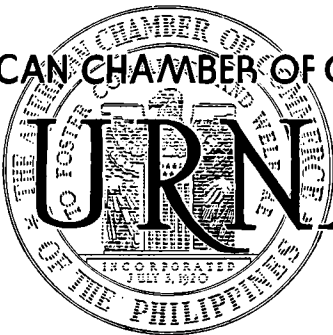


# THE AMERICAN CHAMBER OF COMMERCE

# JOURNAL



## Editorials

*"... to promote the general welfare"*

The amount of space we have had to provide for "The Government" column in "The Business View" department of the *Journal* in this and the preceding two issues, this column being based mainly on press releases from Malacañang judged to be of special interest to businessmen, gives the reader some measure of the enormous amount of constructive work being initiated by President Ramon Magsaysay.

When, early in February, the President received U. S. Secretary of the Army Robert T. Stevens and several other high American officials, afterward entertaining them at luncheon, and Secretary Stevens, as reported, suggested that he visit the United States, Mr. Magsaysay said with a smile, "Not now. I have home-work to do."

A week earlier, in his "State of the Nation" address to the Congress of the Philippines, he began by saying that the Constitution makes the Executive and Legislative branches of the Government equal partners in the patriotic task of serving our people, adding, "I am here to start the job with you."

Yet earlier, in his Inaugural Address, he referred to the great men of the past as being often spoken of as if their work were done and their spirit had ceased to have meaning or value to the people; but the truth is, he said, that we need such men today to "complete the work" which the men of earlier times began. At the end of the address he declared that it was *not* impossible, as some say that it is, "to do what must be done."

Over and over again, the President is emphasizing the things that are to be done, the work, the job. And he sets the example by working prodigiously himself, with a seemingly untiring energy.

The question he always asks his associates and assistants is, "What are we going to do about this?"

Never before has a chief executive of the Philippines so rung all the changes in the conjugation of the verbs to act and to do.

In many respects, as was pointed out in a recent editorial of this *Journal*, President Magsaysay differs from all of his predecessors and not the least of these differences

is his emphasis on honest and efficient work. That, no doubt, is the "mechanic", the engineer in him.

A man who gets things done may sometimes make mistakes, but with President Magsaysay and his almost intuitive sense of the right, such mistakes are likely to be few and the country looks forward to great things to happen under his leadership.

An informative report, "Industrial Philippines, a Cross Section", Manila, 1953, was received by the *Journal*

**A New Report,  
"Industrial Philippines"  
by the PHILCUSA**

with the compliments of the Industrial Development Branch of the PHILCUSA (Philippine Council for U. S. Aid). It is a survey of

ten Philippine industries conducted by the Industrial Development Branch in cooperation with the Industry and Public Works Division, Special Technical and Economic Mission, FOA (U.S. Foreign Operations Administration). The title-page, however, bears the note that the conclusions and recommendations contained in the Report are those of the technical staff of the survey project (Counterpart Project No. 35), and "do not necessarily represent the view of the PHILCUSA or the FOA Mission."

The names of the members of the staff engaged in the Project are given as Cenon R. Flor Cruz, Director of the Industrial Development Branch, and his successor, Renato Delfino, as Acting Director; Hugo B. Fernandez, technical assistant; Alfredo M. Martires, Gustavo C. Inglis, and Dante Prudente, researchers; Nestor R. Santiago, financial analyst; Alfredo M. Sumulong, statistical clerk; and a number of other clerks and typists; the name of Wm. O. Lightner, industrial specialist, STEM-FOA, is given as Advisor.

The book runs to 312 pages, including folded statistical inserts, and numerous diagrams, charts, and illustrations, and is bound in a stiff-paper cover.

According to the Introduction, the survey "attempts to point out what industries offer reasonable prospects to achieve greater stability of production and employment," and was limited to "ten selected industries on the basis of their possibilities for local improvements and development."

The industries included are the following:  
Textile—Cotton spinning and weaving, Knitting, Industrial textiles, Fish nets.  
Pulp and paper  
Iron and steel  
Fuels—Coal, Alcohol motor fuel  
Clay and ceramic products—pottery, bricks, tiles, porcelain ware and similar products, Cement  
Canning  
Rubber and rubber products  
Glass  
Chemicals and chemical products  
Leather tanning

In each case there is a brief history of the industry, before and after the war, and an exposition of the present status, processes and equipment, the import-export relationship, costs of production, competition, employment, markets, and special problems and needs, with final comment and recommendations.

It will be understood that the survey attempted quite a lot and that an entrepreneur would have to view both the general expositions and the recommendations with some caution. The authors themselves realize this and point out that the "smart industrialist will not talk business without accurate and precise information" and that the decision to undertake any given enterprise is made only when the entrepreneur is "satisfied that the business could actually or potentially operate efficiently and profitably."

However, the treatment of the ten industries included in the survey is considerably fuller in many respects than anything to be found on these industries in the *Joint Finance Commission's Report on Philippine Economic Development* and the *Beyster Report*, both of 1947, and the *Philippine Agricultural and Industrial Development Program* presented by the Philippine Economic Survey Commission, headed by Mr. Jose Yulo, in 1950.

The survey, "Industrial Philippines, a Cross Section," PHILCUSA, Manila, 1953, is well worth careful study by prospective investors.

A letter from President Antonio de las Alas, of the Chamber of Commerce of the Philippines, addressed to the

### The Puyat Bill on the Crime of Arson

President of the American Chamber of Commerce of the Philippines, Inc., was received during the month concerning Senate Bill No. 81, introduced by Senator Gil J. Puyat, which would amend Chapter 8 of the Revised Penal Code (Act No. 3,815) by adding an article on the *prima facie* evidence of arson and another article defining the crime of arson as regards insured properties.

The letter from Mr. de las Alas stated with respect to this Bill:

"...allow us to suggest that its approval be recommended by your Chamber during these sessions of Congress and that you kindly stir public opinion in favor of the proposed legislation by releasing to the press your statement of endorsement."

The American Chamber of Commerce is most happy to comply with this suggestion from its sister-Chamber.

It has long been a notorious fact that "terrific arson losses", to quote from the letter of Mr. de las Alas, are "occurring every year." The great difficulty in dealing with arson in the Philippines has been, and still is, that, as is pointed out in the Introductory Note to Senator Puyat's Bill, "the guilty parties are generally acquitted when prosecuted criminally or their cases are dismissed for insufficiency of evidence."

"This often happens [the Explanatory Note continues] because, although our Revised Penal Code in its Chapter 8 clearly enumerates the different forms of committing arson, the said Code, as construed and interpreted by the Supreme Court, requires such degree of evidence as would make it almost impossible for the prosecution to establish in many cases the guilt of the accused, even though it clearly appears that such fires have been intentionally caused because inflammable or explosive materials, or traces thereof, found in the ruins of the fires, clearly show the malicious intent of those who have benefited thereby."

The proposed Bill, which would "put teeth" in the law, is short and is quoted in full as follows:

"Art. 326-A. Any person who willfully and with intent to injure or defraud the insurer sets fire to or burns or attempts so to do or who causes to be burned or who aids, counsels, or procures the burning of any building, structure, or personal property, of whatsoever class or character, whether the property of himself or of another, which shall at the time be insured by any insurance company against loss or damage by fire, shall suffer the corresponding penalties prescribed in this Code.

"Art. 326-B. *Prima facie* evidence of arson.—The concurrence of at least one circumstance specified in paragraph one together with any of the circumstances in paragraph two, *infra*, shall constitute a *prima facie* evidence of arson:

"1. If the fire started under suspicious circumstances in a building, store, or establishment owned, leased, or occupied by the accused and within or in the ruins of such building, store, or establishment are found (a) rags or jute sacks soaked in gasoline, kerosene, petroleum, or other inflammable materials; (b) any mechanical or electrical contrivance calculated or designed to start a fire; (c) when fire broke out in different parts of the same premises at about the same time; (d) when, while an insurance policy is in force, more than two fires have occurred therein in a period of three months, or with the attendant circumstances indicating incendiary origin or (e) when there was stored therein gasoline, petroleum, or readily inflammable material, in violation of the conditions of an insurance policy for said building, store, or establishment or for any merchandise, furniture, or goods kept therein; and

"2. (a) If the total amount of insurance carried on said building, store, or establishment or merchandise, furniture, or other goods stored therein is uncertain by three or several insurance companies, it is evasive taking into consideration the value of the properties insured; (b) when a substantial portion of the effects insured and stored therein had been withdrawn from the premises not in the ordinary course of business, shortly before the fire; or (c) when the insurance policy was issued within the period of three months previous to the fire."

Insurance men have pointed out that only a few convictions have been obtained under the present law mainly because direct evidence is generally required and it is rare that an arsonist is caught in the act. The proposed amendment to the law would make it possible for the court to accept as *prima facie* evidence certain combinations of circumstances which, according to experience, practically always accompany the crime and which therefore constitute a firm basis for a just decision.

Arson has always ranked as among the gravest of crimes—a felony. In earlier days, arsonists were given short shrift and were executed. It may be said to be, under most circumstances, one of the most irresponsible and reckless of crimes, and one of the most fiendish, for no bounds can ordinarily be set to the area that may in a few dreadful hours be converted into smoking ruins, to the amount of property that may be totally destroyed, to the number of innocent people who may be brought to a horrible death. The fate of entire towns and even cities may be involved in the secret plottings of the arsonist, and, if the crime goes long unpunished, the prosperity of the nation itself is in jeopardy.

It is not too much to say that this is the state of the Philippines today with respect to the crime of arson.

Certainly, the American Chamber of Commerce endorses the Puyat Bill.

In a review of a recently published book, "The Economic Impact on Underdeveloped Societies," by S. H.

Frankel (Blackwell, 1953), we were impressed by the following quotations from the book:

### Capital Invested to Produce More Capital

"What money is, and what role is assigned to it, is always an expression of the institutional arrangements of society as a whole,—a truth often forgotten even in 'advanced societies'... It is very common nowadays to suggest that the provision of capital in any form is necessarily advantageous to the recipient society and automatically produces 'income'. Nothing could be further from the truth. The history of such 'investments' in Africa and elsewhere affords many examples of railway lines, roads, ports, irrigation works, etc., in the 'wrong places' which not only failed to lead to income-generating development, but actually inhibited more economic developments which might otherwise have taken place...

"The capital resources of the world are not abundant, but scarce; their premature or wasteful application anywhere is harmful to the