THE PHILIPPINES QUARTERLY

SEPTEMBER 1970 VOLUME 2 NUMBER 3

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THE COVER. Wooden toothpicks, intricately carved at the ends with fans, flowers, doves or butterflies, were popular in the Twenties. These were attached to clay pineapples that served as attractive and ingenious table centerpieces. This particular model is on display at the Solidaridad Galleries, a Manila art gallery with a regular Folk Art section.

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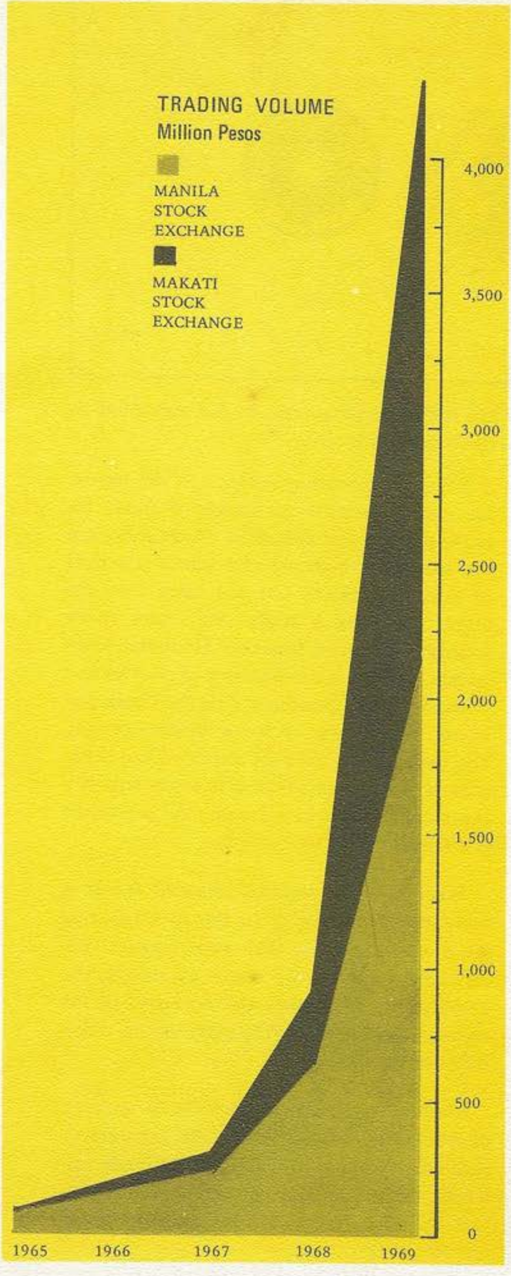
BANKERS TO SOUTHEAST ASIA

By RAMON K. ILUSORIO



It is common knowledge that in many countries of Southeast Asia, army generals, politicians and ex-politicians, and plain businessmen particularly those in the Chinese community, have built up massive fortunes and stashed them away in American and European capitals. These salted-away assets may take any of the following forms: bank accounts in New York, London or Switzerland; real estate in Spain, Germany or Canada to name a few places; or holdings in shares of stock of American and European corporations which are traded on the stock exchanges both sides of the Atlantic. If all these assets and investments are redirected by their owners into viable Southeast Asian projects and industries, they will undoubtedly accelerate the economic development of all the countries in the region and perhaps even forge closer unity among them, European-Common Market style.

On the other hand, existing investments in Southeast Asian countries carry a large foreign-source component. There is substantial European, American and even Japanese capital in the region comprising the Philippines, Hongkong, Taiwan, Malaysia, Indonesia, Singapore, Thailand, and the former French Indo-Chinese countries. In spite of the recognized investment risks, the region is considered to have considerable potential. Its vast natural resources still are fabled. Its combined popula-

tion approximates 250 million.

There is therefore an established and seemingly insatiable demand for funds to finance industry in the region while at the same time there exists a potential supply of foreign funds that are kept by Southeast Asian nationals abroad. This article attempts to explore the feasibility of establishing a financial center or a clearing house in some Southeast Asian country to bridge the savings of the region with the investment requirements of individual countries.

At present, no Southeast Asian country can rightly and fully claim that it is the Southeast Asian regional financial center. But this may not be the case for long. The contenders – Manila, Singapore, Bangkok, and Hong Kong – have, through varying degrees of aggressiveness, been making a bid to become to Southeast Asia what New York's Wall Street and London's Lombard Street are to the United States, Europe and in fact the rest of the world.

ADVANTAGES OF A SOUTHEAST ASIAN REGIONAL FINANCIAL CENTER

A proposed Southeast Asian financial center located in some Southeast Asian capital carries the following advantages to the region and to its country of location.

First, by becoming bankers to the region, the center becomes a source of funds for viable projects and industries. It can influence the terms of financing and direct resources to priority projects. At the same time the center becomes a ready and more easily accessible outlet of funds for Southeast Asian savings, making it a depository of reserves and confining within Southeast Asia the funds that would have flown to some Western capital. The center's role vis-a-vis the individual countries of the region is then akin to the role of a commercial bank in a locality of depositors and borrowers.

Second, if the regional financial center is more competitive and if the terms of financing are more imaginative than what Western centers have to offer, the center accelerates the mobilization of capital and resources in the region, thus benefiting the participating countries correspondingly.

Third, the center may earn for its country of location the financial income accruing to regional transactions, such as dividends, interest, capital gains, brokerage commissions, and the spreads between securities purchase and sale prices.

Fourth, the center becomes the repository of economic and business information about all countries in the region when it specializes in Southeast Asian industrial investments and loans. An extensive information service may be used to attract more investments from Western capitalists who heretofore lack information about Southeast Asia and are thus reluctant to commit more investible funds.

REQUIREMENTS OF BEING BANKERS TO THE REGION

There are four major requirements or qualifications that a Southeast Asian capital must meet to become a regional fianncial center.

The first and the foremost qualification is that the country in which the center is to be located must carry a good "country risk" rating among regional investors. This requires the following conditions:

a) The political climate must be stable over the long run;
b) Domestic price levels should be stable over time;
c) Its rate of exchange vis-a-vis other currencies must be strong and firm;
d) Its international reserves should be at a comfortable level; and
e) Its reputation in meeting financial commitments fully and promptly must be unquestioned.

Secondly, the capital must have a developed financial infrastructure to be able to service regional transactions effectively. This infrastructure may be further classified as follows:

a) Financial institutions of all types should be present. These include commercial banks, insurance companies, savings banks, development and investment banks, and securities dealers and brokers. These intermediaries should be able to efficiently handle their respective financial transactions and they should be able to adapt sophisticated financing techniques to their operations.

b) The center must have a broad and deep financial market for negotiable and highly marketable instruments or securities. These instruments may include government securities, bankers acceptances, commercial papers, corporate stocks and bonds, mortgages, etc. The markets should be easily accessible to domestic and foreign participants and the costs of communications must be reasonable. The market must be broad and deep enough so that large transactions can be well distributed and will not cause havoc on the price levels.

c) The center must possess a developed foreign exchange market so that currencies can be interchanged readily, freely, and fully into other currencies. The foreign exchange market must also be efficient so that the differences between the buying and selling rates are confined to narrow limits. Furthermore, forward contracts of short and long maturities must be available to permit investment covering and hedging operations.

d) The center must possess an extensive communications and information network so that business news, the lifeblood of a financial market, is available and transmitted rapidly.

Thirdly, the center must trade a currency "staple" or a common currency denominator that is acceptable to all countries in the region. At present, the eurodollar is the most widely accepted international currency. Eurodollars are U.S. dollars that are deposited, borrowed, lent or invested outside the United States. Although eurodollars are but one of a wide assortment of euro-currencies (which include euro-marks, euro-pounds, euro-francs, etc., all of which are currencies that are traded outside their countries of domicile), euro-dollars are by far the largest.

An estimated $40 billion of euro-dollars are presently outstanding -- from practically nothing 10 years ago. Less than two years ago, Singapore introduced the so-called Asia-dollar, which is really a euro-dollar with a different name. It is thus likely that Asia-dollars or eurodollars will become the accepted trading currency in the Southeast Asian market.

Fourth, minimum or no taxes should be imposed on earnings by foreigners in the center. Taxes make a center less attractive for foreign or regional investors, as their income may already be subject to taxation in their own country. The country where the center is located may of course recoup its tax revenues from the income that is earned by the regional financial institutions in the center.

THE CANDIDATES

Four Southeast Asian capitals are presently bidding to become or have the potential of becoming the regional financial center in Southeast Asia. These are Singapore, Bangkok, Hong Kong and Manila. Although there is general agreement as to objectives, each government looks at its role of being the regional financial center differently, and the strategies and qualifications are necessarily also different. Their qualifications are briefly enumerated as follows:

A. Singapore at this point has an edge over the others as it was the earliest to formally launch its Asia-dollar program. This involved the permission granted by the Singapore authorities to Singapore banks sometime in 1968 to freely accept foreign currency deposits provided these came from non-residents (Singapore residents are still under foreign exchange control), and to exempt from Singapore taxes the interest payments on foreign currency deposits. The latest estimates of Asia-dollars that have been attracted by Singapore range from $100 million to $200 million, indicating that the program has met some success judging from the brief period (less than two years) that the plan has been in effect. Singapore of course has a good country-risk compared to other Southeast Asian capitals, and the success is partly attributed to this. However, Singapore rates on Asia dollars have not been too competitive vis-a-vis London eurodollar rates, and Singapore bankers have not been too aggressive in seeking out enough viable regional projects to finance, often resulting in redeposits of the Asia-dollars into London eurodollars. Moreover, there is no shortage of local capital in Singapore, so that there has not been much logic in borrowing Asia-dollars at interest rates that were higher (as they were during the past few months) than local Singapore rates. Parenthetically, Singapore had been vying for the role of being the regional financial center some years ago, when it was a leading contender along with Manila for the site of the Asian Development Bank.

B. Bangkok a few months ago also made a similar bid to become a regional center when the monetary authorities permitted the local banks to accept foreign currency deposits but only from non-residents, and removed the withholding taxes on the interest that would be paid to them. Thailand has a good country-risk rating relative to other capitals, due largely to an international reserve level of approximately $1 billion. Recent estimates of Asia-dollars in Bangkok have been around $20 to $25 million. The level was attained in three to four months' time because Asia-dollars could be converted into baht and invested in higher yielding local deposits.

C. Hong Kong's potential as a regional center is manifested in the fact that it has the freest foreign exchange market in Southeast Asia. The market trades anything from Philippine pesos to Russian rubles. Furthermore Hong Kong has fairly active stock exchanges which trade securities of companies that retain a strong presence in other Southeast Asian countries.

D. Manila's bid to become the regional financial center was indicated when it first won the bidding for the site of the Asian Development Bank. This was followed very recently by the establishment of the Asian Reinsurance Pool in Manila and, most important of all, the issuance of Central Bank Circular 304 which permits local commercial banks to accept foreign currency deposits and introduces the numbered account system patterned after Switzerland's.

ASIA-DOLLARS IN MANILA

Central Bank Circular 304 thus introduces Asia-currencies in Manila. Local banks have been licensed to accept foreign currency deposits, directly or in trust, with interest rates to be outside the ceiling on local deposit rates and with anynomity of the depositors assured by the numbered accounts system.

The adopted strategy is to first encourage foreign currency deposits from local residents who may be keeping their assets abroad. Once local residents display confidence in the scheme by bringing home their salted assets, it is hoped that foreign investor confidence would follow. This is what makes the Manila approach different from that taken by Bangkok and Singapore.

The Manila market presently has other advantages over the other capitals.

First, the Manila money market is the most sophisticated in Southeast Asia. It trades freely and in large volumes the widest array of negotiable and prime instruments. This includes inter-bank and inter-company call loans. short-term government treasury bills, government agency bonds, prime commercial paper and bankers acceptances. Also, the local stock exchanges have been fairly active and have managed to extract investment as well as speculative-oriented capital, although largely from local sources.

Second, at the time of this writing, the local interest rate structure was by far the highest compared with the other candidates. For example, short-term government treasury bills,

the most widely traded staples, have recently yielded as high as 16 per cent to 17 per cent.

Third, the Central Bank provides to local commercial banks forward exchange swap facilities at fairly attractive terms, i.e., on par with the spot rates. This means that local banks can contract to purchase, say, three-month forward exchange from the Central Bank at the same rate that the spot exchange is sold to the latter. This presents an easy and fairly attractive scheme for conversion of foreign exchange deposits into peso balances for investment in a higher-yielding local market.

Fourth, Manila has acknowledged capabilities in the fields of economic and industrial research, due largely to a highly-educated human resource pool. And the resulting data are made available through fairly extensive business information facilities.

ADEQUACY OF THE ASIA-DOLLAR SCHEME

A safe evaluation of the Philippines' foreign currency deposit scheme is to say that it is at least administratively adequate. This is particularly true when viewed from the context of two regulations. First, the withholding tax which may affect a foreign depositor, and, second, the Cuenco Law which relates to foreign exchange debts incurred in the Philippines.

The withholding tax applies to earnings by foreigners in the Philippines. Thus, interest income earned from foreign currency deposits of foreigners is still subject to 35 per cent retention. In the past, the withholding taxes have had two ill effects on the Philippines. First, it has effectively screened Manila off from the capital-rich countries of Europe. Since we do not have a tax treaty with those countries (as we do with the United States), the taxes that are withheld from their income here are in addition to any taxes that may be payable in their home country. Consequently, the Europeans have either refused to invest in the Philippines, or they have stipulated that the withholding tax be borne by the Philippine borrower. Second, if the tax is borne by the Philippine borrower, the net effect is to raise his cost of borrowing by, at present rates, 35 per cent which possibly jeopardizes the economic feasibility of the project.

However, the terms of Circular 304 permit numbered accounts to be opened by local banks, thus assuring anonymous identity to the depositors. It would then follow that commercial banks need not withhold the taxes due on the interest earned by a foreigner on the grounds that the identity of the depositor is unknown to the bank and is therefore assumed to be a domestic resident. The numbered account system thus presents an administratively adequate answer to the withholding tax question. In the long run, however, what is more desirable is to remove the withholding taxes on interest altogether, the approach taken by Singapore and Bangkok. A bill has been proposed in the Philippine Congress eliminating the withholding tax.

The Cuenco Law is a carryover from exchange control days, stating in effect that, with three minor exceptions, indebtedness incurred in the Philippines may be settled at maturity in Philippine pesos. This may present a question between a local depositor or lender and a local depository or borrower as to whether a dollar deposit will be repaid in dollars or not. But this question may, for the time being, be dispelled by the Central Bank guarantee of complete withdrawal in the same currency. However, for long-run purposes, congressional action may be necessary to amend the Cuenco Law.

Compared to other Southeast Asian capitals, Manila does not now rank high in terms of country-risk when viewed from the prospects of taking deposits from the rest of Southeast Asia. But the adapted strategy of generating confidence first from local residents is more logical and more appropriate. It is necessary to generate Filipino confidence in the Philippines first before other Asians gain the same confidence.

In the short run, therefore, the foreign currency scheme will meet some success, but it will not be spectacular.

For long term purposes, however, the following are some of the suggested steps to be taken if Manila is to sustain its bid to be the regional financial center.

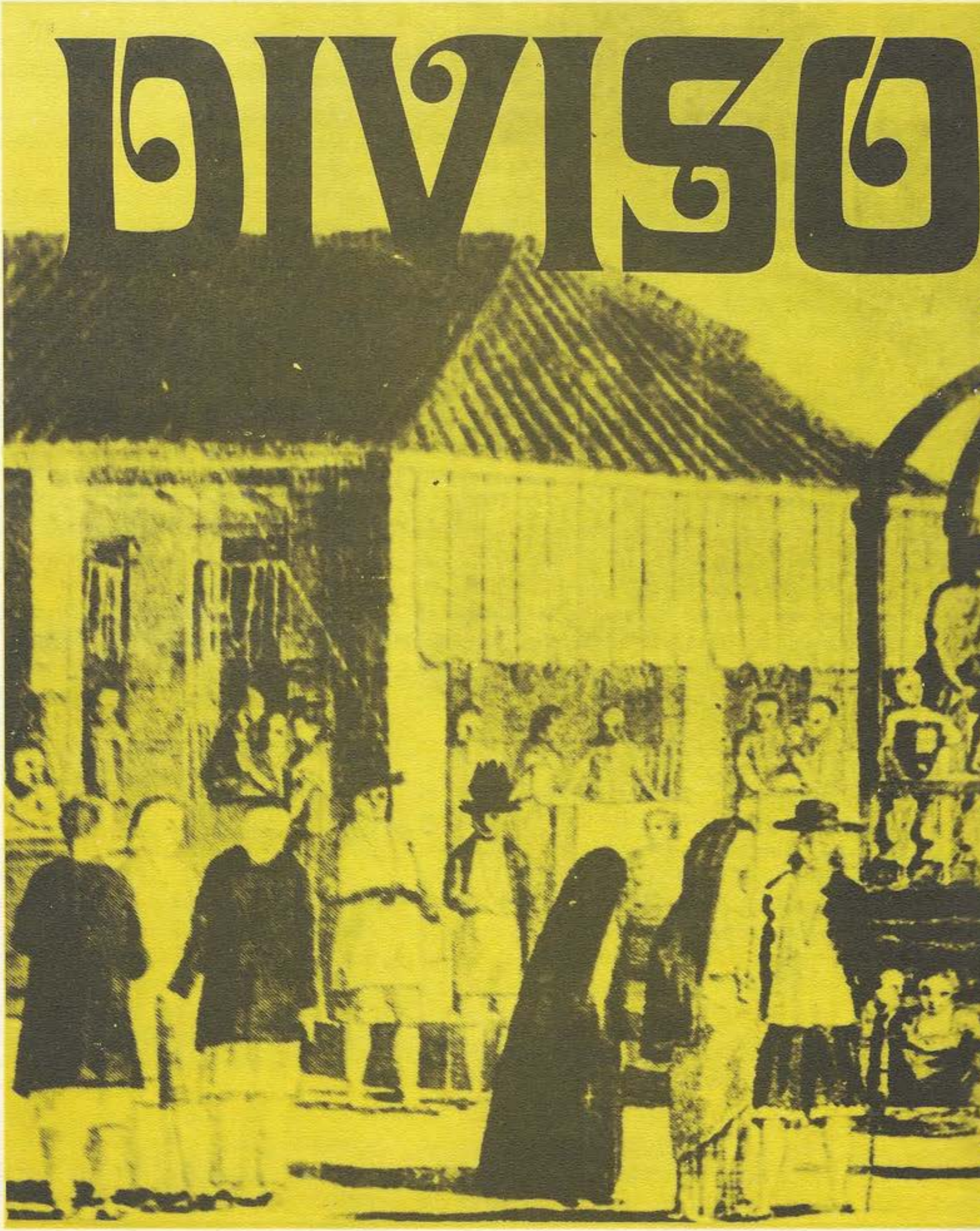
FUTURE DIRECTIONS

First, the local interest rate structure should as much as possible be higher than eurodollar and Asia-dollar rates. If the Central Bank forward swap facilities continue to be available at present terms, foreign currency deposits will continue to build up to take advantage of local interest rates.

Second, the foreign exchange rate should be pegged as early as possible and the machinery freed as much as possible. This will reduce the uncertainties present in the market and restore confidence in outward remittances. A more extensive forward exchange market should also be encouraged to permit hedging by outside investors, and the spreads charged by commercial banks on spot and forward dealings must be reduced to the barest minimum.

Third, Manila shall have to re-orient Europe's impression that the Philippines is a chronic borrower and that we continue to face difficulties in retiring maturing foreign obligations. Thus, a good percentage of the foreign currency deposits should be redeposited by local banks in the European markets, if only to show that foreign currency trading with the Philippines can be a two-way street.

In the final analysis, the success of the foreign currency deposit scheme on which we bank our hopes to become Southeast Asia's banker depends on foreign confidence in the Philippines. Regional confidence on the other hand cannot be created or legislated. It will depend on the ability of our domestic policy to assure a stable domestic price level and a stable and free foreign exchange rate. It will depend on the resumption of real and healthy economic growth. It will depend on more concrete evidence that our own balance of payments problems have been solved – permanently.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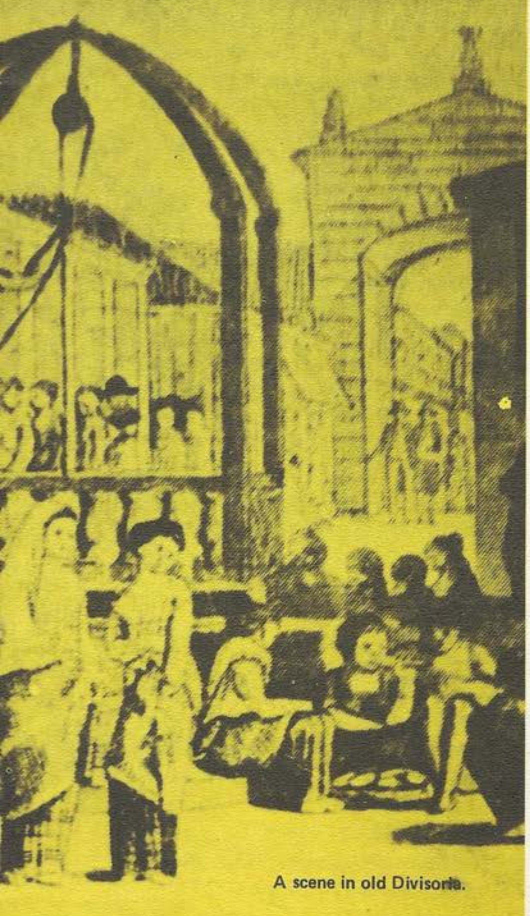
RIA



A scene in old Divisoria.

By JOSEFA C. LAVA

To the bourgeois Manila housewife, it is "Divi"; to the jeepney driver, it is "Soria." The name itself, meaning "dividing" or "line of demarcation" was given by the Spanish colonial administration to the market which sits right on the boundaries of Tondo and Binondo and subsequently gave its name to the whole shopping district that sprang up around it.

However, the divisive connotations of the name end right there, for Divisoria, whether it is "Divi" or "Soria," is the mecca for anyone who wants to buy food and clothing, wholesale or retail. And this includes most everyone, from the very rich to the very poor. In its streets and alleys, one meets the provincial buyers, small *sari-sari* store owner, gay Manila couturiers, garment manufacturers, market vendors, simple ordinary housewives, aging society matrons, tailors, and even teenage boys combing the stalls for materials for their latest "flare pants".

Geographically, the name refers to the area of some ten or twelve city blocks towards the end of Claro M. Recto street just before it crosses the North Bay Boulevard. The area is roughly bound in the west by Elcano street, to the north by Padre Rada, the east by Juan Luna, and the south by Divisoria market itself. Crossing its center is Recto street

which in turn is traversed by Sto. Cristo, Folgueras (now Carmen Planas), Tabora, and Juan Luna streets.

It is the remnant center between Recto and Padre Rada, Ylaya and Sto. Cristo streets which is the real delight of Manila women shoppers. This area is a comparative newcomer, for it sprang up only in the last twenty years or so with the boom in the textile remnant business. Before the war, the remnant center was only Ylaya street across Recto. This was the street where the Tankehs, the Sarangayas and the Espinosas started their family fortunes. They made their start selling remnants retail which they bought by the bale from an American–Syrian importer. Later they went into the wholesale business themselves.

After the war, following three years of Japanese occupation, there was an unprecedented demand for textiles. With the peso at only two to the dollar and Filipinos favored by import allocations, a host of new remnant importers appeared on the scene. The remnant business flourished, reaching its apogee in the fifties. By the early sixties, however, with the devaluation of the peso, the establishment of local textile mills and the rise of import taxes, the remnant business started feeling the squeeze, so to speak, and began a thorough program of retrenchment.

Today, there are only about ten big importers left. Of these, two are naturalized Filipinos. The small stallholders are mostly Filipinos. One sometimes wonders how much longer they will survive in the face of the precarious dollar position, steep import taxes, and the strong pressure from the textile mill owners on the government to ban remnant importation.

Ominous and intimidating as these conditions are, the remnant trade in Divisoria still goes on at fever pitch. This is because remnants are cheap considering their quality and variety. Remnants, the defective discards of American and Japanese textile mills, come packed in bales weighing anywhere from 300 to 600 kilos each. The prices very, depending on the size of the remnants and their quality and type. The cheapest are the 1/4 to 1 yard-length pieces. Only Filipino ingenuity can turn these pieces into little girl's dresses (sold at P1.50 each), women's blouses (P2.00 each), Bermuda shorts (P2.00 each), men's shorts (P1.20 each) that sidewalk hawkers sell in Baclaran (churchgoers' mecca on Wednesdays) and in Quiapo (in downtown Manila) on Fridays.

The most expensive remnants are the laces (some of which cost over a hundred pesos a kilo), the synthetic knits, suiting materials and bonded linens. Although the remnants have defects in weaving, dyeing or printing, and one actually comes upon pieces clearly showing where the machine were on trial runs, missing a motif here, miscoloring a print there *(palyo* in Divisoria parlance), ripping the jersey bonding in places, still the pieces are large enough to allow for perfectly usable yardage. Ascribe this perhaps to assiduous quality control in the mills and an affluence that comes from a huge mass American or Japanese market.

The remnants represent the whole spectrum of American and Japanese textile production. Although one will never find Emilio Pucci prints, Swiss lace or English wool in these stalls, name any American or Japanese made fabric and they have it: dacron, orlon, knit, stretch, tetoron, trevira, crepe, jersey acetate, dacron pima, madras cotton, crimplene, mohair, dacron voile, velour, even Kodak Eastman's Kodel, and the semi-plastic textured leatherette craze -- the "wet look". This is why shopping and slumming in Divisoria is a fascinating game for the capricious female who wants to be novel, to be mod; for the bargain hunter, because she gets the best for the least; for the garment manufacturer because everything is there from elastic bands to bra foam pads; and for whoever wants to meet the challenge of figuring out how a dress can be cut out of a defective two-yard length of printed arnel tri-acetate jersey in glowing *art nouveau* print.

But Divisoria is not the textile market alone. Divisoria encompasses the wholesale food business as well. But now, since the population and size of Manila has grown too big for this area alone to supply, more and more, in the last years, *viajeros* have been dropping their truckloads of papayas, bananas, gourds, tomatoes, mangoes (except Cebu mangoes which still go to the *bodegas* in Divisoria or Quiapo) in some of the other markets, notably Nepa-Q in Cubao and the Balintawak market, and dealing directly with the market vendors themselves.

The most recent development of this trend is the establishment of the Greater Manila Food Terminal at the South Super Highway which now handles the wholesaling of fruits, vegetables and some poultry products. This organization was also conceived to break the Chinese hold on the wholesale food business which is concentrated in Divisoria. Nevertheless big fruit and vegetable wholesalers can still be found in and around Padre Rada market, in Divisoria market and in Elcano and Sto. Cristo streets.

In Sto. Cristo and Elcano streets are the small and deceptively dull-looking stores which control the empire of spice, coffee and chocolate, mongo, noodles, sugar (the country's biggest sugar distributor has his office and warehouse on Elcano street), canned and bottled goods from *patis* to pimiento. The wholesale trade in rice is controlled by the *bodegas* in Dagupan street two blocks away. And if one should crave *tuyo,* the dried salted fish delicacy, all one has to do is walk to the end of Marcelino de Santos (named after a grandfather of the famous Manila art collector Arturo de Santos whose family along with one or two others still own sizeable chunks of real of real estate) where it intersects Juan Luna street. It is impossible to miss this section of Divisoria because it reeks with the smell of dried fish. The stores have stacks of *tamban, sap-sap, dilis, squid, talakitok, samaral, capada, salay-salay,* all salted and dried, sold by the kilo, by the hundred, by the box or by the basket. These are the same dehydrated items sans odor of course and encased and sealed in cellophane bags for which one pays almost double in the supermarkets.

In Sto. Cristo are the spice wholesalers. Stepping into one of their store is an experience. From the dusty, crowded street outside, one enters into the exotic world of Spanish saffron, dried oregano, bay leaves, garlic, onions, peppercorns, cloves and cinnamon sticks. They are all there in heaps and mounds, sold by the kilo or *ganta,* lending a heavy almost musky odor to the small dank store. A lone Chinaman in undershirt sits behind the counter, busy with an abacus,

while a young Filipina attends to customers.

Further down, by the side of Divisoria market, are the coffee and cacao stores. A few years back they also carried imported Dutch chocolates, but now with import restrictions, this rare item has completely disappeared. They sell Arabica, Baraco, Excelsa, Davao, Brazil, Batangas, even Basilan coffee, raw, toasted, by the kilo or by the sack.

Within Divisoria market itself and along Sto. Cristo and Folgueras streets are the wholesalers of school supplies and candies. In these stores a mother of five school children can go mildly berserk buying ball pens at the unbelievably low price of a peso a dozen (they cost twenty centavos each at the corner *tienda)* and long pad at P6.00 a dozen (P.70 for each at the same *tienda).* Most interesting of all, these stores carry all kinds of locally-made plastic toys and games (perfect as party favors) including that ubiquitous *bunot*, a gradeschool child's version of the lottery. For five centavos, he gets the privilege of pulling a tiny rolled bit of paper with a number inside which can entitle him, if he is very lucky, to a small paper thin plastic car, a bag of marbles or cardboard Batman mask. The game costs P4.00 and guarantees the buyer P7.00 back. How many children must resign themselves to ill-fortune to enable the sari-sari store owner to make his profit of P3.00!

We wonder whether Divisoria will still be there in 1999 when experts predict population shall have reached the staggering number of a hundred million souls, and when Manila shall be a frightening megalopolis sprawling to Malolos in Bulacan, Calamba in Laguna and Antipolo in Rizal. Perhaps it will have become too small, and new "Divis" and "Sorias" will have sprung up along the fringe of what is now Manila.

But the original Divisoria, we predict, will still be there doing business as usual. Its location is strategic -- it lies by the waterfront where the piers are, and it lies in the very heart of the Chinese district of Sta. Cruz, Binondo, Tondo and San Nicolas where the Chinese have lived and traded for centuries.

Among the four districts, Sta. Cruz as a Chinese district probably is the youngest, but the other three were already there when the *conquistador* Martin de Goite landed his force on the beaches of Manila Bay. When the Spaniards came, Tondo was a flourishing town of Tagalog and Chinese inhabitants under the jurisdiction of Muslim chiefs. This later became the capital of the district to which it gave its name, with its own government and chief magistrate. In return for its autonomy, the district supplied provisions to the Spanish city of Intramuros during the first three months of the year. The Tondo Chinese had their own officials, subject to the authority of the *alcalde*, (mayor) and subject also to the ecclesiastical jurisdiction of the Dominicans.

San Nicolas, originally called Baybay because it was by the sea, was a village where Christian Chinese lived since all the Chinese were confined to San Nicolas, Binondo and Parian. Binondo, originally owned by one

Antonio Velada, was sold for P2,000 in 1594 to Gov. Dasmariñas who gave the Dominican order a site for a church and convent. The order established a mission for married Christian Chinese on the site of the present Binondo church. In Binondo, there used to be a barrio called "May Insic." This was later contracted to Meisic, the site of the famous police headquarters and, later, schoolhouse.

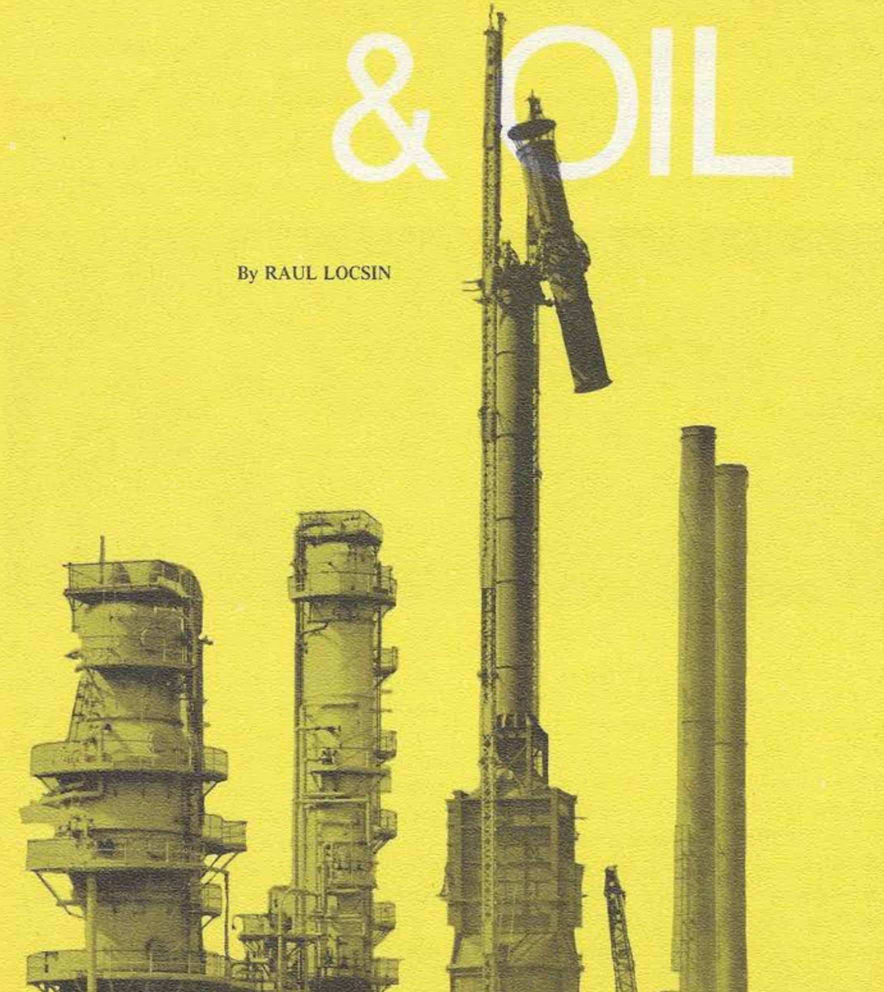
Paul de la Gironiere, a Frenchman who visited the Philippines in the middle of the nineteenth century described Manila as being divided into two sections: the military and the mercantile – the latter of which he said was composed of the suburbs of Binondo, Tondo and San Nicolas. Intramuros, the seat of military power and civil government, was joined to Binondo by a ferry service later supplanted in 1632 by the Puente España. Over this bridge during the day, Spanish and Creole ladies from Intramuros rode in carriages to go shopping in Binondo. Gironiere described them thus: "They lounge about store to store, and sorely test the patience of the Chinese salesman who unfolds uncomplainingly, and without showing the least ill-humour, thousands of pieces of goods before his customers, which are frequently examined simply for amusement, and not half a yard purchased."

The patience of the Chinese salesmen has borne fruit through the centuries. To this day, the Chinese control the wholesale and retail trade from Divisoria which is still part of Binondo. And to this day, most of them live in the environs.

As a minority group, the Chinese prefer to live among their own kind and near their source of livelihood. With the affluence perhaps, they might decide to move away into the suburbs, to live in spacious comfort away from their stores and warehouses. But until this happens, Divisoria will always be there, an unappealing conglomeration of old, dark, grimy wooden *accessorias* beside cheap-looking graceless concrete structures: its traffic a nightmare; its crooked sidewalk and narrow alleys teeming with vendors, shoppers, hawkers and pickpockets; its stalls smelly and dirty. Despite these, or perhaps because of these, Divisoria will always have an earthy, racy vitality not to be found elsewhere in Manila. This is because it deals with the most basic, elemental necessities of life. If it should fade away twenty years from now, we shall look back and say, remembering Gironiere, that "In Divisoria all was movement, all was life."

MINING & OIL

By RAUL LOCSIN



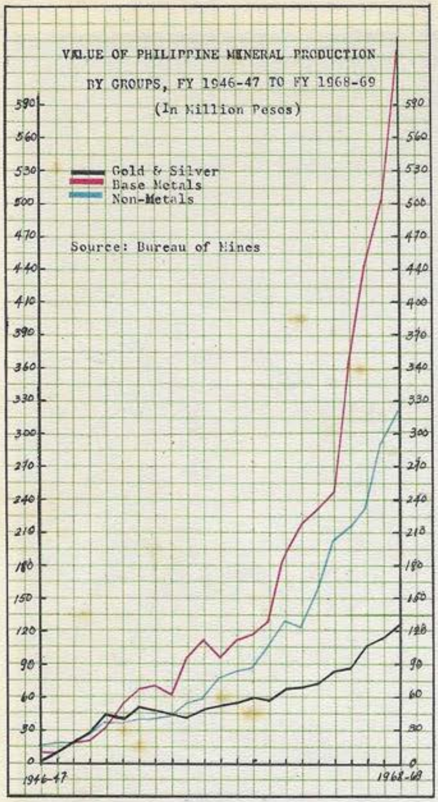
MINING INDUSTRY

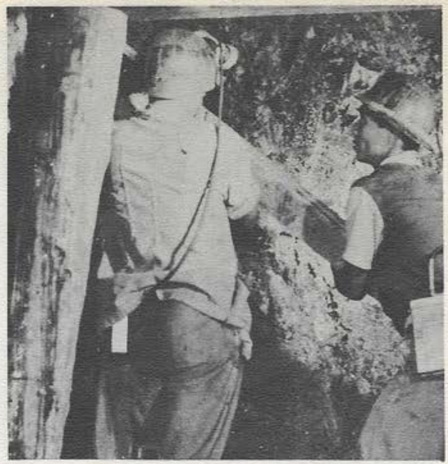
Philippine mining, long in hopes but short of capital, is beginning to flex its sinews, finally awakened by the excitement of oil exploration and a more expanded search and development for other metallic ores.

For the industry is considered one the most profitable ventures in the country today. Its return on investments has consistently been above the 20 per cent level and the markets for its output, within the region and around the world, are almost insatiable.

Although the mining industry has long been scratching the surface of Philippine soil, it has not as yet reached the momentum and magnitude that is required to really exploit the vast mineral resources of a nation considered one of the richest sources of mineral deposits in the world.

Despite its seeming lethargy, however, Phil-





ippine mining has somehow become aware of the role it must play in national development and has taken comparatively bolder strides in the post-war years.

Such is the recognition of this role that no less than President Ferdinand Marcos himself, caught perhaps by the imperatives in this area of development issued, only last July, an executive order that virtually brings in a new era of mines and oil exploration.

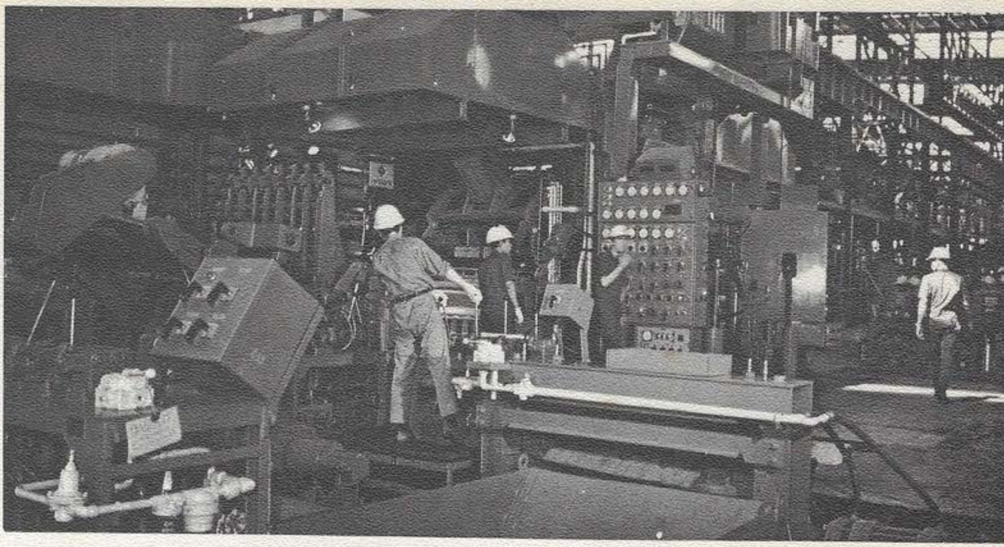
The order is possibly the first meaningful attempt of government to harness into greater use government and private resources for "a massive oil and mineral exploration."

Executive order No. 243 creates a National Committee for Mineral Exploration and Survey Operations. It is composed of practically all the implementing departments of the Chief Executive.

A rough thumbnail sketch of this giant and profitable industry shows it reclining over 115,707 square miles of over 7,000 islands that is the Philippine Archipelago in which the extensive, discovered and potential resources both metallic and non-metallic riches are relatively staggering.

Consider that even its half dormant stage, Philippine mining is already the biggest producer of copper in Asia and the leading producer of gold in the region. Its recent discovery of sulphur deposits could well make it the foremost Asian producer of this mineral. Its fabulous chromite and nickel deposits are considered among the largest in the world. It is the world's leading supplier of refractory chromite and mines out other significant metallic ores such as iron, silver, manganese coal and mercury.

In non-metals, the mining industry's re-



sources are almost unlimited. Clay and limestone, dolomite, feldspar, marble, silica and phosphate rock are almost permanent characteristics of many of the islands.

Even before the first Spaniard landed on Philippine soil in 1521, trade in copper existed between the Chinese mainland and the Philippines. Gold was also panned from placer sands in Paracale, Camarines Norte and in other alluvial deposits located all over the country.

The principal minerals in the Philippines include 15 metallic and 20 non-metallic commodities. These are:

METALLICS	NON-METALLICS
1. cadmium	1. asbestos
2. chromium	2. barite
3. copper	3. clay
4. gold	4. coal
5. iron	5. construction materials
6. lead	6. diatomite
7. manganese	7. dolomite
8. mercury	8. feldspar
9. molybdenum	9. guano
10. nickel	10. gypsum
11. palladium	11. limestone
12. platinum	12. magnesite
13. pyrite	13. marble
14. silver	14. natural gas
15. zinc	15. perlite
	16. petroleum
	17. rock asphalt
	18. silica
	19. sulphur
	20. talc

PHILIPPINE PRODUCTION

Total Philippine production of minerals immediately after World War II (FY 1946-47) amounted to P15.781 million in value. By fiscal year 1968-69 or some 20 years later, total production was valued at P1.048 billion, showing an increase within this span of 6,541 per cent. This represents an annual average of 24 per cent in the country's mineral production within the 20 year period.

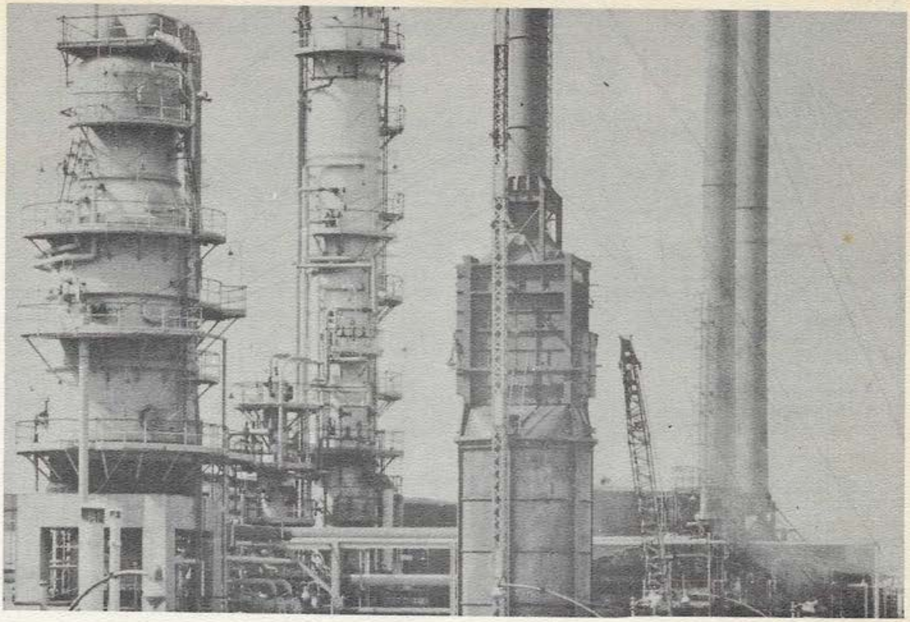
In FY 1946-47, gold and silver accounted for eight per cent of total mineral production; base metals, 31 per cent; and non-metallics, 59 per cent.

By FY 1968-69, gold and silver accounted for 11 per cent; base metals, 57 per cent; and non-metallics, 30 per cent.

PETROLEUM EXPLORATION COMPANIES IN THE PHILIPPINES

Name of Company Concessionaire and/or Applicant	Address and Tel. Number	Officials	Location by Prov.-Region
Acoje Oil Expl. & Drilling Co., Inc.	Rustan Bldg., Pasong Tamo Ext., Makati, Rizal D - 711 Tel. No. 89-35-61	Jesus S. Cabarrus President	Cebu, Leyte and Davao
American-Asiatic Oil Corp.	801 U.N. Avenue Ermita, Manila D - 406	Leonides Virata President	Visayan Sea, Cebu, Masbate, Bohol, Antique & Leyte
AMOSEAS(Phil.) Inc.	Caltex Building 540 Padre Faura Manila or P.O. Box 1713, Manila D - 406	J.J. Wolahan Director	Palawan
Anglo-Philippine Oil Corporation	P.O. Box 3570 203 Singson Bldg. Plaza Moraga, Manila D - 404	Jose Barcelon President	Occ. Negros, Or. Mindoro, Cagayan, Antique, Cotabato & Palawan
Baguio Gold Mining Company	Equitable Bank Bldg. Juan Luna, Manila D - 404, Tel. 4-69-91	Henry A. Brimo President	Camarines Sur, Albay, Negros Oriental
Consuelo C. Bernido	3131 Bagong Panahon Sta. Mesa, Manila D - 403	Consuelo C. Bernido	Bohol
Island Mining & Ind. Corp. (Marinduque Mining)	Rustan Bldg., Pasong Tamo Ext., Makati, Rizal D - 711 Tel. No. 89-35-61	Jesus Cabarrus President	Palawan
Maremco Mineral Corporation	Suite 403, A.I.U. Bldg., 239 J. Luna St. Manila D - 404	Carlos Landahl President	Cotabato, Occ. Negros & Quezon
Oriental Mindoro Oil Corp.	Suite 604 Bank of P.I. Bldg., Plaza Cervantes, Manila D - 404	Jose K. Villarama General Manager	Oriental Mindoro
Pacifica, Inc.	994 Rizal Avenue Manila D - 404	Oliverio Laperal President	Cotabato, Samar & Cebu
Petrogas of the Philippines, Inc.	235 Madrigal Bldg. Escolta, Manila D - 404	Simon Paterno Pres.-Director	Negros Occ. & Negros Or.
Phil. Oil Dev. Co. Inc.	A. Soriano Bldg. 8776 Paseo de Roxas Makati, Rizal D - 711	Jose Soriano President	Leyte, Iloilo, Tarlac & Nueva Ecija
Republic Resources & Dev. Corp.	5th Flr., Republic Bank Bldg. 1906 Dakota, Malate Manila D - 406	Jose Tiong	Nueva Ecija, Bulacan, Occ. & Or. Mindoro Pampanga, Agusan, Cebu, Quezon, Bohol, Rizal & Cavite
Sabena Mining Corporation	9th Flr. Equitable Bank Bldg., J. Luna Manila D - 404	Henry A. Brimo President	La Union, Abra & Ilocos Sur
White Eagle Overseas Oil Co., Inc.	719 Bank of P.I. Bldg., Plaza Cervantes, Manila D - 404	W.H. Helmerich President	Cagayan, La Union, Cebu, & Pangasinan

Source: Bureau of Mines



The larger share of base metals to total production in FY 1968-69 was due mainly to the increased activity in copper mining and production. Copper production rose in value from a mere P3.099 million in FY 1946-47 to P507 million in FY 1968-69. Copper alone accounted for 83 per cent of last fiscal year's base metals production.

Non-metallics production in 1946 was concentrated on cement, coal, sand, gravel and salt. Activity on metallics was mostly centered on copper, lead, chromite and manganese ores.

Currently, production of metallics include such minerals as molybdenum, quicksilver, zinc, pyrite cinders and iron ore; in the non-metallic field, natural and synthetic gypsum as well as rock asphalt have gained comparative prominence.

OIL POTENTIALS

As in most countries, however, the greatest excitement in mineral search in the Philippines is fast veering towards the area of oil exploration where the odds are great but the returns tremendous.

Oil exploration in the Philippines was resumed only last year after a lull of almost four years during which period there was hardly an activity in this field.

For FY 1968-69, 67 new application for petroleum exploration concessions were received by the Bureau of Mines. Thirty-nine of these have been published and two concessions granted. These applications cover a prospecting area of some two million hectares.

The Philippines lies within the oil bearing belt of Asia together with Japan, Taiwan,

PHILIPPINE PRODUCERS OF COPPER
(In Metric Tons)

COPPER METAL PRODUCER/PROJECT	FY 1967-68		FY 1968-69		‹ INCREASE (DECREASE)		LOCATION OF MINES
	Quantity	Value in P	Quantity	Value in P	Quantity	Value in P	
1. Acoje Mining Co. Inc.	1659	5010421	1399	2117964	(15.67)	(57.72)	Mabini, Pangasinan
2. Atlas Consolidated Mining & Development Corp.	34002	155600744	44797	20489511	31.75	31.23	Lutopan, Toledo City, Cebu
3. Bagacay Copper Project (Marinduque Mining & Ind. Corp.	8753	44054534	7381	34387979	(15.67)	(21.94)	Bagacay, Hinabangan, Western Samar
4. Balabac Project (Benguet Cons. Inc.)	1630	4797298	7503	25832440	360.31	5.38	Balabac, Palawan
5. Benguet Exploration Inc.	55	198379	112	496483	103.64	150.27	Tuba, Benguet
6. Black Mountain Inc.	–	–	331	906006	–	–	Kennon Road, Tuba, Benguet
7. Consolidated Mines, Inc.	–	–	1980	6987924	–	–	Mogpog, Marinduque
8. Copper Belt Mining Corp.	144	483472	133	440529	(7.63)	(8.88)	Lobo, Batangas
9. Itogon Suyoc Mines, Inc.	102	461401	156	701565	52.94	52.05	Benguet
10. Lepanto Consolidated	22484	99046566	26334	115223976	17.12	16.33	Lepanto, Mankayan, Benguet
11. Masara Project (Samar Mining Co. Inc.)	2074	9484890	1021	21360842	(50 .77)	(54.02)	Maco, Davao del Norte
12. Palo Consolidated	47	178988	–	–	–	–	
13. Paracale-Gumaus Cons. Mining Co. Inc.	16	67212	5	22442	(69.50)	(66.61)	Gumaus, Paracale, Camarines Sur
14. Philex Mining Corporation	6620	24356569	10416	34124996	57.34	40.10	Tuba, Benguet
15. Sipalay Copper Project (Marinduque Mining & Ind. Corp.)	14502	67012653	16392	76889450	13.03	14.74	Sipalay, Cartagena, Negros Occ.
16. White Eagle Overseas Oil Co.	172	666544	144	578104	(16.28)	(13.27)	Guripan, Mahayag, Zamboanga del Sur
17. Vizcaya Mining Company	1	4302	–	–	–	–	
TOTAL PRODUCTION	92261	411423973	118104	507260211	28.00	23.28	

Source: Bureau of Mines

Indonesia, Australia, Burma, Malaysia, India, Pakistan and Mainland China.

Geological ties exist between the Philippines and Burma, Malaysia, Indonesia and Taiwan. These countries belong to the same region and have affinities in age, structures and characteristics of sediments.

All of these countries now produce oil and gas in commercial quantities -- except the Philippines.

The Philippine problem, it seems, relates to the tremendous capital requirements of intensive exploration needed to strike oil in commercial quantities.

This shortage of capital has been readily recognized and it is in this area that both the administrative and legislative machinery of government have worked out an array of incentives and benefits to both local and and foreign investors.

Identified as the possible oil regions in the country are the Cagayan Valley, Central Luzon, the Mindoro-Palawan island group, the Western and Eastern Visayas islands, and the Mindanao-Sulu region.

Western Visayas, where most of the surface seepages of oil are confined, accounts for a greater part of the oil concessions granted. Mindanao and the Eastern Visayas follow in that order.

At present a total of 247 wells have been drilled in the Philippines, many of which indicate gas and oil but of sub-commercial quality. Drilling of these wells was discontinued primarily because of huge expenses involved in drilling deeper wells.

Well drilling in the country ceased completely in 1964 and a moratorium on petroleum exploration was declared, lasting until 1969.

Petroleum exploration was resumed during FY 1968-69. The Bureau of Mines noted that oil concessions existing in FY 1968-69 totalled 4,393,336 hectares applied for by 19 companies. A number of new oil companies have been listed in the stock exchanges in recent months, and some of the old compa-

PHILIPPINE MINERAL RESERVES
AS OF DECEMBER 31, 1968

MINERAL	QUALITY (M.T.)	GRADE (%)	
Copper	483,920	0.725	Cu
Nickel	2,695,059	0.75	Ni
Platinum	.784	.086	OZ/MT
Molybdenum	73,802	.005	MOS_2
Zinc	6,288	4.78	Zn
Laterite Iron Ore	2,800,654	42.91	Fe
Aluminum Laterite	259,376	21.84	Al_2O_3
		41.75	Fe
		2.71	S_1O_3
Chromite	12,159	31.54	Cr_2O_3
Iron	114,254	41.09	Fe
Manganese	2,512	20.63	Mn
Lead	3,386	1.38	Pb
Mercury	667	2.66	1b/St
Cadinium	129	.012	Cd
Uranium	500	.04	U_3U_8
Sulfur	6,989	22.95	S

nies have applied with the Securities and Exchange Commission for increased capitalization.

On the other hand, some oil firms have announced their intention and plan to resume oil exploration through joint ventures with foreign firms.

MINING FIRMS

During fiscal year 1968-69, the Philippines had a total of 28 metal mining companies; 12 firms, engaged in cement production; 9 in lime and limestone (exclusive of cement); two in feldspar; five in silica sand; one in sulphur; 19 in coal, three in marble; four in clay; one in carbide; two in natural gypsum; one in synthetic gypsum; one in dolomite, three in pyrite, and one in asbestos.

Of the 28 firms engaged in metal mining, five are in precious metal (gold and silver) production, 17 have copper as their primary product and the rest are engaged in the mining of iron, chromite, manganese and mercury or quicksilver. A number of these metal mining companies have lead, zinc and molybdenum as their secondary or by-products.

INVESTMENTS

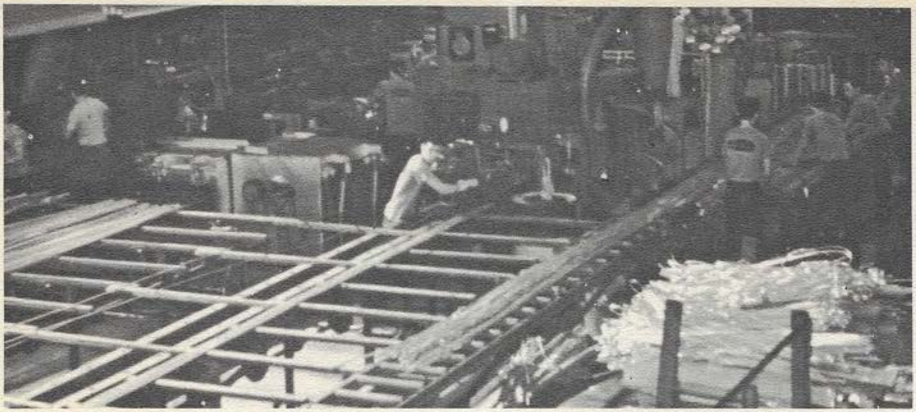
Capital investments in Philippine mining based on authorized capital and expansion for FY 1968-69 reached P517.85 million for metal mines; P255.50 million for non-metal mines; and P200 million for oil exploration. These sum up to an aggregate of P973.35 million.

This amount compares favorably with the P879.60 million total investments for the preceding year (1967-68) broken down as follows: P509.30 million for metal mines; P215.20 million for non-metal mines; and P155.10 for oil exploration.

INCENTIVES TO OIL EXPLORATION

Republic Act No. 387, otherwise known as the Petroleum Act of 1949 exempts companies engaged in oil exploration from all taxes and duties. Under the Oil Subsidy bill filed during the first session of the Seventh Congress, the contractor (who will undertake oil exploration) and the trading companies shall have the following privileges:

1. Exemption from laws, regulations and/or ordinances relating to a) the importation of machinery, equipment, accessories, spare parts, supplies, and/or materials reasonably necessary for oil exploration; b) construction, installation and operation of power plants, if no local enterprise can supply within a reasonable period and at reasonable cost the power needed by the contractor in its petroleum operations; c) the sale of crude oil to industrial users; d) the exportation of machinery and equipment which were imported solely for petroleum operations, when no longer needed;



and e) business licensing and investment requirements.

2. Exportation of petroleum, subject to the prior filling of domestic needs.

3. Employment shall not be unreasonably withheld, or highly technical and specialized personnel and executive staff from abroad who may exercise their profession solely for the operations of the contractor.

4. The contractor and trading companies shall also be entitled to repatriation of the capital investments they have actually brought into the country in foreign exchange or other assets registered with the Central Bank, and retain abroad all earnings of foreign exchange over and above those needed to cover day-to-day expenditures in local currency.

LEGISLATIONS AND INCENTIVES

Recognizing the importance of the development and full exploitation of the country's mineral resources, the government has also provided considerable assistance to the mining industry. This has taken the form of facilities offered, tax holidays and other legislation such as:

The Bureau of Mines undertakes the detailed and reconnaisance geological surveys, provides metallurgical and laboratory services, evaluates mineral properties and other activities designed to foster mineral exploration, development and exploitation.

Through the Gold Mining Industry Assistance Board, the Bureau of Mines likewise assists the gold industry, by way of payments on gold production subject to certain conditions.

The Metals Industry Development Center, recently created, is designed to develop and intensify research on metals.

Gold Mining Industry Assistance Act (R.A. 3089 as amended).

Basic Industries Law (R.A. 3127) enables existing mining companies to expand their mine and mill capacities with tax-free equipment.

Cottage Industry Law (R.A. 3470) exempts for five years from taxes on production all manufacture and sales of cottage products resulting as by-products of small mining operations.

R.A. 3823, approved on June 22, 1963, grants incentives in the form of tax exemptions to new and old mines resuming operations, on their importations of machinery, equipment and parts.

R.A. 4823 amends the Mining Act for the purpose of hastening the disposition of mineral lands by shortening the period within which the lease contracts may be signed.

R.A. 4795 provides the necessary funding and authorizes the intensification of geological surveys and exploration activities of the Bureau of Mines out of the Mine Special Fund.

R.A. 5186, otherwise known as the Investment Incentives Act, gives all-embracing incentives to certain industries, including mining. The incentives include exemption from all taxes under the Internal Revenue Code with the exception of income tax. Tax deductions include organizational and pre-operating expenses, accelerated depreciation, net operating loss carryover and tax credits.

OUTLOOK

With the value of Philippine mineral production for the first time hitting the P1 billion mark, it is most likely that the all-out drive in mining by both government and private enterprise would this year turn out a much larger output.

By the end of 1970, new companies, particularly those which were organized for metal mining, would be operative and productive. Foremost among these is the operation this year of the country's first and only nickel ore beneficiation plant in Sta. Cruz, Zambales,

Although the company, Acoje Mining Corporation, which owns the plant is an old one, still this would be the first time in the country's mining history that nickel concentrates will be produced out of the Philippines' nickel deposits, considered as among the world's largest.

Daily output of the plant is estimated to be 400 metric tons and in terms of foreign exchange earnings, would mean an additional income of $2.6 million for the Philippines.

One other firm which could boost total production of Philippine mining this year is Black Mountain, Inc. Listed at the country's stock exchange for a good number of years, the firm finally started production of copper in March last year with an initial output of 331 metric tons turned out by its mines in Kennon Road, Tuba, Benguet. Black Mountain is also a producer of gold, silver and molybdenum

What would induce Philippine metal producers, however, to increase their total output for the coming years is the institution of the floating rate which saw the exchange rate of the peso vis-a-vis the U.S. dollar skidding from P3.90 to around P6.00. For metal exporters, this would mean more peso equivalents for the dollar proceeds despite a graduated tax imposed on copper ore and concentrates by the recently approved Export Tax Law.

Added to these inducement is the spiralling of metal prices, particularly those of copper, at the world market.

With the intensive mining of copper, it is expected that output of gold and silver will be pulled upwards. In fact, some of the country's copper producers have reportedly signified their intentions to go into separate milling for gold.

A much needed shot in the arm to oil exploration companies is the recent creation of a National Committee for Mineral Exploration and Surveys. In effect, the executive order will push oil exploration companies, especially those which have raised substantial amounts of capital, to undertake or renew exploration activities after a lull of more than four years.

The presidential decree more or less fulfills the same intent of the various oil exploration bills which have been filedin Congress for the last five years, none of which have so far gained the support of a majority of the country's solons.

FOLK art

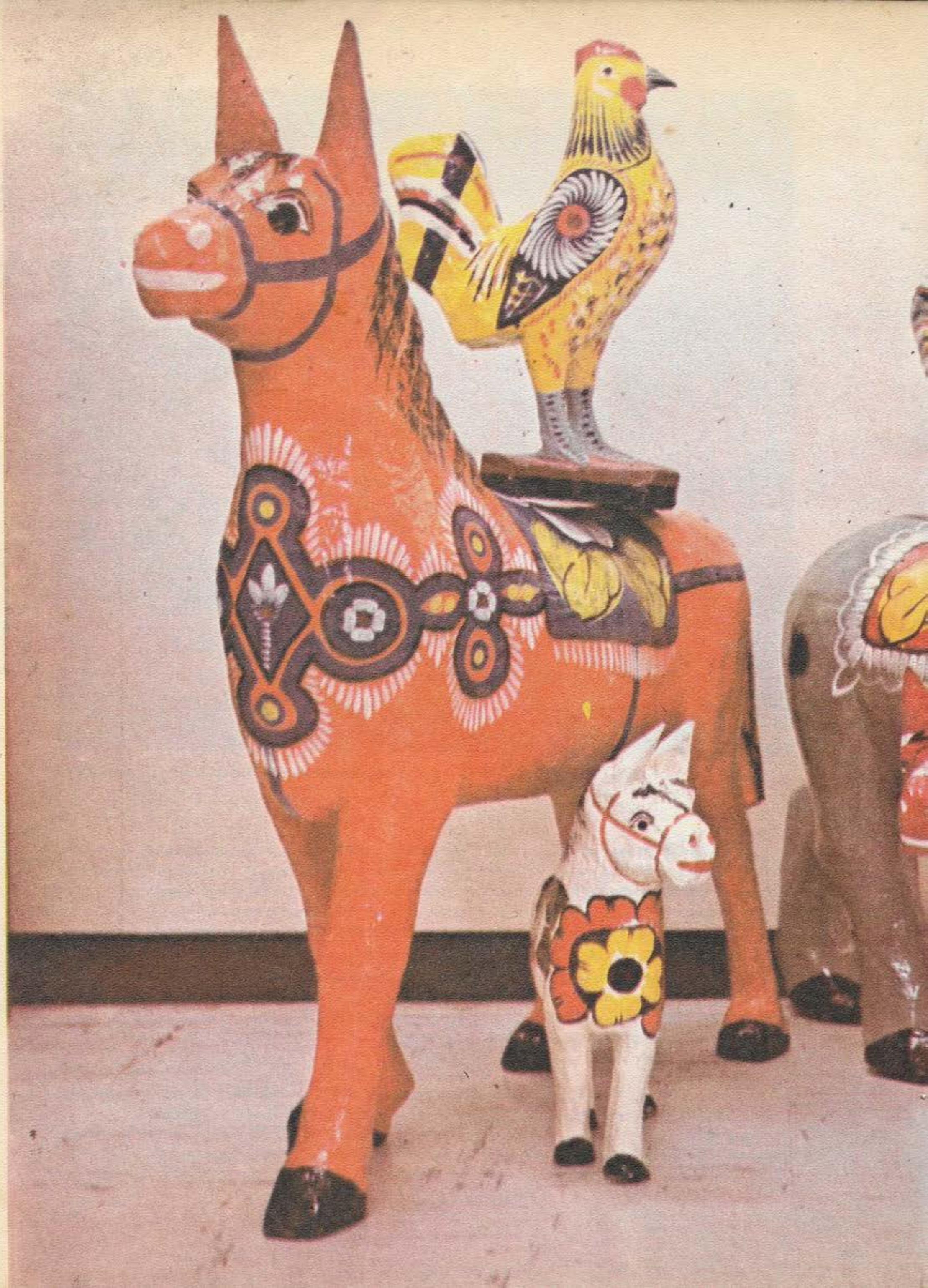
By GILDA CORDERO FERNANDO

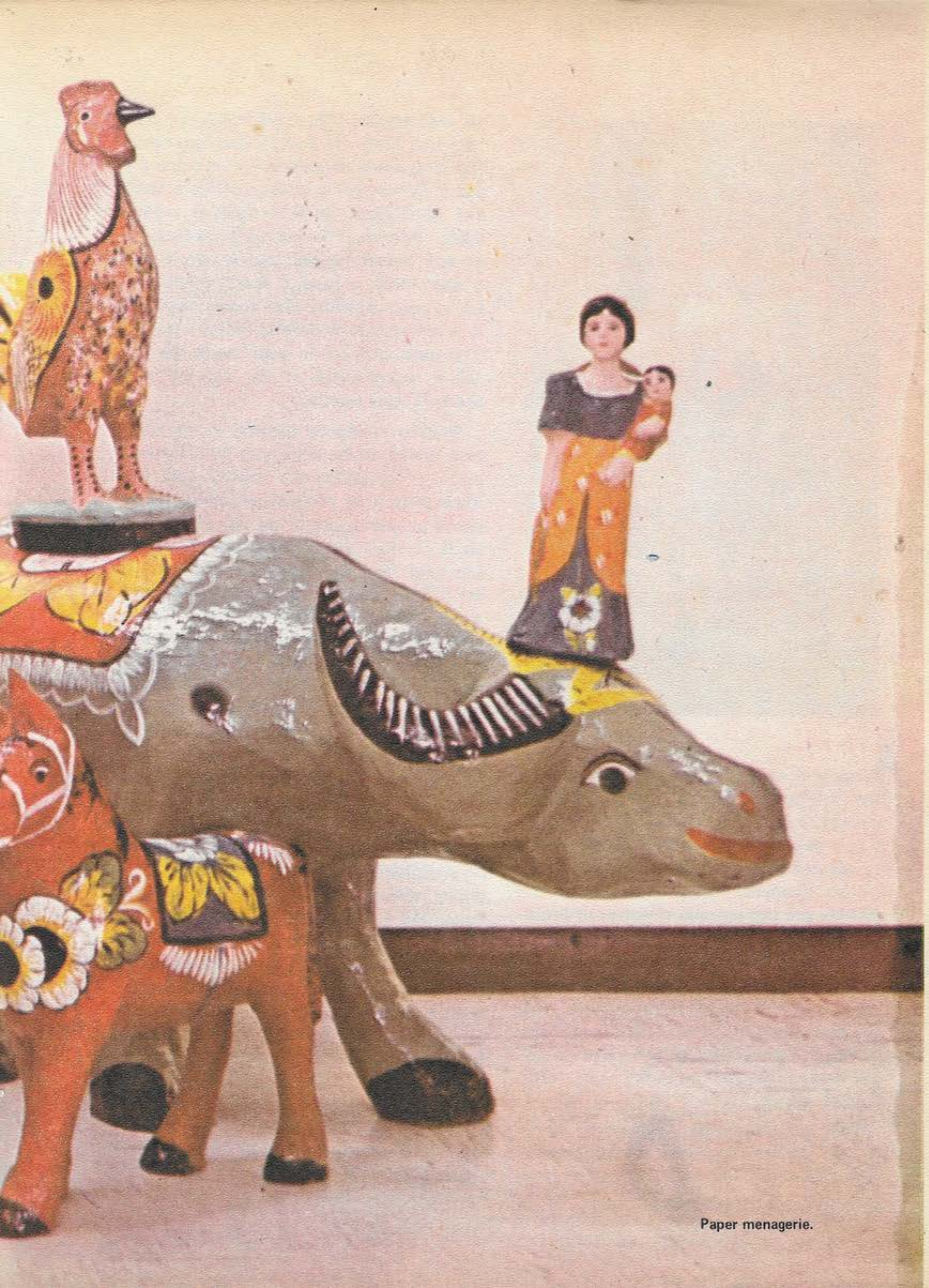
Wooden tubular containers painted in Muslim colors.

One day about two years ago, before I had opened a folk art shop, I remember coming home very happy. In the paper bag on my lap were three things that had made my day. One was a coming-home present from a friend who had run away with a lover to Hongkong. It was a small piece of rectangular wood with a round mirror held up by a painted warrior riding a tiger. This mirror was supposed to be tacked on to the door so that if ghosts tried to gain admittance, they would see their faces in the mirror and be frightened away.

The second object was a carved dog carrying a loaf of bread in its mouth. This kind of dog usually went with a San Roque statue, but this time it was just the dog, no San Roque. It was a gift from a young antique agent who said he couldn't afford to give me the saint, so he was giving me San Roque's dog, solo. It was an odd and touching present and how I treasured it.

The third was a beautiful and grimy Indian bag sewn with mirrors which hadn't been washed for some years. It was a prized possession bequeathed to me by a painter friend who was leaving for Paris. As I hugged my grimy treasures, I realized why I valued them above any other gift: they were not mass-produced like expensive imported vases and ashtrays in our department stores. They were not, as a matter of fact, available in ordinary stores -- no one else in the world would have exactly what I had.





Paper menagerie.

Candy wrappers.

Also, they were folk art. What is folk art in the Philippines? It is the decorations of the jeepney -- that Filipino innovation of the Willys jeep with its wattles of plastic strips, its painted wings and sideburns, and all its chrome gleaming, racing to its death with stickers and curtains and a Mother of Perpetual Help altar complete with paper flowers on its windshield. Folk art is the local ice cream cart with a waterfall painted in front, its chrome covers topped with minarets and swinging coins. It is the soft rubber mudguards attached to protect the backwheels of provincial busses, painted, pointillist style, with fantastic eagles.

Folk art is the *papier mache* toys found in the mountain-top town of Antipolo in May, fiercely holding their own against plastic counterparts. There are horses and carabaos and cocks and lions in screaming colors and fantabulous decorations - - one horse has hippy flowers on its chest, another a black and sinful heart, another's heart is a pineapple. Folk art is the red candles at the door of any church, shaped into a boy, a girl, a man's head, a hand, a foot. For if you are to make a petition for a cure, they say, it is not enough to burn an ordinary candle. You must stick on to your candle the red tallow reproduction of the afflicted part, and burn them together.

Wooden toothpicks (popular in the twenties) carved at the ends with fans, flowers, doves or butterflies are another folk art. These were stuck on to a clay pineapple and served as centerpiece in the old days. Folk art is a rattan basket woven for three days and sold for fifty centavos. Our amulets are folk art. Believed to be made from brass stolen from the railroad tracks, amulet medals offer protection from witches, vampires, carbuncles, gas pain, insincere friends, lightning, bullets and termagant mothers-in-law. An amulet etched with a grand figure of Santiago Apostol (name misspelled on medal) on a horse, brandishing a sword, endows the wearer with courage so that he wins in every knife fight.

Philippine folk art is done by rural folk or unsophisticated city folk who are completely oblivious of the rules of formal art. Proportion is a detail seldom bothered with. Thus a foot-high carved icon of San Isidro, patron of farmers, may have a companion carabao as large as a cockroach (and sometimes looking like one). Or among the carved adorers of a Nativity Scene one may find a tiny pregnant woman, praying fervently. Naivete is folk art's winsome characteristic. Naive incongruities -- like Pepsi Cola crowns decorating the fiber helmet of a very fierce Badjao tribesman -- give folk art a quaint charm not usually present in more formal art.

Wind warriors.

Philippine folk art is decorative in approach. It has no ambitions of moving its viewer or bringing across a message. The colors, in naive combinations, can cause a conflagration (though blue is seldom present). Never is this decorative quality more evident than in the art of the people of Mindanao, where a useful object – a comb, a spoon, a flute – is decorated to such an extent that you can hardly recognize the object. The museum, for instance, has an *agita* with seven round mirrors enclosed in wing-shapes, with little drawers and even a swing-out checkerboard. And what is an *agita?* Nothing but a fiber presser for the *pandan* used in mat-weaving -- yet it looks like a dresser, a sewing box, a game table -- anything but a *pandan* presser!

The brass ladle, also of Muslim Mindanao, has a flared handle with intricate cutwork, which makes it a smart thing to hang on a wall but a trifle unwieldly for serving the soup. Similarly, the *gukum* is nothing but a small carved carabao horn container for bees-wax, which is the colorless lipstick used by Muslim men and women of high station. It hangs by the end of a strap -- and what a strap! Made of beads woven into a pattern, it is decorated to high heavens with tassels and coins and tiny bells. Some of the Muslim lime containers (an accoutrement of betelnut chewing) are shaped like Sari-manok symbol of plenty, a bird standing on a fish and bearing a fish hung by a chain on its beak. The wings can be pulled out to reveal little hollows, and those little dimples are the sole purpose of your elaborate bird -- they're to contain your lime. The charm of Philippine folk art is most graphically described by a colloquialism -- "O.A." – meaning "overacting."

Another characterisitc of Philippine folk art is its ephemeral quality. For days before a fiesta, the womenfolk cut long-tailed wrappers out of vari-colored tissue paper called *papel de japon*, for wrapping sweets in. There are cut-outs of nipa huts, grapes, lyres, bamboo trees, even the whole alphabet, and birds in flight. There are words like "Souvenir" and "Happy Birthday" -- all made for the occasion and afterwards thrown away after the sweets are eaten. Santol and other fruit preserves are carved into the shape of roses and palm leaves and hearts, and the jars displayed on the shelf. The bamboo arch that decorates the street, without which no town fiesta is complete, is painstakingly outfitted with latticework and shaved bamboo curls, only to be torn down the next day. The pretty buntings of multi-colored *papel de japon*, stretched from window to window of houses facing one another all the way down the street, all suffer the same fate. One senator, in horror at the amount spent by Filipinos for frivolity, tried to abolish buntings, arches, *fiesta* and all.

Yet I am happy to be living in a country backward enough to be pretty on special occasion. To be able to see an occasional Santacruzan procession emerge out of a side street, in all its provincial splendor, the May queens under four-legged arches abloom with paper flowers, preceded, of course by a generator (which lights the queen) in a push-cart. To come upon the joy of a tiny *sari-sari* store in an obscure street, with its mobiles of *kropec* and paper balloons, its cluster of wooden shoes and vile-colored sweets in balloon jars; to enrich life with the sight of a pure pop pedicab delivering a block of ice to the apartments next door.

The advent of plastic was one of the blows to folk art. Mainly replacing *papel de japon*, it is often plastic buntings that we now find stretched across the street during *fiestas*, and indeed even after a rain, they are as unfading and stiff as ever. (The soft-drink companies can re-use them a dozen times). The whirly bird sold in parks, once but an austere V-tail of stripped bamboo, has been replaced by a durable and ugly swan stuck with colored feathers. Boys can't make paper

Bamboo containers.

kites anymore -- there are mass-produced indestructive plastic kites available in the supermarket.

French painter Jean Charlot, on his visit here, related a tale of Mexico before folk art came into its own. You found a really good tin decoration and you asked the old man "How much?" and he said "Two dollars." And you said, "How much if I order twelve?" And he said "Five dollars each." So you gesticulated and argued about the logic of it, and he said loftily, "Because one of one thing is fine to do. But twelve of the same kind would bore me to death."

And indeed the folk creator must be treated like an artist -- which he is -- if he is to blossom properly. Tempted into mass-producing, the brook runs dry, and this is fast happening in our foremost wood-carving town. One can still find, in private collections, works of Paete carvers of the 30's, when they were still creative instead of imitative, artists instead of bowl carvers. They are exquisite pieces -- a man with his fighting cock, each

White paper charger.

feather visible, a woman with a basket of vegetables on her head, her hair bun and her wares painstakingly outlined. Unfortunately, people no longer go for fruit vendors, and most tourists' tastes run to salad bowls. And that's all they seem to do now in Paete, salad bowls. And large Igorot spoons. And ashtrays in the shape of a foot with the toe sticking up. And nude men in barrels.

In the south, however, which is very far from the influence of tourist shops in Manila, folk objects remain original creations. No single sleeping mat, for instance, is ever the replica of any other (whether in design, color, or size), varying from weaver to weaver and from locality to locality. One may have a proud rooster woven in the middle, another a map of the Philippines, still another a riot of hibiscus flowers or, as in Sulu, endless variations of geometric designs. Individuality is the charm of the unfettered mat and the despair of the exporter. It is quite impossible to order one dozen of a kind. By the fourth green-and-yellow rooster, the folk artist gets restless and weaves a peacock instead, or a cornucopia overflowing with fruits, or the aunt continues it and decides she should wish the mat's occupant "Sweet dreams."

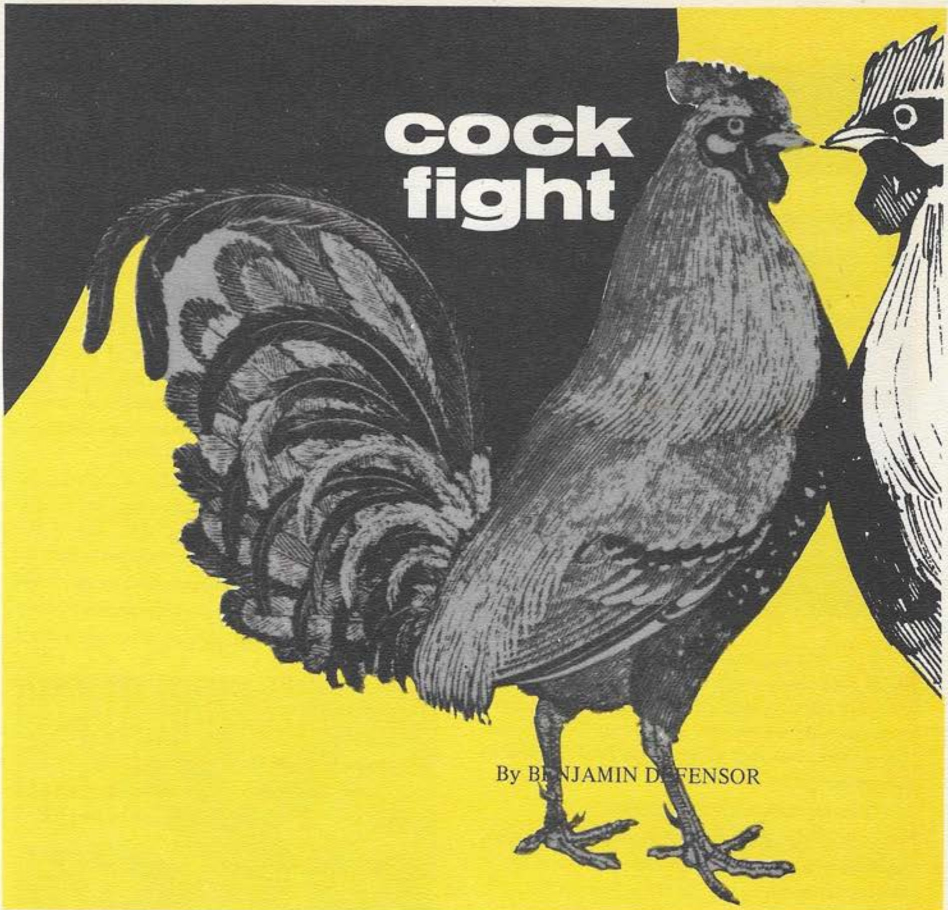
It is the quality that exasperates the buyer and makes the exporting of folk art, at most, risky business. But it is also the quality that makes folk art items the unique, disarming if unreliable creations that they are.

I remember having my sister once present me with two pretty miniature fruit compotes made out of breadcrumbs she had bought from a fat woman selling ribbons in Echague Street. It is an old folk art, almost completely disappeared, and since my sister had neglected to get the woman's address, I stood in the corner where she found the woman, four mornings in a row, in an attempt to locate her for more orders. She was apparently an ambulant vendor and I was never able to find her.

Still hot in pursuit of breadcrumb art, I discovered that in Muntinglupa Penitentiary, the prisoners made whole sets of mahjong tiles out of breadcrumbs they gouged out of their rations in the morning. They shaped one tile a day and dried it in the sun till it was rock hard, and they hoarded this till a whole set was completed and they could play a clandestine game in their cells.

Each year it becomes a little harder to locate in the *fiesta*, the man with the bashed hat and the awful beach slippers, peddling a dozen or so sword-bearing warriors engaged in a tireless duel. Pivoted on wire, the wooden figures turn to catch the breeze and propel their tin blades up and around, in imitation of the *arnis*, that brilliant and dangerous sword sport of the old days. The wind warrior's days of glory are gone. As a toy, he has become archaic beside plastic GI Joe with his garands and grease guns. Where to put such an anachronism? Place it to turn in front of the air-conditioner? Let it catch the wind atop the mailbox? It seems an old warrior with a long past, like an old street name, has no place in our lives. Yet such a toy is a more honest piece of remembrance to bring home than those bare-breasted nut crackers that are the stand-by of our tourist trade.

cock fight



By BENJAMIN DEFENSOR

There are three institutions one may expect to find in a typical Philippine town -- the church, the school, and the cockpit. The three tell a history of the Filipino.

The church came from Spain which brought Christianity, among others, to the Philippines.

The schoolhouse is a product of America's concern for mass education.

And the cockpit? Filipinos like to blame this on Spain. But cockfighting is strictly Filipino.

Gambling has been mentioned as one of the weaknesses of Filipino character. And for a long time, gambling in its most pernicious form was represented by cockfighting. The great Filipinos of old blame cockfighting as one of the major ills that has stunted the nation's growth.

This attitude is best illustrated in the *Noli Me Tangere* when Jose Rizal puts in the mouth of Don Filipo, the *teniente mayor* and the leader of the liberal party, the following among other proposals for the celebration of a town fiesta:

". . . Because the rich people will attend our *fiesta* each with much money in his pocket, and they will also have their gamecocks and playing-cards, I suggest that we run the cockpit for fifteen consecutive days and that all gambling dens be licensed to operate . . . "

Then he makes a youth reply:

"It is a sad thing to note that here in our town we have a fine cockpit while our children study in the curate's stable . . . "

Cockfighting became a national ill during the Spanish regime but it did not really come from Spain. There was cockfighting in the Philippines before the Spaniards came, It is an ancient sport and was known in early Greece, Persia, and China.

In any case, Pigafetta, an Italian gentleman who went with Magellan on his voyage of discovery, mentions having watched a cockfight in Palawan.

Sir John Bowring, a governor of Hongkong who visited the Philippines around 1859, had much to say about the *mores* of the Filipinos (whom he called Indians) and their Spanish administrators. In his book, *A Visit to the Philippines,* Sir John has this to say about cockfighting in the Philippines:

"A writer on the Philippines, after showing the antiquity of cockfighting and tracing its history through most of the civilized nations of the world, thus concludes: – In Spain there is a notable affection for the cockfights, and great is the care with which the birds are trained to the combat. In America this amusement is a dominant passion and the Filipinos are not a whit behind the Americans.

On the Puente Grande of Manila, at between four and five a.m., hundreds and hundreds of the 'shrill clarion' are heard on all sides, and from vast distances; it is a string of signals passed from mouth to mouth, from the port of Bangui in North Ilocos, to Matnog, the southernmost point to Albay.

"There are cocks in every house, at every corner at the foot of every tree, along the quays and shores, on the prows of every coasting ship, and if the living were not enough, they are sculptured, they are painted and charcoaled (not artistically) on every wall for public admiration, and public admiration recognizes the portraiture, though the information is not

placed there – as by the painter of old – to announce. 'This is a cock...! "

"It is considered a discourtesy to touch an Indian's gamecock, and permission is always asked to examine a favorite bird. He is the object of many a caress; he eats, crows, and sleeps in the arms of his master, and, whatever else may be forgotten, the cock is in continual remembrance. I have found him celebrated in verse in terms the most affectionate. A cock that has been frequently victorious is subjected to the most minute criticism, in order to discover by external marks what may serve to characterize its merits. The scales of his legs are counted, their form and distribution, the bent of the rings on the spurs, and whether the two spurs resemble each other; the tops of the toes and their nails, the number and colour of the wing feathers (eleven being the favorite quantity) white eyes are preferred to chestnut; a shot comb falling over the eye and beak is a recommendation. Cocks of different colors bear different names – white, *puti;* red, *pula;* white with black spots, *talisain;* black, *casilien* or *mactin;* black and white, *binabay;* ash-color, *abuen;* black and white, having black legs, *tagagui;* and many others. The wild cock is called *labuyo.*"

The aficionado Buzeta describes the sport at length:

"The Indians have inveterate passion for the sport, which occupies the first place in their amusements. The cock is the first object of their care, their general companion, which accompanies them even to the church-door, and is fastened even to a bamboo plug outside, when they enter for the service of the mass. For no money will they dispose of a favorite bird. Some possess as many as half-dozen of these inappreciable treasures, for whose service they seem principally to live.

"Every *pueblo* has its *gallera*, or amphitheater, for the cockfight, from which the government draws a considerable revenue. The galleras are large buildings constructed of large palm-trunks, bamboo, and nipa leaves, consisting of a hall, lighted from the windows in the roof. In the center is a stage, raised about five feet high and sorrounded by bamboo galleries which are reached by the spectators who pay according to the adjacency and convenience of the seats. The

gallera is generally crowded. The Indian enters with his cock under his arm; he caresses the favorite, places him on the ground, lifts him up again, smooths his feathers, talks to him, blows his cigar-smoke over him, and, pressing him to his breast, tells him to fight bravely. The cock generally crows aloud in defiance and in pride. His rival appears, a sharpened spur, or rather two-edged knife, or razor, is fastened to the natural spur of the bird, and after being for sometime presented to each other, the sign of combat is given, which carried on with extraordinary excitement, until an *alguacil* announces that the betting is closed. The announcement is followed by universal silence. The owners of the cocks withdraw at another signal, and the combatants contemplate each other, their feathers agitated and erect; they bend their necks, shake their heads, and spring upon one another; the fight continues until one is mortally wounded and falls. The conqueror springs upon him, and crows in token of victory; but it is not unusual for the wounded cock to rise and turn upon his victor. If the victor should fly (as is sometimes the case) he is condemned to ignominious death; his feathers are plucked, and he is suspended almost naked on the outside of the *gallera.* The wounds of the living bird are staunched by an infusion of tobacco leaves and coconut wine. He becomes from that hour a favorite to be betted on, and if disabled for future frays, he is carefully provided for his master. There are cock-doctors and receiwing-houses devoted to the healing of their wounds.

"In the neighborhood of the *gallera* are stalls where wines, sweatmeats, chocolate, and other refreshments, are sold, prepared by Indians and Chinese. A whole day is devoted to the combat, and even the charms of the *siesta* are forgotten, and the Indian often returns to his home after sunset, a wretched and ruined man."

Just when, how and why it ceased to be a sport and became a consuming passion, causing many a sober Filipino farmer to take his favorite cock to bed with him, and to stake all his worldly goods on the issue of a single combat puzzles historian Fr. Horacio de la Costa. But according to him, "there is little doubt . . . that the unfortunate decision to make cockfigthing a source of state revenue (during the Spanish regime) had a great deal to do with it."

In his book, *Readings in Philippine History,* Fr. de la Costâ quotes Joaquin Martinez de Zuñiga on the subject:

"This sport has been made into a source ot revenue for the royal treasury. A cockpit is erected in every town. The general admission fee is one-half *rial.* Admission to the enclosure where there are seats and one can be more comfortable costs an additional half *rial.* Vendors of fruits, food refreshments, tobacco and *betel* inside the cockpit also pay their half *rial.* Liquor may not be sold inside the building, a measure calculated to prevent drunkenness and riots. But since the native cannot go all day without a drink, they go out for it; and so they will not have to pay another half *rial* when they come back, the doorkeeper puts a stamp on them (usually on one fòot, in colored ink, with a wet seal), and when they go in again they show it to him and he lets them pass.

"The money collected by whoever has the cockpit contract, for this revenue is farmed out every five years, the tax farmer who offers the best bid obtaining the contract. During the war this revenue yielded (the government) 30,000 pesos (a year on the average) and never went below 20,000. By paying this sum, the cockpit farmer obtains the exclusive right to hold cockfighting throughout the archdiocese (of Manila) on Sundays, on all holy days of obligation for the Manila Spaniards, on the féast of Corpus Christi and the patronal feast of the town and on the two days following each of the two-last-mentioned days . . . "

Ambassador Leon Ma. Guerrerro in *The First Filipino* wrote that most of the people in Manila "found their entertainment in the cockpits which were open on Sundays, Thursdays and holidays, while the rest sought more cultivated amusement in the five strictly censored dailies and an occasional performance by the resident company of Spanish comedy or a touring Italian opera troupe or foreign circus." He said that Manila was "a city where there was nothing to do but go for a drive along the bay after the *siesta* carry a taper at a religious procession and listen to a sermon, whistle at the same actresses or ponder on the latest intelligence from the cockpit..."

There are those who say that the true character of the Filipino -- the best and worst of it -- may be seen in the cockpit. His fatalistic attitude is best exemplified by the typical *sabungero,* a cockfight fan or practitioner or both. One never loses in a cockfight because his opponent's cock was the better bird; he lost because of bad luck -- *suwerte.*

And the minute examination that a winning cock is given is not eugenically inspired. The search is not for the physical characteristics that make for a good fighting cock but for characteristics that have talismanic properties.

The color of the birds, for example, is a factor that is taken into consideration in the betting. It used to be that no one would bet on a white bird. There is a pseudo-scientific reason for this.

Wild chickens are said not to have white feathers. This is the folk belief. Chickens, it was believed, only grow white feathers when they are domesticated. White feathers then are sign of bondage. And since slaves are not expected to have stout hearts, there is no percentage in betting on a white bird. This is also the Filipino explanation for the expression, "showing the white feather" meaning cowardice. The expression has its source in cockfighting.

According to tradition, a chicken getting the worst of it in a fight raises its hackles and shows the white feathers underneath. But since fighting cocks always raise their hackles when mad, this is more a sign of aggression rather than surrender. The Filipino explanation for the expression then would seem more to the point.

In betting, the color of the cocks have been simplified to *sa pula, sa puti* (for the red, for the white). But there are various names given to various shades of plumages, according to Alejandro R. Roces, now UNESCO chairman and an authority on cockfighting. Former President Carlos P. Garcia has listed at least

150 different names for colors of fighting cocks. And also there existed various rules of thumb on betting according to the color of the birds.

For example, an *alimbuyugin* (color of a bee) would beat a *talisain* (color of the talisay tree) because a bee bores a hole on a talisay tree. Or, a *malatuba* (color of tuba) would beat a *puti* (white) because a white man could never take *tuba.*

These fine points, of course, are not explained in detail during the actual betting. In the pit, there are only reds, blacks, whites, etc. If two birds of the same colors are matched, one of the *soltadors* or handlers, wears a hat. The bettors then call *sa wala, sa mayroon* (with or without) referring to the soltador who wears a hat or not.

Cockfighting is a form of gambling that is known for the honesty of its followers. The betting, for example, calls for good faith on both sides.

Handlers of cockfight bets fall into two classes. These are the *casador* and the *kristo.* The *casador* is part of the cockpit's management. He formally arranges the bets. If one comes up and says he has so much money to bet on his cock, it is the *casador's* role to find the bets that would cover the wager. If there are not enough bettors to cover the wager, the *casador* may point to any one in the gallery and ask him to put up so much of the bet. It is a point of honor for anyone asked to bet to do so whatever he may think of his chances. Being asked by the *casador* to cover a wager is a distinction. It is like being recognized as a "regular sport."

It should be noted that the *casador* makes the terms orally and keeps a record of the bets in his head; nothing is ever written down.

Sometimes, one who has been asked to cover a bet knows that he cannot win. For insurance, he will place a bet on the other cock. So he will ask a *kristo* to take bets for him on his cock's opponent.

Most big bettors employ *kristos* so they can take all the small bets from the gallery. *Kristos* are so called because they invariably spread their hands like the Crucified Christ when they call for bets.

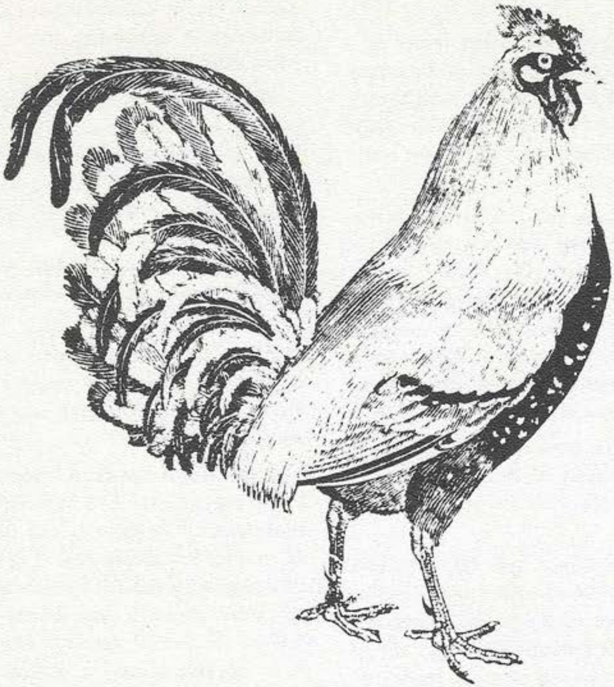
The *kristos* call the odds and take down bets by means of signals. The way he puts his palm over his mouth as he yells determines the odds he offers. The *kristo* remembers three things on each bet he takes – the face of the bettor, the odds and the amount of the bet. And in any one match, he may have to remember more than 10 of these – and does.

A cockfight bettor makes it a point of honor to look for the *kristo* and pay his bet if he loses. A winner could always trust a *kristo* to look for him and give him his winnings.

Since a *kristo* makes his livelihood by taking a percentage on the bets he handles, it is to his advantage to be honest. As for the bettor, experience has shown that it is never healthy to renege on a bet. If he does not get beaten up, word about it gets around and he may find it the better part of wisdom never to show his face around a cockpit again. And where else can he go if he can no longer go to a cockpit?

A cage used to be a part of a cockpit's facilities. This was for those who are caught welshing. They were exhibited to the public, and this appears to have had a greater deterrent effect than the law of the land.

A cock obviously is a status symbol. A cock fancier "belongs". And most cockpits admit free those who come with cocks on the assumption that they are there to bet and find a match. But one goes to the cockpit not necessarily to bet but to meet with cronies, share a glass or two of tuba and exchange the latest gossip. For the common man this was the only available means of spending his leisure.



As towns grew other forms of entertainment became available. In the bigger towns, the cockpit began to double as a boxing arena or a playhouse for traveling troupes of actors or acrobats.

Town meetings were usually held at the cockpit since it was usually the only place large enough to accommodate a crowd.

The movie house, the sports arena and the transistor radio are beginning to erode the numbers of traditional cockpit *aficionados*. But for the rabid fan, there is still available the so-called "Kalendaryong Pilipino" which publishes the annual schedules of all the *pintakasis* (cockfights) all over the country.

There are now two kinds of cockfight enthusiasts – the small-town fan and the small bettors who, like their counter-parts of old, go to the cockpit to bet a little, drink a little more and gossip a lot and the professionals who have turned the pastime into big business.

The mark of a professional is that he has taken out fate and superstition out of cock-fighting. He has brought in science instead. The professional spends money breeding fighting cocks. He imports foreign birds and cross-breeds them with native varieties. These he either sells to *aficionados* who pay a handsome price for them or matches them himself.

Cockfighting matches are called mains. At least once a year, top breeders of the country meet in mains. One breeder will put up a certain number of cocks against another and a wager is placed on who takes the most matches. In addition, there will be side bets on each match. A main among the top cock fanciers of the nations is always a cockers' holiday.

The Araneta Coliseum, the biggest indoor stadium of the nation, has been designed for cockfights, too. Its owner, J. Amado Araneta, is one of the country's best known cockfighting *aficionados*. Before the Araneta Coliseum was constructed, major mains used to be held at the Santa Ana Park where an arena was put up in front of the main grandstand.

Santa Ana Park was the scene of the Philippine-Cuba main in May, 1958. The Philippines won 5-3 in a best-of-nine series.

With the kind of money riding on matches, the training of cocks have been brought down to a system. Here's how one is prepared for a match:

A cock must at least be between 18 months to two years old before it is trained for fighting. The actual training period covers 14 days. Each training day is begun by rubbing the muscles of the cock with water until the skin and feathers are dry. This is followed by the so-called "string walk" with the cock tied on a pegged string and allowed to bask in the scratch pen where it gets its natural exercise.

During the first day the cock is not given any workout except two short pittings in the afternoon and an extra rubbing. On that day it is fed 2 1/2 ounces of stale cracked wheat bread mixed with warm sweet milk and a tablespoon of sugar added to the whole feed in the morning to the crush-in feed in the evening.

During the second day the cock is given a workout in the morning and another one in the evening consisting of ten runs, ten flirts and three tailspins.

A "run" is one complete figure 8 sprint in and out the trainers legs to build up speed.

A "flirt" is a fall from the prone position. The cock is tossed with a smart upward motion of the trainer's hand that sends it flying from the prone position. This develops balance.

A "tailspin" is making the cock flutter down while being held by its tail. This

On the third day, it is given 15 runs, flirts, and tailspins and a good rub-down, just like a boxer trained to wear muffs, miniature gloves used instead of the usual steel spurs to prevent the cock from hurting each other during training.
builds up wing power.

On the fourth and fifth day, these exercises are increased to 20; on the sixth day, to 25; on the seventh, these are reduced to 20 and continued on the eighth until the 12th day. On the last two days of training, the cocks are rested and fed the minimum of plain hard corn. From the second to the 13th day, the cock is given a graduated diet of corn, barley, cod liver, oil, milk, boiled eggs, and water. The cock is purposely prepared to go with an empty gullet in the cockpit to ensure ferocity.

The fighting cock is even weighed like a regular pugilist to check whether it has attained its fighting weight, determined on the day of its best performance while in training.

However all this may be, then as now, in the small towns of the Philippines, the cockpit remains a center of social life. Indeed, the disappearance of the cockpit and cockfighting would mark the end of a national institution.

Reprint

HOW MY BROTHER LEON

By MANUEL ARGUILLA

She stepped down from the *carretela* of Ca Celin with a quick, delicate grace. She was lovely. She was tall. She looked up to my brother with a smile, and her forehead was on a level with his mouth.

"You are Baldo," she said and placed her hand lightly on my shoulder. Her nails were long, but they were not painted. She was fragrant like a morning when papayas are in bloom. And a small dimple appeared high up on her right cheek.

"And this is Labang of whom I have heard so much." She held the wrist of one hand with the other and looked at Labang, and Labang never stopped chewing his cud. He swallowed and brought up to his mouth more cud and the sound of his insides was like a drum.

I laid a hand on Labang's massive neck and said to her: "You may scratch his forehead now."

She hesitated and I saw that her eyes were on the long curving horns. But she came and touched Labang's forehead with her long

BROUGHT HOME A WIFE

eyes away from her.

"Maria—" my brother Leon said.

He did not say Maring. He did not say Mayang. I knew then that he had always called her Maria, and that to us all she would be Maria; and in my mind I said – "Maria" – and it was a beautiful name.

"Yes, Noel."

Now where did she get that name? I pondered the matter quietly to myself, thinking Father might not like it. But it was only the name of my brother Leon said backwards and it sounded much better that way.

"There, is Nagrebcan, Maria," my brother Leon said, gesturing widely toward the west.

She moved close to him and slipped her arm through his. And after a while she said quietly:

"You love, Nagrebcan, don't you, Noel?"

Ca Celin drove away *hi-yi-ing* to his horse loudly. At the bend of the camino real where the big duhat tree grew, he rattled the handle of his braided rattan whip against the spokes of the wheel.

We stood along on the roadside.

The sun was in our eyes for it was dipping into the bright sea. The sky was wide and deep and very blue above us; but along the saw-tooth rim of the Katayaghan hills to the southwest flamed huge masses of clouds. Before us the fields swam in a golden haze through which floated big purple and red and yellow bubbles when I looked at the sinking sun. Labang's white coat which I had washed and brushed that morning with coconut husk, glistened like beaten cotton under the lamplight and his horns appeared tipped with fire. He faced the sun and from his mouth came a call so loud and vibrant that the earth seemed to tremble under foot. And far away in the

fingers, and Labang never even stopped chewing his cud except that his big eyes half closed. And by and by, she was scratching his forehead very daintly.

My brother Leon put down the two trunks on the grassy side of the road. He paid Ca Celin twice the usual fare from the station to the edge of Nagrebcan. Then he was standing beside us, and she turned to him eagerly. I watched Ca Celin, where he stood in front of his horse, and he ran his fingers through its forelock and could not keep his

middle of the fields of a cow lowed softly in answer.

"Hitch him to the cart, Baldo," my brother Leon said, laughing, and she laughed with him a bit uncertainly, and I saw that he had put his arm around her shoulders.

"Why does he make that sound? " she asked. "I have never heard the likes of it."

"There is not another like it," my brother Leon said. " I have yet to hear another bull call like Labang. In all the world there is not other bull like him."

She was smiling at him, and I stopped in the act of trying the sinta across Labang's neck to the opposite end of the yoke, because her teeth were very white, her eyes were so full of laughter, and there was the small dimple high up to her right cheek.

"If you continue to talk about him like that, either I shall fall in love with him or become greatly jealous."

My brother Leon laughed and she laughed and they looked at each other and it seemed to me there was a world of laughter between them and in them.

I climbed into the cart over the wheel and Labang would have bolted for he was always like that, but I kept a firm hold on his rope. He was restless and would not stand still, so that my brother Leon had to say "Labang" several times. When he was quiet again, my brother Leon lifted the trunks into the cart, placing the smaller on top.

She looked down once at her high-heeled shoes, then she gave her left hand to my brother Leon, placed a foot on the hub of the wheel, and in one breath she had swung up into the cart. Oh, the fragrance of her. But Labang was fairly dancing with impatience and it was all I could do to keep him from running away.

"Give me the rope, Baldo," my brother Leon said. "Maria, sit down on the hay and hold on to anything." Then he put a foot on the left shaft and that instant Labang leaped forward. My brother Leon laughed as he drew himself up to the top of the side of the cart and made the slick of the rope hiss above the back of Labang. The wind whistled against my cheeks and the rattling of the wheels on the pebbly road echoed in my ears.

She sat up straight on the bottom of the cart, legs bent together to one side, her skirts spread over them so that only the toes and heels of her shoes were visible. Her eyes were on my brother Leon's back; I saw the wind on her hair.

When Labang slowed down, my brother handed to me the rope. I knelt on the straw inside the cart and pulled on the rope until Labang was merely shuffling along, then I made him turn around.

"What is it you have forgotten now, Baldo? " my brother Leon said.

I did not say anything but tickled with my fingers the rump of Labang; and away we went – back to where I had unhitched and waited for them. The sun had sunk and down from the wooded sides of the Katayaghan hills shadows were stealing into the fields. High up overhead the sky burned with many slow fires.

When I sent Labang down the deep cut that would bring us to the dry bed of the Waig which could be used as a path to our place during the dry season, my brother Leon laid a hand on my shoulder and said sternly:

"Who told you to drive through the fields tonight? "

His hand was heavy on my shoulder, but I did not look at him nor utter a word until we were on the rocky bottom of the Waig.

"Baldo, you fool, answer me before I lay the rope of Labang on you. Why do you follow the Waig instead of the camino real? "

His finger bit into my shoulder.

"Father, he told me to follow the Waig tonight, Manong." Swiftly his hand fell away from my shoulder and he reached for the rope of Labang. Then my brother Leon laughed, and he sat back, and laughing still, he said:

"And I suppose Father also told you to hitch Labang to the cart and meet us with him instead of with Castaño and the calesa."

Without waiting for me to answer, he turned to her and said, "Maria, why do you think Father should do that, now? " He laughed and added, "Have you ever seen so many stars before? "

I looked back and they were sitting side by side, leaning against the trunks, hands clasped across knees. Seemingly but a man's height above the tops of the steep banks of the Waig, hung the stars. But in the deep gorge, the shadows had fallen heavily, and even the white of Labang's coat was merely a dim grayish blur. Crickets chirped from their homes in the cracks in the banks. The thick unpleasant smell of dangla bushes and cooling sun-heated earth mingled with the clean, sharp scent of arrais roots exposed to the night air and of the hay inside the cart.

"Look, Noel, yonder is our star! " Deep surprise and gladness were in her voice. Very low in the west, almost touching the ragged edge of the bank, was the star, the biggest and brightest in the sky.

"I have been looking at it," my brother Leon said. "Do you remember how I would tell you that when you want to see stars you must come to Nagrebcan? "

"Yes, Noel," she said. "Look at it," she murmured, half to herself. "It is so many times bigger and brighter than it was at Ermita beach."

"The air here is clean, free of dust and smoke."

"So it is, Noel," she said, drawing a long breath.

"Making fun of me, Maria? "

She laughed then and they laughed together and she took my brother Leon's hand and put it against her face.

I stopped Labang, climbed down, and lighted the lantern that hung from the cart between the wheels.

"Good boy, Baldo," my brother Leon said as I climbed back into the cart, and my heart sang.

Now the shadows took fright and did not crowd so near. Clumps of andadasi and arrais flashed into view and quickly disappeared as we passed by. Ahead, the elongated shadow of Labang bobbed up and down and swayed drunkenly from side to side, for the lantern rocked jerkily with the cart.

"Have we far to go yet, Noel? " she asked.

"Ask Baldo," my brother Leon said, "we have been neglecting him."

"I am asking you, Baldo," she asked.

Without looking back, I answered, picking my words slowly:

"Soon we will get out of the Waig and pass into the fields. After the field is home,—*Manang.*"

"So near already."

I did not say anything more, because I did not know what to make of the tone of her voice as she said her last words. All the laughter seemed to have gone out of her. I waited for my brother Leon to say something, but he was not saying anything. Suddenly he broke out into song and the song was "Sky Sown with Stars"—the same that he and Father sang when we cut hay in the fields of nights before he went away to study. He must have taught her the song because she joined him, and her voice flowed into his like a gentle stream meeting a stronger one. And each time the wheels encountered a big rock, her voice would catch in her throat, but my brother Leon would sing on, until, laughing softly, she would join him again.

Then we were climbing out into the fields, and through the spokes of the wheels the light of the lantern mocked the shadows. Labang quickened his steps. The jolting became more frequent and painful as we crossed the low dikes.

"But it is so very wide here," she said. The light of the stars broke and scattered the darkness so that one could see far on every side, though indistinctly.

"You miss the houses, and the cars, and the people and the noise, don't you? " My brother Leon stopped singing.

"Yes, but in a different way. I am glad they are not here."

With difficulty, I turned Labang to the left, for he wanted to go straight on. He was breathing hard, but I knew he was more thirsty than tired. In a little while, we drove up the grassy side onto the camino real.

"—You see," my brother Leon was explaining, "the camino real curves around the foot of the Katayaghan hills and passes by our house. We drove through the fields, because—but I'll be asking Father as soon as we get home."

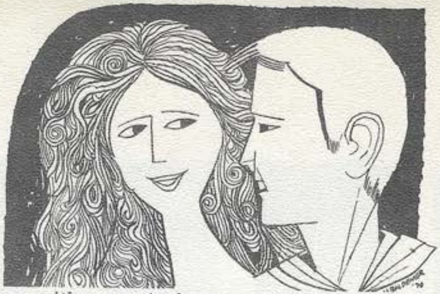
"Noel," she said.

"Yes, Maria."

"I am afraid. He may not like me."

"Does that worry you still, Maria? " my brother Leon said. "From the way you talk, he might be an ogre, for all the world. Except when his leg that was wounded in the Revolution is troubling him, Father is the mildest-tempered, gentlest man I know."

We came to the house of Lacay Julian and I spoke to Labang loudly, but Moning did not come to the window, so I surmised she must be eating with the rest of her family. And I thought of the food being made ready at home and my mouth watered. We met the twins, Urong and Celin, and I said "Hoy," calling them by name. And they shouted back and asked if my brother



Leon and his wife were with me. And my brother shouted to them and then told me to make Labang run; their answers were lost in the noise of the wheels.

I stopped Labang on the road before our house and would have gotten down, but my brother Leon took the rope and told me to stay in the cart. He turned Labang into the open gate and we dashed into our yard. I thought we would crash into the bole of the camachile tree, but my brother Leon reined in Labang in time. There was light downstairs in the kitchen, and Mother stood in the doorway, and I could see her smiling shyly. My brother Leon was helping Maria over the wheel.

The first words that fell from his lips after he had kissed Mother's hand were:

"Father, where is he? "

"He is in his room upstairs," Mother said, her face becoming serious. "His leg is bothering him again."

I did not hear anything more because I had to go back to the cart to unhitch Labang. But I had hardly tied him under the barn when I heard Father calling me. I met my brother Leon going to bring up the trunks. As I passed through the kitchen, there were Mother and my sister Aurelia and Maria and it seemed to me they were crying, all of them.

There was no light in Father's room. There was no movement. He sat in the big armchair by the western window, and a star shone directly through it. He was smoking, but he removed the roll of tobacco from his mouth when he saw me. He laid it carefully on the window-sill before speaking.

"Did you meet anybody on the way? " he asked.

"No, Father," I said. "Nobody passes through the Waig at night."

He reached for his roll of tobacco and hitched himself up in the chair.

"She is very beautiful, Father."

"Was she afraid of Labang? " my father had not raised his voice, but the room seemed to resound with it. And again I saw her eyes on the long curving horns and the arm of my brother Leon around her shoulders.

"No, Father, she was not afraid."

"On the way –"

"She looked at the stars, Father. And Manong Leon sang."

"What did he sing? "

" 'Sky Sown with Stars.' She sang with him "

He was silent again. I could hear the low voices of Mother and my sister Aurelia downstairs. There was also the voice of my brother Leon, and I thought that Father's voice must have been like it when he was young. He had laid the roll of tobacco on the window-sill once more. I watched the smoke waver faintly upward from the lighted end and vanish slowly into the night outside.

The door opened and my brother Leon and Maria came in.

Have you watered Labang? " Father spoke to me. I told him that Labang was resting yet under the barn.

"It is time you watered him, my son," my father said.

I looked at Maria and she was lovely. She was tall. Beside my brother Leon, she was tall and very still. Then I went out, and in the darkened hall the fragrance of her was like a morning when papayas are in bloom.

THE CONTRIBUTORS

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LOCSIN

FERNANDO

RAMON K. ILUSORIO (Banker for Southeast Asia) heads the Money and Capital Markets Department of Bancom Development Corporation. Mr. Ilusorio is,at 27, the youngest vice president of the leading investment bank in the Philippines. Mr. Ilusorio went to Ateneo de Manila, Fordham University and New York University and received special training and experience in Business in various banks in the capital cities of of the world.

JOSEFA C. LAVA (Divisoria) is a professor and chairman of the Department of Humanities of the University of the Philippines. She holds an M.A. in English. She was in Harvard for special studies in art history in 1967-68 and subsequently was on a Rockefeller study tour of leading art centers and museums of Europe and America. At present she teaches, aside from art introduction courses, Aesthetics and Medieval and Renaissance Art.

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GILDA CORDERO FERNANDO (Folk Art) is a fiction writer who has won six national awards for short stories and two awards for children's stories. Her stories have been published in the Philippines and abroad. At one time, she was writing a regular column for the women's section of the **Manila Chronicle**. She manages an imaginative folk art shop which is part of the Solidaridad Galleries and has a thriving little home industry turning out native bags. She puts in hours, besides, at the Asian Institute of Management.

BENJAMIN DEFENSOR (Cockfighting) holds a B.S.E., major in English and Mathematics, but chose to practise Journalism instead. He has won five Journalism awards in news and sportswriting. He joined the **Manila Chronicle** in 1955 as cub reporter, covering sports, and worked up to his present position of managing editor. In between he has had a brief stint in business writing. He was for a time consultant in transportation and communications with the Presidential Economic Staff and member of the Presidential Management Task Force.

MANUEL E. ARGUILLA (How My Brother Leon Brought Home A Wife) was born in La Union province in the north of Luzon island, the scene of many of his short stories. The best known among these is "How My Brother —" which has been reprinted in numerous foreign publications.

How My Brother is typical of the early stories of Arguilla which combine delicately rendered emotion with a sharp sense of place. At their best, the products of Arguilla's early period reveal a muted lyricism, celebrating a period which has passed away forever.

Arguilla later turned away from the attempt to depict the Filipino in outsize folk dimensions, and in such stories as **The Socialists** and **Caps and Lower Case** showed the other side of the coin: the rising social unrest towards the end of the United States regime in the Philippines.

Arguilla joined the resistance movement during the Japanese occupation and for this he paid with his life. In his early thirties when he was killed, he left behind a solitary volume of short stories. It is generally regarded as among the best products of the Filipino creative imagination in the medium.

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