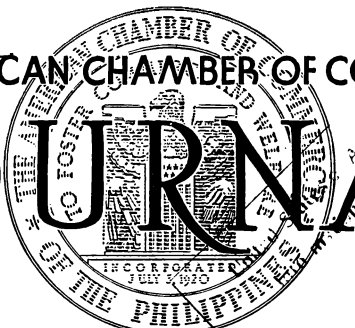


THE AMERICAN CHAMBER OF COMMERCE

JOURNAL



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Editor and Manager

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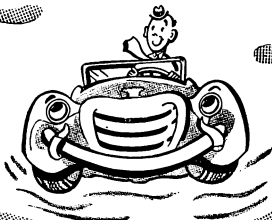
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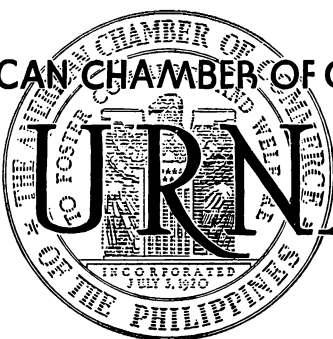
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Editorials

"... to promote the general welfare"

"President Harry S. Truman, in an astounding upset of pre-election predictions, Wednesday won the United States Presidency. He will have a Democratic Senate and House of Representatives to work with him."— *Associated Press*.

The American Elections

"... the tightest presidential contest since Woodrow Wilson won over Charles Evans Hughes in 1916..." — *Associated Press*

"Governor Thomas Dewey conceded the election of President Truman. Dewey's statement, read by James Hagerity, Dewey's press secretary,

said: 'The Governor has just sent the following telegram to President Truman at Kansas City: "My heartiest congratulations on your election and every good wish for a successful administration. I urge all Americans to unite behind you in support of every effort to keep our nation strong and free and to establish peace in the world."' In Kansas City, President Truman received the news of Governor Dewey's concession with a broad smile and, with humble demeanor, thanked well-wishers who crowded into his suite to congratulate him on his astounding victory."— *United Press*

"President Truman promised to dedicate himself to the 'cause of world peace and prosperity and happiness at home' when he accepted the responsibility of guiding the ship of state for the next four years bestowed upon him by the American electorates. Truman's surprise victory, together with the near Democratic landslide in both houses of Congress, evoked varied reactions, but all over the United States there was unanimity that the job now 'is to get together and support the administration.' For the Republican's defeated candidate Dewey promised all cooperation. For labor, CIO President Murray viewed the Truman triumph as a victory for the working man. Ex-President Hoover urged closing of the ranks around the President for the cause of world peace. Although careful to preserve their neutrality in American party politics, other world leaders expressed satisfaction that the status quo of American foreign policy remained. The United Nations was now expected to go full-speed ahead with its most important problems after the delegates had been held back in their work by the shadow of the American elections."— *Hunter*

Many analyses will be attempted of the results of the general elections in the United States, especially of the fact that the presidential contest was so close and the popular vote was so nearly balanced. It is clear that relatively few more votes for Dewey would have turned the scale, although, as against this, it must be considered that the margin in Truman's favor would have been larger but for the Thurmond and Wallace defections.

That the voting was not overwhelmingly one-sided, would seem to indicate that there was no

startling or alarming unanimity either of enthusiasm or embitterment for or against either of the principal candidates or political parties.

That the voting was so even indicates rather a political balance and a moral equilibrium, a general soundness, the demonstration of which is most uplifting.

IN fact, though the results of the election were generally surprising, no serious charges of failure, mismanagement, or improbity in office were made against the party in power. The Republicans, who it was believed would be elected to office, were not expected to bring about any great changes. Dewey was not looked upon as one called to save the country. The Democratic administration, in power for sixteen years, had brought the country out of a great economic depression, led it to victory in a terrible war, and piloted it safely through the first phases of that war's grim aftermath. President Truman, though there was some question of his ability and though he had made a number of rather serious mistakes, was personally liked and respected by most Americans,—so it seemed even before the elections. And the general employment and prosperity and sense of well-being in spite of prices and shortages, was never so high.

Dewey's campaign was based principally on "competence in government." He is considered a quiet, able, honest, experienced administrator, still young and one who listens to advice, a man who had long aspired to be President and who had prepared himself for that great office.

Truman had against him, perhaps more than anything else, the fact that it was a widely held belief that the Democratic Party had been in power long

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though,—a belief which has its source in the instinctive wisdom of the people that it is inadvisable that any party should hold the power long.

Over against this, however, stands the fact that the Democratic Party is generally considered the more progressive and liberal. Apparently, the people, especially the labor element, are in no mood to return to the traditional conservatism of the Republicans, though the wholly minor voting for Wallace indicates that, in these days of continuing international antagonism and great bitterness abroad, they are for a sober, down-to-earth policy,—a strong but cautious conduct of domestic and foreign affairs. Many may have thought that the upset incident to a change in administration would be dangerous at this time, being satisfied with the present bi-party conduct of foreign affairs.

To an extent, comparatively minor personal preferences may have tilted the balance,—the fact that the people liked Truman's courage and spirit, as well as his frankness, as against Dewey's obvious caution and determination not to commit himself on many issues. There was also the fact that President Truman seemed definitely to be the "under-dog" who to the last put up a valiant fight while all those about him quailed. The people may not have liked Dewey's complacency and the cocksureness of his backers. Perhaps the American voters did not like simply to be taken for granted. Over-confidence may also have affected the turn-out of the Dewey vote.

The absence of any deep conflict over principles or policies, as indicated in the balanced voting, would seem to show that the country was never so united and, on the whole, so content with what has come to be called the American way of life,—the nation's faiths, institutions, and procedures.

The voting was so nearly even, however, that the strength of the minority can certainly not be disregarded by the Party which remains in power. To succeed, it will have to be exceedingly responsive to public opinion.

And it should be remembered that elections generally do not determine truth or error, right or wrong, but only what is politically expedient, advisable, or practical.

ONE result of the general upset of all predictions as to the outcome of the election, will be to weaken the reliance placed on public-opinion polls. That may be a good thing lest we came to think that we might depend entirely on such polls and dispense with our "cumbersome" elections altogether. There is something refreshing, as well as deeply moving and inspiring, in the fact that elections, with all our science, are still so unpredictable.

A GREAT democratic people have willed; have elected Harry S. Truman to the Presidency of the United States, the greatest office in the world, and one which may, during the ensuing year, become the most fateful in all human history.

Not because Truman, rather than Dewey was elected, but because the American people are so sane, so cool, so free, and so determined,—therefore, still, all is well with America. Let its enemies beware.

Readers will be interested, though they may also be dismayed, by the article in this issue of the Journal by Mr. Nathan Most, General Manager of Getz Bros. & Company in Manila, on the subject of the coming import control. Mr. Most was one of the representatives of the American Chamber of Commerce of the Philippines in the hearing held by the Import Control Board during the past weeks.

When increased taxation of so-called luxuries and other non-essential goods, and control over the importation of such goods, were first talked of, months ago, this Journal flatly opposed the undertaking of such measures. Since this increased taxation has been levied and since an import control law has been enacted,—shortly to be put in effect, nothing has happened to incline us to modify our stand.

Because the implementation of the law is ultimately the responsibility of the President, we voice here what may be considered a final appeal and we repeat that we are opposed to the projected control measure as basically, specifically, and wholly pernicious.

The move is contradictory to the ITO Charter drawn up at the Havana Conference held early this year, and which our Philippine delegate signed, although the Government has not yet ratified it. This Charter is the work of the world's leading economic, financial, and trade authorities, and, though escape clauses were inserted, provides for the eventual world-wide reduction of tariffs and the lifting of quotas and import and export controls, with the aim of achieving a freer world trade and the greatest possible prosperity everywhere.

The move is furthermore in effect contrary to present agreements between the United States and the Philippines under which the latter,—for value received, is enjoined from imposing duties on imports from the United States until July 4, 1954, because the imposition of import control over goods coming chiefly and in many cases exclusively from the United States is a very near equivalent to imposing such duties; in fact, such virtual prohibitions are worse than any tariff.

In addition to this,—the very constitutionality of the Import Control Act has been challenged by competent legal authority on the ground that the Congress may not delegate unlimited general powers and, in the case of the Import Control Law, failed to specify the limits within which the presidential discretion was to be exercised. On this point, the Philippine Constitution states:

"The Congress may by law authorize the President, subject to such limitations and restrictions as it may impose, to fix, within specified limits, tariff rates, import and export quotas, and tonnage and wharfage dues." (Art. VI, Sec. 22, Subsec. 2)

DURING the past fiscal year, from July, 1947, to June, 1948, the Philippines made very good progress in its foreign trade, which came to P1,696,302,396, or 38.6% more than during the preceding fiscal year. Though the value of the imports ran to almost twice the value of the exports, the international balance of payments, due to the flow of funds from the United States, was favorable to the Philippines. Since the war, some P2,500,000,000 has been sent here or spent here by the United States and

the total by the end of 1951 will reach over P4,300,000,000,—which should go a long way to paying for an excess of imports and for considerable industrial development besides. There is certainly no "dollar shortage". And after a long, destructive war it is natural and necessary for the country for some years to import considerably more than it exports.

The foreign trade of a country, always closely integrated with the whole of the economic and social life, is of such exceeding complexity that it is beyond the capacity of the most competent government really to control it. Attempts at control have everywhere achieved only a bungling. First results may be foreseen to some extent and correctly evaluated, but the secondary consequences are generally incalculable. To be clearly foreseen are the bringing about of conditions of artificial and unnecessary scarcity, rising prices, a reduced standard of living, and, in general, all the evils of inflation,—a worse inflation than we are already suffering from.

One immediate consequence of the Import Control Law, to be observed even now, before it has gone into effect, is the alarm and discouragement of business generally, and the abandonment of plans for expansion and further capital investment except possibly in those relatively few cases where local manufacture of certain curtailed goods may be possible. Is it wise to sacrifice the prosperity of business as a whole, and the country as a whole, to the gain of these few?

That is plainly the exact opposite of what Congress intended, but so it is bound to work out.

The most effective way to promote a greater industrialization here is to encourage in every possible way the direct investment of capital, and this must for some years at least be chiefly foreign capital. This capital can be attracted only by giving it scope, not by imposing controls and restrictions in any branch of trade.

It is wholly unbelievable that the few millions or even tens of millions of pesos not spent for so-called luxury and so-called non-essential goods,—by some hundreds of thousands of people, will be used instead to buy "necessary" goods or be "invested" by them in "productive enterprise." Investment capital in any quantity can not come from such petty sources. Most of the money which it is presumed will be saved, will doubtless be drained off in paying the higher prices and meeting the increased living costs which will result.

The spirit of business enterprise and the will and the *wherewithal* to invest, is not produced by cuts and curtailments and by putting business in the straight-jacket of government control. Economic development requires freedom and scope,—it may be under wise government encouragement and direction, but never under arbitrary control.

A tree will not grow in a pot.

Three months ago (July issue) this Journal joined in the very general expressions of approval of the

Government's extension of amnesty to the **The Huks** Hukbalahap insurgents, stating that this **Unmasked** promised to bring a most unhappy situation to an end.

We entertained some doubt because the laying down of arms by a communist-led organization in the Philippines was wholly inconsistent with the increasing communist provocations and violence in other parts of the world,—not only in Europe, especially in Berlin,

but in Indo-China, Siam, Burma, Malaya, and the East Indies, which was just becoming noticeable at the time.

During the fifty days accorded for this, only some hundred Huks registered and less than fifty firearms were turned in. Luis Taruc, Huk leader, who had been permitted to assume his seat in Congress, has again taken to the hills and from some unknown place has been sending letters to the newspapers in Manila blaming the Government for the failure of the Amnesty.

Either Taruc was sincere and failed to discern the "Moscow line", the other Huk chiefs realizing this and refusing to follow his lead, or he was merely playing for time.

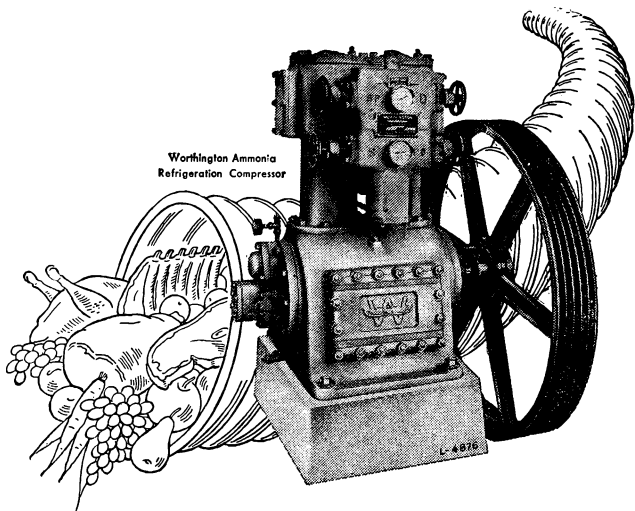
But in either case, the Huk position has been greatly weakened, for the people now know where the true responsibility for at least the continuation of the trouble lies. The Amnesty, though it has failed, has proved how far the Government was willing to go, and how much of error and crime it was willing to pardon to reestablish order and peace.

Confusion long existed as to the true nature of the Hukbalahap. It first came into being during the Japanese occupation as a strong guerrilla organization, the name meaning, "People's Anti-Japanese Army", but it was an outgrowth of an earlier, socialist-led agrarian reform movement in Central Luzon. Agrarian reform had many supporters both in and outside the Government and rapid progress was being made in improving conditions for the farm tenants. The Huk guerrillas also had many admirers and friends as, for the most part, they fought bravely and well are also known to have saved the lives of not a few American airmen forced to land behind their lines during the war. Unfortunately, however, communist infiltration began even prior to the enemy occupation and the Huks came definitely under communist leadership, though this was not generally recognized. Today there can no longer be any question about this. Lately, indeed, Taruc has publicly declared that he is a member of the Communist Party.

If Taruc and the other Huk leaders were so concerned about the lives and happiness of the peasants, as they claim, why did they not preserve the peace which had temporarily been established? The sorely tried inhabitants of the Huk-infested provinces had begun to go back to their villages and to till their lands again. But the Huk "raids" were resumed and, most abominable of all, the few men among the Huks who, following Taruc's own public persuasions, did register, in honest compliance with the terms of the Amnesty, are being "executed" by these "friends of the people". The Constabulary again had to take the field against the bloody bands of this now patently criminal and traitorous organization.

The Huks do not want peace in Central Luzon. They do not want amelioration or reform. They will do all they can to oppose any attempt to improve the condition of the tenants. They, like all the tools of the present Moscow slave-state, work only for an increase of disorder and bloodshed and misery everywhere. Their aim is to foment hatred and rage and despair among the people and to reduce all legitimate government to impotence, so that, in the end, they may seize the power, or so they think.

But the people of Poland, Yugoslavia, Czechoslovakia, and other countries behind the "iron curtain,"—including the native socialists and communists of these countries, are finding out how the Kremlin, citadel of the new reaction and tyranny, uses and ultimately deals with them.



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THE SIGN OF VALUE
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The open letters of Luis Taruc, Hukbalabap leader or misleader, published in the Manila press following his return into hiding and to a continuation of his insurrectory activities, display that muddle-headedness as well as insolence which has come to

characterize the pronouncements of so-called communists all over the world. Often, however, the apparent muddle-headedness is not genuine, but only a result of a deliberate effort to confuse the public, and the author of such statements personally knows better.

It would appear from the letters that Taruc, in the "negotiations" which preceded the President's Amnesty Proclamation, sought not only to introduce questions of administrative and national policies into the discussions, but to dictate the policies to be followed by the Government and, in some cases, to force a reversal of established policies. Taruc knows very well that under a democratic (presidential) form of government, administrative policies are determined by the President and general national policies by the people through the Congress.

Under what simulacrum of authority or right could Taruc and all his followers,—who constitute not alone merely a small minority but a group in armed insurrection against the Government, arrogate to themselves any part at all in the formation of either national or administrative policy?

The letters are mere propaganda, intended not to rectify or to better, but to confuse and mislead, to promote uncertainty and mistrust, dissatisfaction and disunity. The propaganda, further, is intended to inspire hatred of America, the Philippines' only protector, and a stupid trust in the present world activities of the Russian imperialism. Taruc is a traitor and his followers are dupes.

The President did well to ignore the letters, for to have entered into public controversy with Taruc would have been to extend to him a degree of recognition in no wise warranted. The President had no other choice than to order a renewal of the Constabulary activities against the dissidents with a view to restoring by force the peace and order destroyed by them. He does well, also, in simultaneously exerting every governmental effort to correct conditions in Central Luzon which may still give rise to legitimate dissatisfaction and to render every possible aid to the thousands of harassed people driven from their homes.

While the President, as we have stated, did well in not entering into controversy with Taruc, it is quite fitting for this Journal to point out that Taruc's attempt to stir up feeling against the United States (as well as his own Government) by alleging that Philippine independence is not real and by protesting against the American military bases in the country, the present continued limited free trade, and the continued limited "parity" between Americans and Filipinos here, are all stock items in the propaganda of the Stalinites who would like to be able to hold up the Philippines as a horrible example of American "imperialism". But the world and we ourselves know better.

Everyday events prove that the political independence of the Philippines is as real as is that of any member of the family of nations. Recognizedly, the Philippines is still to a degree economically dependent on the United States, but that the United States realizes this and is extending aid to the Philippines in various ways, is a blessing which many nations would

like to share. That the Philippines may develop in freedom under the protection of the United States, is another blessing many nations would like to share. As for the so-called "parity", the Americans here, more than anyone else, know that there is more real parity between American and Filipinos in the United States, than there is between them here.

The present relationship between the Philippines and the United States is the natural outcome of half a century of development and of many years of planning on the part of the most brilliant American and Filipino statesmen. Fortunately, we do not have to ask for the Kremlin's blessing on the results of that magnificent effort and splendid devotion—nor Mr. Taruc's.

This combined October-November issue of the American Chamber of Commerce Journal is presented with apologies as taking the place of two separate numbers issued at the November usual monthly interval.

The regular October number was lost on October 11, just as it was ready for the press, in the P6,000,000 fire which destroyed the McCullough printing plant along with the whole of the Philippine Education Company compound. All the made up pages of type and cuts, and practically all of the proof and the original copy as well, were destroyed, and it would have been a hopeless effort to attempt to reproduce the number in the time available.

However, our loss was small compared to the losses suffered by others in this disastrous fire, and we extend our sympathy to that grand old firm, the Philippine Education Co., Inc., and the other firms affected which include the local branches of the Lawyers Co-operative Publishing Company and the Singer Sewing-Machine Company.

We are grateful to all our contributing writers for supplying us with new copy for their articles, and especially to the editors of the various columns printed under the heading, "The Business View", who readily took on the extra task of preparing material to cover the two-month period.

We are grateful to our advertisers who in all cases transferred their October advertising to this combined issue, and more especially to those among them who increased their advertising.

With a change in printers, a change in the type-face and the paper was unavoidable, and we regret this, but we are nonetheless grateful to the firm of Carmelo & Bauermann, Inc. for undertaking to print the Journal on short notice and for rendering us their full cooperation.

It takes an emergency, sometimes, to prove certain things, and all the friendly cooperation so readily extended to the Journal in its difficulty speaks well for the regard which the publication has been able to gain.

The delay, if not the entire loss of one monthly issue, has helped to bring out the value of the special role which the Journal has assumed in the business life of this country. It is only the truth to say that many business men here and abroad have come to rely on the Journal and especially on its monthly business reports in the over-all consideration of their affairs in the Philippines. Some of them, and a number of government officials, have been so kind as to say that the Journal has become well-near indispensable to them.

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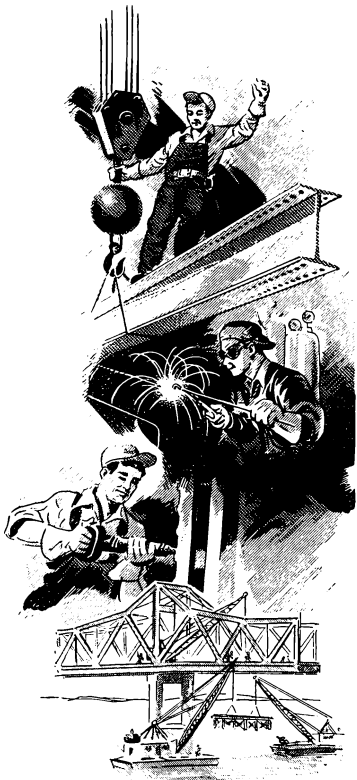
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Present American Contribution to Philippine Economy*

By Thomas H. Lockett
Charge D'Affaires, American Embassy

I AM most pleased for this opportunity to meet with the members and friends of the Rotary Club during this luncheon hour today. I have noted for some time now the constructive and forward-looking work undertaken by the Rotary Club in the civic activities of this city. I need only to mention your last week's meeting at Welfareville in which you so generously extended your assistance to the children of that Home as an example of the spirit of constructive fellowship which traditionally distinguishes Rotary everywhere.

Today, as I look about this room, I note many prominent and active members of the business community. I feel very close to those in the business world, for my early life was spent in business activities. For example, during the 15 years before entering the service of my Government in 1933, I served as a clerk with a railroad; a salesman and then as district sales manager for Portland Cement companies, and finally as president of a company. In other words, during those years I accumulated experience as a clerk, salesman, buyer, manager, and in overall management. This means that I have had to meet payrolls just as you do.

Let me say also that since entering the Government a great deal of my experience has been in matters relating to business and economic affairs. I had the pleasure of serving over 12 years in Mexico City as the ranking economic officer of the United States Embassy there.

Those years in Mexico were very full years during which I saw Mexico build dams and enlarge its area of cultivation; extend electrification to many rural districts and small villages; add hundreds of miles to its highway system, and step up production for both export and home consumption.

Since my arrival in the Philippines, I have been very much interested in the economic life of this country and in the economic rehabilitation of the Philippines. The people of the United States are grateful to the Filipino people for their magnificent record of resistance during World War II. They have a special fondness in their hearts for the Filipino people and are anxious to see the Republic of the Philippines prosper and progress. That is why the Congress of the United States has repeatedly during the past three years shown its keen interest in extending assistance to our sister republic of the Pacific.

We hear a great deal today about the type and extent of the assistance being given to the Philippines by the United States Government. Unfortunately, through no one's fault in particular, there is a great deal of confusion regarding just what the United States Government is contributing to the economy of the Philippines.

If you will be so kind as to permit me to recite a few figures, I should like to tell you just what the different United States agencies in the Philippines

have spent already and will spend in the future. While actual totals must await the final auditing of the accounts of the different agencies, the most accurate estimates available today of United States Government expenditures in the Philippines are as follows:

For the year 1945	880 million pesos
For the year 1946	672 million pesos
For the year 1947	797 million pesos

When to this total of P2,349,000,000 is added another P200,000,000 as the estimated fair value of war surplus materials turned over to the Philippine Government (actual procurement cost to United States Government, P1,079,000,000), we get a grand total of P2,549,000,000 or \$1,274,500,000 of United States Government expenditures in various forms in the Philippines during the years 1945 through 1947.

And there are still more United States Government expenditures coming which are estimated as follows:

For the year 1948	670 million pesos
For the year 1949	484 million pesos
For the year 1950	441 million pesos
For the year 1951	169 million pesos

Total 1,764 million pesos

By the end of 1951, post-war United States Government expenditures in the Philippines are estimated to exceed four billion, 300 million pesos or 2 billion 150 million dollars. After 1951 there is every reason to assume that United States Government payments to veterans and their beneficiaries will continue for many years at a yearly rate of between P100,000,000 and P150,000,000.

I am sure the foregoing figures are interesting to you as they show a real interest on the part of the American people in the rehabilitation and welfare of the Philippines.

I am most encouraged by the progress being made in reconstruction in many fields in the Philippines today. This Republic has made a most commendable start as a member of the family of nations. In the future many problems will arise to test the strength of the Republic. I see in this future an especially keen need for two lines of development. I see the need for increased development of the natural resources of the Philippines. This land is blessed with many rich natural resources. Mindanao, for example, is a vast storehouse of economic wealth. In flying over the great virgin forests, innumerable mountain ranges, the beautiful rivers and falls, such as Maria Cristina, I could not help but think to myself of the great potential riches lying untapped in this part of the world.

I see also a need in the Philippines for an increased development of a program of vocational training. I have observed that Philippine educators and leaders are well aware of the importance of vocational education to the future of the Philippines. As

* Address before the Manila Rotary Club, September 2, 1948.

a matter of fact, in one of last Sunday's newspapers, Dr. Gilbert Perez, your Superintendent of Vocational Education, wrote as follows: "There is a crying need for more and larger enrollment in trade, agricultural, technical, and industrial schools. The very future of this Republic is threatened by the absence of a large and intelligent group of skilled craftsmen, technicians, and practical farmers..."

The future before us today is a future that is full of many challenges. It is a future which will probably test us as never before. In that future, let

me say that it is the hope of my Government and my people that our two countries will always work together in the closest friendship for common objectives. In conclusion, let me reiterate that the American people have an abiding interest in the destiny of the Republic of the Philippines. They are proud of the record of the Filipino people in the war; they respect the record of the Philippines in peace; and they look forward to a future in which the Philippines will continue to be a highly respected and admired member of the community of nations.

Macondray & Company Centennial

IN commemoration of its one hundred years of business activity, fifty years in San Francisco and fifty years in Manila, Macondray & Co., Inc. has published a tastefully printed 44-page illustrated booklet, attractively bound, a copy of which was presented to the American Chamber of Commerce of the Philippines with the compliments of Mr. Carlos Young, President of the Company.

The Company was first established in San Francisco in 1848, the year of the gold-rush, by Captain Frederick William Macondray, who had commanded a clipper ship engaged in the tea trade with China and who had lived there from 1831 to 1839. It became one of the most prosperous commission houses in San Francisco, and the business was carried on by the Captain's son, also named Frederick William, and after that by the latter's son, Atherton. About the time the second Frederick died, Barry Baldwin became one of the partners.

Mr. Baldwin came to Manila in 1898 in connection with the sale of large quantities of foodstuffs and coal to the U. S. Navy, this leading to the opening of a branch here in August of that year, just fifty years after the founding in San Francisco. The office was at No. 3 (later numbered 18) Plaza Cervantes, the site now occupied by the Bank of the Philippine Islands.

Barry Baldwin and Atherton Macondray alternated as Manila managers until 1905, when the latter left Manila permanently. A month later, Mr. Carlos Young came to the Company as joint manager. Mr. Young had arrived in the Philippines as a soldier in the Spanish-American war and had been secretary to Col. E. H. Crowder, in charge of the civil government branch of the Military Government, and also, for a number of months in 1900 and 1901, acting private secretary to the Military Governor, General Arthur MacArthur.

Shortly after Mr. Young joined the Company, Mr. Baldwin arranged with the Macondray family to buy out its interests in the Manila Company in exchange for his interests in the San Francisco Company, and from then on the two companies went their separate ways. Some years after the first World War, the San Francisco Company decided to go out

of business, and this left the Manila Company to carry on the name.

In 1919, Mr. Baldwin sold his interest to his son, Newland, and to Mr. Young, and these two carried the business forward and greatly expanded it during the following years. Mr. Newland Baldwin's son, another Barry, and the latter's brother, James, also became active in the business. Barry became a lieutenant in the U. S. Army, fought on Corregidor, and died as a prisoner-of-war in Japan in 1943. Newland Baldwin died in the Santo Tomas Internment Camp later in the year, aged 60.

After Manila was liberated in February, 1945, Mr. Young, who had also been interned in Santo Tomas, immediately set to work to rebuild the business, being assisted in this effort by Mr. Maurice Furstenburg, manager of the Merchandise Department, who, after his release from Santo Tomas, also remained in Manila. The Macondray Company had always been a large importer of flour, and the first commercial flour received in hungry Manila in 1945 was brought in by the Company. James Baldwin, who, like his brother, had fought on Corregidor and been taken prisoner, survived and became manager of the Shipping Department in 1946. Other Baldwins who helped were Richard, Newland, Jr., and Alice.

In a postscript to the history of the Company, thanks are expressed to the Company's American suppliers:

"The officials and owners of the Company wish to express their high appreciation of the loyalty of its suppliers and correspondents in the United States after the return of the American troops to Manila. Without exception they gave us the fullest possible cooperation, and if it had not been for their efficient help in getting shipments to us, the Company could not have gotten on its feet so quickly as it did."

The war dealt Macondray's a severe blow, "nevertheless," in the words of the chronicler, —

"...the Company is going on, with its credit and reputation unimpaired, and is looking forward to the next hundred years with every confidence. Of the companies established in San Francisco in the year 1848, and of the American companies established in Manila in 1898, it is the only one still in existence."

The Coming Import Control

By N. Most

General Manager, Getz Bros. & Co.

AS this is written, the President has not yet issued an executive order putting the Import Control Act into effect. Accordingly, any statements made relative to the operation of the Import Control Board and its effect on trade can only be regarded as surmise. However, a study of the proceedings of the various panel discussions as well as of the information which Secretary of Commerce Balanced has made public is sufficient to give us a fairly good idea of the probable workings of the Act and its probable effects on business.

The Department of Commerce recently concluded a series of hearings at which importers were invited to state their views. These meetings as well as statements made by Secretary Balanced and Executive Officer Ledesma have been impressive in that they demonstrate an obvious desire on the part of the Department of Commerce to cause as little disruption to business as possible, and to apply the import control measures as fairly as possible with such a difficult piece of legislation. As all governments which have attempted it have discovered, import control is one of the most difficult measures to implement which a government can possibly attempt. The number of importers and the variety of goods they handle is so extensive that the Department of Commerce will, of necessity, be required to process a huge amount of paper. All indications lead us to believe that the Department of Commerce has fully anticipated most of the problems which will confront it, and has taken all steps within its power to prepare for the coming activity.

While the administering of the import control is undoubtedly in the best possible hands and we may anticipate that it will be administered in a manner which will bring credit to the Department of Commerce, nevertheless, we cannot overlook the fact that import control once effected, even though mild in the beginning, is more likely to increase in scope and in number of items controlled as time goes on, than to decrease. This has been the history of import control in almost every country which has imposed it and it is logical to presume that the course will be the same in the Philippines. Statements continue to appear in the newspaper issued by officials in Philippine business and some departments of the Government, expressing the viewpoint that the Philippines should have import control because almost every other country in the world has it. Such a view point can only be the result of lack of knowledge as to why import controls are imposed, and can only come from people not conversant with the fact that import control is a strong medicine and one only taken by a sick country. The disease consist of a shortage of U.S. dollars. And while the medicine, if taken in doses commensurate with the extent of the disease, may be regarded as helpful, it has been the experience in many countries that the medicine often becomes worse in its effects than the original disease. In most cases, a far better course lies in increasing exports. It is interesting to note in that regard, that the Philippines is still shipping only token quantities of quota items to the United

States. As an example, whereas the quota allowed for cigars is 200,000,000 a year, the shipments for 1948 up to October 2, 1948, were 839,222. Likewise in coconut oil, whereas the quota is 448,000,000 pounds, shipments to October 2, 1948 were only slightly in excess of 60,000,000. The unbalance of trade for the first 6 months of 1948 was approximately P250,000,000. This disregards the invisible exports which actually give the Philippines a favorable remittance balance. It would appear that a concentrated effort to increase exports would result in enabling the Philippines to avoid import control and thus avoid the reduction in the standard of living which control brings.

However, regardless of whether or not the control of imports is really necessary in the Philippines, it appears that it will be with us and that we had best consider its probable course and effects.

There are a number of loose ends relative to import control on which the Government's decisions, if they have been made, have not yet been announced. First there is the question of the effective date of the control. Secretary of Justice Sabino Padilla has given the opinion that the Import Control Law will not become effective until the President issues an executive order setting forth the list of non-essential and luxury articles to be controlled as well as the rules and regulations for carrying out that control. Just when this order will be issued is not known, but a fair guess would be November 15. It is possible of course, that the President will recognize the inauspiciousness of inaugurating import control at a time when the West Coast shipping strike is going on with a possibility of strikes on all coasts of the United States.

Another point which needs clarification is the establishment of definitions of non-essentials and luxuries on which the operation of the law will be based. No such definitions are included in the law. It is true that these terms are very difficult to define, since they depend in a large measure on the standard of living of the group concerned. As an example, refrigerators, which will undoubtedly be controlled under the Import Law, are regarded as absolute necessities by Americans living in the Philippines; however, to Filipino families in the barrios, where no electric power is available, a refrigerator is of no use whatsoever.

The Import Control Board from its statements thus far seems to be taking the view that the term *non-essential* can be used both in the sense of unnecessary for livelihood or manufacturing purposes, as well as unnecessary because a substitute is available in the Philippines. However, adoption of the latter definition results in actuality in a general import control rather than a restricted control. As an example, it is very probable that the Import Control Board will prohibit the importation of soap on the basis that since it can be manufactured in the Philippines, it is unessential. However, soap certainly not be considered unessential in so far as its necessity for livelihood is concerned. It would seem logical to presume that if the Philippine Con-



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gress in passing the import control measure truly wanted to give the President power to control all imports, it would have so stated in the law. Accordingly, it appears necessary that some limitation on the interpretation of the words *luxury* and *non-essential* be included in the law in order to limit its administration.

Another matter which has not yet been clarified, is the question of who will receive the import quotas. There are two groups of contenders for this distinction, one, the importers, and the other the indent houses. The importers in the main are made up of the Chinese dealers, although there are a number of Filipino, American, and European firms which import as well. The indentors, are largely American or European firms holding the exclusive representation of foreign manufacturing firms. Of course, there are firms of all nationalities doing both import and indent business. In the early consideration of this matter, it appeared that the Import Control Board favored giving import quotas to the indentors or exclusive representatives, since there are fewer of them to deal with. However, it appears that the quotas will be given to the importers, on the theory that the quotas will be widely spread and control of the market in a particular commodity should not be held in a few hands. This may make things difficult for certain indent houses which have in the past been selling some of their products exclusively to a closed ring of importers. They will now find themselves in the hands of the ring which will be able to more or less dictate terms.

In spite of the foregoing uncertainties, enough has been revealed about future import control operation to give us a fair idea of coming events. It can, of course, be anticipated that the President's order implementing the Import Control Law will set forth a list of classes of commodities which will thenceforth require import licenses for importation into the Philippines.

These items will probably be divided into three classes, those which are considered luxuries, those which are considered non-essential and which could be replaced by items manufactureable in the Philippines, and those items considered non-essential not manufactured or manufactureable in the Philippines. These classes will probably be divided into sub-groups and importers will apply for separate licenses in each sub-group. It is anticipated that the importer will be free to import individual items within a sub-group to suit his requirements. As an example, importers of cosmetics will probably be given a dollar quota under which they can import face-powder or hair-oil or any other cosmetic in any proportion which suits them.

In order to qualify for an import license, it has been indicated that an importer will have to be registered with the Securities and Exchange Commission or with the Bureau of Commerce, licensed to do business in the Philippines, and also registered with the Import Control Board.

After registration, he may apply for quotas in the various sub-classes in which he is interested. The importer will be required to pay P2 as a filing fee with each application, and upon the granting of a license, he will be required to pay a fee of P1 per P1,000 of the c.i.f. value of the license granted. Funds derived from this source will be used in operating the Import Control Office.

Import licenses issued will probably be valid for 6 months and will have a provision for deducting individual shipments from the total amount licensed. The importer will have to submit his import license to the Customs at the time of arrival of the merchandise, and will also have to furnish a copy of his import license to the Philippine Consulate in the country of the origin of the merchandise at the time the consular invoice is secured. This latter detail will probably require some reconsideration, since, otherwise, a great number of copies of the license will be required. It would appear sufficient to furnish the Philippine Consul only the import license number without the necessity of submitting a copy, since the Consul would, in any case, have no way of determining the unused balance of the license. Importers who receive licenses, but do not import the full amount of the license within its validity period, will be required to show cause why he should not lose his quota for the succeeding periods.

In applying for an import license, importers will probably be required to state the amount of the commodity they imported during a base period to be set by the Import Control Board. This period will probably be the years 1947 and 1948, or some part thereof. If the importer's application is approved, he will, in all likelihood be given an import license for a percentage of the amount he imported during the base period. If, as an example, he imported P100,000 worth of a particular item during 1947-48, and the period of the quota is 6 months and a 40% cut is to be made, he will be given a license for P15,000 for the 6 months' period. It can thus be seen that under this system, if adopted, no definite quota will be set, since the amount to be licensed will depend on the amount applied for. Although this method presents problems, it is much to be preferred to the alternative method which would require the Import Control Board to wait until substantiated reports of all applicants' imports during the base period were received, and then make a division of a fixed quota among these applicants in proportion. The problems presented by this latter method are obvious. It is probable that the President's order will limit new importers to 20% of the allocation to old importers. This would require under the first system indicated, that the Control Board wait until it has determined the total of old importers quotas to be issued before licensing new importers.

Of vital interest to importers is the list of items to be controlled and the extent of limitation. No official information on this subject has yet been released. However, a consideration of the items discussed at the various panel meetings held by the Import Control Board at which importers were invited to state their views, gives us a basis for reasonable surmise.

It appears that the Import Control Board would like to cut the importation of items to be controlled by about 40%, on the average, of the importations during 1947-48. However, the amount of cut will probably vary widely on different classes of goods.

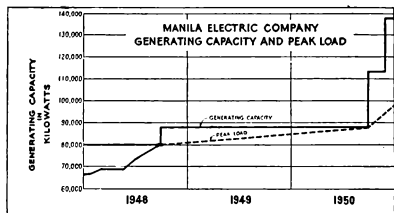
Of the various items discussed in the panel meetings, it would appear that the following groups of items are due for control: beverages, wines and liquors; cosmetics; watches and clocks; beauty-parlor equipment; textiles, in the high priced cotton and rayon classifications; ready-made clothing;

(Continued on page 412)

Possible Manila Power Shortage in 1949

Public Cooperation Needed

By H. P. L. Jolley
Vice-President, Manila Electric Company



STUDIES made by the Manila Electric Company (Meralco) indicate the possibility of a power-shortage during part of 1949 and 1950. The accompanying graph shows how the rapidly increasing demand or "peak load" is fast approaching the system's capacity.

The upper line shows the generating capacity of both the steam and hydro plants available to Meralco for supplying electric service to Manila, suburbs, and neighboring municipalities up to December, 1950. The lower line shows the peak load month by month to date, and the dotted line shows the estimated probable growth of the demand.

It will be noted that the lower line gradually approaches the upper line. The estimated increase in peak load as shown in the graph is less than the rapid rate of increase during the past year. *Should the peak load continue the current upward trend, the demand will exceed the supply perhaps as early as the middle of 1949.*

There is no possibility of increasing the source of supply until September, 1950. Should there be delays in the delivery of materials, this date may be even further postponed.

At the present time the generating capacity is double that of 1941, but the demand is very nearly double.

These facts are brought to the attention of the public in order that the situation may be fully realized. Meralco will do all it can to give service, but the cooperation of all is needed. Everyone should refrain from using more electric service than absolutely necessary, especially during the peak hours from 6 to 8:30 p.m.

The only way Meralco can ration service is by disconnecting an entire circuit as soon as demand exceeds supply. This is a great annoyance to many. *Therefore rationing should be a voluntary act on the part of the public until such time as there is sufficient capacity.*

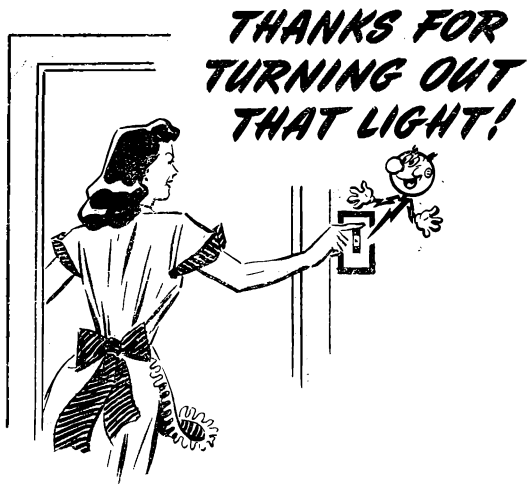
Meralco, with the assistance of the National Power Corporation, has done and is doing all it can to continue its pre-war standard of service. However, the demands of the public are so much greater than in 1941 that it will be impossible to keep capacity ahead of demand until the new Rockwell power station is completed and until other materials, principally for sub-stations, come forward more quickly than at present.

Owing to the total destruction of Manila's generating stations and much of its transmission and distribution systems early in 1945, we feel that there is every reason to account for the existing situation. The efforts of the National Power Corporation and the U. S. Army coupled with our own have produced a capacity of 88,000 K.W. compared with 45,500 K.W. in 1941. We believe almost everyone will agree that this is a fine accomplishment.

In many cities of the United States, the reader may be surprised to learn, there is also a shortage of power, not, of course, due to destruction but due to the increased demand and the impossibility of obtaining equipment in time to cope with the increase. In Meralco's office there are copies of many advertisements inserted in newspapers by power companies with reference to shortage of capacity for one reason or another. The following States are among those included in these "ads": Florida, North Carolina, Maine, New Mexico, California, Texas, Kentucky, Connecticut, and Mississippi. So the Philippines is comparatively well off, especially when one considers that nearly twice the pre-war capacity is available and being supplied.

Commenting on the fact that Meralco is now supplying twice as much electricity as pre-war to a larger number of customers, a visiting executive of a well known United States electrical manufacturer said, "Your impending shortage of power is largely due to the excellent job you have done in rebuilding your system so rapidly." He pointed out that there would be no shortage of power capacity if the Company had not connected so many customers so quickly, thus substantially filling the gap left by the gas company.

It is not necessary to write more. Please keep everything you can off the peak hours 6 to 8:30 p.m. Nothing is too small to matter; if everybody cooperates, the total will be significant. Both large and small power customers are asked to give serious thought to the possibility of power curtailment during those hours. Everybody will benefit by giving this assistance, and will also have smaller accounts to pay for Reddy Kilowatt's service.



When you turn out a light that isn't needed, you're protecting your own electric service and helping the community. For until the new power station is completed in 1950, the power situation here will continue to be "tight." Every available kilowatt is needed--so please don't waste ANY electricity.

Manila Electric Company

Recent Court of Industrial Relations Decisions

By EWALD E. SELPH

1. *Bargaining agent*

IN a case decided June 10, 1948, following numerous precedents, the Court of Industrial Relations stated that a union duly registered is entitled to collective bargaining for its members, and management may deal with non-members individually. In no case has the union been made the sole bargaining agent. In some instances two or more unions have sought exclusive bargaining rights.

In one case the Court said, "The Court is not concerned as to whether these unions have a minority or majority of members in the company—that whatever one union gets for its members, the same shall be applicable to the other workers."

2. *Closed shop and check-off*

This demand has been consistently denied. Some companies have agreed to it.

3. *Prior reference to a union of dismissals, suspensions, or penalties*

This demand has generally been denied although investigation and hearing have been required and in some cases the Court has stipulated that notice of such disciplinary measures be given the union or a committee thereof and the employee be given the right of appeal to the executive of the employer.

4. *No discharge without just cause*

This is generally embodied in the decisions. In some cases the Court has asked that employees be given another chance even though discharge was for just cause.

5. *Policy of promotional incentive*

This has generally been left to management.

6. *Period of probation before employee is considered permanent*

In one case this was fixed at 3 months; in another case, 60 days, but laborers are not generally put on a monthly basis; clerks, etc. generally are.

7. *50% additional for work on Sundays and holidays*

This demand has generally been granted except in the case of public utilities.

8. *Vacation and sick-leave with pay*

In general, after one year of service, 15 days vacation, and 15 days sick-leave on physician's certificate, have been granted.

9. *Overtime for monthly employees*

The Court in one case decided that as monthly employees generally work only about 6 1/2 hours per day and only 4 hours on Saturdays, and that as only occasionally did they work overtime and then were given a meal-allowance, they were not entitled to overtime; but if they desire to be transferred to an hourly basis, dividing their present salaries by 26 days and 8 hours, the employer should make such a transfer. For daily workers, uncollected overtime has been

awarded in a number of cases, retroactive to the date of the complaint.

10. *Access to a place of employment by union officials*

In one case an employee was reinstated on condition he would not engage in union activities in the company's premises.

11. *Scale of wages*

In one case the Court said the minimum of "health and decency standard of living wage," is midway between a subsistence or poverty level and a comfort standard. The Court also said that the fact the business is not making a profit does not relieve the employer from paying a fair living wage.

Evidence was admitted of the trend in the cost of living figures as prepared by the Bureau of the Census and Statistics based on a family of 5:

January, 1947	—	₱166.95	per month
December, "	—	131.54	" "

The report of the Bureau for July, 1948, shows ₱137.42 per month.

In one case (April 23, 1948) the Court said the employer's "financial ability to pay fair, decent, and reasonable wages to its workers does not mean that it should be made to pay whatever increase that its workers may demand." The Court also said that "one of the factors for determining a fair and just wage mentioned in Commonwealth Act 103 as amended, is the rate of wages of laborers employed in other factories."

In some cases the witnesses on statistics have testified that living expenses in Manila are generally about 15% more than in the provinces.

12. *Discharge of employees objected to by a union*

In general, this demand has been denied.

13. *Christmas gifts or other bonuses*

In one case the Court indicated that while probably this would tend to improve employer-employees relationships, a bonus is a manifestation of liberality and cannot be demanded as of right.

14. *Pay during the period of a strike*

This demand has been consistently denied.

15. *Pensions and retirement or separation allowances*

In general, these are in the experimental stage. In one case an agreement was reached for a sliding scale of approximately one half month's pay per year of service after 30 years of service, and after 15 years service, 10 days pay per year of service.

16. *Maternity-leave with pay*

In one case the Court approved the company's plan for female employees having 6 months service, of 8 weeks leave with pay at average weekly earnings for the 12 weeks immediately preceding the leave.

17. 42-hour work-week

The Court stated that as the legal working day is defined by Act 444, the shortening of hours per work-week is something for management to decide.

18. High cost-of-living allowance

In one case the union demanded that the custom which grew up in 1945 and 1946 of making special high cost-of-living allowances apart from base pay, be modified so that the actual take-home pay be entered on the payroll and such terms as "bonus" and "living allowance" or "allowance" be eliminated, but the Court approved the continuance of that custom on condition that the same not be reduced without approval by the Court.

19. Additional pay for night-work

In two cases the Court of Industrial Relations

fixed salaries and wages for night work at 50% over regular day-work pay, both of which were approved by the Supreme Court. Several applications for revision of this figure are pending. The differential in labor contracts entered into in the United States in 1947 run about 2-1/2% to 5% for the swing-shift and not over 7-1/2% for the graveyard-shift. Night-work has been defined by the CIR as work done between 6 p.m. and 6 a.m.

20. Back pay or bonus during the Japanese occupation

This demand has been consistently denied. In a recent case the Court ruled that the granting of "this payment to the laborers is completely a privilege in nature and not a matter of right."

Election Broadcast (Excerpt)

Bert Silen over KZRM, Manila

"SO, once again the United States Government will be in complete control of the Democratic Party. For better or for worse, during the next four years, the American people will have a Democratic Congress, a Democratic Senate and, no doubt, a Democratic President. How this will affect the Philippines, remains to be seen. We do know that under a Democratic administration, there has been a great deal of sympathy shown to aid the financial situation of the Filipino people. But there are things which must be considered. In my talks around New York with people whom I have had to do business with, they asked me various questions about conditions in the Philippines, and seemed to be concerned over the Huk situation, over the apparent nationalism of the Filipino people, and, recently, over the proposed Import Control Act. It does seem that the businessmen here, who have dealings with the Philippines, know more about Philippine affairs than we would usually give them credit for.

"And as one man, the President of one of the largest manufacturing concerns in the United States, said: 'The measure of consideration to be given to the Philippines, would be in direct proportion to the consideration given American business by the Filipinos.' I pointed out to him that the Philippine Government, in exercising its rights to regulate im-

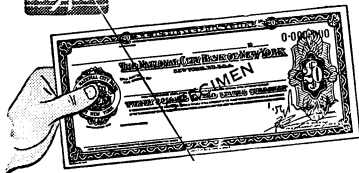
ports, was only following the advice contained in the joint Philippine-American Commission Report. He admitted this fact; but said that this Report was made at a time when the realities of post-war problems in the Philippines could not be accurately gauged and, as all reports or predictions, this one would have to be revised in the light of known events and situations. He even went further—and I report this because I think it is important, he said that he and some of the other businessmen with whom he had talked the matter over, thought that the whole situation was being used as a subterfuge to promote Philippine nationalism. This coming from a man who stands high with the new Congress and who is well acquainted with Philippine affairs!

"And I report here again, because I do think it is important that the Filipinos realize it, that the people in this country are concerned over their welfare as well as their future relations... It is certain that the Filipinos will be dealing with forces here in this country, which may have a different temper than those which we have felt for the past sixteen years. How these things will work out, will depend on a quick and complete understanding of the situation, and a frank and honest attempt on the part of all concerned to meet the problems squarely, openly, and with much thought... This is Bert Silen in New York, turning you back to Manila..."

"FOR the first time since the war the socialists and the middle parties found themselves united by a common hatred of Communism stronger than the acute differences over state enterprise and capitalism which divided them... The abhorrence of Communism and the police state, the belief in individual liberty and representative government, are the common heritage of Britain and the peoples of Western Europe. Until the civilization which they created was threatened with destruction by a hostile creed assailing the Christian ethic and the whole concept of human self-determination, the western nations never realized that their common beliefs might outweigh their differences in the scale of values. For the first time they are coming to feel an emotional need to unite, without which no society can become a living reality... [Europe] will no longer be divided by barren hatreds, but will seek the path to a better way of living together. It will abjure war except in defense of freedom itself."—Sir Harold Butler, in the July FOREIGN AFFAIRS



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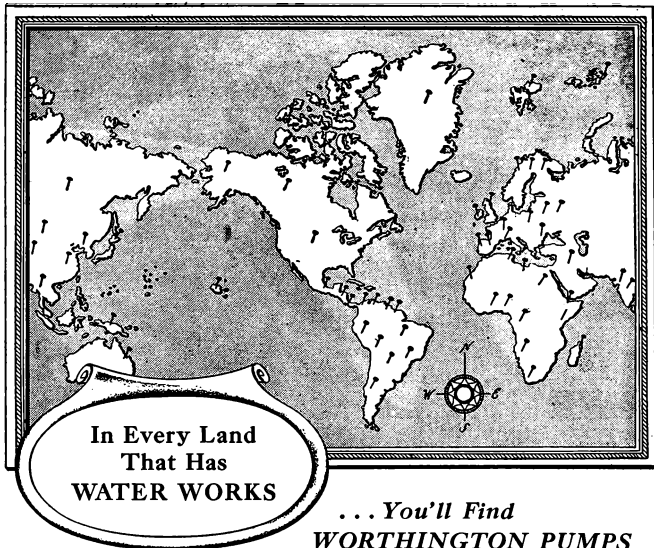
CEBU

Imports and Exports by Countries

January to June, 1948

By the Bureau of the Census and Statistics

Country	Total Trade Value (Pesos)	Per Cent Distribution	Imports	Per Cent Distribution	Total Exports	Per Cent Distribution	Domestic Exports	Re-exports
Total	955,200,806	100.00	606,135,260	100.00	349,065,546	100.00	318,267,660	30,797,886
United States	730,841,814	76.49	511,749,410	84.43	218,892,404	62.71	211,788,208	7,104,196
China	26,184,417	2.64	23,048,468	3.81	2,135,959	.61	784,411	1,351,548
Japan	19,746,330	2.07	2,188,132	.36	17,558,198	5.03	16,107,099	1,451,099
France	19,723,975	2.06	805,392	.13	18,918,583	5.42	18,903,678	14,905
Dutch East Indies	19,143,102	2.00	9,996,372	1.65	9,146,730	2.62	242,908	8,903,822
Canada	16,359,772	1.71	8,010,556	1.32	8,349,216	2.39	8,248,594	102,622
Denmark	12,681,661	1.31	255,224	.04	12,206,397	3.50	12,203,177	3,220
Poland	8,597,503	.90	—	—	8,597,503	2.46	8,597,503	—
Great Britain	8,563,891	.90	4,929,674	.81	3,634,217	1.04	3,634,217	—
Belgium	7,499,155	.79	4,667,940	.78	2,831,215	.81	2,831,005	210
Italy	6,822,159	.71	819,928	.14	6,002,231	1.72	6,002,231	—
Sweden	6,441,911	.67	2,690,992	.44	3,750,919	1.08	3,750,919	—
India	5,951,302	.62	4,587,066	.76	1,364,236	.39	1,292,716	71,520
Netherlands	5,069,373	.53	527,286	.09	4,642,087	1.30	4,642,087	—
Ecuador	5,019,780	.52	5,018,968	.83	812	—	812	—
Argentina	4,236,224	.44	1,718,964	.28	2,517,260	.72	263,189	2,254,071
Germany	3,869,839	.41	75,724	.01	3,794,115	1.09	3,794,115	—
British East Indies	3,830,227	.40	3,819,442	.63	10,785	—	4,386	6,399
Korea	3,407,350	.36	—	—	3,407,350	.98	—	3,407,350
Arabia	3,389,213	.36	3,223,262	.53	165,951	.05	165,951	—
Hongkong	3,239,861	.34	240,294	.04	2,999,567	.86	1,344,511	1,655,056
Switzerland	3,081,162	.32	2,118,344	.35	962,818	.28	962,818	—
Norway	3,070,228	.32	624,976	.10	2,445,252	.70	2,445,252	—
Brazil	3,032,025	.32	3,027,680	.50	4,345	—	4,345	—
British Africa	2,951,838	.30	86,998	.01	2,864,840	.82	2,210,740	654,100
Persia	2,858,242	.28	2,658,240	—	—	—	—	—
Hawaii	2,565,931	.27	1,466,114	.24	1,099,817	.32	736,634	364,183
Austria	2,384,712	.25	312,112	.05	2,072,600	.59	2,072,600	—
Spain	2,245,328	.24	1,397,754	.23	847,574	.24	840,044	7,530
Cuba	1,454,932	.15	1,454,932	.24	—	—	—	—
Australia	1,400,814	.15	996,602	.16	404,212	.12	11,739	392,473
French Africa	1,187,715	.12	—	—	1,187,715	.34	1,216	1,186,500
Siam	1,065,263	.11	121,618	.02	938,636	.27	738,527	198,108
Czechoslovakia	856,046	.09	305,046	.06	550,000	.17	580,000	—
Malaya	826,961	.09	57,680	.01	769,281	.22	693,733	75,548
French East Indies	816,942	.09	—	—	816,942	.23	116,164	700,778
Mexico	775,126	.08	758,110	.13	17,016	—	—	17,016
Panama, Republic of	716,466	.08	12,000	—	704,466	.20	704,466	—
Uruguay	616,300	.07	594,982	.10	21,318	.01	21,318	—
Colombia	509,634	.05	210	—	509,424	.15	509,424	—
British New Guinea	438,131	.05	—	—	438,131	.13	—	438,131
Russia	421,388	.04	421,388	.07	—	—	—	—
Ceylon	361,414	.04	361,414	.06	—	—	—	—
Portugal	345,829	.04	117,040	.02	228,789	.07	228,789	—
Costa Rica	343,324	.04	343,324	.06	—	—	—	—
Palestine	332,000	.04	—	—	332,000	.10	203,000	129,000
Porto Rico	246,375	.03	19,306	—	227,069	.07	227,069	—
Portuguese China	227,000	.02	—	—	227,000	.07	—	227,000
Egypt	170,966	.02	170,966	.03	—	—	—	—
Guam	148,604	.02	—	—	148,604	.04	76,715	71,889
Panama (Canal Zone)	99,214	.01	—	—	99,214	.03	99,214	—
Turkey	89,364	.01	142	—	83,212	.02	73,600	9,612
New Zealand	91,568	.01	75,520	.01	6,248	—	6,248	—
Venezuela	68,387	.01	42,338	.01	25,999	.01	25,999	—
Peru	50,406	.01	42,314	.01	8,092	—	8,092	—
Dutch West Indies	49,048	—	—	—	49,048	.01	49,048	—
British West Indies	48,232	—	48,232	.01	—	—	—	—
Dutch Guiana	45,221	—	—	—	45,221	.01	45,221	—
Dominican Republic	39,716	—	36,728	.01	2,988	—	2,988	—
Paraguay	30,352	—	30,352	—	—	—	—	—
British Honduras	25,972	—	—	—	25,972	—	25,972	—
Finland	25,390	—	25,390	—	—	—	—	—
Ireland	21,986	—	7,714	—	14,272	—	14,272	—
Aden	17,941	—	—	—	17,941	—	17,941	—
British Oceania	17,086	—	17,086	—	—	—	—	—
Nicaragua	11,993	—	8,668	—	3,325	—	3,325	—
Chile	7,001	—	—	—	7,001	—	7,001	—
Salvador	2,411	—	—	—	2,411	—	2,411	—
Haiti	1,186	—	—	—	1,186	—	1,186	—
Azores and Madeira	1,004	—	1,004	—	—	—	—	—
Liberia	872	—	—	—	872	—	872	—
Honduras	747	—	—	—	747	—	747	—
British Guiana	180	—	—	—	180	—	180	—
Jugoslavia	34	—	—	—	34	—	34	—



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Imports and Exports by Nationality of Traders

January to June, 1948

By the Bureau of the Census and Statistics

Nationality	Total Trade	Imports	Exports	Domestic Exports	Re-exports
Total	955,200,805	606,135,200	349,065,546	318,267,660	30,797,886
American	340,221,505	168,405,856	171,815,649	159,749,173	12,066,476
Chinese	307,618,647	242,758,328	64,860,319	63,020,227	1,840,092
Filipino	210,701,842	136,382,928	74,318,914	61,106,893	13,212,021
British	37,922,080	23,225,728	14,696,352	13,947,603	748,749
Spanish	21,970,224	4,454,622	17,515,602	17,479,412	36,190
Swiss	15,289,481	15,198,014	91,467	57,754	33,713
British-Indian	8,781,074	5,640,768	140,306	87,234	43,072
Syrian	5,454,565	5,254,136	200,429	200,429	—
Dutch	2,703,350	91,524	2,611,866	509,850	2,102,016
French	2,498,102	1,383,304	1,114,798	528,400	586,398
Panama	1,337,662	1,337,662	—	—	—
German	768,811	68,756	700,055	700,055	—
Danish	736,945	2,926	734,019	733,819	200
Swedish	714,058	714,058	—	—	—
Turkish	625,338	625,338	—	—	—
Argentinian	330,417	292,032	—	—	—
Siamese	121,372	170	121,202	67,225	1,160
Dutch-Malayan	91,349	89,300	2,049	—	2,049
Jewish	87,983	24,950	63,033	63,033	—
Armenian	64,872	62,812	2,060	460	1,600
Italian	48,718	48,718	—	—	—
Norwegian	45,890	45,190	700	700	—
Austrian	20,934	20,934	—	—	—
British-Malayan	13,890	13,890	—	—	—
Portuguese	12,613	7,220	5,393	5,393	—
Polish	3,580	1,032	2,548	—	2,548
Hondurian	2,342	2,342	—	—	—
Greek	1,712	1,712	—	—	—
Czechoslovakian	1,344	944	400	—	400

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If you had an order on file with us at the time of the fire on October 11, whether it called for one book or a hundred books, will you please let us have a copy of the order so that we may be sure to attend to it properly as our new shipments come in. We need your help in reconstituting these records.



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Belgian	1,000	1,000	—	—	—
Russian	1,000	1,000	—	—	—
Irish-(Free)	268	268	—	—	—
Slovakian	128	128	—	—	—
Egyptian	50	50	—	—	—
Ecuadorian	40	40	—	—	—
Hungarian	30	30	—	—	—
Others	7,550	7,550	—	—	—

Principal Exports, First Half Year, 1948 Compared with First Half Year, 1947

Article and Country	Unit	1947		1948	
		Quantity	Value	Quantity	Value

1. *Copra*—

Total—Kilo.	332,144,592	P 179,007,651	484,969,564	P 181,133,094
United States	190,908,689	104,833,114	267,427,183	100,265,154
France	35,430,891	18,902,508	46,137,893	17,143,688
Denmark	18,215,617	9,376,310	30,321,864	12,048,653
Poland	15,748,048	8,197,503	5,080,000	973,125
Japan	16,828,089	8,262,742	—	—
Canada	12,446,912	7,561,615	14,491,104	5,522,844
Italy	10,104,190	4,818,778	24,381,096	7,993,392
Netherlands	6,102,414	3,743,464	7,965,000	1,611,400
Germany	4,892,040	2,498,273	—	—
Austria	3,454,400	2,072,600	7,416,800	3,076,111
Other countries	17,613,262	8,640,744	81,742,422	32,464,720

2. *Abaca, unmanufactured*—

Total—Bale.	363,446	P 35,280,130	373,434	P 35,827,083
United States	164,960	17,772,377	280,709	27,118,907
Japan	76,978	6,660,687	—	—
Great Britain	47,570	3,397,042	19,886	1,888,161

Norway	12,168	1,479,617	8,210	726,265
Denmark	13,320	1,239,702	12,916	1,213,357
Germany	11,412	1,108,519	—	—
Belgium	11,170	1,092,191	21,148	2,030,601
Canada	5,097	606,193	3,800	437,631
China	2,745	383,367	50	6,175
Portugal	2,635	228,785	775	81,876
Other countries	15,391	1,311,242	25,940	2,323,706

3. *Desiccated coconut*—

Total—Kilo.	30,044,967	P 31,396,367	5,989,188	P 5,178,066
United States	29,708,947	30,977,892	5,839,321	5,415,478
Canada	303,362	375,731	34,012	34,650
Hawaii	32,618	42,744	16,085	22,338
Hongkong	—	—	99,770	101,600

4. *Sugar*—

Total—Kilo.	118,680,079	P 22,032,386	—	—
United States	118,680,019	22,032,362	—	—
Netherlands	60	24	—	—

5. *Coconut oil (mildable and edible)*—

Total—Kilo.	19,920,109	P 17,876,850	5,379,832	P 4,126,680
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United States	18,258,690	16,276,526	3,110,074	2,400,840	9. Rope—				
Italy	1,012,544	935,016	325,000	256,000	Total—Kilo	1,946,597	P 2,058,237	1,206,511	P 1,551,302
British Africa	590,047	589,711	—	—	Malaya	524,550	510,145	127,117	182,586
Arabia	52,991	67,758	—	—	United States	492,342	461,605	567,293	669,500
Japan	5,010	6,143	—	—	Dutch East Indies	228,127	240,875	12,160	13,890
Guam	810	1,680	—	—	French East Indies	94,368	116,164	22,142	33,593
Hongkong	17	16	—	—	British Africa	82,482	113,373	129,261	184,987
Netherlands	—	—	1,477,296	1,119,840	Arabia	67,192	98,193	8,090	11,414
Belgium	—	—	467,462	370,000	Hongkong	66,181	75,287	60,451	79,159
6. Embroideries—					Siam	78,128	70,053	36,278	11,427
Total—	P 1,057,372		P 369,705		China	42,487	62,306	54,982	76,219
United States	5,057,336		360,109		Panama, Canal Zone	38,948	48,746	18,745	27,231
Hawaii	36		3,683		Other countries	210,792	217,490	171,512	221,412
Guam	—		5,933		10. Lumber and Timber				
7. Copra Meal or Cake—					Total—Bd. Ft.	7,779,437	P 1,829,482	—	—
Total—Kilo	P 30,005,151	P 4,489,056	P 9,234,455	P 1,630,414	United States	6,953,752	1,672,091	—	—
Sweden	14,157,133	2,071,654	5,991,421	1,169,088	China	764,305	137,575	—	—
Denmark	9,239,366	1,439,340	2,276,634	306,500	Hawaii	61,550	19,786	—	—
Netherlands	4,171,850	595,332	107,325	18,444	Hongkong	30	30	—	—
United States	1,850,081	275,850	—	—	Other Exports				
Belgium	485,030	90,865	151,875	28,382	including Re-Exports		P 47,784,289		P 20,343,456
Italy	101,600	16,000	—	—	Exports				P 210,679,600
French Africa	91	15	707,200	108,000	Total Export		P 349,061,546		
France	—	—	—	—					
8. Chromic—									
Total—Kilo	114,819,581	P 2,253,726	3,048,000	P 120,000					
United States	105,691,481	2,105,721	3,048,000	120,000					
Great Britain	9,128,000	148,000	—	—					
Belgium	100	5	—	—					

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Principal Imports, First Half Year, 1948 Compared with First Half Year, 1947

Article and Country	1948 Value	1947 Value
---------------------	------------	------------

1. Cotton and manufactures—

Total	P 75,187,038	P 83,743,230
United States	63,455,078	78,736,164
China	9,441,372	1,988,464
Great Britain	778,884	610,140
Switzerland	109,682	189,958
Japan	107,267	—
France	233,714	152,450
Belgium	93,676	—
Canada	14,366	—
Czechoslovakia	40,814	—
Hongkong	21,720	—
Other countries	47,430	2,066,054

2. Rayon and other synthetic textiles—

Total	P 60,133,860	P 45,591,710
United States	60,000,906	46,407,302
China	43,460	47,722
Switzerland	38,314	84,474
Italy	13,404	5,750
Belgium	12,376	19,820
Japan	6,406	—
Hongkong	5,616	—
France	4,728	7,476
Canada	3,634	—
Spain	1,876	1,388
Sweden	1,662	—
Other countries	1,492	17,778

3. Grains and preparations—

Total	P 42,874,906	P 75,052,710
United States	32,528,368	55,804,978
Ecuador	5,006,400	4,541,016
Canada	3,917,906	8,609,810
China	832,124	681,844
Great Britain	303,772	—
Australia	166,340	86,146
Siam	80,550	4,966,620
Denmark	31,970	97,182
Switzerland	2,224	—
Hongkong	2,138	—
Other countries	2,214	260,674

4. Automobiles, parts of and tires—

Total	P 33,323,240	P 26,132,778
United States	33,162,546	21,928,028
Great Britain	124,794	77,728
France	27,570	66,290
Italy	5,624	50,906
Switzerland	2,452	—
Canada	214	6,618
China	—	3,208

5. Mineral oils (petroleum products)—

Total	P 31,343,642	P 14,879,858
United States	12,434,842	5,654,990
Dutch East Indies	9,273,654	1,548,086
British East Indies	3,749,164	3,004,930

Arabia	3,223,262	1,638,512
Persia	2,618,036	2,977,548
Switzerland	3,610	—
Great Britain	1,034	5,126
Australia	—	46,546
Netherlands	—	3,088
Italy	—	1,232

6. Iron and steel and manufactures—

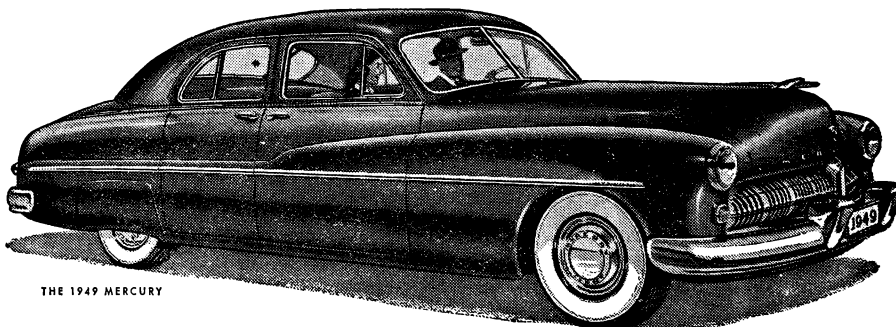
Total	P 30,173,814	P 20,424,424
United States	25,287,140	17,415,226
Belgium	1,764,134	1,094,586
China	1,532,312	1,146,166
Japan	682,462	—
Great Britain	626,096	546,374
Sweden	108,698	56,090
Italy	73,818	—
Netherlands	29,546	35,862
Austria	15,412	—
Australia	12,702	26,728
Other countries	41,494	103,392

7. Tobacco and manufactures—

Total	P 23,509,412	P 26,011,836
United States	23,509,028	26,011,702
Hongkong	218	—
China	78	30
Great Britain	36	104
Canada	12	—

(Continued on page 418)

America's first 1949 cars



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The Business View

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Office of the President

of the Philippines

From an Official Source

AUGUST 31 — President Elpidio Quirino informs the Cabinet that the Philippines and Argentina have agreed to an early exchange of diplomatic representatives.

The Cabinet decides that the Philippine Iron Mines, Inc. may comply with the insistent request of SCAP to ship 200,000 tons of iron ore to Japan during the next 12 months provided it be converted into construction materials to be shipped back to the Philippines.

Announced that the Government is considering the purchase for subdivision and sale to the tenants of the Quezon family hacienda at Arayat, Pampanga, and the estates of Secretary of Education Manuel Gallego and of Felipe Buencamino, both in Nueva Ecija.

The President asks the new Labor-Management Board to make a study to determine what would constitute a "living and reasonable wage" for each category of workers in the various parts of the country.

The Malacañan Office of Public Information states that the President will ignore the open letters of Hukbalahap leader Luis Taruc, published in some of the newspapers.

September 1 — Reported that a volcano on Camiguin Island, off northern Mindanao, is in eruption for the first time since 1871.

A typhoon, followed by floods, does considerable damage in Central Luzon. Destruction of certain water-works disrupts the water-service in a part of Manila.

Sept. 2 — The President instructs Arsenio Luz, Chairman of the Surplus Property Commission, to suspend all officials and employees who have been recommended for prosecution by the Horilleno Investigating Committee and also to eliminate the allegedly numerous cases of nepotism in the organization.

Sept. 3 — Servillano de la Cruz, Chairman of the National Rice and Corn Corporation, states there need be no fear of a rice-shortage as his firm will receive during September, including cargo already in the Bay, some 33,406 tons of rice, chiefly from Siam, Burma, and Ecuador.

Sept. 4 — Reported that two-thirds of the 52,000 inhabitants of Camiguin Island have already been evacuated to the mainland, Bohol, and other places, by private and government vessels which rushed to the scene. The Government and the Red Cross are sending aid.

Sept. 7 — The Cabinet reaffirms the policy recently adopted under which the Commissioner of Customs is to "use sparingly his discretionary power to allow ocean-going steamers to call at supports to load cargo." Reasons given: such calls deprive inter-island lines of their legitimate business; due to inadequacy of customs supervision at such ports, the Government may be deprived of legitimate revenue;

may result in smuggling in of goods and undesirable foreigners.

Sept. 8 — Announced that the Control Committee of the Government Enterprises Council has entered into a contract with Charles Choy (Philippines), Inc. jointly with Mollers' (Hongkong), Ltd., for clearing and salvaging vessels, scrap metal, etc. in Philippine waters. The contractors will erect a ₱1,000,000 re-rolling mill to reprocess scrap of which 11,000 tons will be finished as reinforcing steel rods and bars to be sold to the Government at ₱232.43 a ton, and within 30 days the contractors will move in salvaging and other equipment worth ₱2,000,000. The contractors will post a general performance bond of ₱100,000, will pay in advance before the beginning of operations ₱200,000, and will post an additional bond of ₱200,000 to guarantee the reprocess provisions. It is estimated the contractors will make a minimum recovery of 100,000 long tons of scrap metals. Operations will begin within 90 days under the supervision of a British salvage expert, Captain W. A. Doust, C.B.E.

Sept. 9 — The President confers with members of the U. S. Philippine War Damage Commission, the U. S. Public Roads Administration, and the Department and the Bureau of Public Works on the public works projects to be undertaken under the ₱240,000,000 appropriation in the Rehabilitation Act. Chairman F. A. Waring of the War Damage Corporation has said that the law provides that these projects must be completed by the end of the 1950 fiscal year, and the President is perturbed over reports that due to lack of equipment and financial resources, some contractors will be unable to complete the projects in the time allowed. Waring explains that the Commission advances 50% in cash of the total amount needed for a project and gives the remainder as the work progresses and that during the last 15 months the Commission has been making such advances at the rate of ₱1,000,000 a week, or a total of ₱68,000,000. Of the total 931 public works projects already awarded, work is now being undertaken on 226. He states that the Commission has sent no less than 200 letters to provincial officials urging them not to delay work on their respective projects. The President states the Government will cooperate to the fullest extent and authorizes the Surplus Property Commission to allow contractors to reserve equipment in the surplus depots which they may want to use.

Sept. 13 — The President accepts the resignation of Secretary of Justice Roman Ozaeta who will be re-appointed to the Supreme Court; Associate Justice Sabino Padilla will resign from the Court and will be appointed to take Mr. Ozaeta's place as Secretary.

The President issues an executive order (No. 171) waiving the additional progressive taxes which were to have been collected from the sugar mills on the 1947-48 sugar crop.

Sept. 14 — Announced that Executive Secretary Emilio Abello has resigned and will assume the position of Minister-Counselor at the Washington Embassy, replacing Narciso Ramos who will head a diplomatic mission to Argentina. Teodoro Evangelista,

Acting Under-Secretary of Foreign Affairs, will become Executive Secretary.

The President appoints Jorge B. Vargas and Gil J. Puyat as Chairman and member, respectively, of the National Urban Planning Commission.

The President orders the suspension of all officials of the Surplus Property Commission accused in new complaints filed in court yesterday. Chairman Luz, charged with negligence, is included among these officials.

Secretary Abello reporting that he has received numerous protests against the order on the cargo loading at supports by ocean-going vessels, the President states that the order has been misinterpreted and does not mean an absolute prohibition.

The President instructs Secretary of Commerce and Industry Placido Mapa to inquire into complaints from the provinces that rice handled by PRATRA is being sold at a higher price than NARIC formerly charged.

Willis G. Waldo, consultant on ramie to the National Development Company, submits a report to the President stating that the Philippines offers vast possibilities for ramie culture but that it would take from 2 to 3 years to get into large-scale production.

Reported that the volcanic disturbances on Camiguin are subsiding and that evacuees may be returned within a few days.

Sept. 15 — The President appoints Secretary of the Interior Jose C. Zulueta as Chairman of the Surplus Property Commission. Abello and Evangelista are given the appointments announced yesterday.

Reported that the Government will make representations to the United States Government for an extension of the time-limit for the construction or reconstruction of public works under the Rehabilitation Act.

Sept. 16 — The President confers with Charge d'Affaires T. H. Lockett on the matter of extending the time-limit for public works undertaken under the Rehabilitation Act.

The International Bank for Reconstruction and Development, Washington, announced yesterday that the Philippines has made formal application for a loan to finance the foreign exchange cost of four hydro-electric power projects and a fertilizer plant.

Sept. 17 — The President appoints Sabino Padilla as ad interim Secretary of Justice and Roman Ozeta as ad interim Associate Justice of the Supreme Court. He also designates Major Andres O. Cruz and Major Bartolome C. Cabangban as Acting Administrator and as ad interim Deputy Administrator, respectively, of the Civil Aeronautics Administration.

The President convenes the National Economic Council for the first time since he assumed the Presidency and refers three reports to the body for study: (1) the special committee's report on the transactions of the National Coconut Corporation, (2) the report of NACOCO Manager Maximo Kalaw, and (3) the Waldo report on ramie. The President instructs the Council to consider the recommendation of the special committee that the functions of NACOCO be limited to research work. The Corporation, according to the committee, has lost around P4,000,000 in "unauthorized transactions."

The President issues an executive order (No. 175) amending Order No. 58 with reference to vessels sunken or beached in Philippine waters during the last war and not removed by their owners.

The Philippine Government Employees Association petitions the President to use his emergency powers in providing for the cash payment of a part of the back-pay due to government employees under the Back-pay Law.

The Korean Goodwill Mission, headed by Dr. Pyung-Ok Chough, arrives in Manila.

Banking and Finance

By C. R. LEABER

Manager, National City Bank of New York

COMPARATIVE Financial Summary of Thirteen Manila Banks compiled from reports issued weekly by the Bureau of Banking:

(Monthly averages — 000 omitted)

Loans, Discounts, and Advances

September, 1948	August, 1948	September, 1947
P434,680	P408,164	P329,106

Total Bank Resources

September, 1948	August, 1948	September, 1947
P1,009,644	P992,850	P795,603

Bank Deposits (Public Funds Not Included)

September, 1948	August, 1948	September, 1947
P447,662	P457,197	P388,824

Debts to Individual Accounts

September, 1948	August, 1948	September, 1947
P105,010	P104,112	P118,139

Currency in Circulation

(Circulation Statement issued by Treasurer of the Philippines)

September 30, 1948	August 31, 1948	September 30, 1947
P834,831,236	P838,173,532	P725,239,914

Some acceleration in the business tempo was discernible in October. Sales reflected some improvement, and collections were a little more prompt. The shipping strike on the West Coast had the expected stimulating effect on prices of imported food-stuffs, and in general the smaller arrivals, as a result of the strike, relieved the pressure somewhat on inventory financing. The steady growth over recent months in the amount of bank loans and advances outstanding, attests to a considerable demand for credit to finance trade, investments, agriculture, and industrial development.

The expansion in the note issue was halted in August and September, but it would not be surprising to see currency in circulation increase again between now and the end of the year.

Customarily we avoid making predictions in this column on the future trend of business here, or anywhere else. It seems worth while to mention however, for what it be worth, that some commentators on business affairs in the United States are cautiously advancing the opinion that the inflationary forces

are weakening. There have been occasional exceptions to the following general statement, but by and large, prices and business conditions here react fairly quickly to prices and business conditions in the United States. Markets can so quickly discount changes in the demand-supply outlook once the fundamental factors are seen to be working in a new direction, even though their full effects are still some distance off. Perhaps we can begin to eliminate from our business thinking the probability of further great advances in the general price level.

American Stock and Commodity Markets

By ROY EWING

Swan, Culbertson & Fritz

August 28 to October 27, 1948

SINCE our last review in this column, the New York stock market has recorded both a minor low and a minor high in the current secondary reaction. On September 7, with the Industrial Average at 185.36 and the Rails at 63.12, the critical European situation and worsening news from Moscow and Berlin caused considerable nervous liquidation and the market sold off sharply until September 27 when the senior average stood at 175.99, a new low since March of this year. Since that date, however, the market has zigzagged upward in healthy

fashion and at present writing both averages stand within sight of the highs for the year.

In addition to the foreign tension, other causes of the September slump were (1) the Federal Reserve Banks second anti-inflation move, and (2) the spreading of recession-fear as consumer demand in more and more lines becomes filled. The market strength which followed, however, has tended to confirm the opinion which Wall Street has advanced for some time, that "everything is up but the stock market." Supporting this, the bulls contend that earnings and dividends in many industries could decline substantially from present levels and still justify current market prices, as, for example, the following:

Stock	Earnings	Earnings	Divi-	Market Prices
	1947	1st Half 1948	dend 1947	October 26, 1948
U. S. Steel . . .	\$11.71	\$6.20	\$5.00	\$86.00
Socony Vacuum				
Oil	3.13	2.28	1.00	19-5/8
General Motors	6.25	4.55	3.00	65-3/8
Erie Railroad .	1.16	1.41	1.00	15-7/8
Phelps Dodge .	8.64	4.87	4.20	57-1/8

According to the Dow Theory the primary trend has been bullish since May of 1947. The sell-off which started in July and terminated in late September, appears to have been a normal secondary reaction, although it did approach so close to theoretical limits as to cause some interpreters of the theory to call the last decline the first leg in a bear market. A decline from current levels through the September

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lows would confirm this but present market strength and bullish volume indications strongly favor an extension of the upward move.

COMMODITIES moved in a narrow range. New York spot cotton is 31.74 as compared to 31.66 two months ago, but did sell as high as 32.40 on September 16. The biggest crop since 1937 was offset by the Department of Agriculture agreeing to make the loan applicable to cotton stored on farms instead of only in approved warehouses, and has resulted in cotton going into the loan at a heavy rate. The December contract of Chicago wheat is 229-7/8, against 227 on August 30; the main factor remains the government support through loans and purchases. Nearly 100,000,000 bushels have gone into the loan as compared to 20,000,000 last year. The crop estimate on October 1 was 1,283,770,000 bushels. December corn is 137-5/8 as compared to 138-7/8 two months ago. The crop estimate on October 1 was 3,567,955,000 bushels, 10% above the 1946 record. The anticipated government support level is around \$1.60, but the market is about \$0.20 below this because of insufficient storage.

The sugar market in New York was quiet but fully steady, the December No. 5 contract being quoted today at 5.30 bid as compared to 5.12 two months ago.

Manila Stock Market

By A. C. HALL
A. C. Hall & Company
August 15 to October 31

THE Berlin crisis has continued to be the most important market factor. In sympathy with hopes that the Kremlin conversations might provide the basis for a settlement, prices staged a moderate recovery during the latter part of August. Subsequent developments, however, have failed to justify optimism, as the situation has since suffered further deterioration.

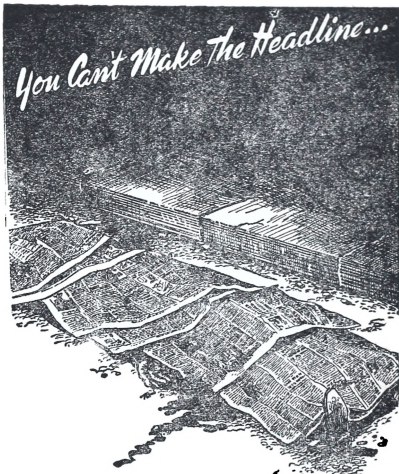
Locally, the business outlook has not been inspiring, as general conditions have continued unsatisfactory. Credit has become tighter, and strikes still mar the labor picture.

A further source of worry to the business community is the approach of import controls. It now appears that these will be imposed on a much wider variety of goods than was previously understood, but there is no precise information at this time as to how far restrictions will eventually be extended.

By the adoption of controls, traditional freedom of trade will be abandoned, and it is to be hoped that the import trade can be regulated successfully enough to prevent further dislocation of the internal price-level.

With a change of such economic importance in the offing, it is not surprising to find great indecision manifesting itself in our securities market. Pending clarification of current uncertainties, traders and investors alike are mostly on the sidelines; in consequence trading-volume has shrunk to very small proportions.

While present prices appear to have largely discounted all known bearish factors, it seems unlikely that the market will shake off its present lethargy in the near future, without some important shift in the news.



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OCCUPATION

	High	Low	Close	Change	Total Sales	High	Low	Close	Change	Total Sales	
Manila Stock Exch. Av.	81.20	67.34	67.34	Off	14.08						
Acme Mining Company	P 1.50	P .25	P .27	Off	.04	167,000	P 63.00	P 63.00	Unchanged	10	
Antamok Goldfields	.012	.011	.011	Off	.009	242,000	110.00	110.00	Up	P21.00	
Atok-Big Wedge Mining Co.	.43	.48	.48	Off	.10	144,200	136.00	122.00	136.00	Up	P18.00
Baguio Gold Mining Co.	.041	.045	.045	Off	.005	52,000		90.00	90.00	Unchanged	100
Batong Bukay Gold Mines	.0046	.004	.004	Off	.001	349,000				Unchanged	415
Coco Groves, Inc.	.03	.025	.03	Off	.007	220,000	10.00	40.00	40.00	Off	P10.00
Consolidated Mines, Inc.	.0121	.01	.0101	Off	.0015	11,595,000			180.00b		
Itoyan Mining Company	.06	.05	.05	Off	.005	162,000	22.00	22.00	22.00	Up	P 2.00
I X L Mining Company	.0174	.015	.015	Off	.0075	140,000					
Lepanto Consolidated	.67	.10	.11-r	Off	.17	664,000	5.00	4.10	4.10	Off	.50
Manabte Consolidated	.028	.028	.028			100,000	140.00	140.00	140.00	Off	P 3.00
Mindanao Mother Lode Mines	.62	.45	.45	Off	.09	537,700					
Mitsui Chrome, Inc.	.21	.20	.20	Off	.04	78,000	.22	.115	.16	Off	P .041
Seyoc Consolidated	.023	.025	.025	Unchanged		15,000			.80b		
San Maurice Mining Co.	.174	.165	.165	Off	.005	111,000	1.34	1.28	1.34	Up	P .06
Surigao Consolidated	.31	.245	.25	Off	.05	312,000	69.00	51.00	51.00	Off	P10.00
United Paracale Mining Co.	.07	.065	.065	Off	.0125	77,000		90.00	90.00	Unchanged	30
								10.00a			

In addition to the foregoing, unlisted mining issues were traded as follows: Amalgamated Minerals, 15,000 at 2½ centavos; Antipolo Mining, 145,000 at 11 and 12 centavos; Benguet Consolidated, 63,000 shares from P3.35 to P2.80, closing at P2.95; Eastern Development, 90,000 shares at P.0035; and 1,050 shares Philippine Iron Mines from P16 to P31.

Commercial and Industrial

WHILE volume of business in the commercial and industrial section has been very slow, leading sugar issues have continued in demand at improved prices. Tarlacs were an exception on the resumption of Central Luzon operations against the Huks. Disappointment over San Miguel dividend-action, caused substantial liquidation in this issue.

Unlisted commercial stocks traded during the month included: 33 shares Heacocks at P105; 3,500 shares Jai Alai from P22 to P18; 5,500 shares Manila Jockey Club from P2.15 to P2.10; 100 shares Philippine American Drug (Botica Boie) at P140; 100 shares Polo Plantation Company at P500; and 155 shares Victorias Milling Company at P135.

Credit

By W. J. NICHOLS
Treasurer, General Electric (P.I.) Inc.

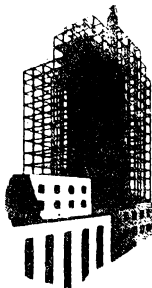
EFFECTIVE July 1, 1948, the National Internal Revenue Code was changed to provide for the collection of sales taxes before the articles, whether imported or locally produced, leave the customhouse or factory warehouse. This new requirement is already having an effect on the cash posi-

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sary to have on hand sufficient capital to finance the advance payment of taxes until the merchandise is sold. We estimate that a very considerable amount of money is now tied up in taxes paid in advance and consequently unavailable for the current settlement of normal business obligations.

Until recently civil court cases involving sums of money over P1000 came under the jurisdiction of the courts of first instance. Now it has been decided that the municipal courts of Manila may handle cases filed in connection with sums up to P2000. We believe that the majority of suits for recovery of bad debts fall within this limitation. Just how satisfactory the new arrangement will be, remains to be seen. We hope that with the continued increase of litigation over delinquent accounts, the municipal courts will be able to settle cases with a minimum of delay and confusion.

IT has always seemed to us highly unnecessary to send collectors after checks which could just as readily be remitted by mail. Although the use of collectors has decreased somewhat since the war, there is still a great deal of room for improvement. Most business houses would probably welcome some sort of campaign to simplify normal collection work.

As of October 1, 1948, membership in the Association of Credit Men, Inc. (P.I.) stood at 66, highest in the history of the organization. Interest in the work of the Association continues to be keen and several new projects are under way for the benefit of the various member firms.

Electric Power Production

Manila Electric Company System

By J. F. COTTON

Treasurer, Manila Electric Company

	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	31,143,000	22,593,000	T
August	31,993,000 *	23,358,000	T
September	32,012,000	23,122,000	H
October	33,914,000 **	24,755,000	O
November		24,502,000	U
December		25,725,000	R
Total		255,981,000	S

* Revised

** Partially estimated

The tabulation above clearly shows the continuous rapid increase in demand for electricity. In October, output was 221% of the 1941 average output, and requests for additional power still continue to pour in. The effects of this increased demand on the Manila Electric Company system, are explained in an article elsewhere in this issue.

Comparisons of 1948 and 1947 output figures follow:

	Increase Over Previous Year
September	8,890,000 KWH 27.7%
October	9,159,000 " 27. %
Ten months ended 10/31/48	87,962,000 " 42.7%

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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	₱ 540,030	₱ 426,230	₱ 694,180	₱ 463,430	₱ 1,124,550	₱ 891,140	₱ —	₱ 1,662,245	₱ 3,645,970	₱ 6,571,660
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	411,880	396,890	1,300,650	682,840	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	1,139,580	740,510	335,210	1,496,700	3,968,460	5,564,870	8,370,410
June	827,130	459,360	754,180	809,670	542,730	418,700	2,444,070	3,904,450	5,899,580	10,217,840
July	302,340	691,190	756,810	495,910	357,680	609,920	1,741,320	3,062,640	9,875,435	7,771,487
August	368,260	827,660	627,790	622,050	661,860	306,680	1,418,360	4,889,640	7,428,260	7,568,960
September	393,100	777,690	684,590	554,570	590,390	530,830	1,015,260	7,326,570	7,770,310	7,095,860
October	663,120	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	648,820	849,160	503,230	1,105,910	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	
Annual Average	514,229	627,557	773,380	754,438	686,205	474,356	1,015,513	3,960,575	6,158,937	

Real Estate

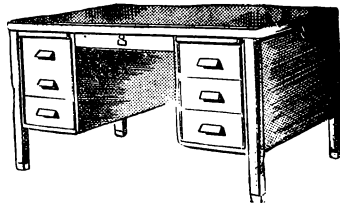
By C. M. HOSKINS
C. M. Hoskins & Co., Inc.

REAL estate sales in Manila for September, 1948, totaled ₱4,757,580, represented by 298 transactions. Of this total, 95% of the number of sales, and 65% of the peso value, involved transactions of ₱50,000 and below.

The mortgage market shows a smaller amount of institutional funds available. Even the Reconstruction Finance Corporation is generally using its loanable mortgage funds for small home loans. Major building projects are still hard to finance, due to the low limit allowed to domestic savings banks. RFC officials anticipate that when the Central Bank is established they will have abundant mortgage funds to be released from the excess monetary reserves.

A STANDARD

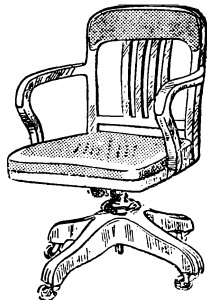
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1 Letter Drawer	12.5/32"	10.13/16"	22 3/4"
Knee Space	23 3/4"	25 3/4"	
2 Sliding Shelves.			
1 Removable Partition for each Storage Drawer.			
1 Center Drawer Convenience Tray.			
1 Compressor for Letter Drawer.			
Lock in center drawer locks all drawers.			



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Height of seat from floor (Minimum)	16 3/4"
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REAL ESTATE SALES IN MANILA, 1940 TO 1948

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	775,783	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	8,511,076	5,021,093
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	5,146,529
August . . .	1,905,828	1,239,414	699,740	4,438,510	5,627,572	6,192,876
September . . .	1,141,114	815,112	1,870,670	4,698,896	7,437,213	4,737,581
October . . .	993,103	1,182,678	2,096,893	5,545,900	6,083,486	
November . . .	938,416	858,235	2,555,472	3,340,382	4,177,054	
December . . .	1,504,004	(?)	2,574,408	4,025,926	3,205,584	
TOTAL . . .	P17,974,844	P10,647,285	P22,890,133	P45,537,914	P68,260,104	P44,015,210

Republic Act No. 278, approved last June, permits insurance companies to make loans on unimproved urban land. So far none of the companies appear to have formulated policies on the subject.

The Debt Moratorium Law (Act No. 342) has given no help to pre-war subdivision operators. In many cases it appears that accumulated interest will run the obligation far above repossession value before the moratorium is lifted.

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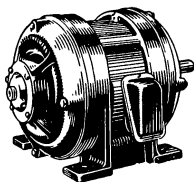
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Ocean Shipping

By F. M. GISPERT

Secretary, Associated Steamship Lines

TOTAL exports for August of this year were 107,825 tons, carried by 84 vessels, as against 146,851 tons for August last year, carried by 72 vessels.

Principal commodities carried during August, as compared to last year, were:

	1948	1947
Cigars	3 tons	1 ton
Desiccated coconut	8,801 "	5,775 tons
Coconut oil	3,095 "	1,033 "
Copra	37,114 "	86,822 "
Copra cake	2,215 "	5,299 "
Hemp	32,402 bales	84,052 bales
Logs and lumber	2,893,189 board feet	1,003,409 board feet
Ores	15,841 tons	20,500 tons
Rope	362 "	278 "
Sugar	15,105 "	—
Tobacco	—	531 tons

The effects of the shipping strike on the United States Pacific Coast, which started on the 2nd of September, were not felt here during the month and were not expected to be noticed until October.

MOVEMENTS of vessels and exports maintained their usual volume during September, with 81 vessels lifting 107,936 tons.

The decline in the total exports as compared with last year, however, still continued, caused principally by curtailed copra shipments. During September last year, 77 vessels lifted 144,227 tons of export cargo.

Principal commodities exported during September, 1948, as compared with September, 1947, were:

	1948	1947
Cigars	8 tons	1 ton
Desiccated coconut	8,375 "	7,130 tons
Coconut oil	2,708 "	1,249 "
Copra	43,397 "	86,763 "
Copra cake	3,781 "	2,814 "
Hemp	32,868 bales	70,678 bales
Logs and lumber	2,371,249 board feet	764,780 board feet
Ores	17,186 tons	22,670 tons
Rope	184 "	508 "
Sugar	3,149 "	—
Tobacco	5 "	173 tons

Inter-Island Shipping

By G. F. VANDER HOOGT

Manager, Everett Steamship Corporation

THE Maritime Strike presently affecting the West Coast ports of the United States has not yet been felt to any noticeable extent as regards inter-island shipping in the Philippines, although there will undoubtedly be considerable adverse effect if it should continue for a long period. A good part of inter-island traffic consists in goods which have been

imported into Manila and are subsequently sold to dealers in the provinces who receive their merchandise via inter-island vessels, something which coast-wise-vessel operators have long been looking forward to. This helps compensate for the loss of tonnage due to the control on rice which has completely stopped movement between ports of this item, except for small and occasional shipments from Manila to some outports.

The recent decision by the Philippine Government to close non-Customs outports to ocean shipping, will no doubt have a beneficial effect on inter-island shipping. There is much controversy on this matter, particularly from shippers who have become accustomed since the war to load their cargo direct into ocean vessels at various non-Customs outports. It is not the purpose of this article to go into the merits or demerits of the government decision, and it is understood that temporarily at least the Government will not construe the terms of this decision too rigidly. It is expected, however, that a certain amount of cargo which has in the past been accumulated for loading at non-Customs outports will begin to find its way through the various inter-island services into the Customs ports of entry for export loading. This procedure will have a beneficial effect on both inter-island and ocean shipping, as the inter-island vessels will receive additional business, and the ocean vessels will not be required to call at various outports to load comparatively small amounts of cargo at considerably higher expense. The point of view of the exporters who have in the past been using such outports for direct loading, without doubt will receive the Government's full consideration in the implementation of the terms of the decision.

Air Transportation

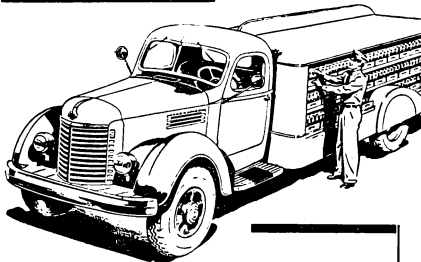
PHILIPPINE Air Lines inaugurated a new air service between Hongkong and the United States on October 6, 1948. The local airline has been granted the air-parcel franchise by the Hongkong Government and the dispatch of parcel-post is conducted twice a week.

The United States inaugurated the International Air-Parcel Post on September 1 this year and Hongkong is the first foreign government in the world to reciprocate in the international scheme by arranging a return service. It is expected that the same parcel-post service will be inaugurated between the Philippines and the United States, which will undoubtedly boost further the trade and commerce between the two countries.

The Philippine Government has initiated a series of diplomatic negotiations on embassy level in Washington, D. C. with a view to concluding bilateral air agreements with countries on the Manila-London route of the Philippine Air Lines. These countries are Siam, India, Pakistan, Egypt, Saudi Arabia, and Greece. They are important links in Philippine Air Lines Manila-European route and the proposed treaties will stabilize PAL's globe-girdling operations. At present PAL planes on the London flights stop at cities of these countries only for refueling.

Pending the conclusion of these air agreements, however, PAL is seeking an interim agreement with the governments of the countries concerned to be able to engage in international traffic in passen-

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gers, mail, and cargo along the intermediate points covered by its route. Daniel Me. Gomez, Secretary-General of PAL, is now in Washington for the purpose.

S. CANCERAN
Philippine Air Lines

Aviation strives to bring an improved and more frequent service to the Philippines, it immediately brings to light what tremendous opportunities exist for the development of tourist travel.

The Philippines have an enviable geographic position,—it is the crossroads of the Orient. Up to the present there has not been any concerted effort to stimulate interest on the part of the traveling public to pause on their journey in the Philippines. How many travelers making their first trip to the Orient realize that Baguio, the summer capital, offers the finest climatic contrast to Manila and is still only 45 minutes away by air? The beauties of Pagsanjan Falls, the wonders of Tagaytay and other scenic splendors present a potential financial income worth millions of dollars to the Philippines.

In being realistic about developing such a potential, the first consideration would require setting up of an organization possibly called the Philippine Tourist Service. Its main objective would be the promotion of interest in the Philippines. Secondly, this organization would encourage the establishment of fine hotels and the proper development of scenic beauties, such as Pagsanjan Falls. Thirdly, it would publish pamphlets, booklets, maps, and the like to be made available to tourists throughout the world. The Philippine consulates would offer an excellent medium for the dispensing of such information. In addition, the transportation companies, such as airline and steamship companies, stand ready and willing to offer the facilities of their innumerable offices to place this information in the hands of the traveling public.

There should be a distinct line of demarcation between the functions of a tourist service established by the Government and the noteworthy service performed by the innumerable travel bureaus. Their duties are distinct and represent two phases of service to be offered to the public. For justification in establishing such an organization, we need only to look to the splendid accomplishments of countries like Switzerland and the Scandinavian countries to realize there exists an unexplored potential that would benefit everyone.

As a step in the right direction, let us suggest the formation of an advisory commission consisting of non-paid individuals who have experience in promotion work and who will be untiring in their efforts to set up an efficient tourist bureau.

B. J. TALBOT
Manager, Northwest Airlines, Inc.

Land Transportation (Bus Lines)

By L. G. JAMES
*Vice-President and Manager
A. L. Ammon Transportation Co., Inc.*

THE heavy floods which occurred during the months of August and September seriously affected highway traffic in all parts of Luzon. Bus operations between Manila and all points to the

north were interrupted for extended intervals to the extent that most operators suffered substantial operating losses during the period concerned.

Bad weather and bad road conditions always reduce the potential passenger volume, in spite of which the operator must make every effort to maintain his schedules regardless of reduced revenue. Operational expenses, under such circumstances, are usually higher than under normal conditions.

The current military campaign against the Huks in Central Luzon has affected travel in the areas concerned. Law-abiding civilians are afraid to move about. In some areas passenger movement is practically at a standstill with no hope for improvement until the Huks are subdued. Of almost daily occurrence are incidents involving the hold-up of busses and robbing of conductors and passengers, with frequent killings of the unfortunate victims of such episodes.

The Truck Show sponsored by the Army Transportation Association was of great interest to bus operators, who were given the opportunity of viewing a wide assortment of equipment of the latest types. The sponsors and the many dealers who placed exhibits in the show are to be congratulated for an excellent presentation.

To date, the grave problem confronting pre-war operators with respect to the extension of time within which to complete their pre-war authorized equipment has not been satisfactorily solved. The Public Service Commission recently set September 30, 1948, as the final date for the registration of equipment under this authority, later on indicating that individual petitions for extension of time would be considered upon their merits.

Very few of the companies with sizeable fleets in operation in 1941 have, for various reasons, been able to bring their post-war fleets up to pre-war status. Primarily and almost without exception, operators were forced to start post-war operations from "scratch". Their pre-war equipment, and maintenance and office facilities were a total loss as a result of the war. All were handicapped by lack of financial resources and had to depend upon current profits for the rehabilitation of their businesses. Even at this date, very few companies have received war-damage payments, and such payments as have been made are not substantial enough to provide funds for more than fractional rehabilitation.

The efficient operator, for reasons of economy in maintenance, standardizes upon one make and one model of equipment. Due to limited United States production and availability, it has been impossible for an operator of a pre-war 200-unit fleet to secure from any one manufacturer such a large number of bus-chassis, even if financial resources were available to pay for them.

The current cost of a bus chassis, depending upon wheelbase, gross capacity, and type of power plant, averages P6,000 to P8,000. The majority of operators have their own individual body-types which they construct in their own shops. The cost of a body, depending upon size and type of construction, will average between P2,000 and P4,000. Thus, the cost of a bus, ready for operation, will probably average P10,000. A 200-unit fleet represents an investment in rolling stock alone amounting to approximately P2,000,000. This is exclusive of the very necessary

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substantial investment in office buildings and equipment, terminals, shop buildings, tools and machinery, spare parts, etc., which requires the outlay of another \$500,000 minimum.

The Public Service Commission, recognizing the urgent necessity of establishing temporary transportation facilities during the post-war period, as an essential factor in a stable economy, issued many thousands of temporary certificates of public convenience, literally to all applicants who were able to show evidence of possession of a motor vehicle. The basic idea was a meritorious one, but a far greater number of operating permits was issued than the public convenience required. The result has been ruinous competition, inability of government agencies to supervise the operations and to enforce regulations, and a general decline in standards and quality of facilities, to the detriment of the public interest.

The Public Service Commission has extended the validity of temporary certificates until December 31, 1948, with the additional proviso that the owners

thereof may make application, prior to that date, for "regular" certificates, each case to be decided upon its merits. Hearings are now in process on a number of these applications. Pre-war operators concerned are obviously making every legal effort possible to contest these applications.

Under these circumstances, operators who hold pre-war certificates of public convenience, while expanding all current profits for rehabilitation of fleets and facilities, are most dubious of the future. There is reason to believe that extension of time may be granted for completion of fleets in individual cases, but the ruinous competition resulting from any general issuance of new regular certificates would greatly prejudice the investment involved.

Increasing costs of operation, due to higher prices of equipment, fuel, parts, and new demands by labor, make the picture still more obscure for all operators. Competitive conditions have resulted in generally decreased rates. Both new and pre-war operators are faced with a very uncertain future, probably resolving itself into a situation wherein survival will be determined by ability to sustain operating losses until existing transportation facilities are reduced, through competition, and a proper balance is reached between public need and the number of busses on the road.

Gold

By CHAS. A. MITKE
Consulting Mining Engineer

THE method generally in use in the Philippines for the treatment of gold ores is the cyanide process. This requires fine grinding, and the ultimate treatment of the pulp with cyanide in large tanks, followed by the use of zinc dust to precipitate the gold. The residue is then heated in a furnace and the gold poured into bars.

In a few instances, the flotation system must be used to supplement the cyanide, especially where the gold occurs in combination with copper or lead sulphides.

Even before the war, the cost of a cyanide plant of 500 tons per day was in the neighborhood of \$1,000,000, and if flotation units were necessary, the costs would be increased by another \$250,000.

The cyanide process involves the use of many auxiliary units, such as leaching, filtering, jiggling, settling, agitation, classification, de-sliming, etc.

To duplicate these plants at the present time, would probably require an expenditure equal to 2 1/2 times the pre-war cost.

On account of the high expense and complications of the cyanide process, attempts have been made, from time to time, to recover gold by some simpler method.

At the University of Arizona, Tucson, under the guidance of Professor T. G. Chapman, Dean of the College of Mines, experiments have been in progress for some 15 to 20 years. A carbon-cyanidation process has been developed whereby the product from the ball mills is fed through a tube on to a rotary screen drum, one-third full of activated charcoal. The charcoal picks up the gold, while the solution passes through a second rotary screen, and finally goes off in the tailings. The charcoal is taken out about every 4 hours and the gold removed, either by burning up the charcoal with the gold, or by a

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process, now being perfected, which the inventors claim permits them to recover the charcoal.

In 1936, Professor Chapman came to the Philippines to try out his process on Masbate ores. The results were sufficiently encouraging to warrant further research.

Several years ago, the Eagle Pitcher Company of Cincinnati became interested in the process, and agreed to finance the construction of a pilot plant, and to carry on considerable research to perfect the method. A plant was therefore built near the company's Sahuarita concentrator, about 20 miles south of Tucson.

During the early part of October, 1948, I visited this pilot plant and saw it in operation. At the time I was there, tests were being conducted on several tons of Harquahala ore, from Salome, Arizona, averaging \$3 a ton. Professor Chapman said that the amount of slime in the Harquahala ores is similar to that in the ores of Masbate. He also said that the initial cost of a carbon-cyanidation plant is considerably less than that of a conventional cyanide plant, and that the operating cost would be far less. Even with the high wage scale in America, it is believed that the Harquahala ores can be treated at a profit.

During my visit, they were also experimenting on the recovery and re-use of the carbon, and it is thought that the carbon may ultimately be re-used some 5 or 6 times. In this respect, Professor Chapman has written me:—

"Referring to carbon-cyanidation, as I informed you during your visit to Tucson, we are now able to remove the gold essentially completely from the carbon and re-use the carbon. We are now determining whether reactivation is necessary before the carbon is re-used. The process has also been simplified in that the dissolution of the gold, the adsorption of the gold, and the separation of the carbon from the ore pulp, is now accomplished in one step. This is done by employing coarse carbon and confining it in a revolving perforated container which dips into the ore pulp during the adsorption. Activated coarse carbon is now available at sufficiently low cost to make it unnecessary for plants in the United States to prepare activated carbon. I assume, however, that companies operating in the Philippine Islands will find it cheaper to use coconut-shell carbon and prepare the carbon at the plant."

I also looked over their process of activating carbon. The screened and sized carbon is put into a cylinder about 12 inches in diameter, and 5 feet long. This cylinder has a 1-inch perforated pipe through the middle. When the large cylinder is filled with the sized carbon, live steam is turned into the inner perforated pipe and allowed to spread through the carbon. This has the effect of making it more porous, and when it is cooled, it is activated, and ready for use.

In the Philippines, where only 5 gold mines are operating out of 40, and where costs are much higher than in 1941, this new treatment method should be given serious consideration.

Lumber

By E. C. VON KAUFFMANN
President, Philippine Lumber Producers' Association

The Philippine Lumber Producers' Association, through its President, recently sent the Commissioner of Customs the following appeal relative to the loading of lumber at outports by ocean-going vessels:

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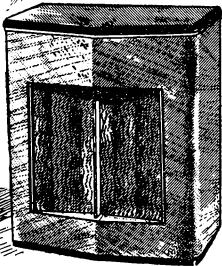
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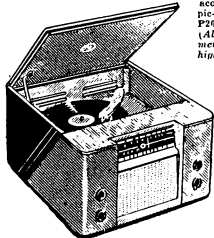
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"Dear Sir:

"Lumber producers and exporters have been very much alarmed with your recent ruling that export shipments with few exceptions will have to be shipped from ports of entry. It is doubtful, if lumber is included under this order, that inter-island shipping operators would benefit at all as the lumber export business would be completely paralysed. The extra expense, the time loss, and the difficulty of coordinating shipping dates would make for such difficulties as to discourage lumber exporting entirely. The permission to export 50% of the production was granted by the Government some time ago precisely because the industry could not survive on local sales alone, but your new ruling as to shipping would place producers in an even worse position than before the export ban was partly lifted because prices are now much lower than last year. Aside from the fact that a few inter-island ships are available for the lumber trade, no regularly scheduled inter-island ships will deviate from their routes to pick up lumber cargo. Non-scheduled ships usually call at a number of different mills to pick up all cargos, and there would be no assurance that any export parcel would reach a port of entry on time for transshipment to an ocean-going vessel. Ocean-going vessels also are frequently not on schedule, which further complicates the matter.

"Another important factor is introduced by the lumber inspections of the Bureau of Forestry, in conformity with the grading rules of the National Hardwood Lumber Association, done at the mills when the lumber is taken down from the yard stockpiles and resorted and trimmed to specifications, after which the lumber is restacked for shipment. If this lumber has to be shipped first to a port of entry, this would cause unavoidable splitting and breaking and possibly wetting by rain, which would lower the grade and the shipment would not conform to the certificate of inspection issued by the Bureau. This would subject the shipment to re-grading at destination, causing extra expense and leading to controversy between shippers and buyers, and giving Philippine lumber a bad name, although the Philippine Government is otherwise doing everything possible to see to it that the best graded lumber is shipped, able to compete with woods from other countries.

"At the ports of entry there are few or no facilities for storing lumber, and export grades can not just be left out in the open and exposed to the elements, with shippers still able to hope that the lumber will be accepted by foreign buyers on the basis of the Government grading certificates.

"The costs of transshipment to ports of entry would be prohibitive. In the case of the North Mindanao outports, where only non-scheduled ships call at the lumber mills to take on cargos for Manila, it would be next to impossible to coordinate such shipments for export, for instance, through Cebu. Arrangements would have to be made for an inter-island ship to call say for 150,000 board feet of lumber and to get the lumber to Cebu in time to transfer it to an ocean-steamer according to some previous contract. In the event of a delay of the lumber at Cebu might result in missing the ocean-going ship, and necessitate the storing of the lumber there, under roof, with proper segregation of each grade. Freight from the mill to Cebu would amount to from P18 to P20 per 1,000 board feet, unloading and re-stacking would cost around P10, transportation to the warehouse P6, rental from P2 to P10, and splits and breakages might cause the shipment to be down-graded by as much as 15%, at a loss of from P20 to P30 per 1,000 board feet. When the ocean-going vessel called, trucking and unloading would again cost P10 per 1,000 board feet. If the lumber got wet during any of these movements it might arrive at the destination in such a poor condition as to lose 50% of its value. The minimum extra expense incurred under such circumstances would be not less than P60, and might reach as much as P100 to P150 per 1,000 board feet. You will understand that shippers would have to take such risks as to discourage them entirely.

"In short, in so far as the lumber industry is concerned, it is absolutely essential that the prohibition against loading at the mills be lifted, otherwise the Philippine lumber export business may be regarded as extinct not only because of the added cost to overseas buyers, but because of the splitting and breakage and chaffage and the general deterioration resulting from the extra handling and the increase exposure to the elements. This would all be bad enough in the case of sawn lumber; in the case of logs, the business would be entirely impractical not only because of the great extra handling cost but because of the lack of facilities at most ports for handling such heavy lifts.

"We believe that inter-island shipping operators will be the first to recognize the impracticability of carrying on the lumber export business if transshipment is involved and that they

would raise no objection to the continuation of output loading in so far as lumber is concerned. We invite your attention to the fact that it had been only since 1924, when the privilege of loading lumber at outports was first granted, that there has been any export of Philippine lumber in any considerable volume. Before that time, our lumber exports were negligible.

"In view of these reasons, I urgently request, in the name of the lumber producers, that lumber shipment, including the shipment of logs, be allowed from the outports as heretofore."

Copra and Coconut Oil

By MANUEL IGUAL

General Manager, *El Dorado Trading Company, Inc.*

AND KENNETH B. DAY

President, *Philippine Refining Company*

August 16 to September 15, 1948

WE closed our last report with probable buyers at \$250 c.i.f. Pacific Coast at the same time that there was practically no demand from Europe, their ideas being expressed as around \$230 f.o.b.

A fair amount of copra was reported sold during the third week of August at \$250 to \$255 c.i.f. Pacific Coast, for immediate or prompt shipment. Pacific Coast buyers were then facing the possibility of a shipping strike but, with general opinion inclined to believe that the strike might be settled before the deadline or be short-lived, they continued buying in the hope that the strike would be over by the time copra would get to the Pacific Coast.

At the end of the third week of August, on rumors that the strike would come off and that it might be a prolonged one, Pacific Coast buyers began shying away and buying-interest tapered off, with the result that during the last week of August, after recording sales at \$240 c.i.f. for September arrival at the Coast, prices eased off further and by the end of August additional sales were recorded at \$235 c.i.f. for September shipment.

September opened with all markets weak with downward tendency and even though there was very little selling-interest, at the same time there was less buying-interest except for an occasional odd parcel for prompt shipment. Shortly after the strike date of September 2, on reports that chances for settlement were very remote and that the strike might easily be prolonged indefinitely, American buyers took a very indifferent attitude. This caused traders to turn toward Europe as soon as they realized their inability to sell futures to the Pacific Coast because of the bearish domestic outlook based on the very large crop reports. Consequently, since late August well over 20,000 tons of copra was sold to the CCC and to European buyers at prices ranging from \$240 to as low as \$227.50 and then up to \$235 f.o.b. for October and October/November shipments.

During the first of September, with interest on the part of United States buyers further dampened by the shipping strike, buying-interest continued very narrow at around \$235 c.i.f. for prompt shipment only, with European buyers on the side lines.

AT the end of the first week of September, a new ruling was promulgated by the Commissioner of Customs virtually prohibiting direct shipments from other than customs ports, which means that while heretofore copra has been shipped from some 50 different places, this new ruling would restrict shipments to 11 ports only. As a result, pending clarifica-

tion of this most controversial issue, a most unsettled and erratic situation developed to which several factors have contributed. In the first place, selling-interest narrowed to sellers' ability to ship from customs ports only; and since the problem of moving output copra became a very uncertain one, in some quarters it gave ground to the belief that sellers might have considerable difficulty in moving output copra to fill previous commitments. Although subsequent indications were that the Government will allow previous commitments to be lifted, the result was that new buying-interest was momentarily centered and accentuated at the few places which could supply copra unhampered. Thereafter, prices rose rather rapidly starting with sales at \$235, later at




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\$240 and \$245, with bids at the end of this period of \$240 f.o.b. for October and \$250 c.i.f. for September shipment, at which prices business was reported. Demand at these figures seems rather narrow, but since supplies are relatively limited, we close this period once again with the market entirely in the hands of copra sellers, whose views, particularly in Manila, have also been influenced to a certain degree by the temporary buying aggressiveness of Philippine oil mills to fill prompt commitments. Europe was not bidding for the moment.

THE Pacific Coast strike completely upset the plans of coconut-oil buyers in America who, as we remarked in previous reports, have been conducting a hand-to-mouth buying policy for quite some time and now find themselves critically short of oil, which, had it not been for the strike, could have been delivered during September, but which Pacific Coast mills will not be able to supply until the strike is over. As a result, the spot-market for coconut oil has soared again, regardless of competing oils and fats. Taking advantage of the fact that there is no strike on the Atlantic Coast, abortive attempts have been made to buy copra for shipment to the Atlan-

tic Coast, but, fearing that the Pacific Coast strike might be over before they get machinery ready to crush copra, buyers have resorted to covering some of their requirements for coconut oil from Philippine mills, paying as high as 22 cents for October/November deliveries. This, in turn, has resulted in quite an improvement in the Manila market, copra having been sold up to ₱49 as we close this report, which is equivalent to \$260 f.o.b. Activity by Manila mills and price improvement here is therefore a reflection of the tight market which has developed as a result of these conditions, but it is difficult to foretell how long this spot-market will continue. We close this period with a very confused situation, involving a number of contradictory factors which may cause our market temporarily to continue independently firm, but erratic and very unsettled. All indications, however, seem to point to the probability of lower than closing copra levels as soon as the Pacific Coast strike is settled, granting, of course, that other unpredictable factors do not run contrarywise. The long range world outlook for grains, oils, and fats in general is undeniably bearish.

PRELIMINARY figures for copra exports during the month of August show a total of 37,600 tons, of which 22,100 tons were shipped to the Pacific Coast, 4,250 to the Atlantic Coast, 6,750 to Gulf ports, 4,000 to Europe, and 500 to South America. Copra exports for August of last year were 86,822 long tons. August coconut-oil exports totalled 3,105 tons.

September 16 to October 15, 1948

IN anticipation of a prompt settlement of the Pacific Coast strike, some Pacific Coast buyers continued with their ideas at around \$250 c.i.f. Pacific Coast for prompt shipment with sellers up to \$255. At the opening of this period there was a rather mixed feeling among the various buyers in the sense that while some anticipated a prompt settlement of the strike, others were apprehensive and while an occasional trade was reported during the second half of September, first, at \$250, and later, at a slightly higher price, volume was relatively small. On the other hand, a fair amount of business was reported done to New York, first, at \$260 c.i.f. which gradually was increased to as high as \$272.50 c.i.f. which marks the top for this period. Since New York prices were comparatively higher than those obtaining at the Pacific Coast, when buying resistance developed, sellers in turn endeavored to sell to Pacific Coast, but by the end of September most Pacific Coast buyers seemed to have decided to wait for the end of the strike before renewing purchases. The result was more selling-pressure toward New York but, because of the limited crushing capacity of Eastern Mills, sellers found considerable resistance to their offerings and the market gradually declined during the first half of October, copra selling at as low as \$260 c.i.f. New York, with very limited demand.

The heavy f.o.b. sales made to Europe since late August at levels between \$227.50 and \$240 for shipment during September and October, seemed to have been relegated to the background by sellers, in view of high prevailing prices here and in the hope that with increased arrivals and no demand from the Pacific Coast, prices would sag to the point of permitting them, if not cover at profit, at least at no loss. Unfortunately, copra production turned out to be

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smaller than anticipated and since Philippine coconut oil mills continued buying rather aggressively because of the ability to sell to eastern markets at premium, the level of prices at primary points was maintained at rather unattractive heights from the viewpoint of sales made to European destinations. However, when exporters realized that there was not much more time to cover, they came into the market and the added buying-pressure during the second half of September and first half of October caused the market to gradually appreciate from approximately \$240 f.o.b. to \$250 for shipments during September/October.

There was renewed buying interest from European sources during the period under review, but buyers' ideas were generally at not over \$240 f.o.b. long ton, for shipments during October, November, and even into December, but because of the firmness at primary markets and prospects of continued buying pressure, only very few sales were recorded for future deliveries at prices approximating between \$255 and \$260 f.o.b. landed weights, Europe.

EXPORTS during September were 15,700 tons to the Pacific Coast, 4,750 tons to the Atlantic Coast, and 23,550 tons to Europe, or a total of 43,300 tons. Exports for September of last year were 86,763 tons.

At the close of this period, we are again faced with a market entirely in sellers' hands, but with so many contradictory and uncertain factors that the nearby situation continues unpredictable.

Desiccated Coconut

By HOWARD R. HICK

President and General Manager
Peter Paul Philippine Corporation

THIS report covers the period from August 15 to October 15. At the beginning of this period copra was low and continued through August with signs of weakness due to the then impending shipping strike on the United States West Coast. However, contrary to many opinions, the copra market, in spite of the strike became more firm, eventually going from P41, to P49 per 100 kilos of resecada copra. Toward the middle of September, when a general weakness set in, copra started on the down grade, reaching a low of P45 early in October, but it picked up again with prices ranging around P47 at the close of the period.

The raw-nut market followed the copra prices with a tendency to buy below copra-equivalent during the first half of this period, after which time the Military Police started "zoning" certain areas and evacuating people to safer places because of the campaign against the Hukbalahap. It is estimated that around 15% to 20% of the coconut-producing area was cut off; consequently the nut-supply was affected, resulting in local speculating which in part caused a spurt in the market toward the close of the period.

Due to the zoning, desiccators found it difficult to buy under copra-equivalent and were forced to meet copra prices and perhaps in isolated cases to go even higher.

Labor difficulties are still prevalent, two factories having been strike-bound for almost a month and

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three having cases in the Court of Industrial Relations at the close of the period. Shipping became a problem due to the West Coast shipping tie-up and much thought is given to East Coast shipping and to what will happen after the cooling-off period ends in November.

Production capacity remains much the same. Several factories have increased production, but strikes caused a small decrease in shipments during September over the high established in August.

The nut crop looks good for the next few months with only the Huk trouble standing in the way of good nut procurement. This situation threatens to last several months, which will mean curtailed supplies to the industry and large losses to planters.

The following are the shipping statistics for the months of August and September, 1948:

	August	September
Franklin Baker Co. of the Philippines	4,376,600 lbs.	3,655,800 lbs.
Blue Bar Coconut Company	1,926,880 "	549,600 "
Peter Paul Philippine Corp.	1,935,700 "	3,248,100 "
Red V Coconut Products, Inc.	1,872,100 "	1,728,500 "
Sun-Ripe Coconut Products, Inc.	649,600 "	766,500 "
Standard Coconut Corporation	360,000 "	56,000 "
Isabelo Hilario	249,800 "	50,000 "
Cooperative Coconut Products, Inc.	256,340 "	298,860 "
Tabacalera	550,000 "	371,000 "
Luzon Desiccated Coconut Corp.	77,400 "	387,000 "
Total	12,254,420 lbs.	11,111,420 lbs.

Sugar

By S. JAMIESON
Alternate Secretary-Treasurer,
Philippine Sugar Association

THIS review covers the period from August 15 to October 15, 1948.

Arrivals against previous contracts enabled refiners to remain indifferent to offers of raw sugar at the 5.75/5.80 level, and although sellers did not press their sugars on the market they were eventually obliged to reduce their prices. There were small transactions, including 2,000 tons of Philippines for September arrival, at 5.70¢, and later further transactions in Cubas and Puerto Ricos at 5.65¢. There were fairly large offers of Puerto Ricos at the latter price for late September arrival, but refiners remained aloof, indicating 5.60¢, at which price some of the sugar was eventually sold. By the last week of September a better tone was evident, and small lots of Puerto Ricos for October shipment were sold at 5.65¢, followed by sales of Cubas and Puerto Ricos at 5.70¢. Sellers then raised their price to 5.75¢ and heavy offerings were made at this price, but refiners were not interested and the market fell back to 5.60¢, at which price some Puerto Ricos were sold. By the middle of October, there were sellers at 5.65¢ and buyers at 5.60¢, with indications, however, that buyers might go up to 5.65¢ in the near future.

There have been no deliveries of raw sugar on the West Coast for about two months owing to the stevedore strike there, and the following comment taken from the *Weekly Statistical Sugar Trade Journal* will convey some idea of the effect of the strike on the sugar business alone:



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"About 98,000 tons of raws are strike-bound on ships in San Francisco Harbor with an additional 20,000 tons afloat from Hawaii. The C. & H. Refinery has had to close down, affecting some 16,000 persons at the refinery with a monthly payroll of \$400,000."

Quotations on the New York sugar exchange for the period August 16 to October 8, 1948, under Contracts Nos. 4 and 5, ranged as follows:

Contract No. 4 (World Market)

	High	Low	Close	Sales
September	4.44	4.40	4.39	2,250 tons
March, 1949	3.98	3.90	3.87	17,300 "
May, 1949	3.98	3.88	3.86	6,900 "
July, 1949	3.98	3.98	3.88	500 "
September, 1949	3.90			"
Total				26,950 tons

Contract No. 5

	High	Low	Close	Sales
September	5.40	5.26	5.25	42,650 tons
December	5.30	5.10	5.10	5,450 "
March, 1949	4.96	4.86	4.86	20,200 "
May, 1949	4.93	4.86	4.85	14,500 "
July, 1949	4.95	4.87	4.86	5,100 "
September, 1949	4.97	4.90	4.87	3,750 "
Total				91,650 tons

THE domestic market was very firm and during September prices advanced considerably, reaching as high as P19 to P22 per picul for centrifugals and P23 to P24 per picul for washed sugar, delivered Manila. However, with the approach of the 1948-49 milling season, which would make new crop domestic sugar available for the local market, prices had a tendency to decline and current quotations are P17 to P19 per picul for centrifugals and P20 to P22.50 per picul for washed sugar. It is reported that forward sales of large quantities of new crop domestic sugar (centrifugals) have been made at P15.50 to P16.15 per picul ex mill warehouse for deliveries made during 1948 and P14 for deliveries made during 1949.

The local market for export sugar was also quite firm, and sellers with sugar available for immediate delivery could get as high as P12.75 per picul ex mill warehouse. The nominal quotation for new crop export sugar for prompt delivery is P12.50 per picul ex mill warehouse.

A few mills have already started their 1948-49 operations. Others are scheduled to start during November, and by December the milling season should be in full swing.

During September the Sugar Quota Office released its first official estimate of 723,349 short tons for the Philippine 1948-49 crop. 130,000 tons of this quantity will be set aside for domestic consumption, leaving about 593,000 tons for export, as compared with approximately 240,000 tons exported from the 1947-48 crop.

The freight rate on sugar from the Philippines to U. S. Atlantic Coast ports for the 1948-49 season has been fixed at \$18 per long ton.

THE latest estimate of the European beet crop, excluding Russia, is 6,074,706 metric tons, as against 4,626,112 metric tons last year. Most of the important European beet producing countries show substantial increases in production, as follows: Germany, 318,000 tons; France, 216,000 tons; Czechoslovakia, 211,000 tons; Italy, 128,000 tons; Sweden, 127,000 tons; Spain, 123,000 tons; Belgium, 103,000 tons; United Kingdom, 72,000 tons.

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The final out-turn of the 1948 Cuban crop was 6,674,950 short tons,—an all time record. The 1949 crop is placed tentatively at 6,000,000 tons.

The 1937 World Sugar Agreement, which would have expired on August 31, was renewed, and a Committee was appointed to investigate the Cuban request for new quotas as a result of changes brought about by the war.

Manila Hemp

By H. ROBERTSON

Vice President and Assistant General Manager,
Macleod and Company of Philippines

AS the October issue of the "Journal" was not published due to the fire which destroyed the McCullough Printing Plant, this review covers the periods August 16 to September 15 and September 16 to October 15.

These two periods are dealt with separately in order to preserve the continuity of our reports.

August 16 to September 15

Buyers in the United States continued to act with caution. The volume of business recorded,—aside from stockpile buying, was small, with demand centering on certain of the more popular non-Davao grades.

SCAP did not buy during the period and business, other than that to the United States, was again limited.

This general lack of demand would have resulted in an easier market were it not for the record low production for August,—34,832 bales only, (August, 1947, production—76,598 bales) and the fact that July shipments exceeded July balings by 15,876 bales. Continued low Philippine production at a season when rice harvesting, planting, and other agricultural pursuits are not responsible for the decline, is serious, both for Philippine economy and world consumers of Manila hemp. The decline cannot be attributed to poor prices, as current hemp values are close to the recent highs. *It is well-known that Davao production has contracted sharply, due to the destruction of old plantings and the limited replanting, but the alarming current decline in non-Davao production indicates serious overstripping in non-Davao districts. This certainly is true in the Bicol area.*

Provincial markets have remained steady throughout the period. In Davao, prices were unchanged, but small advances were recorded in the better grades of non-Davao hemp. Competition has been unusually keen for the limited supplies available.

Nominal provincial values on September 15 were:

	Per Picul	Loose	
Davao I	₱62.	—	Unchanged from August 15
Davao J1	60.	—	Unchanged from August 15
Davao G	52.50	—	Unchanged from August 15
Non-Davao I	₱58.	—	Up ₱1. per picul from August 15
Non-Davao G	42.	—	Unchanged from August 15
Non-Davao K	25.50	—	Down ₱0.50 per picul from August 15

Closing New York quotations were:

	Per Lb.	c. i. f.	
New York			
Davao I	28-1/8c	—	Down 1/8c
Davao J1	27-3/8	—	Up 1/8c
Davao G	24-1/8	—	Unchanged
Non-Davao I	25-1/2	—	Up 1/4c
Non-Davao G	20	—	Up 1/4c
Non-Davao K	14	—	Down 1/4c

Production for the month of August was 34,832 bales,—a decrease of 4,053 bales from July, and a decrease of 41,766 bales from August, 1947. Non-Davao balings were 21,459 bales,—down 5,760 bales from July; and Davao, 13,373 bales,—up 1,707 bales as compared with July. Total pressings for the first eight months of 1948 were 435,963 bales, as compared with 529,885 bales for the same period last year.

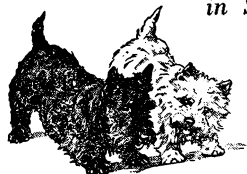
September 16 to October 15

UNITED STATES buyers once again acted with great caution and bought only sparingly. More business was done than during the previous month, particularly for non-Davao grades. Buyers showed increased interest in the better grades of non-Davao.

SCAP was still out of the market but were expected to begin buying early in November, if not sooner. Provincial prices for low grades held consistently above consumers' ideas in anticipation of heavy SCAP buying in the near future. Toward the end of the period, some ECA buying was recorded, and the Allied Control was in the market for supplies for Germany.

In the Philippines, a very steady market ruled throughout the period, with exporters once again dis-

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playing more interest in buying than was warranted by the demand from consuming markets. This undoubtedly was due to continued small production and the probability of improved demand before the end of the year.

Nominal provincial values on October 15 were:

Davao I	.....	₱62.	—	Unchanged	from	September	15	
Davao J1	.....	60.	—	Unchanged	from	September	15	
Davao G	.....	52.50	—	Unchanged	from	September	15	
Non-Davao I	₱69.	—	Up	₱1	per picul	from	September	15
Non-Davao G	43.50	—	Up	₱1.50	"	"	"	"
Non-Davao K	.....	25.50	—	Unchanged	from	September	15	

Closing New York quotations were:

	Per Lb.	c. i. f.		
New York				
Davao I	27-7/8¢	—	Down 1/4¢
Davao J1	27-3/8	—	Unchanged
Davao G	24	—	Down 1/8¢
Non-Davao I	26-3/4	—	Up 1/4¢
Non-Davao G	20-1/4	—	Up 1/4¢
Non-Davao K	14	—	Unchanged

Production for September was 38,197 bales,—an increase of 3,365 bales from August, but a decrease of 38,397 bales from September, 1947. Non-Davao balings were 23,704 bales,—up 2,245 bales from August; and Davao, 14,493 bales,—up 1,120 bales as compared with August. Total pressings for the first nine months of 1948 were 474,160 bales, compared with 606,479 bales for the same period last year. It is interesting to note that 1948 pressings for January to June were only down 19,338 bales from 1947; whereas the July/September pressings were down 112,981 bales, as compared with July/September 1947. The drop during the first six months is not serious,—averaging only around 3,200 bales per month. The drop during the July to September period, however, averages over 37,600 bales per month,—which is indicative of the deplorable production conditions existing at the present time. Unfortunately, there is no prospect of any worthwhile improvement during the last three months of the year, so that 1948 production is likely to be about 200,000 bales less than that of 1947. This represents a drop of about 26% for 1948, as compared with 1947.

The current trend of production,—at a time when prices are so favorable to the producer, is viewed with grave concern by the industry. Manila hemp is the only Philippine agricultural product, as yet, that has no serious competitor in world markets. This being the case, it appears essential that Philippine producers maintain their production in order to hold their market. The producer is receiving an excellent return for his hemp, but must realize,—particularly when prices are high, that a portion of his gains must necessarily go back into the soil if Manila hemp is to hold its position in world fiber markets. It is not enough to continue harvesting and obtain progressively higher prices due to declining supplies. This policy is likely to force manufacturers to seek cheaper substitutes, such as sisalana and Central American hemp. If consumers should make such a switch, permanent damage to the Philippine fiber industry would result. The ultimate aim of Philippine producers should be to increase production and lower prices in order to hold their market and discourage other potential competitors.

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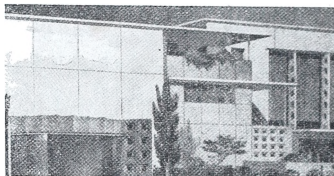
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Tobacco

By the CONDE DE CHURRUA
President, Manila Tobacco Association

THE 1948 buying season is practically over, and the farmers have obtained more than a fair price for their tobacco. The distribution of the crop is more or less as follows:

Cagayan Valley

National Tobacco Corp. bought around	10,000	quintals
Alhambra Cigar Factory	" "	12,000 "
Tabacalera	" "	10,000 "
Bunning	" "	8,000 "
Chinese merchants	" "	36,000 "
Private buyers (L-3)	" "	5,000 "

Total 81,000 quintals

There are still about 4,000 quintals held by the farmers who do not want to sell under P40 a quintal.

The prices paid have averaged between P25 a quintal for the poorest lots of the Cagayan province to P40 for the best in Isabela.

The crop is better than average, with tobacco of "heavy body" predominating which will be in the best condition to use in about two years, but which can be used after one year.

There are a more than the usual amount of broken leaves, and on the leaves from some localities there is a very faint dusty film which, however, does not devalue the crop.

The higher Isabela localities, as Echague, Biggá, etc., have yielded some very fine tobacco, clean and of even color, part of which will make excellent wrapper-leaves. This tobacco is well worth the price paid for it.

The writer has just returned from the Cagayan Valley, and the prospects for the next crop are good.

Seed-beds are already being prepared, and the farmers will do their best to have enough to meet any losses caused by bad weather.

We can expect, under the best conditions, a maximum of —

Cagayan	50,000	quintals
Isabela	140,000	"

Total 190,000 quintals

and with unfavorable weather —

Cagayan	25,000	quintals
Isabela	80,000	"

Total 105,000 quintals

— so let us hope for the best.

In Western Luzon the first estimate of the crop was 64,000 quintals, but due to the heavy rains, this was reduced to —

Union	26,500	quintals
Pangasinan	14,500	"
Ilocos	3,000	"

Total 44,000 quintals

Besides, there were about 9,000 quintals of Batec tobacco which is much sought after for the native market.

The buying in these provinces was wild, with practically everybody except the Chinese merchants out of the picture; and all of these competing against themselves.

They bought 40,000 quintals plus 9,000 of Batec, the only other buyers being the Tabacalera with just under 2,000 quintals and some private buyers (L-3) with 2,400.

Prices paid were around P30 a quintal.

In the South, the so called "Visayas" tobacco yielded a crop of 20,000 quintals, of which the Tabacalera acquired around 11,000 and the Chinese merchants the rest. Buying in this region was more normal and prices, although high for the locality, were not so impossible as those mentioned before. Around P20 a quintal would be a fair average.

LAST September 15, the War Damage Commission called a meeting of tobacco dealers and manufacturers, government experts, and generally every available representation in the business, with the object of obtaining a clear picture of it, especially of its diverse and complicated methods of buying and evaluating the tobacco.

We sympathize with the Commission for we understand the problems it has to deal with and appreciate very much the fairness and tact with which the Commission is resolving them. It has spared no effort, and in spite of the seemingly practical impossibility of establishing a pattern, if it is possible to do so, it will be done by the Commission.

Every claimant and, especially the small farmer may be assured of the personal interest taken in his behalf, as the Chairman, Mr. Frank Waring, and Commissioners O'Donnell and Delgado, personally took up and discussed every matter that might help to resolve fairly the different claims.

ANOTHER important meeting was held by Secretary of Commerce Balmaceda on the 12th of October to discuss limiting the importation of cigarettes, as they come under the luxury classification of imported products.

I will not go into the details of the discussion as the newspapers have published them, and will only point out the importance that such a measure will have for the local business.

Once the quotas are fixed, it will be possible to get a clear perspective of the future possibilities, and how the three aspects, — agricultural, industrial and commercial, will be affected.

The actual trend of every country is to economize as much as possible in foreign imports, reducing these to the essential ones which cannot be produced or manufactured locally. Naturally, in a tobacco producing country, any import affecting this business has to be seriously considered.

We hope that any measure taken will be for the best of the country, the business, and the smoking public.

Automobiles and Trucks

By G. E. SHINGLEDECKER

Manager, Ford Motor Company

THE Import Control Board conferred with automobile dealers and manufacturers' representatives on September 24 concerning proposed controls on the importation of passenger cars. Conversations with the board members indicated that very stringent controls are being considered. Dealers and representatives advised the Board that due to peculiarities of the automobile industry, the following points should be considered before instituting maximum restrictions:

1. The unemployment of skilled and semi-skilled labor which would result; wages paid by automotive



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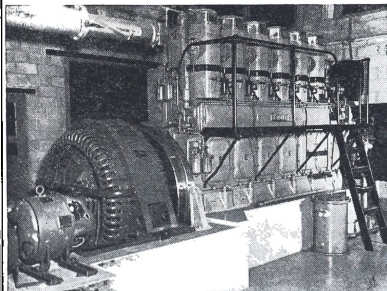
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dealers and manufacturers in the Philippines are much higher than the general average.

2. The fact that the industry does not lend itself to the rapid contraction of capital-structure due to its large investments in fixed assets, such as machinery, buildings, and service and maintenance equipment.

3. The loss to the Government in compensating taxes from a reduction in the sales-volume.

4. The fact that allocations based on pre-war historic import statistics will be difficult to apply because of the suspension of many pre-war firms and the many new authorized dealers who have begun operations since the end of the war.

5. The return of black-market conditions similar to those of 1946 because of the high demand for transportation. All passenger cars are being considered as luxuries or semi-luxuries, but the public today considers automobile transportation to be an absolute necessity.

Representatives present requested that controls be begun on a graduated basis to give the industry time to contract its operations to meet the imposed restricted market, as the recent increases in compensating taxes to 15% and 30% have definitely curtailed sales and imports of the medium and higher-priced passenger cars.

Pharmaceuticals

By FRANK A. DELGADO

*Manager, Sales and Wholesale Department
Philippine American Drug Company
(Botica Boie)*

THERE has been a general falling off in the pharmaceutical business, and indications are that the decline will continue well into 1949. Any sales estimate for the coming year is therefore speculative. However, one authority predicts that a drop of as high as 40% may be expected. This estimate, however, is an average figure and will vary with different lines depending on various factors, such as the quantity and quality of promotion, the aggressiveness of the distributor in covering the territory, and the support received from manufacturers. In spite of a stiffening in buying on the part of dealers and consumers, competition is increasing among importers and manufacturers' exclusive representatives, including manufacturers' branches. During the current year, several additional (not less than 4 or 5) American manufacturers have entered this market, employing sales staffs and engaging in the usual promotion activities associated with these products. All, or nearly all of these firms, are of the so-called "ethical" type.

A week seldom passes that one does not receive one or more announcements of price increases from various American medicinal manufacturers. These manufacturers state that, due to a steady increase in the cost of materials, they are compelled to increase their prices, which increases are frequently as high as 30%. Notwithstanding these increased prices, local wholesalers and importers of the subject product continue to offer them at the old prices, due to an oversupply situation.

The price-cutting situation has become so serious that one American manufacturers' branch recently

released an announcement stating that it would cease selling to any of its distributors who cut their prices or give any discounts except to a list of selected wholesalers.

The number of distributors, large and small wholesalers, is greatly in excess of pre-war. The result is that, some of them, mostly the new-comers, frequently give away most of their mark-ups and attempt to stay in business on a 5% to 10% gross margin.

Aggressive and effective advertising is obviously necessary in such a highly competitive market. Manufacturers must not assume that because their product is among the large sellers in the United States, that it may likewise have a favorable reception in the Philippines. There are many peculiarities in taste and differences in consumers' demand and usage. Many products could be named that are among best sellers in the States, but which are only "shelf-warmers" in this country.

The outstanding mistake which most American export managers insist on making, is to try to force the use of Latin American "copy" in this country. It is difficult to make them understand that any good American copy that is successful in the United States, will in all probability, with few exceptions, be well received and appropriate for the local press. In the field of medicinals, particularly the popular proprietary type, there should be more use of space in the vernacular press. On the other hand, manufacturers of the so-called ethical prescription specialties, should engage in heavy mailings to physicians and the health professions and make announcements in professional trade journals such as the *Journal of the Philippine Medical Association*. They should also engage one or more representatives, known in the trade as detailmen usually a physicians or a pharmacists, to personally contact physicians in their offices, leaving pamphlets, literature, and samples. These detailmen, obviously, should also contact government and non-government hospitals and other related institutions. A big mistake, not infrequently made by American manufacturers, is to send 3,000 to 4,000 mailings of expensive literature, brochures, etc., without having first ascertained whether there is any stock or sufficient stock of the product being promoted on the pharmacists' shelves.

The domestic production of medicinals, particularly of the popular type, is greater than is frequently believed, and the domestic manufacturer is usually much more encouraged than his American competitors when it comes to advertising. They not only use most of the media available, but their "ads" are generous in size and the copy compares favorably with that for the imported articles. Most of the domestic medicinals are confined to the popular proprietary (patent medicines) type of product. Indications are that the domestic industry will continue a slow and steady expansion.

There is some encouragement in the fact that the very heavy inventory of many medicinal items (not all) has been greatly reduced over that which prevailed a year ago and wholesalers and importers are beginning to order many items.

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Food Products

By E. A. L. BEST

*Manager, Food Products Department
Marsman & Company*

THE Pacific Coast maritime strike which began 65 days or so ago at this writing, has seriously impaired the normal flow of foodstuffs to the Philippines. Deficits in some commodities are becoming apparent, notably fresh fruits and vegetables, which emanate largely from San Francisco and Los Angeles. A survey discloses there is no shortage of other staple merchandise. General price tendencies seem to be toward lower levels.

Flour importations continue steady, with sufficient arrivals to meet ordinary requirements. With Seattle strike-bound, shipments are clearing through Tacoma and Anacortes, Washington. Limited cargo-handling facilities at these two ports have caused serious freight congestion and extensively retarded ship loadings and sailings.

Up until September 30, average monthly flour receipts for 1948 were 460,000 bags of 50 lbs. each. During 1947 the figure was 670,000 bags a month, of which part was re-exported to SCAP in Japan. For several months past there has been little variation in United States prices. Sizeable consignments of both American and Canadian flour are reported to be enroute. Local quotations for established brands remain regular,—(per 50 lbs. bag).

1st grade	P9.10
2nd "	P8.70
3rd "	P8.60

First-class Canadian flour is offered at P9.20 to P9.30 per 50 lb. bag. The new Canadian wheat crop is again favorable but probably not sufficiently large, hence the market has a firm undertone. In any event, Canadian wheat closely follows the Chicago market which for the next year has a floor price of \$2 for wheat at the farm (about \$2.25 Chicago). This prime factor should hold flour prices at present levels, with every possibility of advancing, once farmers have adequately stored their crops. The shipping strike has not decreased exports from Vancouver. In certainty, it stimulated Canadian flour sales.

Since my last report there have been insignificant local price fluctuations covering evaporated milk. Leading brands are sold at P16 to P17 per case. The United States tendency is downwards, which many observers consider very singular for this period of the year. Prices usually increase during winter months, and decline when spring grass becomes available for dairy cows. Evaporated milk importations during 1947 were 145,000 cases monthly. To date for 1948, the figure is slightly higher.

Should the Pacific Coast strike be prolonged, a shortage of perishables is anticipated. Fortunately, there were sufficient overstocks to cover consumption during the past two months. California supplies have been curtailed except for shipments via Tacoma, which in the future may not be such a ready shipping outlet. Prevailing market prices for important items are:

Potatoes, American — 100# crate	P13.50
Onions, American — 50# bag	P 7.00
" Australian — 50# bag	P 5.00
Apples, American size — 163/216 crate	P13.00
" large	P12.00
Oranges, American size — 200	P38.00

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A tinned-fish report or forecast of this market should be considered unreliable. Purchasers never follow a definite or systematic buying policy which is soundly correlated with price, supply and/or demand as these exist at the source-of-supply areas. A few weeks ago many Manila indentors were offering various types of canned fish in Manila at prices considerably below factory replacement costs in America. This Archipelago has been enjoying favorable weather to maintain an excellent and reliable local catch. Hence, imported products have not attained expected selling proportions. Present quotations:

Sardines, oval tins, tomato sauce ..	P25 to P30	case
Mackerel, " " " " ..	P24	"
Anchovies, " " " " ..	P23	"
Pilchards, Tall tins natural sauce	P24	"
Mackerel, " " " " ..	P23	"
Squid, " " " " ..	P10 to P11	"
Salmon, " " " " ..	P15	"

In 1947 the Philippines brought in 1,375,726 cases of various classifications of tinned fish. From January to September inclusive (1948), importations amounted to 907,332 cases. That's a lot of fish! Fishermen on the Pacific Coast will not bother to set their nets unless guaranteed \$60 per ton of fish upon delivery to the cannery. Prices in the United States are declining. The official packing season is drawing to a close.

Throughout the Philippine wholesale and retail grocery trade, there exists a definite depreciation of purchasing power. Merchants in the Visayas are slightly better off than those in Northern and Southern Luzon. This may be partially attributed to internal disorders.

What is hoped by conservative importers is that there will be no "after-strike" back log of order repetition such as last year, which flooded the market for months and completely upset our economic conditions. There is another serious subject to contemplate. Will the Atlantic and Gulf seaboard strike-issue be settled before the deadline of November 9?

Textiles

By JAMES TRAYNOR

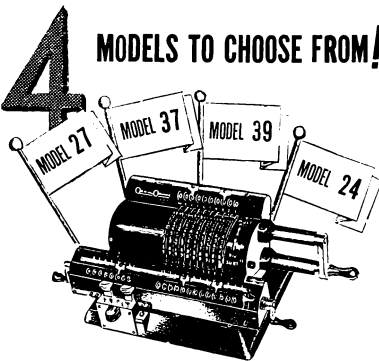
THE depressed condition existing in the local textile market for some 5 months ended around the latter part of August. During the months of September and October local prices came into line with replacement costs and generally showed a satisfactory return to importers.

During September and October substantial commitments were placed with American mills for shipment during the balance of the year.

Early in August importers requested American shippers to accept a change of terms from confirmed, irrevocable letters of credit to 60-days sight draft, documents against payment, which latter terms now apply to practically all orders being placed with American suppliers.

Arrivals of textiles from China continue to be substantial and have increased in volume month by month since July.

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Legislation, Executive Orders, and Court Decisions

By EWALD E. SELPH

Ross, Selph, Carrascoso & Janda

SOME decisions of the Supreme Court which are of interest to the business community have been rendered recently.

In the case of *Aurrecochea v. Kabankalan Sugar Company* (September 11, 1948), the Court said that there had been no coercion in the plaintiff's acceptance of Japanese war-notes, and that if he had been intimidated, he spent the proceeds and ratified the payment. We quote an interesting excerpt from the decision:

"The 'Mickey Mouse' had value. It does not require any argument to show the falsity of plaintiff's assertion that they were worthless. Indeed, we take judicial notice of the fact that in October, 1945, they had as much purchasing power, if not more, than the Victory notes had at the time the plaintiff filed his suit in April, 1945,—at least as regards local food-stuffs and products. The very evidence of plaintiff says he used the notes to survive.

"We refrain from considering whether the Japanese notes were legal tender. This question does not enter into this case. The point might be material if the plaintiff had avoided a tendered payment in those notes, or if he had really accepted them under coercion, express or implied. Neither of these factors, it has been demonstrated, was present in the instant litigation. On the contrary, as has also been demonstrated, it was upon his instance and insistence that the payment was effected. Neither was there any surprise, deceit, fraud, or mistake. There was only lack of foresight or business ability.

In an insurance case (*Estate of Villanueva, August 31, 1948*), the policy was on the life of Esperanza Villanueva, with a specific maturity and with her brother as beneficiary in event she died before maturity. She survived the insurance period, but the beneficiary claimed the proceeds as against the estate. The beneficiary claimed that the proceeds of an insurance policy belong exclusively to the beneficiary as separate and individual property and not to the heirs of the deceased. The Court held that a beneficiary of such a policy has a contingent interest only, and that in event the insured survives the maturity of the policy, the proceeds are payable to the insured or his assignee, or to his estate if there is no assignee, notwithstanding a beneficiary is designated in the policy.

In an appeal from a decision of the Insular Auditor denying a claim of the owners of property adjoining the ECA compound for damages for the burning of buildings arising through the negligence of a person in such premises igniting his cigarette-lighter near gasoline belonging to the ECA, which had no permit from the City to have gasoline on the premises, the Court held that the Government was not responsible for the negligence of ECA or its officers.

The Court denied reconsideration of the *Haw Pia* case involving payment of pre-war debts in Japanese currency.

However, in a case (*Legarda v. Carrascoso, August 31, 1948*), where the contract provided for an option to the creditor to require payment of the debt in either Philippine currency or British currency, and the Court of First Instance had held that the creditor had no right to refuse payment in Japanese currency, the Supreme Court reversed the judgment and ordered a new trial. The court said:

"...And although he did not say so in plain words, his refusal to take the Japanese notes could have no other significance than his election to be paid in British currency or, at least, Philippine currency at the right valuation,—considering the well-known depreciated value of the Japanese notes at that time. We are all of the opinion that defendant should have been permitted to establish such defenses."

In a proceeding by sub-tenants to restrain the sheriff from carrying out an order of eviction of the lessee and the removal of their "barong-barongs", the Court over-ruled their petition and said that the sub-tenants had no rights greater than the lessee, and the fact these sub-tenants had not been parties to the eviction suit made no difference.

In an estate proceeding the Court held that as property of a decedent is deemed to be transmitted to the heir from the instant of the death, and each heir becomes an undivided owner of the estate with respect to the portion which may be adjudicated to him, a community of ownership is thus formed among the co-owners of the undivided estate, and that under the Civil Code every part-owner may assign or mortgage his part of the common property but the effect of such assignment or mortgage shall be limited to the portion which may be allotted to him in the partition upon dissolution of the community. Reference is made to a former decision which held that where some of the heirs, without consent of the others, sold property of the deceased, the sale was valid but its effect limited to the share which might be allotted to the vendors upon partition of the estate.

On October 2, 1948, a decision was rendered on a petition to set aside an order of the Court of Industrial Relations. In 1947 the Court of Industrial Relations authorized the temporary closing of a saw-mill and the laying off of its laborers with the condition that should the Company reopen its mill it should permit its employees to continue in its service. Later the Company leased its saw-mill to another Company which took some but not all the former employees. Those left out filed contempt proceedings against both the lessor and the lessee. The Court of Industrial Relations dismissed the contempt proceedings and rendered a decision to the effect that there was no evidence that the lease was fictitious or entered into to negate the former order of the Court. The Supreme Court held that the question raised was whether the two companies were identical, or the lease fictitious for the purpose of circumventing the Court's order.

The Supreme Court held these were questions of fact and that the Supreme Court should not interfere with the findings of fact of the Court of Industrial Relations, but would limit its attention to questions of law. Three Justices dissented and stated the principle should be that "the findings of the Court of Industrial Relations are conclusive and will not be disturbed in the absence of a showing that it has abused its discretion," but that in the present case the Court of Industrial Relations had not properly weighed the evidence and that its findings were not supported by the evidence and that the order should be reversed.

Other Chambers of Commerce

Philippine Chinese General Chamber of Commerce

By YANG SEPENG

STANDING in the midst of a community that is gradually emerging from the ruins of the last war, the ₱600,000 building of the Philippine Chinese General Chamber of Commerce on Benavides Street is nearing completion. It may be the most imposing edifice in the vicinity, but it certainly was built at a tremendous sacrifice on the part of the Chinese community in the Philippines, in general, and of the members of the Chamber of Commerce, in particular. It was a sacrifice because the money used in the construction of the building came from funds urgently needed in the rehabilitation of the business enterprises, large and small, of the members of the Chamber.

Started early this year, the building which stands on the old site of the pre-war Chinese YMCA, is a three-story structure designed to house the downtown office of the YMCA of the Philippines on the ground floor; the Philippine Chinese General Chamber of Commerce on the second floor; and the UNO Club, successor to the pre-war Cosmos Club, on the third floor. It is not an architectural masterpiece, but the design is for general utility, hence, its simplicity.

Special mention must be made of the YMCA, the leadership of which comes from members of the Chamber of Commerce. As before the war, varied recreational facilities are available, like the bowling alley, the swimming pool, the gymnasium, the indoor-baseball court, and, of course, enough space for other games, such as pingpong and billiards. There is also a dormitory, and there is even a Turkish bath and massage-room for businessmen.

The Philippine Chinese General Chamber of Commerce feels proud in having been instrumental in expediting the resumption here of the great youth movement, the YMCA, which has proved to be so great a social, educational, and spiritual factor everywhere. The members of the Chamber feel happy that the YMCA unit on Benavides street is no longer the Chinese YMCA alone, but a part of the national YMCA of the Philippines. Youths of any nationality will find the downtown unit of the YMCA, in the Chinese Chamber of Commerce Building, the same type of organization that it is in any other part of

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Finally, if the building symbolizes anything at all, it is that it stands as a token of the faith of the Philippine-Chinese in this new Republic, under whose flag and laws they live. The building speaks of the hopes of the Chinese for the future of the Republic, for they did not hesitate in constructing a building that will stand for a great number of years.

Those who have so glibly charged that the Philippine-Chinese "abuse the hospitality" of the Filipinos, might examine the 44 years of life of the Chamber and note what part it has played not only in promoting legitimate business, but in contributing to the uplift of a sound community life.

YANG SEPENG, *Executive Secretary.*

Philippine Safety Council

By FRANK S. TENNY
Executive Director

LAST call has been issued to those interested in the Vehicle Safety Maintenance Class to be conducted by the Philippine Safety Council in conjunction with the Army Transportation Association and the PHILCOM Ordnance Depot. The course will cover instruction and demonstration of proper maintenance, lubrication, and servicing of army-type vehicles. It will be specially adapted to the interests of fleet operators who are running former army or surplus jeeps, weapons-carriers, 6 x 6's, etc., a survey having shown that many operators do not know the proper procedures and that many of these vehicles prematurely been worn out or become unsafe. Special invitations have been sent to members of the Philippine Motor Association, Army Transportation Association, National Post-war TPU Operators Association, and Safety Council. Those desiring to attend the class or to send representatives are asked to contact their respective organizations or the Safety Council headquarters at 129 L. Guerrero, telephone 2-97-24. There is no charge or obligation of any kind.

THE new extra-low-pressure tires for passenger cars, now being manufactured by most tire companies, are praised by United States safety authorities and have gained the endorsement of the Phil-

ippine Safety Council. Information from abroad indicates that engineering tests conducted on the new 24 lb. pressure "supers" have disclosed many improvements over the former types. The tires contain an average of 10% larger cross-section, 18% greater air volume, with 14% less air pressure. Other advantages include: (1) increased cushioning, (2) reduced body-shake, (3) improved cornering, (4) lower rolling resistance and slightly better fuel economy, (5) improved flotation, (6) Less road noise, (7) longer tire life, and (8) improved life of many other car parts. The Council stresses that it does not recommend any particular brand of these new tires over any other brand.

The Coming Import . . .

(Continued from page 370)

firearms; fireworks; and ammunitions; Soaps; toys and novelties; photographic Equipment (non-professional) and supplies, radios and moving-picture films; cigarettes; home-type cooling apparatus and electrical appliances; articles manufactured of leather, such as shoes, etc., as well as rubber shoes and components thereof; fresh and dried fruits (including oranges), candy, sugar, molasses, etc.; automobiles; glass and glassware, clay porcelain and china, sundries, chewing-gum, matches, candles, steel office furniture (except filing cabinets), etc.

Of the items originally considered for control, but which will probably be excluded are explosives, tobacco, leather skins, bulk candy-making materials such as glucose, and construction materials. Naturally, both of the foregoing lists are only surmise, and official information will not be available until the President's order is issued.

In general, it can be considered that the aims of the government in imposing import control, are to conserve dollar-exchange, to promote the domestic manufacture of articles previously imported, and to assist the Filipino businessman in establishing himself in Philippine trade. It can be anticipated, too, that the Government will seek to avoid causing shortages or increases in prices of items which are in everyday use by Filipinos. With the foregoing aims in mind, businessmen in the Philippines and those interested in Philippine trade should be able to make a fairly accurate guess as to the effect of import control on their own particular business.

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COST OF LIVING INDEX OF WAGE EARNER'S
FAMILY: IN MANILA BY MONTH, 1946 TO
(1948) (1941 = 100)

Bureau of the Census and Statistics
Manila

1946	All Items	Food (59.15)	House Rent (8.13)	Cloth- ing (8.02)	Fuel, Light and Water (13.94)	Miscel- laneous (17.80)	Purchas- ing Power (17.80)
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	625.9	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	645.1	675.6	235.4	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	235.4	598.9	341.3	364.6	1809
August	477.9	590.0	235.4	384.7	320.9	345.3	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)	(2.73)	(14.48)	

January ..	426.2	468.2	453.9	381.9	326.2	282.5	2346
February ..	418.5	464.9	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	385.3	414.4	453.9	236.8	315.6	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	225.8	301.1	254.4	2714
March	349.4	381.0	453.9	214.6	308.1	255.9	2862
April	356.1	374.1	453.9	209.4	289.7	254.3	2808
May	349.8	360.2	453.9	214.2	289.7	271.6	2859
June	354.3	370.4	453.9	205.2	283.2	262.9	2823
July	356.4	374.2	453.9	201.3	281.6	262.4	2806
August	363.6	386.7	453.9	199.8	281.6	261.7	2751
September ..	370.6	397.2	453.9	199.2	279.6	260.6	2698
October	374.9	404.0	453.9	204.8	283.2	257.9	2668

¹ Average number of persons in a family — 1.9 members.

² Revised in accordance with the new survey on the "Levels of Living, in Manila" by Department of Labor and the Bureau of the Census and Statistics conducted in December, 1946. The following weights were used in computing the "over-all" index: Foodstuffs — 63.43; Clothing — 2.04; House rent — 11.96; Fuel, light, and water — 7.73; and Miscellaneous — 14.64.

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Column

THE Far Eastern Economic Review (Hongkong) in reprinting the August Journal editorial, "Elimination of Sub-marginal Post-war Business Ventures," introduced it with the following paragraph which is of interest here:

"All the mushrooming little trading and brokerage firms which were a common sight in Hongkong and every other city in the Far East in the first and second year following the end of the hostilities have slowly but inexorably given way to the old-established mercantile houses and, by and large, their prosperity has not lasted but resulted in the end in failure. Conditions as described in the following article of the American Chamber of Commerce Journal of Manila are not peculiar to the Philippines but with slight variations, have been observed both in Hongkong and in other centers of Far Eastern trade."

The editor received the following fine letter from Mr. Horace B. Pond, who now lives in Reno, Nevada:

"I have received a file of the Journal, which, as you are the Editor, I assume was sent by you. I appreciate your kindness in sending it to me. I have gone through it with much interest. May I congratulate you on the fine work which you are doing on behalf of American business in the Philippines? It measures up to the high standards set by you over the many years when you were Editor of the Philippine Magazine.

"Philippine problems have changed. With the recognition of independence there seems to have developed an upsurge of economic nationalism. This is to be regretted, for there is much to be gained by cooperation among all elements in the Philippines, Filipino as well as foreign, in working out the

problems of rehabilitation and readjustment. Foreign capital in foreign business not only can provide more jobs for more people, but can greatly ease the stresses and the strains as American financial aid declines and American tariff preferences are progressively reduced.

"I read with particular interest your article in the September, 1948, issue on Foreign Manufacturers' Representatives. The nationalization of their businesses would, I believe, not only be harmful to American business in the Philippines, but to the Filipino people as well. I appreciate the kind things that you said of the Pacific Commercial Company and of me.

"Mrs. Pond and I are living quietly here in Reno, where we see many of our old Philippine friends, and with them reminisce on your years spent in the Philippines, and discuss current developments there. She joins me in kindest remembrances and in all good wishes."

We had a letter from Mr. Vernon E. Moore, Director of the Washington office of the U. S.-Philippine War Damage Commission, which read in part:

"Last week I had the pleasure of having several visits with Fred Stevens, President of the American Chamber of Commerce of the Philippines, and Mrs. Stevens when they were here in Washington.

"I welcomed the opportunity to talk to Mr. Stevens because he was able to give me a first-hand picture of conditions in the Philippines at this moment. The information he gave was augmented earlier this week when I had the pleasure of visiting with A. D. Calhoun, of the National City Bank of New York, who plans to return to the Philippines very soon.

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"The real purpose of this letter is to advise you of my interest in your Journal. When I asked Mr. Stevens whether it would be possible for me to place a subscription for the Journal, he very graciously offered to send it to me without charge, but knowing that you have a budget to meet and that publication costs are on the increase everywhere, I am enclosing my check for \$5 for a year's subscription.

"I enjoyed reading the Journal for August, this year, it being the only one I have seen since I was in Manila as an attache to the official United States Delegation to the inauguration of the Republic on July 4, 1946. The August issue was of particular interest to me as it contained some enlightened articles from the pens of several of my friends and acquaintances. — 'Chick' Parsons and Messrs. Hoskins, Mitke, and Selph.

"I am sure the Journal will be of great help to me in connection with my work in my dual capacity as Director of the Washington Office of the Philippine War Damage Commission and Secretary of the Philippine Rehabilitation Commission.

"In the event it is possible to send the Journal by air-mail, please advise me of any additional charges as I should like to receive it as soon after publication as possible..."

We sent Mr. Moore all the available back issues of the Journal and informed him that the cost of mailing a copy by air is now P6 per issue, which, with all respects to the air-line companies (valued advertisers of ours, too), we think *damn high!*

A letter of similar tenor came from Mr. Chas. A. Mitke, who wrote from the Bankers Club, 120 Broadway, New York, who wrote in part:

"In both New York and Washington I have heard a great deal about the American Chamber of Commerce publications and I feel that they are doing a great deal of good..."

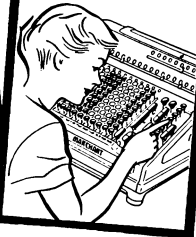
A letter from a local reader, Mr. P. R. Romero, Chief of the Commercial Intelligence Division of the Philippine Bureau of Commerce, read:

"This is to acknowledge receipt of a copy of the September, 1948, issue of the American Chamber of Commerce Journal, and to thank you for your kindness in sending us said copy. Your publication is a valuable reference to our office personnel and researchers who use our business library. In fact, it is one of the few magazines which we recommend to parties who inquire from this office for useful and reliable local publications of an economic and commercial nature. We have noted, however, that we have not received any copies of the June, July, and August, 1948, issues of your Journal. We should appreciate it very much if you would send us said missing issues

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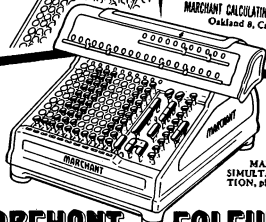
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to enable us to complete our collection of your publication. Reiterating once more our thanks and offering you at all times the reciprocal services of this Bureau, we remain, etc."

We thanked Mr. Romero for his letter and sent him also a full set of the Journal for his library although we have regularly sent complimentary copies addressed to the Director of the Bureau of Commerce. Readers who fail to receive the Journal regularly are urged to inform us so that we can send them issues which they may miss. Since we use an automatic addressograph, copies are always duly mailed out, but they may be lost in the mails or in the offices to which they are addressed.

We had a letter from Frederic H. Stevens, President of the Chamber, now in the United States, which ended with the following postscript:

"Tell H. that his paper, our Journal, is very, very well thought of in New York. Am proud of the numerous compliments I receive...."

Then followed a few lines which modestly prevents the editor from reprinting here. The general sense was that Mr. Stevens was getting credit that should go to the editor, but no one knows better than the editor how much of the present success of the Journal is due to Mr. Stevens' support and active assistance.

"I am having some trouble with my course in economics, dad," said one of the editor's sons the other night. "We are getting all sorts of theories, old and new, accepted or discarded, sometimes I don't know which, and it is all very confusing. Isn't there someone, underlying principle, like, in biology, the theory of evolution?"

"Well, son," said the editor, pleased with his offspring, "that is an intelligent question. To tell you the truth, I had the same difficulty when I was a student, and I am not sure that everything is clear in my own mind even now. Economists still differ on many points. The whole subject is very complex and there does seem to be a lack of a general, unifying, and clarifying principle. Of

course, the concept of evolution underlies the social sciences as well as the biologic, but we must look for something less general. I have a notion, not original, but yet not generally emphasized enough, in my opinion. Perhaps it is too simple. Of course, many other factors enter in...."

"What is that notion?" asked the boy, and the editor, readily enough, went on:

"Of course, you know the principle of supply and demand in relation to value and price. When supply decreases, the price goes up; as supply increases, the price goes down."

"Yes, that's simple enough."

"Well, the concept of supply and demand can be applied not only to the value and price of goods, but to the 'prices' or remuneration of all four or five of the so-called factors of production.

"As you know, the factors of production are land, capital, labor, and enterprise or direction. The remuneration for the use of land is rent; for capital, interest; for labor, wages; for enterprise, management, and risk, profits. There is a fifth factor, — protection and regulation, exercised by the community through the government, the remuneration for which is taxes. This classification may be a little sharp, even doctrinaire, but it is illuminating. Some economists recognize only two basic factors of production, — land and labor, but I think the five-point list more helpful.

"Economic production is a cooperative enterprise, you see, and the various elements concerned in it and their agents, — the landowner, the capitalist, the worker, the entrepreneur, and the government, all share, rightly, in the proceeds. Now the underlying principle I have in mind is that rent, interest, wages, profits, and taxes all go up or down according to the principle of supply and demand as it affects the factors concerned.

"The respective shares of the total proceeds which the various agents receive, depends upon the relative demand for, and supply of, these agents or the elements they represent. The shares of each vary, — one receiving more and the other less, depending

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upon the conditions existing at the time.

"This principle would seem to account not only for short-time fluctuations in rates and aggregates, but for the known broad historic trends, too."

Hardly pausing to take breath, the editor continued:

"It is well known that, as the world has been building up its capital, through what must fundamentally be a process of saving, — of producing more than is immediately consumed, its factory buildings and machinery, its tools and implements, and its materials for work (capital goods), the interest rate has, historically, been going down, though the total paid in interest has, of course, greatly increased.

"It is also well known that as our machine civilization has been developing, the need for more and more highly skilled workers has been increasing, in the main, faster than the supply, so that wages, historically, have been rising, not only for the individual wage-earner, but vastly in the total paid in wages, which, of course, is also in part due to the tremendous increase in production made possible by our machines.

"With our growing populations as well as increasing urbanization, suitable land has become relatively more difficult to obtain, so that rents have also been rising.

"And as, under the growing complexity of our economic life, successful entrepreneurs and managers must survive more and more stringent tests as to their ability, their share, in the form of profits, has been increasing, too, individually and in the aggregate.

"As for taxes, they have gone up because of the need, the demand, for more and better government.

"You will see, now, that the remuneration of all these agents concerned in production, with the exception of the capitalists if the rate of interest is considered, has been and is continuing to rise, not only because the total production has increased and continues to increase so tremendously, but because in the case of all these four factors, demand has tended to exceed supply.

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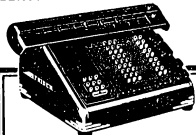
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(Continued from page 381)

8. Paper and manufactures—

Total	P 22,839,322	P 18,499,150
United States	17,110,044	15,615,410
Sweden	1,524,766	577,110
Canada	906,738	344,114
Hawaii	899,978	294,938
Norway	433,474	872,684
Spain	344,038	186,780
Austria	296,662	—
Belgium	241,094	84,648
Italy	173,874	—
Netherlands	143,432	—
Other countries	365,222	482,426

9. Dairy products—

Total	P 22,239,134	P 30,886,400
United States	21,495,788	28,166,400
Switzerland	233,106	101,218
Denmark	162,914	187,718
Netherlands	141,886	1,271,974
Australia	89,372	831,050
New Zealand	75,320	229,914
China	37,234	20,602
Argentina	2,532	—
Hongkong	884	—
Italy	50	—
Other countries	28	77,484

10. Machinery, except agricultural and electrical

Total	P 20,443,736	P 15,817,898
United States	19,328,368	15,014,832
Great Britain	629,408	434,792
Switzerland	201,134	32,960
Sweden	154,990	106,594
Canada	38,236	26,088
Hawaii	33,732	13,166
Australia	13,802	44,308
Italy	10,018	13,530
China	9,804	48,418
Denmark	9,490	—
Other countries	14,540	88,210
Other Imports	P244,067,156	P202,631,672
Total Imports	P606,135,260	P560,670,666

"As for prices, it is true that they have, historically, been rising, in terms of money, and that is because our supply of media of exchange has been increasing, but as we have been producing more and more goods and services all along, and as our transportation, communication, and other exchange and distribution facilities have been improving all the time, real prices have, historically, been going down. The average man now consumes goods and commands services which were not even thought of by the richest and most powerful men of past times except in tales of magic and marvel.

"Supply and demand in economics may, in terms of biology, be taken to correspond to the available food and the number of animals and plants in a given habitat. The food available finally determines the number. There can never be more living things than there is food for. As living beings, also our fundamental concern must always remain that of food production.

"Another biologic principle, that of the struggle for existence and the survival of the fittest, also applies in the world of human economics, — in agriculture, in industry, and in trade. So, it would seem, does the biologic law of optimum size.

"But to come back to the law of supply and demand, — that is of fundamental importance in all branches of economics. That, I believe, is the underlying, unifying, and clarifying concept you are looking for.

"Practically speaking, if you want to be well rewarded for your efforts, then produce or manufacture goods or render services which are scarce and for which the demand exceeds the supply . . .

"And could there be a more perfect, a more beautiful law? Supply limits the satisfaction of demand, yes; but demand also, in effect, creates supply. Man makes his demands on Nature and on himself (he is a part of Nature), and Nature, and he himself, supplies that demand. Man asks, and — provided he takes proper thought and does some work, he receives. O beautiful, bountiful world!"

The editor noticed that his son was nodding, — but not, alas, in

understanding, agreement, or appreciation . . . He had been out late, to a students' dance, the night before.

But the editor kept on, talking to himself:

"The exception in the case of capital, — the steadily decreasing interest rate, is most interesting and significant. Unless we go on destroying our capital in one disastrous war after another, capital will become more and more abundant and the interest rate will decrease until it becomes only nominal, and this may peacefully bring about revolutionary social and political changes. The remuneration of labor and management, and also of the community as a whole, through the government, will continue to increase until practically the whole of the proceeds of production will pass almost directly to all the people. Capitalism will, of itself, turn into a kind of socialism, as, in fact, is already doing . . . Not because of its alleged "inner contradictions," but because of its magnificent success. Even now it is plain that the people in the most highly capitalized countries are the best off."

Republic of the Philippines
Department of Public Works and Communications
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SWORN STATEMENT

(Required by Act No. 2860)

The undersigned, A. V. B. Hartendorp, editor and manager of the American Chamber of Commerce Journal, published monthly in English at the Office of the American Chamber of Commerce of the Philippines, Manila, after having been duly sworn in accordance with law, hereby submits the following statement of ownership, management, circulation, etc., which is required by Act No. 2860, as amended by Congressional Act No. 201:

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Total number of copies printed and circulated in the last issue, dated September, 1948:

Sent to paid subscribers 800

Sent to other than paid subscribers 1200

Total 2000

(Sgd., A. V. B. Hartendorp)

Editor and Manager

Subscribed and sworn to before me this 26th day of September, 1948, at Manila, the affiant exhibiting his Residence Certificate No. A-11685, issued at Manila on January 15, 1948.

Emilio V. Salas

Notary Public

Until December 31, 1948

Doc. No. 249; page 63;

Book No. 11; series of 1948.

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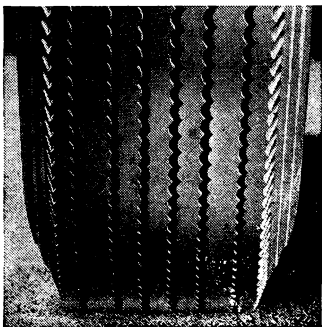
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