

"I am and have been in full agreement with Governor Cuaderno as to the necessity of amending the Trade Act with the United States to conform with nature requirements to stabilize and secure our dollar reserves. The way to arrive and the price to be paid for the change I do not think have yet been finally decided. My personal view is that the study will be done by a Joint Committee of Filipino and American experts at the earliest possible time. A system more or less along the lines laid down in the economic provisions of the Tydings-McDuffie Act which also after a time required revision.

July 15 — The President signs the General Appropriations Bill authorizing a P417,151,580 national budget for the 1952-53 fiscal year; this is P30,000,000 more than the appropriation for 1951-52.

The President, with the concurrence of the Council of State, approves a peso financing program of aid to sound industrial, agricultural, mining and other enterprises prepared by Jose Yulo of the Philippine Council for United States Aid which has been endorsed by the Mutual Security Agency. The fund initially will amount to P10,000,000 to be drawn from the Counterpart Fund Special Account, transferred to a separate account in the Central Bank, and is to be administered by the Bank on behalf of PHILCUSA and the MSA in accordance with the terms of a master agreement.

July 16 — The President, leaving Manila at 10:22 a.m. aboard the plane *Magellan's Cross* with an entourage of 43 persons including his daughter, Mrs. Victoria Quirino-Gonzalez and her husband, reaches Jakarta at 4:50 p.m. escorted by Indonesian planes during the last lap of the journey. The party is met at the airport by President Sukarno and Vice President Hatta and their wives and many other officials.

July 17 — President Quirino addresses the Indonesian Parliament, his address being very well received.

Malacañan announces that the President, before leaving for Indonesia, referred to the Secretary of Agriculture and Natural Resources for study the plans prepared by Mr. Per Klem, a Norwegian specialist, for the establishment of a large pulp and paper industry in the Philippines which envisage mills in the Cagayan Valley, Ilocos Sur, Pangasinan, Davao, Agusan, and Manila capable of producing paper for local needs and for exports estimated at around P163,000,000 a year; a capital expenditure of \$155,000,000 would be required. Presently, imports of paper approximate 70,000 tons a year at a value of around P50,000,000. Mr. Klem was sent here at the request of the Government to assist the Cebu Portland Cement Company in its paper project, but also made studies for the larger project.

July 18 — The Department of Foreign Affairs releases a statement to the effect that, according to a report from the Philippine Legation in London, the temporary suspension of the Philippine flour quota of 196,000 metric tons under the International Wheat Agreement "will be lifted momentarily". The International Wheat Council recently suspended the quota "pending receipt of clarification from the Philippine Government of the import procedures being followed locally to control the purchase of IWA flour."

July 19 — The Department of Foreign Affairs issues a statement declaring in part:

"If, as speculation seems to indicate, the Japanese will gradually endeavor to come across with larger reparations, then the plan of 'wait-and-see' may be desirable. However, let us not lose sight of the possibility that with such a 'wait-and-see' policy, we may only be postponing the day when, as time goes by, we shall get, not more reparations but less than we would have obtained if negotiations had been terminated in time. This is no doubt the basis for President Quirino's insistence on an early and complete ratification of the Treaty, which, in his judgment, to bring about, without any further delay, normal diplomatic, commercial, and cultural relations and to better coordinate the efforts of the democracies in trying to present a united front against the aggressor of the East."

July 21 — Secretary of Foreign Affairs Miguel Elizalde receives John Paul Clarkin, head of the Pepsi-Cola Bottling Company of the Philippines, Inc., who was recently appointed Honorary Consul of the Republic of Ireland.

July 23 — Announced at Malacañan that President Quirino has authorized Ambassador Carlos P. Romulo to sign the \$20,000,000 power loan contract with the Export-Import Bank for the clause which the Philippines originally wanted reserving the right to purchase machinery and supplies for the Ambuklao projects from countries other than the United States if they can not be supplied by American manufacturers. Bank officials stated that under their charter they could not accept such a provision, but that if a specific case of this nature arose, the facts could be submitted and would be considered on their merit. The loan is for a period of 20 years, payable in installments after July, 1955, and bears 4% interest.

July 24 — The Department of Foreign Affairs announces that the UNICEF (United Nations International Children's Emergency Fund) has expressed its gratitude to the Philippines for a contribution in-kind in 1951-52 of 184 long tons of coconut oil and 1,380 lbs of margarine, valued at around P100,000.

July 25 — The Cabinet approves the release of funds to combat a serious locust infestation in Cotabato, Samar, and Sorsogon provinces and the islands of Burias and Ticao. It is estimated some P150,000 will be needed.

July 26 — President Quirino, at the one and only press conference he held, states in Jakarta that communists in the Philippines are being prosecuted not because they are communists but because they seek to overthrow the government. He expressed his approval of the "tremendous spirit of nationalism" in Indonesia and expressed the belief that under this spirit, "Indonesia will be solidified in due time". He states that the neighboring countries of the East should cooperate in the development of their rich potentialities as untapped resources are a temptation to scheming and more powerful countries. He reiterates that his visit was not political or military, but was an economic and cultural mission, explaining that he brought along Secretary of Finance

Aurelio Montinola and Central Bank Governor Miguel Cuaderno to look into the possibility of arriving at a common understanding on a basis of economic cooperation.

July 27 — The President arrives in Manila on the PAL plane "Bataan" about 5 p.m. from his 10-day visit to Indonesia and is warmly welcomed by a large crowd. He states in a short speech at the airport that he returns "with a message of goodwill, friendship, and cooperation... from the people of Indonesia."

"We are only 20,000,000. They are 75,000,000. Our land is only about 114,000 square miles and there is 735,000 square miles, and with their vast resources, all most inexhaustible compared to ours, we are just like Corregidor in the middle of the Philippine Sea... Our duty is to cultivate their friendship and see if it will bear fruit in our permanent existence as a sovereign nation, cementing the lasting friendship of our two peoples..."

July 29 — The President, at a Cabinet meeting, orders the Philippine Airforce to provide all the planes needed to fight the swarms of locusts in the infested areas, which now include Masbate, also. Due to lack of time the Cabinet fails to consider the reports of Secretary of Finance Montinola and former Economic Coordination Administrator Pablo Lorenzo on the recommendation of the Import Control Commission to ban the importation of some 23 commodities, totally or in part, including slide-fasteners and zippers, rice hullers, plastic combs and tooth-brushes, cotton weaving yarns, pianos and pedal organs, athletic goods like baseballs, baseball gloves, volley-ball nets, etc., incandescent lamps of 115 and 220 v, fluorescent lamps of 14 to 40 watts, grey cloth, upper leather, pure tomato juice, etc.

July 31 — The President receives Justice William O. Douglas on his 13th official tour of Southeast Asia. The Justice was accompanied by Ambassador Raymond A. Spruance. The Justice is Chairman of the International Mass Education Movement and the President invites him to breakfast the following morning to meet a number of Filipino officials and educators concerned with mass education.

## Banking and Finance

By W. M. SIMMONS

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COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31 1949	As of Apr. 30 1952	As of May 30 1952	As of June 30 1952
<b>ASSETS</b> (In thousand of pesos)				
International Reserve.....	P460,689	P492,703	P487,370	P491,328
Contribution to International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage..	113,306	107,570	107,570	107,570
Loans and Advances.....	77,047	29,364	24,365	21,365
Domestic Securities.....	92,197	234,730	234,716	234,680
Trust Account—Securities Stabilization Fund.....	—	12,233	12,233	12,233
Other Assets.....	20,390	33,062	33,790	37,343
	<u>P793,629</u>	<u>P939,662</u>	<u>P930,044</u>	<u>P934,519</u>
<b>LIABILITIES</b>				
Currency—Notes.....	P555,576	P556,115	P545,411	P539,281
Coins.....	74,384	92,501	91,963	91,787
Demand Deposits—Pesos.....	117,682	251,180	249,026	252,855
Securities Stabilization Fund. Due to International Monetary Fund.....	2,000	12,233	12,233	12,233
Due to International Bank for Reconstruction and Development.....	2,389	2,383	2,383	2,383
Other Liabilities.....	2,636	5,467	8,734	11,593
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	2,155	2,666	3,129
Surplus.....	—	7,132	7,132	7,132
	<u>P793,629</u>	<u>P939,662</u>	<u>P930,044</u>	<u>P934,519</u>

At the end of June, 1952, the Central Bank's international reserve was approximately P4,000,000 higher than the previous month-end balance. This upward tendency may not continue in view of the weakness in the commodity markets especially in copra and hemp, notwithstanding anticipated lower imports this year than in 1951.

Loans and advances decreased by P3,000,000 and stood at P21,365,000 as of June 30. Money in circulation dropped from P637,374,000 in May to P631,068,000 in June, but there was an increase in demand deposits from P249,026,000 to P252,855,000 during the same period.

Statistics obtained from the Central Bank show that during the first 6 months of this year foreign exchange transactions of the Philippines resulted in a net receipt of \$1,830,000. The deficit of \$16,760,000 incurred last January, was wiped out by the narrow monthly margin of surplus noticeable from February to June. Responsible for the favorable tone was the increase registered by receipts from invisible exports over invisible imports which more than offset the unfavorable balance resulting from larger disbursements for visible imports than receipts from visible exports.

Receipts aggregated \$258,800,000 (from visible exports—\$165,730,000 and invisible exports—\$93,070,000) against disbursements of \$256,970,000 (consisting of payments for visible imports of \$217,180,000 and invisible imports of \$39,790,000). Compared with the corresponding period in 1951 total receipts showed a decrease of 8.3% while disbursements rose by 1/2%.

Local money rates appear to be slightly easier, probably due to diminished volume of import licenses released and some liquidation of inventories, which earlier this year were on the high side in anticipation of a continuing inflationary trend which did not develop. Collections are reported to be retired satisfactorily.

It was announced by the Collector of Internal Revenue that total tax receipts for the 1951-52 fiscal year (excluding excise tax on foreign exchange) had already reached a new high of ₱408,742,000 with June figures not yet tallied and April and May not complete. This figure is about 20% higher than total collections from July 1, 1950, to May 31, 1951, because of the intensified and systematic collection campaign and the imposition of new and increased taxes. It is also reported that excise tax on foreign exchange totaled ₱179,261,000 during the period March 29, 1951 (when it was first imposed), and the end of May, 1952. This total represents some ₱140,000,000 for the 1951-52 fiscal year and ₱39,000,000 from March 29 to June 30, 1951.

## Manila Stock Market

By A. C. HALL  
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June 28 to July 25

EARLY in the month, gold-mining shares showed some further weakness as the difficulties confronting the mining industry were emphasized during the public hearings then being conducted by the Wage Board in regard to the industry's attempt to obtain a postponement of the effective date of application of the Minimum Wage Law scale. However, selling was never forceful, and during the past week has dried up completely. The lack of offerings and the growing impression that the industry will receive some compensating tax-relief when the full minimum wage scale goes into effect have combined to lift some prices from their recent lows, and to give the market a better appearance at the close.

Base-metal issues have ruled steady to firm, with the exception of some easiness of a technical nature in Acocje and Philippine Iron Mines as a result of their recent new stock issues. Following the effective date for subscription to rights, Philippine Iron Mines has staged a sharp recovery.

The commercial and industrial section of the market has been easier in quiet trading. Fixed interest securities ruled quietly firm with offerings negligible.

Around this period of the year, local stock prices usually register their annual lows, principally due to the fact that money is at its tightest around this season. In the writer's view, this year is unlikely to prove any exception to the others, as prospects indicate easier money conditions during the last half of the year.

The price of gold in the local free market has ruled remarkably steady during the period under review with an approximate high, low, and close per fine ounce of ₱105.75, ₱104.25, and ₱104.50.

### MINING SHARES

1951-52 High	Range Low		High	Low	Close	Change	Total Sales
131.53	88.11	M. S. E. Mining Share					
		Average	105.10	98.44	102.03	Off 3.61	6,283,726
0.315	0.155	Acocje Mining Co.	19	17	18b	Off .01	541,500
0.0295	0.028	Atok Buhay	0.43	0.4	0.4	—	130,000
7.80	2.85	Atok Big Wedge Mining					
0.14	0.0775	Beguin Gold Mining Co.	3.40	2.85	3.15	Off .25	22,110
2.80	2.00	Balotoc Mining Co.	0.95	0.775	0.775	Off .0225	185,000
0.0036	0.002	Batong Buhay Mines	2.00	2.00	2.00	Off .50	100
5.30	3.90	Benquet Consolidated	0.03	0.028	0.03	Off .0002	1,109,000
0.10	0.026	Benquet Consolidated	4.15	4.00	4.00	Off .10	12,100
0.40	0.011	Consolidated Mines	0.35	0.35	0.35	Off .003	10,000
0.29	0.16	Inco Gold Mining Co.	0.37	0.35	0.37	Up .02	1,663,000
0.17	0.075	Itoyon Mining Co.	26	26	26	Off .02	57,000
0.06	0.031	L. M. Mining Co.	0.85	0.8	0.8	Off .01	67,000
0.96	0.59	Lepanto Consolidated	0.41	0.4	0.4	—	165,000
0.05	0.024	Mashate Consolidated	82	78	82	—	250,300
0.43	0.1375	Mindanao Mother Lode	0.64	0.31	0.39	Up .009	1,004,858
0.1275	0.05	Paracale Gumaus Cons.	185	137.5	145	Off .02	523,000
3.26	1.20	Philippines Iron Mines, Inc.	—	—	125a	—	—
0.32	0.17	San Mauricio Mining	2.70	2.15	2.55	Off .25	55,500
0.305	0.185	San Mauricio Mining	.20	.19	.20	Off .005	138,400
0.035	0.01	Surigo Consolidated	.28	.265	.265	—	83,000
0.13	0.05	Suyoc Consolidated	.012	.012	.012	—	29,000
		United Pacific Mining Co.	.07	.06	.0625	Off .0125	156,000

### COMMERCIAL SHARES

1951-52 High	Range Low		High	Low	Close	Change	Total Sales
143.00	105.00	Bank of the Philippine Islands	120.00	120.00	120.00	Off 5.00	160
15.00	15.00	Bogo-Medelling Milling Co.	—	—	20.00a	—	—
171.00	110.00	Central Azucarera de la Carlota	—	—	20.00a	—	—
111.00	109.00	Central Azucarera de Tarlac	112.00	110.00	110.00	Off 5.00	189
50.00	30.00	Central Azucarera de Tarlac	110.00	110.00	110.00	—	13
27.50	25.00	Philippines Cigarette Co.	40.00	39.00	40.00	—	2,386
12.00	10.00	Philippines Textile Mfg. Co. P. I.	25.00	25.00	25.00	Off 2.00	80
0.36	0.27	Manila Broadcasting Co.	11.00	10.00	10.00	Off 1.25	6,400
5.50	3.20	Manila Wine Merchants	—	—	.30a	—	—
0.18	0.12	Maramba & Co., com.	3.50	3.50	3.50	Up .30	500
0.10	0.045	Mayon Metal, class "B"	—	—	.20a	—	—
0.12	0.085	Mayon Metal, class "A"	—	—	.11a	—	—
105.50	100.00	Meralco, 6-1/2%	—	—	102.00b	—	—
—	—	Metropolitan Insurance Co.	—	—	150.00b	—	—
23.00	20.50	Passedco	—	—	20.50b	—	—
7.50	5.00	Philippine Air Lines, Inc.	6.00	5.00	6.00	—	665
27.50	25.00	Philippine Guaranty Co., Inc.	25.00	25.00	25.00	—	60
0.0925	0.012	Philippine Oil Development Co., Inc.	0.44	0.4	0.4	Off .01	70,000
43.00	26.50	San Miguel Brewery	38.50	38.50	38.50	—	18,160
100.00	93.00	San Miguel Brewery	100.00	98.50	98.00a	Up 2.00	489
108.0	102.00	San Miguel Brewery, 8% pref.	105.00	103.00	104.50	Up 1.50	260
16.00	13.50	Universal Insurance & Indemnity	—	—	12.00b	—	—
7.00	6.00	Williams Equipment, com.	6.00	6.00	6.00	Off 1.00	496

Company	Over-the-Counter		Close	Total Sales
	High	Low		
Cia. Celulosa de Filipinas	₱10.00	10.00	10.00	24,750
Cia. Qui. de Tabacos de Filipinas	97.00	97.00	97.00	₱20,000.00
5% bond	6.00	6.00	6.00	64
Credit Corp. of the Philippines	2.35	2.35	2.35	2,800
Manila Jockey Club, Inc.	.30	.13-1/3	.13-1/3	203,251
Philippine Iron Mines, Inc. (rights)				

## Credit

By C. M. MULLENBURG

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SEVERAL local credit men have indicated that collections are continually getting more difficult. Some have suggested that collections are harder now than