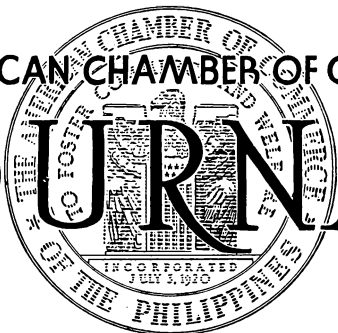


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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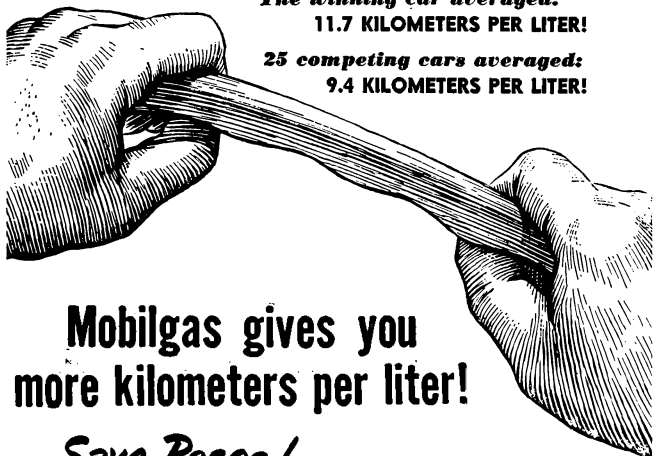
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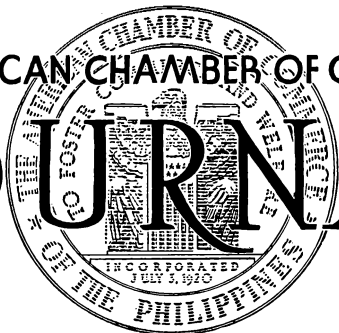
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THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

"... to promote the general welfare"

The American Chamber of Commerce of the Philippines extends its felicitations to the people and Government of the Republic of the Philippines on the Fourth occasion of the seventh anniversary of July the establishment of Philippine independence,—on which same day Americans celebrate the 177th anniversary of the Motherland, the United States of America.

The Chamber also expresses its sincere well-wishes toward President Elpidio Quirino, now in the United States for medical treatment, and the hope that he will speedily recover from his illness.

The American Chamber of Commerce of the Philippines extends its felicitations to the Chamber of Commerce of the Philippines on the occasion of the 50th anniversary of the Philippine Chamber of Commerce founding on July 19.

By a proclamation recently issued by President Quirino, the week from July 13 to 19 of this and following years has been set aside as Philippine Business Week.

The Import Control Commission passed out of existence at midnight of June 30 and Business, collectively heaved a shuddering sigh of relief, for, although import control will in effect continue through the control of foreign exchange transactions, Business looks to the Central Bank and the fourteen commercial banks which are its agents, with the trust that the implementation of the control from now on will be much more satisfactory.

It is generally known that neither the Central Bank nor the commercial banks were at all eager to undertake this new function, but once it became clear that the Central

Bank would have to accept the responsibility, it was realized that the only way to carry out the implementation would be through the agent banks which, in their turn, have accepted the task without complaint.

Bankers have informed the *Journal*, however, that they would like to have the "sympathetic understanding" of their clients, who, they hope, will realize that their job is new and difficult and that there may for some time be various delays. They have expressed the belief that after a period of trial and error and adjustment, the control will operate more smoothly than it ever did in the past.

The private bankers have pointed out, however, that the authority of the Bankers Committee and the individual banks which compose it, is limited to implementing the regulations and procedures laid down by the Central Bank and that the final decisions in most cases will rest with the Monetary Board.

But the Central Bank has particularly asked that all requests for information, quota adjustments, foreign exchange for imports, etc., be routed through the importer's own bank; it is quite clear that the Central Bank wishes to avoid direct approach by importers and that the Monetary Board wishes to deal only with the Bankers Committee.

It is said to be the desire of all the authorities to establish a system which will eliminate any suggestion of favoritism.

Authorized Agents of the Central Bank of the Philippines: Bank of America, Bank of the Philippine Islands, Chartered Bank of India, Australia & China Banking Corporation, Equitable Banking Corporation, Hongkong & Shanghai Banking Corporation, National City Bank of New York, People's Bank & Trust Company, Philippine Bank of Commerce, Philippine Bank of Communications, Philippine National Bank, Philippine Trust Company, Prudential Bank & Trust Company, Security Bank & Trust Company. Officials from these fourteen commercial banks compose the members of the Bankers Committee which is assisting the Central Bank in implementing the rules and regulations on licensing foreign exchange for the payment of imports.

The Monetary Board is composed of the Secretary of Finance as the Presiding Officer, and the following members: the Governor of the Central Bank, the President of the Philippine National Bank, the Chairman of the Board of Governors of the Rehabilitation Finance Corporation, and, at present, also the Hon. Jose Yulo and the Hon. Antonio de las Alas by Presidential appointment.

To what extent the sales of government sweepstakes tickets every year are influenced by and reflect the general state of the country's prosperity, is a question.

Sweepstakes Ticket Sales and Prosperity Last month, Executive Secretary Marciano Roque, in his capacity as Acting General Manager and Chairman of the Board of the Philippine Charity Sweepstakes Office, in a Malacañan press release, attributed the decrease in sales during the past three or four years to "economic and social factors."

"During the boom years immediately after Liberation, sales skyrocketed to as high as ₱2,500,000 at each draw and with ₱3,000,000 recorded in the first post-liberation sweepstakes. Then money became tight and the decline in sales began. United States payments, including back-pay and war damage, ended; trade and exchange controls were enforced, resulting in many business firms closing down and throwing many employees out of jobs, he said. "People no longer buy sweepstakes tickets by the hundreds of thousands as they used to."

By courtesy of the Philippine Charity Sweepstakes Office, we are able to present the following figures of total sales for each race since 1935. Figures are not given for the first, PAAF (Philippine Amateur Athletic Federation) sweepstakes, held in 1932, nor for the first sweepstakes held for the Philippine Anti-Tuberculosis Society under the National Charity Sweepstakes. The present organization, the Philippine Charity Sweepstakes, came into existence in 1934, under the terms of Act No. 4130.

In glancing over this table, what impresses one first is that the post-war annual totals (1946-1952) average only some ₱11,800,000 a year as compared to the pre-war annual average total of ₱6,400,000. Taking into consideration the approximate five-fold increase in monetary circulation and the reduction of the value or buying-power of the peso, which, today, is still less than one-third of what it was before the war, what amounts to less than a doubling of the sweepstakes sales does not indicate a real increase in the sales, but rather a decrease.

If, therefore, there is a relationship between these sales and the general prosperity of the people, the figures would indicate that they enjoyed a prosperity during the Commonwealth period which they have not as yet reached since the war.

The comparatively high sales during the earlier years of the Commonwealth must be taken as partly a result of the novelty of the sweepstakes and the hopes ticket-buyers held in those years as to their chances of getting rich quick. It was not generally realized that the actual chance of winning a large prize is very small, if not infinitesimal. Statistically, one is much more likely to be run down in a traffic accident than to win a large sweepstakes prize. And buying two or three tickets, while it doubles or triples one's originally very small chance of winning, also increases the chances of losing the cost of so many tickets more.

Speaking of a "lottery in which the total amount of the winnings is smaller than the proceeds from the sale of all tickets", as in the sweepstakes, a statistician has pointed out that a gambler, "if he were to buy all the tickets, would certainly lose a part of his outlay."

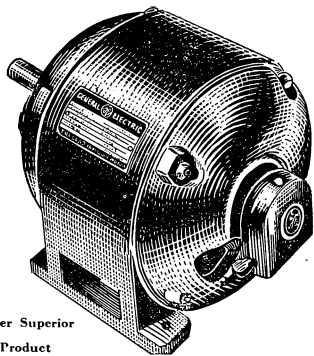
"Yet every lottery customer is firmly convinced that it is better to buy more tickets than less. The habitues of the casinos and slot-machines never stop. They do not give a thought to the fact that, because the ruling odds favor the banker over the player, the outcome will the more certainly result in a loss for them the longer they continue to play."

As for us, we would not want to discourage people from buying a few lottery tickets, according to their means, for this does add a little zest to life and it is true enough that some persons must win. Furthermore, the Philippine Charity Sweepstakes were instituted for a good purpose. According to the original law, 65% of the proceeds went into the prize fund and 25% into a charity fund, the balance of 10% being for operation. Then the law was amended, and today 58.5% goes into the prize fund, 25% into the charity fund, and 6.5% into a provincial and city fund. Among the charitable and civic organizations benefited

Dates	Race Totals	Annual Totals
September 8, 1935	₱ 975,342.00	
December 22	1,938,376.00	2,913,718.00
July 26, 1936	1,948,372.00	1,948,372.00
May 16, 1937	1,589,846.00	
September 19	1,500,956.00	
December 19	2,033,230.80	5,124,032.80
May 15, 1938	1,545,422.88	
August 21	2,026,826.32	
December 18	2,438,983.84	6,011,233.04
February 19, 1939	1,438,641.28	
April 16	1,475,868.00	
June 18	1,560,322.16	
September 17	1,577,848.48	
December 17	1,668,397.60	7,721,077.52
February 18, 1940	1,202,763.12	
April 21	1,312,143.68	
June 23	1,388,745.76	
September 22	1,446,573.76	
December 22	1,376,424.00	6,726,650.32
February 16, 1941	893,947.20	
March 15	976,382.00	
April 20	888,756.00	
June 22	936,976.00	
August 17	842,312.00	
October 19	1,029,934.00	
December 20	1,068,268.00	6,636,775.20
June 30, 1946	3,000,000.00	
September 29	1,715,000.00	
December 22	1,908,000.00	6,623,000.00
February 23, 1947	1,710,000.00	
April 27	1,500,000.00	
June 29	2,876,250.00	
August 24	1,812,500.00	
October 26	2,000,000.00	
December 21	2,500,000.00	12,398,750.00

February 22, 1948	2,000,000.00	
April 25	2,250,000.00	
June 27	2,419,687.50	
August 29	2,000,000.00	
October 24	2,250,000.00	
December 19	2,895,312.50	13,815,000.00
February 27, 1949	2,500,000.00	
April 24	2,500,000.00	
June 26	2,726,562.50	
August 28	2,500,000.00	
October 23	2,500,000.00	
December 18	3,000,000.00	15,726,562.50
February 26, 1950	2,500,000.00	
April 23	2,500,000.00	
June 25	2,673,437.50	
August 27	2,200,000.00	
October 22	2,265,000.00	
December 17	2,389,750.00	
December 25 (B.S.)	665,500.00	15,193,687.50
February 25, 1951	2,329,250.00	
March 18 (PAAF)	1,170,675.00	
April 22	1,857,350.00	
June 24	2,152,590.00	
August 26	1,923,900.00	
September 16 (B.S.)	931,700.00	
October 28	1,700,050.00	
December 16	1,756,315.00	13,821,830.00
February 24, 1952	1,805,925.00	
March 30 (G.S.)	1,013,375.00	
April 27	1,240,250.00	
June 22	1,570,580.00	
July 20 (B.S.)	1,013,375.00	
August 24	1,141,030.00	
September 21 (PAAF)	1,013,375.00	
October 26	1,286,230.00	
December 21	1,512,500.00	11,596,640.00
February 22, 1953	1,438,387.50	
April 26	1,417,212.50	
June 28	1,324,950.00	4,180,550.00

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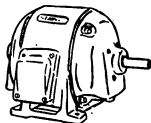


Another Superior

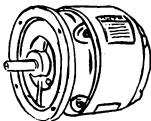


Product

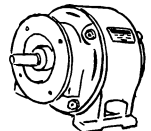
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during the past few years are the Social Welfare Commission, the UNICEF (Philippine Mission), the Philippine Tuberculosis Society, the Asociacion de Damas Filipinas (Settlement House), the School for the Deaf and Dumb, the Philippine National Red Cross, the Bureau of Hospitals, and various hospitals, pisciculture centers, leprosarria, etc., throughout the country. Raising money through any kind of a lottery may be wasteful, because such a large percentage of the amount raised goes into prizes, yet, through a lottery, no doubt many persons thus contribute to charity who otherwise would not contribute at all.

But to return to our attempt at an analysis of the sweepstakes sales figures: We must first take note of the fact that, as Secretary Roque pointed out, a peak was reached in 1949,—since which year there has been a steady decrease in the sales, though the number of races a year was annually increased from 6 in 1949 to 9 in 1952. Secretary Roque mentioned the import and exchange controls, and we will say, for the purpose of checking the sales figures, that import control went into effect on January 1, 1949, and exchange control on December 1 of that same year.

The sales of 1947 and 1948 were double the sales of 1946 and this must have been due in part to the large United States expenditures here in those years, including the war-damage payments which assumed considerable volume after June of 1948. These payments continued until near the end of 1950 and may have helped to keep up the sweepstakes sales for some time after the import and exchange controls went into effect.

It hardly needs saying, of course, that we agree with Secretary Roque that the import and exchange controls deleteriously affected the general prosperity, although the proponents of these measures will say that without them the country would have suffered even more. This is wide open to debate, but we shall not argue it here.

Taking the sweepstakes sales figures, we may say in short, that while these sales were for the larger part over ₱2,500,000 per race in the earlier post-war years, they have for some years dived to well under ₱1,500,000. It would seem that this almost certainly reflects the general decline in prosperity which is indicated by other series of statistics too.

But even so, these sweepstakes sales figures may not supply the most reliable index for the reason that it is possible that when people are "hard up", some of them, at least, will be more, rather than less, inclined to stake what little money they may have available on an off-chance that luck will be with them and they will win a big prize.

"Planting Rice is Never Fun",—from the words of a popular song, is the title of a small, 182-page book on Philippine rice problems by the well-known Manila lawyer, Francisco Ortigas, Jr.

Mr. Ortigas states in his Preface that he is active in his profession and neither a rice-farmer nor a rice-land owner, nor yet an economist. And that may explain how he was able to write such a comprehensive and incisive book,—that, and the fact that he served on the Board of Directors of the National Rice and Corn Corporation (NARIC) for a few months last year under a commission from President Quirino to make a study of the Corporation's organization and functions and to submit recommendations for the improvement of its administration. Mr. Ortigas made the study, submitted his report, and resigned.

He states further, in his Preface:

"Since leaving the NARIC Board of Directors, many persons have asked me questions relative to our rice industry. Most of their

questions... showed lack of a basic appreciation or understanding of the problems of the industry. This motivated me to prepare an easily understandable primer designed to help the general public realize in a logical manner what those problems really are... I believe this treatise to be the first of its kind. It is designed to serve as an elementary reference work for those interested in the Philippine rice industry and its problems... It is, of course, no classic..."

Classic or not, Mr. Ortigas applied his lawyer's logic and the result was this book, one that has needed writing for a long time and the best thing of its kind we have seen.

The table of contents itself and alone is logically admirable: Part I, Orientation, under which the writer lists "some basic facts of the industry" and makes a "classification of problems"; Part II, The Problem of Adequate Production, under which he takes up the "need for self-sufficiency" and the alleged problem of "over-production"; Part III, Problems Relative to the Rate of Production,—the need for a high rate, per hectare, number of crops a year, yield per crop, production per man and mechanization, farm cooperatives, and reduction of production losses in cultivation, pest control, and milling; Part IV, The Problems of the Rice Farmer,—the tenancy system, by-products, home industries, a fair price; Part V, The Problems of the Consumer,—availability, nutritional value; and Part VI, Problems of Planning and Control. Then there are valuable appendices,—standard and regional varieties of rice (some 61 of them); possible sources of irrigation water, by provinces; the newly discovered soil conditioner "Montecal"; reviews of several experiments in mechanization; various pest-control measures; and the texts of Act No. 4054 (Rice Tenancy Law, 1933) and Republic Act No. 663 (1951) which created the present NARIC.

We can not do justice to the book in a few paragraphs here; it should be read by all those interested in the subject. Mr. Ortigas' main point, however, is that the Government has followed the mistaken policy of "preventing over-production" rather than "attaining self-sufficiency",—this in the interests of the producers, or, rather, the sellers, than the consumers. He favors over-production rather than under-production and states that over-production is not really a problem, as markets for an over-supply could be found and over-production could also be controlled through a system of quotas. The latter, we question; let a free market take care of that.

Another of his principal points is that the NARIC has been a failure, chiefly because of unqualified management and also because no clear provision was ever made for its financing. He also believes there is an unnecessary over-lapping of the functions pertaining to rice among the NARIC, the Department of Agriculture and Natural Resources, the Bureau of Plant Industry, the Department of Health, and the Agricultural Credit and Cooperative Financing Administration. He believes, however, that if the NARIC were abolished, it would be necessary to establish another centralized agency in the place of it with the same two major objectives: to stabilize the price of rice and to develop the rice industry. But definitely, he would end the "dominant voice" which the rice planters have usually had in the management of NARIC.

As for price stabilization, we state again that this had better be left to the automatic operation of a free market than to government buying and selling measures, always immensely costly. Here Mr. Ortigas perhaps betrays the lawyer's bias favoring the enforcement of authority over a free functioning of the economy.

Nevertheless, we feel that Mr. Ortigas has done a painstaking piece of work which should be considered of national importance.

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GOOD YEAR

Reply of Ambassador Spruance *re* Philippine Proposals* for the Revision of the 1946 Trade Agreement

AMERICAN EMBASSY

No. 002

July 1, 1953

EXCELLENCY:

I have the honor to refer again to the note of May 5, 1953, from His Excellency, the Secretary of Foreign Affairs, concerning possible revision of the Trade Agreement between our two countries, and to my note No. 1171 of May 6 acknowledging His Excellency's communication.

In further reply on this subject I am instructed by the Secretary of State to convey to Your Excellency the following:

1. The United States Government reiterates its readiness now as in the past, as indicated in the letter from President Eisenhower to President Quirino dated March 16 of this year, to study any specific proposals for revision of the 1946 Trade Agreement between the two countries which the Philippine Government wishes to advance to determine whether a basis is provided in such proposals for a renegotiation of the Agreement.

2. In view of the careful study given to this subject by committees designated by the President of the Philippines for this purpose, a special United States Executive Committee is now being established by the Executive Branch of the United States Government for the purpose of examining the three substantive proposals of the Philippine Government for revision of the Agreement and other aspects of the economic relations between the United States and the Philippines.

3. The President of the United States has recently proposed the establishment of a Commission to study the foreign economic policy of the United States. The activities and recommendations of the Executive Committee

on United States-Philippines Economic Relations will of necessity be closely correlated with the activities and recommendations of this Commission, of which the terms of reference as outlined by the President are as follows:

"This commission naturally should work within the framework of our foreign policy and our global defense plans... the commission should study all existing legislation and the regulations and administrative procedures stemming from it which bear directly on our foreign economic relations. This review should seek to determine how these laws can be modified or improved so as to achieve the highest possible levels of international trade without subjecting parts of our economy to sudden or serious strains."

4. The United States Executive Committee may find it necessary, in order to conduct its study effectively, to request from the Philippine Government information in addition to that provided in the report transmitted with the Philippine Government's note under reference.

5. After the Executive Committee's study is completed, and pursuant to the Committee's recommendations, the United States Government will determine whether in its view a basis exists for renegotiation of the Trade Agreement. The Philippine Government will be advised accordingly.

6. Enabling legislation by the Congress of the United States would be necessary in order for the United States Government to give effect to any revision of the Trade Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

R. A. Spruance.

His Excellency

Felino Neri

Acting Secretary of Foreign Affairs
for the Republic of the Philippines

*See American Chamber of Commerce *Journal* for May, 1953.

The Bell Trade Act

*A comparison with the Tydings-McDuffie Act and a brief discussion of some of its least understood provisions**

BY RICHARD R. ELY

Attaché, American Embassy

THE ordinary citizen attempting to understand the highly involved language of the Act of Congress of April 30, 1946, commonly referred to in the Philippines as the Bell Trade Act, will understandably find himself in a state of utter confusion, for this law is in a class by itself in this respect. What is not so understandable, however, is that this confusion extends sometimes to men who should know better and whose statements sometimes mislead the public. This article is an effort to set forth for the

average reader in the simplest possible language just what the main features of the Act are. It is not an attempt to

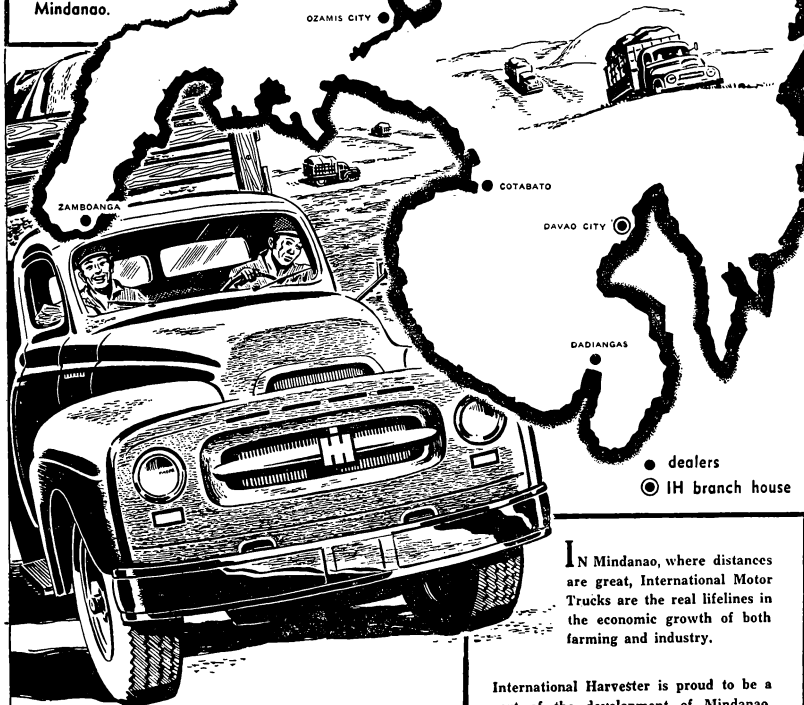
*This article by Mr. Ely was first published in the 53rd Anniversary Edition of the *Manila Daily Bulletin*, March 30, 1953, and is here reprinted by special permission of the editor of the *Bulletin* and also with the consent of the author, Mr. Ely. In a letter to the editor of the *Journal*, Mr. Ely said:

"At the time I wrote the article on the Trade Act, I considered inserting an additional paragraph regarding the excise tax on coconut oil, but never put it in. Few people realize that the very valuable monopoly which the Philippines has in the United States for copra is authorized by the Bell Trade Act and by that Act alone. If the Trade Act were to be revoked, Philippine coconut oil would, as you know, be paying a five-cent excise tax."

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criticize or defend it, or to suggest changes, but does try to explain how some of the provisions came about and the attitudes of members of the U. S. Congress at the time of enactment.

Reciprocal Aspects.—Everyone knows that, beginning in 1954, Philippine products entering the United States will be subject to gradually increasing customs duties, but a surprising number of otherwise well informed people do not understand that American goods entering the Philippines will also be subject to gradually increased customs duties to be collected by the Philippine Government. Two aspects of this should be noted. First, some articles of Philippine origin entering the United States would not be subject to such duties at all because they are on the free list. Such articles are normally those not produced in the United States, two particularly important, from the standpoint of Philippine economy, being copra (but not coconut oil or other coconut products) and abaca (but not rope). The second point easily confused is the amount of the duty. The law says that the duty to be collected by the United States the first year will be 5% of the U. S. duty, the second year, 10%, the third, 15%, and so on until 100% is reached in 1974. There is good reason to believe that many understand this to be a straight percentage tax on the value of the commodity, which is definitely not the case. A rough approximation of what the duty on sugar would be, will show what is meant. Depending on the degree of refinement the U. S. duty on sugar is roughly 1/2¢ a pound or about \$10 a ton. So in 1954 sugar would be subject to a duty *not* at the rate of 5% of its value or around \$4 a ton, but at the rate of 5% of \$10 or 50¢ (P1.00) per ton. In 1955 it would be P2, in 1956, P3, and so on until a rate of about P20 a ton would be collected in 1974, at present prices and a tariff of somewhere around 14%.

The Quota Provisions.—Just what the law provides in respect to the so-called quota-commodities and the packing and reasons therefor, are probably the subject of more misunderstanding than any other features of the Act. This, too, is not surprising because the provisions vary as between commodities and are at best difficult to understand.

There are 7 commodities covered; sugar, cordage, rice, cigars, tobacco, coconut oil, and pearl buttons. There is a story behind each, and to understand this story it is necessary to go back to the enactment of the Tydings-McDuffie Law in 1934. It will be recalled that under that Act a trade arrangement somewhat similar to that under the Bell Trade Act of 1946 was provided for. During the first 5 years of the Commonwealth Government, trade was to continue as then provided by law, except that tax limits were established for the duty-free entry of sugar (850,000 long tons), coconut oil (200,000 long tons), and cordage (3,000,000 pounds). Beyond those limits full duty was to be collected by the United States. During the second 5 years of the Commonwealth, the Philippine Government was to collect an export tax to begin with 5% of the U. S. tariff the first year, 10% the second, etc. This export tax was not to be levied if the articles were on the free list, and also it is important to note that the tax was not to be collected by the United States and would not accrue to the U. S. Treasury, but was to be held, instead, in a special fund for the redemption of Philippine bonds.

In theory this arrangement was to provide for a gradual termination of the free trade arrangement, but it almost immediately became apparent that for certain industries the imposition of even a small fraction of the U. S. tariff rates would be ruinous. So a committee known as the Joint Preparatory Committee on Philippine Affairs was set up in 1937 to consider the question. The American members of this group were J. V. A. MacMurray, then Ambassador to Turkey, Chairman, and

J. E. Jacobs, Department of State, Louis Demeralzky, Department of Commerce, Lynn R. Edminster, Department of State, Col. Donald C. McDonald, War Department, Dr. Carl Robbins, Department of Agriculture, Dr. Frank A. Waring, U. S. Tariff Commission, Ben. D. Dorfman, U. S. Tariff Commission (replaced Mr. Edminster in 1938).

The Philippine members of the Joint Committee were:

Jose Yulo, then Secretary of Justice, *Chairman*,
Dean Conrado Benitez,
Joaquin M. Elizalde,
Quintin M. Paredes, then Resident Commissioner to the United States,
Jose E. Romero, then Majority Floor Leader,
Manuel Roxas, then Minority Floor Leader.

It is important to note the calibre and background of the members of this Committee and the fact that their studies and unanimous recommendations were the basis for the quota provisions now in effect on cigars, coconut oil, tobacco, and pearl buttons. As was to be expected from men of this calibre, their report, now recognized as one of the outstanding documents in the history of Philippine-American relations, was an exhaustive and scholarly analysis of the whole question of Philippine-American trade. Why they found it necessary to recommend some modification of the original provisions of the Tydings-McDuffie Law, is to be seen from their findings on specific commodities. On cigars, for example, they found that a manufacturer, who received an average of \$13.14 for 1000 cigars laid down duty-free in the United States in 1936, would, in 3 years after the beginning of gradual imposition of the export tax be paying a tax of \$12.59, leaving him less than a dollar for 1000 cigars. And in a tough competitive market he could not raise the price of his cigars. So the export trade in Philippine cigars, around 90% of which went to the United States, was doomed to an early death. On coconut oil the situation was similar because copra entered the United States duty-free and a Philippine mill which had to pay even a small tax could not hope to compete with a mill in the United States which brought in untaxed copra and manufactured the oil which was then sold tax-free. So it was with scrap tobacco and pearl buttons. The tax would put exporters of these four commodities out of business in short order.

The Committee recommended that a system of declining tax-free quotas be set up as follows:

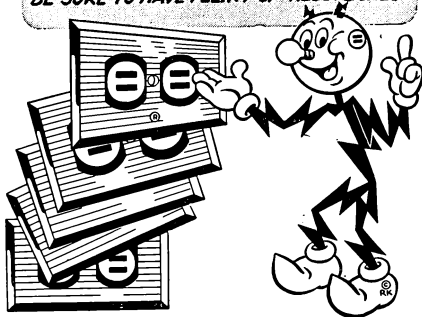
Coconut oil.....	200,000 tons
Cigars.....	200,000,000 cigars
Scrap tobacco.....	4,500,000 lbs.
Pearl buttons.....	850,000 gross

Instead of paying an export tax beginning in 1941 which increased every year, these products were to continue to enter the American market duty-free but in an amount which decreased by 5% each year. For example, 200,000 tons of coconut oil could be shipped duty-free in 1940, but only 190,000 in 1941, 180,000 in 1942, and so on. This was tax-free, but any excess over the duty-free quota would be taxable at full rates.

It will be apparent from the foregoing that the provisions in regard to quotas for cigars, tobacco, pearl buttons, and coconut oil which were established in the post-war Act exactly as before the war, were not inserted through any sinister motives on the part of any American or American interests, but on the unanimous recommendation of a joint group of distinguished Americans and Filipinos whose sole motive was to benefit the economy of the Philippines. The pattern was reestablished in the Bell Act without question by anyone because the studies of the Joint Committee had made it so clear what would happen if it were not.

It may certainly be assumed that manufacturers in the United States of these commodities would not object if the quotas were eliminated and the commodities made subject

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to the gradual increase in 1946. Congress accepted the recommendation only in part by approving the proposed arrangement for the quota-commodities, but declined to change the provision for complete tariffs both ways after independence. The war, of course, interrupted the program laid down in the Tydings-McDuffie Act and so Congress took up the question anew in 1946.

Two other aspects of the post-war legislation, in contrast to pre-war, should be noted. There was a distinctly more friendly atmosphere in 1946 and the Bell Act was passed without a dissenting vote. Even the sugar interests interposed no objection and Congress did what it had refused to do in 1939 by adopting the principle recommended by the 1938 Joint Committee of a 20- instead of a 5-year declining preference period. How the attitude of Congress had changed from one of a desire to "get rid" of the Philippines, to an attitude of helpfulness, is illustrated by the following passage which was typical of pre-war Congressional opinion. It occurred in the course of Senate debate (Nov. 19, 1941) on a bill to suspend until the end of 1942 the export taxes provided for by the Tydings-McDuffie Act:

Quotas on Sugar.—The provisions of the Bell Trade Act in respect to sugar were virtually identical with those of the pre-war Act, the only difference being the dates and the fact that the pre-war Act provided for 5 years free trade, then an imposition of export taxes based on the U.S. tariff running from 1940 to 1946, and full duty thereafter, while the Bell Act provides for 8 years of free trade and then a gradual imposition of the tariff for 20 years. The quota, which was not a diminishing quota, remains the same. A point to be noted is that, at the time of the passage of the original legislation limiting the entry of Philippine sugar to the American market, and continuously to this date, the production of sugar by American farmers has been and is limited and controlled by law.

The Cordage Quota.—The original Tydings-McDuffie Act approved March 24, 1934, established a duty-free quota of 3,000,000 pounds of cordage, with no limit on entry beyond that amount provided the duty was paid. For example, if 5,000,000 pounds had been shipped, 2,000,000 would have been subject to duty. As this Act was not to go into effect, however, until the Commonwealth Government was established (November 15, 1935) the American cordage manufacturers moved for quicker relief from Philippine competition and on June 14, 1935, a law was passed providing that beginning on May 1, 1935, and for 3 years thereafter not more than 6,000,000 pounds of Philippine cordage would come in in any 12-month period. This law provided that the President could, by proclamation, extend it for an additional 3-year period, and on January 26, 1938, the President issued a proclamation extending it to May 1, 1941. By the Act of August 7, 1939, amending the law to provide for duty-free diminishing quotas (discussed elsewhere in this article), this absolute quota was permanently fixed and on exactly the same terms as now govern cordage in the Bell Trade Act. That is an absolute quota of 6,000,000 pounds which after 1954 will remain the same but will be subject to the increasing tariff rates.

Quotas on Rice.—There was no quota on rice in the pre-war legislation and as practically none was ever shipped from the Philippines to the United States, it is unusual that an absolute quota of 1,040,000 pounds was established in the Bell Trade Act. Just how that figure was arrived at is not clear and the only explanation of the whole idea of a rice quota seems to be that some members of Congress from California wanted to make absolutely sure that the rice growers of California would not under any circumstances have to compete with Philippine rice. Little or no attention has been paid to this, and for all practical purposes this part of the law is a dead letter.

The Joint Committee recommended that the Congress extend over a 20-year period or until 1961 the gradual imposition of tariffs and reduction of duty-free quotas instead of jumping, as the law then provided, from 25%

to 100% in 1946. Congress accepted the recommendation only in part by approving the proposed arrangement for the quota-commodities, but declined to change the provision for complete tariffs both ways after independence. The war, of course, interrupted the program laid down in the Tydings-McDuffie Act and so Congress took up the question anew in 1946.

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MR. VANDERBERG. . . My understanding is that, while there is no complaint against the particular intrinsic purposes of the measure, there would be very serious objection if this were to be taken as a precedent for the progressive disintegration of the Tydings-McDuffie Act, and a progressive rewriting now of the terms under which the Philippine Commonwealth has been given its prospective independence.

MR. CLARK of Missouri. Let me say to the Senator from Michigan that I think my position on that and the position as it was unanimously expressed in the meeting of the Committee is exactly the same as now expressed by the Senator from Michigan. In other words, I would not be for any bill—and I am certain that such a bill could not have obtained two votes in the Committee on Territories and Insular Affairs, which would break down in any way the policy adopted by the Government, first in the Hawes-Cutting Act, and later in the Tydings-McDuffie Act, granting complete and full independence, and insisting upon granting, if necessary complete and full independence for the Philippines in 1946 in accordance with the terms of those acts.

The attitude was markedly different when the post-war Bill came up. The memory of the Philippine record during the war was fresh in the minds of the American people and the post-war demand for Philippine and United States products was such at that time that the old fear of the threat to American production of the entry of certain Philippine products was largely forgotten.

But it should be noted that even in the era of good will immediately following the war, the interests which had been active in the pre-war legislation were still carefully watching. A last-minute but unsuccessful effort was made to have the sugar quota changed from a long ton to a short ton basis, which would have resulted in a substantial reduction in the sugar quota. The cordage interests not only succeeded in retaining the quota on cordage but were able, over the protest of the State Department, to have it continued as an "absolute" quota. An absolute quota places an absolute embargo on the entry of any commodity above the limit set by the quota. These absolute quotas were required for all commodities, but the fact was that the only industry really concerned was cordage. Cigar manufacturers, for example, were not interested in the forbidding of the entry of cigars beyond the quota as long as they were subject to duty, for they knew the tariff would be an effective bar. But this was not sure in the case of cordage.

The Parity Clause.—Much has been written and said in condemnation of the so-called Parity Clause which required the Philippines to amend its Constitution to provide that during the period in which the special trade arrangements of the Bell Act were to be in force, i.e. until 1974, American citizens were to be on an equal basis with Filipinos in respect to land and national resources and the operation of public utilities. It may be pertinent to consider the reasons which impelled Congress to insert that requirement. It will be recalled that Congress in the 1934

Act authorized the Philippine Government to call a constitutional convention for the purpose of drafting a constitution which was to be in effect not only for the 10-year period of the Commonwealth Government but after complete independence in 1946. Congress set forth what the trade relations would be during the Commonwealth period and required that as a part of or an annex to the constitution certain provisions were to be included which were to be in force during the Commonwealth period. Among these was a requirement that until final and complete independence in 1946, American citizens and corporations were to have all the rights of Philippine citizens and corporations. While the constitution had to be approved by the President of the United States, there were virtually no restrictions as to the kind of constitution which was to go into force after full independence. The Constitution actually drafted and later approved by the President, followed the pattern of the United States Constitution in general, except that it contained certain clauses restricting the exploitation of natural resources, public lands, and public utilities to Philippine citizen. While this was quite contrary to the usual theory and practices of government in the United States, the President approved the Constitution as drafted, and his action was not criticized in the United States, because the general view was that the United States was withdrawing from the scene and if that was the kind of constitution the Filipinos wanted it was their privilege to adopt it.

The war interfered with the program contemplated in the Tydings-McDuffie Act, and Congress again in 1946 was faced with the problem of instituting an independent government without too violent a shock to its economic well being. In effect Congress agreed to start all over again; that is, provide for a period of free trade, followed by gradually decreasing preferences. But noting the restrictive clauses in the Philippine Constitution, Congressmen recalled the fact that during the period of the Commonwealth Government, American citizens were entitled to national treatment as long as Philippine products were entitled to preferential treatment in the American market. The members of Congress felt that they were again extending valuable rights to the Philippines by providing for mutual trade on a basis far more favorable than that accorded to any other foreign nation, and they saw nothing unreasonable in requesting that the Philippine Government take steps to provide, during the life of that agreement, that American citizens, faced with the task of rehabilitating and restoring enterprises which might come under the purview of the nationalist clauses of the Constitution,

should be reassured on that point. They were careful again to make no demands beyond the period in which they felt the United States was making what, in the eyes of these members of Congress, was a valuable concession. This feeling that they were extending benefits is evidenced by the fact that Section 509 of the Act says that "the benefits granted by this Act" should not extend to any third country. The attitude that this was an entirely normal and reasonable exchange of privilege, was not however the only reason for the Parity Clause. It was widely felt that unless the rights and status of Americans under the Constitution were made clear, there might be hesitation on the part of substantial American enterprises such as, for example, the Manila Electric Company, in restoring their plants, and Congress felt that American capital would be needed to restore the ravages of war.

The Currency Stabilization Clause.—This clause which says that except by agreement with the President of the United States the peso would not be devalued and no restrictions on the transfer of funds to the United States would be imposed, has been attacked as an infringement on Philippine sovereignty. Be that as it may, it may be well to consider again what the idea back of that clause was. Congress was keenly aware of the damage and destruction brought about by the war. It saw that a tremendous amount of capital was needed to restore normal conditions. Congress knew also that tremendous inflationary pressures were already operating and it hoped by this clause to encourage owners of pre-war establishments to restore their business and to attract new capital for the task. Without some assurances of the kind embodied in this clause, Congress feared that capital, fearful of devaluation and impounding, would not be interested. American firms in country after country had had trouble on these points, and Congressmen hoped, perhaps wishfully, that by this gesture they could assure American capital that here was one country at least which would continue on an absolutely free exchange basis with a solid and stable currency.

This, then, is at least a part of the story of the kind of thinking that went into the passage of the Trade Act. Whether it was good or bad is something on which, happily, everyone both in the Philippines and the United States is still free to express his opinion. But as in most cases there are two sides to every story, and it is fervently to be hoped that Americans and Filipinos alike will make sure, first, that they have the facts in the case, and, second, that they try to understand the opposite point of view.

Sharp & Dohme in the Philippines

By T. A. COPPENS, *General Manager*

THE steadily increasing demand for Sharp & Dohme products by the medical and allied professions in the Philippines was an important consideration in the establishment in Manila of a subsidiary manufacturing laboratory. This laboratory, which is considered second to none in the parent company's world-wide operations, was completed in August, 1951, and production began during the latter part of that year.

The Company's preparations are categorically called ethical pharmaceutical specialties in contrast to household remedies. Since most of these products are of a technical nature, they are dispensed under a doctor's prescription. To discourage self-medication, the Company directs all information concerning the products to members of the medical profession who use their clinical judgment in selecting the particular therapy indicated for their patients.

Sharp & Dohme is one of America's oldest manufacturers of drugs and biologicals, having been started in

Baltimore, in 1845, by Alpheus Sharp. It was Alpheus Sharp's contention that by spending a little more time and little more effort on making his preparations as good as they possibly could be made, he would have to sell his products at a little higher price but there would always be a demand, since potency, quality, and safety have always been of paramount importance in medicinal preparations. That he was right was evidenced by the fact that his business expanded rapidly. In a few years, he took in one of his former clerks to be a partner in the business. This was Louis Dohme and from 1848 the firm was called Sharp & Dohme. In the early 1930's, Sharp & Dohme merged with the oldest American commercial biological laboratories of the H. K. Mulford Company and to this day several of Sharp & Dohme's biological products still bear the name Mulford.

The Company's reputation for reliability enjoyed among the medical profession throughout the world, is

The Business View

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

The Government

From Official Sources

JUNE 1 — Leaders of the newly projected Democratic Party, led by former Ambassador Carlos P. Romulo and Vice-President Fernando Lopez announce that the Party will hold its first convention on June 21; stated that Sen. Tomas Cabili will probably be the convention chairman, Sen. Lorenzo Sumulong, chairman of the platform committee and key-noter, and Sen. Justiniano Montano, chairman of the committee on rules.

Malacañan announces that the Senate last month ratified six recent international agreements, including a protocol concerning the production and marketing of sugar, a protocol concerning the manufacture and distribution of narcotic drugs, an international plant protection convention, and treaties of friendship with the Dominican Republic, Cuba, and India.

Budget Commissioner Pio Joven, at a luncheon in honor of Louis Kroeger, announces that the Government will undertake a new classi-

fication and standardization of the salaries of government employees with the aid of the MSA, PHILCUSA, and Louis Kroeger & Associates, a San Francisco firm of experts which has rendered a like service to many other governments.

June 3 — Announced that President Elpidio Quirino has designated former Senator Ramon Torres as acting Governor of Negros Occidental; it was reported lately that the suspended governor Rafael Lacson, now under trial for separate cases of murder and rape, has joined the Democratic Party.

Announced that the President has accepted the proposal of the U. S. Atomic Energy Commission to send two geologists to the Philippines to cooperate with the Government in the exploration of uranium deposits in the country.

The President confers with Secretary of Public Works and Communications Pablo Lorenzo who is recommending the release from the Malangas coal reservation in Zamboanga del Sur of some 40,000 hectares of land for settlement purposes, the coal deposits having been exhausted. The Secretary also discusses with him the projected inauguration of the Maria Cristina hydro-electric plant in Lanao this month. The Padada irrigation system in Davao is also due for inauguration.

carried on by the integrated production systems used in the laboratory. A careful system of tests, checks, and controls for each product, while passing the different stages in the process of production, is followed to guard against any possible unforeseen deviation from the rigid standards. To further ascertain standard quality, purity, stability, and potency, pharmaceutical preparations previously manufactured, are tested and analyzed periodically thereafter. This is important since all the pharmaceutical products must maintain their therapeutic effectiveness for a minimum of two to three years.

Sharp & Dohme is well-known for its pioneering research and development of the lyophile technique culminating in the development of the LYOVAC Process which has made possible the preservation of vitamins, antibiotics, and human blood plasma which saved so many lives during World War II and which is used extensively now in the Korean War.

The Medical Research Laboratories of the Company, by virtue of early and persistent work, have today assumed a dominant position in sulfonamide development. The Company is credited officially with the development of 5 of the 7 most effective compounds and with sharing the development of a sixth. Specifically, Sharp & Dohme was the first to synthesize any pyrimidine derivative of sulfanilamide and holds basic patents dominating all three drugs in this group—namely, sulfamerazine, sulfadiazine, and sulfamethazine. The Company synthesized the intestinal sulfonamides,—sulfasuxidine and sulfathalidine, and shared in the development of sulfathiazole.

The Medical Research organization has substantially expanded upon the recent completion of its \$4,000,000 research building in West Point, Pennsylvania.

Recently Sharp & Dohme merged with the well-known producers of fine chemicals and antibiotics, Merck & Company. Sharp & Dohme will become a division of Merck & Company while retaining its own name.

Over the past decade, Merck & Company has been outstandingly successful in the medical field. Its scientists have developed such products as cortisone, dihydrostreptomycin, and vitamin B-12 and Compound F. Merck is a large producer of penicillin and streptomycin while vitamins for pharmaceuticals, foods, and animal feeds make up a very substantial part of its total sales.

This particular merger is a natural step for both companies. Each has skills and facilities that the other needs. Sharp & Dohme's pharmaceutical know-how, field sales

organization, and research activities, together with Merck's outstanding research accomplishments and extensive chemical and drug manufacturing facilities, complement each other and will be a source of mutual strength.

Through the merger with Merck & Company and consequent cooperation of two of the most powerful research laboratories in the United States, it is expected that great advances in medical research will be evident and that the products of this research will be made available to the medical profession of the Philippines by the laboratories of Sharp & Dohme (Phil.), Inc.

Stepped-up activity in the organic and inorganic research fields have taken place, and the laboratory in the Philippines will enjoy the immediate benefits of all newly discovered preparations following their development. Consequently, for the betterment of good health, the Philippine medical profession will have the opportunity to have available the latest therapy at the earliest possible time.

At present the local Company produces 70% of what it markets in the Philippines. With the present equipment, it can increase production by 30%, and through the procurement of additional equipment, expansion can be increased to 100%.

The Company's 1953 activities provide for the addition of many new preparations recently developed by the Medical Research Division. With manufacturing operations added to the previous activities of promotion, sales, and distribution, the Company is now in a better position to render service to the general public through the practicing physician.



The President authorizes the release of \$3,000,000, which amount is many times smaller than the funds allotted to this country. He states that "the various economic projects now abounding throughout the country, namely, fertilizer plants, hydro-electric plants, cement plants, irrigation systems, and other projects designed to improve the country's economic stability are all very sound."

June 13 — The President receives Maj. Gen. Calisto Duque, Armed Forces of the Philippines Chief of Staff, who reports on the progress of the military operations against the dissidents, particularly against Balgos in the Bicol and Taruc in Arayat, stating that the campaign against these Huk chieftains is going on satisfactorily.

June 15 — Manuel Monroy, chief witness in the case of the charges brought by Sen. Claro M. Recto against Secretary Castelo, is shot down and killed at point-blank range by an assassin as he sat at a table playing mahjong at a neighbor's house with his wife and two friends.

June 16 — The President signs House Bill No. 3335 (Republic Act No. 871) extending to June 30, 1954, the present 17% tax on foreign exchange; also House Bill No. 3128 (Republic Act No. 868) extending to December 31, 1954, the present rates of the corporate income tax.

Malaecan announces that as to the apprehension of the killer of Manuel Monroy, "himself a notorious character with a criminal record," the "law enforcement agencies can be depended upon to do their duty under the circumstances."

June 17 — The President, in the presence of Labor Department and labor union officials, signs Senate Bill No. 423—House Bill No. 825 (Republic Act No. 875) entitled, "An Act to Promote Industrial Peace," also called "The Magna Carta of Labor."

The President issues Executive Order No. 600 fixing ceiling prices on certain brands of Japanese canned sardines.

June 18 — Acting Secretary of Foreign Affairs Felino Neri is quoted as saying that the outbreak of riots in East Berlin "is a matter of tremendous consequence, possibly paralleling in significance the outcome of the efforts of the United Nations and Communist authorities in Korea to reach an armistice."

June 20 — The President, in the presence of a group of public school officials, signs the Bill restoring the 7th grade and the single sessions in the elementary schools, authored by Senator Geronima T. Pecson. During the past few days the President has signed or vetoed a number of bills (See list published elsewhere in this issue of the *Journal*).

June 21 — Announced that of the 162 House and 24 Senate bills, passed by both Houses, the President has approved 139 and allowed 2 to become law without his signature; 123 of the approved bills were House bills and 18 were Senate bills.

Presidential candidate Carlos P. Romulo leaves for the United States to speak before the international convention of the Junior Chamber of Commerce in San Francisco and to look after various personal matters. An invitation to speak before the convention was previously extended to Mr. Ramon Magsaysay, but was declined by him.

June 24 — The President receives the credentials of two new diplomatic representatives in separate ceremonies,—those of N. H. Ferdinando Wiel, Italian Minister, and of Minister Nai Chitti Sucharitakul, of Thai.

Import Control Commissioner Primitivo Lovina leaves for the United States by airplane for medical treatment. Mrs. Lovina will join him later.

June 25 — The President holds conferences with various members of his Cabinet preparatory to his departure for the United States on Saturday, June 27, to undergo a physical check-up at the Johns Hopkins Hospital, Baltimore, Maryland. He authorizes Secretary of Health Dr. Juan Salcedo, Jr. to sign in behalf of the Government the agreement with Johns Hopkins University under which it will assist the University of the Philippines by sending eight professors (four a year for two years) as department heads and assistant department heads in the Institute of Hygiene.

Senator Gil J. Puyat, Chairman of the Senate Finance Committee, issues summons to the Chairman of the Import Control Commission to appear before the Committee to explain the "apparently irregular" issuance of licenses covering over \$30,000,000 worth of future imports.

June 26 — The President approves the Government being a signatory to the United Nations Convention on Political Rights of Women. In recommending the signature, Secretary of Foreign Affairs J. M. Elizalde stated, "The Philippines being the first Asian country to grant its women equal political rights with men, it should be among the first signatories thereto."

Leon Ancheta, ranking member of the Import Control Commission, informs Senator Puyat that Chairman Lovina has just left on an extended trip abroad and that no Acting Chairman has been designated as yet; he also states that he can not appear for investigation before the Senate Committee without the express consent of the President.

June 27 — The President issues Executive Order No. 603 designating the Price Stabilization Corporation (PRISCO) to supervise the sale and distribution of flour to consumers throughout the country as a "move to steady the market and to stabilize the price." He also issues Executive Order No. 606 fixing ceiling prices on galvanized-iron and aluminum sheets.

The President designates Under-Secretary of Labor Aurelio Quitoriano as Acting Secretary in the absence of Secretary of Labor Jose Figueroa.

Executive Secretary Marciano Roque, in his capacity as Acting General Manager and Chairman of the Philippine Charity Sweepstakes, reveals that due to the decreasing sales of sweepstakes tickets the allotments of the earnings to charity and maternity clinics, civic and welfare institutions, leprosaria, etc. have had to be cut.

June 6 — The President receives Secretary of National Defense Oscar Castelo who calls to say goodbye before leaving for Korea where he will inspect the Philippine troops. He will leave on the 8th and is expected to be absent for some 2 weeks.

Kenkichi Yoshizawa, Ambassador to Nationalist China and Japan's oldest career diplomat (78), pays a courtesy call on Secretary Neri. The Ambassador arrived in Manila yesterday and will also visit Hongkong, Singapore, and Bangkok.

The Democratic Party is officially launched at a rally in Plaza Miranda, Manila.

June 7 — The President signs a proclamation setting June 12 as the date for the organization of the City of Tacloban, Leyte, as provided for by Republic Act No. 760; he also signs the appointments of 6 officials of the new chartered city.

June 8 — Secretary Roque rules that the various Boards of Examiners have the authority not only to promulgate necessary rules and regulations for the examinations, but to prescribe the collegiate courses for the professions they regulate. The Secretary states that formerly the Boards were designated as merely advisory committees to the Bureau of Private Schools on matters affecting technical, professional, and vocational courses in private educational institutions, but that this was changed by Republic Act No. 546.

"As a matter of practice, this Office [Office of the President] will not approve the rules and regulations prescribed by the Boards of Examiners until it shall have received the view of the Secretary of Education, the Director of Private Schools, and the dean of the college concerned... Subject to the approval of the President and the advice of the Commissioner of Civil Service, the Boards aforementioned shall promulgate necessary rules and regulations, set professional standards for the practice of their respective professions, and prescribe collegiate courses."

June 8 — Acting Secretary of Agriculture and Natural Resources Placido L. Mapa reports to the President on the Bureau of Forestry administrative order declaring some 12,000 hectares of timber lands at Kidapawan and Kabatan, Cotabato, available for agricultural purposes; Mapa hopes to have this area included among those now being surveyed under a MSA-PHILCUSA program so as to expedite the distribution to applicants.

Prof. Kusnoto Setyodiwirjo, Director of the famed botanical gardens at Bogor, near Djakarta, Indonesia, makes a courtesy call on Secretary Neri; he is visiting the Philippines under UNESCO auspices in connection with preparations for the coming of the Indonesian delegation to the Eighth Pacific Science Congress to be held in Manila in November.

June 9 — The Department of Foreign Affairs announces that Philippine Minister Manuel A. Adeva will present his credentials to Philippine Minister to President Chiang Kai-shek in Taipei, Formosa, today; he was raised recently from the rank of charge d'affaires, a.i.

June 10 — The President, for the first time since the recurrence of his foot ailment (bursitis) some 3 weeks ago leaves Malaecan to inspect the work on the Quirino grandstand on the Luneta being readied for the 4th of July celebration.

The Price Stabilization Corporation (PRISCO) starts selling rice at the reduced prices of 75 and 80¢ a ganta; the rice comes from the Koronadal settlers in Mindanao. The NARIC price is still 90¢ and consumers buying in the public markets still pay from ₱1.00 to ₱1.40 a ganta.

Budget Commissioner Joven, Chairman of the Board of Liquidators, turns over the deeds of sale of some 33,000 hectares of land of former Japanese plantations in Davao to Philippine Veterans League National Commander Teofilo Rivera, in compliance with orders of the President who had promised to reserve these lands to some 9,000 veteran occupants who will have 10 years to pay; each veteran occupies either 5 hectares of coconut land or 10 hectares of hemp land.

June 12 — The President receives Dr. Roland B. Renne, Chief of the U.S. Mutual Security Agency, who resigned recently and returning to the United States on June 15. He informs the President that the Philippines is practically the only country in this part of the world which is receiving economic aid under the MSA program, the assistance received by other countries being substantially military only, except for Thailand which is receiving non-military aid also, but

The President designates former Congressman Juan V. Borra and Eugenio Garganera as Acting Mayor and Vice Mayor, respectively, of Iloilo City, replacing Mayor Dominador Jover and Vice-Mayor Joaquin Abanilla; the two take their oaths of office before Executive Secretary Roque. He also designated five new acting city councilors. Secretary Roque also administers the oath of office to Col. Amado Bautista as Managing Director of the Price Stabilization Corporation, replacing Santiago F. de la Cruz who recently resigned. Secretary Roque induces Jose Gabaldon, Ilocos Sur provincial treasurer, as Acting Governor of the province during the absence of Governor Eliseo Quirino who is accompanying the President to the United States.

The President states that his ailment is not serious enough to prevent him from discharging his official duties while in the United States. Vice-President Fernando Lopez will represent him ceremonially but Cabinet meetings will be presided over by the ranking member, at present Secretary of Finance Aurelio Montinola, the Vice-President having resigned his Cabinet position.

The President leaves for the United States at 5 p. m. on the Philippine Air Lines plane *Mindoro*. The Vice-President is among those who see him off and he is given a 21-gun salute by an army contingent. Central Bank Governor Miguel Cuaderno is among the presidential party of 12 members.

June 28—Executive Secretary Roque denounces as malicious the charge made in certain quarters that Malacañan has posted guards in the premises of the Import Control Commission Office for the purpose of removing papers which would involve the Administration in alleged anomalies in connection with the reported issuance of over P30,000,000 worth of licenses to unknown "importers" during the last days of the life of the Commission.

June 28—Malacañan issues a statement denying that President Quirino left the Philippines with the intention to withdraw from the Presidential election campaign, as is the rumor in opposition circles.

June 29—Reported that the *Mindoro*, after leaving Honolulu and nearly half-way to San Francisco, returned because of engine trouble, and that the President is resting in the Tripler Hospital through the courtesy of Admiral Arthur W. Radford. The President sends his thanks to presidential candidate Magsaysay for a message wishing him speedy recovery.

Executive Secretary Roque rejects the request of the Senate Finance Committee for the records concerning alleged irregular import control license transactions, stating that Malacañan will conduct its own investigation. Malacañan guards reportedly begin to transfer the records to the palace.

June 30—The President arrives in San Francisco at 10:30 in the morning and according to his physician stood the trip very well; he will continue on to Baltimore by plane this afternoon.

Announced that the President issued 4th of July pardons to 114 Japanese prisoners-of-war confined at Muntinlupa. In the cases of 56 of them, sentenced to death, the sentences have been commuted to life imprisonment which they will serve in the Sugamo prison in Japan. The Japanese Government has conveyed its thanks and will send a ship to bring all the pardoned prisoners home. [The President also pardons 323 Filipino prisoners convicted of crimes involving collaboration with the enemy during the war.]

Congress having failed to extend the Import Control Law, the Import Control Commission closes its offices at midnight after several days of disorder. Through the licensing of foreign exchange, the Central Bank and its authorized agent banks will in effect take over the Commission's import control functions. Regulations, effective July 1, were issued by the Bank under date of June 24.

Banking and Finance

By W. M. SIMMONS

Manager

The National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31, 1949	As of Mar. 31, 1953	As of April 30, 1953	As of May 29, 1953
(In thousands of Pesos)				
ASSETS				
International Reserve.....	P460,689	P476,907	P479,042	P483,265
Contribution to International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	113,306	106,940	106,940	106,940
Loans and Advances.....	77,047	48,140	44,380	36,380
Trust Account—Securities Stabilization Fund.....	—	—	—	—
Domestic Securities.....	92,197	234,825	234,515	234,310
Other Assets.....	20,390	42,842	46,712	44,171
	P793,629	P939,654	P941,589	P935,066

LIABILITIES

Currency — Notes.....	P555,576	P576,465	P579,629	P565,019
Coins.....	74,384	88,618	88,255	87,761
Demand Deposits—Pesos.....	117,682	223,939	221,649	228,871
Securities Stabilization Fund.....	2,000	18,923	18,828	18,115
Due to International Monetary Fund.....	22,498	496	496	496
Due to International Bank for Reconstruction and Development.....	2,389	2,380	2,379	2,377
Other Liabilities.....	2,636	5,056	5,337	6,335
Deferred Credits.....	—	2,397	3,002	3,630
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	1,247	1,881	2,329
Surplus.....	—	10,133	10,133	10,133
	P793,629	P939,654	P941,589	P935,066

The international reserves as of May 31 were as follows:

Central Bank international reserves.....	\$241,632,358.00
Japan Open Account (due from).....	8,780,478.00
Net FX holdings of other banks.....	61,698,077.00

Total international reserves..... \$312,110,913.00

This is a decrease of \$4,000,816 from April 30.

Currency and coins issued totalled P652,779,918.00.

Money continues tight, with merchants reporting business slow.

Among efforts being made to force hoarded money into circulation is the proposed Zulueta-Primicias Bill to demonetize Central Bank notes and treasury certificates of the P100 and P500 denominations. Press comments have been unfavorable.

With the expiration of the Import Control Commission on June 30, the Central Bank has drawn up general procedures for a system of exchange-licensing for commodities to be imported into the Philippines effective July 1. The proposed plan will use the commercial banks to implement these procedures, and dollar allocations by the Central Bank to importers through their banks will be by semesters. This is potentially as much more flexible procedure than in the past, which required letters of credit for specific licenses to be opened within 30 days of release of the license. The new plan permits an orderly spacing of L/C's opened.

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

Manila Stock Market

By A. C. HALL

Hall, Picornell, Ortigas & Co.

June 1 to 26, 1953

WITH the solitary exception of Philippine Iron Mines, which has gained a minimum fluctuation during the period, all other mining shares show varying degrees of losses.

Reasons for the poor market performance are not difficult to find. Possibly the most important factor has been the weakness in Lepanto which has been unsettling to the entire market. The decline in this leading issue is due to anticipation of lower copper prices in the future. Whether this will come to pass or not remains to be seen, but, as far as can be judged at present, some further easing of world commodity and metal prices would appear to be more likely, during the second half of the year, than the reverse.

A further bearish influence in the mining section is the apparent impossibility of any favorable development materializing for the gold mining group. While the President signed the tax relief law as expected, during the past four weeks the gold price in the local free market has eased further to P99.75 per fine ounce. To round out the picture, it may be noted that the decline in the

free gold market price since January is approximately equivalent to all of the tax relief granted the industry by the recently enacted law.

The commercial and industrial section of the market has been very quiet and little changed. Fixed-interest securities have developed an easier trend. The latter might be attributed to the Caltex debenture offering, which has absorbed a large portion of available institutional funds that might otherwise have provided additional buying-interest in existing fixed-interest issues.

Money continues tight with no signs of easing, and this factor is likely to exercise a restraining influence on the equity market for the present.

Credit

By R. A. CALLAHAN

Accountant and Office Manager
Philippine Refining Company, Inc.

THE Association of Credit Men, Inc. (P.I.) consolidates a survey on accounts of members 90 days past due. It is interesting to note the figures so far this year. In January, 1953, the average number of 90 days past-due accounts per firm reporting was 30. For February and March the average per firm was 39 accounts 90 days past due. In April the average increased to a high for the year of 47 accounts, but in May declined to 31 accounts.

The directors of the Association in their monthly meeting on June 16 continued their studies to improve the Ledger Interchange Bureau. The L. I. B. provides reciprocal ledger information on specific account names submitted by the members. The directors decided to arrange for business-reply envelopes to assist members in replying promptly on Ledger Interchange matters.

Several credit executives state that the slight improvement noted during the last half of May continued briefly in the beginning of June, but receded some thereafter and by mid-June was at about the early May level. The improved trading in early June was apparently noticed by suppliers of wearing apparel, school supplies, and items relating to the preparation for schools reopening. After the schools started, trading in these lines levelled off. Most wholesale businesses are still slow and some admit a continuing period of waiting and watching.

Export trade appears rather slow. All exports are at a low level and sugar exports are nearly finished.

Rice prices have not risen, and palay values are still depressed. Rice merchants and others are holding back, anticipating price improvement. If the expected improvement in the price of rice materializes, trading will increase and put money into circulation.

Increased pilferage has hurt certain importers, especially textile merchants, and some insurance companies.

Some food-condiment dealers and merchants in other lines have been affected by price reductions on special lines in America.

The stock market is continuing very slowly with little change except for a slight downward trend in some stocks.

Several collection executives report some improvement, though slight and temporary. However, a number of merchants report that they were able to liquidate some accounts during the brief pre-school reopening period and say that inventories moved to advantage.

The improvement noted in the latter half of May did not continue throughout June as some credit executives had anticipated and they do not anticipate much change in July.

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Treasurer, Manila Electric Company

1941 Average—16,316,000 KWH

	Kilowatt	Hours
	1953	1952
January	50,107,000	45,152,000
February	45,501,000	42,450,000
March	50,780,000	45,128,000
April	49,159,000	42,798,000
May	52,042,000*	45,580,000
June	51,310,000**	45,223,000
July		47,542,000

MINING SHARES

1952-53 Range	High	Low	Close	Change	Total Sales
131.53 87.55					
0.315 0.16	M.S.E. Mining Share	96.62	87.55	88.08	Off 8.54 6,225,054
0.065 0.038	Acoje Mining Co.	.255	.22	.24	Off .01 369,000
6.20 1.60	Antigua Consolidated	.055	.05	.05	Off .0075 148,000
0.13 0.06	Atok Big Wedge Mining Co.	1.60	1.60	1.60	Off .20 2,348
2.65 1.50	Baguio Gold Mines	.09	.07	0.0725b	Off .0175 81,000
0.0035 0.0013	Balatooc Mining Co.	1.50	1.50	1.50	Off .30 5,000
4.80 3.50	Batang Buhay Gold	.002	.002	.002	— 950,000
0.07 0.05	Benguet Consolidated	4.00	3.50	4.00	Off .25 13,480
0.048 0.028	Coco Grove, Inc.	.02	.02	0.026b	Off .004 100,000
0.155 0.0625	Consolidated Mines, Inc.	.044	.04	.041	Off .003 2,189,000
0.075 0.038	Itoyan Mining Co.	.075	.0625	.065b	Off .0125 43,000
0.95 0.65	Lepanto Consolidated	.06	.06	.06	Off .0025 20,000
0.0875 0.028	Manteco Consolidated	.75	.65	.66	Off .09 557,200
0.30 0.08	Mindanao Mother Lode	.08	.065	.06	Off .0125 415,000
0.1275 0.09	Paracale Gumama Cons.	.09	.09	.09	Off .01 15,000
3.26 2.15	Philippine Iron Mines	2.45	2.40	2.45	Up .05 76,350
0.32 0.17	San Maurilio Mining Co.	.28	.28	.28	— 28,000
0.285 0.20	Surigao Consolidated	.215	.20	.20	Off .015 97,000
0.12 0.03	United Paracale Mining Co.	.03	.03	.03	Off .002 97,000
	— Ex-Dividend				

COMMERCIAL SHARES

1952-53 Range	High	Low	Close	Change	Total Sales
155.00 120.00					
22.00 22.00	Bank of the Philippine Islands	—	—	150.00b	—
20.00 15.00	Binalbagan-Isabela Sugar	—	—	20.00b	—
90.00 75.00	Bogo-Medellin Milling Central Azucarera de Bais, Inc.	75.00	75.00	75.00	— 140
150.00 100.00	Central Azucarera de la Carlota	106.00	106.00	106.00	— 58
110.00 100.00	Central Azucarera de Pilar	100.00	100.00	100.00	— 130
50.00 35.00	Central Azucarera de Tarrac	35.00	35.00	35.00	Off 2.00 84
325.00 320.00	China Banking Corp.	—	—	280.00b	—
12.00 10.00	Cia. de Celulosa de Filipinas	10.50	10.50	10.50	Off .25 450
27.50 24.00	Consolidated Sugarcos	—	—	21.00b	—
12.00 8.30	Industrial Textiles Mfg. Co. P.	8.50	8.50	8.50	Off .10 1,400
7.00 7.00	Insular Life Assurance Co.	7.00	7.00	7.00	— 1,388
0.30 0.25	Manila Bagging Co.	.27	.27	.27	— 4,000
4.90 3.00	Manila Wine Merchants & Co.	—	—	3.10b	—
0.30 0.30	Maramba & Co.	—	—	.30a	—
107.00 100.00	Meralejo 6-1/2% Metropolitan Insur. Co., Inc.	101.00	101.00	101.00	Off 1.00 T 420
23.00 20.50	Paudeco	—	—	150.00b	—
9.0925 9.02	Philippine Oil Dev. Co., Inc.	.025	.02	.02	Off .011 920,000
100.00 99.50	R & D 4% Bonds, 1959	—	—	99.50b	—
36.00 28.00	San Miguel Brewery, 7% pref.	30.50	30.00	30.00	— 13,376
101.00 93.00	San Miguel Brewery, 7% pref.	98.00	95.00	95.00	Off 4.00 820
108.00 102.00	San Miguel Brewery, 7% pref.	105.00	104.00	105.00	— 210
13.00 13.00	Talassy Siley Milling	13.00	13.00	13.00	— 200
13.50 13.50	Universal Insurance & Indemnity Co.	—	—	12.00	—
8.70 6.00	Williams Equipment, bond	—	—	8.30b	—

T—Bond sales reported in units of P100.

OVER THE COUNTER

Company	High	Low	Close	Total Sales
A. L. Ammen Transportation Co.	P80.00	P80.00	P80.00	79
General Base Metal Ind.	0.22	0.27	0.28	191,000
Philippine Electrical Mfg. Co.	80.00	80.00	80.00	30

August	47,988,000
September	47,216,000
October	50,073,000
November	47,652,000
December	50,656,000
Total	557,458,000

*Revised
**Partially estimated

AVERAGE daily June output was higher than in May and set a new record. Total output was 6,987,000 kwh, or 13.4% above June, 1952. Total output for the first 6 months of 1953 was 32,577,000 kwh, or 12.2% above the same period last year.

The 1953 output has been more than 3 times the 1941 average output.

Real Estate

By ANTONIO VARIAS

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

REAL ESTATE sales registered in the Greater Manila area during the month of June, 1953, numbered 632, with a total value of ₱5,839,980, as compared with 639, with a total value of ₱6,056,977, registered during the preceding month of May.

Of the June sales, 179, with a total value of ₱3,200,302, represented deals within Manila proper, and 453, with a total value of ₱2,639,678, were transactions in Quezon City, Pasay City, and in the suburban towns of Makati, Calocan, Malabon-Navotas, Mandaluyong, Parañaque, and San Juan.

A few of the bigger sales registered during the month were:

CITY OF MANILA

Binondo
Nueva Sta. #105, (southwest corner) Area: 157.4 sq.m. with improvements. Sold by John Tan Ching Eng to Anita S. Tanjanco for ₱290,000.

Ermits
Pennsylvania St. between California and Oregon Sts. (L-8, B-369) Area: 700 sq. m. (with improvements). Sold by Santiago Gancayo to Alfredo Salazar for ₱70,000.
Pennsylvania St. 5621. (L-3, B-Pd-196) Area: 450 sq.m. Sold by Alejandra Tagle Idefonso to Pablo Mercado for ₱27,000, or ₱60 a square meter.

Intramuros
Solana St. #190 (L-7, B-42) Area: 271.5 sq.m. Sold by Geronimo Santiago Jr. to Benedicto Padilla for ₱12,217, or ₱45 a sq.m.

Malate
Dakota St. #1912 (L-2, Sub-Blk 33) Area: 147.1 sq.m. with improvements. Sold by Marysya F. Castañeda to Luminoro M. Limson for ₱32,000.
Indiana corner Remedios Sts. (L- B) Area: 706.2 sq.m. Sold by Dolores Zarga Vda. de Vidal to Consuelo Vidal for ₱21,180, or ₱30 a sq.m. Rem-sold to Alejandro Katigbak for ₱24,677, or ₱35 a sq.m.
Nebraska #747 (L-6B1A, B-) Area: 303.7 sq.m. Sold by Magno Mangangan to Rodolfo Balderamma for ₱31,800.
Luzon-Indiana (L-2, B-529) Area: 1,327 sq.m. Sold by Philippine Polyclinic, Inc. to Nicanor Jacinto for ₱75,000, or ₱56.31 a sq.m. and resold to Vicente Yungapano for ₱70,525, or ₱53.15 a sq.m.

Paco
Marquez de Comillas St. (L-5, B-) Area: 816.4 sq.m. Sold by E. J. Mora Electric Company to E. J. Mora for ₱58,574.

Quiapo
Coroninas St. #730 (L-2, B-2562) Area: 210.4 square meters, with improvements. Sold by Roberto Nuguid to Arison L. Sison for ₱46,000.
San Rafael St. #73 (L-7, B-2535) Area: 171.1 sq.m. with improvements. Sold by Conchita Juachon to Metropolitan Investments Corporation for ₱35,000.

Sampaloc
Aranga St. (L-9A1, B-) Area: 311.2 sq.m. Sold by Jaime Pelejo to Rafael Ungson for ₱15,163.
Manga Avenue (L-2B, B-) Area: 3,126.7 sq.m. Sold by Teresa Valdez y Legarda to Salustiana Dee for ₱86,230, or ₱27.60 a square meter, and (L-2C, B-) Area: 3,201.6 sq.m. Sold by Teresa Valdez to Salustiana Dee for ₱82,000 or ₱25.61 per square meter.

San Miguel
Nagtahan St. (L-3B2, B-) Area: 4,077 sq.m. Sold by Victor Buencamino to Malesyan Sewmill for ₱24,000.
Resold to Lee Chao for ₱40,000.

San Nicolas
Borbona St. #243. (L-5, B-1921) Area: 644.4 square meters with improvements. Sold by Elvira Manahan to Florencio Inocencio for ₱70,000.

Sta. Ana
Herran St. (L-8A, B-1412) Area: 630.7 sq.m. Sold by Generosa Magalán to Lucila Dominguez for ₱22.50 a square meter.

Sta. Cruz
Rizal Ave. #507 (L-3, B-2127) Area: 413.6 sq.m. with improvements. Sold by Remigio V. Tan to Goodwill Trading Co., Inc. for ₱610,000.

Tondo
F. de Leon St. #1104. (L-7, B-3) Area: 206.5 sq.m. with improvements. Sold by Antonio Tejuco to Graciano Liangson for ₱26,000.
Rodriguez St. #214-17 (Improvements only). Sold by Maria San Jose to Eliseo Ramos for ₱30,000.

PASAY CITY

Domingo St.—A parcel of 857 sq.m. sold by Dolores T. Borja to the Roman Catholic Archbishop of Manila for ₱36,740.
Mariguita St.—A property with a lot of 324.5 sq.m. sold by Enrique Jacon to Benjamin Lapuz for ₱14,000.
Sandiasa St.—A property with a lot of 584.45 sq.m. sold by Tomas Villanueva to Honorio Lim—for ₱37,000.
Tait Avenue—A property with a lot of 1,030 sq.m. sold by Salvacion Lim to Mariano S. Lim for ₱40,000.

QUEZON CITY

Diliman
South 14th near South "C" Sts. (L-9, B-891) Area: 405 sq.m. Sold by Proceso Diapo to Gregorio Pascual for ₱19,800.

Kamuning
Kamuning Road near K-D St. (L-4, B-K54) Area: 509 sq.m. with improvements. Sold by Imelda Reyes to Corazon Pun for ₱20,718.

Sta. Mesa Heights
Canlan and Mayon Sts. (L-11 & 12, B-89) Area: 960 sq.m. with improvements. Sold by Hermengilda del Rosario to David Alcaraz for ₱42,000.

San Francisco del Monte
Roosevelt Ave. corner Quezon St. (L-3, B-28) Area: 12,748 sq.m. Sold by Jose C. Lim, Jr. to the New Pacific Trading Company for ₱60,000.

Pio del Estate
A tract of 81,550 sq.m. (L-425) sold by Enrique Tomas Ramirez to Felix Acebedo for ₱16,310, or ₱20.20 a sq.m.

Tala Estate
A tract of 2,8461 has. (L-205) sold by Leandro Sandoval to Ambrosio Bernabe for ₱12,000.

SUBURBAN TOWNS

Parañaque
Quirino Ave. A parcel of 991 sq.m. Sold by Vicente Arias to Jose C. Tan for ₱23,784.

Pasig
Rosario. A tract of 46,757 sq.m. Sold by Emilio Santos to Rosa Tulod for ₱70,000.

San Juan
Blumentritt St. A property with a lot of 423 sq.m. Sold by Marcela Vda. de Perez to Margarita Vda. de David for ₱30,000.

REAL estate mortgages registered in the Greater Manila area during the month of June, 1953, numbered 663, with a total value of ₱9,081,097, as compared with 657, with a total value of ₱10,853,865, registered during the preceding month of April.

Of the June totals, 264, with a total value of ₱4,465,288, represented deals within Manila proper, while 399, with a total value of ₱4,615,809, were mortgages registered in Quezon City, Pasay City, Calocan, Makati, Malabon-Navotas, Mandaluyong, Parañaque, and San Juan.

REAL ESTATE SALES, 1953

	Manila	Quezon City	Pasay City	Suburban Towns	Total
January	1,499,139	1,477,332	213,490	4,141,742	7,331,703
February	3,460,932	1,286,414	341,023	1,710,106	6,798,475
March	3,775,675	1,643,140	680,593	1,649,801	7,759,209
April	3,481,727	1,322,975	213,465	1,947,750	6,965,917
May	2,980,713	1,657,605	200,299	1,218,360	6,056,977
June	3,200,302	1,066,751	277,416	1,295,511	5,389,980

REAL ESTATE MORTGAGES, 1953

January	3,691,913	1,377,690	245,200	2,016,917	7,331,720
February	5,560,707	2,196,329	718,300	2,924,480	11,399,816
March	7,586,190	2,419,165	553,800	1,503,942	12,063,097
April	5,069,966	1,973,705	184,500	1,976,673	9,204,844
May	4,962,183	2,026,850	1,219,800	2,645,032	10,853,865
June	4,465,288	2,062,071	457,000	2,096,738	9,081,097

Building Construction

By JUAN J. CARLOS

President, United Construction Co., Inc.

DURING the month of May, the Office of the City Engineer approved building permits for construction work amounting to ₱7,204,600. For the same period in 1952, the volume of work authorized amounted to ₱6,902,020, in comparison with ₱5,101,580 in 1951 and ₱4,387,600 in 1950.

Some of the big projects that were started during the month of May were:

A theater and office building for Toribio Teodoro on Ascarraga Street near the Rizal Avenue corner, estimated at ₱900,000;
 On Plaza Gotti, a 5-story commercial building, costing ₱375,000, for Jose Chan;
 For the Santa Rita College on Plaza del Carmen, a 3-story school building, estimated at ₱150,000;
 A 6th and 7th floor addition to the Madrigal Building on the Escolta, costing ₱180,000;
 On Taft Avenue, Malate, a 3-story apartment building, estimated at ₱150,000, for Carlos Ysmael;
 An apartment building on Misericordia Street, costing ₱165,000, for Benito Guy.
 For the Philippine Manufacturing Company on Velasquez Street, Tondo, a one-story industrial building estimated at ₱150,000.

The new Star Theater for Toribio Teodoro on Ascarraga Street will be the seventh new first-class theater to be constructed in down-town Manila within a period of 12 months. This seems to indicate that the theater business is profitable. School buildings, too, lead among the big edifices being built.

In order to relieve the acute shortage of cement, PRISCO ordered and received recently a shipment of 120,000 bags. The entire shipment was sold in one week at ₱3.80 per bag, ex-bodega.

The shortage of steel bars continued to be felt in the market. Of the two local companies producing steel bars, one is without the necessary supply of scrap-iron and the other is suffering intermittent engine troubles, this causing a considerable lag in production. Unless new shipments of this item are received from abroad, the shortage will adversely affect the completion-schedules of many projects.

Bids for the construction of the Veterans Hospital were received recently. Local contractors offered prices for individual units and two American firms offered to undertake the whole project. No decision on the award has yet been made by the Veterans Administration.

Ocean Shipping and Exports

By B. B. TUNOLD
 Secretary-Manager
 Associated Steamship Lines

TOTAL exports during the month of May of this year showed an increase of 21,865 tons over exports during May of last year.

138 vessels lifted 446,970 tons of exports during the month, as compared to 425,105 tons lifted by 68 vessels during the same month last year.

Commodities which have registered sharp increases over last year's figures for the same month are: logs from 13,942,006 to 40,164,400 bd. ft.; molasses from 13,537 to 20,494 tons; and pineapples from 4,620 to 15,605 tons.

Exports during May, 1953, as compared with exports during May, 1952, were as follows:

Commodity	1953	1952
Alcohol.....	27 tons	68 tons
Beer.....	961 "	161 "
Cigar and cigarettes.....	29 "	—
Coconut, desiccated.....	2,827 "	4,695 "
Coconut oil.....	2,125 "	7,736 "
Concentrates, copper.....	2,893 "	908 "
Concentrates, lead.....	199 "	—
Concentrates, zinc.....	54 "	—
Copra.....	32,570 "	42,824 "
Copra, cake and meal.....	3,665 "	5,800 "
Embroideries.....	291 "	192 "
Empty cylinders.....	179 "	288 "
Fish, salted.....	62 "	10 "
Fruits, fresh.....	508 "	315 "
Furniture, rattan.....	744 "	1,348 "
Glycerine.....	300 "	339 "
Gums, copal.....	46 "	—
Gums, elemi.....	15 "	—
Hemp.....	70,755 bales	76,182 bales
Hemp, knotted.....	147 tons	—

Household goods and personal effects.....	531 "	269 tons
Junk, metal.....	100 "	103 "
Kapok.....	50 "	—
Logs.....	40,164,400 bd. ft.	13,942,006 bd. ft.
Lumber.....	4,473,161 "	4,962,349 "
Molasses.....	20,494 tons	13,537 tons
Plywood and plywood products.....	23 "	12 "
Ores, chrome.....	42,610 "	33,348 "
Ores, iron.....	116,647 "	98,257 "
Pineapples, canned.....	15,605 "	4,620 "
Rattan, round, (palasan).....	213 "	462 "
Rope.....	28 "	377 "
Shells, shell waste.....	37 "	38 "
Shell buttons.....	13 "	—
Skins, hides.....	17 "	—
Sugar, cent./raw.....	98,922 "	155,652 tons
Tobacco.....	799 "	998 "
Vegetable oil.....	29 "	15 "
Transit cargo.....	10 "	136 "
Merchandise, general.....	1,137 "	884 "

Port of Manila

By L. R. WENTHOLT

Vice-President, Luzon Brokerage Company

DURING the month of June, 82,000 tons of general cargo were discharged on Manila piers and lighters. From the pilferage front, there is little news to report except that some more articles have appeared in the daily newspapers reporting the existence of a well-organized ring of pilferage experts. However, no further results were obtained.

The Arrastre Contractors have now instituted a new method of checking trucks when leaving the piers. Through one side of the gate, merchandise of an easily checked nature like flour, tinsplate, large cases of truck bodies, etc. can pass; the other side is reserved for the checking of general merchandise. This, in our view, is a good system since delays in passing trucks will be minimized. At present only one gate is used for the outflow of merchandise, but the Arrastre Contractors are considering opening one more gate, most likely Gate No. 4 on 13th Street, to ease the flow of cargo.

A considerable amount of general merchandise was discharged on the piers and congestion was experienced. The greatest delay, though, is not in the loading of the trucks but in the poor traffic arrangements on the pier, and in the time it takes to have gate passes completed. An easier method should be found as this would be to the benefit of all parties concerned.

Freight Car Loadings

By JOSE B. LIBUNAO

Traffic Manager, Manila Railroad Company

LOADINGS of revenue freight during the month of May, 1953, totaled 2,049 cars. This was a decrease of 372 cars, or 15.37%, less than the loadings during May, 1952, which ran to 2,421 cars.

Revenue Carloadings by Classes

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

Commodity	Tonnage	
	May	1952
Products of agriculture.....	3,539	5,589
Animal products.....	1,079	774
Mineral products.....	1,812	784
Forest products.....	12,641	14,247
Products of manufacture.....	22,967	31,718
Merchandise less than by carloads.....	8,626	6,075
Total.....	50,664	59,187

There were 37 items compared with 33 items in May, 1952, treated in this review, with total of 50,664 tons and 59,187 tons respectively, or a net decrease of 8,523 tons. Twenty-four items registered a total decline of 17,226 tons, while 16 items registered a total gain of 8,703 tons. Three items—horses and mules, pigs, and coconut oil did not move by rail during the month of May and were responsible for a minor decrease of 232 tons. The items which registered the big decline of 15,282 tons were palay, copra, cattle and calves, logs, other products of the forest, desiccated coconut, other oils, centrifugal sugar, molasses, and other manufactures. On the other hand, there were increased shipments of other animal products, crushed rock, fuel oil, refined sugar, and less than carload merchandise with an aggregate total of 6,784 tons which helped offset the big decline.

The decrease in the export shipments of copra by 1,112 tons, logs by 1,213 tons, centrifugal sugar by 8,115 tons, and molasses by 1,335 tons was heavy and could not be made up by other items, considering that sugar cane, which in the previous month accounted for 9,204 tons, was no longer available due to the seasonal nature of the cargo. There was little stock of flour, cement, and other articles to counter-balance this decline in tonnage.

Considering the present trend of business, there is little hope that the next period will show improvement. The only foreseeable increases in the carloadings are flour and cement which may improve in June. Also, the increased exportation of manganese ore in the offing may augment the June business.

Mining

By HENRY A. BRIMO
President

Philippine Gold Producers Association, Inc.

ON the evening of Saturday, June 20, 1953, President Quirino formally signed House Bill No. 3761, a Bill designed to bring tax relief to the gold producers, and thus Republic Act No. 909 came into being. We herewith quote in full this new law for the benefit of the many who have been asking for copies.

REPUBLIC ACT NO. 909

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Paragraph (b) of Section two hundred and forty-two of Commonwealth Act Numbered Four hundred and sixty-six is hereby amended to read as follows:

(b) Royalties

"(1) On coal, such royalties as may be specified in the lease, which shall not be less than ten centavos per ton of one thousand and sixteen kilograms.

"(2) On gold, a royalty of one and one-half per centum of the actual market value of the annual gross output thereof.

"(3) On all other minerals, extracted from, or mineral products of, mineral lands of the first, second, fourth, and fifth groups as provided for in the Mining Act, a royalty of one and one-half per centum of the actual market value of the gross output thereof.

"Before the minerals or mineral products are removed from the mines, the Collector of Internal Revenue or his representatives shall first be notified of such removal on a form prescribed for the purpose.

"The rentals and royalties at the rates herein established or at such rates as hereafter may be prescribed by law shall be paid by the lessee and a provision to this effect shall be deemed to be a part of every contract of lease covering the mineral lands and mineral products referred to in this section."

SEC. 2. Section two hundred and forty-three of Commonwealth Act Numbered Four hundred and sixty-six is also amended to read as follows:

"SEC. 243. Ad Valorem taxes on output of mineral lands not covered by lease.—There shall be assessed and collected on the actual market value of the annual gross output of the minerals or mineral products extracted or produced from all mineral lands, not covered by lease, an ad valorem tax, payable to the Collector of Internal Revenue, in the amount of one and one-half per centum of the value of said output.

"Before the minerals or mineral products are removed from the mines the Collector of Internal Revenue or his representative shall

first be notified of such removal on a form prescribed for the purpose."

SEC. 3. Section two hundred and forty-four of Commonwealth Act Numbered Four hundred and sixty-six is repealed.

SEC. 4. New mines, and old mines which resume operation, when certified as such by the Secretary of Agriculture and Natural Resources upon the recommendation of the Director of Mines, shall be exempt from the payment of income tax during the first three years of actual commercial production: *Provided*, That, any such mine and/or mines making a complete return of its capital investment at any time within the said period, shall pay income tax from that year.

SEC. 5. Notwithstanding the provisions of section one hundred and eighty-six of the Internal Revenue Code and section one of Republic Act Numbered Six hundred and one, known as the Foreign Exchange Tax, all articles imported by gold mining companies which will be used in the operation of the said mining companies are exempt from tax: *Provided*, That these exemptions shall apply during a period of three years.

SEC. 6. This Act shall take effect upon its approval.

Approved, June 20, 1953.

For the record, we will repeat our statement from our article in the last issue of this *Journal* anent the actual savings involved, which is estimated to save the 10 member-mines of this Association an amount of approximately ₱3,900,000. As we pointed out, on the basis of our production of 433,360 ounces of gold during 1952, the saving is very close to ₱9 per ounce of gold produced, less a small amount that may have to be paid back in the form of the corporate income tax.

Such substantial relief should have buoyed the hopes of the gold producers and encouraged increased investment as well as speculation in the future of the industry; actually the signing of the Bill brought nary a ripple of interest as far as outsiders were concerned. The reason is that the price of gold has been declining steadily since January, 1953, and shows no sign of a let-up or a reaction. As a result, the amount of saving expected from Republic Act No. 909 is actually less than the loss sustained since January because of the decline in the gold price, as the following average prices for bullion will show:

January	₱112.50 per oz. (average)
February	108.85 per oz. (average)
March	106.00 per oz. (average)
April	103.95 per oz. (average)
May	102.75 per oz. (average)
June	100.00 per oz. (average)
Price as of July 1	98.50 per oz. (average)

It is therefore fortunate that our tax relief came when it did. Without such relief, a price of ₱98.50 for gold bullion would have brought almost immediate ruin to the industry. As the fortunes, or misfortunes, of the industry now stand, the gold producers are in the same dire straits as when our Association was formed almost a year ago precisely to work out the salvation of the gold mines. Much was accomplished in the short period of the existence of this Association, but much remains to be done in the face of the increasing complexities and problems confronting us.

Lumber

By PACIFICO DE OCAMPO

Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

DURING the month under review, May, 1953, the Philippines exported 40,265,902 bd. ft. of logs and lumber, 7,869,369 bd. ft. less than the preceding month. This decrease was mainly due to the decline in the shipment of logs to Japan—from 40,145,515 bd. ft. in April to 32,755,465 in May, or a decrease of 7,392,050 bd. ft. The export to the United States and Canada increased by 378,176 bd. ft. from 4,983,173 bd. ft. in April to 5,361,349 bd. ft. in May. Exports to all other countries decreased by 857,495 bd. ft. from 3,006,583 bd. ft. in April to 2,149,088 bd. ft. in May.

The following are the figures for the logs and lumber in bd. ft. inspected for export during May, 1953, as released by the Bureau of Forestry:

Shipper	Destination	Volume in Board Feet Lumber	Logs	Company	U.S.A.	
Aguinaldo Development Corp.	Japan			Johnston Lumber Company	Japan	31,967
Alberto Llorente	Japan	699,319		Jorge J. Tirador	Japan	977,110
American Asiatic Co.	Japan	500,318		Jose S. Rico	Japan	520,000
American Rubber Co.	U.S.A.	205,001		Jose G. Sanvictores	Japan	413,357
Anakan Lumber Company	U. S. A.	275,039		Martha Lumber Mill, Inc.	Japan	1,442,829
A. Soriano y Cia	Canada	179,070		M. R. Lacson	U.S.A.	390,922
Basilan Lumber Company	U.S.A.	142		Misamis Lumber Co., Inc.	Japan	686,066
Borneo Lumber Company	Borneo	608,581		Nasipit Lumber Co., Inc.	Japan	899,462
Bislig Bay Lumber Co., Inc.	Hawaii	68,369		North Camarines Lumber Co., Inc.	U.S.A.	350,000
Brigido R. Valencia	Japan	66,583		North Star Lumber Co., Inc.	U.S.A.	4,140,000
Calapan Lumber Co., Inc.	U.S.A.	608,581		Sanchez Logging Co.	Japan	143,028
Cantilan Lumber Co.	Japan	68,369		Sta. Clara Lumber Co., Inc.	Japan	1,465,400
Cipriano Luna Enterprises	U.S.A.	66,583		Taligaman Lumber Co., Inc.	U.S.A.	65,000
Continental Merchandizing Corp.	Hongkong	302,205		T. H. Valderrama & Sons Valderrama Lumber Mfrs. Co., Inc.	Japan	1,550,000
Cuison Lumber Co., Inc.	Japan	394,485	2,755,823	Valeriano C. Bueno	U.S.A.	602,087
Dy Bun Chin	Japan	202,489	567,939	Visayan Sawmill Co., Ltd.	Denmark	27,000
Dy Pac & Co., Inc.	U.S.A.	300,000	502,813	West Basilan Lumber, Inc.	Japan	890,625
F. E. Zuellig, Inc.	Japan	641,074	499,705	Western Mindanao Lumber Co., Inc.	U.S.A.	400,000
Findlay Millar Timber Co.	U.S.A.	639,144	497,462	Woodcraft Works, Ltd.	Japan	44,043
F. M. Triplitt	Okinawa	500,000	2,164,034	Woodworks, Incorp.	U.S.A.	261,308
General Enterprises	U.S.A.	32,803	3,087,113	Totals		3,968,532 36,297,370
General Lumber Co., Inc.	Japan	5,000	628,857			
Getz Bros.	Taiwan		189,180			
Golden Ribbon Lumber Co., Inc.	Africa					
G. S. Mañalac Enterprises	Japan					
Hercules Lumber Co., Inc.	U.S.A.	219,023	799,959			
Insular Lumber Company Inc.	U.S.A.	363,784				
	Africa	209,818				
	Hawaii	76,573				
	Ireland	122,316				

ARRIVALS of logs and lumber at Manila during the month under review, aggregating 11,430,895 bd. ft., decreased by 1,418,384 bd. ft. as compared to arrivals during the previous month of 12,849,279 bd. ft. The decrease may be attributed in part to unfavorable weather conditions in places of production.

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During the month under review, May, 1953, the prices of lumber in the local wholesale trade remained unchanged as of the previous month, ₱165-₱170 for white lauan, ₱170-₱175 for apitong, and ₱185-₱195 for red lauan.

Export producers will obtain relief from Republic Act No. 894 recently enacted by Congress and approved by the President of the Philippines, eliminating the sales tax on the exports of logs and lumber abroad irrespective of the shipping arrangements which may be agreed upon by the shipper and buyer. Exports under f.o.b. arrangement are henceforth to be considered consignments abroad.

SUMMARY OF EXPORTS DURING MAY, 1953, ARRANGED BY COUNTRIES OF DESTINATION IN THE ORDER OF VOLUME OF SHIPMENT TO EACH COUNTRY

Countries of Destination	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	32,755,465	32,755,465
United States	2,475,301	2,836,048	5,311,349
Taiwan	—	628,857	628,857
Okinawa	500,000	—	500,000
Hongkong	444,572	—	444,572
Africa	214,818	—	214,818
Hawaii	143,156	—	143,156
Ireland	122,316	—	122,316
Borneo	68,369	—	68,369
Canada	—	50,000	50,000
Denmark	—	27,000	27,000
Total	3,968,531	36,297,370	40,265,902

or exports, and not local sales, thereby exempting shipments of this nature from the percentage tax of 5%.

The Philippine Lumber Producers' Association, Inc., maintained vigorous opposition to the "emergency concession" of the Associated Steamship Lines reducing by \$5 per 1000 bd. ft. the freight rates on shipments of logs and lumber to the United States for a period of two months, up to July 31, 1953. The Association through its President, Mr. A. de las Alas, claimed that the basic consideration in the original request for a reduction is to enable exporters to stabilize their exports by making the prices of their products competitive with the prices of other species.

RESUME of Exports to:

	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	32,755,465	32,755,465
United States and Canada	2,475,301	2,836,048	5,311,349
Other countries	1,493,231	655,857	2,149,088
Totals	3,968,532	36,297,370	40,265,902

Trend of Exports to:

	This Month		Month Ago		Year Ago	
	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Lumber (Bd.Ft.)	Logs (Bd.Ft.)
Japan	—	32,755,465	—	40,145,515	—	12,603,322
United States and Canada	2,475,301	2,836,048	3,194,862	1,788,311	3,813,177	1,439,995
Other countries	1,493,231	655,857	1,362,131	1,644,452	1,684,217	57,159
Totals	3,968,532	36,297,370	4,556,993	43,578,278	5,497,394	14,100,476

COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF APRIL AND MAY, 1953

Period	Lumber in Board Feet					Logs in Board Feet				
	Western States	Eastern States	Gulf States	All Others	Total	Western States	Eastern States	Gulf States	All Others	Grand Total
April, 1953	2,500,230	447,234	149,513	97,885	3,194,862	1,341,591	46,733	399,987	—	1,788,311
May, 1953	1,949,554	299,857	208,573	17,317	2,475,301	1,000,281	676,845	1,158,922	—	2,836,048
Difference (Increase +; Decrease -)	550,676—	147,377—	59,060+	80,568—	719,561—	341,310—	630,112+	758,935+	—	1,047,737+



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This objective cannot be attained without a long-range program intimately and necessarily connected with production methods, investments, and other factors. What producers need is an assurance that future production and shipments will continue on the basis of the reduced rates. The stability of log and lumber exports to the United States cannot be made to depend on "experimental measures" as it would be unwise for producers to make huge investments without being certain that their products would enter the American market on a competitive basis. The short duration of the reduction fails to give any degree of assurance to lumber exporters.

Copra and Coconut Oil

By EDWARD F. UNDERWOOD

Manager, Copra Buying Department, Philippine Manufacturing Company

AFTER a steady opening early in June, the copra market resumed its decline in a rapid break that saw prices down from 15% to 20% in one week. The sensational release of anti-communist Korean prisoners by the Republic of Korea in the middle of June, coupled with lower copra arrivals and steady United States domestic oils sparked a rally. A squeeze in West Coast oil for June delivery also contributed support to the market. At the end of June prices had begun easing again.

Indonesia was a heavy seller to Europe throughout the month. Due to the Indonesian Copra Fund's policy of guaranteed prices and extremely low exports in May, Indonesia acquired a large surplus of copra and moved to dispose of it promptly.

European buyers bought futures at prices close to the lows for the downward move in early June, but as a rule balked at advancing prices in late June.

Copra Prices. After holding at around \$200.00 per short ton c.i.f. West Coast for spot shipment the first week to ten days, prices broke to as low as \$166.50. The rally in late June carried afloat prices to as high as \$187.50 and spot to \$185.00. While the situation on the last day of June was confused, spot copra was quoted at \$180.00 nominal.

Buyers for Europe paid from \$205 per long ton landed weights f.o.b. for spot shipment to as low as \$160 for August shipment during the month. At the close, buyers were willing to pay \$180 for nearby, \$175 for second-half July shipment, \$170 for August shipment, and \$165 to \$167.50 for September shipment.

Local prices in Manila for fresh copra resecada basis for 30-day delivery dropped from ₱38.00 to ₱38.50 at the end of May, to ₱33.50 at the end of June, down ₱4.50 to ₱5.00 per 100 kilos. During the month copra traded locally at as low as ₱30.00 per 100 kilos.

Coconut Oil Prices. Coconut oil prices closed at 13-3/4¢ per pound f.o.b. tank cars Pacific Coast for immediate delivery, down 1¢ per pound, with sellers offering 13-1/2¢ for July shipment, 12-1/2¢ for August shipment, and 12-1/4¢ for September shipment.

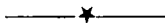
Coconut oil for immediate shipment to the East Coast was quoted at 13-3/4¢ nominal, down 1¢ per pound from May 31.

Copra Cake and Meal Prices. Copra cake and meal prices were steady and unchanged. At the end of June cake and meal prices were \$72 to \$75 per short ton c.i.f. West Coast.

Production and Future Prospects. Production increased throughout the Philippines during the month of June with combined Manila and Cebu arrivals reaching a new peak for 1953. Arrivals did decline late in June,

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especially in Cebu, but the drop was considered temporary and generally attributed to bad weather.

Production in Mindanao for June was up more than 50% from May. On Luzon, production reached a new high for the year in a continuation of a steady increase since March. Reports from the Bicol were encouraging, though a return to normal production in 1953 for this region seemed to be out of the question.

Production in July should hit a new high for the year, and arrivals are expected to increase both in Cebu and in Manila. A further rise in production is expected in August and early September.

Prices at the end of July are likely to be lower than they are today. Bearish factors include increasing production, the certainty of a lower U.S. Commodity Credit Corporation support-price on cottonseed oil, and a top-heavy world-supply picture of edible and inedible oils. A sustaining factor at this writing is the confusion in Korea and the ever present possibility of a deterioration in the international situation.

Lower prices are indicated unless there is a marked increase in international tension.

Copra Statistics

Copra	Philippine Copra and Coconut Oil Exports (In long tons)	
	April	May
United States.....	21,950	22,946
Europe.....	6,250	6,603
Other countries.....	13,056	3,021
Total.....	41,256	32,570
Coconut Oil		
United States.....	4,234	2,125
Other countries.....	—	—
Total.....	4,234	2,125

	Philippine Copra Exports*		Indonesian Copra Exports	
	1953	Percentage 1952 1953/1952	1953	Percentage 1952 1953/1952
January.....	41,025	77.050 53.2%	14,230	32,657 43.6%
February.....	38,672	84.884 45.6%	18,884	24,931 75.5%
March.....	50,168	55.549 90.3%	19,559	34,518 56.7%
April.....	48,745	55.405 88.0%	17,258	33,771 51.1%
May.....	36,536	56.053 65.2%	5,854	28,364 20.6%
Total.....	215,146	328,941 65.4%	75,785	154,241 49.1%

*Includes coconut oil exports converted to copra.

	Manila and Cebu Copra Arrivals*			
	Manila (In metric tons)		Cebu	
	1953	1952	1953	1952
January..	8,448	14,775	12,682	16,303
February..	7,741	16,570	12,039	11,705
March..	6,897**	14,233	17,991	10,092
April.....	8,305	12,411	13,380	9,587
May.....	9,202	15,523	10,164	14,018
June.....	10,541	14,808	14,382**	15,581
Total..	51,134	88,320	81,628	77,286

*Manifested arrivals only. Unmanifested arrivals are usually estimated at 10% of manifested.

**Does not include 1,800 tons of damaged copra from the SS Anthony.

***Preliminary

Desiccated Coconut

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

THIS report covers the period from May 15 to June 15, during which time copra prices reached a low for the year and raw nuts followed suit. In the Luzon area, the location of most of the Philippine desiccated coconut factories, copra production dropped off as desiccated companies paid the copra-equivalent or slightly more in order to run their factories at almost peak production.

Generally the industry was much improved and a better year than 1952 now looks possible, although several of the small post-war companies have fallen by the wayside.

The large inventories held by United States buyers have diminished and they now operate more on a month-to-month basis. This has been a great stabilizing factor in the industry.

Labor problems seem at a minimum, with a slight flurry at Peter Paul where the union had a 3-day strike early in June, mostly concerned with the dismissal of the Union President.

The following shipping statistics for the month of May show an increase of 12% over April; June looks even bigger at the time of this writing.

Shippers	Pounds
Franklin Baker Company.....	3,184,580
Blue Bar Coconut Company.....	1,187,880
Peter Paul Philippine Corporation.....	1,271,100
Red V Coconut Products, Ltd.....	1,465,700
Sun Ripe Coconut Products, Inc.....	65,000
Cooperative Coconut Products, Inc.....	20,000
Coconut Products (Philippines), Inc.....	—
Total.....	7,194,260 lbs.

Sugar

By J. H. D'AUTHREAU

Theo. H. Davies & Co., Far East, Ltd.

THIS review covers the period June 1 to June 30, 1953. *New York Market.* The market throughout the month has been without any new feature. Un-sold afloat Philippines continued to be taken up between 6.35¢ and 6.40¢ and small lots for July/August shipment sold at 6.45¢ down to 6.43¢. Refined prices remained generally unchanged and business has been conducted on a day-to-day basis. Stocks are low for the time of year and the general feeling is that any advance beyond 6.45¢ for raws will bring forth a quota-increase announcement. In

these circumstances, with supplies for the year seemingly assured, no hot-weather demand to date, and both strike threats circumvented, the market is a dull, pedestrian affair. The undertone at the close is firm, but again without positive indication of volume developing in the early future.

Reported sales of actuals totalled approximately 203,372 long tons, of which approximately 80,000 tons were Philippines. Exchange operations for the period approximated 328,350 tons. Deliveries of refined for the month totalled 670,578 tons as compared with 607,375 tons for May, 1953, and 810,511 tons for June, 1952. Distribution for the year to June, 1953, was 3,678,809 tons, against 3,768,754 tons for the same period last year. On June 6 refiners stocks were at 263,549 tons, high for the year, as compared with 240,819 tons for the same date last year.

Milling of the Cuban crop has ended with a total production of 5,013,000 Spanish long tons. There is no pressure to market Cuban, other than the natural one of avoiding storage and insurance charges.

Opening and closing quotations on the No. 6 Contract were as follows:

	July	September	November	March, 1954
June 1.....	5.90¢	5.95¢	5.93¢	5.58¢
June 30.....	—	5.93	5.95	5.56

Average spot price for the period was 5.868182¢.

Average spot price January 1 to June 30 was 5.773920¢.

Local Market. (a) Domestic Sugar. Prices continued firm at ₱15 per picul ex-warehouse for mill run basis 97° with supplies showing some evidence of tightness, due, we believe, to speculation and not to any real shortage, and this despite the quite flourishing back-door trade with Borneo as reported in the press.

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(b) Export Sugar. The local market, convinced at length that the New York doldrums were a fixed feature, showed great activity at ₱15.60, a 5-centavo advance on the previously ruling quotation. Some 30/40,000 tons changed hands at this price. When days later the price rose to ₱15.70 following announcement of a \$1.50 freight reduction, relatively little sugar was available.

Total export shipments for the month are estimated at 42,005 long tons, making a total of 573,945 long tons against the 1952-53 crop and a total of 453,945 long tons for the period January 1 to June 30. New York reports show Philippine arrivals for the period January 1 to June 15 at 423,317 long tons as against 401,852 long tons to the same date in 1952.

We have to correct our estimated figure for Philippine exports for the month of May given in our last report dated June 1. The actual exports for the month of May totalled 88,940 long tons, making a total of 531,940 long tons against the 1952-53 crop and a total of 411,940 long tons from January 1.

1952-53 Milling. Twenty of the 25 Centrals have finished milling for the 1952-53 crop, producing 927,170 short tons. The remaining 4 Centrals still milling are expected to produce 212,195 short tons, or a total estimated production for the 1952-53 crop of 1,139,365 short tons, representing an estimated shortage of 92,635 short tons in the combined United States and domestic quotas. The average of juice purities to date is 84.35.

Freight Rate. On June 18 the Associated Steamship Lines advised its members of a reduction of the raw sugar rate to \$12 per long ton, n.w.d., effective immediately on condition that all existing bookings respect the former rate. This revised rate will be in force for the remainder of the current crop up to October 31, 1953.

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PHILIPPINE MANUFACTURING COMPANY

Manila Hemp

By J. DEANE CONRAD
President, Conrad & Co., Inc.

THIS report covers the period from June 1 to June 30. Prices in New York for the month opened approximately at the following levels:

Machine-cleaned I—24-5/8¢
Machine-cleaned JI—24¢
Machine-cleaned G—20-1/2¢

During the month prices declined gradually and at the close business was done at—

Machine-cleaned I—23-1/4¢
Machine-cleaned JI—22-5/8¢
Machine-cleaned G—18-7/8¢

In the London market prices for Davao fibers declined gradually throughout the month, but toward the close of the period under review prices for lower grades and for the coarse grades of non-Davao fiber appeared fairly steady.

In Japan the market for Davao hemp declined gradually throughout the month in sympathy with the New York and London markets.

In the Philippines we find very little change in the Davao market between the 1st and 30th of June. Prices fell off approximately ₱1.00 to ₱1.50 per picul, but on the basis of the decline in consuming markets the Davao market should have declined considerably more than it did. Prices in non-Davao fiber for medium and high grades came down gradually in sympathy with consuming markets, but for coarse grades they remain about unchanged.

We detail below baling and export figures.

Balings—January/May Inclusive

	1953	1952	1951	1950	1949
Davao.....	204,960	216,550	211,143	135,474	91,421
Albay, Camarines and Sorsogon....	105,372	77,241	129,798	78,932	55,528
Leyte and Samar....	53,018	72,205	84,781	50,907	51,669
All other non- Davao.....	42,428	35,148	48,303	32,679	37,176
Total.....	405,778	401,144	474,025	297,992	235,794

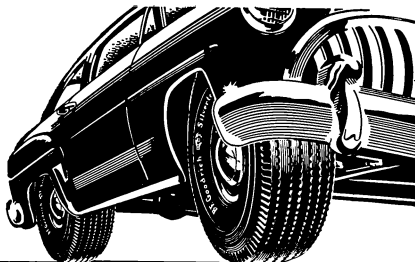
Exports—January/May Inclusive

	1953	1952	1951	1950	1949
United States and Canada.....	146,253	133,799	283,060	126,257	81,584
Continent of Eu- rope.....	83,814	75,481	81,618	45,312	48,532
United Kingdom....	51,264	45,727	81,334	33,144	13,635
Japan.....	107,906	42,642	61,619	42,989	67,256
South Africa.....	3,620	5,700	6,990	1,325	2,516
China.....	945	4,458	2,145	7,580	5,861
India.....	3,550	1,830	3,342	3,450	1,151
Korea.....	—	—	—	3,100	—
Australia and New Zealand.....	1,200	550	1,050	625	350
All others.....	370	160	—	—	80
Total.....	398,922	310,347	521,158	263,782	220,965

Tobacco

By LUIS A. PUJALTE
Exporter, Importer, and Wholesale
Dealer in Leaf Tobacco

PURCHASING of the new crop has not yet started in Cagayan and Isabela, though it is expected to start at any time now. A sizeable quantity of the crop is already being delivered to the warehouses of the different dealers against the advances made on the crop, but this tobacco is still unpriced as, on most loans made to farmers, liquidation depends on current purchase prices, and as yet these have not been established.



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That prices will be higher than last year is beyond doubt, but the question is how high prices will go. In the Visayas and Pangasinan, prices advanced but were quite steady. In La Union prices have sky-rocketed due to the shortness of the crop and heavy competition.

There is a very good demand for Philippine leaf in Europe due to higher prices of Java leaf. With higher prices to be paid for the new crop, demand from the United

States and Europe may fall off if other tobacco-producing countries offer lower prices than we do.

I regret that through misinformation I mentioned in my last article that the law on the importation of Virginia leaf had been amended; it has not, though there is a Senate Bill to that effect which unfortunately did not go through.

Automobiles and Trucks

Motor Vehicles Registration

For the period from January 1 to December 31, 1953

Motor Vehicles Office

Department of Public Works and Communications

Provinces and Cities	Cars	Trucks	Trailers	Motorcycles	Total	Collections
Abra	149	69	9	4	231	P 11,340.00
Agusan	100	235	5	11	351	74,377.25
Albay	330	872	7	12	1,221	281,867.75
Antique	86	171	2	18	277	60,710.25
Baguio City	686	697	7	24	1,414	345,393.02
Basilan City	82	167	11	3	263	61,814.80
Bataan	261	589	3	2	855	135,312.82
Batanes	—	5	—	—	5	389.00
Batangas	1,190	1,051	31	11	2,283	319,008.88
Bohol	137	451	—	18	606	140,073.50
Bukidnon	71	143	6	—	220	131,781.75
Bulacan	1,445	2,262	129	30	3,866	443,769.04
Cagayan	166	466	3	11	646	156,712.75
Calbayog City	38	56	—	2	96	12,632.75
Camarines Norte	81	274	5	7	367	124,251.50
Camarines Sur	275	428	3	5	711	164,964.50
Capiz	197	537	—	18	736	230,367.89
Catanduanes	15	75	4	1	91	13,297.00
Cavite	1,255	1,201	9	36	2,501	319,506.60
Cebu	1,997	2,458	46	300	4,801	808,180.00
Cotabato	413	873	8	3	1,297	275,690.56
Dagupan City	537	808	15	8	1,368	230,833.57
Davao	1,727	1,446	56	34	3,263	560,441.90
Ilocos Norte	297	367	5	17	686	127,816.75
Ilocos Sur	260	481	1	11	753	188,944.50
Iloilo	1,220	1,580	45	62	2,907	475,535.01
Isabela	215	655	6	7	883	135,501.00
Laguna	318	466	4	4	792	211,431.18
Lanao	259	555	7	10	831	142,087.13
La Union	252	542	25	8	827	144,095.71
Leyte	441	1,073	30	10	1,654	243,528.37
Marinduque	57	277	—	3	327	37,018.50
Masbate	33	183	1	—	217	37,375.25
Mindoro Occ.	57	72	—	3	132	15,674.50
Mindoro Or.	139	352	—	8	499	101,286.72
Misamis Occ.	79	237	—	20	336	70,927.25
Misamis Or.	433	681	13	11	1,138	297,017.75
Mountain Province	28	80	1	1	110	19,286.50
Negros Occ.	1,779	2,376	50	32	4,237	799,125.01
Negros Or.	452	551	12	90	1,105	242,242.00
Nueva Ecija	696	1,125	52	4	1,877	238,226.10
Nueva Vizcaya	103	483	1	1	588	70,213.00
Ormoc City	146	325	18	5	494	66,235.75
Ozamiz City	70	262	—	10	342	87,403.38
Palawan	59	84	2	1	146	24,701.75
Culion Leper Colony	3	12	—	—	15	1,028.50
Pampanga	2,122	1,383	66	23	3,594	508,710.45
Pangasinan	388	802	14	12	1,216	246,272.44
Quezon	442	809	2	8	1,261	266,428.70
Quezon City	4,126	2,102	182	104	6,514	802,654.60
Rizal	1,908	1,862	59	60	3,889	562,625.45
Romblon	17	90	—	2	109	16,648.75
Samar	173	220	1	11	405	73,083.25
San Pablo City	455	797	14	17	1,283	237,792.13
Sorsogon	95	319	3	6	423	74,453.90
Sulu	148	121	—	7	276	47,692.25
Surigao	134	190	3	11	338	70,715.75
Tarlac	566	1,717	61	16	2,360	318,689.75
Zambales	366	328	5	2	701	126,829.89
Zamboanga Prov.	103	168	3	9	283	40,759.25
Zamboanga del Norte	17	114	—	1	132	16,487.50
Zamboanga del Sur	—	4	—	—	4	461.75
Zamboanga City	282	328	11	19	640	118,620.00
Total Provinces	29,911	39,504	1,056	1,139	71,610	P 12,048,444.50
Total Manila	20,086	14,283	424	541	35,334	5,821,728.92
Grand Totals	49,997	53,787	1,480	1,680	106,944	P 17,870,173.42

REGISTRATION OF MOTOR VEHICLES IN THE PHILIPPINES
BY DENOMINATION

January to December, 1952

A. Automobiles

	Manila	Provinces	Totals
1. Private.....	15,026	24,594	39,620
2. PU.....	15	406	421
3. AC.....	1,878	3,372	5,250
4. G.....	12	28	40
5. Taxi.....	1,846	596	2,442
6. P. I.....	1,309	915	2,224
Totals.....	20,086	29,911	49,997

B. Trucks or Buses:

1. T.....	6,266	22,834	29,100
2. TH.....	618	1,036	1,654
3. TPU.....	4,844	12,882	17,726
4. TPI.....	1,583	1,827	3,410
5. TG.....	—	—	—
6. TC.....	158	3	161
7. S.....	721	816	1,537
8. U.....	93	106	199
Totals.....	14,283	39,504	53,787

C. Trailers:

1. TR.....	424	1,012	1,436
2. TRH.....	—	44	44
Totals.....	424	1,056	1,480

D. Motorcycles:

1. MC.....	461	1,109	1,570
2. PIMC.....	80	30	110
Totals.....	541	1,139	1,680

Summary:

A. Automobiles.....	49,997		
B. Trucks.....	53,787		
C. Trailers.....	1,480		
D. Motorcycles.....	1,680		
Grand Total.....	106,944		

*Tables supplied to the Journal through the courtesy of Mr. Primo Villar, Chief Motor Vehicles Office, Department of Public Works and Communications, and Mrs. Virginia Gonder, Executive Vice-President, American Chamber of Commerce.

Imports

By S. SCHMELKES
Mercantile, Inc.

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

Commodities:	May, 1953	May, 1952
Automotive (Total).....	1,687,701	1,860,499
Automobiles.....	143,243	124,211
Auto Accessories.....	3,350	1,817
Auto Parts.....	216,500	302,477
Bicycles.....	546	20,131
Trucks.....	210,211	31,769
Truck Chassis.....	629,589	610,383
Truck Parts.....	96,495	129,668
Building Materials (Total).....	5,166,402	9,143,904
Board, Fibre.....	216,174	150,334
Cement.....	157,536	7,045,479
Glass, Window.....	646,160	319,256
Gypsum.....	—	—
Chemicals (Total).....	10,045,910	4,829,967
Caustic Soda.....	199,310	359,418
Explosives (Total).....	—	—
Firearms (Total).....	6,012	2,571
Ammunition.....	6,012	2,487
Hardware (Total).....	3,669,275	4,623,044
Household (Total).....	2,211,992	516,450
Machinery (Total).....	2,139,092	2,750,907
Metals (Total).....	6,720,906	7,510,535
Petroleum Products (Total).....	89,265,583	106,171,588
Radios (Total).....	43,313	17,857
Rubber Goods (Total).....	1,276,983	777,214
Beverages, Misc. Alcoholic.....	3,697	4,755
Foodstuffs (Total Kilos).....	22,219,671	14,182,189
Foodstuffs, Fresh (Total).....	17,450	64,346
Apples.....	500	23,699
Oranges.....	2,856	16,432

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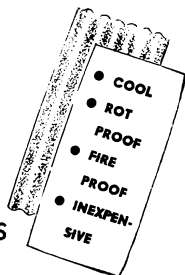
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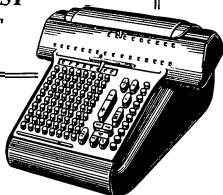
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Onions.....	—	6,100
Potatoes.....	—	653
Foodstuffs, Dry Packages (Total).....	38,507	16,434
Foodstuffs, Canned (Total).....	379,132	209,548
Sardines.....	5,557	11,757
Milk, Evaporated.....	154,051	116,834
Milk, Condensed.....	27,500	29,000
Foodstuffs, Bulk (Total).....	500,664	240,386
Rice.....	—	—
Wheat Flour.....	451,506	190,165
Foodstuffs, Preserved (Total).....	2,794	538
Bottling, Misc. (Total).....	1,260,150	830,414
Cleaning and Laundry (Total).....	107,687	72,149
Entertainment Equipment (Total).....	1,247	13,646
Livestock-bulbs-seeds (Total).....	242,577	2,747
Medical (Total).....	968,442	361,053
Musical (Total).....	17,725	60,860
Office Equipment (Total).....	25,594	127,554
Office Supplies (Total).....	30,342	86,478
Paper (Total).....	6,835,179	4,694,539
Photographic (Total).....	37,345	89,361
Raw Materials (Total).....	2,969,597	1,352,398
Sporting Goods (Total).....	11,332	80,489
Stationery (Total).....	211,406	283,998
Tobacco (Total).....	693,144	2,051,045
Chucheria (Total).....	95,588	22,148
Clothing and Apparel (Total).....	553,646	236,676
Cosmetics (Total).....	35,648	31,502
Fabrics (Total).....	527,479	539,886
Jewelry (Total).....	—	172
Leather (Total).....	193,757	172,411
Textiles (Total).....	3,083,588	2,248,588
Twine (Total).....	100,020	15,094
Toys (Total).....	5,372	5,676
General Merchandise (Total).....	543,758	1,067,627
Non-Commercial Shipments (Total).....	116,065	57,066
Advertising Materials, Etc. (Total).....	102,911	15,174

Food Products

By W. E. M. SAUL
Manager, Food Products Department
Marsman & Company, Inc.
Trading Division

ON May 20 the Philippines IWA (International Wheat Agreement) flour quota was exhausted. The new IWA year does not start until August 1, 1953, and to avoid the necessity of buying flour at the open-market price for June/July shipment, the Philippine Embassy in Washington negotiated for an additional IWA allocation. It was successful in making arrangements with Greece and the Flour Millers Export Association of the Pacific Coast Area to have 1,000,000 50-lb. bags transferred to the Philippines on the following price basis:

American Hard Spring Wheat	Flour.....	\$5.85 per 100 lbs., c. & f. Manila
American Patent, 1st grade....	5.85 per 100 lbs., c. & f. Manila	
American Cut Off, 2nd grade....	5.35 per 100 lbs., c. & f. Manila	
American Straight, 3rd grade....	5.45 per 100 lbs., c. & f. Manila	

The Canadian mills did not participate in these negotiations, but the Canadian Wheat Board authorized further IWA sales to the Philippines on the basis of \$6.05 per 100 lbs., c. & f. Manila, 1st grade patent flour.

The Import Control Commission received some \$14,000,000 certified by the Central Bank of the Philippines to license importations of flour. By June 25, the ICC had issued licenses covering some 4,000,000 50-lb. bags for shipment from June to December, 1953. Of the total quantity licensed, 22% has to be shipped during June/July, which amounts to around 880,000 50-lb. bags. The balance of 78%, or 3,120,000 50-lb. bags, has to be shipped in five equal portions during August to December, 1953. This action taken by the ICC insures a regular and adequate flour supply and there is no fear of any flour shortage during this period.

DURING the month of June, arrivals of evaporated, condensed, and powdered milks were substantial and in excess of immediate requirements. Under the cir-

cumstances, there is a fair reserve on hand, mainly of evaporated and powdered milks. There has been a further price decline in the United States on evaporated milk. Due to this price reduction and considerable stocks in the hands of milk importers, local prices have dropped substantially.

CONSIDERABLE quantities of anchovies, packed sardine-style, have come in during the past month and more shipments are expected; consequently, local prices have weakened, with some holders of sardines from Holland in the 15 oz. packs suffering losses. Though the anchovy catch on the United States West Coast cannot be said to be large, nevertheless it has been noted that certain small Californian canneries started to slash prices and the large canneries followed suit during the last 10 days of June. That most ICC licenses from the Philippines have been used up, may have been a contributing factor and the nearness of the north Californian sardine season (August) might be the main reason, canneries being anxious to keep their crews working on anchovies until the sardine season opens. A few thousand cases of South African pilchards have been imported in June and it is said that much larger quantities are expected during July and August. As in past years, local prices should strengthen during the wet monsoon.

Textiles

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

THE New York market remained virtually unchanged during June. The local market also remained steady. Arrivals from the United States totalled 25,161 packages. Included were 8,394 packages of cotton piece goods, 5,891 packages of rayon piece goods, 2,117 packages of cotton remnants, 2,341 packages of rayon remnants, and 2,566 packages of cotton knitting yarns. Included also were 1,563 packages of sewing thread, 930 packages of cotton twine, 201 packages of oil cloth, and 220 packages of cotton duck.

Arrivals from countries other than the United States totalled 2,587 packages. Included were 492 packages from China, consisting mainly of cotton piece goods and knitting yarn, 991 packages from Japan, consisting principally of cotton piece goods, 554 packages from Europe, consisting almost entirely of thread, and 550 packages from India, consisting entirely of jute cloth and jute sugar-bags.

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Under the recently established Rules and Regulations Implementing Central Bank Circular No. 44 which contains the import regulations established by the Central Bank in lieu of those previously in effect deriving from Republic Act No. 650 which expired on June 30, basic exchange allocations for textiles have been drastically cut. The net result of the new regulations is that for the second semester of this year less than 20% of the textiles imported during 1952 will be allowed to be purchased during the next 6 months. The textile commodities normally imported into the Philippines are contained in about 30 commodity code numbers under the new regulations. All broad woven cloth fabrics are listed in non-essential categories with the single exception of blue denims which is rated as essential. Why the Central Bank regards only blue denims as essential, is a question which the trade would like to have answered.

As a consequence of the new Central Bank regulations, the position of textiles is indeed a strange one. By Presidential Executive Order, the Price Administration Board regards all basic cotton textiles as essential and has established maximum prices at the importer, wholesaler, and retailer levels. In addition, the Central Bank's own cost-of-living index is composed of Foodstuffs, House Rent, Clothing, Fuel-Light-Water, and Miscellaneous. The situation, therefore, exists under which textiles are regarded as non-essential by one government entity while at the same time another government entity is imposing essential commodity price-controls on items which the first government entity says are non-essential. On the other hand, the Central Bank regards Clothing (meaning textiles) sufficiently essential so that it is regarded as a component in its cost-of-living index but at the same time considers textiles as non-essential imports.

As a consequence of the drastic cuts in exchange for textiles during the next 6 months, the local market already strengthened during the first week in July and local prices are bound to continue upward; the creation of a black-market in textiles seems imminent.

Legislation, Executive Orders, and Court Decisions

By E. E. SELPH

Ross, Selph, Carrasco & Janda

A RECENT decision of the Philippine Supreme Court upholds the validity and applicability of the Carriage of Goods by Sea Act. The Court said:

"The main issues raised in this appeal are: (1) Whether the Carriage of Goods by Sea Act is applicable to this particular case, as claimed by respondent, or the same should be governed by the Code of Commerce or other laws, as claimed by petitioner; (2) Whether the action of petitioner has already prescribed; and (3) Whether respondent should pay the indemnity claimed in the complaint.

*** And there is no need of an express legislation to have the provisions of said Act applicable to the Philippines upon the advent of independence, as claimed by petitioner, for the simple reason that, foreseeing that eventuality, our legislative body, in enacting Commonwealth Act No. 65, already provided therein that said provisions should be made applicable 'to all contracts for the carriage of goods by sea to and from Philippine ports in foreign trade.' This express proviso clearly paves the way for the application of the Carriage of Goods by Sea Act

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to all contracts from Philippine ports to other foreign countries, including the United States. We therefore find that the Court of Appeals did not err in holding that that Act applies to the transaction under consideration.

The claim that the prescriptive period to be considered in this case is that embodied in the Code of Civil Procedure is untenable for the simple reason that this is a general law which only applies to cases not covered by any special act. As we have already stated, the transaction under consideration is covered by the Carriage of Goods by Sea Act, and since this is a special act, its provisions must of necessity limit or restrict a law of general application. To hold otherwise would be to render nugatory the prescriptive provision contained in that special Act.

Petitioner finally contends that the negotiations between petitioner and respondent conducted with a view to reaching an amicable settlement between them and which caused the delay in the filing of the present action constitute a waiver on the part of respondent to set up the prescriptive period or operates as a stoppel on his part to rely on such prescriptive period to the prejudice of petitioner. This contention is also untenable. The rule is well-settled that a mere proposal for arbitration or the fact that negotiations have been made for the adjustment of a controversy, even if the proposal is not acted upon, or the adjustment is not carried out, does not suspend the running of the period of prescription, unless there is an express agreement to the contrary. Here there is no such agreement. (Benito Chua Kuy v. Everett Steamship Corporation, G.R. No. L-5554, May 27, 1953.)

AMONG the Republic Acts which have become laws, and which may be of interest to *Journal* readers, are:

834—gives 5% of royalties, ad valorem, and mining taxes to the municipality.

841—persons wishing to put up historical markers, plaques, etc., must submit sketches and inscriptions to the Historical Committee.

863—prescribes fees for registration and renewal every 5 years of business names.

864—amends Patent Law to provide for designs and utility models.

865—amends Trademark Law providing for reciprocity with foreign countries.

868—extends increased corporation income tax to December 31, 1954.

871—extends to June 30, 1954 and reverts to 17%, the Exchange Tax.

875—is the Act to Promote Industrial Peace.

876—provides procedure for arbitration of almost all disputes except those subject to jurisdiction of the Court of Industrial Relations. This Act does not take effect until December 19, 1953.

877—regulates the practice of nursing and prohibits anyone not having a certificate of registration as a nurse to practice nursing.

894—amends Section 186 of the Internal Revenue Code which was intended to eliminate tax on exports irrespective of any shipping arrangement f.o.b., c.i.f., etc., which might determine where transfer of ownership occurred.

898—changes the name of the Bureau of Banking to the Office of the Insurance Commissioner.

901—grants certain exemptions from taxes for new industries.

909—reduces the ad valorem taxes on minerals and particularly on gold, and exempts gold mining companies for 3 years from the 17% tax on all articles imported for their operations.

911—creates a Tariff Commission which has very wide powers of investigation and may have access to and copy any document or record pertinent to the investigation; the Commission also has full power of subpoena for persons and for books or other documents.

912—requires the use of Philippine-made materials and products, whenever they will serve the purpose equally well as foreign materials or products, in government construction or repair work, if certified by the Director of Public Works as to availability, usability, and durability.

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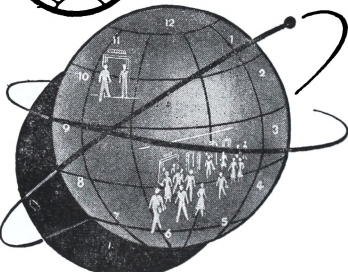
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Philippine Safety Council

By FRANK S. TENNY
 Founder and Executive Director

THE Fire Prevention Board, of the office of the President at Malacañan, has appointed Manila Fire Chief Cipriano Cruz to represent the Philippines at several forthcoming international conferences. The Board is also working on a revised arson bill and plans for the creation of volunteer fire-fighting units in the provinces.

The Security Delivery Service, Inc., has been formally organized and inquiries as to its services and rates are now invited. Officers elected are: President, Frank S. Tenny; Vice-Presidents, Arthur H. Henderson and Donald O. Gunn; Secretary, Jose Razon; and Treasurer, V. G. Miller. The group will pick up and deliver valuable cargoes, both in Manila and the provinces, by armored car and airplane. Effective July 15 the Safety Council will cease to perform this type of service.

Formal charges have been filed with the Manila City Fiscal by the Council against a Manila movie-theater for violation of city ordinances and fire regulations by permitting overcrowding of aisles and blocking of fire exits. This will probably develop into a "test case", as it is believed that the violations are not confined to this one theater. The legal action was taken only after previous attempts at an amicable solution had failed.

At the invitation of Colonel C. V. Lucero, Manila Police Chief, certain studies on phases of law-enforcement have been submitted to him by the Council for consideration. The first two concern (a) necessity for the investigating officer to file charges against a guilty driver involved in an accident, even though the civil damages are settled, and (b) cessation of the tendency for officers to invariably arrest the driver in every case of a vehicle-vs.-pedestrian accident, even though the pedestrian is obviously at fault.

The Council, in behalf of its several public-utility and "critical-defense-industry" members, is cooperating with the National Intelligence Coordinating Agency in plans to make security alerts more efficient and effective. A recent "alert", called by a government agency, proved to be erroneous and caused much alarm and confusion.

In conjunction with the National Safety Week being directed by the Department of Labor, the Council is sponsoring numerous employee-safety rallies, press and radio releases on safety subjects, and is otherwise cooperating in order to make the week effective. Several Council suggestions have been adopted by the coordinating committee.

The Safety Council technical staff has been enlarged by the addition of Antonio R. Patricio, a former safety inspector employed by the U.S. Navy at Olongapo, Zambales. Mr. Patricio will devote most of his attention to industrial safety-engineering matters and relations with employee groups. This increases the amount of service that can be given PSC members and clients.

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COST OF LIVING PRICE INDEX FOR WAGE EARNER'S FAMILY¹ IN MANILA BY MONTH, 1948 TO 1952²

(1941 = 100)

Bureau of the Census and Statistics, Manila

1948	All Items (100)	Food (63.43)	House Rent (11.96)	Clothing (2.04)	Fuel, Light and Water (7.73)	Miscellaneous (14.84)	Purchasing Power of a Peso
January	390.7	427.6	453.9	224.5	304.6	249.9	2560
February	369.8	394.0	453.9	223.8	301.1	254.4	2708
March	349.4	361.0	453.9	216.4	308.1	255.9	2862
April	354.6	374.1	453.9	209.4	289.7	254.8	2820
May	349.8	360.2	453.9	214.2	289.7	271.6	2859
June	354.3	370.4	453.9	205.2	283.7	262.9	2823
July	356.4	374.2	453.9	191.3	281.6	262.4	2806
August	363.6	385.7	453.9	200.8	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	343.7	357.9	453.9	198.4	272.9	251.1	2910
January	363.8	386.8	453.9	202.0	279.0	258.9	2757
February	343.8	355.5	453.9	203.0	277.5	258.9	2900
March	345.3	358.2	453.9	202.0	276.3	258.5	2896
April	348.7	362.6	453.9	197.6	287.5	257.1	2868
May	348.8	362.8	453.9	192.7	287.5	257.1	2869
June	349.0	362.9	453.9	203.9	287.5	257.2	2865
July	351.7	374.0	453.9	194.2	265.8	240.5	2844
August	337.5	351.2	453.9	196.3	266.6	241.2	2963
September	333.6	345.1	453.9	190.3	264.8	243.1	2998
October	332.9	343.3	453.9	199.9	260.8	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	3033
1950	337.5	333.7	453.9	270.7	252.0	313.8	2963
January	332.3	336.8	453.9	238.0	253.1	269.3	3010
February	336.9	340.2	453.9	233.3	257.8	284.1	2969
March	339.0	341.4	453.9	236.7	257.8	292.6	2950
April	331.8	328.6	453.9	237.7	252.9	301.2	3015
May	320.2	308.6	453.9	244.7	249.7	309.1	3123
June	323.1	310.9	453.9	243.5	249.7	319.1	3095
July	332.0	322.4	453.9	252.6	249.7	328.7	3012
August	334.4	325.9	453.9	258.7	251.1	328.4	2990
September	341.3	335.0	453.9	317.4	252.5	327.5	2930
October	352.8	351.1	453.9	337.3	249.7	334.5	2835
November	354.1	353.2	453.9	332.8	249.7	335.9	2825
December	352.2	350.5	453.9	325.2	249.7	334.8	2836
1951	359.4	361.5	453.9	365.3	248.0	331.5	2782
January	355.2	355.0	453.9	331.5	249.7	334.6	2819
February	358.4	359.8	453.9	342.8	249.7	334.4	2790
March	352.4	349.3	453.9	379.4	248.8	334.3	2838
April	361.2	362.6	453.9	398.6	247.5	334.7	2769
May	365.0	367.0	453.9	410.4	247.5	339.5	2740
June	367.8	372.0	453.9	399.5	247.5	337.7	2719
July	366.3	370.1	453.9	382.0	247.5	339.0	2730
August	365.1	371.4	453.9	354.0	247.5	329.1	2739
September	363.0	369.0	453.9	356.4	247.5	325.4	2755
October	358.1	361.1	453.9	350.4	247.5	326.7	2793
November	351.1	351.1	453.9	343.8	247.5	323.3	2848
December	349.0	348.9	453.9	335.2	247.5	319.4	2865
1952	346.4	347.4	453.9	280.6	244.1	317.7	2887
January	355.1	357.8	453.9	323.0	247.5	324.6	2816
February	348.0	349.8	453.9	282.9	243.4	318.3	2874
March	344.3	345.1	453.9	273.7	243.4	315.0	2904
April	342.7	342.7	453.9	276.1	243.4	313.8	2918
May	342.2	341.8	453.9	279.9	243.4	313.8	2922
June	345.4	346.3	453.9	277.1	243.4	316.3	2895
July	347.6	349.5	453.9	273.6	243.4	318.3	2877
August	347.6	349.4	453.9	276.1	243.4	320.4	2874
September	348.3	350.0	453.9	274.8	243.4	320.5	2871
October	344.5	344.6	453.9	276.2	243.4	317.8	2903
November	347.5	349.3	453.9	274.7	243.4	318.3	2878
December	347.9	348.9	453.9	271.5	247.5	321.2	2874
1953	344.3	343.2	453.9	271.0	247.5	321.4	2904
January	330.1	321.1	453.9	268.8	243.4	322.3	3024
February	325.7	314.3	453.9	268.8	243.4	321.6	3070
March	324.7	312.8	453.9	268.4	243.4	321.3	3080
April	321.3	307.8	453.9	268.2	243.4	320.0	3112
May	315.6	306.0	453.9	277.8	243.4	287.7	3169

¹ Average number of persons in a family = 4.9 members.² For explanatory note, see the August, 1951, Journal.

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The "LET YOUR HAIR DOWN" Column

WITH respect to the editorial in last month's *Journal*, "The MSA and PHILCUSA—Renne and Yulo," the editor received a letter from Mr. Edward S. Prentice, the Acting Chief of the MSA Mission, which is reproduced in full as follows:

"We in MSA read with considerable interest your fine editorial in the June issue of the *Journal* entitled 'The MSA and PHILCUSA—Renne and Yulo'.

"One point in the editorial indicates a possible misunderstanding of the joint economic development program. Your quotation from Hayek does, we believe, reflect an error in his thinking when he says that American grants and loans have provided 'the main source of investable funds' in the recipient countries and, since this aid has been provided through governments, has led to socialization. The error lies in confusing foreign-exchange support for a country's economy with the supply of capital for investment purposes. The fact that a European

government has MSA or Export-Import Bank dollars to sell to its importers, be they public or private enterprises, in no way creates a preference for the former over the latter. It is interesting to note that comparatively highly 'socialized' Sweden and Norway have dispensed with MSA assistance while other countries with less state enterprise continue in need of grant aid. This is due, of course, to the relative economic situations these latter countries found themselves in after war and occupation but, at least, does not confirm Hayek's thesis that U. S. aid promotes statism.

"In the Philippines, our dollar aid program has provided the capital investment funds whatsoever for government corporations or private corporations. What our program does provide is foreign exchange granted to the Philippine Government for the purpose of purchasing very specific commodities in order to carry out agreed upon projects. These projects are pointed toward improving regular public services to the people of the country, such as education, health and agricultural extension work; or providing equipment to improve or increase basic public works ordinarily financed by any government. Examples are roads, flood control, and irrigation projects.

"The commercial import portion of the program, now discontinued because of the improved internal and external situation of the Philippine economy, operated in the same fashion as the European programs referred to above. The dollars were purchased with the 'investable funds' of business organizations in the Philippines and certainly created no prejudice in form of government corporations which actually utilized only a minute portion of the \$15,000,000 made available.

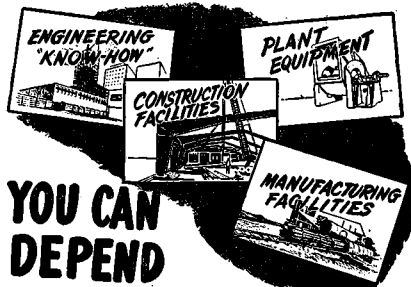
"Everything purchased with MSA dollars is bought through competitive bidding which uses private trading channels. Thus, far from encouraging 'statism and nationalism', our program does just the opposite. Lending heavily upon free enterprise for the procurement of the commodities under the program, the joint development program seeks to establish a more favorable climate where free enterprise can continue to develop by improving the effectiveness of regular public services to the people in the economy.

"Sincerely yours,
"EDWARD S. PRENTICE
Acting Chief of Mission."

The *Journal* editor replied as follows:

"Thank you for your interesting letter of July 1 regarding the quotation from Hayek in a *Journal* editorial last month on the MSA. You bring out certain facts that are well worth stating, and I shall be glad to reproduce your letter in full in the *Journal*. Hayek, of course, was not speaking specifically of the MSA but, in general, of American government loans to other governments. However, you yourself allude in your letter to 'Export-Import Bank dollars' and it is a fact, mentioned in the editorial, that of the \$25,000,000 Export-Import Bank loan, \$20,000,000 was for a government hydro-electric project here. I do not in this case criticize the granting of the loan or the Philippine Government for undertaking such projects, but it would seem that the Hayek thesis is applicable. And as the Philippine Government, especially since independence, has been rather heavily committed to a program of nationalization ('socialization'), through its numerous trading as well as industrial government-owned corporations, any aid granted, albeit indirectly, almost automatically supports that program. I would not argue against either past or continued American aid to the Philippine Government, but I, for one, had hoped (or, perhaps, rather forlornly wished) that the MSA exports

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would be able to exert a stronger influence than has been indicated in bringing government leaders here to a realization that the road of nationalization is blind alley, or, at the best, leads to as Hayek has shown, to the 'serfdom' of the citizen to an all-powerful and tyrannic government. Sincerely yours, etc."

THE editor showed us a letter which he said was certainly a voice from the past,—back thirty years or so. It was from a Theron W. Bean, of the Bechtel Corporation, engineers and constructors, San Francisco:

"Dear Mr. Hartendorp:

"You may be surprised to hear from me as our acquaintance dates back a long way. However, I have heard indirectly about you very recently from our engineer, Phil Fletcher, in the Philippines, and last week while on a trip to Hawaii. My seat-mate en route to Honolulu was a Mr. Monical, who is with the marketing division of the Cal-Tex Oil Company in the Philippines, and is a member of the Chamber of Commerce.

"Fletcher and Monical tell me that you are the Secretary-Manager of the American Chamber of Commerce in the Philippines and that you are doing a splendid job. I am glad to hear that you are in good health and have survived the ups and downs of the war.

"Since you last saw me at the time you were instrumental in saving my life after our shipwreck, I have been in the construction business at home and abroad. I finished college after I was in the Philippines, joined the forces of a construction contractor, and have been in the field most of the time since then. During the war I served overseas with the Corps of Engineers and returned to San Francisco at the close of the war. I have been with Bechtel since then as Chief Estimator of the Bechtel interests in various parts of the world.

"I hope some day to get out your way and will look forward to seeing you. Kind regards. Sincerely, etc."

The editor showed us his reply:

"Dear Mr. Bean,

"Your letter of June 23 has just reached me and came as a very welcome surprise. That shipwreck happened a long time ago, didn't it? Was it 1918 or 1919? I lost all my personal records during the war and also my copy of the book, 'The Wreck of the Dumar' by Lowell Thomas. There were quite a number of errors in the book, especially as to my connection with the event, and Thomas promised me to make the necessary corrections in a second edition, but one was never gotten out. After my year on the east coast of Samar I spent a year in Mindanao and then left the service of the Bureau of Education and went into newspaper work, or 'journalism', at which I have been ever since, first as associate editor and then editor of the old *Manila Times*, then as editor and later publisher of the *Philippine Magazine*, and since the war as editor and manager of the *American Chamber of Commerce Journal*. I am not the secretary or manager of the Chamber itself. When we met on that lonely Samar coast, I was in my twenties; now I am nearing sixty. I suffered some physical damage during my three years of internment by the Japanese in Santo Tomas, but am still in fairly good health. I was alone when you knew me. Now I have five sons and daughters and eleven grandchildren and a big house in Quezon City which is home for most of them.

"You have done well, I can see,—as I knew you would when you were 'Sparks' (the *Dumar's* radio operator), the youngest of the survivors of the terrible experience

of that big boat-load of men of whom only around one-third survived. You were the liveliest in the lot, as that immense man 'Karl' was the strongest.

"I do hope you will be able to look us up some day. My oldest son, Edward, now quite a number of years in the Army, now has a responsible position with the Guy F. Atkinson Company of San Francisco, which firm you must know, but he is here, or rather in Baguio and at Ambuklao, not in San Francisco.

"I am grateful for your remembrance of me after all these years. I received letters from two or three of the men, including an earlier letter from you, but that was long before the last war. One of the men, the First Engineer I believe it was, wrote me that he was then on the Great Lakes and that he would never go on any water again which he couldn't drink! I think his name was Harmon, and he was another fine man.

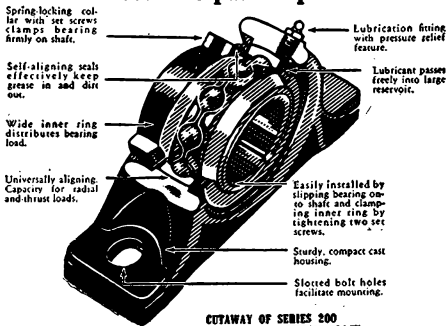
They all were. I wonder what happened to the staunch old bo'sun, the oldest, among you. I guess I did a good week's work that time, if I ever did. Thanks again for your letter. Yours, etc."

*Dream's Delight Manor
Henry E. Neibert, Owner
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The foregoing was the elaborate address sent us in printed form by our old friend, Neibert, who wanted us to send the *Journal* there instead of to Zamboanga City as we have

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up to now. However, to be truthful, we admit that he had crossed out most of the lines, even the latitude and longitude reference, which, as a former Bureau of Lands man, must be dear to him. The whole thing was probably the product of a rainy afternoon. But who among us has never put down something like the following, at least when he was a boy—Universe, Solar System, Planet

Earth, Western Hemisphere, North American Continent, United States, Ohio (or whatever the State might be), Cabbage County, Plunkville, Main Street, No. 57, and then his own name, the name of a young man who was not at all lost, who knew exactly where he was, and who was quite pleased with himself as a consequence? It was a healthful mental and moral exercise and we are happy to think of our old friend going back to it, but still happier that he has established a place he can designate "Dream's Delight Manor."

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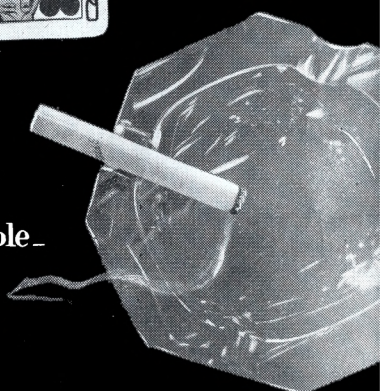
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