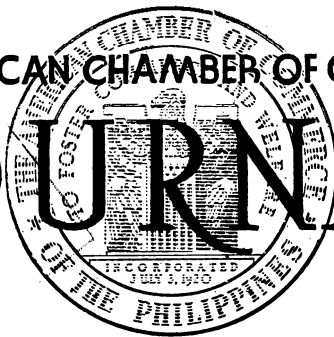


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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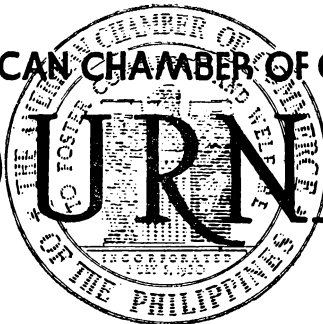
Fuel oil
and gas hose

BELTS
MOLDED GOODS
ROSE and all
INDUSTRIAL
RUBBER
PRODUCTS



THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



Editorials

"... to promote the general welfare"

It would be well if it were more generally understood that a good part of the vehemence behind the "nationalism" being displayed here with respect to business enterprise, has its origin in the discouragement which many (of course, fortunately not all) of the new, post-war Filipino business ventures are experiencing.

Elimination of Sub-marginal Business Ventures

The economic collapse concomitant with the Japanese occupation, apart from the deliberate cruelties of the enemy, resulted in general unemployment and widespread misery, and forced thousands of men and women, who, before the outbreak of the war, were regularly employed in offices, stores, warehouses, and factories, to turn to the so-called "buy-and-sell" business. Most of this was a mere peddling of home-made, or of stolen or looted second-hand goods. Manila was a veritable emporium, and the enormous stocks of new and old goods brought to light, were a surprise to everybody. The "buying-and-selling" went on almost to the last. All sorts of merchandise found a market during those years when anything at all still usable commanded a premium. This business was the last desperate resort of thousands of people in their effort to keep body and soul together. But in a sense, they became "merchants" and had moved up a notch in the economic hierarchy*.

Many of them, following the liberation, having lost their adaptation to steady work under some chief clerk or foreman, elected to launch out for themselves in the world of opportunity which seemed to be opening to them with the restoration of peace. Many of them, as well as others belonging to the better educated class, made friends with the men and officers of the American Army, and these Americans, grateful for the hospitality and friendliness shown them, in many cases encouraged such business aspirations and helped by lending money or sending back goods in considerable variety when they returned to the United States.

*No reference is made here to the large-scale "buying-and-selling" of war supplies for the enemy, a business which created a number of new millionaires.

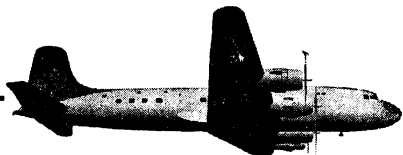
Everywhere in the ruins along Manila's wrecked streets, there sprang up little stores and offices, built of salvaged lumber and galvanized iron sheets, where a great miscellany of goods was displayed for sale, many of these goods expensive,—steel office-furniture, typewriters, radios, electric appliances, etc. These places were often very well kept, with neat signs, polished show-cases, attractive displays. One could see the pride the owners took in their new business. It was all very pathetic for their inevitable fate was easily foreseen.

There were,—are, far too many of these little places of business, crowded side by side, offering the same kinds of goods, now shopworn. Though many are outside the shopping centers, the owners pay high ground-rent, their capital is inadequate, their sources of supply are irregular, their customers, if any, are casual; their experience is limited, their sales are few, their profits are nil.**

Meanwhile, of course, the pre-war business establishments, big importing firms and department stores, both Filipino and alien, have rehabilitated themselves. They are adequately capitalized and have the advantage of large and experienced staffs; they had only to renew their former connections with manufacturers abroad and to reestablish their distribution and selling organizations. Between these old firms and much of the new, post-war business enterprise, fortuitous and haphazard as it was, there was not even any real competition. It was but a brief materialization of hopes and dreams which appeared only to vanish again, leaving behind a cloud of frustration and bitterness.

Cruel as this process undoubtedly is, it is as impersonal as it is inexorable and inevitable. While economic laws are not iron laws,—as sometimes they are said to be, they are scientific generalizations as to the actual processes through which humanity satisfies its material wants. As such these laws can not be ignored or defied. There

**While, in this editorial, emphasis is given to the small unsuccessful, post-liberation Filipino enterprise, it should be understood that many similar ventures by alien newcomers here, most of them former members of the United States armed forces who remained behind to go into business for themselves or in partnership with Filipino friends, have also been largely unsuccessful. Economic law does not discriminate between persons and nationalities.



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is very little, if anything, that governments or business or philanthropic organizations can do to alter or to soften them.

The middlemen,—which function between the producers and manufacturers and the ultimate consumers, play a necessary and important part in economic life, but when, from any cause, there have come to be too many of them, the superfluous are eliminated. The less efficient are the first to go. In economics there is no room for the uneconomic.

In addition to the type of post-war, sub-marginal businesses which we have described, there is also that class of merchants, called "vendors" in Manila, who sell their wares in the streets, generally displaying them on rude benches and booths set up on the edges of the sidewalks. It is said that Manila at present has over 8,000 of them; 3,000 in the Quiapo District alone. Their chief stock-in-trade consists of "notions" which they obtain from jobbers and have to sell at prices practically equal to "store-prices". Their profits are pitifully small. In some parts of the city they are forced to pay an exorbitant weekly "rent" for the ramshackle booths they occupy. It is said, in fact, that the "big business" in the vendor business is the renting of these booths, and that the owners are the ones most vocal in the protests against clearing the streets. No merchandising system could be more uneconomic, but, for a time, it must have filled some special need under the conditions brought about by the general physical destruction, wide-spread unemployment, and the depressed standards of living of both the vendors and their customers.

For three years these people have cluttered up the sidewalks and streets, and the obstruction both to pedestrian and vehicular traffic has become such a public nuisance that the city authorities have at long last been compelled to take action. The Quiapo District is being cleared at this writing, and the clearing of other sections of the city is to follow. The Mayor of Manila is to be commended for his humanitarianism in assigning a number of special city-owned public markets where those who wish and are able to do so may rent booths at a reasonable charge. This is only a palliative, however, and in the end, no doubt, this class of merchant will be eliminated altogether.

As conditions return to normal in Manila and the Philippines generally, we must be prepared for the elimination of all such forms of post-war business enterprise, of all such agencies and agents of uneconomic distribution. We should understand that this represents an aspect of the operation of economic law and that it is not an intentional and heartless driving of the weak to the wall. We should understand that the process is to the advantage of the ultimate consumers and to the general economic and social benefit,—ultimately for the good of even those who have failed in realizing their ambitions.

Their experience, even of failure, should give them a better understanding of business and should enable them to begin again. Those who fail as importers and inden-

tors could undertake more modest enterprises, in Manila or in the provinces, better suited to their resources and capacities, or they could find places in business in subordinate positions. A steady job at a good wage or salary or at a fair commission, is certainly to be preferred over the ownership and management of a failing business.

As for the Government and those business and trade organizations which have made this problem their concern, it would be far wiser for them to follow a policy of encouraging successful industrial and business enterprise, both foreign and Filipino, than a policy aimed at temporarily bolstering uneconomic and failing ventures, for that is a hopeless thing. There is no future in that except more failure. The encouragement, on the other hand, of successful business, makes for increased general prosperity which benefits owners and wage-earners both.

Word has been received from Mr. E. Stanton Turner, now in New York, that the International Committee of Young Men's Christian Associations has appropriated a total of \$416,000 (P832,000) for three The Y.M.C.A. Y.M.C.A. projects in the Philippines, Gifts to the —\$171,000 for the Manila City Branch Philippines Building, \$125,000 for the International Branch Building (formerly the American-European Y.M.C.A.), and \$125,000 for the Iloilo Building.

Over twenty-five Y.M.C.A. National Movements, most of them European, had requests before the Committee on Appropriations and Priorities, and a total of \$920,000 was available. The Philippines received some 45% or nearly half of this amount.

The Philippines was thus favored because the International Committee is giving priority to reconstruction, rather than new, projects, because the destruction here was in part the work of the American armed forces, and because large gifts had also been made locally by business firms.

It was revealed that the International Committee will endeavor to raise additional funds to bring the total appropriation to \$970,000, but this will only be done if local funds are raised to provide for equipment and operating expenses.

Donations toward a number of other local Y.M.C.A. projects were withheld, in part because no funds had been raised for them locally. This is a wise rule, for strong local effort in such matters is evidence of genuine interest and serious intention. Outside help then becomes a matter of cooperation and money grants are not mere hand-outs.

In these Y.M.C.A. grants we see once again how the Philippines is favored in America above all other nations. We may well hope that nothing will ever be done here that might effect this goodwill.

"FOR a hundred years, students of Marxism have parroted the libel that the capitalistic system is driven to war by its very nature in its hunger for markets and profits. The truth is that modern warfare has developed so that no economic system is more conducive to peace than one based on private initiative, where a multitude of individuals pursue their happiness and profit, independent of the state."—Bernard M. Baruch.

The "National Strategy"

By Frederic H. Stevens

President, American Chamber of Commerce of the Philippines

At times, I like to reread the statement of the objectives of Rotary, —

"to encourage and foster the ideal of service as a basis of worthy enterprise . . . to encourage and foster high ethical standards in business . . . the advancement of international understanding, goodwill, and peace through a world-fellowship of business."

Whenever I read this, I can not help but feel proud not only that I had some part in starting the Manila Rotary Club, but that I still am a member, even if only an honorary member.

And I take fire when it occurs to me that this tremendous thing of the advancement of international understanding and goodwill might become a very marked thing right here in Manila. We think of the One World ideal. What could stop us from devoting ourselves to making this city, this country, a little One World? The movement toward One World will have to begin in many places. This should be one such place. Manila, the Philippines, should be pre-eminently such a place.

That takes me out of the past and into the present and the future. It takes me into the realm of national strategy, which should be a strategy developed along lines of principle with which all good Rotarians are in agreement.

By national strategy is meant not merely military, but the over-all aims and actuations of a people and their government. Such a strategy, it is true, is rarely formulated very clearly, and it may be almost totally lacking.

In the Philippines, the one concept which seems to inform the present national strategy, if so it may be called, is probably best expressed in the phrase, "The Philippines for the Filipinos".

This sounds almost like an axiom, like something the validity of which is self-evident and incontestable. But old and doddering as I may be, I challenge it and say that the phrase embodies an insidious and invidious wrong. I say that this slogan, if carried out in action, will damage and harm no one more than the Filipino himself and the Philippines as a nation.

We would come nearer to the right, I believe, if we adopted a slogan like this: "Philippines and people, for the world". That would be a dedication to greatness,—not a narrow circumscription. It would be in line with the ideal of Rotary,—"the advancement of international understanding, goodwill, and peace".

National and world concepts are everywhere changing. We are all beginning to realize that barriers of race, barriers of nationality, barriers of religion, barriers to trade, to travel, to communication must be torn down. We are everywhere beginning to realize that this is indeed one world, of which we are all the citizens; that we are indeed our brothers' keepers; and that to survive, we must obey that divine commandment, "Love ye one another". It is as simple as that,—and, perhaps, as hard.

In America we have come to understand this to some appreciable degree. Americans, today, are pouring out billions of their treasure to help other nations because they realize that the despair of those others in the end will mean their own; the defeat of those others, their own downfall.

In the Philippines many of us do not sufficiently realize this truth, even in so far as it applies within the country itself. Many here do not understand the full meaning of membership in the body politic. They think that the wounding of one member will not affect the whole body. They do not see that the proper functioning of every part, must be the concern of each part.

Hence, the successful among us too often inspire only envy, which is wholly negative, rather than emulation, which is positive. We see a certain group, for instance, successful as merchants, and we propose laws deliberately planned to pauperize them. Would we all be any the better off for that?

A country's greatness depends largely upon the people in it and their unity and public spirit. A great government is one which carries out the will, and carries forward the hopes, of all the people. A great government is not a government which acts merely in the interests, or supposed interests, of the majority, and deals ruthlessly with minorities. A great government is representative of all the people. It does not rule for one group, *against* others. Racial, sectional, religious, and other fractional interests are subordinated to the commonweal, the common welfare. Lincoln did not say, "... government of Americans, by Americans, for Americans".

The wise and far-seeing President Quirino acted in accordance with ideals upheld by Rotary when he righted certain wrongs done to a minority. Let us trust that he will continue his program of bringing justice and peace to the farm workers of the country.

A wise government utilizes all the resources, energies, and interests of the country for the purposes of the nation. A wise government will in every way promote unity,—association, cooperation, assimilation; not deeper separation. A wise government builds up, all through the nation, a sense of security, satisfaction, contentment, hope. That is what makes for civic morale, public spirit, loyalty. A wise government never fosters, directly or indirectly, envious, prejudices, hostilities. That way lies national destruction.

We are all members of one another; what happens to one, happens to all. We pay for each other's errors and crimes, even for many generations. We can not disenfranchise, or dispossess, or oppress, or abuse one part of the population without all of us being the sufferers.

It is true that from natural and historical causes, foreigners hold an important share in industry and business here. It is equally natural that the Filipinos should now show a determination to increase their participation in this, which, in the end, no doubt, will become paramount. That ambition we all applaud. But what advantage to the country as a whole would it be meanwhile to bankrupt established business enterprise?

There is much talk in the Philippines,—as there is also in Burma, China, and some other countries, of "nationalizing" this and "nationalising" that,—meaning thereby, in many cases, the dispossession of actual holders. What could be more unfair, unwise, and unstrategic? The result of all that could be nothing but damage to all, damage to the country.

When immigrants come to America and make good and become prosperous and raise their children to become good American citizens, we are all happy about it. We have all gained and nobody has lost, except the vicious little demons of narrowness and intolerance which may continue to plague us. But one slogan that has never gained currency in America is, "America for the Americans." We who come from everywhere, are all Americans in America. It is our proudest boast. And the same thing could be true here, respectively.

A great deal can be done through the enactment of laws,—much good, and much harm. It is fairly easy to enact a law, or what may pass for a law, but there are some objectives which can not be attained through legislation. And if we forced errors through by means of legislation, we would find in the end that we had succeeded only, for instance, in exchanging for capital, the total lack of it; for aptitude, inaptitude; for experience, inexperience; for profits, losses; for prosperity, poverty; for progress, decline.

Behind much of this so-called "nationalizing" lies the false belief that there is only so much business for all, and that the business done by one, is done only by taking it away from the others. Business is creative and is continuously augmented as our civilization develops and the division of labor and the production of goods and services is enlarged and improved. The objective of new-comers in the business field should be to make a place for themselves, not merely to displace others. A growing national production and trade, total income, and total gain is what is important to the nation; not so much what particular individuals or groups show the largest private income.

Genuine prosperity saturates the entire body politic,—as does a state of good health, a man.

With respect to some aspects of the present Philippine scene, the simple business phrase, "Bad management", comes to mind, but I feel that it is more than that,—something more sinister and deadly. The Philippines, ten or twelve years ago, was set on so bright a course,—liberal, democratic, progressive. Now a hyper-nationalism holds far too great a sway. I can think only that some of our leaders have drunk too deeply of a poison brought here by those rabid nationalists, the Japanese,—a poison that Japan itself all but died from. As an old friend of this country and its people, I beg them to trust that venomous cup away.

Let the Manila Rotary Club set an example in exorcizing this spirit and in heeding what such able men and such good and wise counsellors as Governor McNutt and Commissioner Waring and Mr. Brawner of the San Francisco Chamber of Commerce have advised us to do in order to build a prosperous country. Let us all work together to bring capital into the country and to develop the country's industry and trade. If we work together, the prospects are magnificent.

Everything comes down to the simple injunction of that lowly man in Judea, two thousand years ago: "Love ye one another". That would bring to realization the ideal of Rotary,—"peace through a world-fellowship of business". The friendly, cooperative, all-benefiting exchange of our goods and good services.

The Marsman Interests

By George L. MaGee

Marsman & Co., Inc.

IN common with other enterprises, the Marsman companies emerged from the war and the Japanese occupation of the Philippines with mines and lumber camps devastated, buildings wrecked, warehouses empty, records lost, and other assets wiped out.

As the third year after liberation ends, Marsman management reports rapid progress toward recovery in many of its fields of endeavor, especially engineering work, merchandising, and lumbering. It hopes for a resumption at a not far distant date of its mining operations, first in the Paracale district and later in other areas.

Indicative of confidence in Philippine business prospects, as of August 1st all Marsman entities have been concentrated in one headquarters in a new building constructed on the former site of the Ateneo in Intramuros. Here a commodious two-story structure, with 6400 square meters of ground space, houses the general offices of Marsman and Company, Inc., the trading division, the construction company, and the warehouses. This will result in greater efficiency and economy of operation and make possible better service to patrons.

A marker of the Philippine Historical Committee, at the corner of Anda and Arzobispo, on the building, tersely reveals the historic background of this location. It reads:

"This was the site of 'Escuela Pia' taken over by the Jesuits in 1859 and renamed 'Ateneo Municipal de Manila' in 1865. Jose Rizal received from this school the degree of Bachelor of Arts on March 23, 1877. In 1901 the name was changed to 'Ateneo de Manila'. On August 13, 1932, the building together with the school, museum, library,

and equipment, was destroyed by fire and the classes had to be transferred to the 'Colegio de San Jose' on Calle Padre Faura. The present building, to which the Ateneo grade school returned in June, 1940, was blessed on December 15, 1940.

The later record of the building's destruction in 1945 during the siege of the Walled City, remains to be added.

Soon after hostilities ceased the Marsman executives had plans for reviving the business. In San Francisco, where he had laid valuable groundwork, J. H. Marsman was ready to make the first commercial shipments of foodstuffs to Manila in the later part of 1945.

Pledging personal assets for preliminary financing, Mr. and Mrs. Marsman prepared for the vast work of rehabilitation. A large number of American firms lined up to assist. Their support was a great contribution to the effort to provide for the material needs of a war-weary people.

Since Marsman businesses were originally founded on gold-mining, engineers concerned themselves as soon as possible with a survey of the conditions. Marsman mines, pre-war, had contributed P95,000,000 to world gold and silver production. In 1941 their output was at the rate of P2,000,000 per month. All were on a dividend-paying basis, and had already returned to stockholders some P17,000,000. Each gave prospects of further substantial returns to the country's economy.

Technicians found a dismal picture. Itogon, the first major mine of the Marsman group, was a shambles. Tunnels collapsed, mills destroyed, buildings gone, chances for a comeback seemed dim. At Suyoc, where Suyoc Consolidated

had been an important producer, devastation equalled that in the Baguio area. In the Paracale district, San Mauricio and United Paracale mines proved to be more or less intact, but many obstacles thwarted work resumption. The smelting plant was a complete wreck. One of the Cocco Grove dredges had sunk, a total loss. The other, badly damaged, may yet be reconditioned.

Inability to obtain supplies and equipment, high labor costs, financing problems, and other difficulties, have up to the present retarded rehabilitation. However, complete plans are being made and operations will be resumed as soon as conditions warrant. Crews have been at work in the Paracale district since shortly after liberation. As soon as war-damage claims are acted upon, mining activities will go forward with energy.

The sawmill of the Marsman Development Company at Daet, repaired and functioning, now turns out a million board feet a month. In the near future, logs and lumber from this mill will be on their way into the export market.

To retain services of skilled mining personnel, Mr. Marsman revived his construction and contracting organization. With war surplus equipment, work began on government and private contracts. Marscon, Inc., as the company is known, has completed the contract for widening the dam for the National Power Company at Caliraya. It will shortly complete the highway project for the Bureau of Public Works and the U.S. Public Roads Administration at Biñan, Laguna, and has in progress several irrigation works in Nueva Ecija. Recently, it was awarded the earth-moving and grading job for the new Manila Polo Club. One of its construction contracts well under way is a building to house the Lincoln Agency of the Manila Trading and Supply Company, Port Area. Marscon engineers are also assisting in extensive harbor facility improvements at Hongkong for the Kowloon Wharf and Dock Company and the Taikoo Dock Company. They have also given supervision to extensive operations at Okinawa, the original contract for which went to Marsman Company of California, the American corporation,

Marscon, Inc., is equipped for all kinds of heavy earth-moving and road-paving undertakings as well as building construction.

Special attention has been given in the last several years to the activities of the Marsman Trading Corporation, which has now been merged with the parent company. Organized in the years of mining expansion to care for the mines' requirements, it grew to extensive proportions with branches in leading Philippine cities. In 1941 it acquired the inventories and certain representations of the Pacific Commercial Company's food-products and drug departments. Since the war, merchandising efforts have been intensified with expanding business in groceries, drugs, building materials, paints, office equipment, and machinery. Buying offices are maintained in New York, San Francisco, and Los Angeles, and branch offices in Cebu, Iloilo, and Davao serve these important trade areas.

Prominent in the retail field, the American Hardware and Plumbing company, corner of T. Pinpin and M. del Banco Nacional, is another Marsman-owned establishment. Here also is the sales and display room of the office equipment division.

One factor which has contributed to the company's prestige has been its policy on pre-war commitments. Arrangements were early made to pay off these obligations as proof of a determination to rebuild on a sound basis. Stating his case frankly to financial backers, Mr. Marsman proposed a plan of payment out of current profits. He volunteered monthly remittances which in a few years have substantially reduced the original total.

In a statement recently to the company's board of directors, Mr. Marsman said:

"You will realize that the center of the company's activities lies in the Philippines. As world conditions become normal, trade and industry will regain impetus, and our Company looks forward with confidence in the role that it expects to play commercially and industrially. Favorable results already attained point to a prosperous future."

Manila as a Distribution Center

By Hans M. Menzi
President, Menzi & Company

CAN Manila be made the main source of supply and distribution for American products for the Far East and neighboring countries? The answer is yes, provided that—

- a. Export controls are relaxed or lifted, and
- b. Manila be made in part a free zone.

The Manila Bay, comprising an area of 770 square miles, is one of the finest ocean bays in the Orient and provides a fine anchorage haven.

The Manila South Harbor comprises an area of approximately two square miles and is partly enclosed by a breakwater. Continuous dredging is required to provide for deep water anchorage and a channel to the piers.

Prior to the last war, there were four piers, namely, Piers 1, 3, 5, and 7. Pier 1, with a length of 550 feet and a width of 60 feet, was and is today owned and operated by the United States Government and used chiefly for the berthing of United States Army and Navy vessels. Piers 3, 5, and 7 were and are owned and operated by the Phil-

ippine Government and have the following dimensions:

Pier 3.....	Length.....	680 feet
	Width.....	120 feet
Pier 5.....	Length.....	730 feet
	Width.....	160 feet
Pier 7.....	Length.....	1,400 feet
	Width.....	240 feet

All these three piers were piped for fresh water and bunker fuel oil, and were equipped with complete and modern mechanical cargo-handling equipment.

During the liberation all piers and the harbor as a whole suffered heavy damage. Estimated damage on docks and wharves alone (national and not provincial, municipal, or chartered city) is ₱9,392,350 against a value of ₱15,710,625. These figures represent pre-war values. The amount of ₱36,000,000 of United States rehabilitation funds has been allocated for the repair and reconstruction of ports and harbors. This amount, being insufficient to provide for all national ports, the Philippine Port Commission has decided to rehabilitate only the Ports

*Address delivered at the First Regional Trade Conference, Manila, July 8.

of Manila, Davao, Cebu, Iloilo, Tabaco, Legaspi, J. Pangasinan, Zamboanga, Cagayan, Jolo, Iligan, and Pulupandan. Presently work is in progress in Manila, and one of the biggest projects is the reconstruction of Pier 5, now Pier 9. This pier when finished is to be the principal pier in the Manila area. The project will cost approximately ₱8,200,000. Bids have already been called and contract awarded. With the completion of Pier 9, the other piers will be gradually fully rehabilitated.

After liberation the United States Government built temporary piers between Piers 1, 3, 5, and 7 so that today we have a total of seven piers, or numbers 1, 3, 5, 7, 9, 11, and 13; 5, 9, and 13 being formerly Piers 3, 5, and 7. The additional piers were built to meet the necessary discharge facilities required for army, navy, government, and civilian cargo. It will be remembered that in 1946 and during the early part of 1947, ships were often delayed in Manila for many days because of the heavy arrivals and the slow dispatch of civilian merchandise from the piers, which was caused in turn by lack of warehouse space. The situation gradually improved in the tempo of construction of warehouses, the availability of lighterage facilities, and the gradual release of Army and Navy controlled piers for civilian use.

While the post-war constructed piers remain open, Piers 3, 5, and 7 have coverage, although not to pier-cargo capacity, as in pre-war days. The situation is gradually being improved.

The maximum handling tonnage capacity of the Port of Manila today is 5,000 tons per day, in comparison to 3,000 tons per day in pre-war days.

The statistics covering the number and tonnage of vessels engaged in foreign trade entering Philippine ports are as follows:

	Number of Vessels	Tonnage of Vessels
1939.....	500	1,936,322
1940.....	730	2,755,519
1945.....	25	120,348
1946.....	218	908,234
1947.....	1,037	4,298,133
1948 Jan.-Feb.	315	1,285,376

The statistics furthermore reveal that American ships led all other nationalities in number and tonnage of vessels engaged in foreign trade entering the Port of Manila. Pre-war, the British led, followed by Japan, the United States, Norway, Netherlands, and Germany, in the order named.

A few years before the war the Manila North Harbor was developed, and this also suffered heavy damage and is presently being primarily used by inter-island vessels.

Statistics covering the number and registered net tonnage of vessels engaged in domestic shipping at the Port of Manila show the following figures:

	Entered		Cleared	
	Number	Net Tonnage	Number	Net Tonnage
1945.....	94	28,459	126	28,979
1946.....	976	237,848	986	247,637
1947.....	4,019	—	4,163	—

Bonded warehouse facilities are partially provided for with 15 bonded warehouses, partly government-owned and partly owned by private parties. Customs regulations require that all merchandise remaining on the piers 3 days after a vessel has completed discharge, be transferred to a bonded warehouse. Charges were ₱0.10 per ton pre-war and are ₱1 per ton today.

Facilities for receiving, handling, storing, and reshipping cargo in transit to foreign ports were, prior to the war, excellent. Transit-cargo was stored upon the piers, free of storage charges for 30 days, and placed on on-carrying vessels at reasonable rates. There are very limited facilities for transit-cargo today and the free storage time limit has been reduced to 15 days.

The values of foreign merchandise re-exported from Manila in 1945, 1946, and 1947 were as follows:

1945.....	₱ 872,985
1946.....	22,317,662
1947.....	37,986,748

A good portion of these amounts represents the re-export of surplus war material and supplies.

Lighterage, whether open, covered, or tankage, is available for all types of cargo. Lighterage capacity before the war was 20,000 tons and is now 16,000 tons. Lighterage rates are today ₱6 per ton weight or measurement, or a minimum of ₱200 per day in comparison to ₱3 per ton before the war. Lighterage facilities are privately owned.

Stevedoring is done by two private firms which render excellent service and bill at fixed rates. For example, just to name a few:

Cement.....	₱1.62 per ton
Copra in bulk.....	1.90 per ton
Copra in bags.....	2.00 per ton
Hemp in bales.....	.23 per bale
Sugar in sacks.....	1.14 per ton

Regular sailing schedules are maintained by lines operating from Manila to practically all Oriental ports.

Among the many problems that faced our infant Republic, the most serious was and continues to be the economic reconstruction and rehabilitation. The immediate restoration of trade relations and trade economy was an absolute necessity.

Under the able and wise statesmanship of the late President Manuel Acuña Roxas, the Philippine Trade Act of 1946 was signed and the so-called parity or equal rights amendment to the Constitution was referred to the electorate for decision in a national plebiscite, and a tremendous majority of the people voted in support of this amendment. The Trade Act, among other things, pegs our peso to the United States dollar which automatically gives currency stability.

With our once fully rehabilitated harbor and port facilities, warehouse facilities, shipping facilities, the established security, our stable currency, our sound and stable government, and a friendly people, Americans and others could find no better a centralized distributing point than Manila.

"It is worth noting that the propaganda of 'imperialistic grabbing' spread against us is always couched in the future tense. It is what we allegedly are going to do for which we are smeared, not what we have done. From neither the first nor the second world war did we take anything from some other people for our own enrichments."—Bernard M. Baruch.

The Business View

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

Office of the President of the Philippines

From an Official Source

JULY 1 — A check for P93,778,000 is turned over to the Philippine Government by the U. S. Army as an advance of funds for the use of the Philippine Army in the payment of claims, such as for back pay and guerrilla pay, which have been adjudicated by PHILRYCOM and not yet paid. Lesser amounts for the same purpose have been turned over during the past two years. The Philippine Army has since the beginning acted as the paying agency, the funds being furnished by the United States, and the determination of the validity of all claims being made by the U. S. Army. The Army has announced that it has completed its work regarding the processing and adjudication of claims and obligations of the United States Government incurred as the result of the mobilization, operation, maintenance, and demobilization of the Philippine Army and recognized guerrilla units.

July 2 — President Elpidio Quirino in receiving a delegation of American business men who come to attend the Regional Trade Conference in Manila, sponsored by the Philippine Chamber of Commerce, states that "the Philippines is peaceful, hospitable, and generous to American investment."

An agreement is signed in the office of the Secretary of National Defense for the transfer of vessels of the United States Government, declared as excess, to the Philippine Government, the former to retain title to the ships but the latter to have full use of them until such time as they are recalled. To date, 95 vessels of different categories have thus been turned over.

Ambassador J. M. Elizalde reports from Washington that President Harry S. Truman yesterday signed the Taft Act extending hospitalization privileges to Filipino veterans.

The Philippine Bureau of Commerce reports that Philippine coconut-fiber hats are being sold by Stetson stores in the United States for \$10 each and buntal hats for as much as \$100.

July 7 — The President issues Executive Order No. 150 creating a Social Security Commission to undertake a study of social security systems abroad, prepare actuarial tables, and draw up legislation for such a program here "at least cost to both employer and employee". The Commission will be appointed by the President and is required to report within not more than 6 months.

July 8 — The President issues Executive Order No. 155 designating Friday, October 1, as Census Day,

"on which date the enumeration of the population and the collection of all pertinent social and economic data about the Philippines shall begin and proceed on consecutive days from daylight to darkness, including Sundays and holidays, until completed".

July 9 — The President extends for another 90 days (from July 1) the period after which the owners of cockpits, night clubs, cabarets, dance halls, and dancing schools must move their establishments to zones where they are not prohibited.

July 12 — The President issues a statement praising the services of the late Marcelo T. Boncan, Philippine Consul in Los Angeles, California, who died suddenly from heart disease.

July 13 — The Cabinet lays down the ruling that Filipino civilian employees being discharged by the United States Armed forces in the Philippines who are seeking reinstatement in the Philippine Government service must accept the government salary scale.

The Board of Directors of the National Development Company, it is announced, is studying the proposal of an American company to establish a factory for the manufacture of children's garments, the National Development Company to provide the land and buildings and the American company the machines, the "know-how", and the operating expenses; the central factory would be in Manila and others in centers of population in the provinces, such as Guagua, Dagupan, Vigan, Batangas, Cebu, and Iloilo. Each factory would employ some 2,500 persons, around 80% women. The cutting and stitching would be done in the factories and the trimming and finishing in the workers' homes. The plan is one of the results of the series of conferences held between American and Filipino business men. Six agency agreements are said to have been signed between the delegates and local Filipino merchants.

July 19 — Upon the request of Congressman Luis M. Taruc, the President extends the period during which members of the Hukbalaahap and the National Peasants Union may present themselves, with their arms and ammunition, to the authorities under the Amnesty Proclamation, to July 31.

The President names former Chief Justice Ramon Avanceña, former Secretary of Justice Jose P. Laurel, Justice Sabino Padilla, and former University of the Philippines President Jorge Cocobo as a committee to name the nominees of the Republic of the Philippines to the International Court of Justice, an instrumentality of the United Nations. The Philippines will name two Filipino and two non-Filipino jurists, as will other member nations, and from among all the nominees, the General Assembly of the United Nations will choose the men to fill the vacancies in the World Court.

July 21 — The Board of Directors of the National Development Company has approved a recommendation of Secretary of Finance Miguel Cuaderno to bring in two leading American experts to advise the Company on its big scale ramie project. The men are Willis G. and I. A. Waldo. Mr. Cuaderno reported that ramie is considered a top strategic requirement for stock-piling in the United States.

July 22 — The President appoints the Quezon City Planning Commission with Juan Arellano, well known architect, as Chairman and Manager. The other members are Mayor Ponciano Bernardo of Quezon City, Manuel Mañosa, Manager of the Metropolitan Water District, Pio Joven, Deputy Auditor General, Jose Paez, of the Santa Clara Lumber Company, Salvador Araneta, attorney, and Ernesto Rufino, theater owner. Cesar Concio, architect of the University of the Philippines, is detailed as executive secretary of the Commission.

July 25 — Ratifications of the Treaty of Friendship and General Relations between the Philippines and Spain, are exchanged at Malacañan. The Treaty provides among other things that—

"Filipinos in Spain and Spanish nationals in the Philippines shall enjoy, on the basis of reciprocity, and subject always to the respective police, security, and other laws and regulations issued by each of the High Contracting Parties, in all of the territory of the Philippines, on the

one hand, and in all the territory of Spain, on the other hand, the right to acquire, possess, and dispose of movable and immovable property, to establish and maintain schools of learning, as well as the privilege to reside, travel, and engage in trade, industry, and other peaceful and lawful pursuits.

July 26 — The President inducts into office the members of the Capital Planning Commission, and also two new Governors of the Rehabilitation Finance Corporation, — Messrs. Eugenio Ealdama and Carlos Rivilla.

The Cabinet considers plans for the utilization of the \$22,500,000 granted the Philippines by the American Congress in the Rogers Act which provides for the construction of hospitals for Filipino veterans. Four hospitals may be built, one in Manila, another in Baguio, and the two others somewhere in the Visayas and in Mindanao. The Act also provides for grants for the operating expenses of these hospitals for a period of 5 years, not to exceed \$3,285,000 a year.

July 27 — Nicolai Aall, envoy extraordinary and minister plenipotentiary of Norway to the Republic of the Philippines, presents his credentials to President Quirino.

July 28 — The President issues Executive Order No. 158, creating a Labor-Management Advisory Board to assist him and the various labor agencies of the Government in connection with labor policies, problems, and disputes. The Order reads in part as follows:

"WHEREAS, the relations between labor and management are at times marred by industrial disputes arising from a misunderstanding of their mutual rights and obligations;

"WHEREAS, it would be to the interest of industrial peace, which is the only climate under which a speedy rehabilitation and development of our country is possible, that industrial disputes be at least minimized, if not altogether avoided, through an amicable adjustment of labor disputes; and for this purpose, there is need of an agency which will bring labor and management to the best understanding possible; and

"WHEREAS, the problems of labor should be approached from the broadest perspective compatible with the just exercise of the right of management to direct its enterprises:

"Now, therefore, I, Elpidio Quirino, President of the Philippines, by virtue of the powers vested in me by law, do hereby create a Labor-Management Advisory Board which shall be composed of a Chairman and such members as the President may appoint. One-half of the members shall be chosen from labor and the other half from management elements of the country. The members of the Board who are not government officials shall receive such per diems as may be fixed by the President.

"It shall be the duty of the Board to assist the President of the Philippines in the formulation of the labor policies of the Government; to advise the Secretary of Labor with respect to the administration of labor laws; to study ways and means of preventing or minimizing industrial and other labor disputes, and to assist the Secretary of Labor and the other agencies of the Government in endeavoring to reconcile the parties to an industrial strife and inducing them to settle the same amicably. . . ."

He also issues Proclamation No. 84 designating the period from August 19 to September 19, 1948, as "anti-Tuberculosis Month" and authorizing the Philippine Tuberculosis Society to conduct a national fund and educational drive during this period.

July 30 — Despite the fact that few Huks have as yet presented themselves under the terms of the Amnesty, President Quirino states at a press conference that the situation is "encouraging". He states that he is more concerned with his social amelioration program and the return of the dissidents to their farms than with the immediate surrender of their fire-arms. With respect to trading with Japan, he states that the geographic factors can not be ignored and that relations will some day have to be restored. The policy so far has been to deal with Japan not as a sovereign country but as a country being administered by SCAP, and that the trade so far carried on has been to Philippine advantage.

Asked to comment on the plank in the Wallace Platform for the repeal of the Bell Act, he states that the Act has not worked to the disadvantage of the Philippines and that if it ever did, there is always open the recourse of terminating it.

In answer to a statement made in a speech by Col. R. R. McCormick, publisher of the *Chicago Tribune*, before the American Club in Paris, as reported in the press. President Quirino issues the following:

"Our financial, trade, and military relations with the United States are all based on bilateral covenants. The Philippines was actuated to enter into these covenants by its desire to open its resources to American investments, which we consider of great help to our economic development and, what is more, to our immediate reconstruction and rehabilitation.

"The military agreement with the United States was entered into by the Philippine Republic on a mutually beneficial basis; namely, for the protection of Philippine and American interests in this country and for the maintenance of peace in the Orient.

"We never accepted, as we can not accept, American direction of our military and financial positions. Mutual assistance is the essence of such pacts. . . ."

Banking and Finance

By C. R. LEADER

Manager, National City Bank of New York

BUSINESS news is showing little change from month to month and the velocity of commercial transactions during July continued the slow pattern of the preceding several months.

The effect of war-damage payments is being felt in the economy, and money in circulation continues to increase month by month. Bank deposits are higher. Banks' loan portfolios are also up, but percentage-wise are not keeping pace with the growth in deposits. Merchants report that collections have improved somewhat, but inventories are still heavy in many lines of merchandise. There has been some decline in buying power, following lower prices for copra, abaca, and other export products. Importers are following conservative policies in placing orders. Markets are now well supplied with consumer goods, in the United States, as well as here, and merchants can keep commitments down without fear of being caught short, which has been one of their principal worries in recent years. Consumers' requirements are being satisfied and distributors' stocks are filling up. The opportunity for speculative run-ups and speculative profits has diminished, and the situation is healthier for these changes.

Foreign exchange quotations have not altered during the month, though dollar demand was somewhat easier.

The General Banking Act, companion legislation to the Central Bank Act, was passed by Congress during the Special Session, and with the approval of the President, has become law.

Even a cursory glance at the appended comparative figures indicates that the main trend of business is still inflationary. The cost of doing business is higher and more credit is being used now than a year ago. If pre-war records were available, the comparison would be even more striking.

Comparative Financial Summary of thirteen Manila banks compiled from reports issued weekly by the Bureau of Banking:

Loans, Discounts and Advances (monthly averages)			
(000 omitted)			
*June, 1948	**May, 1948	June, 1947	
₱383,841	₱381,008	₱293,073	
Total Bank Resources (monthly averages)			
(000 omitted)			
*June, 1948	**May, 1948	June, 1947	
₱931,207	₱895,019	₱755,913	
Bank Deposits (monthly averages) Public funds not included			
(000 omitted)			
*June, 1948	**May, 1948	June, 1947	
₱448,864	₱415,027	₱372,128	

Debits to Individual Accounts (monthly averages)

*June, 1948 P113,944	(000 omitted) **May, 1948 P117,993	June, 1947 P96,963
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Currency in Circulation (monthly averages)

June 30, 1948 P810,780,079	May 31, 1948 P798,775,645	June 30, 1947 P716,447,804
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*Compiled from reports to June 19 only, to be corrected in next issue.

**Corrected figures.

The September contract for New York Sugar closed the period at 5.21, as compared to 5.18 a month ago. Advances from New York dated July 16 reported production from Cuba at somewhat over 6,655,000 short tons, with one mill still grinding. Pressure on the Agriculture Department to increase the United States sugar quota, caused some trade members to adopt a waiting attitude pending further action in this direction.

American Stock and Commodity Markets

June 27 to July 27, 1948

By ROY EWING

Swan, Culbertson & Fritz

THE feature of the New York stock market during the past month was the sharp break between July 14 and 19 when the Industrial Average declined from 190.66 to 181.20. The crisis in Berlin and the resulting threat of war was undoubtedly the main influence. Previous to this break the market had acted well, especially the Rails, which Average went up to 64.95 on July 14, a new high since 1946. Since the 19th, moderate rallies have brought the Industrial Average back to 184.17 at present writing.

In addition to the international situation, there were other bearish market influences. The inflation spiral was boosted by Big Steel's wage increases, which followed similar previous hikes in the motor, railroad, coal mining, and other industries, with resulting rises in prices; there was nervousness over the special session of Congress, and the effect to some industries of the bumper crops (see below). On the bullish side were continued reports from numerous companies of record high earnings and dividends. The United States employment figure was at a record all-time high, as were several other business indices. Consumer spending was on the increase and acting as a cushion. As yet to have its effect, was the Marshall Plan and the defense spending, which is still in the allocation stage.

From the 1948 lows in February and March, to the highs in June and July, the Industrial Average rallied 27.77 points, the Rails 16.82. The recent break erased 43% and 32% of these respectively. According to the Dow Theory, a normal secondary reaction retraces from one-third to two-thirds of the previous move, so the recent break is well within these limits. As pointed out in this column last month, a break in the Average to between the 180 and 185 levels would, according to the Theory, be a buying spot, and we continue to hold to this opinion. As confirmed by the Averages in May, the primary trend is bullish.

Commodity prices were mixed but generally easy. New York spot Cotton is 33.90 today as compared to 37.26 on June 28, the gradual drifting toward loan level being a result of good to excellent crop news. Export prospects were reported a little brighter, but European Co-operative Administration business was slow in developing. July Wheat in Chicago declined from 232-1/4 on July 1 to 225-1/4 on July 16, but rallied sharply to 236-1/2 on July 23, the expiry date for July contracts. The Department of Agriculture's latest estimate predicted the second biggest harvest in history. Chief support was due to known export needs and indications that large amounts will be impounded under the loan. July Corn also declined from a high of 222-3/8 on July 1 to 199 on July 10; it rallied to 212 on July 23. The Government's estimate was for an all-time record crop, 2% above 1946. A strong livestock market with both cattle and hogs touching all-time highs at Chicago, was a favorable influence.

Manila Stock Market

June 18 to July 15, 1948

By A. C. HALL

A. C. Hall & Company

MINING SHARES

MINING shares have drifted steadily downwards during the past month under mild but persistent pressure.

The principal bearish factors were the Court of Industrial Relations decision in the Consolidated Mines case, issued around the middle of June, and, latterly, the worsening Berlin situation.

In regard to the former, there is apprehension that the decision may set a pattern for the entire mining industry. As some mines are already staggering under high costs and war losses, any additional burden at this time would be unfortunate.

The case in question was submitted to the Court in March, 1947, and remained pending for a period of about 15 months. The Union received a substantial wage increase which was made retroactive to May, 1947. In addition, the Company was ordered to pay a wage bonus of 50% on all work performed between sunset and sunrise. The estimated cost of this decision is approximately half a million pesos. The Company has filed a petition for reconsideration.

At today's closing level, the market average is once again in the area of the year's lows. In view of the worsening international situation, it appears that some further decline is likely.

	HIGH	LOW	CLOSE	CHANGE	TOTAL SALES
Manila Stock Exchange Average	102 87	93 51	94 41	Off 9 06	
Acoje Mining Company	P 355	P 34	P 32	Off 03	119,000
Antamok Goldfields	02	02	02	Off 005	149,778
Atok-Big Wedge Mining Co.	72	66	67	Off 05	217,500
Baguio Gold Mining Co.	044	044	044	Up 004	20,006
Batong Buhay Gold Mines	0058	0054	0054	Off 0004	1,070,000
Coco Grove, Inc.	023	023	023	Unchanged	20,000
Consolidated Mines, Inc.	013	0115	0115	Off 0015	6,720,000
Icogon Mining Company	08	075	08	Off 01	200,000
I. X. L. Mining Company	0775	0775	0775	Up 0075	120,000
Lepanto Consolidated	79	75	76	Off 03	250,000
Masbate Consolidated	042	04	04	Unchanged	70,000
Mindanao Mother Lode Mines	80	65	67	Off 15	312,000
Misamis Chromite Co., Inc.	275	25	275	Off 005	210,000
Suyoc Consolidated San Mauricio Mining Co.	035	032	032	Up 002	155,000
Surigao Consolidated	25	195	21	Up 025	151,000
United Paracale Mining Co.	0825	0775	0775	Unchanged	85,000

In addition to the foregoing, unlisted mining issues were traded as follows: Antipolo 107,000 shares at P19 and 18 centavos; Balatoc, 1,500 shares at P3.40; Benguet Consolidated, 17,000 shares from P3.80 to P3.40; and Philippine Iron Mines, Common, 200 shares at P12.

COMMERCIAL AND INDUSTRIAL

Philippine Oil Development continued to advance on heavy volume in anticipation of resumption of drilling operations on its Bondoc Lease. Sugar shares were firm on Carlota's resumption of dividend payments, and reports of a probable Victorias stock dividend later in the year. San Miguel sold ex-dividend during the period.

	HIGH	LOW	CLOSE	CHANGE	TOTAL SALES
Bank of the Philippine Islands	P65 00	P 60 00	P 65 00	Up P9. 00	240
Central Azucarera de la Carlota	115 00	111 00x-d	111 00	Up 6 00	276
China Banking Corporation	180 00	180 00	180 00	Up 7 00	100
Central Azucarera de Tarlac	45 00	41 00	45 00	Up 10 00	125
Manila Wine Merchants, Inc.	5 00	5 00	5 00	Up .25	300
Metropolitan Insurance Co.	140 00x-d	140 00	140 00	—	77
Pampanga Bus Company	1 02	1 00	1 02	Off .04	12,112
Philippine Oil Development Co. Inc.	305	265	27	Up 04	3,029,000
Philippine Racing Club	1 28	1 22	1 22	Up .02	14,700
San Miguel Brewery	72 00	70 00x-d	70 00	Off 4 00	1,845
Victorias Milling Co.	150 00	120 00	150 00	Up 30 00	399
Williams Equipment Co., Pfd.	—	—	85 00b	—	—
Williams Equipment Co., Com.	—	—	9 00b	—	—

In addition to the foregoing, unlisted commercials traded as follows: Jai Alai 4,000 shares at P22; Manila Jockey Club 1,500 shares at P2.15; and 107 shares Philippine Education Preferred at P100.

Credit

By W. J. NICHOLS

Treasurer, General Electric (P.I.) Inc.

THE recent lifting, under certain restrictions, of the Moratorium on pre-war debts has not yet resulted in any wholesale liquidation of old obligations. Certain legal aspects of the raising of the Moratorium remain to be clarified. It is hoped that within the space of a month or so the situation will clear up somewhat and business firms will know more definitely what the prospects are for collection of old outstanding items.

On Tuesday, July 27, the annual general meeting of the Association of Credit Men, Inc. (P.I.) was held at the Town House. Representatives of 34 member firms were present to elect a board of directors for the ensuing year. Luncheon was served after the meeting for members and their guests. The Association is now comprised of 58 companies doing business in the Philippines, and applications from several other firms are under consideration. The Association is a non-profit making organization for the exchange of credit information among its members, and the increasing use of its facilities is another indication of the importance which credit managers are attaching to collection work.

Several wholesaling firms report that a larger percentage of their accounts are being currently settled by payments received through the mails, than was the case be-

fore the war, when collectors were more extensively used. If this is any indication that customers are now more willing to pay their bills without waiting for a visit from the collector, it is of course very welcome news to treasurers. However, there is no reason at this time to believe that any pronounced trend in this direction is in progress.

Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Treasurer, Manila Electric Company

1941 Average — 15,316,000 KWH

	1948	1947
January	27,301,000	17,543,000 K
February	26,021,000	17,503,000 I
March	26,951,000	20,140,000 L
April	26,871,000	19,601,000 O
May	28,294,000	19,241,000 W
June	29,216,000 *	17,898,000 A
July	31,200,000 **	22,593,000 T
August	—	23,358,000 T
September	—	23,122,000 H
October	—	24,755,000 O
November	—	24,502,000 U
December	—	25,725,000 R
TOTAL	—	255,981,000 S

* Revised
** Partially estimated

The July output, now more than double the 1941 monthly average, was 1,984,000 KWH, or 6.8% above June. The increase over July, 1942, was 8,607,000 KWH, or 38.1%.

Should the present rate of increase continue, as now seems probable, the maximum capacity of the system will be reached before the new 50,000 KW Rockwell Station will be completed in 1950. In this event interruptions of service must be expected.

Real Estate

By C. M. HOSKINS

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

REAL estate activity for the month of July in the City of Manila consisted largely of the usual volume of small units changing hands. Biggest sale of the month was of a property in the District of San Miguel, comprising 5 adjacent parcels of land with a total area of 5,891 sq. m., bought by Angela Abueg of Manila for P350,000.

Mortgage funds continue to be abundant, although the total amount for July registered a considerable dip from the all-time record of about P20,000,000 registered in June. Construction and rehabilitation loans comprise the bulk of the mortgages.

Demand for good office-space in permanent buildings continues to be brisk. A newly constructed office building of reinforced concrete had all space contracted for well ahead of completion, on as long as a 6-years' lease period. This latest addition to Manila's growing skyline is the Dasmariñas Building, erected by Francisco T. Lopez at a cost of about P500,000.

The Manila zoning plan, as prepared by the National Urban Planning Commission, was disapproved by City

authorities on the basis of certain objectionable features pointed out by the City Engineer. The city planners are expected to make the necessary revision.

Meanwhile, the Manila Realty Board, meeting together with representatives of the Philippine Contractors Association, Home-Owners Association, and other representative groups directly concerned with real estate, gave out their observations on the vital need of arriving at the final plans for Manila to insure sound rehabilitation at an accelerated rate. A joint committee for the various groups was named to draft a resolution for presentation to the President of the Philippines urging the speedy adoption and carrying out of the final plans for the City.

Quezon City was finally designated as the capital of Philippines, the boundaries to include the Diliman-Novaliches area. A Planning Commission was named to draft the detailed plans for the new capital, these plans to be finished within a period of one year.

The following table shows the real estate transactions completed in Quezon City during the 6-month period ended June, 1948:

	SALES		MORTGAGES	
	Number	Amount	Number	Amount
January	223	P1,230,316	107	P1,270,777
February	287	1,102,003	100	1,383,208
March	292	1,374,073	129	1,495,630
April	403	1,150,003	134	1,729,775
May	310	1,690,386	145	1,415,794
June	309	1,559,427	164	3,158,999

COMPARATIVE STATEMENT OF REAL ESTATE SALES IN MANILA

Prepared by the Bureau of the Census and Statistics

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

	1940	1941	1945	1946	1947	1948
January	P 6,004,145	P 962,970	P 7,943,605	P 4,385,011	P 6,030,012	P 3,644,734
February	918,873	779,783	1,337,830	2,267,151	7,217,317	3,879,633
March	1,415,246	1,532,104	(?)	2,622,190	7,166,866	4,243,719
April	883,207	988,380	213,262	1,916,293	8,611,076	5,021,023
May	403,866	1,129,736	962,008	3,684,937	4,618,181	3,129,799
June	542,187	598,431	1,212,780	3,637,956	3,988,560	8,019,246
July	1,324,861	559,742	1,123,565	4,974,862	4,097,183	
August	1,905,828	1,239,414	699,740	4,438,510	5,627,572	
September	1,141,114	815,112	1,870,670	4,698,896	7,437,213	
October	993,103	1,182,678	2,096,893	5,545,800	6,083,486	
November	938,416	858,235	2,555,472	3,340,382	4,177,054	
December	1,504,004	(?)	2,874,468	4,025,926	3,205,584	
TOTAL	P17,974,844	P10,647,285	P22,890,133	P45,537,914	P68,260,104	P27,838,154

Transactions chiefly involved properties in Santa Mesa Heights, España Subdivision, Kamuning, New Manila, and Cubao Heights. Speculators were not too active in the Diliman-Novaliches area in spite of the Capital designation, preferring to await the announcement of more definite plans.

Ocean Shipping

By F. M. GISPERT

Secretary, Associated Steamship Lines

DURING the month the S.S. *Tainan Maru* loaded 6,000 tons of coal from the government-controlled mine at Malangas, Mindanao, for Japan. Whether other shipments will follow cannot be ascertained.

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BUILDING CONSTRUCTION IN MANILA: 1936 TO 1948

Compiled by the Bureau of the Census and Statistics from data supplied by the City Engineer's Office.

MONTH	1936 (Value)	1937 (Value)	1938 (Value)	1939 (Value)	1940 (Value)	1941 (Value)	1945 (Value)	1946 (Value)	1947 (Value)	1948 (Value)
January.....	P540,030	P426,230	P694,180	P463,430	P1,124,550	P891,140	—	P1,662,245	P3,645,970	P6,571,660
February.....	720,110	479,810	434,930	1,063,050	1,025,920	467,790	—	2,509,170	3,270,150	6,827,005
March.....	411,680	396,890	1,300,650	662,840	671,120	641,040	—	3,040,010	3,398,910	7,498,560
April.....	735,220	659,680	770,130	1,029,310	962,420	408,640	462,020	3,125,180	8,295,640	7,370,292
May.....	400,220	670,350	1,063,570	1,139,560	740,510	335,210	1,496,700	3,968,460	5,564,870	8,893,690
June.....	827,130	459,360	754,180	809,670	542,730	418,700	2,444,070	3,904,450	5,898,580	
July.....	302,340	691,190	756,810	495,910	357,680	609,920	1,741,320	3,062,640	9,875,435	
August.....	368,260	827,660	627,790	622,050	661,860	306,680	1,418,360	4,889,640	7,428,260	
September.....	393,100	777,690	684,590	554,570	590,380	53,0830	1,015,250	7,326,570	7,770,310	
October.....	363,120	971,780	718,190	645,310	738,700	699,040	639,030	4,630,550	6,747,240	
November.....	460,720	320,890	972,310	461,580	485,100	315,930	1,364,310	4,373,390	7,088,283	
December.....	648,828	849,160	503,230	1,105,970	333,490	67,553	1,605,090	5,034,600	4,924,320	
TOTAL.....	6,170,750	7,530,690	9,280,560	9,053,250	8,234,460	5,692,273	12,186,150	47,526,905	73,907,248	37,161,207
Annual Average..	514,229	627,557	773,380	754,438	686,205	474,356	1,015,513	3,960,575	6,158,937	

Total exports continued to show an increase over 1947 figures. During June of this year 84 vessels lifted 150,881 tons, as against 63 vessels and 95,993 tons for June last year.

Figures of the most important commodities for June, 1948, as compared to June, 1947, are:

	1948	1947
Cigars.....	6 tons	6 tons
Desiccated Coconut.....	6,498 "	4,331 "

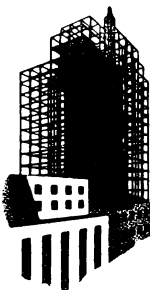
Coconut Oil.....	2,508 "	1,358 "
Copra.....	49,490 "	29,000 "
Copra Cake.....	3,813 "	1,907 "
Hemp.....	47,786 bales	69,022 bales
Logs and Lumber.....	1,920,468 board feet	—
Ores.....	18,574 tons	20,000 tons
Rope.....	346 "	357 "
Sugar.....	21,093 "	—
Tobacco.....	5 "	172 "

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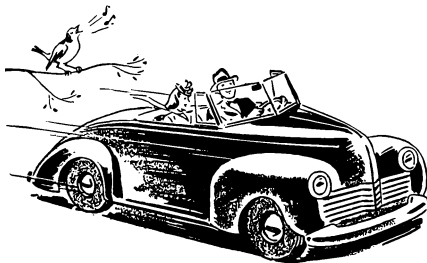


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- (F) Sheet Metal Shops
- (G) Marine Railway

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Port of Manila

By CHARLES PARSONS
Luzon Stevedoring Company, Inc.

THE Port of Manila is at the present time handling a stepped-up amount of cargo due chiefly to the fact that the roadways within the Port Area have been finished. This makes it possible not only for the brokers' trucks to make more trips per day, but to use means of cargo-handling — such as towmotors, dockmules, and other type of equipment, which previously could not be used even between one pier and another. In June the Port of Manila handled close to 182,000 tons of commercial cargo, including shipside delivery over the piers. To this may be added approximately 150,000 tons for the Army over Piers 1, 3, and 5, all of which, of course, went through the Port Area establishment.

By comparison with the pre-war average of from 60,000 to 70,000 tons and a peak of around 85,000, it will be seen that in spite of the present still dilapidated condition of the piers and the slowness with which rehabilitation has gone forward, the Port is working at high pressure in delivering cargo. The amount of cargo coming into the Port has been increasing regularly because of the growing availability in larger amounts of construction material, especially cement, during the past months. Consumer cargo has gone downward to a slight degree, but this has been more than covered by increased tonnage in building material, machinery, and other types of supplies which have been in short supply.

The reconstruction work on Pier 9 is progressing according to plan, and by the end of 1949 it should be possible to use a section of it for civilian cargo. This will be the first pier to be rehabilitated in the South Harbor and will represent then the first return to normal handling conditions.

During the month of July, San Fernando was made an open port. Ocean-going vessels may now discharge cargo there. The Port of Aparri, which has been but slightly used since the date of its opening, was closed and the Customhouse there transferred to San Fernando.

The opening of San Fernando will give a boost to importers of the Baguio region as it is believed that increasing amounts of cargo destined for Baguio will be landed at that port to avoid the congested harbor of Manila and the additional cost of the overland haul. The first imported cargo landed at San Fernando was a shipment of cement.

During the month, the Bureau of Public Works started dredging a deep-water anchorage within the Manila breakwater, so that vessels drawing more than 30 feet, which heretofore were required to anchor 2 to 3 miles off the breakwater, will shortly be able to enter and remain at anchor within it. This will be of special importance to large tankers which invariably draw from 31 to 35 feet upon arrival at Manila. Inconvenience and extra expense in landing gasoline has long been caused by the fact that these tankers have to anchor well away from the breakwater until a portion of their cargo has been discharged. Upon arrival during bad weather, or during weather which does not permit them to discharge within the breakwater at all, they sometimes have to wait for as much as two weeks.

Inter-Island Shipping

By G. F. VANDER HOOFT

Manager, Everett Steamship Corporation

DURING the month of July inter-island vessels have moved considerably less freight and passengers than during earlier months of the year. This slump in business is not unusual at this time of the year, and is brought about by the rains and by the passing of the school-opening season. It was further aggravated in the case of freight by advance shipments of commodities made during previous months, prior to the passage of legislation which increased taxes.

This situation very much affects some operators who, with present high costs of operations, find that vessel revenues do not cover expenses. As a result of this condition, some of the operators keep changing the routes of their vessels in a desperate effort to seek more revenue. Some turn over the operation of their ships to other parties, sometimes with little regard for their financial standing or business experience, while still other operators tie up their ships. Competition is very keen, and the granting of rebates and special concessions has been noticed.

Most of the inter-island operators are members of the Philippine Shipowners Association which strives to maintain fair trade practices. If one carrier allows rebates or discounts, the shippers soon begin clamoring for similar treatment from all the others.

The Association recently held a meeting to discuss such unfair practices, and have scheduled further meetings in order to find a solution to this particular problem. It is hoped that the Shipowners Association will find a method which will enable them to maintain fair and reasonable rates and eliminate deliberate unbusinesslike tactics.

Air Transportation

By V. A. BRUSSOLO

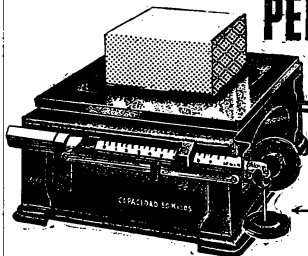
Vice-President, Philippine Air Lines

SOME activities of the Civil Aeronautics Board during the past several weeks are worthy of note. Among these are the following: (1) An application of the South Eastern Airways for an air commerce permit and letter of authority for a Rome-Manila and Manila-Australia flight, was endorsed to the Civil Aeronautics Administration for study and recommendation. This airline is owned by Mr. Martin Tinio. (2) A request of the Philippine Airlines for a flagstop at San Andres, Tayabas, of Flight 111, 112, and 144 was approved. It was explained that these stops are for the purpose of loading and unloading cargoes and materials for the Philippine Oil Development Company. (3) A request of the Commercial Airlines to sell two of their C-64's to the Philippine Air Force was approved.

At one of the executive sessions of the Civil Aeronautics Board, the request of the Legation of the Republic of China for an increase in the exchange of flights by the Chinese and the Philippine commercial aircraft between the two countries, was held in abeyance because of the fact that there is a protest against the practice of the Chinese air carriers of operating from Amoy direct to Manila, — a privilege which is not granted to Philippine carriers.

At the CAB meeting held July 17, the application of the FEATI Institute of Technology for an air commerce permit and letter of authority to "operate air service in furtherance of business," was opposed by the Philippine Airlines in view of the fact that the purpose of the application—"in the furtherance of business"—which includes flights for sight-seeing, photography, crops-dusting, etc.,

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is in violation of the provisions of PAL'S contract with FEATI. CAB referred the matter to the CAA for further study and recommendation.

Air transportation may be instituted some day between the Philippines and Norway. This hope was expressed by Minister Nicolai Aall, envoy extraordinary and minister plenipotentiary of Norway to the Philippines, during the presentation of his credentials to President Quirino. He said (among other things):

"Friendly intercourse, commerce, and shipping have during many years past bound together our two countries, both governed by the same democratic ideals. For years we both fought the same enemy for liberty and for freedom of mankind. In fact, nothing has ever divided us except the factor of distance. But even this obstacle is now being overcome by modern air transportation,—so effectively proved by the pioneer services undertaken by your Republic."

If the activities of the CAA's Office of Aviation Education are any indication of the people's interest in aviation, then the future of the nation in air commerce is assured. According to Mr. P. C. Morante, head of the aviation education office, school teachers all over the archipelago are swamping his office with requests for air age education materials and for instructional teaching aids. Aviation education is one cultural program which is now beginning to be undertaken by Philippine schools. The ultimate aim is not only to develop civil aviation in the Philippines but to make our nation air-faring. Fast trade and commerce need the highways of the sky, and the topography of the Islands demands that this mode of transportation be fully developed. Director Esteban R. Abada, of the Bureau of Public Schools, and Director Manuel L. Carreon, of the Office of Private Education, are cooperating with Mr. Morante in carrying out the project of aviation education in all our schools. Up to this writing, approximately 250,000 brochures on aviation

education have been issued by the CAA office of aviation education to teachers, superintendents, educational directors, and others in the teaching profession all over the Philippines. An educational body on aviation education has already been created by the Director of Public Schools under the chairmanship of Superintendent Venancio Trinidad of the Manila City Schools. This committee will find ways and means of infusing aviation matters into the course of study in Philippine schools at all grade levels.

Land Transportation (Bus Lines)

By L. G. JAMES

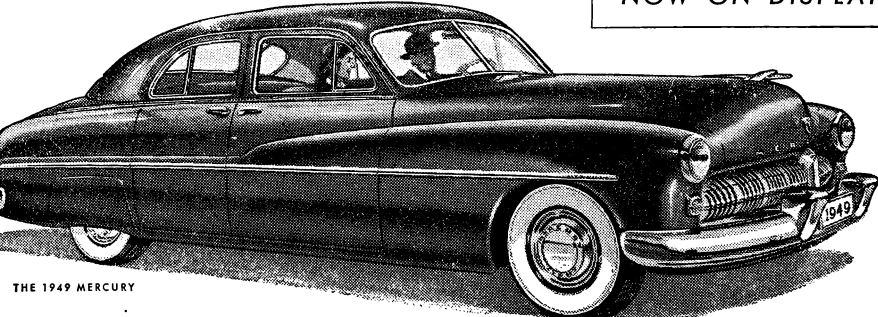
Vice-President and Manager, A. L. Ammen Transportation Co., Inc.

EXCESSIVE competition and the bad weather which prevailed in Luzon during the months of June and July have been responsible for an appreciable falling off in the revenues of all bus transportation companies operating in various areas of the Island. A number of small operators have either suspended their business or effected drastic curtailments.

This is a possible procedure for the operator whose fleet consists of anywhere from 1 to 10 or 15 buses and who makes no pretense of maintaining authorized schedules or of confining his operations to approved lines. He has practically no fixed overhead expense and it costs him little to "deadline" a portion of his fleet when decreased revenue makes it unprofitable to operate his schedules and lines

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as authorized. He may do this with a part of his fleet and with the rest invade the lines of other operators where business is more profitable.

He ceases to render a public service and operates without regard for laws or regulations, to the detriment of the public and that of his more responsible competitors who make every effort to follow fixed schedules and to conform to regulations as set forth in their certificates of public convenience.

The Public Service Commission has authority to deal drastically with operators who fail to observe the provisions of their certificates, but it has been unable to enforce this authority due to lack of funds with which to pay the cost of supervision of public utility operations.

This is a situation which is difficult of explanation. Every truck and bus operator is required to pay an annual "Supervision and Inspection Fee" for each vehicle that he operates. This fee is based upon the tonnage of the vehicle and, with the buses of various types commonly in use, it varies from P20 to P40 per unit as an average.

The records indicate that the Public Service Commission has collected such fees in a total amount exceeding P450,000 for the period January 1, 1947, to June 30, 1948. However, regardless of the fact that these fees are collected from operators for the express purpose of paying for the cost of "supervision and inspection", only a limited portion thereof is actually set aside therefor in the budget of the Department of Justice. The balance is apparently used for other government expenses. The Commission is without funds for carrying on this very important function.

With a general decline in revenue and in public purchasing power, the hundreds of temporary and irresponsible

operators who crowd the highways will find it expedient to commit more flagrant violations and give less regard to the regulations under which they are supposed to operate. Unless the Public Service Commission is provided with adequate funds (which have already been collected for the specific purpose of maintaining its supervisory functions), the present chaotic conditions prevailing in the land transportation facilities of the country will become increasingly chaotic, with the public and the responsible operators being the victims of the situation.

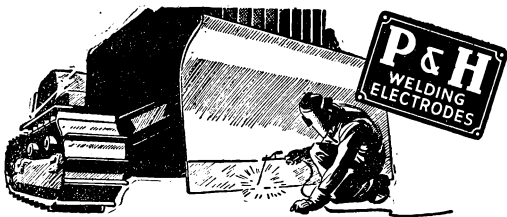
The present trend of decrease in revenue is expected to continue for another two to three months, until the rainy season is over and the harvest season begins in the various areas concerned. In regions dependent upon coconut products as the mainstay of the general economy, the recent reduction in copra prices has also seriously affected the revenues of transportation companies.

Minerals

By CHAS. A. MITKE
Consulting Mining Engineer

IN order to expedite prospecting and to open up a largely unknown Territory, the Canadian Government recently departed from its well known method of procedure and gave two large mining corporations "concessions", granting each of them the exclusive right to prospect some 500 square miles on the south shore of the Great Slave Lake, in the Northwest Territories.

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The reason for this is that very few prospectors have the means to penetrate this area and finance one expedition after another, until they discover something worth while. On the other hand, the two corporations will each spend \$50,000 the first year, and \$75,000 during each of the two succeeding years, on detailed prospecting. Claims may be staked during the period of the concessions, but one-half the area must be relinquished after the second year.

A long-range program is being planned by the respective companies, including magnetic surveys with helicopter planes. This is something new, which, so far, has not been tried in the Philippines. It is an expensive method of prospecting and can only be used by a corporation. It requires a specially designed magnetometer, which is a very sensitive and fairly large magnet, capable of being properly leveled up and set into the helicopter plane. Back and forth flights of about 50-miles are undertaken, and a 50-mile square is covered. Observations are made by trained observers, engineers, of any unusual areas on the ground which affect the instrument. These are known as "anomalies". When so-called "anomalies" are located, the plane is kept stationary and brought down very low, near the ground. Notes are made, photographs taken, and, later, trails are cut through the jungle or forest to this point and a geological party put to work to ascertain what mineral has caused these anomalies.

In order to be effective, this method should only be used where there is believed to be mineral which has certain magnetic properties.

At the moment, the method is being tried out in Norway to locate magnetic iron ore-bodies. It was used in Canada on titanium ores, which also have strong magnetic properties. Attempts have been made to locate lead,

zinc, nickel, and copper ores. However, these are much more difficult to locate because of the very weak magnetic field surrounding these deposits. Experiments are being carried out constantly, and it is hoped that, ultimately, these other metals may be located more readily.

The method has also been used to trace magnetic rocks and fault lines in oil fields. In fact, it is being used quite extensively at the moment to trace out underground rock structures, so that stratigraphic maps can be made before locating new oil wells.

Presence of lead-zinc mineralization in the areas contained within the two Canadian concessions, has been known for many years, and some work was done in 1929. At that time half a million tons of ore were indicated, averaging about 7% lead and 9% zinc.

It is hoped that during this present era when there is a world shortage of lead and zinc, and increasing demands are constantly being made on the copper, aluminum, chrome, manganese, and nickel reserves, that the new methods will be perfected shortly, so as to make essential metals available in quantities sufficient to meet the needs of mankind.

Lumber

By E. C. VON KAUFFMANN

President, Philippine Lumber Producers' Association

THE local market situation remains unchanged with prices too low for producers to operate at a profit. With prices of Red Lauan at P180, Apitong P160 to P170, and White Lauan P150 to P160 delivered at buyers' yard, it means that the producer still has to deduct his expenses for delivery from steamer to yard, freight,

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commission, and sales tax, the whole averaging around ₱44 per 1,000 board feet, to get at his net f.o.b. price at the mill.

On a production of a fair percentage of Red Lauan, Apitong, and White Lauan of say 40%, 25%, and 35% respectively, producers get about ₱110 net f.o.b. steamer at their mill, and their cost ranges between ₱120 to ₱140 per 1,000 board feet.

A few exporters may be able to improve on their overall average f.o.b. price, but the great majority of producers are practically entirely dependent on the local market and should not hope for any improvement until the rainy season is over.

Copra and Coconut Oil

June 16 to July 15

By MANUEL IGUAL

General Manager, El Dorado Trading Company, Inc.

AND KENNETH B. DAY

President, Philippine Refining Company

FROM the viewpoint of the Philippine copra producer and the average copra dealer, the period under review was a most dissipating one. Export prices declined steadily throughout the month, and registered an overall drop of approximately \$50 a ton. Large operators, however, both in the Philippines and in the United States, profited greatly by this trend, for they sold heavily for future shipments as the market went down, which they were in a position to cover in very profitably later on.

The weak spot was Europe, which had been expected to be a strong consumer of copra and to bolster the market at about the \$300 level. European buying, however, was largely controlled by the ECA (European Cooperative Administration), and European buyers were smart in taking on future shipments rather than spot, thus preventing the bulge which nearly everybody had expected to occur late June or early July.

On the Coast, where buyers were bidding \$310 c.i.f. on June 16, the price gradually drifted down without any reaction to a low of \$260 c.i.f. as the period ended. Some copra was sold on the decline, but the volume was not very great and buyers were continually backing away. Most of the business was for prompt shipment. Eventually sellers who had been hoping for better things, became reconciled to the essentially weak tone of the market, and as the period ended, were prepared to sell moderately, anticipating even further declines.

Meanwhile, coconut oil was in very light demand, with, however, occasionally small spot interest from edible consumers ranging from 25¢ down to 22¢. Large inedible consumers were not interested in these prices, but did take on a fair volume of future business for the last quarter of the year ranging from 20¢ down to 19¢ per lb. f.o.b. Coast, which discounted the copra market radically at the time of sale.

The encouraging factor, if any, in this whole picture was that by the drop in coconut oil, reflected in copra, the spread between tallow, which held fairly firm at 17 to 18¢, and coconut oil was greatly narrowed. It has long been felt that once coconut oil and tallow were nearly in balance, large consumers would renew their interest in coconut oil, and would be willing to buy larger quantities for further future positions, thus doing much to re-stabilize pre-war conditions. It appears that the developments during this period showed considerable promise in this direction.

Local prices both for copra and coconut oil followed closely the export trends. In Manila, copra sold down from ₱62 to ₱47 and in Cebu from ₱62 to ₱50,

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Cebu interest being chiefly to cover export commitments. Coconut oil dropped from ₱1.13 to ₱.92 per kilo. Copra and oil exports for June were light, and the preliminary figures are as follows:

Pacific Coast ports.....	13,571
Atlantic Coast ports.....	2,876
Gulf ports.....	3,271
Europe.....	18,693
Total.....	<u>38,411</u> tons

There was very little interest in copra cake because of lack of dollars in Europe, but indicated quotations dropped from \$72 per ton f.o.b. to \$65. Generally speaking, the equivalent of copra meal on the Coast was better than these figures.

By July 15, we were entering the heavy copra producing season. Arrivals were somewhat better than have been anticipated, but it was the general feeling that there would be nothing spectacular about arrivals even in August, and that prices have fallen so far that they actually serve as a deterrent to production. The "\$64 question" was whether the market was overcommitted for July/August shipment. The general impression was that, while considerable quantities have been sold, some dealers were in a slightly long position, and that there was little in the picture to indicate a squeeze anywhere along the line. In fact, by mid-July, the steam was completely out of the market, and dealers were reconciling themselves to substantially lower prices in August and September.

All of this is discouraging from the viewpoint of revenue for Philippine producers and export balances for the Philippine Government, but from a long range point of view, this turn was to be expected eventually, although the velocity and extent of the current drop has exceeded all calculations.

Desiccated Coconut

By HOWARD R. HICK

President and General Manager

Peter Paul Philippine Corporation

THIS report covers the period from June 15 to July 15. Raw-material procurement has been easy, with an abundant supply of nuts available. This is due to the fact that this is the season of the year when nuts are large and most plentiful.

Because of the plentiful supply, the desiccated coconut manufacturers were able to purchase nuts at prices very close to copra equivalent values. However, during this period, copra prices have dropped so rapidly that daily delivery prices have generally been considerably above the daily copra market quotation, as most buying is done on a contract basis, contracts being made for a week to 10 days at a time.

Most of the factories are now running at full capacity and some have even worked a 7-day week in order to increase their capacity. One factory, the Red V Coconut Products, Ltd., has increased its production with additional machinery at the Dalahican factory in Quezon Province. The total amount of desiccated coconut shipped during the month of June was 9,629,960 lbs., with the July production figures promising to break the 10,000,000 lb. mark.

The following are the shipping statistics for the month of June:

Blue Bar Coconut Products Co.....	2,146,260 lbs.
Cooperative Coconut Products.....	None
Franklin Baker Co. of the Philippines.....	4,105,100 "
Isabelo S. Hilario.....	97,000 "
Luzon Desiccated Coconut Co.....	None
Peter Paul Philippine Corp.....	1,680,100 "

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Philippine Desiccated Co.	Shipped by Blue Bar
Red V Coconut Products, Ltd.	739,500 "
Standard Coconut Corporation	228,500 "
Sun-Ripe Coconut Products	633,500 "
Tabacalera	None

TOTAL..... 9,629,960 lbs.

Of the total Peter Paul shipment, 179,400 lbs. were produced by Standard Coconut Corp.

Sugar

S. JAMIESON

Alternate Secretary-Treasurer, Philippine Sugar Association

IN our previous market review dated June 24, 1948, we reported that the New York market had closed with sales at 5.50¢ and indications that sellers were holding out for higher prices. The market continued to improve, and large quantities of Cubas and Puerto Ricos and some Philippines were sold, first at 5.60¢, then at 5.65¢, and later at 5.75¢, for July/August/September arrival. The continued improvement in the market drew a protest from the American Bakers' Association, supported by several other consumer groups, to the Secretary of Agriculture and a request that the United States consumption quota be increased in order to check the rise in prices. The protest found support in a statement issued by Senator Bridges, of New Hampshire, criticizing the Secretary of Agriculture for having made too large a reduction in the quota at the end of May. This caused a brief pause in the market, refiners being hesitant about making further commitments, but they soon re-entered the market and cleared it of offerings of Puerto Ricos and Philippine sugar at 5.75¢. However, the protest referred to apparently had some effect, for advices were received yesterday that the consumption quota had been increased from 7,000,000 to 7,200,000 short tons. A decline in "spot" and "futures" followed the announcement.

Quotations on the New York Sugar Exchange for the period June 14 to July 13, under Contracts Nos. 4 and 5, ranged as follows:

Contract No. 4 (World Market)

	High	Low	Close	Sales
July.....	4.15	3.90	3.90	11,650 tons
September.....	4.11	3.90	3.90	28,850 "
March, 1949.....	3.76	3.45	3.45	7,300 "
May, ".....	3.76	3.50	3.47	4,450 "
July, ".....	3.70	3.69	3.69	750 "

53,000 tons

Contract No. 5

	High	Low	Close	Sales
July.....	5.25	4.80	4.80	45,700 tons
September.....	5.29	4.85	4.84	141,500 "
December.....	5.25	4.80	4.79	3,500 "
March, 1949.....	5.05	4.52	4.52	50,500 "
May, ".....	5.06	4.62	4.55	29,200 "
July, ".....	5.04	4.89	4.83	8,600 "
September, ".....	5.06	5.04	5.04	250 "

279,250 tons

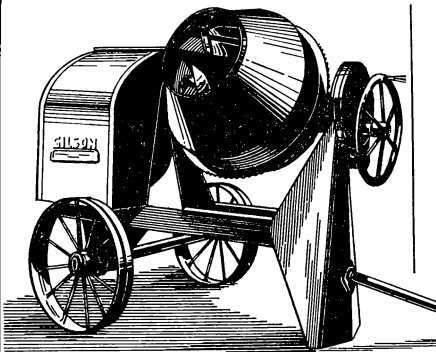
The quantity of 1947-48 export sugar remaining unsold in the local market, is not very large and buyers would probably pay up to P13 per picul, f.o.b. steamer, for the available supplies. It is reported that they have been limited transactions in new crop sugar on the basis of P12 per picul, ex mill warehouse.

The domestic market remained steady. Ordinary centrifugal sugar was quoted at P15 per picul, delivered Manila, and the better grades of centrifugal sugar and washed sugar at from P16.50 to P20.50 per picul.

Final returns for the 1947-48 Philippine crop are not yet in, but it will be about 400,000 short tons. This should

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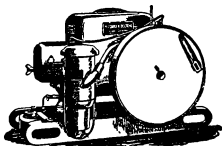
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make about 280,000 short tons available for export, of which it is estimated that 210,000 short tons have already been shipped. There are heavy bookings for the next two months, and by the middle of September the export of 1947-48 sugar should be practically finished.

It is perhaps too early to make a reliable forecast of the 1948-49 Philippine crop, but a preliminary estimate places it somewhere between 675,000 and 725,000 short tons.

Manila Hemp

By H. ROBERTSON

*Vice President and Assistant General Manager,
MacLeod and Company of Philippines*

The period under review covers June 16 to July 15. On June 16, SCAP bought approximately 15,000 bales of hemp at prices slightly lower than those paid by them on June 2. At the same time, they announced officially that they would be out of the market for some time to come. This announcement, coupled with the fact that they purchased less hemp than generally anticipated, touched off what has developed into an extremely severe decline in prices.

For some time past, it had been apparent that United States consumers were oversupplied, due to the declining

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demand for rope and twine; however, confronted with the heavy SCAP buying, the United States market had maintained an outwardly steady appearance—but with no buying interest. Just as soon as sellers began to press sales and reduce prices, United States consumers withdrew completely and prices broke sharply. Continued selling pressure and a complete lack of interest drove prices down approximately P10 to P12 per picul for Davao grades, and P5 to P6 per picul for Non-Davao grades. Spot offerings in New York by overloaded consumers had an additional disturbing influence. At the time of writing the market is still weak, with no demand whatsoever.

The following comparisons will give the reader some idea of the severity of the decline during the past 30 days:

	Price on 6/16	Price on 7/15	Decline per Picul	% Decline
De/I — per picul basis				
loose.....	P63.50	P52.50	P11.50	18%
Da/JI.....	62.	50.	12.	19
Da G.....	53.50	43.50	10.	19
Non-Davao I, picul basis				
loose.....	P59.	P53.	P 6.	10%
Non-Davao G.....	42.	38.	4.	10
Non-Davao K.....	29.	23.	6.	21

On the new basis of values, United States buyers continue apathetic and there is no sign of SCAP coming in this month, although it is possible they will buy during August. European demand continues to be very limited due to exchange difficulties.

The local statistical position is healthy, and shipments for the first half of the year were in excess of production. There is little doubt that once the present inventory position of United States manufacturers is adjusted to present consumption levels, demand will pick up.

Pressings for the month of June were 49,607 bales—a decrease of 9,233 bales, as compared with May, and the lowest figure since January, 1947. Non-Davao, 31,942 bales—down 4,740 bales; and Davao, 17,665 bales—down 4,493 bales. The total pressings for the first half of 1948 were 362,246 bales, as compared with 381,584 bales for the first half of 1947.

Tobacco

By the CONDE DE CHURRUCA

President, Manila Tobacco Association

ON July 22, Secretary of Industry and Commerce Placido Mapa invited leading representatives of the tobacco industry in the Philippines to his office with the object of establishing a basis for the rehabilitation of the industry.

Besides Secretary Mapa, the Collector of Internal Revenue, Mr. Meer, the Director of Commerce, Mr. Mendinueto, the Manager of the National Tobacco Corporation, Mr. Perez de Tagle, and the President of the Manila Tobacco Association were present; Congressman Domingo Paguirigan of Isabela, and the Governor of the same Province, the Hon. Silvano Gumpal, also came to confer with the Secretary. Representatives of practically every important factory and leaf-tobacco dealer were present at the conference.

The keen spirit of concern demonstrated by Secretary Mapa, and the genuine desire to cooperate with the Government shown by the tobacco men, were the features of the conference.

The problems taken up were:

- (1) The possibility of reestablishing the export trade in cigars.
- (2) The necessity of producing bigger crops and reducing prices to promote the export of leaf tobacco.

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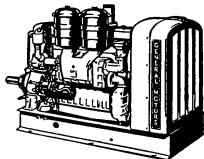
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(3) Ways and means of competing with imported cigarettes, now consumed in the proportion of 10 to 2 against the local brands.

The first problem hinges on the high cost of leaf tobacco and the high cost of labor. Only big crops will lower the first, and the use of machinery the second.

Most of the manufacturers are reluctant to use machines because they want to avoid any measure which might go against the workers' interests. The principal aim in rehabilitating the business is to help the farmers and workers, and the use of machines might defeat this aim. We believe it wiser to wait until the cost of living is sufficiently reduced or the prices obtainable for cigars are sufficiently increased, than to adopt a radical measure which might mean difficulties for our workers.

The only alternative would be to sell only high grade cigars which could compete with the best foreign products.

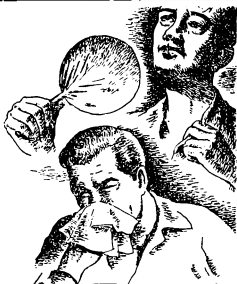
This is easy to say, but hard to carry out, although the writer doesn't deem it impossible. It is hard, especially after so many years of advertising Manila cigars as among the cheapest. The Government, through its consulates and agencies, and through a little judicious advertising, could help a lot to promote the new idea, and perhaps in the long run it would work out, if only up to a point. The thing is to get it started.

The second problem is easier to solve, as the last three years have been exceptionally bad as weather goes, and about half of the three crops were lost. But even though we may expect larger crops in the near future, they will probably never equal the pre-war crops, the principal reason being that in each new generation the number of farmers becomes less as the young people abandon the land for town-life.

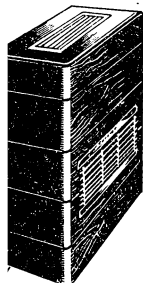
The third and last problem is also very difficult as the tastes and habits of the smoking public are already established. Our only chance is to grow Virginia leaf tobacco ourselves, and to produce a type of cigarette acceptable to the public.

It can be done, and the National Tobacco Corporation has made encouraging progress in research and experimentation which will be extended next year in helping private enterprise expand production of this leaf tobacco. Of course, this will take time, but it may, in the end, become a very important source of business for the Islands, as besides the local market there is an unlimited field in China and other Far Eastern countries, whether for leaf tobacco or manufactured cigarettes.

In general, even if the prospects are not brilliant for the near future, we are justified in hoping that our tobacco industry will regain its place, if we learn how to adapt the old pattern to the conditions and demands of the present day.



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Food Products

By E. A. L. Best

Manager, Food Products Division
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SINCE our last report, foodstuff inventories have continued on the heavy side. Some commodities liquidated themselves satisfactorily, but in general, movement has been sluggish. Free cash is definitely tight. This feature is particularly obvious from low provincial returns and seriously causes many indentors to feel the depression seriously. The writer cannot foresee any improvement in this respect until: first, new rice crops are harvested; second, copra shipments in larger volume are resumed; third, better hemp prices abroad are obtained, and, fourth, exporting industries such as ramie, tobacco, rattan furniture, embroideries, etc., are rehabilitated.

It is an unfortunate fact that most Philippine indentors do not have, or follow, a definite buying policy. They are inclined to hoard, and to gamble with their orders placed, en route, and or in stock, rather than to merchandise on a replacement-cost basis. This principle confuses distributors, dealers, and consumers. It should not be long before speculators will realize this market automatically has resolved itself to such a close margin of profits that quick turnover and reinvestment will be the only means by which dividends can be declared.

Momentarily, old established brands of flour are being resold with a small margin of profit. United States manufactured, per 50-lb. bag:

First quality	P10 00
Second "	9 50
Third "	9 00

Unknown brands are offered at losses representing from P2 to P3 per bag, with few buyers. Anticipate lower prices and plenty of flour in the Philippines for at least 6 months hence, or until Mr. Molotov appears to discuss matters.

The milk situation is steady from the United States supplier viewpoint, but vacillating from the Philippine indentors' cost ideas. On July 24, leading American manufacturers increased their prices. Top United States brands are quoted at this writing:

C. i. f. Manila—Tall and small sizes — \$7.75 per case (add 5% sales tax to this, plus other expenses and see what your landed cost would be).

Local wholesale Manila prices range from P15.80 to P17.20 per case. Inferior brands are in a lower bracket. June tinned-milk importations were:

	Evaporated	Condensed
1947/1948 monthly average.....	145,133 cases 95,660 "	6,420 cases 21,765 "

Tinned fish appears to be most unstable. Manila holders are reputed to be overstocked, but they should not be alarmed concerning their holdings, for two reasons:

- Opening price announcements in the United States are very high;
- Early Philippine typhoon season will decrease local catch of fish and consequently higher prices will prevail for the imported canned article.

American Chum Salmon in tall tins opened last week, f.o.b. Seattle, at \$21 per case of 48 cans. There will be few Philippine buyers at this price.

Fresh fruits and vegetables from Pacific ports and sources are beginning to be offered in season. There is an inconsistency of offers by sellers and acceptances by buyers. Some buyers are willing to pay \$3 premium more per chest of 32# for grapes (which only cost \$5 in the States) in order to get (possibly immature) product in Manila on the first boat.

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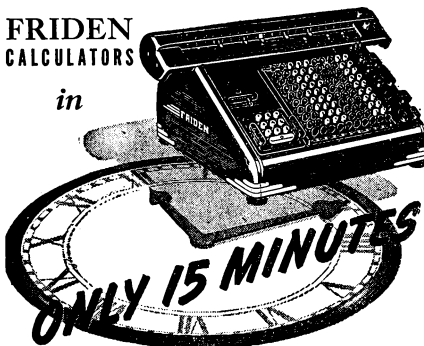
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Legislation, Executive Orders, and Court Decisions

BY EWALD E. SELPH

Ross, Selph, Carrascoso & Janda

SHORTLY after the last issue of the *Journal*, the President acted upon a number of bills passed at the last special session of the Congress:

House Bill No. 1198, regulating civil engineering,
House Bill No. 1554, regulating mining engineering
and licensing mining and milling foremen, and

House Bill No. 1851, regulating the practice of architects, were vetoed.

House Bill No. 1794, creating the Board of Import Control, consisting of the Secretary of Commerce, the Undersecretary of Finance, and the General Manager of PRATRA, became Republic Act No. 330. This Board is now engaged in determining what are non-essential and luxury articles, their proper classification, the method of allocation of quotas, and the terms and conditions upon which permits for the importation of such articles may be issued.

House Bill No. 1922, creating the City of Dumaguete, became Republic Act No. 327. House Bill No. 1970, creating the City of Calbayog, became Republic Act No. 328. House Bill No. 1975, which amends the Charter and the taxing power of the City of Baguio, became Republic Act No. 329.

House Bill No. 1929, consolidating and amending laws affecting banking institutions, became Republic Act No. 337.

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House Bill No. 2003, establishing the capital of the Philippines and providing for a Planning Commission and authorizing it to purchase or expropriate private estates within the area described, and to establish zones, determine height and area of buildings, etc., became Republic Act No. 333.

Senate Bill No. 345, providing for the lifting of the Moratorium for certain debts and under certain conditions, became Republic Act No. 342. Sec. 2 provides that pre-war debts shall not be due or demandable for a period of 8 years after settlement of the debtor's war damage claim, and that, in event Sec. 2 should be in any way declared void and unenforceable, the former Executive Order on the Moratorium shall continue in force.

Some executive orders were issued recently, among which are the following:

Executive Order No. 142, issued May 28, 1948, modifies Sec. 6 of Executive Order No. 91 of February 5, 1946, (Ceiling prices). The change is only in the personnel of the Price Fixing Committee, and the Secretary of Labor is substituted for the Secretary of Interior. The power to increase or decrease ceiling prices, or provide higher or lower markups for wholesalers or retailers, remains the same, with the proviso that "the retailer shall have a margin of profit of not less than 10% nor more than 15% over the operating expenses."

Executive Order No. 143, dated June 5, 1948, extends for 6 months from June 5, 1948, the terms of Executive Order No. 65 regarding export by producers of logs, fitches, and sawn lumber (not more than 50% of product actually produced and marketed during the previous month). This was accompanied by some amendments to the rules and regulations which modify those issued under the previous Executive Orders on this subject.

Executive Order No. 150 creates the Social Security Study Commission, which is empowered to issue subpoenas and compel production of documents and take testimony relative to formulation of legislation providing for a social security system. It is directed to study a social insurance program.

Executive Order No. 155 fixes Friday, October 1, 1948, as Census Day "on which date the enumeration of the population and collection of all pertinent social and economic data about the Philippines shall begin and proceed on consecutive days from daylight to darkness, including Sundays and holidays, until completed."

On June 16, 1948, the Department of Finance issued Revenue Regulations No. V-3, covering payment of the sales tax in advance, as authorized by Republic Act No. 253. Where a shipment consists of articles taxable under different rates, the expenses, such as freight and insurance, shall be apportioned according to the value of the articles. Where articles are imported for use in the manufacture of other articles, the tax is payable before the

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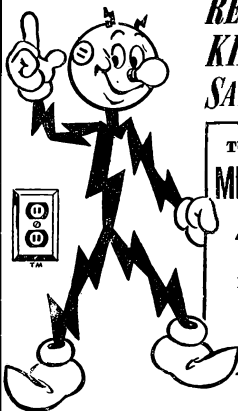
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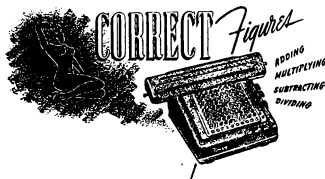


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articles are removed from the Customhouse. It provides that in cases where it is impracticable to pay the taxes prescribed, the Collector of Internal Revenue may authorize the manufacturer to pay in advance, not later than the 5th of each month, an amount sufficient to cover the estimated percentage taxes due for one month, provided the manufacturer keeps the books and records prescribed by the Collector of Internal Revenue. Every importer or manufacturer must make the usual quarterly return of sales but "the amount paid in advance by importers, manufacturers, and producers shall be credited against the percentage taxes due on their sales for each calendar quarter."

The Department of Finance also issued a general circular No. V-51, dated July 2, 1948, regarding exemption of certain articles from the compensating tax. The exemption covers articles used by the importer himself in the manufacture or preparation of, and to form part of, articles subject to specific tax or for consignment abroad; single shipment to a single person of an article not exceeding ₱100 in value; and goods brought by a returning resident of a total value of not exceeding ₱500.

The Department of Finance further issued a circular letter, No. 245, regarding forfeiture of bonds for failure to produce certificates of origin or notarial certificates of manufacturers, within the time provided in the bond.

Philippine Safety Council

By FRANK S. TENNY

Director, Philippine Safety Council

THE Philippine Safety Council, in an official release, has praised Chief Primo Villar of the Motor Vehicles Office and the board of directors of the Philippine Motor Association for recent action taken with a view toward traffic safety.

Chief Villar has announced a nation-wide drive against illegal for-hire vehicles. This campaign should reduce traffic mishaps considerably, as that type of vehicle figures heavily in accident statistics. The Safety Council has devoted much attention to these factors for some time, in cooperation with the Public Service Commission and the M. V. O.

The Council also heartily endorsed the plan of the Philippine Motor Association to revive the pre-war school-boy safety patrols to guard school children at intersections and crosswalks while going to and from school. In spite of the efforts of the Manila Junior Police, many such crossings present great danger both to the children and to the motorist.

Another Safety Council announcement disclosed that driver training classes are continuing full scale in the Bachrach Taxis, Rural Transit Buses, Philippine Match

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Company, Time Taxis, and other companies. Complete eye tests were recently given all drivers of the Coca Cola plant, the San Miguel Brewery, the Harbor Police; with others scheduled to follow soon. Other types of safety programs are in progress in Elizalde & Company, Puyat & Sons, and the Manila Electric Company.

As part of its participation in the recently organized Committee of Civic Organizations, the Safety Council is preparing a modern and complete set of traffic regulations for use in the Philippines. Louis P. Croft is acting as chairman of the group engaged in this work. The improved regulations will be based upon those introduced by Frank S. Tenny during his incumbency as Director of Traffic for Manila.

The San Miguel Brewery, including its numerous allied companies, continues to set the pace in incorporating industrial safety measures into its operations. The Company Safety Program is designed to protect employees from accidents, to promote operational efficiency, and to further the national safety movement in general.

A driver training program was begun during the latter part of last year. All drivers of San Miguel were given lectures, tests, etc. which has resulted in bettering their already good traffic records. The Coca Cola drivers, in particular, attained the highest marks on their written driver tests in Safety Council experience. Recently all drivers underwent a professional drivers eye-test and the program is continuing from time to time. Of special note is the industrial safety program recently begun. The plan is divided into phases of Fire Prevention and Fire Fighting, Lighting Efficiency, Prevention of Industrial Accidents, and Security Systems. Each plant will be treated according to its individual needs and in accordance with the most modern and accepted international safety standards. Teams are scheduled to finish the initial surveys at the main brewery by August 1. Employee safety committees will be formed to obtain their suggestions and to aid in furthering the program among all the workers.

Philippine Parcel Post

A RECENT exchange of letters between the Director of Posts and this Chamber is of interest. It concerns the fact that while there is no limitation on the number of parcels, regardless of contents, which may be sent from the United States to an office or an official of the Philippine Government, private persons and entities may receive only one such parcel a week with the exception of parcels containing books, on which there is no limitation.

The Chamber asked the reason for this in the following letter:

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ManilaThe Director of Posts
Bureau of Posts
Plaza Lawton, Manila

July 13, 1948

Dear Sir:

We note an entry in the American Import and Export *Bulletin*, New York, for April, 1948, page 298, under the heading, "International Mail", which runs as follows:

"PHILIPPINES—There is no limitation on the number of parcels regardless of contents, addressed to an office or official of the Philippine Government which may be accepted for mailing at one time. Also, there is no limitation on the number of parcels containing books and other printed matter that may be sent at one time to any address in the Philippines. With the exceptions noted above, only one parcel post package per week may be sent by or on behalf of the same sender in this country for the same address in the Philippines."

We assume that the words, "this country", refer to the United States.

We should like to inquire whether this entry is correct, and, if so, who made the ruling and the reasons therefor; and we should also like to have information as to how long the ruling is likely to remain in effect.

Very respectfully,
AMERICAN CHAMBER OF COMMERCE OF THE
PHILIPPINES, INC.

The answer was:

July 19, 1948

The American Chamber of Commerce
of the Philippines, Inc.
Manila

Gentlemen:

With reference to your letter of July 13, 1948, quoting an entry in the American Import and Export *Bulletin*, New York, for April, 1948, regarding the limitation in the number of parcels which may be mailed from the United States to the Philippines, I wish to inform you that the information therein contained is correct.

As to the origin of said limitation and the reasons therefor, it may be stated that in his letter of June 9, 1945, the Executive Officer, Civilian Affairs Section, United States Army Forces in the Far East, informed the Secretary of Public Works and Communications that the United States postal authorities were ready to resume parcel-post service to Luzon, Samar, and Mindoro. One of the conditions of this service was that one parcel a week would be allowed from the same sender to the same addressee. In October, 1946, this limitation was lifted in the case of packages containing books, magazines, and newspapers from the United States, in response to the request of local importers who are receiving big demands for printed matter because of the destruction of many libraries during the war.

In the early part of this year, arrangement was again made with the United States Post Office Department whereby the limitation was further lifted partially, so as to allow the mailing of more than one parcel a week from the same sender to any office or officer of the Philippine Government or from the latter to the same addressee in the United States, in order to enable the Government to send or receive through the mail much needed materials for its program of reconstruction and rehabilitation.

The limitation could not be lifted entirely because of lack of personnel and suitable quarters for handling large volume of packages from the United States and other countries. The Bureau of Posts Building and many of the post office quarters in the provinces have not yet been completely reconstructed. As soon as this Service is in a position to handle more packages with security and safety than it can at present, steps will be taken to remove entirely the limitation in the frequency of mailing thereof.

Very respectfully,

JUAN RUIZ
Director of Posts

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COST OF LIVING INDEX OF WAGE EARNER'S FAMILY¹ IN MANILA

BY MONTH, 1946-47

(1941 = 100)

By the Bureau of the Census and Statistics

1946	All Items	Food (59.15)	House Rent (6.43)	Clothing (0.82)	Fuel, Light and Water (13.94)	Miscellaneous (17.86)	Purchasing Power of a Peso
January...	603.4	759.2	236.4	984.0	363.8	434.8	1657
February...	547.2	656.3	236.4	940.3	369.5	460.5	1827
March.....	525.9	631.0	236.4	940.1	340.4	445.2	1902
April.....	556.2	684.1	236.4	910.3	345.5	435.9	1798
May.....	545.1	675.6	236.4	762.5	342.3	409.6	1835
June.....	538.7	666.4	236.4	737.9	343.3	404.2	1856
July.....	552.7	704.3	236.4	598.9	341.3	364.6	1809
August....	477.9	590.0	236.4	384.7	320.9	346.3	2092
September	477.9	591.3	236.4	378.7	314.5	347.2	2092
October...	487.4	587.2	236.4	382.7	405.8	342.7	2052
November.	484.8	607.8	236.4	406.4	346.5	305.2	2063
December	461.9	570.8	236.4	371.9	344.7	302.1	2165

1947:

(100 00) (63 43) (11 96) (2 04) (7 73) (14 84)

January...	426.2	468.2	453.9	381.9	326.2	282.5	2346
February...	418.5	454.9	453.9	356.2	344.8	281.4	2389
March.....	406.8	440.1	453.9	295.2	334.7	279.4	2458
April.....	387.7	413.3	453.9	269.2	328.9	271.6	2579
May.....	381.0	404.4	453.9	250.9	325.4	269.4	2625
June.....	386.3	414.4	453.9	236.8	316.6	268.6	2589
July.....	393.4	426.8	453.9	217.7	309.3	269.9	2542
August....	387.4	419.8	453.9	210.2	292.0	269.1	2581
September	368.9	392.1	453.9	216.4	283.3	266.8	2711
October...	358.7	376.3	453.9	212.7	280.5	267.7	2788
November.	358.4	376.3	453.9	215.1	280.5	265.3	2790
December	371.9	395.8	453.9	219.1	298.2	262.9	2689

1948

January...	391.2	428.3	453.9	224.5	304.6	249.9	2556
February...	368.5	392.0	453.9	223.8	301.1	254.4	2714
March.....	349.4	361.0	453.9	214.6	308.1	255.9	2862
April.....	356.1	374.1	453.9	209.4	289.7	254.8	2808
May.....	349.8	360.2	453.9	214.2	289.7	271.6	2859
June.....	354.1	364.9	453.9	205.5	283.6	263.1	2825
July.....	356.4	374.2	453.9	201.3	281.6	262.4	2806

¹ Average number of persons in a family, 4.9 members. Wage P200.00 a month or less.

² Revised in accordance with the new survey of the "Levels of Living, in Manila" by the Department of Labor and the Bureau of the Census and Statistics conducted in December, 1946. The following weights were used in computing the "over-all" index: Foodstuffs — 63.43; House rent — 11.96; Clothing — 2.04; Fuel-light-water — 7.73; Preliminary and Miscellaneous — 14.84.

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The "LET YOUR HAIR DOWN" Column

The articles by Mr. Manuel Mañosa, Manager of the Metropolitan Water District, published some time ago in the *Journal*, on the Manila water supply and the Manila sewer system, created great public interest and helped the Water District to get funds for repair and construction work. Mr. Mañosa wrote us recently as follows:

"Mr. Lloyd K. Clark, Project Manager of the Association of American Railroads, Baltimore, Maryland, recently wrote me stating that he has read my articles published in the American Chamber of Commerce *Journal*. He stated further that he did not know whether the articles were copyrighted or not but that he would like to reprint them in one of their magazines, such as *Public Works*, which has a very wide circulation in the United States. I am submitting this matter to your decision so that I may be able to give Mr. Clark an answer..."

Naturally, we were glad to give our consent to reprinting the articles. The *Journal* is not copyrighted because the reprinting of *Journal* material adds to the publication's

usefulness. All we ask is the customary courtesy credit-line.

W. R. Bickford, editor of the *New York Export Trader and Shipper*, has also asked to be allowed to reproduce, in whole or in part, articles originally published in the *Journal*. He wrote:

"I have your letter of April 26 advising that by the suggestion of Louis G. Wagner you have put my name upon your complimentary list to receive copies of your *Journal*. I greatly appreciate this courtesy, and I am looking forward to receipt of the copies. I assume that you will grant us the privilege of reproduction either in part or in whole of articles in your *Journal* which we consider would be of interest to our readers, a large majority of whom are top executives in export companies in the United States..."

William Noorlag, Jr., Transportation Editor of the *Chicago Journal of Commerce*, wrote us as follows:

"Your name was given to me yesterday by L. G. Wagner, of your city, who addressed a luncheon meeting of the Export Managers Club of Chicago. Mr. Wagner said that

your monthly *Journal* would be a good source of information for us in keeping our Middle West and Atlantic Coast readers informed as to economic developments in the Philippines. Accordingly, we would deeply appreciate having you place our name on your mailing list for the *Journal*. Also for other reports that may be issued from time to time concerning the Islands' import-export trade and potentials. My daily foreign trade and shipping column has a wide readership among traders throughout the Middle West, and any factual data that I can add to it concerning the trade outlook in the Philippines will react to our mutual benefit. Such stories are also sent along to our *New York* affiliate, the *New York Journal of Commerce*. Together we boast a readership of 200,000 top business men. Awaiting your favorable reply, I am," etc.

Our sincere thanks to Mr. Wagner for his good work in interesting these important men in *New York* and *Chicago* in the the *Journal*.

We also had a letter from the Philippine Embassy in Washington, signed for the Ambassador by Mrs. Maria A. Batoon, Librarian. It read:

"The Library of the Philippine Embassy finds your *Journal* a very valuable source of up-to-date reference material. We have been receiving complimentary copies, but we regret that they do not come regularly. If you plan to discontinue sending us complimentary copies, we wish to start a year's subscription beginning July, 1948... Thank you for your immediate attention to this matter..."

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MR. E. A. Perkins wrote us a letter during the month suggesting that we add the line "of the Philippines", to the caption: "Office of the President" in "The Business View" Department. He claimed that every time he picks up the *Journal* and turns to the "Office of the President" column, he expects to read "words of wisdom" from the President of the Chamber. The rest of us here had some difficulty in persuading Mr. Stevens to permit us to publish his now famous Rotary Club speech in the *Journal*, but he finally gave in. So this time we do have some words of wisdom from the President of the Chamber. Mr. Stevens received a large number of letters about his speech immediately after he made it. One from Mr. David G. Gunnell, of the Philippine Education Company, read:

"DEAR FRED: Congratulations on that speech of yours. It merits general public attention. Would it be in order for you to give it to the press? I tried to 'phone you, but can't stand by long enough to get through."

Mr. Ricardo C. Galang, Manila representative of D. C. Heath & Company, New York, wrote him:

"Please accept my warm congratulations for your speech to the Manila Rotarians as published in part in today's *Manila Bulletin*. I like most especially your statement that business is creative. We in the book business,

representing American publishers of long and honorable standing in the Philippines, are beginning to feel the effects of 'hypernationalism'. We have, however, faith in the future, and believe that the real Filipino leaders will not undo the beautiful things that have been accomplished here by liberal democratic free enterprise. I have sent clippings of your speech to my home office in Boston, Massachusetts."

Mr. Go Puan Seng, editor of the *Fookien Times*, sent Mr. Stevens the following letter:

"As I expressed to you last Thursday noon, I was deeply touched by your frank and courageous speech at the Rotary meeting. I have your full speech published in the *Fookien Times*, English edition, word for word today on the front page. There is an editorial commenting on your speech. The editorial and your speech will be fully translated and published in the *Fookien Times*, Chinese edition, this coming week. Copies have been forwarded to the Information Office in Nanking, as well as to Washington through the United States Information Service..."

"WELL", said the editor one day this month, "at last I have read Dale Carnegie's book, 'How to Win Friends and Influence People', having been advised to do so by the sneering young man who always sarcastically signs himself, 'Admirer'. As I said, I have been avoiding that book for years, partly because of a notion, largely based, I am afraid, on mere snobbishness, that any book in the 'best-seller' class is naturally suspect. And I consider myself a democrat, too!

"Then, I suppose, there was the idea in the back of my mind that it has for years been at least a part of my business as editor to 'influence' people, and, as I preened myself on some success in that direction, I considered that I did not need Mr. Carnegie's advice.

"Furthermore", continued our modest editor, "my problem has generally been how *not* to win too many friends. I have always been so fortunate as to have been thrown into contact with many fine and interesting people in the regular course of my every-day work, so that I have not needed to seek friendships outside that already very broad circle. And I have always been so fully occupied that I never have had much time for ordinary social life, as I needed what time I had left for the reading and study which my work requires.

"But my curiosity was aroused by something that 'Admirer' said about Carnegie's book, and so I bought me a paper-bound copy, Pocket Book edition, at a newsstand." It said on the cover that it was "the most popular non-fiction work of our time, of which more than 3,500,000 copies have been sold".

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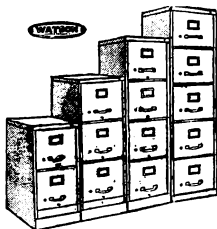
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"What impressed me favorably at the start was the dedication:

"This book is dedicated to a man who doesn't need to read it. — my cherished friend, Homer Croy".

"You see," said the editor, "Carnegie admits that not everyone needs to read his book.

"But I read it, read it through, and it was about what I had thought it would be, — nothing deep, nothing new to anybody who knows anything about individual human psychology. It is a sort of easy analysis of the elements comprised in what is generally known as *tact*, which the dictionary defines as 'the intuitive ability to deal wisely and kindly with others'. The book is just a formulation of courteous common sense behavior in our business and social relations. But as such, it is easy to see that it is valuable to many people whose intuitive abilities in this respect are somewhat wanting, who feel that they rub people the wrong way, and who don't understand quite why.

"The book is divided into six parts: 'Fundamental techniques in handling people', 'Six ways to make people like you', 'Twelve ways to win people to your way of thinking', 'Nine ways to change people without giving them offense or arousing resentment', 'Letters that produced miraculous results', and 'Seven rules for making your home life happier'.

"The discussions are illustrated with many anecdotes about well known people and are summed up in a number of simple rules. The book may definitely be prescribed for many, especially the younger men and women, who have not had some of the facts brought out by Mr. Carnegie knocked into them by the give-and-take of life. It may save them time and trouble.

"One thing in the book which amused me was the first chapter of Part Three, entitled, 'You can't win an argument'. The summing-up is: 'The only way to get the best of an argument is to avoid it'. I guess that Mr. Carnegie was not thinking of lawyers, — and editors, when he wrote that!

"As for 'Admirer', the editor ended up, 'he gave the Carnegie message quite the wrong turn when he said:

"He will tell you the truth, that people are not interested in you, but in themselves, and that you must be interested in them and talk about what interests them, to make a favorable impression".

"The inconsistency in this is that if people are not interested in anything but themselves, how can any of them talk as if they were interested in others except in mere pretense?"

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"Admirer" missed Carnegie's main point. Carnegie places the emphasis on the need of an honest and sincere interest in others. He says:

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