

The Northwest Airlines, which operates over the Northern Pacific from Manila to Shanghai, Tokyo, Anchorage (Alaska), Seattle, St. Paul, and up to Washington, D.C., is operating a feeder-line between Tokyo and Seoul, Korea. It plans to open a direct route between Shanghai and Seoul. At present, passengers from the Philippines or China going to Korea have to pass Tokyo and take the NWA plane from there to Seoul.

At the time of this writing, the Office of the President has authorized Colonel Jesus Villamor to extend an invitation to the International Civil Aeronautics Organization (ICAO) to hold its next conference in the Philippines. It will be recalled that the last ICAO meeting was held in Montreal, Canada, headquarters of the ICAO. The site selected is Baguio, and the convention opening date is July 15, 1948. Should the ICAO accept the invitation of the Philippine Government, the aviation role of the Philippines will be definitely established in international aeronautical activities, a confirmation, as it were, that the Philippines has become the aviation-hub of this part of the civilized globe.*

*Column-editor's note later: "It seems that India got ahead of us and that ICAO has accepted an invitation to hold the conference at New Delhi."

Land Transportation (Bus Lines)

By L. G. JAMES

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

OF special interest to the transportation industry during the month was the end of the strike which had caused a complete cessation of operations by the Batangas

Transportation Company for a period of three months. The striking employees returned to their work at the end of April after the refusal of the management to grant any of the demands which resulted in the walkout. Various basic questions involved are now before the Court of Industrial Relations for decision. This has been the longest and costliest of the various strikes affecting land-transportation operations in the Philippines.

Other companies will be vitally interested in the final decision of the Court of Industrial Relations on a number of the points at issue, such as wartime back pay for employees in service as of December, 1941, and the basic demands for increases in vacation-leave and sick-leave with pay.

Public utilities operate under government supervision and their rates are fixed by the Public Service Commission. Increased cost of operation cannot be passed on to the patrons but must be absorbed by the operator. Factors such as increased wages and other extra cash benefits accruing to employees were, in the cases of many operators, not taken into consideration at the time when presently prevailing rates were established.

The operator of a large fleet of busses prefers a mass volume of business at a narrow margin of profit per bus-kilometer, provided he can look forward to a more or less fixed cost of operation. The recent labor trends have completely disrupted ideas on operational costs, based upon years of experience and practice. Many companies are finding the margin between income per bus-kilometer and expense per bus-kilometer so narrow that profits are negligible.

The majority of operators recognizes the advisability of providing for employee benefits to the extent that they do not pass beyond the limits of sound judgment, but they

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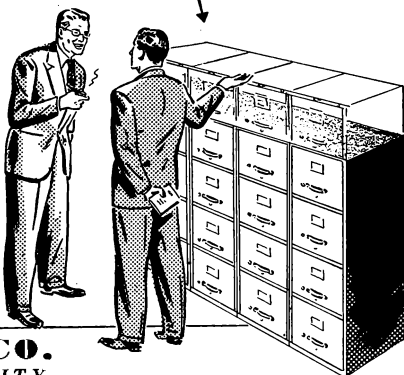
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also insist that the stockholders, whose investments represent the capital with which the business is operated, deserve a fair rate of return on their capital. Recent labor trends present a serious problem in this respect to the management of land-transportation enterprises.

Base Metals

By CHAS. A. MITKE
Consulting Mining Engineer

THE Philippines contain fairly substantial deposits of iron, chrome, and manganese. Coal, necessary for the treatment of these ores, is found in lesser quantities in a number of places.

Recently I had a conversation with a representative from SCAP, who had come to Manila to investigate the raw-materials situation.

According to him, SCAP finds it absolutely necessary to stimulate industry in Japan in order to remove, from the American taxpayer, the burden of supporting millions of unemployed. At the moment, there is a lack of a sufficient amount of high-grade iron ore for the basic needs of the country. Two hundred fifty thousand tons have been purchased from Hainan Island this year, but this is not sufficient to supply the need.

Before the war, one of Japan's principal sources of iron and coal was Manchuria. There were also twelve other sources of high-grade iron scattered around the Pacific, including four in the Philippines. A certain amount of semi-anthracite coal was obtained from Indo-China, which was mixed with certain Japanese coals (Nagasaki dust) to form a good "steely" coke, for the Yawata furnaces.

At present, coke is being purchased in the United States at a very high price, and SCAP is now investigating the possibilities of supplementing the coal supply in Japan with, possibly, some from the Philippines and French Indo-China, in the hope of again making a satisfactory coke for the steel industry. There are several places in the Philippines where coal can be obtained running over 12,000 BTU, with a low ash-content.

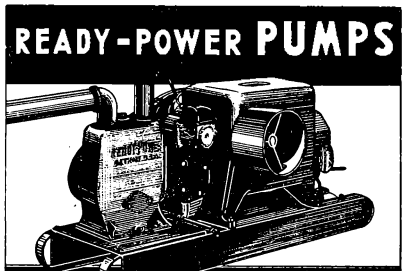
In the course of the conversation, I mentioned that the four Philippine iron mines, and several former producing coal-properties, which operated before the war, must be rehabilitated before production can be resumed. The War Damage Corporation has not paid their claims so far, and it is not known when this money will be forthcoming.

I suggested, therefore, that if SCAP could see its way to finance the re-opening of these properties, it would not take long before a sizable production might be expected, as the four iron mines, in particular, are all open-pit operations.

There is really a precedent for my suggestion. Since the War, SCAP has found it necessary to supply the Japanese farmers with phosphate rock in order to increase the rice production. It is said that the plant in the Pellau Islands, which supplied Japan before the war, was privately owned, and that after the termination of hostilities, the operating company was in no position to resume production. SCAP had to come to the rescue, and, at present, at least 500 tons a day of phosphate rock are being mined and shipped to Japan.

What is said of coal, iron, and phosphate rock, can equally apply to low-grade chrome and manganese.

Before the war, high-grade metallurgical chrome was shipped to the United States. Also, high-grade manganese. The lower grades, which could not stand the freight rate to the United States, were, until all shipments were frozen in the middle of 1941, sold to Japan. There, the low-grade



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