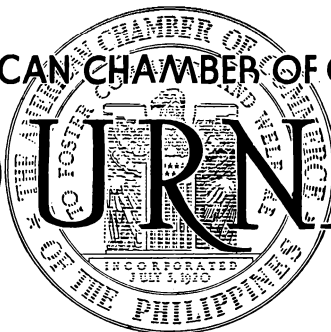


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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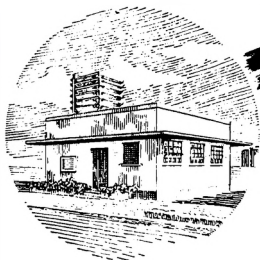
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October, 1950

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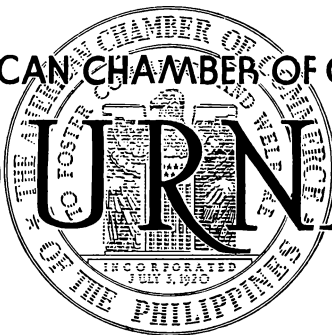
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Editorials

"... to promote the general welfare"

The promised and long-awaited reorganization of government departments, bureaus, and other entities got under way this month with important changes brought about in the Cabinet.

Cabinet Changes President Quirino's appointment of Vice-President Fernando Lopez as Secretary of Agriculture and Natural Resources was widely praised as he is well fitted to head the Department which is one of the key entities in the planned economic development of the country.

The Vice-President's appointment implies no reflection on the out-going Secretary, Mr. Placido L. Mapa, who held the position with distinction and who has been appointed Chairman of the Board of Governors of the Rehabilitation Finance Corporation vice Mr. Delfin Buen-camino.

Mr. Mapa is especially well qualified to direct the policies of the RFC along somewhat different lines than those followed up to the present, for while agricultural and industrial loans extended by the Corporation total considerable amounts, the larger part of the available funds has gone into real estate loans which, up to November 30, 1949, still constituted 48% of the total amount loaned. However, on this point, the latest annual report of the Corporation contains the following:

"While obviously there appears to be a concentration of loans in real estate construction, it is desired to state that it has not been the policy of this Corporation to encourage real estate more than agricultural and industrial pursuits. This happened only because at the beginning, while agricultural loan applications were slow in coming in, it was thought advisable to employ as much as possible the funds of the Corporation in alleviating the acute housing shortage then prevailing..."

Another appointment of special interest to business is that of Dr. Salvador Araneta as Secretary of the Department of Economic Coordination. This Department, of which Mr. Mapa, as Secretary of Agriculture and Natural Resources was temporarily the acting head, was created by Executive Order No. 319 only last May. The Order abolished the Government Enterprises Council and the Office of the Economic Administrator, and placed the supervision of nearly all (17) of the government-owned or

controlled corporations and agencies, not including the Philippine National Bank and the Rehabilitation Finance Corporation, under this new Department.

Dr. Araneta, an educator (Feati Institute of Technology and the Araneta Institute of Agriculture) and civic leader as well as a lawyer and businessman who has gained recognition as an economist, has not previously been closely identified with the Government, but as a member of the Committee on Reorganization of Government-owned and Government-controlled Corporations, he may be expected to carry out many of the recommendations of that Committee. These recommendations were reprinted in last month's issue of the *Journal*.

This *Journal* has not always fully agreed with Dr. Araneta's views, especially with his criticism of the Bell Act, but we do most heartily agree with a number of the recommendations of the Committee, recommendations which he personally reiterated in an address, a week after his appointment as Secretary of the new Department, before the Manila Junior Chamber of Commerce.

Dr. Araneta emphasized that "on the whole, government corporations should not engage in activities in competition with private enterprises", and this, indeed, is fundamental to the continuation of our free-enterprise economy.

It is a matter of satisfaction that Mr. Cornelio Balmaceda, Secretary of the Department of Commerce and Industry, is apparently to remain in that position. Again, this *Journal* has had its differences with Secretary Balmaceda with respect especially to import control and the PRATRA octopus, but there is evidence that in the light of experience, he is modifying his policies and there has never been any question as to his outstanding qualifications for the position he occupies.

Other Cabinet appointments are of lesser direct interest to business, but the appointment of Under-Secretary of Justice Jose P. Bengzon as Secretary of Justice, of Representative Ramon Magsaysay as Secretary of National Defense, of Mr. Pablo Lorenzo as Secretary of Education, and Dr. Juan Salcedo, Jr., as Secretary of Health have all been well received.

This month we received No. 3 of Volume II of the *Central Bank Statistical Bulletin*, a voluminous publication on which the Department of Economic Research of the Bank, headed by our good friend, Dr. Leonides S. Virata, is doing a truly magnificent job.

One of the many enlightening tables in this issue of the *Bulletin* is especially interesting and gives rise to much thought and speculation. It is captioned: "Individual income tax returns for 1949, showing number of returns, net income, personal exemptions, and tax liability by nationality of taxpayer". The table follows:

A. Amounts				
Nationality	No. of Returns	Net Income	Personal Exemption	Tax Liability
Filipinos.....	34,890	₱147,706,174	₱ 78,122,839	₱ 7,946,359
Chinese.....	6,054	36,715,856	15,764,361	2,176,616
Americans.....	1,801	31,135,034	4,154,761	4,657,098
Europeans.....	1,460	20,462,395	2,677,161	2,947,949
Others.....	397	3,317,165	864,396	298,411
Total.....	44,612	₱239,334,635	₱101,583,519	₱18,026,436

B. Percent				
Nationality	No. of Returns	Net Income	Personal Exemption	Tax Liability
Filipinos.....	78.2	61.7	76.9	44.1
Chinese.....	13.6	15.3	15.5	12.0
Americans.....	4.0	13.0	4.1	25.8
Europeans.....	3.3	8.6	2.6	16.4
Others.....	.9	1.4	.9	1.7
Total.....	100.0	100.0	100.0	100.0

If we combine the American and European figures, we get the following

Number of returns.....		3,261	or	7.3%
Net income.....	₱51,597,429		or	21.5%
Personal exemption.....	6,831,922		or	6.7%
Tax liability.....	7,605,047		or	42.2%

So that although the Americans and Europeans here constitute only 7% of those who pay a personal income tax, they pay 42% of the total tax collected, while the Filipinos, who constitute 78% of those who pay, pay only slightly more, 44%, and the Chinese, who constitute 13% of the number, pay only 12% of the total.

A calculation shows that the average tax payment of the Filipino individual income-tax payer amounts to ₱227, of the Chinese, ₱358, and of the American or European, ₱2332!

According to information obtained from the Bureau of Immigration, the aliens registered as of May 31, 1950, numbered as follows:

Nationality	Number	Per cent
Chinese.....	133,099	80.0
Americans.....	14,226	8.8
Spaniards.....	3,062	1.9
British.....	1,361	.8
Indians.....	1,763	1.0
Others.....	5,647	3.5
Total.....	161,158	100.0

This classification is not strictly comparable, but if we select certain of these figures and compare the tax figures on a per capita basis, we get the following approximation:

Nationality	Total number	Income tax paid	Per capita
Filipino.....	20,000,000	₱ 7,946,359	₱ 0.39
Chinese.....	135,999	2,176,616	16.11
American, Spanish, and British.....	18,649	7,605,047	407.79

Per capita figures are, of course, of little significance and notably misleading inasmuch as they average the whole population, young and old, rich and poor. Nevertheless, the figures in the preceding table, even taken only for what little they may be worth, are so disparate as to be almost comic, though, to be sure, they will not appear so to the Americans and Europeans who pay almost half of the total collected in individual income taxes and who, per capita, pay an income tax 25 times more than the Chinese pay and over a 100 times more than the Filipinos pay!

As we have said, the per capita calculation is based on figures which include everyone, from babies to the aged, male and female, workers and dependents, the idle and the ill, masters and servants, landowners and tenants, farmers, industrialists, and business and professional men, people of small incomes and large, and of no income at all. And in the case of the American and European groups in the Philippines, the men among them are mostly selected individuals of high earning capacity, though it must be taken into consideration, in the per capita figures, that these include their wives and children too.

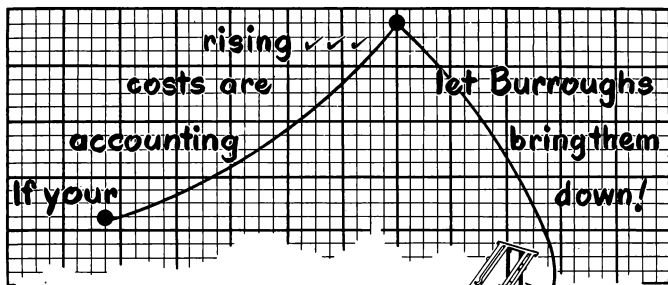
It would be possible, taking the per capita figures at their face value, to draw the conclusion that Americans and Europeans pay so much more than the Chinese and the Filipinos because the former have much larger incomes than the latter. The figures could be used in an attempt to demonstrate the low income and even the abject poverty and misery of the people of the Philippines as a whole. But we know that though the national production is not high and the people as a whole are not well-to-do and there is indeed much poverty from the Western point of view, the general conditions, physical (including the climatic) and social, are such that this poverty is not so bitter as in many other countries. The gross national product for 1949-1950 is estimated at nearly ₱4,000,000,000, on which basis the per capita product amounts to ₱200 a year, which, for a family of 5, would amount to ₱1000, against which an income tax of ₱1.95 (5 times 39 centavos) is still ridiculously low, mathematical and imaginary though this figure may be.

And a strong point to bear in mind in all this is the fact that corporate earnings, on which an income tax is additionally paid, are not reflected in the American and European figures to the extent that they are in the Filipino and Chinese figures which, to a large extent, include the business earnings inasmuch as the most common forms of business organization among the Chinese and Filipinos are the single proprietorship and the partnership.

Furthermore, the Filipino figures include the figures for the numerous well-to-do Chinese and some Europeans who have become Filipino citizens.

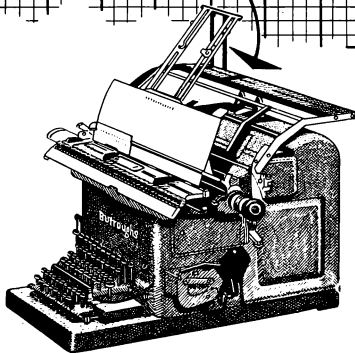
Another table in the *Central Bank Bulletin*, captioned "Estimated number of income recipients, amount received, and per cent of distribution in the Philippines, by money-income classes", shows that of the "income recipients", estimated to number a total of 5,471,749, some 87.48% receive an income of less than ₱1000, and some 10.42% more of them receive incomes only up to ₱2000 a year. If we take it that none of these people pay or should pay an income tax, then there still are some 115,000 people who earn ₱2000 or more a year and who should pay an income tax, though only a small one in the case of those in the lower income brackets. But the first table shows that the total number of persons paying individual income taxes is only 44,612, which would indicate that there are many thousands of tax dodgers.

Another fact which strongly bears out this conclusion is that, according to a table credited to the Bureau of Internal Revenue and included in the *Central Bank Bulletin*, some 54% of the taxable individual income-tax



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returns and some 77% of the total individual income taxes assessed in 1949 were for Manila alone.*

Data on which to base really accurate conclusions are unavailable, but there are other figures which are at least broadly indicative of the facts as to the very inefficient and unfair collection of individual income taxes. There is, for instance, the table published by the Bureau of the Census and Statistics which shows the foreign trade of the Philippines in 1949 by nationality of the traders.

The total foreign trade that year amounted to ₱1,645,845,310, of that that credited to the American nationality was ₱589,009,361, that to Chinese, ₱494,732,080, and that to Filipino, ₱359,749,373. Roughly those national figures represent respectively 6/16, 4/16, and 3/16 of the total trade. Since most of the Americans and Europeans here are engaged in trade, it may be assumed that most of their individual earnings are derived from this trade, yet on that basis, the Chinese traders should be paying only about a third less in income taxes than the Americans and Europeans, and the Filipino traders should be paying about half of what the Americans and Europeans are paying. The tables we have do not, of course, show that the Chinese and the Filipino traders do not pay this much, but both the average and the per capita figures throw a great doubt on this.

According to the Bureau of Public Works, there were some 94,000 motor vehicles registered in the Philippines in 1949, of which some 40% were private automobiles. It appears, therefore, that the number of automobile owners approximates the number of people paying individual income taxes, as if the fact that a man owns an automobile had been used by the Bureau of Internal Revenue as a check. But what about the many well-off people who do not own automobiles?

Inadequate as the available data is for formulating any definite conclusion, it is nevertheless very clear that the individual income tax is widely evaded and that Americans and Europeans who either scrupulously keep their account books or whose earnings are based on salary payments which can not be concealed, bear far more than a fair share of the income tax burden.

The total income of the Government from individual income taxes has been judged so unsatisfactory that the Philippine Congress in the recent special session passed a bill raising the rates, which bill has, at this writing, just been signed by the President.

However, on a comparative basis and for the degree of economic and governmental development reached by the Philippines, the rates which already had been raised once since the war, were high enough if not already too high. Instead of again raising the rates, thus increasing the burden of those who are already carrying more than their proportionate share, measures should have been taken to provide for a more effective collection.

What stares one in the eye on examining the new Act (Republic Act No. 590) is that though the rates in the lower income brackets have been raised from 3 to 5% for the first ₱2000, from 6 to 8% for the second ₱2000, from 9 to 12% for the third ₱2000, and from 13 to 18% for the next ₱4000, the exemption for married persons has been raised from ₱1500 to ₱3000 and for each child from ₱500 to ₱600, so that the total tax for persons whose incomes lie within this range has been increased but slightly.

*According to the same table, 66% of the taxable corporate income-tax returns were filed in Manila, and 93% of the total corporate income-tax assessment of ₱28,371,557 was assessed in Manila. The new law raises the corporate income tax from 12 to 16%.

†The generally higher scale of salaries paid Americans and Europeans occupying technical positions in the Philippines is to be accounted for chiefly by the law of supply and demand, and not by any established policy of discrimination against Filipino personnel. Unless a sufficient amount over the local salary scale is paid them to compensate for the disadvantages entailed in their establishing themselves so far away from home for the higher costs of everything they are accustomed to (also largely due to distance and high freight rates), the extra traveling expenses for themselves and families, the education of their children, etc., they could not be induced to come here. Any attempt to level this salary differential through excessive income-taxation, therefore, is uneconomical and well as unfair.

The real slaughter begins with the second ₱10,000, on which the rate is 24% and the third ₱10,000, on which the rate is 30%. From there on the rates rise more and more sharply, but for practical purposes, the persons hardest hit are those within the brackets which cover the income of the great majority of Americans and Europeans here.

It is impossible to avoid the conclusion that the lawmakers sought to save the group which includes the majority of government personnel from any further burden, while the alien business and professional men are dealt another blow.**

As for the rates in the higher brackets, for instance, 50% on the last ₱10,000 in the case of an income of ₱100,000, and 60% on anything over ₱500,000, there enters the factor which we referred to in an editorial in the September issue of this *Journal*,—the fatal effect of such confiscatory taxation on the highly essential process of capital formation. It is truly a "syphoning off" of private funds into the government treasury, and there is no guarantee,—there never is, that the Government will use such money more wisely than the man who earned it, and certainly not for capital investment, increasing the productivity and raising the standard of living of the whole country.

(Reprints of this editorial may be obtained at the Chamber)

The idea that, in times of emergency and especially in times of war or the threat of war, governments, even in free-enterprise countries, must resort

Economic Controls in Wartime to controls over the economy, is widely accepted. Socialists often use the fact that these controls are generally imposed and accepted at such times as "proof" that a controlled economy is actually more efficient than a free economy.

The American Congress recently acted on this belief in granting the President mandatory powers over industry and over wages and prices in the Defense Production Act, greater powers, in fact, than the President himself asked for and which he appears loathe to use.

The passage of this legislation led, indeed, to the voicing of grave warnings that such controls constitute "dangerous interference". The prominent economist and member of the Federal Reserve Board, M. S. Szymczak, advised the President not to use them. He said (as quoted in *Time*):

"Direct controls are not the answer to our immediate inflation problem. They deal only with effects and not with basic causes... [I]nstead, the Government should cut down on the rapid credit and monetary expansion... [and] current Government deficits which threaten to grow larger and larger."

And the Committee for Economic Development declared:

"Such [direct control] measures are not only unnecessary now but would actually impede the nation's efforts to build its military force, prevent inflation, and strengthen our economy. Overall direct controls inevitably interfere with the process of production and distribution of goods. They weaken incentives, discourage attempts to increase supplies of scarce materials, and interfere with the growth of productivity... Their interference is cumulative, and is especially dangerous in a long-drawn-out period of rearmament."

The Committee, like Szymczak, advised the cutting of Federal spending on non-military projects, a general tightening of credits, and increased excise, income, and corporate taxes, but not an excess profits tax "except in extreme emergency".

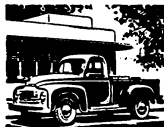
The Committee summed up:

"The nation needs quick and fundamental action now, quicker and more fundamental than is possible by the route of direct controls."

How slow direct controls are, we in the Philippines have learned in connection with the import control.

And here is what one of the greatest of living economists says on "war and the market economy",—Ludwig von Mises, internationally known as the head of

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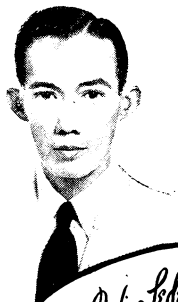
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the so-called "Austrian school" of economics, in his book of nearly 1000 pages, "Human Action, A Treatise on Economics", Yale University Press, 1949:

"The market economy, say the socialists and interventionists, is at best a system that may be tolerated in peacetime. But when war is such an intolerable and impermissible. It would jeopardize the vital interests of the nation for the sole benefit of the selfish concerns of capitalists and entrepreneurs. War, and in any case modern total war, peremptorily requires government control of business.

"Hardly anybody has been bold enough to challenge this dogma. It served in both World Wars as a convenient pretext for innumerable measures of government interference with business which in many countries step by step led to full 'war socialism'. When the hostilities ceased, a new slogan was launched. The period of transition from war to peace and to 'reconversion', peace, contained, requires even more government control than the period of war. Besides, why should one ever return to a social system which can work, if at all, only in the interval between two wars? The most appropriate thing would be to cling permanently to government control in order to be duly prepared for any possible emergency.

"An examination of the problems which the United States had to face in the second World War will clearly show how fallacious this reasoning is.

"What America needed in order to win the war was a radical conversion of all its productive activities. All not absolutely indispensable civilian consumption was to be eliminated. The plants and arms were to be turned to war production, only a minimum of goods for nonmilitary use. For the rest, they were to devote themselves completely to the task of supplying the armed forces.

"The realization of this program did not require the establishment of controls and priorities. If the government had raised all the funds needed for the conduct of war by taxing the citizens and by borrowing from them, everybody would have been forced to cut down his consumption drastically. The entrepreneurs and farmers would have turned toward production for the government because the sale of goods to private citizens would have dropped. The government, now by virtue of the inflow of taxes and borrowed money the biggest buyer on the market, would have been in a position to obtain all it wanted. Even the fact that the government chose to finance a considerable part of the war expenditure by increasing the quantity of money in circulation and by borrowing from the commercial banks would not have altered this state of affairs. The inflation must, of course, bring about a marked tendency toward a rise in the prices of all goods and services. The government would have had to pay higher nominal prices. But it would still have been the most solvent buyer on the market. It would have been possible for it to outbid the citizens who on the one hand had not the right of manufacturing the money they needed and on the other hand would have been squeezed by enormous taxes.

"But the government deliberately adopted a policy which was bound to make it impossible for it to rely upon the operation of the unhampered market. It resorted to price control and made it illegal to raise commodity prices. Furthermore it was very slow in taxing the incomes swollen by inflation. It surrendered to the claim of the unions that the workers' real take-home wages should be kept at a height which would enable them to preserve in the war their prewar standard of living. In fact, the most numerous class of the nation, the class which in peacetime consumed the greatest part of the goods consumed, had so much more money in their pockets that their power to buy and consume was greater than in peacetime. The wage earners—and to some extent also the farmers and the owners of plants producing for the government—would have been frustrated if the government's endeavors to direct industries toward the production of war materials. They would have induced business to produce more, not less, of those goods which in wartime are considered superfluous luxuries. It was this circumstance that forced the Administration to resort to the systems of priorities and of rationing. The shortcomings of the methods adopted for financing war expenditure made government control of business necessary. If this system had been imposed and taxation had cut down the income (after taxes) of all citizens, not only of those enjoying higher incomes, to a fraction of their peacetime revenues, these controls would have been supererogatory. The endorsement of the doctrine that the wage earners' real income must in wartime be even higher than in peacetime made them unavoidable.

"Not government decrees and the paper work of hosts of people on the government payroll, but the efforts of private enterprise produced those goods which enabled the American armed forces to win the war and to provide all the material equipment its allies needed for their cooperation. The economist does not infer anything from these historical facts. But it is expedient to mention them as the interventionists would have us believe that a decree prohibiting the employment of steel for the construction of apartment houses automatically produces airplanes and battleships.

"The adjustment of production activities to a change in the demand of consumers, is the source of profits. The greater the discrepancy between the previous state of production activities and that agreeing with the new structure of demand, the greater adjustments are required and the greater profits are earned by those who succeed best in ac-

complishing these adjustments. The sudden transition from peace to war revolutionizes the structure of the market, makes radical adjustments indispensable, and thus becomes for many a source of high profits. The planners and interventionists regard such profits as a scandal. As they see it, the first duty of government in time of war is to prevent the emergence of new millionaires. It is, they say, unfair to let some people become richer while other people are killed or maimed.

"Nothing is fair in war... It may be admitted that it is not 'fair' that war enhances the profits of those entrepreneurs who contribute best to the equipment of the fighting forces. But it would be foolish to deny that the profit system produces the best weapons. It was not socialist Russia that aided capitalist America with lend-lease; the Russians were lamentably defeated before American-made bombs fell on Germany and before they got the arms manufactured by American big business. The most important thing in war is not to avoid the emergence of high profits, but to give the best equipment to one's own country's soldiers and sailors. The worst enemies of a nation are those malicious demagogues who would give their envy precedence over the vital interests of their nation's cause.

"Of course, in the long run war and the preservation of the market economy are incompatible. Capitalism is essentially a scheme for peaceful nations. But this does not mean that a nation which is forced to repel foreign aggressors must substitute government control for private enterprise. If it were to do this, it would deprive itself of the most effective means of defense. There is no record of a socialist nation which defeated a capitalist nation. In spite of their much glorified war socialism, the Germans were defeated in both World Wars.

"What the incompatibility of war and capitalism really means is that war and high civilization are incompatible. If the efficiency of capitalism is directed by governments toward the output of instruments of destruction, the ingenuity of private business turns out weapons which are powerful enough to destroy everything. What makes war and capitalism incompatible with one another is precisely the unparalleled efficiency of the capitalist mode of production...

"The *Wehrwirtschaftslehre*, the German doctrine of the economics of war, contends that neither cost of production nor quality is important in matters of warfare. Profit-seeking business is concerned with costs of production and with the quality of products. But the heroic spirit of a superior race does not care about such aspects of the acquisitive mind! What counts alone is war preparedness. A warlike nation must aim at autarky in order to be independent of foreign trade. It must foster the production of substitutes irrespective of mammoth considerations! It can not do without full government control of production because the most important citizens would thwart the plans of the leader. Even in peacetime the commander-in-chief must be entrusted with economic dictatorship.

"Both theorems of the Erzzat doctrine are fallacious. "First, it is not true that the quality and suitability of the substitute are of no importance. If soldiers are sent into battle badly nourished and equipped with weapons made of inferior material, the chances for victory are impaired. Their action will be less successful, and they will suffer heavier casualties. The awareness of their technical inferiority will weigh on their minds. Erzzat jeopardizes both the material strength and the morale of an army.

"No less incorrect is the theorem that the higher costs of production of the substitutes do not count. High costs of production mean that more labor and more material factors of production must be expended in order to achieve the same effect which the adversary, producing the proper product, attains with lower expenditure. It is tantamount to expending scarce factors of production, material, and manpower. Such waste under conditions of peace results in lowering the standard of living, and under conditions of war in cutting down the supply of goods needed for the conduct of operations...

"Modern civilization is a product of the philosophy of *laissez faire*. It can not be preserved under the ideology of government omnipotence..."

The foregoing quotation from the book of Ludwig von Mises is a long one, but this book has been described as the "counterweight of Marx's 'Das Kapital', Lord Keynes' 'General Theory', and of countless other books recommending socialization, planning, credit expansion, and similar panaceas." Henry Hazlitt said of it in a recent review in *Newsweek*:

"If any single book can turn the ideological tide that has been running in recent years so heavily toward statism, socialism, and totalitarianism 'Human Action' is that book."

In view of not only this highly dangerous trend, but of all the hostile theorizing against our free enterprise system, it behooves us, who realize that political and economic freedom are inseparable, to know more than many of us do about the established economic principles which underlie that system so that we will not be so easily induced to make concessions and to compromise where we should stand firm.

Secretary of State Dean Acheson delivered a brilliant and inspiring address before the General Assembly of the United Nations on September 20 which we should have liked to print in full, but as it ran to some 22 typewritten pages we have had to content ourselves with sending only the latter part of it to our printers.

The first part of the address, the part we have had to omit, embodies a brilliant exposition of the state of the world with reference to the conflict between the democratic nations and Russia, introduces a number of recommendations in connection with the establishment of a collective security system, and expresses the belief that with such defensive strength against further aggression it may be possible—

"to pass through this time of tension without catastrophe and to reach a period when genuine negotiation may take its place as the normal means of settling disputes."

Mr. Acheson went on to say:

"The Soviet leaders are realists, in some respects at least. As we succeed in building the necessary economic and defensive military strength, it will become clear to them that the non-Soviet world will neither collapse nor be dismembered piece-meal. Some modification of their aggressive policies may follow, if they then recognize that the best interests of the Soviet Union require a cooperative relationship with the outside world.

"Time may have its effect. It is but thirty-three years since the overthrow of the Czarist regime in Russia. This is a short time in history. Like many other social and political movements before it, the Soviet revolution may change. In so doing, it may rid itself of the policies which now prevent the Soviet Union from living as a good neighbor with the rest of the world.

"We have no assurance that this will take place. But as the United Nations strengthens its collective security system, the possibilities of this change in Soviet policy will increase. If this does not occur, the increase in our defensive strength will be the means of ensuring our survival and protecting the essential values of our societies.

"But our hope is that a strong collective security system will make genuine negotiation possible, and that this will in turn lead to a cooperative peace."

The latter part of the speech, about a third of the length of the whole, is reprinted elsewhere in this issue of the *Journal*. The section is led up to by Secretary Acheson's statement that "even as we arm against aggression, we must 'carry on with our war against want'."

"We must do these two things at the same time," he declared, "because that is the only way we can constantly keep before us the whole purpose of what we are doing."

Then he averred flatly that "we have it in our power now . . . to transform the lives of millions of people, to take them out from under the spectre of want, to give people everywhere new hope. We can meet and we must meet the challenge of human misery, of hunger, poverty, and disease."

He addressed a moving appeal to the United Nations that the various governments unite in improving land use and productivity everywhere as well as push ahead with problems of health, education, industrialization, and public administration. He would concentrate these efforts especially in "areas of particular need", and then made his great point that "the place to begin is Korea".

He spoke of the devastation which has overtaken Korea, and we, in the Philippines, know very well what that means. And as the United States has done much to repair the damage of war and invasion here, he proposed that the United Nations be "prepared to marshal its resources and its experience" to help the people of Korea. "My government", he said, "is prepared to join with other member nations in making resources and personnel available."

"These measures not only will aid in restoring the people of Korea quickly to a condition of peace and independence, but they will demonstrate to the people of the world the creative and productive possibilities at the command of the United Nations.

"Out of the ashes of destruction, the United Nations can help the Korean people to create a society which will have lessons in it for other people everywhere. What the United Nations will be able to do here can help set a pattern of coordinated economic and social action in other places, where the need is for development aid rather than rehabilitation.

"We look forward to a time when members of the United Nations will be able to devote their energies and their resources to productive and creative activities, to the advancement of human well-being, rather than to armaments."

Philippine readers will recognize that this splendid plan is not wholly new. When Ambassador-at-large Philip C. Jessup was in Manila early this year, he referred to the then proposed mission of American experts, and spoke of the Philippines as a "pilot area" in the implementation of the Point Four Program and of the intention of the United States Government to use the Philippines as a "show window for Democracy" in the Far East.

Now Korea is to be this and something more, and we may well hope, strongly as we may endorse the Acheson proposal, that American interest will not be entirely shifted from the Philippines to Korea.

As a matter of fact, the various developments in the Philippines since the liberation,—economic, political, and administrative, no doubt hold lessons which will prove valuable to those who will direct the planned efforts in Korea. As for us, we may well ask ourselves, with great earnestness if not anxiety, how we have measured up to our own necessary part in making this country the "show window" of Democracy in this part of the world. The word "show" has a number of different meanings, some of them far from felicitous.

AMERICAN CHAMBER OF COMMERCE of the Philippines, Manila

October 4

Mr. Evert D. Hester
Counselor of Embassy
for Economic Affairs
Manila

Dear Mr. Hester:

On the occasion of your retirement from the service of the Government of the United States, announced in the newspapers this morning, I have the honor, on behalf of the American Chamber of Commerce of the Philippines, to express to you our deep appreciation of the helpful interest you have always given to the problems which have confronted the American business community here through the years, and to say to you also that the long, distinguished, and disinterested services you have rendered our Government and the personal integrity characteristic of you have been the pride of all those Americans who have had the privilege of knowing you.

Very sincerely yours,

PAUL WOOD

A member of the Chamber told us recently that he is often asked nowadays for credit information and that in such cases he has difficulty in recalling what information is his own and what information he may impart, and what information he has received confidentially as himself a member of the Association of Credit Men, Inc. (P.I.) He can not properly divulge the latter and said that, anyway, he does not think it is fair for anyone to ask for information which others obtain from a cooperative organization which they have formed and support and in which they all do their own part by imparting as well as merely receiving information. This contribution of credit infor-

mation to a common store by numerous members is what makes the accumulation so valuable.

This businessman said that the Credit Association is doing a "splendid job", especially valuable at this time, and suggested that the *Journal* call attention to this and make the following quotation from the minutes of the latest meeting of the Directors of the Association:

"The Manager reported discussions being held presently with several prospective members, and Directors and members alike were urged to inform the Manager of any prospective or possible members. The Manager is most willing to call on and discuss membership matters with any prospective member."

The Manager is Mr. Duncan Burn, office at 201 Wilson Building, telephone number 29372.

Korea to be Rebuilt

By DEAN ACHESON
American Secretary of State

... WE have it in our power now, on the basis of the experience of the United Nations, to transform the lives of millions of people, to take them out from under the spectre of want, to give people everywhere new hope.

We can meet and we must meet the challenge of human misery, of hunger, poverty and disease.

As an example of the kind of need to which we must put our efforts, I would like to speak of the problem of the use and ownership of land, a source of misery and suffering to millions.

In many parts of the world, especially in Asia, nations have been seeking to achieve a better distribution of land ownership. Leaders in India and Pakistan, for example, are keenly aware of this problem, and are taking steps to deal with it effectively.

In Japan, as the result of a land-reform program, three million farmers—well over half of all the farmers in Japan—have acquired land.

In the Republic of Korea, where previously there had been twice as many tenants as owners of land, a redistribution of farmlands had, by the time of the invasion, changed this ratio so that those who owned land outnumbered those who held their land in tenancy. Plans scheduled for this summer would have made farm owners of ninety percent of the farm families.

In each of these countries, the result of redistribution of the land has been to give the individual farmer an opportunity to work for himself and to improve his status.

These examples I have cited are not slogans or phrases. They suggest what can be done on a cooperative, democratic basis, by processes of peaceful change, which respect the dignity of the individual and his right to self-reliance and a decent livelihood. The result has not been what has been called land-reform in certain other parts of the world—to collectivize the farmer and to place him under the complete control of the government instead of the landowner.

Equally important is the problem of better use of the land. Control of soil erosion, better seeds, better tools and better fertilizers are needed in almost every country, but especially in parts of Asia, Africa, the Middle East, and Latin America, where the people suffer greatly from inefficient use of their land.

The major responsibility in these fields rests, of course, with governments, but the United Nations should make special efforts to advise and assist governments in improving land use and productivity. A considerable portion of the funds pledged for the technical assistance program is already available, to enable us to push ahead with an attack on such problems as these, as well as problems of health, education, industrialization and public administration.

A vast opportunity awaits us to bring, by such means as the United Nations has been developing, new hope to millions whose most urgent needs are for food, land, and human dignity.

These efforts, and this experience, if concentrated on areas of particular need, can have a combined impact of exciting proportions.

THE place to begin is Korea.

Just as Korea has become the symbol of resistance against aggression, so can it become also the vibrant symbol of the renewal of life.

A great deal is now being done through the United Nations and under the unified command for the relief of the Korean people. This aid needs to be vastly increased.

But there is another job which needs to be done, and a greater one. As peace is restored in Korea, a tremendous job of reconstruction will be required.

The devastation which has overtaken Korea is a consequence of the aggression from the north. It is probably unrealistic to expect that those who might have prevented or recalled this aggression will make available the help needed to repair the damage caused by this invasion.

The lives lost as the result of this aggression cannot be recalled, but as the people of Korea set about the task of reestablishing a free and independent nation, as they begin to rebuild their country, the United Nations must be prepared to marshal its resources and its experience to help them.

Here, by focusing on one place of extreme need, the United Nations and the specialized agencies can demonstrate to the world what they have learned about helping people to combat disease, to build hospitals, schools, and factories, to train teachers and public administrators, to make the land fertile.

This is a job that can be done. It will take substantial funds and resources. Fifty-three governments have pledged their support to the United Nations' defense of Korea. Some of them have been unable to contribute military personnel or equipment. But all of them, I am sure, will want to contribute food, transportation and industrial equipment, construction materials and technicians to the great task of reconstruction.

My government is prepared to join with other member nations in making resources and personnel available. When the conflict in Korea is brought to a successful conclusion, many of the doctors, engineers, and other technicians, and much of the resources now being used to support the United Nations military action, will be made available by my government to a United Nations recovery force.

I suggest that the General Assembly have the Econ-

omic and Social Council set up a United Nations recovery force to harness this great collective effort.

These measures not only will aid in restoring the people of Korea quickly to a condition of peace and independence, but they will demonstrate to the people of the world the creative and productive possibilities at the command of the United Nations.

Out of the ashes of destruction, the United Nations can help the Korean people to create a society which will have lessons in it for other people everywhere. What the United Nations will be able to do here can help set a pattern of coordinated economic and social action in other places, where the need is for development aid rather than rehabilitation.

We look forward to a time when members of the United Nations will be able to devote their energies and their resources to productive and creative activities, to the advancement of human well-being, rather than to armaments.

When the time comes that a universal collective security system enables nations to reduce their burden of armaments, we hope that other nations will join us in pledging a good part of the amount saved to such productive United Nations activities as have been described.

A world such as this, in which nations without exception work together for the well-being of all mankind, seems a very distant goal in these days of peril, but our faith in its ultimate realization illumines all that we do now.

In building a more secure and prosperous world, we must never lose sight of the basic motivation of our effort: the inherent worth of the individual human person. Our aim is to create a world in which each human being shall have the opportunity to fulfill its creative possibilities in harmony with all.

It is our hope that the relaxation in international tension, which we seek, will be accompanied by a great restoration of human liberty, where it is now lacking, and progress everywhere toward the "larger freedom."

But the safeguarding of human freedom is not a distant goal, nor a project for the future. It is a constant, immediate, and urgent concern of the United Nations.

The United Nations should keep forever in mind the objective set forth in the Universal Declaration of Human Rights, and we should press forward with the work of our distinguished Human Rights Commission.

While we are engaged in creating conditions of real peace in the world, we must always go forward under the banner of liberty. Our faith and our strength are rooted in free institutions and the rights of man.

We speak here as the representatives of governments, but we must also speak the hearts of our countrymen. We speak for people whose deep concern is whether the children are well or sick, whether there is enough food, whether the roof leaks, whether there will be peace.

But peace, for them, is not just the absence of war.

The peace the world wants must be free from fear—the fear of invasion, the fear of subversion, the fear of the knock on the door at midnight.

The peace the world wants must be free from want, a peace in which neighbors help each other, and together build a better life.

The peace the world wants must be a moral peace, so that the spirit of man may be free, and the barriers between the hearts and minds of men may drop away and leave men free to unite in brotherhood.

This is the task before us.

The Business View

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

Office of the President of the Philippines

From an Official Source

SEPTEMBER 1—President Elpidio Quirino administers the oath of office to Congressman Ramon Magsaysay, Chairman of the House Committee on National Defense, as Secretary of National Defense vice Col. Ruperto K. Kangleon whose resignation was accepted yesterday. Like his predecessor, Secretary Magsaysay distinguished himself as a guerrilla leader during the Japanese occupation.

A number of members of the Economic Survey Mission, including Ambassador Daniel W. Bell, Maj. Gen. Richard J. Marshall, and Edward Bernstein, call on the President to say goodbye.

At a meeting of the Cabinet, Secretary of Foreign Affairs Carlos P. Romulo reports that he has received requests from the United Nations for the delivery of the vaccines which the Philippines pledged as part of its contribution to the action in Korea; Secretary of Health Antonio Villarama states the vaccines are available for immediate shipment. Secretary Romulo reports also that the Philippine National Red Cross is donating a quantity of blood plasma.

The President gives a luncheon in honor of the outgoing and incoming Secretaries of National Defense and of the members of the various Philippine delegations to international conferences: *United Nations Delegation*.—Secretary Romulo, Senators J. S. Montano, E. R. Abada, and L. Sumulong and Congressmen J. J. Roy and D. Macapagal; *Inter-Parliamentary Union*, (Dublin, Ireland).—Senators T. Cabili and C. P. Garcia and Congressmen A. Escarcel, T. S. Clemente, and J. B. Laurel, Jr.; *International Tariff Conference* (Torquay, England).—Secretary of Finance Pio Pedrosa and Congressman C. S. Allas.

Executive Secretary Teodoro Evangelista sends a letter to the Import Control Board directing that the Government and government entities and corporations must be given priority in the issuance of licenses covering imports from Japan under the new \$25,000,000 agreement with SCAP.

Dr. L. R. Salvoa, General Manager and Actuary of the Government Service Insurance Board, reports that dividends of ₱1,259,534.33 have been declared and will soon be distributed to members; a reserve for contingencies amounting to ₱2,649,000 is "indicative of the financial soundness of the system".

Sept. 2—The President delivers the principal address at a rally held in the Rizal Memorial Stadium for the 1200-man Philippine Expeditionary Force to Korea (Lt. Col. Mariano Azurin, commanding); the rally was sponsored by the Philippine Junior Chamber of Commerce.

The National Urban Planning Commission is reported to have decided to hold in abeyance, pending final disposition of the Hipolito Case, all applications for building permits in areas affected by the general plan for the City of Manila. Recently, in a petition filed with the Supreme Court by Attorney Felipe R. Hipolito of Santa Ana to compel the City Engineer to grant him a building permit for the construction, with his own money, of a house on his lot at the corner of Invernes and Renaissance Streets which had been denied on the ground that the project was not in accordance with the general plan of the NUPC, the Court ordered the City Engineer to issue the permit. The NUPC has requested the City Fiscal to file a motion for reconsideration and has also asked the Solicitor General to intervene.

Sept. 4—The President designates Foreign Under-Secretary Felino Neri as Acting Secretary of Foreign Affairs during the absence of Secretary Romulo.

Sept. 5—The President discusses with the Cabinet a revision of the Executive Order covering the operation of the Philippine Relief

(Continued on page 373)

Trade Statistics, first half of 1950, compared with first half of 1949

By the Bureau of the Census and Statistics

I. FOREIGN TRADE OF THE PHILIPPINES: FIRST HALF OF 1950 COMPARED WITH FIRST HALF OF 1949

	1950		1949	
	Value (Pesos)	Percent	Value (Pesos)	Percent
TOTAL TRADE	661,039,460	100.00	896,222,875	100.00
IMPORTS	379,487,074	57.40	623,335,508	69.56
EXPORTS	281,552,386	42.60	272,887,367	30.44

IA. TWENTY PRINCIPAL IMPORTS: FIRST HALF OF 1950 COMPARED WITH FIRST HALF OF 1949

Country of Origin	1950	1949
	January-June Value (Pesos)	January-June Value (Pesos)
1. Cotton and manufactures	36,149,936	65,649,350
United States	30,477,242	59,178,064
Japan	3,216,642	179,204
China	618,360	3,038,362
Great Britain	537,760	725,208
Hongkong	521,638	393,402
Switzerland	280,706	1,609,554
India	198,656	21,648
France	186,314	93,736
Belgium	46,426	173,380
Italy	30,262	207,514
Other countries	35,930	29,278
2. Grains and preparations	30,873,828	54,386,790
Canada	15,620,164	9,681,114
United States	13,121,302	31,036,282
Thailand (Siam)	1,161,800	9,588,730
Australia	469,040	50,126
China	173,308	604,684
Denmark	146,630	97,182
Germany	84,326	—
Hongkong	44,624	107,106
Malaya	33,310	3,800
Burma	—	3,106,596
Other countries	19,324	111,170
3. Mineral oils (Petroleum products)	29,688,446	37,283,652
Indonesia	12,243,712	15,244,004
British East Indies	7,171,672	7,425,032
United States	4,338,234	11,253,766
Arabia	4,162,634	2,817,650
Persia	1,685,408	517,520
China	46,936	6,442
Canada	31,796	—
Hongkong	8,002	—
Switzerland	52	—
Great Britain	—	19,238
4. Iron and steel, and manufactures	29,154,070	42,103,862
United States	15,112,364	28,050,234
Japan	8,881,146	3,407,028
Belgium	1,954,448	6,400,434
Great Britain	1,424,464	1,197,098
Germany	928,368	548,934
China	345,212	721,988
Hongkong	252,754	251,172
Hawaii	103,008	—
Sweden	73,698	—
Malaya	25,002	—
Other countries	53,606	1,526,974
5. Paper and manufactures	22,485,540	27,194,732
United States	20,631,984	24,585,804
Canada	357,588	1,103,560
China	247,940	77,850
Spain	182,772	132,558
Japan	168,516	49,834
Hawaii	154,194	356,642
Netherlands	144,926	—
Hongkong	125,378	—
Sweden	100,220	320,512
Austria	88,768	—
Other countries	283,254	567,972

6. Dairy products	21,908,616	24,025,870
United States	20,541,632	22,404,540
Australia	497,197	828,506
Switzerland	440,558	241,856
Netherlands	294,772	255,234
Canada	50,108	—
New Zealand	39,482	132,580
Denmark	128,106	128,768
Belgium	14,594	20,636
Norway	2,142	3,514
Italy	26	—
Other countries	—	10,236
7. Automobiles, parts of, and tires	19,766,932	36,870,742
United States	19,675,244	36,756,658
Great Britain	73,540	60,860
France	10,784	22,240
Canada	3,384	20,758
Hongkong	2,826	1,766
China	1,000	8,460
Italy	118	—
Malaya	36	—
8. Chemicals, drugs, dyes and medicines	18,961,520	18,764,028
United States	17,964,146	18,119,420
Switzerland	429,580	184,330
France	110,658	29,808
Great Britain	107,566	74,602
Italy	56,520	48,220
Germany	52,616	—
China	44,304	48,042
Hawaii	40,546	—
Spain	37,634	34,720
Sweden	35,218	31,084
Other countries	82,732	193,602
9. Machinery and part of (except agricultural and electrical)	18,233,674	26,540,040
United States	14,702,148	22,826,096
Great Britain	1,228,792	1,093,916
Japan	1,049,466	940,198
Canada	424,662	711,514
Germany	333,626	42,330
Hongkong	176,640	—
Sweden	114,200	206,542
China	74,480	27,598
Australia	44,220	27,978
Hawaii	38,728	49,896
Other countries	46,712	613,972
10. Electrical Machinery and apparatus	14,994,576	21,297,308
United States	14,592,672	20,749,158
China	77,606	95,394
Hongkong	75,874	20,572
Japan	53,760	36,040
Netherlands	53,540	146,770
Great Britain	41,268	27,376
Canada	28,526	139,552
Hawaii	25,380	—
Germany	20,244	—
Spain	12,830	13,250
Other countries	12,876	69,196
11. Rayon and other synthetic textiles	14,411,550	52,473,332
United States	14,272,044	52,241,366
Switzerland	37,610	44,678

Japan	28,556	23,834	Belgium	86,600	—
France	22,850	32,602	Canada	45,460	—
Belgium	13,816	23,802	Hongkong	16,270	—
Germany	7,744	—	Great Britain	5,950	1,938
Hongkong	7,012	31,512	Australia	—	14,998
Italy	6,252	11,490	Netherlands	—	1,770
China	4,926	35,118	Other countries	—	3,920
India	4,578	—			
Other countries	6,162	28,930			
12. Tobacco and manufactures	13,423,454	22,943,832	19. Paints, pigments, and varnishes	4,215,482	6,274,242
United States	13,423,136	22,901,722	United States	3,938,984	6,068,942
Hongkong	264	41,970	Great Britain	190,330	124,856
Great Britain	24	104	China	33,210	56,936
China	16	—	Hongkong	27,654	16,790
Canada	12	6	Belgium	10,680	—
Malaya	2	—	Germany	6,262	—
British East Indies	—	30	Spain	3,152	—
13. Non-Ferrous metals and manufactures	8,588,732	14,371,346	Italy	1,794	1,592
United States	7,171,600	13,728,932	Japan	1,694	—
Japan	663,320	291,946	France	1,578	1,928
Germany	226,440	5,698	Other countries	144	3,198
Switzerland	107,112	42,272			
China	83,182	128,292	20. Vegetable and preparations	3,517,598	10,915,966
Great Britain	82,934	38,718	United States	2,520,644	8,983,916
Malaya	57,846	—	Egypt	349,322	279,040
Hongkong	46,046	—	China	297,810	1,055,930
Sweden	41,106	43,238	Japan	199,114	21,398
Australia	30,898	—	Malaya	54,718	3,070
Other countries	82,248	92,250	Hongkong	39,630	29,244
			Mexico	26,746	174,968
			Australia	18,248	283,092
			Canada	6,562	78,318
			Cyprus Island	3,680	—
			Other countries	1,124	6,990
			Other Imports	P 61,369,184	P 117,908,390
			Total Imports	P 379,467,074	P 623,335,508
14. Fertilizers and fertilizing materials	7,762,232	5,770,390			
United States	6,754,798	2,111,968			
Canada	906,334	1,998,068			
Germany	91,856	—			
Hongkong	3,972	8,806			
China	3,262	7,418			
Belgium	2,010	1,603,520			
France	—	40,590			
15. Fish and fish products	6,545,550	17,083,118			
United States	6,137,748	16,036,780			
Japan	127,488	23,306	1. Copra		
Canada	82,998	357,514	Total	Kilo	244,715,643
Portugal	69,834	137,224	United States	162,190,924	90,797,105
Spain	44,104	—	Belgium	13,847,600	209,337,149
China	41,934	276,864	Canada	10,820,429	109,511,541
Indonesia	13,030	—	Venezuela	9,643,874	37,520,747
Mexico	6,714	170,128	Switzerland	8,295,100	1,139,354
Hongkong	6,102	9,188	Netherlands	8,126,400	654,077
Norway	5,120	22,448	Italy	8,087,360	—
Other countries	10,478	47,666	Norway	6,273,800	2,016,000
			Israel	5,364,800	465,000
			Japan	4,294,000	848,404
			Other countries	7,771,356	2,087,406
16. Glass and glass products	6,534,988	9,212,330	Italy	2,928,997	7,880,120
United States	4,769,072	8,315,462	Norway	2,164,276	3,347,461
Belgium	1,122,218	480,154	Israel	2,141,653	1,336,053
Japan	127,102	62,316	Japan	1,566,310	1,080,302
Czechoslovakia	118,596	54,476	Other countries	7,771,356	2,619,592
Great Britain	94,474	46,350			
Hongkong	53,038	25,554	2. Sugar, centrifugal		
Netherlands	48,438	39,438	Total	Kilo	303,736,668
China	45,760	124,976	United States	303,736,533	66,650,149
Germany	42,434	42,614	Japan	135	68
Sweden	35,864	—			
Other countries	77,992	20,994			
17. Leather and manufactures	6,144,970	8,854,222	3. Abaca, unmanufactured		
United States	5,185,276	8,417,436	Total	Bale	345,235
Australia	870,878	263,238	United States	151,980	36,471,222
Hongkong	18,616	34,246	United States	151,980	18,046,105
India	18,324	5,502	Japan	64,701	6,667,569
China	14,998	96,186	Great Britain	39,831	3,795,229
Canada	12,310	8,314	France	15,111	1,229,161
Great Britain	12,270	17,540	Norway	9,140	995,451
Japan	11,212	1,254	Korea	6,693	775,294
Hawaii	364	—	Germany	7,671	712,903
Thailand (Siam)	154	—	Denmark	7,800	694,769
Other countries	564	10,506	Hongkong	8,360	651,411
			Italy	7,908	590,126
			Other countries	26,040	2,313,274
18. Jute and other fibers	4,756,196	3,411,966	4. Desiccated coconut		
India	1,977,618	3,347,594	Total	Kilo	32,827,705
United States	1,436,642	27,802	United States	31,817,659	22,123,605
Japan	689,258	—	Canada	845,627	27,874,658
Italy	498,398	14,244	Belgium	116,303	20,111,768
			Hongkong	41,420	466,947
			Hawaii	6,696	374,367
					19,702,598
					19,674
					15,129

5. Coconut oil					13. Tobacco and manufactures				
Total.....Kilo	26,283,917	14,792,524	25,011,457	15,653,642	Total.....Kilo	1,227,478			2,126,780
United States...	25,107,056	14,045,371	17,803,152	10,756,025	Spain.....	734,830			1,604,977
Venezuela.....	644,415	426,430	—	—	United States...	183,655			242,243
British Africa...	514,125	305,450	513,080	295,874	Hongkong.....	86,543			61,365
Hongkong.....	7,620	6,079	—	—	Belgium.....	74,550			65,253
China.....	5,102	4,613	—	—	French East Indies.....	72,136			74,764
Japan.....	3,206	2,581	9,782	9,720	Australia.....	36,058			5,804
Guam.....	2,393	2,000	3,646	3,528	Hawaii.....	24,571			14,000
Germany.....	—	—	2,719,534	1,853,398	Switzerland.....	6,272			2,530
Switzerland.....	—	—	1,623,872	1,165,017	Thailand (Siam).....	5,890			55,844
Italy.....	—	—	1,671,510	1,105,490	Other countries.....	2,973			—
Other countries.....	—	—	666,881	464,590					
6. Pineapple, canned					14. Scrap metals				
Total.....Kilo	34,469,713	11,415,302	17,768,035	5,323,997	Total.....Kilo	8,172,846	1,211,802	55,616,310	4,869,471
United States...	34,469,688	11,415,287	17,768,035	5,323,997	United States...	5,386,217	719,909	40,748,643	2,456,313
Spain.....	25	15	—	—	India.....	585,249	420,263	2,618,376	1,862,318
7. Base metals					15. Shells and manufactures				
Total.....Kilo	324,910,606	6,146,877	293,823,104	5,848,756	Total.....Kilo	759,908			580,479
Japan.....	204,262,970	3,188,698	128,477,500	1,889,835	United States...	750,982			575,879
United States...	110,563,636	2,705,179	151,263,844	3,670,133	Italy.....	5,625			—
Canada.....	9,982,400	252,000	4,064,000	82,000	Canada.....	3,241			—
Italy.....	101,600	1,000	—	—	Hawaii.....	7,443			—
Great Britain...	—	—	10,017,760	206,788	Indonesia.....	—			4,600
8. Logs, lumber and timber					16. Rattan furniture				
Total.....Bd. ft.	37,069,933	4,644,239	16,847,474	2,918,279	Total.....	612,835			547,361
United States...	19,986,772	3,132,809	8,893,269	1,974,290	United States...	383,357			261,387
Japan.....	8,321,911	587,657	4,996,066	347,121	Hawaii.....	110,434			133,550
China.....	4,489,981	378,521	1,211,754	217,111	Panama, Republic of.....	51,618			35,513
Hongkong.....	2,162,024	212,669	694,770	81,628	Porto Rico.....	32,004			23,324
British Africa...	880,558	128,427	299,311	118,940	Guam.....	20,311			38,222
Canada.....	541,568	71,443	155,576	28,067	Japan.....	4,841			38,936
Hawaii.....	122,182	39,775	29,496	10,700	Korea.....	3,333			—
Ireland.....	140,858	34,527	—	—	Hongkong.....	2,774			2,876
Korea.....	360,000	32,064	—	—	Israel.....	1,764			—
Belgium.....	51,084	15,860	39,605	14,941	Arabia.....	982			—
Other countries.....	12,995	10,487	527,627	125,481	Other countries.....	1,417			13,553
9. Embroideries, cotton and silk					17. Chemicals				
Total.....	4,298,984		5,786,220		Total.....	563,199			733,885
United States...	4,267,035		5,762,165		United States...	526,745			613,680
Japan.....	30,253		—		Thailand (Siam).....	36,454			22,980
Guam.....	1,503		9,906		Hongkong.....	—			78,225
Hawaii.....	193		12,149		Malaya.....	—			19,000
Hongkong.....	—		2,000						
10. Copra meal or cake					18. Abaca, other than rope and unmanufactured				
Total.....Kilo	28,687,765	2,758,309	26,630,041	2,859,943	Total.....Kilo	481,959			215,931
United States...	26,042,081	2,474,705	23,979,145	2,415,992	United States...	451,295			211,426
Denmark.....	1,618,800	178,502	4,605,136	440,708	Hawaii.....	16,490			3,140
Hawaii.....	671,284	70,902	45,760	3,243	Japan.....	4,777			—
Belgium.....	355,600	34,200	—	—	British Africa...	3,147			—
11. Gold and concentrates					19. Shells and manufactures				
Total.....	2,238,313		1,909,662		Total.....Kilo	481,959			215,931
United States...	2,238,313		1,516,508		United States...	451,295			211,426
Great Britain...	—		393,154		Hawaii.....	16,490			3,140
12. Rope					20. Shells and manufactures				
Total.....Kilo	1,445,478	1,429,913	1,489,506	1,682,387	Total.....Kilo	481,959			215,931
United States...	461,608	492,773	268,084	303,586	United States...	451,295			211,426
Hongkong.....	244,786	199,522	41,842	42,222	Hawaii.....	16,490			3,140
French East Indies.....	134,136	129,909	85,600	92,880	Japan.....	4,777			—
Thailand (Siam).....	95,162	84,492	49,238	44,284	British Africa...	3,147			—
Indonesia.....	58,870	70,708	62,318	78,713	Switzerland.....	2,682			795
Porto Rico.....	86,800	66,374	73,072	81,022	Peru.....	1,615			—
China.....	56,862	66,143	35,327	44,815	Hongkong.....	1,518			—
Venezuela.....	59,241	64,708	37,290	45,640	Canada.....	252			—
British Africa...	36,910	56,961	—	—	Panama, Republic of.....	178			—
Peru.....	52,584	55,249	74,019	92,324	Guam.....	—			560
Other countries.....	156,519	143,074	762,716	856,901	Other countries.....	5			10

19. Cotton, except embroideries

Total	380,671
United States	352,579
China	24,836
Hongkong	2,332
Guam	500
Hawaii	224
Israel	200
Belgium	—

20. Molasses.

Total	28,981,465	342,758	43,703,105	1,078,487
Japan	18,417,252	217,677	14,349,249	354,637
Thailand	7,043,397	84,238	3,963,000	99,075
Hongkong	3,490,736	40,793	—	—
France	80	50	—	—
Great Britain	—	—	25,390,856	624,775
Other exports (including re-exports)	—	12,205,234	—	33,994,508
TOTAL EXPORTS	—	281,552,386	—	272,887,367

IIA. FOREIGN TRADE OF THE PHILIPPINES BY COUNTRIES: FIRST HALF OF 1950

Country	Total Trade	Per Cent Distribution	Imports	Per cent Distribution	Total Exports	Per cent Distribution	Domestic Exports	Re-exports
Total	₱661,039,460	100.00	₱379,487,074	100.00	₱281,552,386	100.00	₱275,665,214	₱5,887,172
United States	502,798,876	76.06	285,921,090	75.34	216,877,786	77.03	215,347,314	1,530,472
Japan	30,968,170	4.68	18,213,852	4.80	12,754,318	4.53	12,464,498	289,820
Canada	23,114,739	3.50	17,875,898	4.71	5,238,841	1.86	5,212,447	26,394
Indonesia	13,772,995	2.08	12,601,644	3.32	1,171,351	.42	70,738	1,100,613
Belgium	9,421,816	1.43	3,601,948	.95	5,819,868	2.07	5,819,868	—
Great Britain	8,670,121	1.31	4,874,212	1.28	3,795,909	1.35	3,795,504	405
British East Indies	7,225,232	1.09	7,214,744	1.90	10,488	—	200	10,288
China	5,709,208	.86	4,055,470	1.07	1,653,738	.59	891,658	762,080
Switzerland	4,652,038	.70	1,578,640	.42	3,073,398	1.09	3,073,398	—
Italy	4,435,328	.67	4,862,812	1.28	3,588,516	1.27	3,538,516	50,000
Arabia	4,177,013	.63	4,162,634	1.10	14,379	.01	14,379	—
Netherlands	4,175,332	.63	691,484	.18	3,483,848	1.24	3,481,700	2,148
Hongkong	4,160,894	.63	2,122,606	.56	2,038,288	.72	1,688,600	349,688
Venezuela	4,114,064	.62	—	—	4,114,064	1.46	4,114,064	—
Australia	3,346,624	.51	2,090,600	.55	1,256,024	.45	116,008	1,140,016
Norway	3,319,727	.51	160,000	.04	3,159,727	1.12	3,159,727	—
India	3,272,331	.50	2,337,144	.62	940,187	.33	901,271	38,916
Germany	3,258,597	.50	2,383,084	.63	875,873	.31	867,473	8,400
Israel	2,054,267	.31	—	—	2,054,267	.73	1,992,717	61,550
France	1,848,669	.28	612,708	.16	1,235,961	.44	1,235,961	—
Thailand (Siam)	1,757,395	.27	1,429,750	.39	327,645	.12	246,534	81,111
Persia	1,685,498	.26	1,685,498	.44	—	—	—	—
Spain	1,634,597	.25	881,068	.23	753,529	.27	748,029	5,500
Colombia	1,583,166	.24	16	—	1,583,150	.53	1,503,150	80,000
Brazil	1,154,016	.17	1,154,016	.38	—	—	—	—
Denmark	1,073,379	.16	200,108	.05	873,271	.31	873,271	—
Ireland	971,609	.15	1,226	—	970,383	.34	970,383	—
British Africa	849,672	.13	1,898	—	847,774	.30	841,294	6,480
Korea	816,907	.12	42	—	816,865	.29	816,865	—
Hawaii	789,359	.12	376,862	.10	412,497	.15	399,324	13,173
Sweden	716,663	.11	530,260	.15	186,403	.07	181,403	5,000
French East Indies	556,575	.08	—	—	556,575	.20	207,045	354,530
Syria	412,125	.06	—	—	412,125	.15	412,125	—
Argentina	394,606	.06	394,606	.10	—	—	—	—
Egypt	363,322	.05	349,322	.09	14,000	.01	—	14,000
Ceylon	258,872	.04	258,872	.07	—	—	—	—
Malaya	247,074	.04	229,744	.06	17,330	.01	3,171	14,159
Guam	203,545	.03	236	—	203,309	.07	188,920	14,389
Porto Rico	201,453	.03	—	—	201,453	.07	201,353	100
Czechoslovakia	147,758	.02	144,344	.04	3,414	—	—	3,414
Costa Rica	128,208	.02	128,208	.03	—	—	—	—
Portugal	125,983	.02	98,578	.03	27,405	.01	27,405	—
Austria	111,760	.02	111,760	.03	—	—	—	—
Mexico	87,074	.01	87,074	.02	—	—	—	—
Panama, Republic of	64,018	.01	40	—	63,978	.02	63,978	—
Peru	59,666	.01	—	—	59,666	.02	59,666	—
Chile	59,184	.01	900	—	58,284	.02	58,284	—
New Zealand	39,482	.01	39,482	.01	—	—	—	—
Poland	22,912	.01	22,912	.01	—	—	—	—
Ecuador	20,277	.01	900	—	19,377	.01	19,377	—
Dutch West Indies	15,063	.01	—	—	15,063	.01	15,063	—
Panama Canal Zone	13,551	.01	—	—	13,551	.01	13,551	—
Newfoundland & Labrador	12,579	.01	—	—	12,579	.01	12,579	—
Other U. S. Possessions	8,848	.01	—	—	8,848	.01	8,848	—
Morocco	6,480	.01	6,480	.01	—	—	—	—
Dominican Republic	5,473	.01	—	—	5,473	.01	5,473	—
Burma	4,526	.01	—	—	4,526	.01	4,526	—
Dutch Guiana	4,140	.01	—	—	4,140	.01	4,140	—
Luxemburg	3,776	.01	3,776	.01	—	—	—	—
Cyprus Island	3,680	.01	3,680	.01	—	—	—	—
Nicaragua	3,632	.01	3,632	.01	—	—	—	—
Guatemala	2,598	.01	—	—	2,598	.01	2,598	—
Finland	1,046	.01	1,046	.01	—	—	—	—
Pakistan	802	.01	802	.01	—	—	—	—
Cuba	690	.01	366	.01	324	.01	324	—

IIB. FOREIGN TRADE OF THE PHILIPPINES BY COUNTRIES:
FIRST HALF OF 1949

Country	Total Trade (Pesos)	Per cent Distribution	Imports	Per cent Distribution	Total Exports	Per cent Distribution	Domestic Exports	Re-exports
Total.....	896,222,875	100.00	623,335,508	100.00	272,887,367	100.00	264,371,355	8,516,012
United States.....	697,924,978	77.88	507,891,420	81.47	190,033,558	69.65	187,972,390	2,061,168
Japan.....	23,332,283	2.61	8,330,614	1.37	15,001,669	5.51	14,624,675	376,994
Canada.....	16,829,395	1.89	15,302,852	2.45	1,526,543	.56	1,473,215	53,328
Indonesia (D.E.I.).....	15,962,461	1.79	15,540,706	2.49	421,755	.15	122,468	299,287
China.....	13,718,840	1.54	12,993,724	2.08	725,116	.27	602,317	122,799
Germany.....	12,812,737	1.43	863,998	.14	11,948,739	4.38	11,948,739	—
Belgium.....	11,295,360	1.27	9,576,084	1.54	1,719,276	.63	1,719,276	—
France.....	10,929,750	1.23	551,584	.09	10,378,166	3.80	10,369,866	8,300
Thailand (Siam).....	9,897,909	1.10	9,651,708	1.55	244,201	.09	183,645	63,556
Great Britain.....	8,669,595	97	5,120,972	.82	3,548,623	1.30	3,544,448	4,175
Hongkong.....	7,718,063	.86	1,452,056	.23	6,266,007	2.30	2,011,280	4,254,727
British East Indies.....	7,530,674	.84	7,494,958	1.20	35,716	.01	4,809	30,907
Italy.....	6,266,304	.70	1,526,004	.24	4,740,300	1.74	4,732,800	7,500
India.....	5,780,628	.64	3,155,630	.56	2,624,998	.83	2,225,318	39,680
Denmark.....	5,703,937	.63	308,338	.05	5,395,599	1.98	5,394,999	600
Switzerland.....	4,927,708	.55	3,289,304	.53	1,638,404	.60	1,638,079	325
Burma.....	3,156,676	.35	3,106,596	.50	50,080	.02	20	50,060
Sweden.....	3,076,934	.34	1,215,010	.19	1,861,924	.68	1,861,624	300
Arabia.....	2,910,549	.32	2,818,120	.45	92,429	.03	92,429	—
Netherlands.....	2,737,424	.31	737,782	.12	1,999,642	.73	1,997,642	2,000
Brazil.....	2,635,704	.29	2,634,182	.42	1,522	—	1,522	—
Norway.....	2,586,528	.29	314,864	.05	2,271,664	.83	2,271,664	—
Australia.....	2,077,472	.23	1,885,824	.30	191,648	.07	124,598	67,050
Spain.....	2,032,996	.23	356,938	.06	1,676,058	.61	1,654,333	21,625
Argentina.....	2,010,380	.22	1,834,480	.27	175,900	.06	175,900	—
Costa Rica.....	1,322,888	.15	1,230,740	.20	92,148	.03	90,250	1,898
Czechoslovakia.....	1,173,710	.13	1,623,500	.03	1,011,360	.37	1,011,360	—
Palestine.....	1,170,390	.13	88	—	1,170,302	.43	1,080,302	90,000
British Africa.....	985,189	.11	26,372	—	958,817	.35	934,469	24,348
Austria.....	968,098	.11	45,998	.01	922,100	.34	922,100	—
Hawaii.....	919,532	.10	565,472	.09	354,060	.13	318,151	35,909
Poland.....	911,828	.10	—	—	911,828	.33	911,828	—
Malaya.....	840,353	.09	52,662	.01	787,691	.29	452,571	335,320
French Africa.....	593,450	.07	—	—	593,450	.22	593,450	—
Ceylon.....	570,787	.06	569,080	.09	1,707	—	1,707	—
Guam.....	531,081	.06	164	—	530,917	.19	333,431	197,486
Persia.....	518,966	.06	518,966	.08	—	—	—	—
French East Indies.....	490,167	.05	33,290	.01	456,877	.17	167,644	289,233
Mexico.....	498,767	.05	487,644	.08	9,123	—	9,123	—
British Oceania.....	308,246	.03	308,246	.05	—	—	—	—
Egypt.....	298,114	.03	283,114	.05	15,000	.01	—	15,000
Panama, Republic of.....	240,495	.03	26,080	—	214,415	.08	214,415	—
Luxemburg.....	222,618	.02	222,618	.04	—	—	—	—
Portugal.....	189,661	.02	158,370	.02	31,291	.01	31,291	—
Uruguay.....	155,390	.02	130,070	.02	25,320	.01	25,320	—
New Zealand.....	132,584	.01	132,584	.02	—	—	—	—
Chile.....	128,979	.01	526	—	128,453	.05	128,453	—
Puerto Rico.....	104,346	.01	—	—	104,346	.04	104,346	—
Peru.....	92,324	.01	—	—	92,324	.03	92,324	—
Portuguese China.....	61,452	.01	—	—	61,452	.02	468	60,984
Venezuela.....	47,914	.01	—	—	47,914	.02	47,914	—
Alaska.....	46,478	.01	—	—	46,478	.02	46,478	—
Nicaragua.....	30,882	—	28,950	—	1,932	—	1,932	—
Portuguese Africa.....	28,977	—	—	—	28,977	.02	28,977	—
Newfoundland and Labrador.....	22,769	—	—	—	22,769	.01	22,769	—
Finland.....	15,954	—	15,954	—	—	—	—	—
Sto. Domingo, Republic of.....	15,225	—	9,920	—	5,305	—	5,305	—
Dutch Guiana.....	14,646	—	—	—	14,646	.01	14,646	—
Dutch West Indies.....	10,798	—	—	—	10,798	—	10,798	—
Panama, Canal Zone.....	8,307	—	—	—	8,307	—	8,307	—
Colombia.....	7,840	—	3,928	—	3,912	—	3,912	—
Ecuador.....	5,248	—	—	—	5,248	—	5,248	—
Salvador.....	3,821	—	—	—	3,821	—	3,821	—
Syria.....	2,742	—	2,742	—	—	—	—	—
Ireland.....	2,010	—	2,010	—	—	—	—	—
British Guiana.....	1,103	—	—	—	1,103	—	—	1,103
British West Indies.....	888	—	888	—	—	—	—	—
Cuba.....	768	—	122	—	646	—	646	—
Honduras.....	743	—	—	—	743	—	743	—
Greece.....	442	—	442	—	—	—	—	—
Pakistan.....	414	—	—	—	—	—	—	—
Turkey.....	306	—	306	—	—	—	—	—

"THE penury of these miserable masses [of Asia] is not caused by capitalism, but by the absence of capitalism. But for the triumph of *laissez faire*, the lot of the peoples of Western Europe would have been even worse than that of the coolies. What is wrong with Asia is that the per capita quota of capital invested is extremely low when compared with the capital equipment of the West." — *Ludwig von Mises*.

Office of the President . . .

(Continued from page 367)

and Trade Rehabilitation Administration (PRATRA) with a view to eliminating certain functions which place the entity in competition with private enterprise.

"The Chief executive explained that in his recent luncheon conference, with the Philippine Association when he had inquired into local business problems several members pointed out the need for certain enterprises which they claimed were disadvantageous to private enterprise. The President during the luncheon conference requested the Philippine Association to submit a composite memorandum showing in what manner PRATRA might be reorganized. The Chairman, Secretary of Foreign Affairs Felino Neri, who serves as Executive Vice-President of the Association, told the Cabinet the Association's memorandum will be ready in two days. The committee will include the PRATRA members, the Chairman of all businesses with Paul Wood, President of the American Chamber of Commerce, representing the American view, Gil Payat, of the Philippine Chamber, presenting the view of the Philippine members, and the Chinese Chamber, the Chinese side. Pending submission of the memorandum, the President directed the cabinet members who are on the PRATRA Board to go over the PRATRA records. His Order commends the PRATRA Board to formulate a plan, giving due encouragement to private enterprise while at the same time giving impetus to wider Filipino participation in the retail trade.

"The President during the Cabinet meeting also approved the transfer of relief goods in PRATRA bodegas to the PACSA (President's Action Committee for Social Amelioration). In the course of the discussions, Welfare Commissioner Antonio Pared called attention to the existence of these goods. Inasmuch as the PRATRA has already withdrawn its relief activities, she said, the relief articles in its possession such as canned goods, shoes, and clothing, should be inventoried and transferred to the PACSA which is now undertaking all the relief work throughout the country.

The President announces the creation of a National Peace Fund Commission with Vice-President Fernando Lopez as Chairman and Senator Eulogio Rodriguez as Vice-Chairman and Treasurer.

According to a semi-annual report of Secretary of Agriculture and Natural Resources Placido Mapa, Chairman of the Board of Directors of the Philippine Lumber Industry, the net loss of the industry for the first 6 months of 1949.

"A breakdown of the reported profits indicated that while the Interisland Division made a net profit of ₱155,455 during the first 6 months of this year as compared to its net loss of ₱114,351 during the same period in 1949, the Interisland Division incurred a net loss of ₱116,508 during the first 6 months of this year as compared to its net loss of ₱61,643 for the same period in 1949. Secretary Mapa, however, indicated in his report that the increase in losses in the Interisland Division during the first semester of this year has been offset by a net profit of ₱201,837 which the same division registered for July. Meanwhile, a net profit of less than ₱200,000 is expected for the same division for August, the first ad. A substantial decrease in the operating expenses in the Interisland Service was also reported during the first half of 1950 as compared to the same period in 1949. The net profit of ₱1,032,321, and was attributed primarily to economy adjustments effected by the decrease in interisland schedules which more than offset the decrease in the revenue earned during this period. The savings were realized in every category of expense except in depreciation, the report said.

Sept. 6—Acting Secretary Neri states that 1,000,000 doses of anti-malaria vaccine, and 12,000 bottles (60 cc) of anti-cholera-dysentery-typhoid vaccines, manufactured by the Alabang Laboratories of the Department of Health, are ready for shipment to Korea, and that he is arranging with the Philippine Sugar Association the sending of appreciable amount of alcohol, also needed on the war-front.

Sept. 7—The President received a number of Manila Rotarians, including E. A. Perkins and R. V. del Rosario, who submit a plan designed to help the Import Control Administration including the free technical services of member Rotarians; the President expresses his appreciation.

The Philippine Exporters Association committee, headed by Jesus Cabarrus, petitions the President to reconsider the provision in the pertinent Executive Order which requires Philippine exporters to surrender all dollars earned from exportation to Japan to the Central Bank to be exchanged for pesos, and asks that the Order be changed so as to entitle them to receive at least 75% of the money in dollars.

Budget Commissioner Pio Joven states in a radio address that the Government's deficit operation was necessary because of the heavy expenses since liberation for rehabilitation of the Government, the rebuilding and repair of damaged public properties, the natural increase in the services demanded of the Government, the taking over of services formerly financed by the United States Government, the expenditures necessary because of the country's new independent status such as the maintenance of foreign affairs establishments, the increases in the outlay for national defense in ground, air, and naval forces, the relief of veterans and their survivors, etc.

Sept. 8—The Cabinet concurs in a directive issued by the President yesterday to Col. A. N. Bautista, General Manager of the National Development Company, instructing him to dispose of NDC subsidiaries which may be competing with private enterprise.

"These moves are in accordance with the long-standing government policy of not competing with private industry and to pioneer only in enterprises considered essential to the development of the country but where private capital is not prepared to enter. In this connection, it will be recalled that the NDC recently closed up its mail-order structure to private concerns in line with this government policy. Proceeds from the sale of these projects will thus be available for investment in economic development projects, the President said."

The President, with Cabinet concurrence, also rules that old tenants on the Government-owned Tapanobong Estate be charged no more than the rates provided for in the original sub-division agreement but that others may be charged slightly higher rates to enable the Government to recover its investment.

Sept. 9—The President at Camp Murphy reviews the 10th Battalion Combat Team which will leave shortly for Korea and announces in a speech that the soldiers' pay has been raised from a minimum of

₱50 a month to ₱240. R. V. del Rosario, heading a delegation of Manila Jaycees also present announces that a total of ₱15,000 had already been collected in the fund campaign to aid their families. During the affair, the President donated ₱1,000, the Vice-President ₱500, and other officials various amounts to the fund.

The President approves the release of ₱5,000,000 in further aid in the rehabilitation of the Manila hemp industry; ₱4,500,000 of the amount to be made available to the Rehabilitation Finance Corporation for loans to the planters and ₱500,000 to the Department of Agriculture and Natural Resources for the control of the abaca mosaic disease. The latter amount is to be repaid out of the inspection fees collected by the Fiber Inspection Service, the rate of which is to be increased from ₱50 to ₱100 per bale as recommended by the National Economic Council. The ₱5,000,000 is to come from the Central Bank funds earmarked for direct advances to the Government for self-liquidating development projects in accordance with Section 137 of Republic Act No. 265.

Sept. 11—The President administers the oath of office to Judge Pompeyo Diaz as Immigration Commissioner, succeeding Jose P. Bengzon, recently named acting Secretary of Justice. The President visited the Immigration Bureau Building and instructed the personnel there to be "courteous and hospitable" to foreigners "because it is their right to get their first impressions of this country." Seeing a number of placards reading "Hats Off", the President ordered them taken down immediately. "It is the respect that you inspire that counts, not the respect that you impose," he said. Later he visited the Central Bank offices to inquire into the progress made in the sale of government bonds and to see for himself the lately publicized overly luxurious furniture installed there.

Sept. 12—Secretary Mapa reports to the Cabinet that the Bureau of Lands approved a total of 29,756 applications for public lands aggregating 222,474 hectares during 1949 and 1950, as against only 9,737 applications covering 76,438 hectares in 1947 and 1948. The number of patents issued for public lands rose to 6,574, covering 70,892 hectares, in 1949 and 1950, as against 1,245 patents, covering 24,042 hectares, in 1947 and 1948. Some 95% of the applications and patents approved were for small areas of from 8 to 12 hectares each. The surveying and subdividing of lands has also been accelerated, with 35 survey parties in the field at present, of which 22 are in Mindanao.

Secretary Mapa reports also that the Cebu Portland Cement Company at the close of the fiscal year ending June 30, 1950, made a net profit of ₱2,033 for the year and that the stockholders have approved a 100% stock dividend increasing the capital stock from ₱6,000,000 to ₱12,000,000 in view of capital improvements. Production increased from 3,688,000 to 5,581,000 bags and Secretary Mapa states that he has therefore disapproved further importation of cement from Japan.

The Cabinet, on petition of the Association of Philippine Traders with Occupied Japan, cuts PRATRA's proposed importation of 4000 tons of galvanized-iron sheets from Japan to 2000 tons and orders it to be sold at a ceiling price of ₱6 a sheet. Secretary of Commerce and Industry Cornelio Balmeaceda, who is Chairman of PRATRA, explains that—

"The purpose of PRATRA is not to compete with private traders but only to hold a certain amount of G-I sheets ready to sell at the ceiling price whenever the public finds any difficulty in buying them from the regular traders."

Sept. 13—Announced at Malacanan that the President has appointed Vice-President Fernando Lopez Secretary of Agriculture and Natural Resources; Jose P. Bengzon, Secretary of Justice; Pablo Lorenzo, Secretary of Education; Salvador Araneta, Secretary of Economic Coordination; Placido L. Mapa, Chairman of the Board of Governors of the Rehabilitation Finance Commission, and Prospero Sanidad as President and General Manager of the Manila Railroad Company.

The United States Government transfers to the Philippine Government, 32 housing units in the Diliman area valued at \$246,585, a part of the 93 units ultimately to be thus transferred; 60 units are being retained temporarily for the use of the personnel of the Adjutant General Records Depository, U. S. Army.

Sept. 14—The President inducts the five new cabinet members into office, including besides those already mentioned, Dr. Juan C. Salcedo, Jr., as Secretary of Health.

Sept. 15—The Council of State confirms the President's policy of selling all government corporations except the public utility enterprises and such other entities as should continue to be operated by the Government in the public interest. Among those destined for early abolition are the Shipping Administration, the Surplus Liquidation Committee, and the Bureau of Hospitals. The Council also considered the release of 50 hectares of land on Cullion Island, containing a high-grade manganese deposit, as recommended by the Bureau of Mines; the release is opposed by the Bureau of Health because of the leper colony on the island.

The Hibok-Hibok volcano in Oriental Misamis again erupts, over 60 people being reported killed by showers of hot ashes.

Sept. 16—The President inaugurates the newly rebuilt Manila Police Department Headquarters on Isaac Peral Street, formally turned over to the Philippine Government by the U. S. Philippine War Damage Commission.

Sept. 18—The President confers with the members of the U. S. Military Defense Assistance Program survey team now visiting Far

East-ern countries headed by John F. Melby, special assistant in the State Department, Chief of Mission, and Maj. Gen. Graves B. Erskine, USMC, head of the military section of the group.

The President administers the oath of office to Chairman Mapa of the RFC Board of Governors, as acting Secretary of Finance during the absence of Secretary Pio Pedrosa who left the Philippines recently to attend the conference on general agreements on tariff and trade at Torquay, England.

Sept. 19—Upon receipt of information that the Philippine troop contingent has arrived in Korea, the President issues a statement:

"I am happy to learn that the Filipino contingent arrived safely in Korea. I am sure that our fighters will give a good account of themselves. I shall be praying for them."

Macedian announces the ad interim appointment of Secretary of Economic Coordination Araneta as member of the National Economic Council, and the appointment of Secretary of Justice Bengson as Chairman of the Board of Directors of the Rural Progress Administration.

At a Cabinet meeting the President directs the Secretary of Justice to expedite the trials of government officials facing charges of graft; Secretary of Defense Magsaysay to study the feasibility of utilizing ROTC arms for the peace campaign; Secretary of Education Lorenzo to emphasize vocational education in the public schools; and Acting Secretary of Finance Mapa to carry out a strict enforcement of the tax laws; all members of the Cabinet are instructed to enforce the rule that no government official or employe may teach more than six hours a week in any private school.

The President issues Executive Order No. 345 creating a Peace Fund Campaign Commission to be headed by Vice-President Lopez. The funds to be raised by voluntary subscription are to be used for the purchase of loose firearms, compensation of additional members of the Armed Forces to be employed in the peace campaign, indemnity to the heirs of those who may be killed or injured in line of duty, relief to the civilian population, etc. All contributions and disbursements are to be audited by the office of the Auditor General.

Sept. 20—The President announces his intention to call a conference of representatives of various commercial organizations to secure their opinions on how the operations of the Import Control Administration could be adjusted to serve the best interests of the public, the announcement following his receiving of a delegation from the Philippine Chamber of Industries headed by Jose P. Marcelo.

Sept. 21—The President inducts former Secretary of Public Works and Communications Prospero Sanidad as President and General Manager of the Manila Railroad Company, and former Secretary of the Interior Sotero Baluyot as Acting Secretary of Public Works and Communications.

Sept. 22—The President signs an Executive Order providing for the organization of "Barangay Associations" throughout the country.

The Cabinet acts favorably on the proposal of a number of importing firms to stockpile a supply of canned evaporated milk to ease the existing shortage.

A protest of the Bailey Stevedoring Company, the Philippine Ports Terminal, the Union Stevedoring Company, Ramon Caro, and Ray Higgins against the award of the bid for the Port of Manila arrastre service to the Delgado Bros. Inc., is referred to Secretary of Justice Bengzon by Executive Secretary Teodoro Evangelista.

Sept. 26—The President receives a comprehensive memorandum from the Philippine Association on PRATRA and the projected Price Stabilization Corporation.

Sept. 27—The President announces he will call representative elements of the country's importers to consider import and exchange control problems, following the presentation by the National Land Transportation Operators Association of a petition seeking the lifting or relaxation of the controls on motor vehicles, tires, batteries, and spare parts.

The President swears in Vice-President Lopez as Chairman of the Board of Directors of the National Development Company.

Banking and Finance

I. G. SPERING

Sub-Manager, National City Bank of New York

COMPARATIVE Statement of Condition of the Central Bank of the Philippines.

	As of	As of	As of	As of
	Dec. 31	July 30	July 31	Aug. 31
	(In thousands of pesos)			
ASSETS				
International Reserve.....	₱460,689	₱441,250	₱439,328	₱446,758
Contribution to International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	113,306	113,306	113,306	113,306
Loans and Advances.....	77,047	63,918	68,624	53,168
Domestic Securities.....	92,197	125,780	132,337	137,250
Trust Account Securities	—	6,848	6,848	6,848
Stabilization Fund.....	20,390	26,563	27,707	29,885
Other Assets.....	—	—	—	—
	<u>₱793,629</u>	<u>₱807,765</u>	<u>₱818,151</u>	<u>₱817,215</u>
LIABILITIES				
Currency — Notes.....	₱555,576	₱531,477	₱545,125	₱556,911
Coins.....	74,384	81,320	81,929	82,557
Demand Deposits—Pesos.....	117,682	139,282	140,122	125,234
Securities Stabilization Fund.....	2,000	6,848	6,848	6,848
Due to International Monetary Fund.....	22,498	22,498	22,498	22,498
Due to International Bank for Reconstruction and Development.....	2,389	2,388	2,388	2,388
Other Liabilities.....	2,636	8,130	2,749	3,590
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	4,206	4,875	5,573
Surplus.....	—	1,616	1,616	1,616
	<u>₱793,629</u>	<u>₱807,765</u>	<u>₱818,151</u>	<u>₱817,215</u>
CONTINGENT ACCOUNT				
Forward Exchange Sold..	₱ 6,460	—	—	—

THE International Reserve showed an increase in August of ₱7MM over July, and we are informed a further increase as of September 14 of ₱22MM. As a matter of

interest, the trend of the International Reserve of the Central Bank and the net foreign exchange holdings of other Philippine banks for the past six months is shown in the following table in millions of dollars:

	International Reserve Central Bank	Net FX Holdings Other Banks	Total
June 30, 1949.....	\$ 320MM	\$ 20MM	\$340MM
September 30, 1949.....	279	35	314
December 8, 1949.....	225	25	250
December 31, 1949.....	231	29	260
January 31, 1950.....	221	31	252
March 31, 1950.....	221	33	254
June 30, 1950.....	221	43	264
August 31, 1950.....	223	46	269
September 14, 1950.....	234	46	280

The increase is attributed to the comparatively small volume of import licenses issued in the recent past, a larger volume of exports, and the dollar funds made available for the second war damage payments.

Loans and advances decreased over ₱15MM, being the net of repayments of ₱20,456,000 by the Treasurer of the Philippines, and a further loan of ₱5MM to the Philippine National Bank. Domestic securities increased another ₱5MM representing further advances to the Government plus the net of bonds reacquired and sold. Currency notes in circulation increased by ₱11,786M. Demand deposits decreased by ₱15,889M, representing a decrease in deposits of local banks of ₱3,222M, of the Treasurer of the Philippines ₱11,434M, and of other government entities ₱233M.

The latest statistics issued by the Central Bank reveal that the money supply in the Philippines had increased from ₱1,037MM as of December 31 to ₱1,110MM as of May 31. Money supply consists of currency issued, minus cash in Treasury vaults and cash in banks; plus the peso demand-deposit liabilities of banks, excluding the national government deposits and inter-bank deposits, but including unused overdraft lines and manager's, cashier's, and certified checks.

Other figures of interest pertaining to all Philippine banks (excluding the Central Bank) follow:

	May 31, 1950	Dec. 31, 1949	Dec. 31, 1948
(In millions of pesos)			
Loans and acceptances	543	571	540
Bonds and securities	69	53	80
Total earning assets	640	624	620
Total demand, savings, and time deposits	775	739	847
Capital net worth	80	76	54
Total resources	1045	1016	1328

Money conditions continue generally easy. Gradual liquidation of inventories without replacements, caused by import controls, has resulted in an accumulation of cash balances by merchants and a lessened demand for bank credit. Idle funds seeking investment outlet have stimulated interest in real estate and some speculation in commodities.

Manila Stock Exchange

By ROY EWING

Swan, Culbertson & Fritz, Inc.

September 1 to 30, 1950

THE market strength which started in July carried through September and sent the Mining Share Average to a new high since June of 1948. Volume broadened and all sections of the market participated as devaluation fears sent funds into shares. The improved international news also aided sentiment.

Some of the largest gains were in the gold producing issues, reflecting the price of gold in the free market where it sold as high as P125 per ounce. Atok-Big Wedge, Mindanao Mother Lode, and Surigao Consolidated reported favorable results from developments at depth. Surigao paid a \$0.01 dividend to stockholders of record October 4. Interest picked up in several non-producers on announcements of rehabilitation plans and the expectation of receipt of second war damage payments.

In the Base Metal group Lepanto continued strong on excellent productions and earnings and the fact that it is a dollar earner. Acoje improved sharply on the news of a loan from the Rehabilitation Finance Corporation which will enable the Company to complete a mill to improve large tonnage of low-grade ore into a shipping product. Consolidated Mines responded to the news of 21,500 tons shipped in August with around the same amount expected for September.

In the Commercial and Industrial group the sugar shares continued in demand, a few advancing to record highs. San Miguel Brewery also moved up on heavy investment buying.

MINING SHARES

1949-50 Range	High	Low	M.S.E. Mining Share	High	Low	Close	Change	Total Sales
94.40	60.32		Average	102.21	80.65	102.21	Up 21.56	12,453,338
0.375	0.09		Acoje Mining Co.	0.17	0.14	0.15a	—	130,000
0.024	0.011		Antamok Goldfields Mining Co.	0.015	0.015	0.015a	—	250,000
0.68	0.26		Atok-Big Wedge Mining Co.	0.38	0.31	0.38	Up 0.05	732,000
0.07	0.04		Baguio Gold Mining Co.	0.06	0.06	0.0625a	—	64,000
3.75	2.00		Balato Mining Company	2.25	2.05	2.20	—	14,200
0.0052	0.0025		Batong Buhay Gold Mines	0.0031	0.003	0.003	—	162,000
5.30	2.50		Benguet Mining Co.	3.80	3.05	3.80	—	14,832
0.05	0.012		Caco Grove, Inc.	0.02	0.012	0.02a	—	75,000
0.014	0.0078		Consolidated Mines, Inc.	0.0105	0.0086	0.01	—	3,185,000
0.115	0.038		Itoyan Mining Company	0.08	0.05	0.075a	—	950,000
0.08	0.025		IXL Mining Company	0.038	0.03	0.05a	—	57,000
0.53	0.17		Lepanto Cons. Mining Co.	0.71	0.55	0.71	Up 0.17	1,963,500

0.021	0.016	Mazbathe Cons. Mining Co.	0.02	0.018	0.024a	—	741,620
0.70	0.31	Mindanao Mother Lode	0.59	0.47	0.59	Up 0.11	607,000
0.22	0.03	Misamis Chromite, Inc.	0.035	0.03	0.03a	—	538,000
0.08	0.03	Paracale Gumaus Cons. Co.	—	—	—	—	—
0.22	0.105	San Mateo Mining Co.	0.16	0.14	0.16a	—	96,000
0.26	0.12	Surigao Cons. Mining Co.	0.27	0.20	0.27	—	1,269,500
0.043	0.01	Suvoc Cons. Mining Co.	0.015	0.015	0.02a	—	100,000
0.11	0.04	United Paracale Mining Co.	0.06	0.045	0.07a	—	82,600

COMMERCIAL SHARES

88.00	59.00	Bank of the Philippine Islands	88.00	86.00	85.00b	—	59
82.00	51.00	Central Azucarera de Bala	82.00	71.00	79.00a	—	710
200.00	111.00	Central Azucarera de Carloria	185.00	150.00	185.00a	—	582
35.00	20.00	Central Azucarera de Tarlac	29.00	25.00	35.00a	—	1,188
200.00	185.00	China Banking Corp.	—	—	190.00b	—	—
25.00	23.50	Filipinas Cia. de Seguros	—	—	26.00b	—	—
4.00	2.00	Manila Wine Merchants & Co.	—	—	210.00b	—	—
0.35	0.35	Marsman & Co. Common	—	—	0.30b	—	—
0.40	0.40	Marsman & Co. Preferred	—	—	0.30b	—	—
25.00	25.00	Philippine Guaranty Co.	—	—	26.00b	—	—
0.165	0.04	Philippine Development	0.0725	0.07	0.0725	Up 0.0075	497,000
1.28	1.00	Philippine Racing Club	—	—	1.20b	—	—
38.00	24.50	San Miguel Brewery - 7% Pfd.	33.50	30.00	33.00*	Up 3.00	32,425
100.00	97.00	San Miguel Brewery - 8% Pfd.	97.00	97.00	97.00a*	—	480
104.00	100.00	Williams Equipment Co.	104.00	104.00	105.00a*	—	225
9.00	7.00	Williams Equipment Co.	—	—	—	—	—

*Ex-Dividend.

OVER-THE-COUNTER

	High	Low	Close	Total Sales
Victoria Milling	225.00	180.00	225.00	639
Tayson "A"	0.01	0.01	0.01	20,000
Wichman Philippines	0.0015	0.0015	0.0015	59,000
Ortigas Medical Co.	8.00	8.00	8.00	1,451
Brias-Rozas, Inc.	300.00	300.00	300.00	22

Credit

By C. W. MULLENBURG

Manager, Credit and Collection Department
International Harvester Company
of Philippines

DURING the past few weeks there have been certain developments and trends in the extension of credit by the credit managers of some firms in the Philippines. Although there have been no marked changes in established terms, several credit managers report that existing terms are much more rigidly enforced at this time than was true in "pre-control" days, when merchandise was plentiful and a sellers' market existed. Credit managers now expect and enforce strict compliance with established terms.

There has also been a tendency on the part of several firms to grant fairly liberal discounts on accounts that are paid within a specified time at the office of the seller. This accomplishes two very important objectives,—it obviates the necessity of sending collectors to the buyer's establishment to effect collection, thereby decreasing the cost of collection; and it brings the money in faster, with the resultant reduction in receivables for the seller firm together with improvement in the seller's cash position and increase in working capital. These discounts vary from 2% for payment in 10 days from date of invoice, to as much as 10% in 15 days. Many firms feel that the benefits derived from this policy are well worth the discounts granted and the additional bookkeeping involved. This is particularly true for firms which have set up the payment-discount plan in place of other discounts formerly granted, thereby experiencing no actual decrease in net income.

Ocean Shipping and Exports

By F. M. GISPERT

Secretary, Associated Steamship Lines

TOTAL exports for the month of August this year showed a general increase over exports during August of last year.

99 vessels lifted 249,118 tons of exports during the month, as compared to 162,829 tons lifted by 97 vessels, during the same month last year.

Exports for August, 1950, as compared with exports during August, 1949, were as follows:

	1950	1949
Alcohol.....	29 tons	27 tons
Beer.....	50 "	— "
Buntal fiber.....	21 "	— "
Cigars and cigarettes.....	13 "	9 "
Coconut, desiccated.....	14,561 "	8,090 "
Coconut oil.....	7,535 "	5,300 "
Concentrates, copper.....	2,566 "	2,924 "
" gold.....	487 "	520 "
Copra.....	81,084 "	62,190 "
Copra cake, meal.....	6,722 "	6,541 "
Embroideries.....	213 "	133 "
Empty cylinders.....	369 "	235 "
Fish, salted.....	29 "	43 "
Fruits, fresh.....	11 "	4 "
Furniture, rattan.....	936 "	251 "
Gums, copal.....	84 "	50 "
Hemp.....	67,276 bales	33,108 bales
Hemp, knotted.....	56 tons	14 tons
Household goods.....	776 "	166 "
Junk, metal.....	1,690 "	380 "
Kapok.....	48 "	25 "
Logs.....	3,667,222 bft.	3,497,563 bft.
Lumber.....	3,714,730 "	1,072,748 "
Molasses.....	5,949 tons	504 tons
Plywood.....	154 "	— "
Ores: chrome.....	23,352 "	26,000 "
" iron.....	45,628 "	25,052 "
Pineapples, canned.....	8,375 "	3,976 "
Rattan, palasan.....	268 "	28 "
Rope.....	191 "	288 "
Rubber.....	108 "	71 "
Shells.....	26 "	34 "
Sugar.....	17,847 "	3,398 "
Tobacco.....	514 "	319 "
Vegetable oil products.....	120 "	50 "
Transit cargo.....	537 "	282 "
General merchandise.....	5,964 "	1,222 "

Real Estate

By ANTONIO VARIAS

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

REAL estate sales in the Greater Manila area, registered during the month of September, numbered 590, with a total value of **₱7,760,444**, of which 184, with a total value of **₱4,585,616**, represented deals within Manila proper, and 406 sales, with a total value of **₱3,174,828**, were in the suburbs.

A number of the larger properties which changed hands during the month in the City of Manila were:

A lot with an area of 3,252.18 square meters at Rizal Avenue and Soler Street, Sta. Cruz, sold by the Heirs of D. Tuason, Inc. to the Far East Realty Investment Co., Inc. for **₱700,000**;

The site of La Insular Cigar Factory in Binondo, which is a complete block between the destroyed Binondo Church and Oriente Building, facing Plaza Calderon de la Barca, and bounded by Condesa, Oriente, and Nueva Streets, and having a land area of 5,240 square meters, sold by its Spanish owners to Ana Balmocena for **₱524,000**;

A property with a lot of 1,981.61 square meters at Nos. 52-56 Acarraga Street corner 298-342 Salinas Street, San Nicolas, sold by La Provincia del Santissimo, etc., to Antonio Chua Roxas y Ayala for **₱300,000**;

A 6-door accessory on a lot of 3,116.6 square meters situated at Tanday, corner Arguello and Tabarini Streets, Quiapo, sold by Guia de Bayer to United Realty Corporation for **₱270,000**; and

A parcel of 14,047.5 square meters at Tanque Street, Paco, sold by Mariano H. Bautista, et al. to Mayon Realty Corporation for **₱105,000**.

Real estate mortgages placed in the Greater Manila area during the month numbered 346, with a total value of **₱9,280,361**, of which 145, with a total value of **₱6,262,127** are in Manila proper, and 201, with a total value of **₱3,018,234**, are in the suburbs.

Monthly figures of sales and mortgages as compiled from reports of the offices of the Register of Deeds of Manila and suburbs, are:

Month, 1950	REAL ESTATE SALES (January to September, 1950)			
	Manila No.	Suburbs No.	Manila Value	Suburbs Value
January.....	(267)	₱ 4,486,846	(474)	₱ 3,551,460
February.....	(240)	3,002,289	(404)	3,703,126
March.....	(239)	2,660,652	(455)	3,564,944
April.....	(146)	1,757,506	(351)	3,176,339
May.....	(225)	5,715,108	(413)	2,567,044
June.....	(196)	3,598,044	(405)	2,180,895
July.....	(180)	2,995,048	(365)	3,063,272
August.....	(169)	3,741,735	(395)	3,912,418
September.....	(184)	4,585,616	(406)	3,174,828
Cumulative.....	(1846)	₱32,452,844	(3668)	₱27,897,926
Monthly Average.....	(205)	3,605,872	(408)	3,099,769

Month, 1950	REAL ESTATE MORTGAGES			
	Manila No.	Suburbs No.	Manila Value	Suburbs Value
January.....	(139)	₱ 3,054,080	(216)	₱ 2,837,526
February.....	(191)	3,427,844	(223)	3,141,507
March.....	(181)	5,132,988	(222)	2,946,095
April.....	(131)	3,928,477	(202)	2,388,683
May.....	(171)	4,086,336	(245)	2,763,435
June.....	(160)	2,197,960	(300)	2,568,183
July.....	(137)	4,894,736	(182)	2,306,696
August.....	(111)	2,886,501	(191)	4,127,315
September.....	(145)	6,262,127	(201)	3,018,234
Cumulative.....	(1370)	₱36,271,049	(1891)	₱26,097,584
Monthly Average.....	(152)	4,430,117	(210)	2,899,732

Electric Power Production

(Manila Electric Company System)

J. F. COTTON

Treasurer, Manila Electric Company

1941 Average—15,316,000 KWH

	KILOWATT HOURS	
	1950	1949
January.....	37,661,000	33,745,000
February.....	33,828,000	31,110,000
March.....	38,107,000	34,776,000
April.....	37,878,000	33,048,000
May.....	37,611,000	34,453,000
June.....	37,539,000	34,486,000
July.....	38,774,000	35,726,000
August.....	39,872,000*	35,394,000
September.....	38,870,000**	35,763,000
October.....		37,461,000
November.....		35,856,000
December.....		38,673,000
Total.....		420,491,000

* Total.

** Partially Estimated.

SEPTEMBER output was 3,107,000 kwh, or 8.7% over September, 1949. Daily output records were exceeded on several occasions but the total was under August because of the shorter month.

The new Rockwell Station started partial operation in September. The Company now has sufficient capacity to carry full load. For almost a year it had been necessary to interrupt service nightly in one or more districts on a rotation basis, but this will no longer be necessary barring unforeseen circumstances.

Mining

By NESTORIO N. LIM

Secretary, Chamber of Mines of the Philippines

THE gold-producing mines are enjoying the increase in the free market price of gold during the months of July, August, and September, 1950, starting from **₱104.75** per ounce on July 1, with a low price of **₱101.25** per ounce on July 3, and gradually rising

PHILIPPINE GOLD MINES PRODUCTION
JULY AND AUGUST, 1950

Mining Companies	Tonnage	Oz. Gold	Value of Au.	Oz. Silver	Value of Ag.	Total Value
Atok-Big Wedge Mining Co.....	13,193	4,089,737	P286,281.59	2,356,437	P 3,346.15	P289,627.74—July
	13,128	4,316,934	302,185.38	2,746,128	3,899.51	302,584.89—Aug.
Balatoc Mining Company.....	38,408	7,874,262	551,199.40	4,294,000	6,269.24	557,468.64—July
	37,035	7,264,000	508,480.00	8,726,000	12,739.96	521,219.96—Aug.
Benguet Consolidated.....	26,011	5,766,368	403,620.00	3,144,000	4,590.24	409,210.24—July
	24,688	5,313,000	371,910.00	6,498,000	9,487.08	381,397.08—Aug.
Lepanto Consolidated (X).....	3,159.7C-	3,181,100	222,677.00	—	—	222,677.00—July
	4,200.0C-	3,064,900	214,543.00	—	—	214,543.00—Aug.
Mindanao Mother Lode (X).....	8,700	3,563,410	249,438.70	4,472,000	6,529.12	255,967.82—July
	9,500	4,819,110	337,337.70	5,230,000	7,635.80	344,973.50—Aug.
Surigao Consolidated (X).....	9,104	2,535,040	177,452.80	1,781,570	2,601.09	180,053.89—July
	10,489	3,050,696	213,548.72	1,931,210	2,819.57	214,368.29—Aug.
Surigao Placer.....	—	416,546	29,158.22	—	—	29,158.22—July
	—	354,745	24,832.15	—	—	24,832.15—Aug.
Tambis Gold Dredging.....	30,161 Cu.yd.	171,000	10,200.00	—	—	10,200.00—July
	29,715 Cu.yd.	161,268	9,600.00	—	—	9,600.00—Aug.

X—Lead, copper or zinc values are not included.

during August and September, with the last sale, as of this report, at ₱120 an ounce on September 28. The gradual rise in the price of gold was believed to be due to the first reverses in Korea as well as to the local inflation.

The promising results of the development work of the gold mines during the last two months also has strengthened the ore-reserve positions of the mining companies.

According to recent reports, the Atok-Big Wedge has cut the Keystone vein and another structure on the 10th level.

Mindanao Mother Lode's 1025-foot level cut the Tabon-tabon vein carrying high gold values.

Surigao Consolidated, on its 5th level, found the Siana structure to have widened, with good values, increasing the known ore reserve. Surigao Consolidated will give another 10% dividend on October 9, 1950.

Benguet and Balatoc continue to be the biggest producers of gold, with Mindanao Mother Lode and Atok-Big Wedge coming next.

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Copra and Coconut Oil

By H. DEAN HELLIS
 Manager, Philippine Refining Company, Inc.

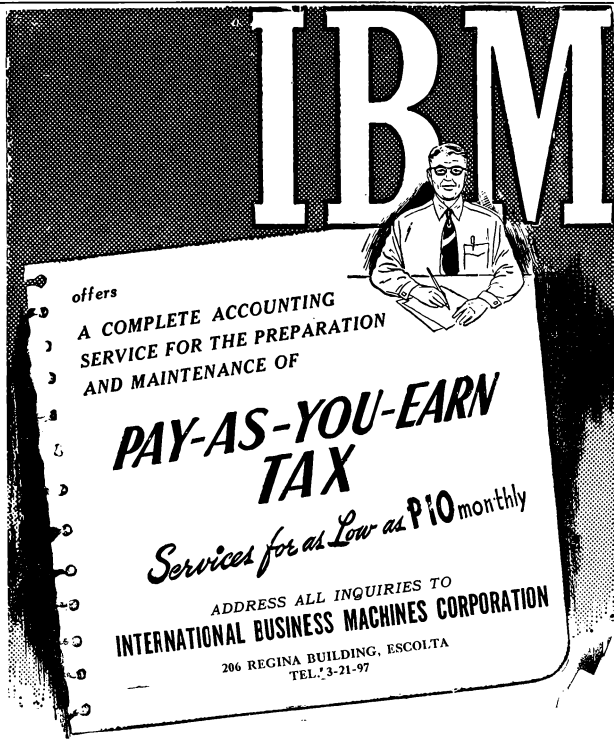
August 16 to September 15

THE period under review has seen rather sharp price advances for copra and coconut oil in practically all markets abroad, particularly in the United States and in Europe, with corresponding higher levels being currently paid for supplies throughout the Philippines. Only as the period closes has there appeared to be a possibly easier undertone, due principally to a rather sharp decline in American domestic oils and fats. Notwithstanding that the most recent cotton crop estimate in the United States is lower than previously anticipated, also in spite of the fact that both the cotton and soybean crops are late this year due to unfavorable weather conditions, it would seem that the near advent on the market of the new crops is beginning to press somewhat on what have recently been quite high prices. Tallow in the United States, likewise, has advanced in price to such an extent that it has practically priced itself out of the export market.

Nevertheless, demand for copra and coconut oil has continued fairly strong throughout the period, and there has been little difficulty in selling at steadily increasing prices. We still feel that most of this demand abroad has been occasioned by nervousness and a desire to add further to inventory positions, undoubtedly due in a large measure to the continued tense Korean and international situations. Were it not for the latter, it is our opinion that prices for both copra and coconut oil in the world's markets would not have risen to anywhere near present levels.

Supplies on the whole throughout the Islands have been quite plentiful, as they usually are at this time of the year. Otherwise we could well have seen still higher prices than those recently bid and paid.

Freight space, particularly to Europe for September and October shipments, continues very tight, due, we are told, to rather heavy cargo movements from Japan, Malaya, and elsewhere in the Far East at more attractive rates than those currently quoted for copra from the Philippines. We mentioned this situation in our last month's review, and it is just as acute now as then, perhaps even more so. If this condition should continue, freight rates are almost sure to be increased further.



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The present market for both copra and coconut oil in general, however, continues to be felt as rather a dangerous one for any trader who is not inclined to be at least somewhat conservative in his views and position, for any change in events for the better with regard to the international picture, also the imminent pressure soon to be felt of the new crops in the United States, could easily bring a sharp downward reaction from present price levels.

As the period under review opened, copra had been sold at \$205 c.i.f. Pacific Coast, with sellers then asking \$2.50 to \$5 higher in anticipation of a further rise in the market. They did not have long to wait, as almost immediately thereafter they obtained their price, and the market continued to advance steadily until at close \$227.50 c.i.f. was bid, while sellers were asking from \$230 to \$232.50 c.i.f. for prompt shipment on a named vessel. Considerable tonnage was sold all the way along on the market rise.

Europe, also, continued to be a very interested and active buyer at increased price ideas, the main difficulty here being the scarcity of available freight space for any nearby or prompt positions. This market advanced during the period from around \$235 c. and f. basic European ports, to as high as \$275 c. and f. at close, with business having been done on almost every occasion when freight space was made available to shippers. Whereas earlier, however, European buyers were interested in fairly forward positions, more recently their demand has been confined to shipment during September, October, in some cases perhaps even into November. Beyond this, there now appears a certain amount of reluctance to buy.

The local markets for copra both in Manila and Cebu, particularly in Cebu, have also been exceptionally strong at steadily advancing prices. While it is difficult always to report accurate prices actually paid in these local markets, there is no doubt that better than ₱43 was paid in Manila, while in Cebu ₱45 to ₱46 was reported to have been done.

ALONG with copra, the market for coconut oil naturally commanded far more attractive prices than we have seen for some time. The demand, while not as strong as for copra, was likewise fairly brisk, and prices slightly better than 18 cents c.i.f. Atlantic Coast for November arrival were paid, with most sellers asking 18-1/4 cents to 18-1/2 cents c.i.f. at close.

As of the close of the period, however, there is a slight tendency for both the copra and coconut oil markets to show some uncertainty as to nearby further probabilities.

While sellers, generally, are not inclined to offer at, or to take, less, buyers do not appear quite as keen as they have been to buy. This, however, may only be a temporary condition, pending clarification of the domestic market situation in the United States.

COPRA exports during the month of August, 1950, were fairly heavy, amounting to 81,084 tons, as compared to 67,017 tons during July, 1950, and 62,190 tons during August, 1949. The total for the January through August period in 1950 amounted to 378,185 tons, against 351,544 tons for the same period last year. August, 1950, exports are broken down as to destination, as follows:

United States	
Pacific Coast.....	44,012 tons
Atlantic Coast.....	6,582 "
Gulf Ports.....	7,293 "
Canada, Pacific Coast.....	2,550 "
Europe.....	8,050 "
Japan.....	6,201 "
Venezuela.....	6,435 "

81,084 tons

Coconut oil exports for August, 1950, amounted to 7,535 tons, as compared to 5,945 tons during July, 1950, and 5,300 tons during August, 1949. The total exports for the January through August period in 1950 amounted to 35,959 tons, against 40,529 tons for the same period last year.

August, 1950, exports of coconut oil are broken down as to destination, as follows:

United States	
Atlantic Coast.....	5,997 tons
Pacific Coast.....	195 "
Europe.....	918 "
South Africa.....	425 "

7,535 tons

The market for Philippine copra meal is nowhere near as attractive as has recently been the case, due principally to increased available supplies on the Pacific Coast, plus the fact that Denmark has just about completed purchasing against the last ECA allocation for the purchase of this commodity.

SUMMARIZING, though there is no definite indication of a break in the copra and coconut oil markets yet, it is our feeling that traders should view further probabilities with the utmost of caution. We may not have yet seen the top, but at the same time prices have advanced so sharply and to such relatively high levels during the period under review that it is reasonable to assume that

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we may be at least near the limit for the time being, with the possible danger of a reactionary downward movement to follow, perhaps even as sharp as the advance has been, particularly should there be any general improvement in the international situation.

Desiccated Coconut

By HOWARD H. CURRAN
Assistant General Manager
Peter Paul Philippine Corporation

THIS report covers the period August 15 to September 15, during which time copra and nut prices rose sharply. Nut prices remained below the copra equivalent. Prices of copra and nuts started on a decline at the end of this period, however, probably due to the change of situation in Korea.

The labor front remained quiet.

Shipping statistics for the month of August, 1950, are as follows:

Shipper	Pounds
Franklin Baker Company	6,047,000
Blue Bar Coconut Company	2,262,320
Peter Paul Philippine Corp.	3,605,200
Red-V Coconut Products, Ltd.	4,632,200
Sun-Ripe Coconut Products, Inc.	1,477,700
Standard Coconut Corp.	389,000
Cooperative Coconut Products, Inc.	759,900
Tabcatera	747,000
Coconut Products (Phil.) Inc.	703,080
Luzon Desiccated Coconut Corp.	48,070
Total	20,671,470

NOTE:

Zamboanga Factory production	548,490 lbs.
Luzacan	1,713,830 "
Total Blue Bar shipments	2,262,320 "
Peter Paul Production	3,619,200 "
Standard Coconut production	586,000 "
TOTAL Peter Paul Shipments	3,605,200 lbs.

Manila Hemp

By H. ROBERTSON
Vice-President and Assistant General Manager
MacLeod and Company of Philippines

THIS review covers the period August 16 to September 15, 1950. During this period prices have moved somewhat lower. United States buying interest has been limited and, except for the few days immediately following Japan's re-entry into the market, there was a slow but steady decline in values. As soon as it became evident that Japan's requirements were principally low grades, United States buyers began to lose interest and the market continued to sag.

Early in September Japan began to buy heavily against its quota. This quota, good until December 31, is \$2,500,000 worth of abaca, or, say, 25,000 bales on the basis of \$50 per bale c.i.f. The only result of Japan's buying has been a distinct firming up in the coarse grades (around 19% of the total production), which have moved upward in value, while the higher grades have declined. Europe is also interested in buying and, as it also prefers to buy the cheaper grades, the spread between the prices of the higher and lower grades has decreased.

New York Quotations:

	Per lb. c.i.f. New York	Change
	August 15	September 15
Davao I	28-3/4	26-5/8 - 1-1/8
Davao JI	27-1/2	26-3/8 - 1-1/8
Davao G	27	25-3/8 - 1-5/8
Non-Davao I	27-1/8	26-3/8 - 3/4
Non-Davao JI	26-1/2	25-5/8 - 7/8
Non-Davao G	19-1/2	19-3/4 + 1/4

Philippine Provincial Quotations:

	Per Picul Basis Loose	Change
	August 15	September 15
Davao I	₱61.50	₱60.00 - ₱1.50

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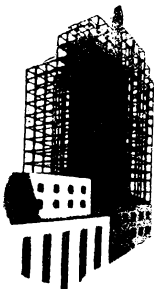
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Davao JI.....	₱60.50	₱59.00	-	₱1.50
Davao G.....	₱58.00	₱56.50	-	₱1.50
Non-Davao I.....	₱58.00	₱57.00	-	₱1.00
Non-Davao JI.....	₱56.00	₱55.00	-	₱1.00
Non-Davao G.....	₱41.00	₱42.00	+	₱1.00

Pressings for August amounted to 68,931 bales—up 10,017 bales from July, and up 37,265 bales from the corresponding month last year. August Davao pressings were 38,032 bales, or 55% of the total. For the first eight months of this year, pressings totalled 481,939 bales, compared with 348,932 for the same period last year—an increase of 133,007 bales, or 38%.

The following are the comparative figures for balings and exports for the first eight months of 1947 through 1950:

	Balings—January-August inclusive			
	1950	1949	1948	1947
Davao.....	238,643	143,848	141,783	250,551
Albay, Camarines, and Sorsogon.....	115,300	79,717	130,931	163,847
Leyte and Samar.....	77,022	72,253	78,867	58,284
All other Non-Davao.....	50,974	53,114	84,382	57,203
Total bales.....	481,939	348,932	435,963	529,885

	Exports—January-August inclusive			
	1950	1949	1948	1947
United States and Canada.....	240,564	129,854	195,608	366,502
Japan.....	55,630	81,977	114,901	1,600
Continental Europe.....	80,390	67,108	72,354	77,536
United Kingdom.....	54,009	24,959	52,045	36,870
China.....	9,258	9,531	7,916	2,121
India.....	4,030	3,100	818	4,850
Korea.....	3,100	—	—	—
South Africa.....	4,125	3,034	2,257	4,300
Australia and New Zealand.....	1,631	1,187	42	750
All other countries.....	—	—	—	2,075
Total bales.....	452,737	320,750	448,794	496,604

Sugar

By G. G. GORDON
Secretary-Treasurer
Philippine Sugar Association

THIS review covers the period from September 1 to September 30, 1950.

New York Market. In view of the purchase by the United States Government of the available reserve supplies from Cuba as reported in our review for last month, the market quotation was practically stabilized at 6.25¢ during September for anything to arrive before the end of 1950. The distribution of refined sugar began to recede from the high points reached under the influence of the Korean War at the beginning of September, and on September 8 it was reported that the demand for household consumers was about back to normal, although there was a continued demand from industrial users which kept the market strong. Offshore refined sugar was sold at 50 points over the domestic price of \$8.25. This demand by industrial users was attributed to their desire to rebuild inventories now that they could not look for lower prices for the rest of the year.

On September 18 it was thought that there had been unreported transactions in the "free" raw market in Cubas, Puerto Ricos, and possibly Philippines at 6.25¢. Some sellers offered Cubas at 6.30¢ for October shipment, but these were ignored as long as government-held sugar is available at a shade less than 6.25¢. As of September 16 refined distribution for the year to date was reported as 6,282,073 short tons, against 5,650,448 for the same period in 1949, an increase for this year of 631,625 tons.

On September 26 Philippines for December/January shipment were reported as on offer at 6.25¢, but buyers were not interested.

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for China.....	Nov. 1
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It is evident that with the favorable developments in the Korean War situation, the only pressure on the market is for near positions. For next year, when new crop supplies will be available, the exchange positions have declined substantially. The Cuban world market remains very firm for the available supplies on hand, but the new-crop position on the exchange show a substantial decline. Spot was quoted at 5.85¢ on September 29.

We give below the quotations on the New York Sugar Exchange as of September 29 for Contracts Nos. 4 and 6:

	Contract No. 4	Contract No. 6
November.....	—	5.73
January.....	5.10	5.61
March.....	4.57	5.23
May.....	4.55	5.23
July.....	4.56	—
September.....	4.59	—
October.....	—	—

Local Market. (a) Domestic Sugar: There was a keen demand during the month for the free stocks of 1949-50 crop domestic sugar held by mills and planters. Dealers paid from ₱15.60 to ₱15.70 for the ordinary centrifugal sugar, ₱16.80 for the higher grades, and from ₱20.00 to ₱20.50 for washed sugar, all prices ex mill warehouse. The market for new crop domestic sugar was inactive pending the announcement by the Sugar Quota Office of the 1950-51 domestic quota.

(b) Export Sugar: As stated in our last review, there is only a limited supply of old-crop export sugar available for purchase. Toward the end of the month there were buyers on the basis of ₱15.20 per picul ex mill warehouse. It is reported that there are buyers of new-crop sugar for delivery up to the end of the year at from ₱13.95 to ₱14.00 per picul, ex mill warehouse.

1950-51 Sugar Freight Rate. The Shippers' Committee has had a meeting with the Carriers' Committee

regarding the new sugar freight rate. The negotiations will be continued later, but there is no indication as yet what the new rate will be.

Tobacco

By LUIS A. PUJALTE
Secretary-Treasurer
Manila Tobacco Association, Inc.

As mentioned in previous articles, the cigarette manufacturing industry is booming, principally in the manufacture of Virginia-type cigarettes. During the first semester of this year, over 25,000 hogsheads of Virginia tobacco have been imported and will be consumed within the next few months. (Most of this Virginia tobacco which has been imported is of poor quality.) A vast majority of the old manufacturers, and, I dare say, all the new, are completely in the dark on how to process and treat Virginia tobacco for cigarette manufacture.

Cigarette smokers in the Philippines have acquired a taste for American cigarettes, which are blended of Virginia, Burley, and Turkish or Balkan tobaccos. A straight Virginia cigarette would be the British type of cigarette, which is not to the taste of this market.

The Burley Tobacco Growers Cooperative Association of Lexington, Kentucky, has sent a Tobacco Consultant, Mr. R. C. Travis, on a tour to various countries to advise manufacturers on the best methods of processing, treating, and blending tobacco for the manufacturing of American-type cigarettes.

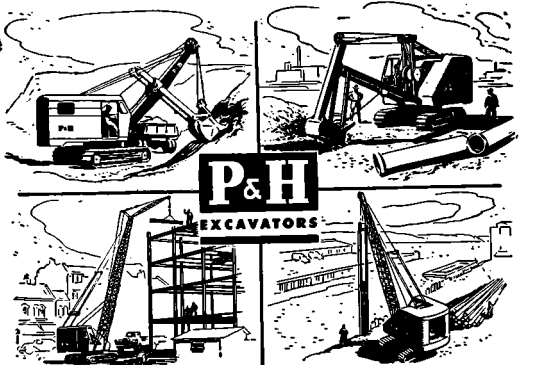
Though Mr. Travis is not on a tour to sell, but to promote, he emphasizes the fact that to produce an American-type cigarette a blend of Burley is essential, as the most popular brands in the United States use between 30% to 40% Burley in their blends.

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Occidental Negros

In my opinion, the Burley Tobacco Growers Cooperative Association is to be complimented on their selection of Mr. Travis, who is very likeable, hardworking, a well-versed man on the subject of tobacco and cigarette manufacture.

Mr. Travis is, however, meeting with difficulties as he visits more and more of the local factories. He came on a mission to help by demonstrating that with the proper blending, locally manufactured cigarettes could be greatly improved, but he has found that our whole procedure is wrong. He is working hard to show how to process the tobacco from start to finish, but in the old factories, the makers, although they know he is right, shrug their shoulders and say that the recent expansion has taken up so much of their available space that they can not act on all his suggestions. The old factories are indeed working under cramped conditions. The new factories can more easily profit from Mr. Travis' pointers.

The main question for both the old and the new cigarette factories is whether more tobacco will be allowed to be imported or if they all will have to revert to the use of purely native tobacco when the imported leaf has been consumed.

Imports

By S. SCHMELKE
Mercantile, Inc.

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

Commodities	August, 1950	August, 1949
Automotive (Total).....	1,453,169	2,969,173
Automobiles.....	235,010	1,353,472

Auto Accessories.....	1,888	12,217
Auto Parts.....	210,236	340,070
Bicycles.....	14,156	52,159
Trucks.....	—	21,859
Truck Chassis.....	479,490	748,618
Truck Parts.....	67,180	46,504
Building Materials (Total).....	13,555,108	12,557,956
Board, Fibre.....	57,370	202,334
Cement.....	10,214,909	7,403,739
Glass, Window.....	344,480	630,361
Gypsum.....	113,398	96,036
Chemicals (Total).....	2,910,681	2,116,933
Caustic Soda.....	715,454	643,790
Explosives (Total).....	35,391	25,149
Firearms (Total).....	6,725	23,828
Ammunition.....	4,853	8,145
Hardware (Total).....	5,819,092	8,622,131
Household (Total).....	1,007,503	1,987,910
Machinery (Total).....	2,006,114	3,444,914
Metals (Total).....	5,908,812	16,675,703
Petroleum Products (Total).....	74,758,215	52,013,005
Radios (Total).....	21,690	55,772
Rubber Goods (Total).....	365,717	630,752
Beverages, Misc. Alcoholic.....	9,114	21,419
Foodstuffs (Total Kilos).....	31,111,266	66,837,348
Foodstuffs, Fresh (Total).....	116,331	191,351
Apples.....	19,132	18,882
Oranges.....	9,435	12,840
Onions.....	42,402	51,044
Potatoes.....	11,102	25,105
Foodstuffs, Dry Packaged (Total).....	21,242	75,301
Foodstuffs, Canned (Total).....	237,649	397,936
Sardines.....	90,620	19,488
Milk, Evaporated.....	38,611	135,015
Milk, Condensed.....	2,636	16,307
Foodstuffs, Bulk (Total).....	852,484	1,173,454
Rice.....	—	583,394
Wheat Flour.....	814,921	158,228
Foodstuffs, Preserved (Total).....	2,296	1,087

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| Firth-Sterling Steel Company | Tube-Turns, Inc. |
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GENERAL HARDWARE

PLUMBING

Bottling, Misc. (Total).....	367,691	2,222,616
Cleansing and Laundry (Total).....	291,926	265,772
Entertainment Equipment (Total).....	4,787	25,804
Livestock-bulbs-seeds (Total).....	2,055	1,340
Medical (Total).....	352,397	493,141
Musical (Total).....	73,672	116,948
Office Equipment (Total).....	20,602	179,163
Office Supplies (Total).....	37,231	37,034
Paper (Total).....	3,828,763	5,064,917
Photographic (Total).....	15,147	31,091
Raw Materials (Total).....	107,048	89,156
Sporting Goods (Total).....	19,789	57,931
Stationery (Total).....	183,646	270,755
Tobacco (Total).....	103,732	239,714
Chucheria (Total).....	72,093	86,808
Clothing and Apparel (Total).....	240,490	458,559
Cosmetics (Total).....	46,792	174,983
Fabrics (Total).....	879,853	860,532
Jewelry (Total).....	244	273
Leather (Total).....	185,644	228,283
Textiles (Total).....	1,800,987	3,246,355
Twine (Total).....	44,284	66,379
Toys (Total).....	8,631	58,668
General Merchandise (Total).....	289,292	568,028
Non-Commercial Shipments (Total).....	53,925	56,942
Advertising Materials, Etc. (Total).....	349,381	622,140

Automobiles and Trucks

By KARL E. GAY

Sales Representative, Ford Motor Company

REPORT OF SALES

AUGUST, 1950, ONLY

Make	Passenger		Trucks		Total	
	No.	%	No.	%	No.	%
PHILIPPINES, TOTAL						
Ford.....	51	39.23	85	33.46	136	35.42
Mercury.....						
Lincoln.....	2	1.54			2	.52
Prefect.....						
Chevrolet.....	41	31.54	66	25.98	107	27.86
Buick.....						
Cadillac.....						
Pontiac.....	2	1.54			2	.52
Oldsmobile.....						
G.M.C.....						
Chrysler.....	1	.77			1	.26
DeSoto.....	7	5.38	2	.79	9	2.34
Plymouth.....						
Dodge.....	6	4.61	6	2.36	12	3.12
Fargo.....						
International.....			90	35.43	90	23.43
Willys.....	12	9.23	1	.40	13	3.38
Nash.....	3	2.31			3	.79
Packard.....						
Studebaker.....			3	1.18	3	.79
Reo.....						
Austin.....	3	2.31			3	.79
Hudson.....	2	1.54			2	.52
Diamond T.....			1	.40	1	.26
Total.....	130		254		384	

PHILIPPINES, TOTAL

ACCUMULATED TO AUGUST 31, 1950

Ford.....	382	28.69	619	32.31	1001	30.85
Mercury.....	49	3.68			49	.89
Lincoln.....	11	.83			11	.34
Prefect.....	5	.37			5	.15
Chevrolet.....	446	33.49	715	37.32	1161	35.78
Buick.....	51	3.83			51	1.57
Cadillac.....	1	.07			1	.03
Pontiac.....	23	1.73			23	.71
Oldsmobile.....	2	.15			2	.06
G.M.C.....			28	1.46	28	.86
Chrysler.....	22	1.65			22	.68
DeSoto.....	51	3.83	29	1.51	80	2.46
Plymouth.....	15	1.13			15	.46
Dodge.....	38	2.85	64	3.34	102	3.14
Fargo.....					9	.28
International.....			350	18.27	350	10.79
Willys.....	106	7.96	37	1.93	143	4.41
Nash.....	48	3.60			48	1.48
Packard.....	22	1.65			22	.68

Studebaker	38	2.85	21	1.10	59	1.82
Reo			14	.73	14	.43
Austin	14	1.05	1	.05	15	.46
Hudson	7	.52			7	.21
White			2	.10	2	.06
Bedford			23	1.20	23	.71
Renault	1	.07			1	.03
Diamond T			1	.05	1	.03
Total	1,331		1,913		3,844	

Make	Passenger No.	%	Trucks No.	%	Total No.	%
MANILA AND NORTHERN LUZON						
Ford	304	26.81	322	27.63	626	27.23
Mercury	38	3.35			38	1.64
Lincoln	9	.79			9	.39
Prefect	5	.44			5	.22
Chevrolet	371	32.72	444	38.09	815	35.45
Buick	50	4.41			50	2.17
Cadillac	Nil				Nil	
Pontiac	19	1.67			19	.83
Oldsmobile	2	.18			2	.09
G. M. C.			19	1.63	19	.83
Chrysler	22	1.94			22	.96
DeSoto	46	4.06	29	2.49	75	3.26
Plymouth	13	1.14			13	.56
Dodge	34	3.00	40	3.43	74	3.22
Fargo			3	.26	3	.13
International			239	20.51	239	10.40
Willis	101	8.91	34	2.92	135	5.87
Nash	41	3.61			41	1.78
Packard	21	1.85			21	.91
Studebaker	37	3.26	17	1.46	54	2.35
Reo			14	1.20	14	.61
Austin	14	1.23	1	.08	15	.65
Hudson	5	.44			5	.22
Renault	1	.09			1	.04
White			2	.17	2	.09
Diamond T			1	.08	1	.04
Total	1133		1165		2298	

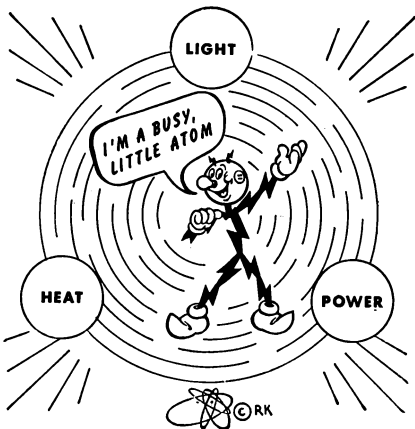
Make	Passenger No.	%	Trucks No.	%	Total No.	%
PROVINCES						
Ford	78	39.37	297	39.74	375	39.64
Mercury	11	5.55			11	1.16
Lincoln	2	1.00			2	.21
Prefect						
Chevrolet	75	37.85	271	36.23	346	36.57
Buick	1	.50			1	.11
Cadillac	1	.50			1	.11
Pontiac	4	2.00			4	.42
Oldsmobile						
G. M. C.			9	1.20	9	.95
Chrysler						
DeSoto	5	2.52			5	.53
Plymouth	2	1.00			2	.21
Dodge	4	2.00	24	3.21	28	2.96
Fargo			6	.80	6	.63
International			111	14.85	111	11.73
Willis	5	2.52	3	.40	8	.84
Nash	6	3.03			6	.63
Packard	1	.50			1	.11
Studebaker	1	.50	54	53	5	.53
Reo						
Austin					2	.21
Hudson	2	1.00			2	.21
Bedford			23	3.08	23	2.43
Total	198		748		946	

Food Products

By C. G. HERDMAN

Director, Trading Division, Marsman & Co., Inc.

THERE has been very little change in conditions in the local market during the past month. The status is practically the same as at the end of August except that the continued delay in issuance of import licenses has rendered still more acute the shortage of imported food-stuffs, particularly in canned fruits and vegetables, canned meats, etc.



I'm a busy little atom

I split myself in two,

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Shape	Packing	per box
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id	25's Tesorito	14.50
id	50's Tesorito	22.50
id	50's Chest	20.00
ESPECIALES	25's Standard	7.75
id	25's Boite Nature	8.25
ALCALDES	25's Standard	7.25
id	50's Standard	11.50
BELLEZAS	50's Standard	7.50

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PRICES for deliveries ex New York, (all expenses, including U.S. Internal Revenue Tax, prepaid; Recipients pay no charges whatsoever):

Shape	Packing	per box
CORONAS	25's Standard	P 10.50
id	25's Boite Nature	11.00
id	50's Boite Nature	20.50
ESPECIALES	25's Standard	9.50

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The situation remains very serious in evaporated milk. Some shipments have arrived during the latter half of September but the quantities received are far from sufficient to meet consumption. It is understood that the Central Bank made special dollar exchange available to the Import Control Administration to permit additional importations of evaporated milk, that import licenses were approved last week for considerable quantities, and that larger arrivals during late October and early November may be anticipated. Consumers in the meantime are encountering great difficulty in securing necessary supplies, and this condition will probably become even more serious before further stocks arrive in volume.

Stocks of canned fish in the Islands are extremely low. The fishing season in Central California opened the middle of August and in Southern California opens the early part of October. Stocks of sardines in California were entirely depleted some time ago. Unfortunately the run of sardines in Central California has been so light as to be altogether negligible. Only a few canneries have been able to operate and then only in a very small way. It is hoped that the run of the fish will be much better in Southern California when the season there opens, but the possibility exists that the run there may also prove to be disappointing. Reports from California are to the effect that canners in Central California had firm orders in hand for export for over 600,000 cases of canned fish which they were unable to fill and that such orders have perforce been cancelled. Many orders have been transferred to packers in Southern California who, however, have refused to accept them on a firm price basis and will only book orders subject to pack and subject to price in effect at the time they are available. Substantially increased prices are anticipated, particularly if the run of fish in Southern California is lighter than usual.

As stated in this column at the end of August, it was anticipated that quotas for flour imports corresponding to the month of August would be issued by PRATRA on September 15. PRATRA made plans to issue import licenses at that time, allotting the quotas almost entirely to Filipino importers, mostly new importers.

The Chinese Flour Importers Association, on the ground that the Import Control Act definitely specifies



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that 70% of imports are to be given to old importers on the basis of their historical record, secured an injunction in the Court of First Instance against PRATRA issuing flour quotas or import licenses unless these were issued in accordance with the Import Control Act,—namely, 70% to old importers. Accordingly, PRATRA did not allot any flour quotas or issue any flour import licenses. It did, however, place orders for approximately 500,000 bags of flour for prompt shipment to PRATRA, viewing this step as necessary to avoid a flour shortage in the Philippines. In order to avoid conflict with the terms of the injunction, PRATRA stated that the flour purchased for shipment to itself comprised 30% each of the August, September, and October quotas and 10% of the November quota. It is to be hoped that a prompt decision of the Court as to whether the injunction is to be made permanent or not, will be arrived at shortly so as not to hold up any longer than necessary flour imports into this country. The Philippines is very badly in need of flour. The large importations made for account of PRATRA (orders placed last July) are entering into consumption rapidly. Davao stocks are completely exhausted and stocks in Iloilo and Cebu are very much depleted. In Manila probably at least half of the PRATRA July importations have already entered into consumption. Flour stocks remaining in the Philippines today will probably be exhausted around the end of October, certainly by the middle of November. The orders placed by PRATRA for its own account at the end of September will fill the gap here until the end of November or possibly the middle of December, but unless further imports of flour are arranged for by the end of October, a serious shortage of flour here during the month of December is inevitable. December and January are customarily the two months of heaviest flour consumption during the entire year. It is essential that import licenses for at least 750,000 bags of additional flour be issued by the end of October, otherwise the Philippines will be bare of flour stocks before the end of the year.

Textiles

By L. W. WIRTH

General Manager, Neuss, Hesslein Co., Inc.

ARRIVALS of textiles from the United States during August were about 2800 packages of cotton piece goods and 1100 packages of rayon piece goods. Arrivals of textiles, including made-up goods, from Japan were 300 packages, and from China 2700 packages.

While a limited number of licenses were given out by the Import Control Office during August and September for manufacturers, very few, if any, were given to regular

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importers who still are waiting for licenses to be issued covering the period of September to December, 1950.

The continued delay in the issuance of licenses for the past several months has caused a serious shortage in the local supply of practically all types of cotton as well as rayon piece goods, with the result that the local selling prices during the past month have advanced 15 to 25%.

Legislation, Executive Orders, and Court Decisions

By EWALD E. SELPH

Ross, Selph, Carrasco & Janda

THE official list of bills passed at the last special session of Congress with dates of effectivity are as follows:

Republic Act 564 (H.B. 839), effective August 11, 1950, increases the tax on agents of foreign insurance companies not authorized to do business in the Philippines to twice the amount fixed in section 255 of the Internal Revenue Code, and the tax on owners of property who obtain insurance directly from foreign insurance companies is increased to 3% of the premiums paid.

Republic Act 565 (H.B. 841), effective August 11, 1950, increases the taxes on radio sets, requires registration with the Collector of Internal Revenue, notice of change of address, and requires the dealer to register the radio and pay the fees for the first year, which he is entitled to collect from the purchaser.

Republic Act 566 (H.B. 814), effective August 31, 1950, exempts from taxation bonds, certificates, and other evidence of indebtedness, and interest payable thereon, issued by the Government for economic rehabilitation under Republic Act 266.

Republic Act 567 (H.B. 868), effective August 31, 1950, increases the stamp taxes on original issue of stock certificates to 50¢ for each ₱200; to 10¢ for each ₱200 on transfers; to 30¢ on warehouse receipts; 50¢ on each ₱20 on receipts issued by hotels and lodging houses; on passage tickets, not over ₱60, ₱1.50; over ₱60 but not more than ₱120, ₱12; over ₱120 but not over ₱250, ₱15; over ₱250 but not over ₱500, ₱30; over ₱500 but not over ₱1,000, ₱50; over ₱1,000, ₱100. (The Collector has ruled that this tax is due for each person covered by the ticket.) On mortgages, pledges, etc. over ₱1,000 but not over ₱3,000, the stamp tax is increased to ₱1.50, and ₱1.50 on each additional ₱3,000; on transfers of realty, net consideration over ₱250 but not over ₱1,000, 75¢, and on each additional ₱1,000, ₱3.*

Republic Act 568 (H.B. 902), effective August 31, 1950, increases to ₱5 the stamp tax on transfer of large cattle.

Republic Act 569 (H.B. 1141), effective August 31, 1950, provides for reciprocal affixing of stamps on tobacco (including cigars) or snuff in country of manufacture.

Republic Act 570 (H.B. 1363), effective August 31, 1950, provides for a period of 5 years, refund of 50% of specific tax on oils used in aviation. This refund is not available to a foreign citizen or entity unless the foreign country grants equivalent exemption or refund.

Republic Act 571 (H.B. 883), effective September 5, 1950, amends the Philippine Tariff Act by increasing the duty on gasoline, naphtha, etc. to 50¢ per 100 kilos, and in any event not less than 20% ad valorem.

Republic Act 572 (H.B. 1334), effective September 5, 1950,

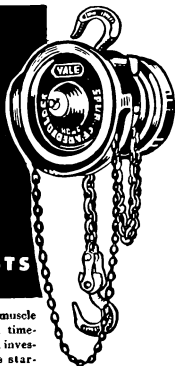
* Italics are the Editor's.

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provides for an import license fee of 1% of the amount authorized in the license and is applicable to ex-quota items. It also ratifies all license fees heretofore collected.

Republic Act 573 (H.B. 1400), effective September 7, 1950, provides for the expeditionary force for service in Korea.

Republic Act 574 (H.B. 842), effective September 8, 1950, provides that horse-race tickets shall bear a 12¢ stamp.

Republic Act 575 (H.B. 1393), effective September 8, 1950, is the additional Government Appropriation Act.

Republic Act 576 (H.B. 1402), effective September 8, 1950, appropriates additional funds for the Armed Forces.

Republic Act 577 (H.B. 1283), effective September 12, 1950, provides school benefits for veterans.

Republic Act 578 (S.B. 176), effective September 15, 1950, extends the period for registration of aliens 120 days from date of approval of this act.

Republic Act 579 (H.B. 866), effective September 15, 1950, increases the estate, inheritance, and gift taxes.

Republic Act 580 (H.B. 1323), effective September 15, 1950, creates the Home Financing Commission, which is empowered to insure lending institutions against loss up to 10% of amounts loaned for repair, construction, and improvement of business, agricultural, and residential structures.

Republic Act 581 (H.B. 1369), effective September 15, 1950, amends the powers of the Pension Board.

Republic Act 582 (H.B. 322), effective September 18, 1950, authorizes the President to make disbursements from the Sugar Stabilization Fund for research on sugar production and for operation of experimental stations. It also provides for an economic survey. (Mill, landowner, and planter).

Republic Act 583 (H.B. 372), effective September 18, 1950, constitutes a small farmers revolving cooperative loan fund to assist small farmers and farm tenants.

Republic Act 584 (H.B. 1146), effective September 18, 1950, amends the law relating to operation of radio stations, radio receivers and transmitters, and combination transmitter receivers, possession, transfer, and operation of which must be approved by the Secretary of Commerce.

Republic Act 585 (H.B. 1340), effective September 18, 1950, amends the requirements for the production of residence certificates by making more specific the reference to salaries and wages.

Republic Act 586 (H.B. 840), effective September 22, 1950, requires deduction and withholding from dividends on a winning jai alai ticket of a tax of 2-1/2% of the amount of the winning over and above the cost of the ticket. It also provides that admission fees or charges collected by a charitable organization shall be subject to a tax at 50% of the regular amusement taxes, which on an admission charge of ₱1 or more is 30%.

Republic Act 587 (H.B. 706), effective September 22, 1950, increases the registration fees for motor vehicles.

Republic Act 588 (H.B. 867), effective September 22, 1950, raises the basic sales tax from 5% to 7%; on luxury and semi-luxury items the tax is raised to 50%, except that on automobiles the selling price of which is over ₱7000, the tax is 75%. On automobiles, the selling price of which does not exceed ₱5,000, and on refrigerators over 7 cubic feet, sporting goods, etc., the new tax is 30%. There are a few items taxed at 20%. The contractors tax which includes almost every conceivable kind of business is increased to 3%. Fixed taxes are increased on brewers, distillers, liquor dealers, dealers in soft drinks, and other lines of business. The percentage tax on brokers is raised to 6%.

Republic Act 589 (H.B. 869), effective September 22, 1950, increases the specific taxes on spirits, wines, fermented liquors, and cigarettes. The tax on imported cigarettes of the type most popular will be ₱4 per carton.

Republic Act 590 (H.B. 1127), effective September 22, 1950, is the new income tax which is applicable to income for 1950. It also provides for withholding from salaries and wages which will become effective with the first payroll in January, 1951. In the medium brackets the tax on husband and wife is more than that presently imposed in the United States. The tax on corporate income is raised to 16% and the withholding tax on foreign corporations is 18%. The withholding tax on non-resident individuals is raised to 16% and the former proviso giving a non-resident the benefit of the lower rates by filing the proper return has been eliminated in the new law.

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Philippine Safety Council

By FRANK S. TENNY
Executive Director

THE organization of volunteer fire departments, both in Manila and the provinces, was discussed late last month at a meeting attended by ranking Manila City, fire, and safety leaders. The occasion was the showing of the film, "Where's the Fire?", under the auspices of the Philippine Safety Council.

Mayor Manuel de la Fuente revealed that he has already caused the organization of 52 volunteer citizen's fire patrols within the city. Further training and advancement of the VFD plan will begin with those units. The Fire Chiefs of Manila, Pasay City, Quezon City, and the U. S. Embassy were also present and heartily endorsed the idea.

The film, obtained through the courtesy of the 20th Century-Fox Film Company and the Luzon Theaters, Inc., depicted the organization, functions, and training of a typical citizen's fire group in the United States. Many of the procedures shown can be used here, according to the experts present. Further showings will be scheduled for VFD chiefs and municipal mayors.

As a means of consolidating the efforts of approximately 17 organizations concerned with one or more phases of safety, and to provide a method of granting public recognition to outstanding safety work, the Philippine Safety Council is formulating an Annual Achievement Award plan throughout the Philippines.

The several organizations will be grouped into different categories such as traffic safety, fire prevention, accident prevention, industrial safety, and security matters. Further subdivisions may be necessary in the fields of government safety groups, industrial and commercial units, military establishments, and civic organizations. Annual prizes will be awarded to the outstanding safety accomplishment in its category for the year.

The national safety movement in the Philippines has progressed to the point where many groups and individuals are devoting much unselfish effort toward public safety on a daily basis. The Safety Council, as the primary and original national safety organization, desires to coordinate these plans so as to make them more efficient and effective. The awarding of prizes is intended to stimulate activity in this regard.

Among the groups expected to participate in the competition are:

- Fire Prevention Board
- Rotary Clubs
- Lion's Clubs
- Bureau of Industrial Safety
- Traffic Division of the M.P.D.
- Philippine Air Lines
- Philippine Society of Safety Engineers
- Philippine National Red Cross
- Mine Operators Safety Association
- Philippine Motor Association
- Philippine and United States Military Establishments
- San Miguel Brewery
- Manila Fire Department
- Manila Electric Company
- Boy Scouts of the Philippines and others.

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**COST OF LIVING INDEX OF WAGE EARNER'S FAMILY* IN
MANILA BY MONTH, 1946 TO 1949**
(1941 = 100)

Bureau of the Census and Statistics
Manila

1946	All Items	Food (59.15)	House Rent (8.43)	Cloth- ing (6.52)	Fuel, Light and Water (13.94)	Miscel- laneous (17.86)	Purchas- ing Power of a Peso
January.....	603.4	759.2	236.4	984.0	363.8	434.8	.1657
February.....	547.2	656.3	236.4	940.3	369.5	460.5	.1827
March.....	525.9	631.0	236.4	940.1	340.4	445.2	.1902
April.....	556.2	684.1	236.4	910.3	345.5	435.9	.1798
May.....	545.1	675.6	236.4	762.5	342.3	409.6	.1835
June.....	538.7	666.4	236.4	737.9	343.3	404.2	.1856
July.....	552.7	704.3	236.4	598.9	341.3	364.6	.1809
August.....	477.9	590.0	236.4	384.7	320.9	346.3	.2092
September.....	477.9	591.3	236.4	378.7	314.5	347.2	.2092
October.....	487.4	587.2	236.4	382.7	405.8	342.7	.2052
November.....	484.8	607.8	236.4	406.4	346.5	305.2	.2063
December.....	461.9	570.8	236.4	371.9	344.7	302.1	.2165

1947†	(100.00)	(63.43)	(11.96)	(2.04)	(7.73)	(14.48)	
January.....	426.2	368.2	453.9	381.9	326.2	282.5	.2346
February.....	414.5	454.9	453.9	356.2	344.8	281.4	.2389
March.....	406.8	440.1	453.9	295.2	334.7	279.4	.2458
April.....	387.7	413.3	453.9	269.2	328.9	271.6	.2579
May.....	381.0	404.4	453.9	250.9	325.4	269.4	.2625
June.....	386.3	414.4	453.9	236.8	316.6	268.6	.2589
July.....	393.4	426.8	453.9	217.7	309.3	269.9	.2542
August.....	387.4	419.8	453.9	210.2	292.0	269.1	.2581
September.....	368.9	392.1	453.9	216.4	283.3	266.8	.2711
October.....	358.7	376.3	453.9	212.7	280.5	267.7	.2788
November.....	358.4	376.3	453.9	215.1	280.5	265.3	.2790
December.....	371.9	395.8	453.9	219.1	298.2	262.9	.2689

1948							
January.....	391.2	428.3	453.9	224.5	304.6	249.9	.2556
February.....	368.5	392.0	453.9	223.8	301.1	254.4	.2714
March.....	349.4	361.0	453.9	214.6	308.1	255.9	.2862
April.....	356.1	374.1	453.9	209.4	289.7	254.8	.2808
May.....	349.8	360.2	453.9	214.2	289.7	271.6	.2859
June.....	354.3	370.4	453.9	205.2	283.2	262.9	.2823
July.....	356.4	374.2	453.9	201.3	281.6	262.4	.2806
August.....	363.6	385.7	453.9	199.8	281.6	261.7	.2751
September.....	370.6	397.2	453.9	199.2	279.6	260.6	.2698
October.....	374.9	404.0	453.9	204.8	283.2	257.9	.2668
November.....	368.7	394.4	453.9	202.0	281.6	258.7	.2712
December.....	365.9	389.9	453.9	202.0	282.4	258.9	.2732

1949							
January.....	363.8	386.8	453.9	202.0	279.0	258.9	.2750
February.....	343.8	355.5	453.9	203.0	277.5	258.9	.2909
March.....	346.3	358.2	453.9	202.0	276.3	258.5	.2896
April.....	348.7	362.6	453.9	197.6	287.5	257.1	.2868
May.....	348.8	362.8	453.9	197.2	287.5	257.1	.2867
June.....	349.0	362.9	453.9	203.9	287.5	257.2	.2865
July.....	351.7	374.0	453.9	194.2	265.8	240.5	.2844
August.....	337.5	351.2	453.9	190.3	266.6	241.2	.2963
September.....	333.6	345.1	453.9	190.3	264.8	243.1	.2998
October.....	332.9	343.3	453.9	199.9	264.8	245.0	.3004
November.....	339.6	356.1	453.9	191.1	258.4	239.8	.2945
December.....	329.6	335.9	453.9	202.9	259.5	256.2	.3035

1950							
January.....	332.3	336.8	453.9	238.0	253.1	269.3	.3010
February.....	336.9	340.2	453.9	233.3	257.8	284.1	.2969
March.....	339.0	341.4	453.9	236.7	257.8	292.6	.2950
April.....	331.8	328.6	453.9	237.7	252.9	301.2	.3015
May.....	320.2	308.6	453.9	243.7	249.7	309.1	.3123
June.....	323.1	310.9	453.9	244.5	249.7	319.1	.3095
July.....	332.0	322.4	453.9	252.6	249.7	328.7	.3012
August.....	334.4	325.9	453.9	258.7	251.1	328.4	.2990
September.....	341.3	335.0	453.9	317.4	252.5	327.5	.2930

* Average number of persons in a family = 4.9 members.
† Revised in accordance with the new survey on the "Levels of Living, in Manila" by Department of Labor and the Bureau of the Census and Statistics conducted in December, 1946.

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The "LET YOUR HAIR DOWN"

Column

WE sent Fred Mangahas, private secretary to President Quirino, a press proof of the editorial in last month's issue of the *Journal* on the "vigilance committees" proposed by the President, now called *barangays*, and Mr. Mangahas wrote us the following acknowledgement addressed to the editor:

"I am sorry not to have been able to acknowledge earlier the clipping of the editorial in the *Journal* which I submitted to the President immediately on receipt of it. He is very pleased with the editorial for the strong endorsement it gives to the project of organizing the people for more effective resistance to the basic threat to internal security. I hope you are doing very well. Sincerely, etc."

From an officer of the Board of Governors of the Federal Reserve System, Washington, D. C., we received the following inquiry addressed to the Chamber:

"We should be interested in securing regularly for our Library the American Chamber of Commerce *Journal*, which you publish. If you would have need for our monthly *Federal Reserve Bulletin*, we should be glad to send it on an exchange basis. A sample copy of the August issue is being sent you under separate cover. If an exchange arrangement is agreeable, you may address your publication to the Library, Board of Governors of the Federal Reserve System. Very truly yours, etc."

Mrs. Willimont, our puiasant Executive Vice-President, received a grateful note the other day from a prominent member of the Board of Directors of the Chamber of Commerce of the Philippines, which note also contains a lesson for our government and business personnel. It read:

"Dear Mrs. Willimont,

"On one or two occasions I found it necessary to call your office to request information regarding the whereabouts of certain American residents. I wish by this letter to express to you my appreciation of your unflinching courtesy and willingness to help. If only some of our government and business offices would be as cordial and courteous as you have always been in talking to people over the telephone, this would be a happier world to live in.

"Sincerely yours,

(Name withheld by the editor)"

Of course, Mrs. Willimont is one in a thousand, or a hundred thousand. We have always admired her for her easy and natural manner of using the telephone. She is a whiz at it. She is never at loss for a number, and seems always to get her "party". Every time you glance her way, you see her either telephoning or answering the telephone, un-

ruffled, perfectly calm, speaking in such a low tone that you can't hear her a foot away, yet never having to repeat herself, always in full command of the instrument and the situation. To us, the telephone has always been a nuisance and a menace. We put off making a desperately necessary call as long as possible, have trouble finding names and numbers, have to write the numbers down, get the "busy" signal, mislay the slip of paper with the number on it, have to do it all over again, and by the time we get our "party" we are perturbed, angry, exhausted, and have forgotten who it was we wanted to talk to and when we hear an impatient, "This is So-and-so. What is it you want?" we get so rattled that everything we wanted to say slips out of our mind and the best thing we can think of to do is to preserve a mysterious silence and slowly and softly hang up. When someone calls us up, we don't catch the name, ask the caller to repeat it please, still get it wrong, but say, "Oh, yes, how are you?" Then we listen strainedly, trying to make out what the man is talking about, perhaps we finally get the drift, but usually not, and end up by saying recklessly that everything is understood and will be attended to. And we hang up dazed and feeling like a perfect fool.

THE papers made no reminiscent mention of it, but on the 21st of last month, in the Chamber coffee room, members talked of that same day, six years ago, when the first American planes bombed Japanese military objectives in Manila.

According to a contemporary account:

"Early Thursday morning, September 21, the Japanese had again begun their anti-aircraft firing practice very early in the morning, around 5 o'clock, and during and after breakfast there were 8 or 10 Japanese planes cruising about and maneuvering in the air, the Camp [Santo Tomas] paying very little attention to this. One wife said to her husband, 'You'd laugh if they were our planes, wouldn't you?'

"At 9:30 one plane was flying around drawing a target behind it, and in the direction of Nichols' Field, 5 or 6 planes were engaged in a 'dog-fight'. Puffs of smoke near them showed that they were firing or being fired at. 'That's rather dangerous practice, I should say,' said one internee to a friend. A few moments later, the latter exclaimed, 'That's a real fight! That plane is on fire!'

"Simultaneously, people in other parts of the Camp suddenly saw a large number of planes, estimated at around 70, coming

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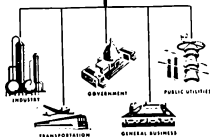
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out of a cloud bank to the northeast in a beautiful formation, some of them already overhead and flying quite low, and others in tiers above them, in groups of threes, with numbers of smaller planes darting from side to side above and below. To the northwest another large group appeared over the Bay. Almost immediately the planes overhead broke into smaller groups, some heading to the north for the Grace Park airfield, the larger number to the east and southwest for the Zablan, Nielson, and Nichols fields. Heavy anti-aircraft fire now broke out, but as if entirely indifferent to this, the planes began diving among the smoke-rings and through the more deadly but invisible shrapnel, apparently both strafing and bombing. As the ground-fire started and the bombs began to fall, people in the Camp ran for shelter. Not until then did the air-raid siren sound. The Japanese had been taken completely by surprise. The Japanese planes in the air were either shot down or were seen to make their escape by flying away low over the roofs of the houses. A Japanese transport plane which at the time ran into the battle unawares was also said to have been shot down. For 15 minutes the air was full of the sound of machine-gunning and the distant thudding of bombs, the puffing of the pom-pom guns, and the sharp whine of shells from the anti-aircraft cannon. Columns of smoke shot up over the various airfields and over the Port Area and the Bay.

"An excited crowd of internees jammed the lobby of the Main Building. 'They are here! They are here!' There were smiles on every face and tears of joy. Women embraced each other. The internee guards had a hard time in getting people who wanted to see the bombing to stand away from the doorway, but when a machine-gun bullet (later found to be Japanese) dug a 6-inch hole in the asphalt near the door, their task became somewhat easier.

"Shortly after the attack began, three Japanese soldiers came into the Building to go up in the tower. They carried their rifles and red and white signalling flags. The people caught in their shanties took refuge under beds and mattresses and behind chests and pieces of furniture. It was said that one plane, before anything had started, flew low over Santo Tomas and dipped its wings in salute, rolling over from side to side several times. An Englishman said that the British called this maneuver the 'victory roll'. The blessed emblem of the white star on a blue field was plainly visible. It was reported later that guards on the walls fired their rifles at the plane. It was also said that the first wave of planes had been seen to drop leaflets over Manila, probably advising Manila citizens to stay away from military objectives.

"At around 10 o'clock, another wave of planes came over, and there was heavy firing right overhead. A little later the room and building monitors were asked over the loudspeaker to report the names of children who had taken refuge in buildings and rooms to which they did not belong, and from time to time after that the names and whereabouts of the children were given so that their parents would be assured of their safety. At 10:30 there was considerable firing and around 11 there was again heavy bombing and firing. From somewhere nearby, a sharp cannon explosion came at 11:24, and this proved to be the last. The raid had lasted nearly two hours.

"At 12:10 it was announced over the loudspeakers that though the all-clear had not yet been sounded, people might return by the most direct routes to their own buildings and shanties, and at 12:30 a lunch consisting only of a little-fish gravy and a toasted piece of rice-bread like a hard-tack biscuit was served, not at the regular food-lines,

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SWORN STATEMENT
(Required by Act No. 2580)

The undersigned, A. V. H. Hartendorp, editor and manager of the American Chamber of Commerce Journal, published monthly in English at the Office of the American Chamber of Commerce of the Philippines, Manila, after having been duly sworn in accordance with law, hereby submits the following statement of ownership, management, circulation, etc., which is required by Act No. 2580, as amended by Commonwealth Act No. 291:

Editor, A. V. H. Hartendorp
404 El Hogar Filipino Building, Manila
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404 El Hogar Filipino Building, Manila
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Total number of copies printed and circulated of the last issue, dated October, 1950:
Sent to paid subscribers 800
Sent to other than paid subscribers 1200

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

Subscribed and sworn to before me this 20th day of Sept., 1950, at Manila, the affiant exhibiting his Residence Certificate No. A-63739, issued at Manila on January 16, 1950.

Emilio V. Salas
Notary Public

Until December 31, 1950

Doc. No. 239; page 90;
Book No. III; issue of 1950.

but in the different buildings. It had been possible to do only very little cooking, as the gas had been turned off in the city and the cooking had to be done over the emergency wood-stoves under the dining-shed. Electric current was also off for several hours. Water-pressure was so low that water had to be obtained from a few outside hydrants and the emergency wells. Water for the toilets had to be carried up in buckets. The emergency squad and volunteers were called to connect up the water in the swimming pool and to run hoses from the roof-tanks to the outside kitchen, the Commandant having granted permission for this.

"Although considerable shrapnel had fallen over the Camp, no serious casualties were reported. Dr. Fletcher was just completing an emergency abdominal operation in the camp hospital when the bombs began to fall. The patient, a woman, had always said that on the day of the first bombing she would open a hoarded can of meat to celebrate the event with the family, but as it happened, she was under ether through the whole of it.

"Was this, internees asked each other, only a sporadic raid of planes from a cruising group of aircraft-carriers somewhere off the coast? Was this sudden attack to be followed by more days and weeks, months, perhaps, of waiting, now suddenly made so much more unbearable?

"At 2:50 in the afternoon, planes were again heard, and a few minutes later they appeared, in two groups of 60 or more each, one approaching from the northeast and the other from the northwest. The cloud-ceiling was high and the planes were flying higher than that morning. The down-town sirens again sounded late, and over the camp loudspeakers people were warned to take cover immediately just before the bombing and shooting started once more. Despite

the anti-aircraft fire, the squadrons appeared to move very deliberately, though swiftly, and they were seen to dive headlong over the Manila North Harbor and the Pandacan oil district. The planes went into their dives, one after the other, like a cascade of steel and death, climbing up again rapidly and making giant 'V's' against the horizon to the south.

"Another group of planes,—around 30 could be counted, came into sight a little after 3 o'clock and worked their havoc. Some 60 more came over from a northerly direction at 3:30. Two American planes apparently coming from the water-front area were seen darting northward just over the housetops as the anti-aircraft fire went over them. There was a loud explosion from the Bay at 4:15; probably some ship, previously set afire, had blown up. What proved to be the last attack came from some 60 or more planes which appeared at 4:30 and split up, some flying in the direction of the Bay and others toward Quezon City and Camp Murphy to the east. At 4:40 large clouds of smoke were rising once more from the Bay and from the North Harbor area. One plane was seen apparently diving into a column of smoke. When it came up again, it was on fire, lost speed and altitude, and disappeared from sight. This was the first apparent American casualty seen in the Camp.

"Supper was again served in the buildings, the internees this time getting a double portion of rice and some vegetable-meat gravy (very little meat). There was no tea, but boiled water was served after supper and until roll-call time at 7. Pressure in the water-mains had in the meantime been restored.

"Despite the all-clear signal, which was sounded at 6, everyone except those on emergency duty were ordered by the Commandant's office to remain indoors after roll-call.

This made for an uncomfortable evening in the dark, crowded halls and rooms, but the Camp was deliciously happy.

"Although there had been no serious casualties in the Camp, there had been some narrow escapes. Two anti-aircraft shells had fallen in the campus, one exploding near a shanty. A 5-inch piece of shrapnel went through a window in the Annex and hit a mattress, slightly scratching the leg of a man lying underneath. Another man in a room on the ground floor of the Main Building, west side, also received a scratch on the leg from a piece of shrapnel. A man under his bed in a shanty was scratched on the arm. Not only had the American planes carefully avoided Santo Tomas, but the bombs had apparently fallen only in military areas, so that men in the Camp with families outside were not too greatly worried.

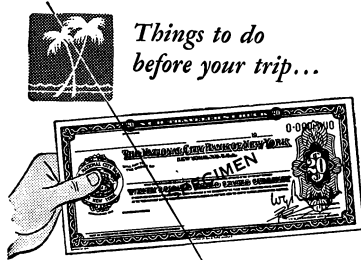
"At 8:20 the whole western half of the sky was suddenly as bright as during a full moon, an awful sight, for there was no sound or any obvious explanation for it. Then, after 15 or 16 seconds of suspense, came the heaviest explosion of the day, which shook the Santo Tomas buildings. It was probably some war or ammunition ship that had gone up.

"It was announced over the loudspeakers during the camp news-period that night that Gordon MacKay had been appointed chief of the camp order division, in place of Forrest who had resigned some weeks previously. Beliel ended the announcements by saying, instead of the usual 'Good night', 'This is a good night!'

"A Scotsman going to bed sighed audibly and then said in a low voice, as if to himself, 'Good night, boys. It's been nice seeing you! A gem of understatement. Brunner selected for his song at reveille the next morning, 'Pennies from heaven for you and for me.'"

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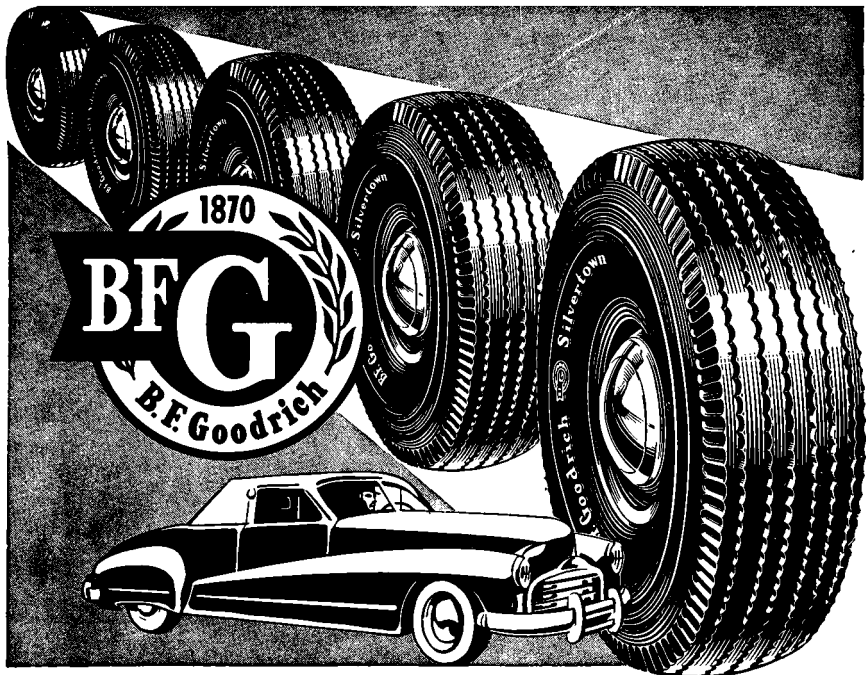
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