

The Business View

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

Office of the President

From an Official Source

JUNE 2 — The Government's policy on trade with Japan will be formulated on the basis of the findings of a committee created by the Department of Commerce and Industry which will shortly hold hearings, according to Secretary P. L. Mapa. The committee is composed of Acting Undersecretary F. Cosio, Director S. Mendinueto of the Bureau of Commerce, and Dr. A. Dalisay of the Department of Foreign Affairs.

President Elpidio Quirino authorizes Secretary of National Defense R. Kangleon to appeal to employers to guarantee to their employees who may be called for military training next month, their positions and pay.

June 4 — Ramon Avanceña, retired Chief Justice, has accepted the invitation of the President to become a member of the Council of State. The Council is presided over by the President and is composed of the members of the Cabinet, leaders of both Houses of Congress, and a number of prominent private citizens, — at present three: former President Sergio Osmeña, former Speaker Jose Yulo, and now former Chief Justice Avanceña. It is the country's highest advisory body and meets upon summons of the President.

June 5 — Acting Secretary of Finance C. Llamado announces that the so-called Guingona notes, — around P4,000,000 worth of Philippine National Bank bills, which fell into the hands of unauthorized persons during the war, will, along with the PNB notes illegally issued by the Japanese, not be redeemed.

"For the present, the notes illegally issued by the Japanese as well as the notes buried in Mindanao by the then Commissioner Teopisto Guingona but which were later dug up and circulated by the Moros, will only be registered but not redeemed. All other PNB notes will be redeemed with Treasury certificates".

It is stated that P31,170,000 of the notes were taken to Corregidor from the National Treasury, and all have been properly accounted for except the P4,000,000 referred to. The notes illegally circulated by the Japanese amount to P7,410,000. The notes to be redeemed under the new Redemption Law amount to P31,170,000. The Government has P12,000,000 in reserve for this purpose, but this is considered sufficient as it is believed many of the notes were destroyed or lost. Depending upon the total amount redeemed, Congress is expected to decide later what to do about the Japanese-issued and the Guingona notes.

Director Mendinueto reminds the public that the Chinese Government has banned as of January 1 of this year the importation of private automobiles in conformity with the "austerity program". However, cars for the diplomatic and consular personnel of foreign nations are permitted entry.

June 7 — The President issues a proclamation calling Congress in special session for a period of 10 days beginning June 14 for the purpose "of considering bills on social security insurance, capital site, revision of the banking laws, and such other urgent legislation as the President may submit to it."

June 8 — The Philippine Alien Property Administration turns over to the Philippine Government 29 parcels of residential and agricultural land valued at P500,000, and P413,640 in Philippine National Bank notes.

June 9 — Commissioner Pio Pedrosa, Chairman of the Reparations Advisory Committee, announces that machine tools and other metal-working equipment so far received as reparations from Japan, consisting of 3,016 units, are available for allocation to government and private entities. Catalogs of the tools and equipment have been sent to various bureaus and chambers of commerce in Manila. Preferences in allocation will be given to pre-war owners of machine tools. When allocated, they may not be sold or transferred without the knowledge and consent of the Committee.

June 10 — The President reveals that the conclusions of the Philippine Oil Commission were the following: (1) There is oil in the Philippines; (2) the Government lacks the funds and the technical know-how to exploit the oil resources; (3) outsiders have to be allowed to participate in the exploration and exploitation; (4) no monopolies should be granted; (6) groups should be allowed to explore such areas as are commensurate with their financial and technical capacities.

June 15 — Announced, following a meeting of the Council of State, that only some 6,000,000 hectares of natural oil lands have been applied for by different oil exploitation firms, and that the Oil Commission will continue to welcome applications for the remaining 9,000,000 hectares. President Quirino states that no commitments have as yet been made by the Government or the Oil Commission, and that "acceptable applications will have to be ratified after the Congress has passed legislation defining the terms of contract to be entered into between the Government and the applicants". It is revealed that Ambassador J. M. Elizalde has made inquiries regarding the oil policy of the Government, which is taken as meaning that other oil groups in the United States are interested.

June 16 — Commissioner Pedrosa, President of the Manila Railroad Company, following a meeting of the board of directors, announces that the improvement of the rail and bus service in the Bicol region was discussed. "The aim of the Company is to operate fully all of its pre-war lines and extend its services to the Cagayan Valley."

June 18 — The Cabinet approves the immediate construction of a P230,000 building in the Port Area, Manila, to house stores, restaurants, and night clubs now scattered along the waterfront. An extension from June 30 to the end of September was given to the owners of present establishment there to remove their constructions.

June 19 — The President issues an executive order authorizing the collection from students in public and private schools of sums from 5 to 20 centavos during the period from June 19 to December 30, dates respectively of Rizal's birth and death, to defray the cost of converting into national shrines the house occupied by the hero in Calamba, Laguna, and Dapitan Park in Zamboanga, which he started. Contributions are to be voluntary.

June 21 — The President issues a proclamation declaring June 19, birthday of Jose Rizal, Filipino Youth Day, and also issues an executive order authorizing the collection of voluntary contributions with which to undertake

the repair or reconstruction of the Rizal house in Calamba, Laguna, and of Dapitan Park in Zamboanga.

June 21 — The President issues a proclamation granting amnesty to the leaders and members of the Hukbalahap and the PKM (National Peasants Union).

June 23 — The President, following a meeting of the Cabinet which considered the question, issues a statement declaring that the Council has adopted a policy under which any qualified interested party may be granted the right to explore and develop the mineral oil resources of the country for a period of 25 years, renewable for another 25 years, the area in each case for exploration to be limited to 1,000,000 hectares, and for exploitation to 500,000 hectares.

"In view of the importance of this question and the lack of time to have it considered at this special session of the Congress, it has been deemed necessary to implement this policy with the necessary legislation at the next regular session of the Congress. It has been deemed necessary to adopt this policy because the Government is not prepared to exploit its oil resources for the time being. In the mean time, companies or persons who may be interested in the exploration and exploitation of our oil resources may submit their proposals to the Department of Agriculture and Natural Resources or the Philippine Oil Commission."

According to the same press release:

"The Philippines has about 15,000,000 hectares of oil land, of which about 5,000,000 hectares are believed potentially commercial fields, the pending application of the Standard Vacuum Oil Company involves an area of 5,585,600 hectares in more than 10 provinces. The Philippine Oil Development Company, the only company actually engaged in the exploration of Philippine oil resources, has under lease about 19,000 hectares and has applied for an additional 470,000 hectares."

June 25 — The President issues a proclamation extending by one day (June 25) the period of the special session of the Congress.

June 26 — About a thousand Manila side-walk vendors call at Malacañan, with placards claiming they represent some 35,000 vendors, and present a petition asking they be allowed to continue to do business in the streets. The President tells them the city officials are the proper authorities for them to approach.

The Government Enterprises Council, presided over by President Quirino, disapproves a recommendation of the Surplus Property Investigation Committee to suspend sales of surplus goods during the period of investigation. Commissioner Arsenio Luz reported that the net income from the sales has been continuously declining and that from January, 1946, to December, 1947, the Surplus Property Commission has sold surplus goods, originally worth ₱189,000,000, at a gross profit of ₱35,850,000, while from January to May, 1948, the Commission sold goods worth ₱98,700,000, deriving therefrom in gross proceeds ₱5,572,000. During the latter period, administration expenses amounted to ₱3,100,000, leaving a net recovery of ₱2,400,000. During the first two years the Commission realized a net recovery of 14.3%, while this amounted to only 2.4% during the January to May, 1948, period.

The Government Enterprises Council authorizes the release of ₱700,000 to the National Cooperatives and Small Business Corporation as working capital. With respect to the financing of the National Rice and Corn Corporation, the Council held that the Philippine National Bank might continue to extend loans to the Corporation.

June 27 — The President holds a meeting with Congressman Taruc, Huk head, Judge Antonio Quirino, Brig. Gen. Mariano Castañeda, and Col. Alberto Ramos, Chief and Chief-of-Staff, respectively, of the Constabulary, with respect to the surrender of the various Huk units, making General Castañeda responsible for the "safe and orderly

reception of the erstwhile dissidents". Judge Quirino will continue with his liaison work. Announced that the sum of ₱4,000,000 provided the President in the budget for the establishment of peace and order will be used by him to carry out a program of social amelioration and to assist in bringing back under cultivation some 40% of the ricelands in Nueva Ecija and smaller proportions of the land in some other provinces which have long lain idle.

June 29 — Announced that the Cabinet has decided to prohibit the export of copper, brass, and lead, effective immediately, because of the widespread stealing of telephone and telegraph wires which it is believed are being converted into ingots for shipment abroad.

Banking and Finance

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MONEY in circulation increased ₱14,000,000 between April 30 and the end of May, from ₱784,771,000 to ₱798,775,000. Acceleration of war damage payments during May was a major contributing factor to this expansion in the currency. A continuation of the trend may be expected to ease term money rates which have been firmer for the past several months. Cash remains tight, especially in the provinces. Inventories in some lines are still on the heavy side, but the situation will probably be alleviated over the coming months by a resumption of copra shipments in larger volume. Exports in May and June were disappointingly small. Business generally is inclined to be slow, but a slight pick-up during the first two weeks in June was noticeable. Sentiment seemed to improve, which is always an encouraging sign.

The Central Bank Bill was signed by President Quirino and is now law. The Central Bank will begin business upon organization of the Monetary Board and certification by the Secretary of Finance that the authorized capital of the Bank has been fully paid in and that the Bank is ready for operation.

Composite figures of assets and liabilities for all Manila banks have not been issued by the Bureau of Banking since May 1.

Comparative figures are as follows:

Loans, Discounts, and Advances (monthly averages)			
(000 Omitted)			
*May 1, 1948	**April 1948	May, 1947	
₱374,906	₱370,044	₱296,556	
Total Bank Resources (Monthly averages)			
(000 omitted)			
*May 1, 1948	**April, 1948	May, 1947	
₱888,616	₱871,156	₱762,847	
Bank Deposits (monthly averages)—(Public funds not included)			
(000 omitted)			
*May 1, 1948	**April, 1948	May, 1947	
₱436,001	₱421,433	₱370,030	
Debits to Individual Accounts (monthly averages)			
(000 omitted)			
*May 1, 1948	**April, 1948	May, 1947	
₱101,864	₱121,468	₱110,410	
Circulation			
(000 omitted)			
*May 31, 1948	April 30, 1948	May 31, 1947	
₱798,775	₱784,771	₱714,969	

** Corrected figures.

* These figures are for the week ending May 1 only, and are not monthly averages. They will be corrected to monthly averages next month.