning Commission, especially in two areas, one centering in Manila and the other on Pangail Bay, Lanao, the site for many of the proposed new industries because of the hydro-electric development projected there which would have an ultimate output of 200,000 KW. "All aspects are favorable and result in the assumption that a new major city will be the outcome, to be located in Lanao."

The Report, in this section, also stresses the need of vocational education for a limited period of years. Training should be given in heat flow, fluid flow, methods of comminution, mechanical separations, distillation, drying, gas conditioning, evaporation, absorption and extraction, mixing, and in the movements and storage of materials. Theoretical studies should be given six months and these would be followed by not less than six months of actual work in machine operations and other work in connection with designated manufacturing processes.

The authors declare that the importance of the rehabilitation of the Bureau of Science can not be overemphasized, and recommend that it be split into the Bureau of Science (proper) and another bureau to be called the Bureau of Applied Research, both to be placed under the Office of the President in order to facilitate close liaison and co-operation with the National Economic Council.

It is pointed out that the industrialization of no country has been accomplished without the aid of the government in one form or another, and that in the Philippines the Government has from the first played an important role in that respect, not solely for profit, but for the benefit of the people. "In all cases, the Government has led the way, thereby setting an example for timid private capital. Once private capital is willing to assume full responsibility, these industries can be conveniently and profitably turned over to individuals".

The National Economic Council should be entrusted with the task of framing the general economic plan, organizing economic planning boards for all the principal industries. The financial aspects of the plan should also come under the jurisdiction of the Council which should cooperate closely with the various government banks. A Tariff Commission and a Bureau of Licenses (Import, Export, and Manufacturing) should be integrated with or come under the supervision of the Council. "Its first official act . . . should remove the National Development Company and all other government business ventures from political control". The next act of the Council should be to "make a broad statement of policy to private industry. . . . It should first offer to help with plans, encourage and enter into joint partnerships, or, second, agree to sell to private enterprise any government-owned industry providing the Council has been satisfied that such private enterprise is capable of assuming its full responsibilities."

On the question of the licensing of industries, the authors state that this is controversial in scope under a system of free enterprise, but that nevertheless certain protective devices must be developed to achieve stability. "A mild imposition of restrictive measures does not place undue hardships on industries, but rather inclines toward preventing unnecessary competition and speculation."

The authors emphasize the importance of the "pegging" of the peso to the dollar, as a result of which the peso

is recognized as a stable monetary unit. They endorse the proposal of the authors of the Joint Philippine-American Financial Commission that a central bank be established immediately in order to provide an agency which can discount loans made by private banks, thus putting such loans back into productive use. A central bank would also permit a wider currency circulation and stimulate internal trade and construction.

They express approval of the "parity" principle in the Philippine Trade Act of 1946, which grants equal rights to American citizens in the development of the national resources and in the public utility field, and advocate joint participation in any new ventures. However, in that connection certain important issues are cited, as quoted from the *Journal of Commerce* (New York): (1) The recommendations of the Joint Philippine-American Finance Commission (now submitted), (2) the easing of the material supply situation in the United States so that construction materials can be imported, (3) conclusion of a treaty eliminating overlapping taxation, (4) determination of the amount of war-damage compensation to be paid to private enterprise, and (5) the clarification and strengthening of the trade position.

The authors therefore state that "it appears that it will be some time before American capital will take advantage of the equal rights granted it". However, they conclude that "if joint capital ventures, both Philippine and American, can be instituted with incentives provided by the Government for the establishment of any new industries under such management, it appears that a bright future is in store for the country."*

The limiting factors are recognized to be whether or not there will be an enforcement of an adequate and workable system of licencing, to prevent over-production and unnecessary depletion of natural resources, and whether or not there will be a clearly defined statement of government policy as to what protection and assistance will be offered to all new ventures, such as a tax-free period of four years, which has been suggested.

The first, short-range program of five years, embracing the major portion of the Japanese reparations equipment and other new equipment which may be purchased, will involve an expenditure of around P500,000,000, according to the Report. The total required for the next ten to fifteen years is P1,567,000,000 for the rehabilitation of pre-war industries, including sugar, mining, communications, highways, port facilities, sanitation, water systems, and other small pre-war industries, and for the capital requirements of new industries which may be developed during that time. The capital requirement for housing, hospitals, and schools for the next ten years is estimated at P1,600,000,000. This comes to a total capital cost of over P3,000,000,000, but the authors point out that such a capital investment would increase the assessable valuation of real estate and industrial establishments as of 1938 by around 120%, exclusive of other increased valuations.

The authors endorse the recommendation of the Joint Philippine-American Finance Commission that the Government open bond-subscription drives for the sale of non-assignable and non-negotiable bond issues to the general public, and also the recommendation of the same body that

(Continued on page 208)

*With respect to such joint ventures, Mr. J. S. Hinchman, spokesman for the Beyster Corporation, said in one of his radio-talks on the Report broadcast by KZRH: "It is our opinion that the Government . . . would prefer that private capital and individual initiative and enterprise develop to the full the natural resources and potentialities of the country, unfettered by government regulations and restrictions. However, . . . the Government is willing to assist, by joining with private interests to any extent necessary to advance these aims. Further, in the event that private interest is entirely lacking, then the Government is willing to accept sole responsibility in the 'pioneering' in any particular field until such time as private interests have expressed a desire and have demonstrated the ability to supplant government enterprise in that field. . . . To answer criticism advanced that the Government wishes to maintain a 51% interest, it is stated that only in the case where the Government invests in one of the above mentioned enterprises, either in the form of finances, goods, or services, will a controlling interest be expected. . . . Even under these circumstances, the Government has directed that private management, with certain directorship controls, be retained and maintained."

Legality of the Temporary Building-Permit Ordinance

Letter from Mr. L. D. Lockwood

EDITOR:

American Chamber of Commerce Journal
Manila

Dear Sir:

I am enclosing herewith a copy of a City Ordinance, or more strictly speaking, Resolution No 288 of the City Council. I believe that the greatest publicity should be given to this ordinance, so that the property-owners of Manila will know what is going on.

Article 3, Section 1, Clauses 1 and 2 of our Constitution read:

1. "No person shall be deprived of life, liberty or property without due process of law, nor shall any person be denied the equal protection of the law."

2. "Private property shall not be taken for public use without just compensation."

In my humble opinion, Resolution No. 288 violates these provisions of the Constitution.

L. D. LOCKWOOD

RESOLUTION NO. 288

RESOLUTION AUTHORIZING THE CITY ENGINEER TO ISSUE TEMPORARY PERMITS FOR THE CONSTRUCTION OF BUILDINGS OR STRUCTURES AFFECTED BY THE PROPOSALS OF THE NATIONAL URBAN PLANNING COMMISSION FOR THE PHYSICAL DEVELOPMENT OF THE CITY OF MANILA, UNDER CERTAIN CONDITIONS.

RESOLVED, That the City Engineer, be, and he hereby is, authorized to issue temporary permits for the construction of a building or structure, or an addition to any existing building or structure within the City of Manila, to be affected by the improvements or proposals embodied in the plan of the National Urban Planning Commission at present under preparation, subject to the conditions set forth in the hereunder application form to be issued by the Office of the City Engineer for this purpose:

Manila.....

The City Engineer
Manila
Sir:

I have the honor to request authority to construct or repair a strong materials.....
as per plan attached, located at.....

It is understood that the construction of this building or structure shall be subject to the following conditions:

- If the proposed planning for the City of Manila and proposed revision of building ordinance will, any way affect this structure, the same will be removed within such reasonable period as may be specified in a notice to be issued by you, without any obligation or cost to the Government, subject to the conditions specified in paragraph (e) hereof.
- It shall be understood that the term "reasonable period" referred to in paragraph (a) above will not be less than 30 days' notice from the proper city authorities.
- All expenses for removing said structure will be for my own account and if I fail to remove it within the time specified in the notice, the Government may undertake the removal with all expenses chargeable against the undersigned.
- The Materials removed may be sold by the Government to cover the expenses to be incurred by it in undertaking the demolition of the structure herein applied for.
- That in the event that the improvement or proposal embodied in the plan of the National Urban Planning Commission affecting my building or structure shall not be carried out within five (5) years from the date of the issuance of the permit therein applied for, the City Government shall not compensate the undersigned of the cost of the building or for the portion thereof affected thereby.

However, in the event that the improvement or proposal embodied in the plan of the National Urban Planning Commission affecting my building or structure shall be carried out before the expiration of the five-year period, the City Government shall then compensate the undersigned of the cost of the building or of the portion thereof affected thereby in the amount equivalent thereof, less the depreciation corresponding to the years that had elapsed at the rate of 20% per annum.

(f) That in case of sale or other disposition of my said building or structure, the undersigned shall transfer to and impose upon, the vendee or new owner, his heirs, executors or assignee, the obligation herein above mentioned.

Very respectfully,

Signature

Address

Note: Please type name and address below your signature

With my consent:

Owner of Lot

PROVIDED, That the construction of the building or structure above referred to shall be in accordance with all provisions of the City Ordinances now enforced regulating the construction of building in the City of Manila.

Adopted, August 7, 1947

Approved, Aug. 27, 1947

Answer by Mr. L. P. Croft

EVERY one knows that "no person shall be deprived of life, liberty, or property without due process of law", and that "private property shall not be taken for public use without just compensation."

These laws are two basic assurances of the democratic way of life for the protection of private rights, and must not be violated if the democratic form of government is to survive.

But laws protecting the corporate community are of long standing and have expanded within the last half century as life has become more complex.

Laws developed under the police-power to protect the "health, safety, morals, and general welfare of the people" have been considerably expanded as populations have increased and the interests of large groups have been threatened by the uncontrolled exercise of individual rights. The history of government illustrates the conflict and harmonization of the interest of the individual and of society. Usually the more "government", the more the individual must conform to the interest of the community as a whole. In the pastoral and agricultural economies, the individual could do largely as he pleased. As industry and city-life has grown, the individual has had to accept the curtailment of some of his rights. Hence the many laws, ordinances, and regulations concerning sanitation, health, and safety. We all accept traffic regulations in the interest of the common good.

The right of the government to acquire private property for schools, public markets, and highways, is well established through the power of eminent domain. However, under this power private properties can not be taken for public purposes without compensation to the owner; in the Philippines, the purchase-price must be deposited by the Government in accordance with a special law.

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New Philippine Flag Line for the Orient

By N. N. Everett

President, Everett Steamship Corporation

DECEMBER, 1946, marked the inauguration of the first steamship line under the Philippine flag devoted to serving the interests of trade between countries of the Orient exclusively and to the facilitating, by means of extensive transshipment services, the inter-change of commodities between the more remote areas of the Orient and world markets.

In the course of World War II, the majority of shipping tonnage operated pre-war in inter-Orient trades was lost, and Japanese lines have dropped from the picture. Pre-war operators of vessels in these trades have been slow to replace lost tonnage and re-establish their former services. To meet the needs of nations and trading communities in re-establishing and expanding the pre-war inter-Orient commerce, the Everett Steamship Corporation is now operating, under bareboat charter, six U. S.

Maritime Commission C1-MAV-1 type motor vessels, each of 5010 deadweight tons, Philippine Registry, under their Everett Orient Line service.

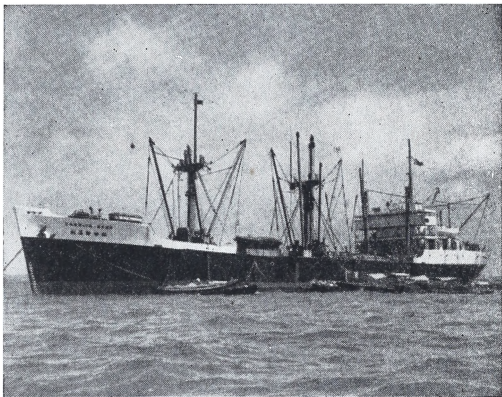
The Everett Orient Line vessels maintain a cruising-speed of 11 knots. Their modern design incorporates such features as refrigerated compartments of 10,000 cubic feet capacity for the carriage of perishable goods. They are equipped with cargo-handling gear featuring electric winches which permit fast loading and discharging, and special heavy-lift gear which permits the carriage of single units up to 30 tons in weight.

These vessels are now calling regularly at the ports of Manila, Shanghai, Amoy, Swatow, Hongkong, Saigon, Bangkok, Singapore, Penang, Rangoon, and Calcutta; they will call at Madras, Colombo, Bombay, Netherlands East Indies ports, Tientsin, Tsingtao, Japanese and Korean ports, and additional ports in the Philippine Islands as future trade developments warrant.

In serving the Philippine Islands these vessels have brought inward cargoes of rice from Bangkok and textiles from Japan, in addition to carrying Philippine exports of copra, hemp, and general commodities to India, Japan, and principal ports throughout South East Asia.

Within the first eight months of operation the Everett Orient Line has made a successful entrance into trades dominated by British and Dutch lines. In doing so, the new service has met strong opposition from old established lines which, although in many cases they can not provide for the full requirements of such trades, consider them their

heritage and refuse to accept new lines within their conferences.* In several instances, old lines have brought pressure to bear upon shippers in an effort to discourage them from supporting Everett Orient Line. However, by maintaining a firm schedule with the frequency of calls required by the trades, shippers are attracted to direct their support to the new service in spite of the efforts made through some conferences to prevent them from doing so while at the same time barring the Everett Orient Line from conference



The MS Carrick Bend at Singapore

membership.

One of the principal features of the Line is the extensive transshipment facilities offered to ocean carriers of the Pacific which call at Hongkong and Manila. It is intended that these facilities will also be developed for European carriers, at Singapore and Hongkong. To date, movements of commodities by transshipment have been limited by high local freight rates, but more reasonable "arbitrary" or through rates are now being drawn up by the Pacific Westbound Conference to encourage the increased movement of cargoes by transshipment.

While as yet the imports and exports of many countries are limited by exchange regulations as well as by internal unrest, it is anticipated that the factors which currently restrict trade will be modified if not entirely removed in the future. The Everett Steamship Corporation is planning to purchase the six vessels presently operated under the Everett Orient Line service, and the original fleet will be augmented with additional up-to-date tonnage designed to meet the growing requirements of the inter-Orient trade.

*The conferences which operated in the Bay of Bengal and the Straits area.

The Business View

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

Office of the President

From an Official Source

DURING the period under review, from August 16 to September 15, many press releases were issued at Malacañan on the subject of the reorganization of the various departments, bureaus, and offices of the Government being planned during this time, but no reference to this subject will be made in this column until the changes are actually being carried out.

Omitted here, too, are references to various executive orders which are adequately covered in the "Legislation and Court Decisions" column, which, beginning with this issue of the *Journal*, is renamed: "Legislation, Executive Orders, and Court Decisions".

August 20—The President appoints Celedonio Agrava ad interim Director of Patents.

Secretary of Instruction M. V. Gallego tells the Cabinet that the Government is spending ₱2,500,000 a year for books for the primary grades, and he and the Director of Education are asked to study the question of government publication. It is proposed that the Government hold contests in the writing of school texts and buy the manuscripts from authors to eliminate the payment of royalties.

August 26—The President in a series of proclamations authorizes the election, in the next regular election for provincial officials, of two members of the provincial boards of the Mountain Province, Sulu, Lanao, Cotabato, and Bukidnon. These positions have been appointive, but Republic Act No. 59 provided for these offices to be elective if the President "shall have ascertained and shall so declare by proclamation that the people of said provinces are ready to elect their provincial governor and the members of the provincial board".

August 27—According to a Malacañan press release, the Philippine Veterans' Board, up to August 15, has acted on some 9,200 claims for pensions; of the claims approved, some 4,500 cases are USAFFE, 1,700 recognized guerrillas, and 1,053 "deserving" guerrillas and former political prisoners; more than 7,200 veterans are now attending schools and colleges under the privileges conferred on them by Republic Act No. 65; some 4,000 veterans have been found work; 180 have been granted loans.

August 28—The report of the Collector of Internal Revenue shows that collections from July 1, 1946, to June 30, 1947, amounted to ₱173,303,725.18. This indicates an increase of ₱124,565,264.76.

Collections from July 1, 1945, to June 30, 1946, showed an aggregate sum of ₱48,741,460.42.

Excise taxes on cigarettes alone in 1947 showed a collection of ₱4,341,265.10. In 1946 the collection was ₱3,105,903.83; an increase of ₱1,235,361.27. The total excise tax on imported cigarettes for the fiscal year from July 1, 1946, to June 30, 1947, was ₱35,697,871.09.

Income-tax collected for the month of June, 1947, amounted to ₱1,007,998.39. Compared with the 1946 collections for the same month, ₱250,573.63, the increase was ₱757,424.76. For the fiscal year beginning July 1, 1946, to June 30, 1947, the total income-tax collection was ₱19,849,852.93, as compared with collections from July 1, 1945, to June 30, 1946, of ₱7,093,878.83, an increase of ₱12,755,974.10.

Early in 1946, it was expected that the collection would amount to over ₱100,000,000 as compared with

that of the previous year of ₱48,741,460.42. Later in the year, however, it was estimated that it would reach a total of ₱150,000,000, which was still ₱23,303,725.18 short of the actual collection.

August 31—Malacañan releases the text of a radio address by Secretary of Justice Roman Ozaeta replying to critics of his interpretation of the Constitution which prohibits the sale of private agricultural land to aliens. His opinion is that aliens can not acquire or hold any kind of public land, whether agricultural or residential, or any private agricultural land, but that they may acquire and hold private residential land. "That is not strange; it is also allowed in every country of the world, as far as I know."

Malacañan announces that the RPD has processed about 16,000 out of 24,000 claims for USAFFE and guerrilla back-pay and that some 2,000 checks have been issued. The President has asked that the work be expedited.

September 2—In a conference with the President, the Board of Governors of the Manila Stock Exchange promise their cooperation with the Government in maintaining a conservative and stable stock-market, agreeing to deal only in good stocks and to avoid watered stocks. The officers of the Board are Pacifico Ledesma, president; Santiago Picornell, vice-president; Anselmo Trinidad, secretary; A. C. Hall, treasurer, and Dee K. Chiong, assistant treasurer.

September 4—Malacañan releases the text of an agreement between the Governments of the Philippines and the United States regarding the radio broadcasting facilities for the latter in the Philippines. Under the agreement, radio-time over the facilities now existing or to be constructed will be divided between the two Governments. (Two 50-kilowatt transmitters now exist.) Pending ratification by the Philippine Senate, the agreement enters into force as a *modus vivendi* on the date of signature (this date). The agreement would remain in force for ten years and thereafter for additional five-year periods unless at least one year before the beginning of any one such five-year period one of the contracting Governments gives notice of an intention to terminate it. However, the United States Government has the right to terminate the agreement at any time on six months' notice "in the event that circumstances make it impracticable" to maintain it. Upon termination of the agreement, the equipment will become the property of the Philippine Government without cost, provided the Philippine Government for a period of five years thereafter will use it solely for its own purposes and will not lease or sell it or use it for commercial broadcasting except to yield income sufficient for proper maintenance and operation.

Malacañan issues a statement in connection with the administrative investigation of Bibiano L. Meer, Collector of Internal Revenue, which declares that the President is convinced that the charges brought against him of serious irregularities in the performance of his duties were "absolutely without foundation".

September 6—A group of retired teachers calls at Malacañan to request the grant of three years back-pension or a substantial part of this. There are 1,181 Filipino and 56 American pensioners; the total amount involved is ₱3,135,000.

September 8—Malacañan releases a letter, dated August 29, received from the Philippine Pharmaceutical Association, urging the establishment of a botanical garden for scientific purposes.

Another release covers the suspension by the Collector of Internal Revenue of eight employees of the Bureau of Internal Revenue in Cebu, charged with accepting bribes from merchants for "fixing" tax-payments.

September 9—The total revenue collections for the first month of the present fiscal year, that is July, 1947, reached the all time high of ₱26,251,703.89, which, compared with the total collections for July, 1946, shows an increase of ₱13,093,168.49. The next highest collection was made in April, also of this year, when the total revenue collections amounted to ₱22,048,282.37.

September 10—The President, accompanied by a party of officials, leaves Manila for a trip south on the S.S. *Moleño*.

September 12—Malacañan releases the copy of a letter, dated September 9, sent by the Secretary of Justice to the Register of Deeds, Pasig, Rizal, stating that investigation has shown that men in his employ have accepted "tips" with his tolerance or without objection on his part, and calling his attention to a 1941 ruling of the Civil Service Board of Appeals which declared that the asking or receiving of "tips" in the government service is one of the most pernicious evils... which must be stamped out. The letter concludes: "As chief of the office, you are responsible for the proper discipline of your subordinates... tolerance on your part of their misconduct would constitute dereliction of duty".

September 13—The President, in a speech in Zamboanga, suggests a zonation plan for the city; he was reportedly irked by "an ugly concrete Chinese warehouse, like a huge box" erected near Plaza Pershing. He also states that the former San Ramon Penal Colony, near Zamboanga, will be converted into a vocational school, with about half of the reservation to be turned over for farming purposes to veterans.

The President's Arbor Day message is released, asking the people to line every street and road with beautiful and sturdy trees.

Malacañan releases the text of a speech of Secretary of Instruction Gallego in which he states that during the past school-year, public school children and their teachers produced a total of ₱62,675,000 worth of food products. He states the school food-production campaign will be extended to include the planting of fruit trees and other trees of economic value. There are today some 3,500,000 children in the public schools; teachers number around 60,000.

September 14—The President in Davao states in a speech that former Japanese lands will be justly subdivided and that priority will be given to USAFFE veterans and guerrillas, recognized or not. He urges the squatters, whom he calls "occupants", meanwhile to take good care of and to cultivate their holdings, and emphasizes the importance of the abaca industry, condemning the destructive stripping-methods now practiced by many.

September 15—At a conference with ex-guerrillas at Talomo, Davao, the President instructs Provost-marshal Jose Tereza to organize patrols to stop the illegal cutting and stripping of hemp by roving bands. He asks the "occupants" to organize themselves and to cooperate with the National Abaca and Other Fibers Corporation.

MANILA STOCK EXCHANGE LISTED MINING SHARES

August 16, to September 15, 1947

	TOTAL SALES	HIGH	LOW	CLOSE	CHANGE
Acoje Mining Co.....	148,000	₱.255	₱.22	₱.22	off .02
Antamok Goldfields.....	—	—	—	—	bid up .003
Atok Gold Mining Co.....	146,000	1.10	.95	1.10	up .10
Baguio Gold Mining Co.....	—	—	—	—	—
Batong Buhay Gold Mines.....	2,370,000	0.068	0.066	0.066	off .0004
Big Wedge Mining Co.....	96,500	1.10	1.00	1.02	off .04
Coco Grove, Inc.....	—	—	—	—	.026 bid up .001
Consolidated Mines, Inc.....	11,245,000	0.13	.011	.013	up .001
I.X.L. Mining Co.....	60,000	0.75	.065	.065	off .015
Lepanto Consolidated	339,000	.39	.345	.375	up .035
Masbate Consolidated	30,000	.043	.04	.043	up .003
Mindanao Mother Lode Mines.....	373,000	.80	.76	.80	up .04
ParacaleGumausCons.	10,000	.07	.07	.08	up .01
San Mauricio Mining Co.....	52,500	.25	.22	.22	off .01
Surigao Consolidated.....	316,100	29	.26	.26	off .015

From a technical viewpoint, it is the writer's opinion that the market is in a bull trend which commenced on September 26, 1946, with our average at 25.55. The first leg of this primary trend terminated on February 20, 1947, at 43.66, and was followed by a secondary correction which carried prices down to 30.45 on July 7, 1947. Judging from the market action since then, it appears likely that the correction terminated on that date, and the market is now in the second stage of a primary uptrend which may be expected, in due course, to carry prices through the previous high point established on February 20, this year.

The most important market news of the period under review, was Atok's declaration of a 20% cash dividend payable on October 1 to stockholders of record of September 27. This is the first post-war dividend declaration by a Philippine mining company, and the news was very well received: the stock advanced from 95 centavos to ₱1.10 on the announcement.

Another important news item was the Presidential order allowing the exportation of gold licensed prior to July 19, which had been held up here in transit, when the Secretary of Finance restricted exports in compliance with Philippine commitments to the International Monetary Fund. With the issue of the order, gold to the value of some ₱5 millions was exported by air immediately. The removal of this potential supply has stimulated demand locally for the precious metal, and buyers have advanced prices.

As regards individual issues, a number of satisfactory advances were registered. Atok, Consolidated Mines, and Lepanto, on a percentage basis, were the best performers, but Mindanao Mother Lode at 80 centavos was up four points and has thus registered an advance in each of the last four months.

In the unlisted mining group, trading was inactive. About 3,000 shares Balatoc changed hands between ₱4.20 and ₱4.00. Itogon was off 1 centavo to 6 on a turnover of 127,000 shares, and United Paracale traded from 9-1/4 to 10 centavos a total of 124,000 shares. East Mindanao was traded at 1 centavo and Suyoc Consolidated at 3 centavos.

In over-the-counter dealings, Benguet Consolidated opened at ₱4.30, high of ₱4.60, low of ₱4.30, closing at ₱4.40, with total sales of 21,000 shares. Antipolo Mining was active, and over 1,200,000 shares were traded from 7-1/2 to 10 centavos, closing at the latter figure.

Far East Oil was less active than during the past two months. This stock traded between a high of 59 centavos, a low of 51 centavos, and closed at 53, off 5 centavos, during the period, on a turnover of 715,000 shares.

Stock Market

July 16 to August 15, 1947

By A. C. HALL

A. C. Hall & Company

AFTER early indecision, the mining-share market developed strength and prices moved forward easily on expanding volume. The rise topped out on August 26, and since then the market has displayed an easier tendency on very limited activity.

In the commercial and industrial section of listed stocks, not much business was reported. A total of 300 shares Bank of the Philippine Islands were done at ₱75, up ₱3 from last sale, and a small lot of Filipinas was done at ₱20.50.

During the period, 10,000 Pambuscos were traded at ₱1.52, up 2 centavos from last sales; on a total turnover of approximately 40,000 shares, Philippine Racing lost four points to ₱1.10. About 6,000 shares each Marsman Preferred and Marsman Common were reported at 55 and 40 centavos respectively, unchanged from previous sales. Trading in San Miguel shares continues temporarily suspended, but it is expected that registration of the new stock will be completed on September 22 when trading will be resumed.

Sugar shares were not in much demand. The following business was reported: Bais, 55 shares at ₱605; Carolatas, 305 shares from ₱120 to ₱110; Bacolod-Murcia, 510 shares at ₱10; and Victorias, 157 shares at ₱110.

Unlisted commercial stocks continued inactive. 650 shares Jai Alai were traded between ₱16 and ₱15, the latter price making a decline of ₱2 from last month's sales. A sale of 100 shares Philippine Air Lines, new stock, was reported at ₱14; and about 4,900 shares Manila Jockey Club were done at ₱2.90, off 10 centavos from the previous month's close.

Credit

By DUNCAN BURN

Association of Credit Men, Inc. (P.I.)

AS pointed out previously, the extension of credit is now in a beginning stage. Comment has been made on the benefit to be gained from a thoughtful handling of credits and from cooperation by those extending credit.

An indication of the increase in the use of credit is shown in the activities of the Association of Credit Men, Inc. (P.I.), which has resumed the operation of a Ledger Interchange Bureau. This Bureau, as the name implies, is concerned entirely with the actual interchange of ledger information among member firms. Obviously, due in part to the limited uses of credit so far, and in part to the only recent resumption of the activities of the ledger interchange, the volume of clearances has been far less than before the war. Some statistics have recently been tabulated which should prove of interest to businessmen in general. Between July 29, 1947, and September 29, 1947, the Bureau cleared process-sheets through member firms covering a total of 615 credit-accounts. The initiation of a clearance depends upon a specific request from a member of the Association, and in each instance the name inquired upon was already on the books of the inquiring member. On July 29, 1947, process-sheets were sent to the cooperative memberships in the Association which then totalled 37. By September 29, the members actively cooperating in completing process-sheets had reached 48. For a total of 615 names circularized, 2858 responses were received indicating complete details of ledger experience. Thus 4.6 was the average response per clearing. Other responses provided information as to cash transactions and incidental information. A considerable variation in numbers of responses was noted in the various names processed. In some instances it happened that only one member firm had experience on a particular name. The highest number of responses on a single name was 18. Figures obtained showed also a wide spread in maximum credit extended. The lowest figure shown on any process-sheet was only ₱2, while the highest credit appears at ₱262,000. The average response per clearing has increased considerably during the later part of the period covered, and this is steadily continuing. The results give an indication of the

benefits that can be obtained. The data provided herewith includes no statistics showing the details reported which had a bearing on the terms of individual sales, the amounts owing, the amounts past due, the manner of payments, or other specific comments of considerable value to interested persons.

There is noted, in general, a slight increase in the extension of credit, both in amount and in numbers of firms extending it, and in numbers of purchasers using credit. There continues to be a general spirit of helpfulness and assistance between local business establishments and businessmen. It is to be hoped that as the extension of credit becomes more wide-spread and involves larger amounts and more numerous transactions, the same cooperation will continue.

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Treasurer, Manila Electric Company

1941 Average—15,316,000 KWH	1947	
	Kilowatt Hours	Kilowatt Hours
January.....	17,543,000	9,286,000
February.....	17,503,000	8,778,000
March.....	20,140,000	10,122,000
April.....	19,601,000	9,849,000
May.....	19,281,000	11,132,000
June.....	17,898,000	11,432,000
July.....	22,593,000	12,333,000
August.....	23,358,000*	14,411,000
September.....	23,256,000**	15,018,000
October.....		16,787,000
November.....		15,767,000
December.....		17,984,000

*Revised

**Partially estimated

Electric production in September was slightly lower than August due to one less day. Output in September, 1947, was 8,232,000 KWH greater than September, 1946, an increase of 54.8%.

City Planning

By LOUIS P. CROFT

Acting Director, Urban Planning Commission

SQUATTING, sidewalk-peddlers, and general abuse of public property have continued in Manila beyond the so called "emergency" period.

The violations of existing laws and ordinances by squatters are demoralizing to the entire population.

Legitimate business establishments paying rent can not and should not have to compete with street-peddlers and squatting merchants. Many sidewalks are now blocked for pedestrian uses, as well as always ugly and filthy with debris.

Lately slot- and weighing-machines, stocks of merchandise, and other obstructions have been further encroaching upon the sidewalks. Crowds gather around, and the pedestrian has to fight his way through or use the dangerous and usually inadequate vehicular lanes of the street.

Allowing squatting and unlawful peddling immediately after the war, may have been justified, but if these practices are not soon prohibited the rehabilitation of Manila will be further retarded.

Squatting and unlawful use of public or private property is disgusting to law-abiding citizens. It is even more demoralizing to those who violate the law. They soon lose all sense of property rights and respect for law in general, so vital to the well being of any nation.

Squatters and peddlers are aggravating the economic situation of Manila. The large proportion of the people who are "buying and selling," is an aftermath of war. Normally, only a very small percentage of the population is needed for merchandizing. The great mass of the people must produce if the Philippines is to move forward.

Since the city government lacks funds and personnel to enforce the city ordinances, why do not the proprietors on the Escolta band together and volunteer to do something about this in cooperation with the city authorities? Every one would be the winner in the long run. Local merchant associations on Dasmariñas, Rizal Avenue, or Quiapo could no doubt improve the present deplorable situation if impressive pressure is exerted in the right direction.

Real Estate

By C. M. HOSKINS

C. M. Hoskins & Co., Inc., Realtors

THE real estate market was relatively dull during September. Brokers believe that most of the pre-war houses which were for sale have been disposed of, and that prices on newly constructed homes are meeting strong buyer-resistance.

The same is probably true of commercial properties. Several damaged buildings previously on the market have been withdrawn and are being rehabilitated by their owners.

Buyers of vacant land are active in the small-lot field. Sales of commercial lots and land for investment construction are being delayed until materials for permanent construction are available.

Forecasts are generally made that much needed building materials from abroad will begin arriving in quantity by the end of the year, as a result of large United States production in the face of the winter lull in building activity there.

An item which intrigues local real-estate people is the report that exports of building supplies from the United States are quite heavy, yet the Philippines is getting but a small share. During the first six months of 1947, over 30,000 bathtubs were exported from the United States. How many did the Philippines receive?

Construction

By H. H. KEYS

Architect

NEWs from the United States is that the price of steel is to be advanced. How soon the advance will be felt here can not be said, but advances in prices generally travel much faster than do reductions. This will effect structural steel and probably roofing, and eventually all items which are made mainly of steel.

The changed class of buildings in various localities and their uses, presents a problem to the owner of property who would like to rebuild. Where formerly, for example, there stood a fairly good class of apartments and residences for rent, buildings for quite a different pur-

pose are now springing up,—buildings which make that particular locality no longer as suitable for residences or apartments, and this causes the landowners to wonder if it would pay to build them there. Would people want to live in that particular locality if the neighborhood is generally given over to quite a different type of development than existed before the war? Until the general tenor of a locality has been established or re-established, many owners will continue to hesitate over what type of buildings they should erect, and this is now delaying the improvement of property in many areas.

There is also the problem offered by the temporary shacks that have been erected in many parts of Manila. Will people want to rent even a good house, which stands among a group of unsightly hovels? A trip through Malate and Ermita, and along Dewey Boulevard will illustrate my meaning.

The City Plan lays stress on developing the North Port Area as a bodega area. This is of interest to many firms, but with the lack of decent streets in that area and the difficulty of getting to it without going through the congested parts of the city, cause them to abandon the thought and to seek locations elsewhere. Were that area more easily approachable now, there would doubtless be quite a building-movement in that direction. As things are, firms are establishing themselves elsewhere.

Records in the office of the City Engineer for the first seven months of the year show:

Month	No. of permits issued	Total Amount
January	553	P 6,047,890
February	609	P 7,631,090
March	585	P 8,039,190
April	608	P 8,106,820
May	639	P 9,010,420
June	447	P 5,797,240

An average of P15,588.76 per permit.

Total of permits issued for August is not yet available but the records show a—

One story building on Legarda and Manrique costing	P120,000
Three story building on Quezon Boulevard costing	110,000
Two story building on Atlanta Street (Port Area)	200,000
Three story building on T. Pinpin costing	200,000

September permits to Sept. 27 show a—

Four story building on Herran and Dakota costing	P500,000
Three story building on Calle Dart costing	150,000
Three story building on Haya (Tondo) costing	120,000
Three story building on P. Blanco and Regidor	300,000

The locations given show that the erection of the larger buildings is not confined to any particular part of the City but is quite well distributed.

COMPARATIVE STATEMENT OF REAL ESTATE SALES IN MANILA

Prepared by the Bureau of the Census and Statistics

Note: A large percentage of 1945 sales and a diminishing percentage of 1946 sales, represent Japanese Occupation transactions not recorded until after liberation.

	1940	1941	1945	1946	1947
January	P 6,004,145	P 962,970	P 7,943,605	P 4,385,011	P 6,030,012
February	918,873	779,783	1,337,830	2,267,151	7,217,317
March	1,415,246	1,532,104	(?)	2,622,190	7,166,866
April	883,207	988,380	213,262	1,916,293	8,611,076
May	403,866	1,129,736	967,008	3,684,937	4,618,181
June	542,187	598,431	1,212,780	3,973,956	3,988,560
July	1,324,861	559,742	1,123,365	4,474,862	4,927,183
August	1,905,828	1,239,414	699,740	4,438,510	5,627,572
September	1,141,114	815,112	1,870,670	4,698,896	
October	993,103	1,182,678	2,096,893	5,545,800	
November	938,416	858,235	2,355,472	3,260,382	
December	1,504,004	(?)	2,874,408	4,025,926	
TOTAL	P17,974,844	P10,647,285	P22,890,133	P45,537,914	P47,356,767

Ocean Shipping

By F. M. GISPRT

Secretary, Associated Steamship Lines

EXPORTS for the month of August showed a decided increase over the preceding month,—146,851 tons for August, as against 91,939 tons for July.

Of considerable interest were the first shipments of logs and lumber to be made since liberation during this month. The shipments were small, amounting to only 1,003,409 bft., but all indications promise steadily increasing shipments.

This month completes one year during which reliable statistics have been compiled, and it is interesting to note how exports for August, 1946, compare with exports for August, 1947.

Total exports for August, 1946, and August, 1947, show as follows:

	United States Tons	Oriental Ports	Europe	Miscellaneous Ports	Total	Shipings
August, 1946...	46,875	9,061	1,350	—	57,286	36
August, 1947...	92,811	3,809	37,710	12,521	146,851	72

These figures broken down to the most important commodities, show that considerable strides have been made in reviving exports.—

	1946	1947
Cigars.....	15	1
Desiccated Coconut.....	73	5,775
Coconut Oil.....	—	1,033
Copra.....	34,989	86,822
Copra cake.....	1,029	5,299
Hemp (bales).....	33,959	84,052
Logs and lumber (bft.).....	118,729	1,003,409
Ores.....	4,000	22,954
Rope.....	170	278
Tobacco.....	255	531
Sugar.....	—	—

CONSIDERING the high percentage of pilferage, theft, and damaged cargo, with its accompanying high rates for insurance, it should be of considerable interest to local importers to know about the new type of marine cargo-container invented and manufactured by the Dravo Corporation of Pittsburgh, which is already being widely used in the United States/Europe trade.

At present, the container is only being manufactured in one standard size but it is proposed to produce other sizes to meet special merchandise requirements.

The container is 7 ft. 9 in. long, 6 ft. 5 in. wide, and 6 ft. 10-1/2 in. high. It weighs 1,650 pounds, has a load capacity of 12,000 lbs., and a cubic capacity of 277 cubic feet.

The frame consists of four corner posts of 9 in. x 9 in. open box-shaped sections of 11-gage sheet-steel, connected at the top and bottom by angle-members. The walls are of 18-gage sheet-steel, formed to provide vertical reinforcing corrugations about 4 in. wide and 2 in. deep. The floor is 16-gage sheet-steel laid on reinforcing 14-gage sheet-steel with formed corrugations.

Across the bottom are reinforcing straps which also serve as rests for fork-trucks. The roof is of 16-gage corrugated steel covered by flat 16-gage sheet-steel.

Double doors of the same material as the wall provide an opening 57 in. wide by 71-1/2 in. high. Latches at the top and bottom of the doors are operated by a lever equipped with hasp for securing with padlock or seal.

Horizontal pins or lugs which fit into recesses at the four corners of the roof can be used when handling by crane.

Hinged legs, which fit into roof recesses when the containers are tied for storage or shipment, provide a floor clearance of 5 inches when folded—ample for a fork-lift or fork-truck—and 12 in. when upright, which is high enough for a platform-truck.

The container is weatherproof and can be stored in the open with a minimum loss of space.

The advantages of such a container are obvious and numerous. The container is filled at the manufacturer's plant and the contents are undisturbed until they reach the consignee's warehouse. No packing at all or only light packing is needed for the merchandise, and this saving in the weight of individual packing tends to offset the weight of the container; and by the same token the saving in packing costs tends to offset the cost of the container.

The exporter fills the container and hands the carrying vessel a locked, sealed, weatherproof, and breakage-proof container, which is handled as one unit until deposited with the consignee, instead of being handled as numerous individual packages, boxes, cartons, or crates which are easily broken, stolen, or pilfered.

The saving in insurance is considerable since it is reported that marine underwriters have reduced base rates 50% when goods are shipped in this container.

Inter-Island Shipping

By D. M. CAMERON

Everett Steamship Corporation

ALL inter-island shipping companies will agree that one of the weightiest problems facing them at present is the lack of sufficient freight-tonnage to be lifted both inward and outward. Copra and hemp which, before the war, usually moved by inter-island vessels to Manila, are now being loaded direct from every port of the Philippines on ocean-going ships. Exporters of hemp generally prefer to ship their hemp to Manila for transshipment on ocean-going vessels, provided that the transshipment expense is borne by the ocean-vessel, and this is being done on hemp-shipments to the United States. This helps hemp exporters as it saves them the necessity of acquiring extensive warehouse-space to store their stocks pending shipment. It also saves their capital being tied up for long periods, as parcels too small for a direct call can be moved more frequently. At present, the European Freight Conference will not absorb the transshipment expense of hemp. Agreement to this, would result in additional tonnage for inter-island vessels, which is very much needed at this time. Expenses of operation are far in excess of those prevailing in late 1941, because of increases in wages and the cost of stores, particularly fuel, as well as in charter hire, which totals to much more than the pre-war amortized building-costs. As vessels are much larger than the trade warrants, operators find themselves in the position of paying high costs for moving empty large space from port to port and receiving freight rates only 35% higher than the pre-war rates. Increases in rates, at least in certain categories and between certain ports, are imperative.

The De La Rama Steamship Company has recently placed the *S.S. Molino* into service, the former *S.S. Waialeale*, of the Hawaiian inter-island trade.

The *Molino* is a 3092-ton vessel powered by steam-turbines and equipped with accommodations for 192 first-class passengers and 500 third-class passengers. She has been assigned on the Iloilo, Maribojoc, Zamboanga, Parang, and Davao run.

Also acquired by the De La Rama Company, is the *M.V. Marlingspike Hitch*, a C1-MAV-1 type of vessel. This ship is chartered from the U. S. Maritime Commission, and has been assigned on the Iloilo, Zamboanga, Davao run.

Other ships operated in inter-island trade by sub-agents of the U. S. Maritime Commission and which have now been turned over to local inter-island shipping companies for their operation, are the *M.V. Boatwain Hitch*, the *S.S. Northern Hawker*, *Northern Wanderer*, *William Nott*, and *Charles McDonnell*, which have been turned over to the Philippine Steam Navigation Company, for which the Everett Steamship Corporation are managers. These ships have been assigned on regular schedules to different parts of the archipelago. They have good accommodations for a limited number of first-class passengers and accommodations for third-class passengers. Third-class passengers are provided with meals and sleeping-cots.

The *M.V. Snug Hitch*, also formerly operated for the U. S. Maritime Commission by the Everett Steamship Corporation, has been chartered to the Compañía Marítima. Also turned over to the Compañía Marítima are the *George Tucker* and the *Masthead Knot*. The only ships still being operated by the U. S. Maritime Commission are the *Bowline Knot* and the *Esther Johnson*, under the operation of the American President Lines.

With the turning over of these ships to private operators, the public in general will benefit as a result of competition.

Air Transportation

By V. A. BRUSSOLO

Vice-President, Philippine Air Lines

IN a concise and thorough exposition of the aviation industry and its possibilities, Col. Jesus Villamor, Director of Aeronautics, succeeded in convincing the Aeronautics Commission headed by Mr. Pio Pedrosa that all proposed government regulating bodies on civil aviation in the Philippines should be under the Department of Commerce rather than under Public Works and Communications. Giving facts and figures, Colonel Villamor also pointed out that the proposed International Airport could be operated on a profitable scale as a government corporation, with the help of American CAA technical personnel at the beginning.

Usually characterized by a noticeable decrease in passenger revenue due to bad weather, the months of August and September still accounted for some 40,000 passengers flown along domestic routes by local air companies, while traffic on overseas trans-Pacific and China airlines has also been reported fairly heavy.

With the end of the rainy season in view, several airfields which were previously out of commission have been declared serviceable once more. Prominent among these are the important airfields at Cotabato and Jolo. Daily flights to these points have been resumed.

Activities among local airlines have been wide and varied. Commercial Air Lines (CALI) which was granted a permit to operate locally on regular schedules, has completed a series of survey-flights to points it intends to service in the future. Most of the defunct FEATI stocks and buildings at Grace Park have been transferred to Makati Airport, following the sale of that company to PAL. The project entailed lifting and moving of entire buildings from one airport to another. There are possibilities that the Philippine Army Air Force may take over Grace Park.

In the international scene, Pan American reports that the "sleeperette", a combination seat-and-bed, is proving popular on long flights. PAA has also announced the resumption of its pre-war service to Hongkong. This route was heretofore being served by PAL, CALI, and TAA. Northwest Air Lines, which flies the Aleutian route between Manila and New York, has been granted permit for stopovers in Tokyo. Similarly, Pan American is now operating a route between the United States and Japan.

Prominent aviation figures called at Manila on a survey-visit of the International Air Transport Association (IATA) prior to an important air-confab which is to be held in Rio de Janeiro. Representing the Philippines at this IATA conference is Mr. Walter Linder, executive vice-president of Philippine Air Lines.

Gold

By CHAS. A. MITKE

Consulting Mining Engineer

THE Act of April 2, 1792, established the first monetary system of the United States under the Constitution and fixed the weight of the gold dollar at 24.75 grains of pure gold, an ounce then being worth \$19.39.

In 1837, the gold content of the dollar was reduced, making the price \$20.67 an ounce, which, for nearly 100 years remained the standard price of gold in the United States.

Under the gold Reserve Act of January 30, 1934, the weight of the gold dollar was fixed by President Roosevelt at 15.5/21 grains of gold, 90% fine, i.e. 13.71429 grains of

pure gold. This action established the dollar at 59.06% of its former weight, and raised the price of gold from \$20.67 to \$35 an ounce, the price which remains in force at present.

The United States dollar today buys much less than it did in 1934, but the gold content and price remain the same.

There is a persistent rumor that the gold content of the dollar may be lowered; in other words, that the price of gold may be raised. Those who believe that there is some foundation for this expectation, look for an increase in the price within the next four or five years, especially if there is a resumption of the use of gold as the basis for foreign currencies.

World conditions, however, may force a re-valuation much earlier.

Great Britain is facing a crisis. Her loan from the United States is being rapidly depleted, and her exports have not increased to a point where they can take care of her needs.

Recently, she withdrew and sold some \$80,000,000 of her "last-ditch" \$2,400,000,000 gold-reserves, to buy vitally needed supplies in the United States.

Foreign Secretary Ernest Bevin has suggested a redistribution of the gold the United States has buried in Fort Knox, at a price, in order to increase the purchasing power of devastated areas of the world. This has been pronounced "cock-eyed" by U. S. Treasury officials, who assert that even if the suggestion was followed, the gold would soon find its way back to the United States. To the average layman it does not seem any more cock-eyed than selling goods on long-term promissory notes, which the purchasing nations may never be in a position to redeem, or furnishing them on a lend-lease basis. At least, the United States would get something back again—its gold. Now, it gets nothing. Moreover, if a *guarantee* accompanied the *distribution* that the countries receiving the gold would go back on a gold basis, and hold a *percentage* of it as a *reserve against their currency*, something might be achieved.

In desperation, England is once more attempting to revive "Sterlingaria", or at least proposing to revive the Sterling block, and make sterling instead of the dollar, the standard measure of world exchange. She also proposes to establish an Empire customs union. Both of these measures would result in the loss of considerable export trade to the United States.

On September 16, the British Treasury disclosed that the International Monetary Fund had agreed to provide Britain with \$60,000,000 in exchange for pounds sterling, within the next few days.

On the 19th, officials of both the Monetary Fund and the International Bank spiked rumors of an increase in the price of gold, or the devaluation of currencies, which would have the same effect as lowering the gold value. British financial quarters in London described the rumors as nonsense, while in Washington, monetary authorities disclaimed any knowledge of any proposal to this effect. The difficulty in adopting such a proposal was pointed out, the explanation being that any such scheme would be vetoed by either Britain or the United States, the two countries which each have more than 10% of the aggregate fund quotas.

South Africa has just announced that it will put its entire annual production of gold, amounting to 12,000,000 ounces, worth \$400,000,000 at the disposal of the British Government.

A report has been received that Canada is considering several relief measures—devaluation of the Canadian dollar 10% to 15%; encouragement of gold prospecting, through a bonus; or greatly reduced imports.

Recently, the Philippine Government permitted ₱4,000,000 in gold to be shipped out of the country, on the ground that the persons exporting the metal had been granted licenses to do so before the July 19 restrictions were imposed. The gold had arrived here for transshipment to the Far East, but had been held up due to the Government's compliance with instructions of the International Monetary Fund.

It is also stated that from information reaching Washington, "If the rate of progress in restoring Philippine gold production continues, the output will be nearing the pre-war level of \$30,000,000 annually before June 30, 1948."

Lumber

By E. C. VON KAUFFMANN

President, Philippine Lumber Producers' Association

SOME industries are taxed more heavily than others. The lumber industry in the Philippines has been and still is by far giving the Government the highest returns in proportion to the cost of the materials produced by the industry.

Before the war, with the cost of production at about ₱50 per thousand board feet ex-mill, the producer paid in the form of forestry taxes, sales tax, and other minor taxes about ₱13.10 per thousand board feet, i.e., 26% of the cost went to the Government. Today, with higher forestry taxes, a new reforestation tax, and a sales tax of 5%, the producer pays the Government an average of not less than ₱25 per thousand board feet or 18 to 20% of the present higher cost of production. The Government claims that it owns the forests and that producers must pay for the privilege of cutting the trees down and sawing them into lumber. But if lumber must be sold at low prices, in consonance with the Government's policy of keeping lumber prices low to favor rapid reconstruction, then taxes should rather be lowered to help the producers to increase their operations, or some other form of encouragement, such as permission to export, should be given them. Prices are now below the costs of most producers, and many mills have shut down. Since the export of logs and fitches was permitted, only 1,591,102 board feet of logs and 190,364 board feet of fitches have been shipped during the past two months. This represents only 3-1/2% of the lumber production of the Philippines for that period, which is far short of the 20% allowed for exportation. Producers are therefore anxious to have the ban lifted on the exportation of cut lumber and the percentage allowable raised to 30% of their production, which would include logs, fitches, and cut lumber.

It may seem odd that producers should be asking for an increase in the percentage of exports and also for permission to export cut lumber, when they have not been able to export their full quota of logs and fitches. But the explanation is that veneer logs and fitches have a limited market. There are not enough plywood and veneer manufacturers to absorb a monthly 20% of our total production. Most plywood plants in the United States use their own local woods. Philippine Mahogany being higher priced is manufactured in only limited quantities, as a side-line. It is therefore safe to predict that future shipments of logs and fitches will not be substantially increased.

Lumber arrivals in Manila by ships during the month of September amounted to 12 million board feet and 2000 cubic meters of logs. Arrivals by railroad and truck totalled 2 million feet of lumber and 1000 cubic meters of logs, or a combined total of about 15 million feet of lumber after the logs have been sawn into lumber.

Prices have remained far below ceiling, and a slight improvement may be expected when the rainy season is over.

Copra and Coconut Oil

By MANUEL IGUAL

General Manager, El Dorado Trading Company, Inc.

AND KENNETH B. DAY

President, Philippine Refining Company

IN closing our monthly review for the period from July 15 to August 15, we pointed out that there were a number of factors pointing to an easier situation and that, barring the unexpected, lower prices were to be foreseen.

The unexpected happened and, contrary to all indications, the market during this period appreciated to levels which were undreamed of. This can not be ascribed to any single particular cause, and while, during the past several months, the European markets were the main contributors to the occasional upward reactions and the firmness which developed here sporadically during the period under review, there was no interest to speak of from other than United States markets, and consequently firmness came from the most unexpected source, namely, the United States. This was unanticipated because it was known that we were facing very large crops of soya beans and cotton, and with plentiful supplies of these oils offering at depreciated prices, there was no reason to warrant a belief that copra or coconut oil would act differently.

During the second half of August, Britain was forced to resort again to freezing sterling because of the rapid dissipation of the United States Dollar Loan. This non-convertibility meant that the buying-power of several European countries, which up to then had been able to convert sterling into dollars, would necessarily be greatly reduced if not completely cut off. In point of fact, while actual copra purchases had been made by several European countries in the expectation of their being able to arrange sufficient dollars to pay for them eventually, the financial difficulties which developed later forced them to cancel certain sales to European destinations.

During the second half of August, the United States Government bought in excess of 47,000,000 pounds of various oils and fats to relieve foreign shortages. Later on, the Department of Agriculture set aside what might be considered enormous allocations of various fats, oils, and manufactured kindred products. The spectacular advance in grains, which in turn meant higher feeding costs, lent a very bullish sentiment to the market, and, very likely, this, plus signs pointing to general price inflation, were responsible for the firmness in the oil market which eventually was translated into higher copra prices here.

August 15 opened with sales at \$140 and \$142.50 c.i.f. Pacific Coast, and small sales to Europe at \$135 and \$136.50 f.o.b., for October/November. The American market continued rather sluggish up to the 25th of August, during which period small sales were recorded at \$141.50 to \$142.50 c.i.f., and while sellers were continually offering to Europe at as low as \$137.50 f.o.b., no business of any consequence was recorded.

As a result of a slight improvement in the oil market, the copra market firmed up somewhat and, from the 25th to the 31st, the market gradually improved, with good sales recorded on the 29th at \$150, to \$153 on the 30th, and with sellers asking \$157.50 c.i.f., on the 31st.

September opened with unconfirmed sales at \$155 for nearby positions, but soon sellers raised their ideas to \$160 c.i.f. By the 5th of September, after having recorded sales at \$157.50 and \$160, on reports that crushers were inclined to sell more freely, several thousand tons of copra were reported sold at \$160, although larger quantities, offered at \$162.50 and \$165, were turned down.

Having found buying resistance at over \$160 and feeling that this might presage the beginning of another declining period, on the 6th of September approximately 20,000 tons of copra were offered to the Pacific Coast, of which only approximately 25% was sold, and Pacific crushers, influenced by the heavy offerings, immediately reduced their ideas to \$155 with possibly \$157.50 for prompt. On the same date, small sales were recorded as low as \$155 c.i.f., and 4,000 tons were sold to India at \$154 and \$155 f.o.b.

For the next few days the market continued nominally at \$152.50, although fair sales at \$155 were reported, but on renewed indications of higher prices for oil, sales were recorded on the 9th at \$156 and \$157, which resulted in sellers increasing ideas to \$160. On the 10th of September, 9000 tons of copra were sold on bids to SCAP for the Occupied Zone of Germany, at approximately \$156 f.o.b., 42,500 tons of copra being offered for this business. Between the 10th and the 15th, the American market firmed considerably. Volume sales were reported on the 12th at \$170, and the period closed with buyers bidding \$170, while sellers had increased their ideas to a minimum of \$175 c.i.f.

AS for the coconut-oil market, from the beginning of this period there was quite a spread between soapers' ideas and those of other smaller buyers who mainly concentrated on spot-purchases. Soapers, in general, were eager buyers at 10-1/2¢ f.o.b. tank cars, Pacific Coast, but spot sold at as high as 11-3/4¢ on the 17th of August. The weakness prevailing in the new crop of soya and other oil-seeds, affected the entire oil and fat structure. On the 19th of August, soya bean was quoted at 14¢, and even cottonseed was quoted at this price.

When the report was released that the United States Government had bought heavily to relieve foreign shortages, it did not have any particular effect on the market owing to the softness of cotton and soya, but coconut-oil appreciated slightly and, while sellers were quoting 11¢ for November/January deliveries, volume sales at 10-3/4¢ were recorded.

Cottonseed-oil was quoted at 13-1/2¢ on the 23rd, and soya at 13-3/4¢, but firmness in grains caused lard to firm up as well as tallow, with the result that coconut-oil sold at 10-7/8¢ to 11¢. Between the 24th and 31st of August, while the large soapers refused to follow the firmness developing in copra markets here, sales were recorded at 11-5/8¢ to technical users.

September opened with sellers offering at 12¢ for the first quarter of next year. During the first few days of September, scattered sales were recorded at 12-1/2¢ and, while the market continued unchanged for several days, it eased off somewhat with small sales reported at 12-1/4¢, although by the 10th, sellers had withdrawn. The market appreciated rather sharply between September 10 and 15, mainly as a result of firmness in tallow which was quoted at 16¢, whereas coconut-oil sold at 13-1/2¢ January/March, at which prices we closed this period.

It is worthy of note that while coconut-oil appreciated only 3¢ from 10-1/2 to 13-1/2¢, tallow, which is the main competitive item, advanced from 12 to 16¢, or a net advance of 4¢, with strong buying-interest at this price and with a very firm undertone at the close.

Occasional small oil-sales in drums were reported to Europe during the first half of September on the basis of 13-1/2¢ f.o.b.

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THERE was quite an improvement in the volume of copra exports during August. Preliminary figures indicate approximately 50,700 tons shipped to United States destinations, 30,000 tons to Europe, and slightly over 6,000 tons to South America and miscellaneous destinations. Total preliminary exports for the month of August are 86,822 long tons.

A PART from the causes mentioned above contributing to the spectacular advance in copra, two other points merit consideration. The first is the rather disappointing receipts of copra during the first half of September, which made it impossible for dealers to offer copra in large quantities for prompt shipment at a time when American buyers were urgently interested in building up their stocks. This excess of demand over supply could only have a bullish effect, and that effect is bound to continue until supplies and demand are again in balance.

The second point is the current shortage of coconut-oil tank-cars in the United States. The shortage is unusually acute and reflects itself in abnormal premiums for spot deliveries, particularly to the Atlantic Coast. It is supposed that this situation will gradually straighten itself out, but for the moment, the spread in prices for coconut-oil between prompt and future shipments, is exceptionally large.

THE local Manila market for copra advanced in accordance with the general trend, and on September 15 copra was selling for ₱29 per 100 kilos with supplies unsatisfactory, and buyers likely to bid the market up further. Local oil sold up to 58 cents with an upward tendency.

Copra-cake was improved, and by September 15 parcels could be sold to Europe at approximately \$75 per ton f.o.b.

At the close of the period under review, markets were excited, and nobody could forecast with assurance how far the current bulge will go. Certainly, from a short-term standpoint, all markets looked firm and likely to advance further. The increase has been so rapid, however, that sooner or later it must be checked, and as far as the Philippines are concerned, this check should normally come when offerings of copra are sufficient to satisfy buying demand.

Desiccated Coconut

By HOWARD R. HICK

President and General Manager
Peter Paul Philippine Corporation

THE following report covers the calendar month of August, 1947. During the period, the supply of raw material was plentiful and the prices for nuts were directly in line with equivalent copra quotations. The month of August saw much activity from the viewpoint of production, with the Franklin Baker Company taking the lead.

A newcomer to the desiccated coconut business, the Tabacalera interests, are planning to put up a factory in Bais, Negros Oriental, which will probably be the first up-to-date factory situated in a place readily accessible to the sea for shipping purposes and in an area where raw material is plentiful and easily accessible. They plan to use existing factory buildings in which they will install modern, up-to-date machinery for the production of desiccated coconut.

Other companies have increased their capacity in small amounts so that, generally speaking, the industry has increased its output to about 70% of the normal 1941 production and, if present plans continue, the industry should have a capacity slightly above the 1941 volume by the end of the calendar year 1947.

SHIPPING STATISTICS OF MANUFACTURERS OF DESICCATED COCONUT FOR MONTH OF AUGUST

Blue Bar Coconut Products Co.	1,808,500 lbs.
Canlubang Sugar Estate	Shipped by Franklin Baker Co.
Cooperative Coconut Products	30,000 lbs.
Franklin Baker Co.	1,716,920 lbs.
Marsman and Company, Inc.	359,800 lbs.
Peter Paul Philippine Corp.	1,558,900 lbs.
Philippine Desiccated Co.	Shipped by Blue Bar Coco. Prod.
Red V Coconut Products	675,680 lbs.
Sun-Ripe Coconut Products	670,100 lbs.
United Coconut Products, Inc.	315,000 lbs.

*United Coconut Products, Inc. ships for the Cooperative Coconut Products, Inc.

Tobacco

By the CONDE DE CHURRUCA

Compañia General de Tabacos de Filipinas

THE purchasing season of the 1947 crop is practically over, for of the 107,000 quintals produced in the Cagayan Valley only about 9,000 are left in the hands of the cosecheros.

The principal buyers were the Chinese merchants who took a total of 36,000 quintals, followed by the Tabacalera with 34,000, and the National Tobacco Corporation with 16,500.

Other buyers were Bunning & Company with 4,000 quintals, Alhambra with 3,600, and "Particulares" with about 3,000 more.

Prices varied between ₱23 and ₱30 a quintal, depending on the quality of the tobacco.

In general the crop was good and will soon be available for manufacturing purposes. There is a good proportion of "Clases", the tobacco tends to be "lavado", but healthy.

The Pangasinan and Union crops were small and mediocre. Out of a total of 42,600 quintals produced there, the Chinese merchants acquired 33,000 and the Tabacalera around 9,000. Prices paid were out of proportion to the quality of the crop and varied between ₱18 and ₱25 a quintal.

Farmers are optimistic, and it appears that they are preparing to plant a bigger crop for 1948. If prices of rice and sugar keep lowering, this will certainly be the case.

Sugar

By G. G. GORDON

Secretary-Treasurer, Philippine Sugar Association

THE annual general meeting of the members of the Philippine Sugar Association is scheduled to take place on October 27, 1947, 6th floor, Ayala Building, Manila. Central members have been requested in a circular letter sent out by the Secretary-Treasurer to nominate their respective trustees and alternates to represent them at this meeting. Members may be represented at the meeting by proxies, which should be filed with the Secretary-Treasurer any time before the meeting.

Four centrals are expected to begin operations during October.

Quotations on the New York Sugar Exchange during the first half of September ranged as follows:

	High	Low	Close	Sales
May	5.20	4.86	5.18	36,300 tons
July	5.17	4.82	5.15	4,350 "
September	5.17	4.99	5.15	2,200 "
December	5.17	5.15	5.17	350 "

TOTAL SALES..... 43,200 "

1947-1948 CROP ESTIMATES

	Start of Operations	Plant Cane (Has.)	Tons Cane Per Ha.	Tons Plant Cane	Piculs Per Ha.	Piculs Plant Cane	Ratoon Cane (Has.)	Tons Cane Per Ha.	Tons Ratoon Cane	Piculs Per Ha.	Piculs Ratoon Cane	Total Crop Estimate
1. Bamban	Nov. 1947	721	38	27,283	53	38,191	99	21	2,055	29	2,877	41,068 50,000*
2. Calamba	Jan. 1948	2,494	24	58,901	42	106,032	822	15	12,046	22	17,732	123,764
3. Calumpit	Dec. 1947	863	35	30,119	50	43,374	280	15	4,207	24	6,732	50,106
4. Del Carmen	Dec. 1947	1,531	23	35,760	45	69,009	385	13	5,029	25	9,707	78,716
5. Don Pedro	Dec. 1947	4,453	43	191,479	84	374,052	1,744	20	34,830	39	68,016	442,068
6. Manaog	Dec. 1947	1,351	40	54,040	60	81,060	256	23	5,888	39	9,984	91,044
7. Norte	Jan. 1948	750	30	22,502	60	45,004	—	—	—	—	—	45,004
8. Paniqui	Nov. 1947	1,634	30	49,029	48	78,447	427	20	8,535	32	13,656	92,103
9. Pasudeco	?	1,670	33	54,927	66	109,854	149	25	3,737	50	7,475	117,329
10. Tarlac	Dec. 1947	3,609	36	129,924	56	202,104	634	22	13,948	34	21,556	223,660 64,000*
11. Asturias	Dec. 1947	1,042	50	52,100	80	83,360	178	35	6,247	60	10,710	94,070
12. Bacolod-Murcia	Oct. 1947	3,594	62	222,842	89	319,886	988	55	54,334	80	79,031	398,917
13. Bais	Jan. 1948	3,780	75	283,500	120	453,600	1,760	80	140,800	140	246,400	700,000
14. Bearin (Palma)	Not Milling	192	65	12,512	108	20,790	27	60	1,620	77	2,079	22,869
15. Binalbagan-Isabela	Feb. 1948	1,435	53	75,756	95	136,303	—	—	—	—	—	136,303
16. Bogo-Medellin	Oct. 1947	2,497	51	127,356	71	177,299	244	45	10,985	68	16,599	193,899
17. Danao	?	877	55	48,238	100	87,706	729	50	36,450	94	68,526	156,232
18. Hawaiian-Philippine (Bacolod-Murcia) (Victorias)	Not Milling	1,126	80	90,051	126	141,831	302	60	18,146	79	23,892	165,723
19. La Carlota	Oct. 1947	5,954	75	446,536	108	642,178	1,882	65	122,318	72	135,490	777,668
20. Lopez	Oct. 1947	2,680	53	142,066	90	241,245	725	40	29,008	67	48,951	290,196
21. Ma-a-o (La Carlota)												
22. Ormoc-Rosario (Bacolod)	Feb. 1948	1,099	62	67,699	111	121,856	—	—	—	—	—	121,856
23. Palma	Nov. 1947	1,177	48	57,096	66	78,106	408	41	16,691	60	24,341	102,447
24. Pilar	Dec. 1947	562	63	35,414	110	61,609	108	55	5,926	99	10,667	72,277
25. San Carlos	Feb. 1948	1,160	50	580	100	116,041	338	40	15,530	80	27,059	143,100
26. San Isidro (Binalbagan)	Feb. 1948	2,394	75	179,550	138	330,372	739	70	51,765	131	97,178	427,460
27. Santa Anita	Not Milling	317	65	20,605	106	33,751	21	60	1,260	100	2,100	35,850
28. Talisay-Silay (Bacolod)	Nov. 1947	228	60	13,693	80	18,257	102	60	6,137	80	8,182	26,439
29. Victoria-Manapla	Not Milling	1,777	60	106,606	82	145,695	424	55	23,321	74	31,406	177,102
	Sept. 1947	7,421	50	371,062	80	593,700	1,593	40	63,736	70	111,538	705,238
TOTALS AND AVERAGES		58,388	51	3,007,226	85	4,950,712	15,364	45	692,599	72	1,101,884	6,166,508
									In Short Tons			429,929

*NOTE: Purchased from other districts.

Compiled by Field Service Division—Philippine Sugar Administration—July 31, 1947

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Manila Hemp

By MURRAY COOK

International Harvester Company of the Philippines

DURING the first week of August, the Davao market for Manila hemp remained on the quiet side. The price of Davao J1 at ₱41 per picul for loose, slowly declined to ₱40.50. Resistance of sellers at this point forced exporters to increase prices, which in a few days had risen to ₱42 for Davao J1. Even at this price, very little hemp was available and prices became erratic,—depending on the individual urgency of the exporters.

By the middle of August, prices had risen to ₱45, with exporters bidding briskly for what little fiber was available. Spot stocks of local dealers had long since disappeared, and the trade depended on current production to keep presses operating and to cover sales. Steady world demand encouraged exporters; after brisk buying during the remainder of the month, the price of Davao J1—which at one time reached ₱47—ended the month at ₱45.50. Normal closing prices for loose hemp as of August 30 were:

F.....	₱52.50	S2.....	₱45.50
G.....	41.00	S3.....	38.00
H.....	28.50	J2.....	37.50
I.....	50.00	K.....	28.50
J1.....	45.50	L1.....	13.00

A firm but orderly market was observed on the non-Davao grades. J1 opened at about ₱35 per picul and closed on a firm note at ₱38 to ₱38.50. Non-Davao medium and high grades continued on the scarce side and were practically unobtainable except in small quantities.

August production made another record for the year with a total of 76,430 bales inspected, approved, and certified by the Fiber Inspection Service. Davao continued to lead with 31,194 bales, while Albay reached a record of 14,235 bales. An interesting point in Albay production was the large percentage of U.K. grades totaling 6,881 bales J2 and 3,580 bales K.

Export figures for July continued to keep pace with production figures. A total of 73,032 bales were exported against a production of 71,871 bales.

Machinery

By L. M. HAUSMAN

L. M. Hausman & Company

SHARP advances immediately followed the removal of OPA price-control some fifteen months ago. Under OPA, consumer prices had been far too low to permit continued manufacturing, in spite of the minor relief permitted during early 1946.

Manufacturers were unable and unwilling to produce on normal scale, and with an unusually large backlog of orders to fill to start with, and more piling up to meet manufacturing demands as reconversion got under way, it wasn't long before bottle-necks throttled every conceivable outlet to normalcy.

The first, abrupt increases of the middle of 1946 proved insufficient, and further steady upward pricing continued through the following months, terminating in another very appreciable general raise in prices in December.

A good many nationally known factories felt that this would probably be the peak. A few offered firm prices for the period of their shipping schedules on machines entirely of their own manufacture, and still others, in quoting with restricted escalator clause still effective, limited the percentage of the price-raise to fairly nominal percentages: 10 to 15%. However, many large producers of heavy equipment felt less optimistic and looked for upward trends in

raw materials and in unit labor costs, and therefore reserved every possible clause protecting themselves and passing on increased costs to their customers.

In spite of the really high prices prevailing early in 1947, the latter group proved correct, and generally, manufacturers of equipment which sells at a comparatively small margin above the actual material, labor, and equipment costs, have been forced to put up their prices again during the second quarter of this year.

A few announcements have already been passed out in advance, indicating additional increase for the last quarter of 1947.

Now the question is . . . are prices generally going up further? Or have they reached their limit, and will they remain as they are for some time? Or, in the course of a year, or two years, will they decline?

From many close friends of long years, who are vitally interested in these questions, this writer has tried to obtain answers for his own protection. Summing up extracts from letters received during several months past, the indications are that prices in machinery, generally, will be higher by the middle of next year than they are now, (end of third quarter), and will remain at higher levels throughout 1949 if not longer. Whether they will continue to go up is anyone's guess. Each considerable raise in the past year has been thought by competent authorities to be the last.

In the many letters received quite recently, the same thought predominates. The following may be considered "composite extracts" from these letters, voicing the same expression of opinion from widely separated sources.

"Price Outlook—We were rather optimistic on this point in our previous Export Broadcast, but we state with regret now that the national economic scene has shifted and we can no longer support this optimism."

"As a consequence of recent substantial wage increases in the coal mining industry, the steel mills of the United States have just announced an increase of steel prices which will seriously affect the cost of our products. We are making every conceivable effort by economies in manufacture and increased efficiency of operation to avoid the need for another price increase of our products, and we may be in part successful since the full effect of this steel-price increase is not yet fully apparent. On the other hand, it would hardly be fair to omit mention of such important possibilities until the condition actually confront us."

"Purchased materials have increased from 25 to 200% over 1942 levels; labor is up approximately 80%; brass ingot 67%. Pig iron was \$20 per ton and now it costs \$32; scrap iron (machinery scrap) was \$18 and now it is \$50; and steel scrap was \$18 and now is \$45."

"We are still having difficulty getting pig iron, coke, scrap, anything made of steel, also anything where copper is involved; in fact, steel sheets, plates, and structurals are probably the most acute items,—even motors have eased up a little."

Automobiles and Trucks

By J. L. MANNING

Manila Trading and Supply Company

IT is of interest to note that of the 60,210 motor vehicles operating as of June 30, 1947, as reported in the September issue of this *Journal*, 31,389 are U. S. Army or Navy surplus vehicles of various descriptions. Of this number 22,067 are trucks and 9,322 are cars or jeeps.

It is apparent from these figures that there are approximately 29,000 vehicles which may be described as of civilian production now on the roads. Of this number, it is estimated that not more than 10,000 have been imported since the war and, therefore, it would appear that around 20,000 vehicles have been saved through the war and placed back in operation. Under normal depreciation and wear and tear, it would appear that of the 60,000 automobiles and trucks now running, between 30,000 to 40,000 will have to be either taken out of service, abandoned, or replaced within the next 5 or 6 years.

This analysis would indicate that should the Philippine economy continue at its present level, importation of American cars and trucks will result at the rate of 7,000 to 10,000 per annum for at least 5 or 6 more years.

There has been a price-rise throughout the entire automobile and truck industry and best predictions indicate no lowering of prices, with the possibility of further rises within the next year. Increased cost of labor and materials in the United States are the prime factors in this price increase.

It is anticipated that stocks of new cars and trucks for delivery in the Philippines will be adequate during the next three months.

Food Products

By E. A. L. BEST

Manager, Food Products Department
Marsman Trading Corporation

FROM a food products selling point of view, last month's business offered considerable improvement as regards indent transactions. Nevertheless, some importers continue to dispose of stock merchandise at figures below replacement cost. United States indicators point to advances in price, scarcity of numerous staple commodities, and further advances in price.

During the past forty days, flour was particularly active and uncertain. One large Pacific Coast miller dispatched fifteen different telegraphic price-changes from August 19 to September 30, aggregating a total increase of \$1 per 100 pounds for the period. American quotations at this writing are the highest since March, 1947. September importations were astonishingly light. Heavy

arrivals from the United States should be anticipated in October. The majority of importers are reported to have engaged bookings up to limitations of present Washington export-license allotments. Some are said to be oversold until November.

On August 22, the Canadian Government declared a temporary embargo of flour exports. The order,—still in effect, results in our local market shortage and considerable demand for this particular type of No. 1 hard-wheat flour. Export of Australian flour to the Philippines remains banned. Generalized, flour manufacturers predict high prices until the Marshall Plan is settled.

Evaporated milk moved conservatively from bo-degas at prices representing losses. Scattered holdings should disperse rapidly because of the insignificant arrivals. Small-sized tins remain at a premium. American cheese and butter-prices advanced. A sympathetic reaction may logically be expected to affect milk. Condensed milk commands a prime position. The recent confiscation of several large shipments by the Philippine Government appears to have encouraged black-market activities. Powdered milk movement is sluggish,—limited sales without profits.

Much concern is evidenced regarding the phenomenally poor sardine catch this season off the California coast,—particularly from the Monterey district where canneries are virtually idle. It is rumored that their fishing fleets will invade Southern California waters in the hope that the October catch in the area will be attractive. Some types of salmon have failed to appear at their hereditary spawning-grounds,—hence, the almost prohibitive new costs. Herring, anchovies, mackerel, and squid are more plentiful, but not offered in large quantities. Canneries only accept orders "subject to catch and pack". The Philippines will undoubtedly experience a shortage of

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their favorite California Sardine in Tomato Sauce, unless fish strike the nets soon. They do not come to the surface during full moon periods.

Fresh fruits, such as grapes, apples, and oranges have been imported to excess. The market is flooded and practically every cold-storage facility is utilized to full capacity. Price, quality, and quantity of onions and potatoes are satisfactory. Other assorted perishables are beginning to arrive in marketable quantities and at reasonable prices.

There is an absence of some types of canned meat and an overage of others in Manila. Importations of United States corned-beef have been less than usual consumption and/or demand. Several shipments arrived recently from Australia, Argentine, and Uruguay which were subjected to strict export-license control by the respective countries of origin. The United States Secretary of Agriculture has spoken of lower meat prices. The average American farmer will probably sell most of his live-stock to meat-packers this autumn in preference to feeding all winter at existing peak grain-prices. Should this assumption prove true, a scarcity of live-stock and meat might result during the spring of 1948.

Indentors are placing food-products orders freely, optimistically but carefully,—possibly with Christmas-trade hopes in sight.

Textiles

By JAMES TRAYNOR

ARRIVALS of American textiles during August were estimated to be about the same as for the month of July. These were not large compared to other months. During August there arrived from China (Shanghai) and

Japan about half the number of bales and cases that arrived from the United States. Dealers reported that their sales of Japanese textiles showed a loss, but that they were able to sell Chinese textiles at a satisfactory profit. These arrivals of Chinese and Japanese textiles were large enough to depress local prices generally toward the end of August.

New orders placed with American mills during August, while smaller than those placed in July, were of good volume. Dealers reported placing sizeable new business with Shanghai mills during August.

The New York market remained firm, with increases in some items such as rayons and mixtures of rayon and cotton. Some American mills can not accept new orders for shipment before the second quarter of 1948.

Of-take during August was satisfactory compared to arrivals

Legislation, Executive Orders, and Court Decisions

By ROBERT JANDA

Ross, Selph, Carrascoso & Janda

THE Congress of the Philippines has not been in session during the past month and there is no new legislation to require comment.

The most important action taken by the Supreme Court during the month was its refusal by a divided vote and after considerable discussion to grant appellant's petition to dismiss the appeal in the case of *Krevenko v. Register of Deeds of the City of Manila*. This was an action to compel the Register of Deeds of Manila to register a transfer of residential property to an alien. The trial court

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had held the Register's refusal to record the transaction was proper. The case was appealed to the Supreme Court but before the appeal was decided the Secretary of Justice had issued Circular 128 directing the Register of Deeds to record such transactions. Appellant attempted to dismiss the appeal and proceed under the Circular, but his petition was denied, thereby assuring a Supreme Court decision on this important point.

In the cases of *Jose Tan Chong v. Secretary of Labor and Tam Swee Sang* the Supreme Court, reversing its previous decisions in the same cases and overruling or distinguishing a line of pre-war decisions, held that a child born in the Philippines of an alien father and a Filipino mother was born of alien parents and was itself an alien.

The Secretary of Justice in a ruling dated September 9, 1947, held that the recent amendment to Section 259 of the Revenue Code whereby the taxes imposed by franchises were increased to a minimum of 5%, operated as an amendment to legislative franchises even though such franchises provided that the tax or charge imposed thereby should "be in lieu of all taxes of every name and nature."

Executive Order No. 88 dated September 3, 1947, waived the additional progressive taxes imposed by Section 2 of C. A. No. 567 on the proprietors or operators of sugar mills.

Executive Order No. 90 dated September 10, 1947, created the Philippine Relief and Rehabilitation Administration (PRATRA) ostensibly for the purpose of handling and correlating the relief and rehabilitation activities of the Philippine Government. Attention of the business community is invited to the following powers of the new organization, the wording below being that of the order:—

"Exec. Order No. 90.

Sec. 3.

(e) To undertake the prevention of monopolization, hoarding,

injurious speculation, manipulation, private control, and profiteering affecting the supply, distribution, and movement of foods, clothing, fuel, and other articles of prime necessity;

(f) To find ways and means of encouraging and assisting Filipino retailers and businessmen such as by supplying them with merchantable goods at prices that will enable them to compete successfully in the open market;

(g) To acquire foods, clothing, fuel, fertilizers, chemicals, construction materials, implements, machinery, equipment required in agriculture and industry, and other articles or commodities of prime necessity, both imported and locally produced or manufactured, for sale in such manner and at such prices as may be determined by the Board of Directors: Provided, however, That all purchases for stock of such supplies, materials and equipment in excess of three months' requirements shall be subject to specific approval in each case by the Board of Directors herein created;

(h) To enter into negotiations and contracts with other agencies and branches of the Government and public or private corporations or associations for the manufacture or distribution of goods that it may consider necessary to insure the availability of the supply thereof in the interest of public welfare and the national economy."

Philippine Government Corporations

From an Official Source

AUGUST 18—According to a Malacañan release, the Radio Broadcasting Board is reorganizing the personnel of the government-owned station, KZFM, following a recent Executive Order placing it on a commercial basis. The purchase of new equipment has been authorized:

August 19—Malacañan releases a letter from H. G. Henares of the Agricultural Machinery and Equipment Corporation, informing the Executive Office that Manuel Tavares, acting head of the Beyster Technical Committee,

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has recommended that the Government be asked to transfer four buildings needed by the Corporation for the purpose of setting up two factories, one in Manila and one in Leyte, for the manufacture of farm machinery and implements. The sum of P30,000 has been set aside to initiate the project.

August 29—The AMEC announces that as there are some 200 applicants for D-7 and D-8 tractors from Depot 14 and only 57 are available, the sale will be carried out through a lottery at a date to be fixed later. Applicants must prove that they are operating lumber concessions.

September 4—The President accepts the resignation of Primitivo Lovina, Chairman of the Board of Governors of the Rehabilitation Finance Corporation, effective September 12. Lovina will run as senatorial candidate of the Liberal (Roxas) Party.

September 9—The President designates Delfin Buencamino Acting Chairman of the Board of Governors of the RFC.

September 12—The President by Executive Order No. 90 establishes the Philippine Relief and Trade Rehabilitation Administration, dissolving the Philippine Relief and Rehabilitation Administration and the National Trading Corporation, and reorganizing the National Cooperatives Administration. (See the column: "Legislation, Executive Orders, and Court Decisions", in this issue.)

Labor

From an Official Source

August 25—The President designates Judge Arsenio C. Roldan Acting Presiding Judge of the Court of Industrial Relations. The former Presiding Judge, Judge Vicente de la Cruz, was recently appointed General Manager of the Philippine Shipping Commission.

September 5—The President appoints Vicente Jimenez Yanzon ad interim Associate Judge of the Court of Industrial Relations.

September 15—According to a Malacañan press release, a group of representatives of a local cigar-makers' union has presented a petition to Secretary of Labor Pedro Magalain asking that the "importation and spread" (i.e. local sale) of U.S. Army surplus cigars be stopped.

COST OF LIVING INDEX OF A WAGE EARNER'S FAMILY IN MANILA

BY MONTH, 1945 TO MAY, 1947

Prepared by the Bureau of the Census and Statistics
1945=100

	All Items	Food (59.15) ¹	House Rent (8.43) ²	Clothing (6.02) ³	Fuel, Light and Water (13.94) ⁴	Miscellaneous (17.86) ⁵
1945						
March	559.8	635.5	236.4	1695.2	237.1	674.4
April	598.8	702.1	236.4	1611.9	254.3	661.4
May	689.7	799.4	236.4	2041.5	380.7	724.8
June	745.8	872.7	236.4	1860.8	410.8	788.7
July	751.5	886.9	236.4	1664.2	393.4	794.1
August	724.4	848.5	236.4	1484.5	397.6	774.3
September	708.4	852.4	236.4	1034.0	367.7	709.1
October	735.3	937.8	236.4	1045.1	466.1	499.5
November	747.8	955.8	236.4	1017.0	480.2	499.9
December	669.4	852.7	236.4	1030.3	401.9	463.0
1946						
January	603.4	759.2	236.4	984.0	363.8	434.8
February	547.2	656.3	236.4	940.3	369.5	460.7
March	525.9	631.0	236.4	940.1	340.4	445.2
April	556.2	684.1	236.4	910.3	345.5	435.9
May	545.1	675.6	236.4	765.5	342.2	409.6
June	538.7	667.4	236.4	737.9	343.3	402.2
July	552.7	704.3	236.4	598.9	341.3	364.6
August	477.9	590.0	236.4	384.7	320.9	346.3
September	477.9	591.3	236.4	378.7	314.5	347.2
October	487.4	587.2	236.4	382.7	405.8	342.7
November	484.8	607.8	236.4	406.4	346.5	305.2
December	461.9	570.8	236.4	371.9	344.7	302.1

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1947 ¹						
January.....	394.1	468.2	236.4	381.9	326.2	282.5
February.....	389.5	454.9	236.4	356.3	344.8	281.4
March.....	378.6	440.1	236.4	295.2	334.7	279.4
April.....	360.3	413.3	236.4	269.2	328.3	271.6
May.....	354.2	404.4	236.4	250.9	325.4	269.4
June.....	358.6	414.4	236.4	236.8	316.6	268.6
July.....	364.1	426.8	236.4	217.7	309.3	269.9
August.....	358.0	419.8	236.4	210.2	292.0	269.1
September.....	340.4	392.1	236.4	216.4	283.3	266.8

¹ Weekly average only
² Weights

Other Chambers of Commerce

Chamber of Commerce of the Philippines

JULY is for the Philippines and the Filipinos an eventful month. It is the month when the United States of America redeemed its pledge to grant us independence.

July is also a memorable month for Filipinos in business, as it was in this month, forty-four years ago, that the Chamber of Commerce of the Philippines came into being. It was on the 26th of July, 1903, that the organization of the Chamber of Commerce of the Philippines, by a group of Filipino businessmen, prominent among them, Teodoro R. Yangco, Miguel Velasco, Faustino Lichauco, and Ramon Soriano, was completed. At that time, William H. Taft, later President of the United States, was the Governor-General of the Philippines. As a courtesy, the organizers of the Chamber called on Governor Taft to acquaint him with their plan. Governor Taft urged them on. He considered a Chamber of Commerce of the Filipinos necessary as often he was asked from Washington for the opinion of Filipino businessmen and was compelled to state that so far there was no organization voicing such opinion. He regarded the Chamber of Commerce a necessary instrumentality in securing effective representation of Filipino interests in the United States, and having a high regard for Filipinos in business, he stated that the opinions and suggestions that might be expressed or advanced by the new organization would always receive his careful consideration.

The organization meeting, held on the morning of the 27th of July, 1903, at the office of Mr. Juan Rodriguez at Plaza Cervantes, elected the first Board of Directors and officers, who were: Francisco Reyes, President, and Faustino Lichauco, Luis Hidalgo, Teodoro R. Yangco and V. Somoza, Directors, and Ricardo Aguado, Secretary-Treasurer. Lasting for two hours and a half, that important meeting brought into being the *Camara de Comercio Filipina*, as it was then called.

According to an account in the newspaper, *El Comercio*, the bulk of the work of organization was carried by Mr. Juan Rodriguez.

P. J. OCAMPO, Secretary

Chinese Chamber of Commerce

FOR many months following the three and half years of war, rehabilitation was considerably more difficult among Chinese merchants than among those of other nationalities. With the possible exception of the Americans, they suffered more than the rest from the hands of the enemy, their losses reaching almost a quarter of a billion pesos, which represented nearly their whole investment in the Philippines. They were considered enemies by the Japanese, and were not permitted to engage in business except to a limited extent.

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The Philippine Chinese General Chamber of Commerce was organized without much delay, but its early functions were far from the promotion of business. The Chamber confined its work to relief, to preservation of peace and order among Chinese nationals, and to assisting in the liberation effort.

Like the post-liberation Filipino traders, the Chinese went into the "buy-and-sell" business without any financial or much moral backing. For a long time their former banking and other credit facilities were unavailable.

Confronted with the problem of housing not only for their families but also for their businesses, the Chinese main concern was the immediate construction of temporary structures in Manila's commercial districts, particularly along Rosario, Escolta, Dasmariñas, Rizal Avenue, Echague, Villalobos, and Tabora streets. Regardless of the tremendous costs of materials, they went ahead in building their shops and stores out of the earnings and savings made during the nearly two years that American troops spent so freely in the Philippines. Real-estate owners charged very high rentals on buildings and lots. Besides paying high rents, it was not uncommon for Chinese business men to bind themselves to relinquish their ownership of the buildings they put up after three, five, or ten years, to the owners of the lots. This is so considered a proposition that it is doubtful whether other business men would have considered such terms at a time when business appeared very unstable indeed.

The numerous risks incident to business during those days hit everybody, not excluding the Chinese. Many importers were virtually wiped out at the time when new consumer goods were thrown on the market in enormous quantities, and prices dropped way below costs. According to an estimate of the Chinese Chamber of Commerce, there was one three-month period in which Chinese importers suffered losses aggregating ₱10,000,000.

Chinese business men as a whole have contributed and are contributing largely to the rehabilitation of Philippine economy. The best evidence of that contribution is indicated by the number of licenses they hold, as shown in the following table prepared at the close of 1946:

BUSINESS LICENSES ISSUED BY THE CITY OF MANILA AS OF DECEMBER 31, 1946

Total number of business licenses on December 31, 1946	23,467
Held by Chinese	7,403
Percentage held by Chinese to the total issued	31.5%
<hr/>	
Licenses for general merchandising	7,630
Held by Chinese	3,095
Percentage held by Chinese	40.5%
<hr/>	
Licenses for "sari-sari" *stores	4,619
Held by Chinese	1,120
Percentage held by Chinese	24.3%
<hr/>	
Licenses for restaurant	459
Held by Chinese	76
Percentage held by Chinese	60.1%
<hr/>	
Licenses for bars	148
Licenses for nightclubs	26
Licenses for cinema houses	52
Licenses for beauty parlors	294

Chinese participation in the saloon business, nightclubs, cinema houses, and beauty parlors is negligible.

* Small neighborhood stores dealing in general merchandise, including foodstuffs, fuel, notions, etc.

YANG SEPENG, Executive Secretary

Temporary Building Permits

(Continued from page 188)

In the last half century, cities have faced the necessity of widening streets without their having adequate funds to pay for the needed property under condemnation proceedings. All agree that certain streets should be

widened in the interest of the general welfare. But under the conception of eminent domain, this has been almost impossible, particularly for those governments which lack the necessary financial resources or the power or opportunity to float bonds.

Recourse has, therefore, been made to the application of the police-power. For instance, it is clearly established that the general welfare is served by the establishment of front, side, and back yards, and the height and bulk of building. These measures assure the individual and the community of light and air, and diminish fire-hazards. They have been accomplished through the growth and universal recognition, adoption, and application of zoning ordinances.

The enlightened trend in court decisions is now upholding the application of the zoning principle in reserving land for future street-widening or for what is technically known as "mapped streets" on the "official map," where an owner builds in a proposed street at his own risk unless undue hardship can be proved. The exercise of this power has been interpreted by the courts not as the *taking* of land for public purposes, but as the *regulation of its use* for the wellbeing of the community at large. It is in the interest of the general welfare that streets be adequate.

The proposed zoning ordinance known as Resolution No. 288, passed by the Manila Municipal Board, is based on the application of this principle. Its provisions are less arbitrary than the originally required set-back of three meters. Whether it will stand the test of the courts, remains to be seen, as in all similar situations throughout the world. If the City of Manila is to be properly planned, it is to be hoped that the people, and the courts, if necessary, will take the enlightened view.

Something must be done even during the present financial plight of this country. The Municipal Board believes that it has evolved a fair and reasonable regulation. If something like this is not accomplished, and soon, the cities of the Philippines will remain in the same backward condition that cities throughout the world were fifty years ago.

Will Manila, Cebu, Iloilo, Zamboanga, and Davao profit by the experiences of other cities, and apply this accepted zoning-practice, or must they muddle through fifty years of growing-pains as we have had to in many parts of the United States?

There are some outstanding examples of local property-owners conforming to the recommendation of the Planning Office and the Municipal Board even prior to the enactment of the city ordinances covering the matter. The Cu Unjieng Building affords an excellent example on the Escolta frontage. The arcaded section of the Cu Unjieng Building on David is temporary closed, but is so constructed as to be easily opened when adjoining buildings are rebuilt. Botica Boie is also in line with the proposed zoning ordinance. The Heacock Building has provided for the arcade. Other new or repaired buildings on the Escolta are placing their posts so that the arcade can be easily cut through. Unless the owners of all new buildings or of those undergoing major repair on the ground-floor will conform to this practice, the Escolta will be condemned as an inferior street. The necessary widening of the street by eliminating the open sidewalks and incorporating the sidewalks within the buildings, has been deemed a fair and reasonable course. Miami, Florida, is one of the latest examples. The arcaded sidewalk becomes public property, but the owner is allowed to use the floor-spaces above. In the instances on the Escolta, the owners gain in the floor-space above, but lose on the ground-floor. In other words, there is a "bargain" possibility on the Escolta, which does not exist on Dasmariñas Street.

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Dasmariñas presents another problem. The plan approved by the Commission and adopted by the Municipal Board, provides for a 26-meter street for Dasmariñas. Existing, sound buildings restricted the Escolta to 21.4 meters. Three lanes of traffic in each direction, a minimum for a main business street, can therefore be provided for Dasmariñas. The Escolta will have only two lanes. In attempting to make reasonable adjustment for Dasmariñas, it has been recommended that the owners build no permanent structures inside the 26-meter lines, and use only temporary material there. All piers under this arrangement will be placed so that the arcaded sidewalks can later be easily built. The Goldenberg Building, at the Corner of Dasmariñas and Nueva, is an example in line with this recommendation. Other new structures are placing their piers to allow for this improvement of Dasmariñas.

It is perhaps unfortunate that money is not available to accomplish what everyone knows should be done for Manila. But Manila is no different from many cities in this regard. The big difference is that Manila is now largely destroyed. It will call on the courage and foresight of its people and leaders to take what advantage they can of this opportunity. The conception of eminent domain has long retarded rather than aided the development of urban areas. The courts have come to the rescue by sustaining zoning ordinances under the exercise of the police-power. Will Manila keep abreast of the times, or will it allow selfish interest to defeat the common good?

The Beyster Report

(Continued from page 187)

the United States Government "entertain any request for industrial loans by the Republic."

The authors say that the national income may be expected to rise for the next two years due to increased rehabilitation of pre-war exports, increased production of goods and services, and receipt of United States payments. Thereafter, exports, goods, and services will increase less markedly, and American payments will markedly decrease. However, the proposed industrialization may be expected to increase the national income to a point where, at the end of five years, the pre-war income may be achieved. "From this point on, a rise in national income in proportion to the rate of development of the industrial program, may be expected".

Private capital ventures for the rehabilitation of pre-war industries and the establishment of new industries has

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been mainly confined, according to the Report, to sugar, mining, hemp, fishing, lumber, refrigeration, construction, shoe manufacturing, power generation, shipping, furniture, plywood, rubber goods, steel fabrication, shipyards, machine shops, and other miscellaneous small industries. The authors state that due to a lack of a centralized statistical system and the private nature of these ventures, the investment costs and the productive capacities are generally unknown, but that it may be said that private development has been retarded by the lack of ready capital, shortage of equipment and materials, and the delay in the payment of war-damage claims. "Many plans for private enterprise no doubt remain in the formative stage".

The authors consider a recommendation as to the establishment of a free port in the Philippines as outside the scope of their report and content themselves with pointing out certain advantages and disadvantages.

In closing this section on the general aspects of Philippine economic development, the authors urgently recommend the immediate institution of a complete survey of all possible sources of raw materials, especially in the non-metal groups, to be handled by the National Development Company technical staff and the staffs of the Bureau of Mines and the Bureau of Science. An appropriation of P100,000 is believed sufficient for this work.

THE remainder of the Report deals in greater detail with development opportunities in the metal industries (16 pages), chemical industries (13 pages), mining and quarrying (8 pages), food and farm products, including allied industries (26 pages), textiles and allied industries (3 pages), forest products (14 pages), public services (18 pages), and miscellaneous and minor industries (9 pages).

This latter part of the report is of the most practical interest and can not be further condensed than it is for anyone who wishes to understand what is proposed. With respect to each of the proposed industries, the Report follows a general pattern: past imports of the commodity concerned and brief analyses of prices and the market, necessary raw materials available, the desired annual production, cost of the proposed plant and capital required, period of time needed to construct the plant, and the estimated profit and yield on the capital investment.

With respect to iron and steel, the authors state that the establishment of this industry is of vital necessity to the healthy industrial and economic development of the country; steel is an indispensable commodity in rehabilitation, and for some time to come foreign producers upon whom the country now depends, can be expected to supply only a small fraction of the needs. "The Philippines possesses the requisites necessary for the profitable production of iron and steel. Raw materials, labor, and fuel are available in sufficient quantities to support an iron and steel industry for many years." The authors propose the establishment of two steel plants, one in the vicinity of Iligan, Lanao,

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and the other in the Manila area. Manufactures proposed are nails; steel pipe; screws, nuts, bolts, washers, and rivets; steel bars, rods, and plates; sheet metal; and farm implements (animal-drawn and hand). They urge the establishment of a forge plant and an iron foundry in Manila, and a ferro-chrome plant and a copper smelting and refining plant in Lanao. Aluminum utensil manufacturing from imported aluminum blanks is also proposed.

The chemical industries proposed are divided into two categories: those which may be established with the aid of machinery and equipment obtained as reparations from Japan, and those which will require the purchase of the necessary machinery and equipment. In the first category are plants for the manufacture of sulphuric acid, caustic soda, soda ash, synthetic fuel, and synthetic rubber; in the second are plants for the manufacture of hydrochloric acid, nitric acid, ammonium sulphate, salt, plastics, soap, dynamite, paints and varnishes, pastes and glues, and certain pharmaceuticals.

The authors advocate that the rehabilitation of the mining industry be given every possible government assistance. They also propose the further development of the Romblon marble deposit, the quarrying of adobe stone (volcanic tuff) by more modern methods, and the establishment of another large cement plant. In connection with the latter, the authors propose also plants for manufacturing asphaltic concrete paving, concrete pipe, and asbestos-cement wallboard. Commercial production of lime is advocated, as also vitreous tile and brick manufacturing.

Under the heading "Food and Farm Products, including Allied Industries", the authors urge improved methods of rice production and propose the establishment of a plant for the manufacture of rice-bran oil. Suggestions are made with respect to the fishing and the livestock industries, and leather manufacture is advocated. The authors advise the sale of the National Footwear Corporation to a cooperative organization of local small manufacturers.

The authors state that the present is a propitious time for insuring the position of all phases of the sugar industry by the institution of a sound, well-planned, and efficiently executed overall policy, and urge that the necessary studies be made by the Sugar Administration in close cooperation with the Philippine Sugar Association and the Confederation of Planters. The establishment of alcohol plants and plants for the manufacture of bagasse wallboard is proposed in conjunction with the operation of the sugar centrals.

The authors suggest that soy beans offer a good potential crop for the Philippines and that peanut cultivation should be expanded with a view to the production of oils. The Report includes a number of suggestions considered of vital necessity to the copra and coconut-oil industries. With respect to the latter the writers declare: "It would

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be desirable if this product were one of the export products of the Philippines which would be able to enter the American market tax-free."

The authors urge immediate financial aid to the tobacco industry for a "comprehensive mechanization and modernization of the manufacturing operations." Pointing out that abaca and abaca products, particularly rope and cordage, have made Manila and the Philippines famous throughout the world, the authors state that much can be done to aid the industry and they make a number of pertinent recommendations. As to ramie, the authors quote American experts to the effect that its future is "definitely promising" and recommend the establishment of a 10,000-acre plantation and a processing plant.

The authors advocate the growing of both cotton and ramie in the country for textile manufacture. They recommend that the National Development Company Textile Mills be expanded and that an existing Japanese mill be re-erected in one of the Ilocos provinces to supply yarn and cloth to the weaving industry in that area. The establishment of a fish twine and net industry is declared to be a sound financial venture which would be of great assistance to the rehabilitation and development of the fishing industry.

The authors estimate that at least 1,000,000,000 board feet of sawn lumber will be needed in the Philippines each year for the next five years, while the estimated production of sawn lumber this year is only 325,000,000 board feet. They recommend the acquisition by the Government of a large mill (which recommendation at this writing has already been carried out), and also the establishment of a government-owned finishing mill. The erection of two plywood plants is recommended, one in Luzon and the other in Mindanao; also a number of pulp and paper plants to be located at "strategic points", and a paper-bag factory.

The establishment of a wood distillation and charcoal plant is recommended for the production of charcoal, tar, creosote, and other products, and also a small extraction plant for the production of tanning materials. The erection of a small barrel and keg plant is recommended as being a useful and profitable venture.

Under the heading, "Public Services", various existing and projected power-developments are taken up, with special emphasis given to the possibilities of the Maria Cristina Falls in Lanao in connection with the plans for two nitrogen fixation plants (ammonium sulphate) and a number of ferro-chrome units there. Construction without delay is urged of a hydroelectric plant of 70,000 KW capacity at a cost of ₱21,930,000. Plans in connection with highways, aviation, shipping, port facilities, and railroads are also briefly covered in this section, as also water and irrigation systems, sanitation, and education.

The section on miscellaneous industries covers housing, pre-fabricated housing, shipyards and drydocks, and cottage industries, under which latter heading, embroidery, rattan furniture, abaca rugs, basketware, woodcarving, metal crafts, and handwoven textiles are considered as suitable for this type of industry. Under the heading "minor industries" are mentioned, finally, button and sheet-glass manufacturing. Plans for the assembling of automobiles are also briefly considered.

The Appendix (30 pages) contains tables on timber stands, a classification of woods and their uses, requirements for various building materials, crop estimates, principal imports, pasture lands, real wages, etc.

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The "LET YOUR HAIR DOWN" Column

THE Chamber's reception held in honor of the new American Ambassador and Mrs. Emmet O'Neal at the Army and Navy Club on Wednesday, September 24, was a happy and successful affair, if we do say so ourselves. Besides the Ambassador and his wife and their two charming daughters, some six hundred members of the Chamber and their invited guests attended. The occasion was one of the first American get-togethers since the liberation, and it was a source of genuine happiness for those who attended to meet so many old friends again. There were many new faces, of a younger generation of Americans who have come here only recently, but the number of oldtimers who put in an appearance was a matter of general surprise. Estimates of the percentage of those present who were interned in Santo Tomas and at Los Baños and Baguio, ran from 30% to 80%, although one guess was that there were only some 20% of ex-internees there. A quick check of the list of those who attended indicated that the actual percentage was just under 40%. That is a pretty good showing for the people who went through those years of trial and death. According to the Census of 1939, there were then 8,709 persons of American citizenship in the Philippines, 3,191 of whom lived in Manila. Today, according to the Bureau of Immigration, 5,500 persons of American citizenship have registered as aliens, of whom around 5,000 live in Manila. This does not include some 1,766 Americans and their 450 dependents who are in the employ of United States Government agencies in civilian capacities (as of January 1, 1947), nor does it include United States Army and Navy personnel.

We are pleased to record the fact here that numerous quotations from recent issues of the *Journal* have appeared in the Manila daily press, in some cases even weeks after the original articles appeared in the *Journal*. This indicates that much of what this monthly publishes is considered 'news' by the editors. In most cases, both the original authors and the *Journal* were given the appropriate "credit", but one afternoon paper was guilty of lifting an entire article (from the "Business View" pages), printing it on the front page, and giving no credit to

the *Journal*. The *Journal* is not copyrighted for the reason that we favor the widest possible dissemination of the information contained in the publication, but whether it is copyrighted or not, we have a right to expect that the ordinary ethics of the matter will be observed by those who quote from it. Failure to properly credit, is plain piracy.

President Stevens of the Chamber recently received a letter from Mr. S. Garnezy, President of the Atlantic Gulf and Pacific Company of Manila, who is also a director of the Chamber, which ran as follows:

"Dear Fred:—After reading over the last few issues of the American Chamber of Commerce *Journal*, I have come to the conclusion that it is absolutely necessary to continue the *Journal*. I believe that the editor and manager, Mr. Hartendorp, with the help of the different individuals and entities [among the monthly contributors], is doing a very good job.

"In order to keep the *Journal* on a paying basis, it seems to me that more advertisements will have to be obtained. The members of the American Chamber of Commerce ought to advertise in this publication because it is worth while and merits their support."

Mr. Stevens wrote on the margin of this letter, "Praise from Sam is praise indeed!"

The following letter from Malacañan was addressed to the editor. It came from Mr. Federico Mangahas, Private Secretary to the President:

"This is just to thank you for the copies of the American Chamber of Commerce *Journal*. I saw the copy you sent to the President on his desk the other day, so I am assuming that he is availing himself of the use of its valuable information and ideas on the local business situation.

"The *Journal* is different from your pre-war *Philippine Magazine* in the character of its subject matter, but it certainly carries the same neat competence, insight, and vision for which a good many people hold the *Philippine Magazine* in grateful memory.

"I am sending my spare copies of the *Journal* to F. E. Lienthal, editor of *Pacific Affairs*, just in case the Institute of Pacific Relations, New York, has not as yet resumed receiving the copies of your *Journal*. I am sure the IPR is most interested to get the magazine regularly. I used to see it in its library in 1939.

"All best wishes for your continued success."

Members of the Chamber and readers of the *Journal* generally are voluntarily and generously helping to see to it that the various issues

do get around. Mr. Montague Lord, for instance, sent Mr. Leon Rosenthal, Executive Vice-President of the Chamber, a letter from Baguio to which he had attached a letter from Mr. P. K. McLean, President of the Hawaiian Trust Co., Ltd., Honolulu. Mr. McLean's letter read:

"Dear Mr. Lord:—Many thanks for the *Journal* of the American Chamber of Commerce of the Philippines. I have read a number of the interesting articles and I am passing it on to our Investment Department, where I am sure a lot of the information contained therein will be very useful to it. With kindest regards, etc."

Mr. Lord himself wrote:

"Dear Leon:—Here is an opinion from Hawaiian Trust on the *Journal* I sent them. They consider it interesting and have passed it on to their Investment Department. . . It has been cold here ever since my return; rains every afternoon, with rather much fog. It seems as though the weather is trying to make up for the dry July and August. The Government is rushing to get ready for the United Nations meeting* here in November. There will be 250 people or more to house and feed, and I think many additional visitors. We are well. The children are doing good work in school."

This issue of the *Journal* contains several important articles and reports, but we wish to call special attention to the description of a new type of cargo-container in the "Ocean Shipping" column. Mr. F. M. Gisbert, Secretary of the Associated Steamship Lines, who edits the column, wrote us about this as follows:

"I think the attached write-up will be of considerable interest to your importer members and readers and could be run with my monthly report or anywhere else in the *Journal* as you may think fit. If the matter could be given ample publicity and importers introduced the use of this new type of container, it would solve all their waterfront troubles."

A friend of Mr. Stevens called his attention to the following quotation which is most applicable to the present state of the world. The reader may guess for a moment as to the author.

"The age in which we live should be distinguished by some glorious enterprise, that those who have been so long oppressed may, in some period of their lives, know what it is to be happy. This unfortunate generation has already paid its just tribute to misery. Many have perished in the bosom of their country, others have been obliged to wander with their wives and children through inhospitable lands.

"Let the leaders continue to put an end to our present troubles. The treaties of peace are insufficient for

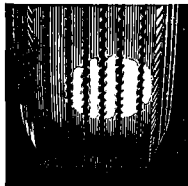
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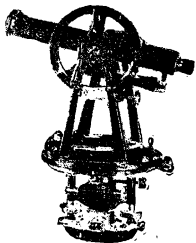


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their purpose; they retard but can not prevent our misfortunes. We stand in need of some more durable plan which will forever put an end to our hostilities, and unite us by lasting bonds of mutual affection and fidelity."

The quotation was carried in a masonic publication, two months old, but the words were first written about the year 400 B.C.—by Isocrates. Isocrates was an associate of Socrates and Plato and was one of the wisest of Greek political thinkers. His appeal was directed chiefly to Philip, the father of Alexander the Great, to whom he looked for the unification of the Greek states.

An editor today might rewrite the old paragraphs to read:

The age in which we live is to be distinguished by what many believed was a most glorious international enterprise, the establishment of the world organization known as the United Nations. For a time it seemed that the people of many countries who have been so long oppressed might be happy and that the whole world might be freed from the terror of war. This generation particularly has paid full tribute to misery. Many millions have perished in their own or in foreign countries; millions more still live under oppression; others wander bereft and alone in inhospitable lands.

Two years after the most destructive war of all time, peace-treaties between the chief adversaries are still to be negotiated, and new enemies are forming. What has been achieved is wholly insufficient, and may retard but can not prevent ultimate disaster.

Let our leaders continue to strive with untiring determination to put an end to these troubles. We stand in need of a form of world government which will forever end our hostilities and unite us all as citizens of our one world.

This is modern, yet age-old. The scene has widened to include the whole world. The peoples involved constitute the whole of humanity. The urgency has grown in proportion. The alternative has become totally monstrous.

We regret that due respectively to the illness of the temporary absence of the writers, several of the regular columns in "The Business View" Department has to be omitted in this issue of the Journal.

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(Sgd.) A. V. H. HARTENDORF
Editor and Manager

Subscribed and sworn to before me this 26th day of September, 1947, at Manila, the affiant exhibiting his Residence Certificate No. A 34115, issued at Manila on January 10, 1947.

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Doc. No. 274; page 33;
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