

The Business View

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

The Government

From Official Sources

DECEMBER 1—President Elpidio Quirino receives United States Vice-President Alben Barkley, who arrived in Manila with his wife for a one-day informal visit. Later in the day, the President entertains Vice-President and Mrs. Barkley at luncheon, and in a short speech Mr. Barkley congratulates the President on the conduct of the last elections and on the progress being made in economic, agricultural and industrial development.

The Department of Foreign Affairs announces that the President has approved the creation of a Division of Economic Affairs within the Department which is to be headed by Caesar Z. Lanuza.

Dec. 4—Mt. Hibok-Hibok, on Camiguin Island, just north of Misamis Oriental, Mindanao, erupts without warning at 7:15 in the morning and later telegraphic reports tell of the devastation of some nine or ten square kilometers by lava and ashes and the death of several hundred people. The President directs that immediate aid be extended by various government departments, the army, and the Red Cross.

The Cabinet decides that the Government will reiterate the request for the repeal of the United States excise tax on coconut oil. It is also decided to make ₱600,000, to be taken from the surplus funds of the Philippine Charity Sweepstakes Office, available for the rehabilitation of the Philippine General Hospital, the action being taken on an appeal of Director A. B. M. Sison.

Dec. 5—Malacañan releases messages from Brig.-Gen. Ernest Moore of the U. S. Army (Clark Field) and from Rear Admiral Richard Cruzen, U. S. Navy (at Sangley Point, Cavite), offering help in providing and sending supplies to Camiguin, with return messages of thanks from the President.

Dec. 6—Explosions of the Hibok-Hibok crater continue and it is reported that 5 barrios have been completely destroyed and 16 others rendered uninhabitable.

The President meets with members of the Radio Control Board who call on him in connection with the government program of distributing receiving sets to outlying barrios in the provinces, and they report that dissidents in various places are stealing the sets. The President inquires concerning the supervision of radio broadcasts, warning against the infiltration of the broadcasting stations by subversives.

The President issues Administrative Order No. 170 creating the Priority Assistance Committee, to be composed of a representative each from the Central Bank, the Department of Foreign Affairs, and the Philippine Council for United States Aid, to coordinate the preparation of all requests for priority assistance on orders for commodities in short supply in the United States.

Dec. 7—The President orders immediate release of ₱10,000 for the local purchase of relief supplies by government relief workers on Camiguin. He issues Executive Order No. 486 ordering the collection and compiling of historical and cultural data by town, city, and provincial officials in an effort to replace records lost in the destruction of Manila.

Chairman Alfredo Montelibano of the Import Control Board calls on the President in regard to the implementation of the law providing that 50% of imports be reserved for Filipino importers.

Dec. 8—Messages of sympathy begin to be received at Malacañan from foreign governments in connection with the Camiguin disaster, including messages, during the next few days, from the Spanish, Indian, Italian, Indonesian, Korean, Chinese (Nationalist), Australian.

Dec. 10—Malacañan releases the text of a telegram received from President Harry S. Truman, under date of December 9, as follows:

"My dear Mr. President: In these days when the liberties of all free men are faced with the most serious challenge in history, the American people have been immeasurably heartened in watching the Filipino people practice the ways of democracy. The recent elections have been a convincing demonstration that, given the opportunity, all men would choose to run their own affairs in their own way in the light of their experience and traditions. Your determination that the Filipino people should have this opportunity and your support of the Secretary, Maguaysay, in implementing this policy should win the admiration of free men everywhere. This growth of democracy in the Philippines is additional indication of the great and honorable traditions of Philippine-American friendship."

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Banking and Finance

By G. R. HUTCHISON

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COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31 1949	As of Sept. 28 1951	As of Oct. 31 1951	As of Nov. 29 1951
(In thousands of Pesos)				
ASSETS				
International Reserve....	₱460,689	₱522,467	₱510,391	₱494,090
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	25,168	47,171	44,171
Domestic Securities.....	92,197	231,193	230,846	233,844
Trust Account—Securities Stabilization Fund.....	—	6,848	6,848	6,848
Other Assets.....	20,390	82,812	91,410	98,961
	<u>₱793,629</u>	<u>₱1,006,058</u>	<u>₱1,024,236</u>	<u>₱1,015,384</u>
LIABILITIES				
Currency—Notes.....	₱555,576	₱579,305	₱580,017	₱573,249
Coins.....	74,384	93,460	93,310	93,257
Demand Deposits—Pesos	117,682	231,225	244,705	238,199

"**A**S government extends its authority over economic affairs, public decisions on specific questions become enormously important to individuals and groups. The persons who make or affect those decisions are exposed to great temptations, whether in the form of money, votes, political preferment, threats, personal obligations or attachments, or any other form of pressure. Inside knowledge of coming decisions may enable officials to enrich themselves by speculation or by selling such information to others. 'All power tends to corrupt; absolute power corrupts absolutely.' Those words were written more than half a century ago, but they have taken on new significance with recent tendencies in government."—From the November *Guaranty Survey*.

Securities Stabilization Fund.....	2,000	6,848	6,848	6,848
Due to International Monetary Fund.....	22,498	496	496	496
Due to International Bank for Reconstruction and Development	2,389	2,383	2,383	2,383
Other Liabilities.....	2,636	67,747	70,833	74,217
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,644	10,905	11,955	13,046
Surplus.....	—	3,689	3,689	—

₱793,629 ₱1,006,058 ₱1,024,236 ₱1,015,384

THERE was a further reduction of ₱16,301,000 in the international reserve during November as compared to the previous month. As shown above, present reserves are only ₱33,401,000 higher than the figure of ₱460,689,000 reflected on December 31, 1949, which was less than one month after the beginning of exchange control. A recent press report lists the reserves including foreign exchange holdings of other banks at about \$300,000,000 which is about \$100,000,000 lower than April of this year and about \$40,000,000 higher than the December, 1949, figure. Heavy liquidation of import bills has been a drain on the reserves during the past several months. The movement of the sugar crop should begin to ease this trend shortly, although the damage to the crop by a destructive typhoon in the Visayas will considerably reduce the dollar-return originally anticipated.

Despite the scarcity of cash, collections continue satisfactory, although merchants are asking for generally longer terms of payment. It is anticipated that a sizeable volume of outstanding import licenses which expired December 31, 1951, and are covered by bank credits will not be extended. This should help ease the general credit position. Also, the Monetary Board of the Central Bank has taken steps to reduce the extension of credit by banks by restricting their letters of credit outstandings to not more than 70% of their net foreign exchange holdings plus cash in vault, excess reserves, and securities other than those being utilized as part of available reserves.

The Central Bank has recently released new notes of ₱5, ₱50, and ₱100 denominations. It had previously released new ₱1 and ₱2 notes. All of these notes were engraved and printed by Thomas De La Rue & Co. Ltd., London.

The Economic Research Development of the Central Bank reports total investments in all enterprises for the first 9 months of 1951 at ₱56,700,000, as compared to an investment of ₱63,100,000 for the entire year 1950. Capital supplied by Filipinos amounted to ₱29,700,000, with Chinese investing ₱22,800,000 and Americans only ₱1,600,000.

Manila Stock Market

By A. C. HALL
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November 17 to December 14

THE mining share average has advanced into new high ground, but this is somewhat misleading as a guide to overall market action. The net improvement in the indicator is the result of substantial advances in base-metal equities more than offsetting an easier trend in gold shares. Market sentiment has been decidedly bullish toward the former, but negative as regards the latter group, and some switching from the golds to base metals has been in evidence during the period.

General factors affecting the market show little change during the month. Year-end dividend declarations were generally up to best expectations, but this has not had

much effect marketwise owing to continued tightness of money. The price of gold in the free market is about unchanged and has fluctuated between ₱112/115 per fine ounce during the past month.

In the commercial and industrial section of the market, apart from some improvement in Luzon sugar central shares, the rest of the list shows little change. Fixed interest securities traded in moderate volume around previous levels.

MINING SHARES

1951 High	Range Low	High	Low	Close	Change	Total Sales		
0.325	0.16	M. S. E. Mining Share Average	126.49	116.01	120.10	Up 5.82	11,848,093	
0.0925	0.028	Acoje Mining Company	—	325	26	20	Off	02 455,600
0.39	0.21	Atok Big Wedge Mining Co.	—	085	07	07	Off	0175 205,000
0.14	0.08	Baguio Gold Mining Co.	—	25	23	24	—	348,000
2.80	2.09	Balacoc Mining Co.	—	1375	135	135	—	370,500
0.0036	0.002	Batong Buhay Gold Mines	2.60	2.30	2.30	Off	30 9,200	
5.30	4.10	Braque Consolidated	4.70	4.65	4.70	Off	0003 850,000	
0.10	0.026	Coco Grove, Inc.	—	0725	065	065	Off	015 195,000
0.029	0.011	Consolidated Mines	—	029	021	027	Up	0065 4,725,000
0.28	0.16	Hixar Gold Mining Co.	—	28	26	27	Up	015 474,000
0.17	0.075	Irogan Mining Company	—	165	155	155	Off	01 530,000
0.055	0.031	J. L. Mining Company	—	—	—	0525A	—	—
0.96	0.59	Lepanto Consolidated	—	96	86	90	Up	10 501,450
0.05	0.024	Mashate Consolidated	—	048	045	045	Off	002 290,000
0.43	0.295	Mindanao Mother Lode	—	33	31	31	Off	005 623,500
0.017	0.002	Moracina Chromite Inc.	—	005	002	005	Off	009 273,000
0.11	0.05	Palatine Gumsaus Com.	—	10	10	10	Off	01 131,000
120.00	50.00	Philippine Iron Mines, Inc.	120.00	100.00	120.00	Up	20.00 695	
0.315	0.17	Sa. Mauricio Mining Co.	—	28	24	27	Off	02 272,000
0.365	0.22	Sergio Consolidated	—	365	355	34A	Off	002 118,500
0.035	0.02	Suyoc Consolidated	—	027	027	027	Off	001 30,000
0.13	0.05	United Farm Mining Co.	—	125	11	11	Off	015 195,000
—	—	—	—	—	—	—	—	—

COMMERCIAL SHARES

1951 High	Range Low	High	Low	Close	Change	Total Sales		
143.00	105.00	Bank of the Phil. Islands	138.00	137.00	138.00	—	115	
100.00	75.00	Central Azucarera de Bais, Inc.	100.00	100.00	100.00	—	120	
171.00	152.00	Central Azucarera de la Carlota	165.00	164.00	164.00	—	94	
111.00	100.00	Central Azucarera de Tarlac	100.00	110.00	110.00	Off	1.00 45	
50.00	30.00	Central Azucarera de Manila Broadcasting Co.	50.00	46.00	50.00	Up	5.00 2,498	
320.00	320.00	Filipinas Cia. de Seguros	27.50	27.50	27.50	Up	.50 552	
27.50	27.00	Manila Wine Merchants, Inc.	—	30	30	33b	Up	.06 87,250
5.50	3.80	Marsman & Co., Inc., pref.	—	—	—	5.50A	—	
0.315	0.25	Mason Metal, Class "B"	—	—	—	25b	—	
0.12	0.085	Mayon Metal, Class "B"	—	.11	.11	.11	Off	.01 10,900
0.12	0.085	Mayon Metal 7% pref. Class "A"	—	.11	.11	.11	Off	.01 10,000
105.50	100.00	Meralco 6-1/2% Metropolitan Insurance Co.	—	—	—	100.00b	—	
23.00	20.00	Paudeco	23.00	23.00	23.00	Up	2.50 94	
27.50	27.50	Philippine Guaranty Co., Inc.	27.50	27.50	27.50	—	1,000	
0.0625	0.012	Philippine Oil Development Co., Inc.	0.625	03	055	Up	027 1,091,113	
1.46	1.30	Philippine Racing Club, Inc.	1.36	1.36	1.36	Off	.06 4,000	
40.00	26.50	San Miguel Brewery, 7% pref.	40.00	39.50	39.50	Off	50 20,928	
100.00	94.00	San Miguel Brewery, 8% pref.	95.00	95.00	95.00	—	2,374	
105.50	102.00	San Miguel Brewery, 8% pref.	104.50	104.00	104.50	Up	.50 75	
16.00	15.00	United Insurance & Indemnity Co., com.	15.00	15.00	15.00	—	100	
7.00	6.50	Williams Equipment Co., com.	—	—	—	8.00b	—	
—	—	—	—	—	—	—	—	

OVER-THE-COUNTER

Company	High	Low	Close	Total Sales
Cia. Gral. de Tabacos de Filipinas	₱1000.00	₱1000.00	₱1000.00	16
6% bonds	006	006	006	900,000
Eastern Development Co.	0075	0075	0075	100,000
East Mindanao Mining Company	6.50	6.50	6.50	1,000
Manila Tanning Co.	—	—	—	—
Manufactures Textiles Industrias de Filipinas, Inc.	10.00	10.00	10.00	2,800
Philippine-American Ind. Co.	165.00	165.00	165.00	18
Tayayan Gold, Class "A"	0006	0006	0006	88,000
United Philippine Artists	02	02	02	30,000
Victoria Milling Co., Inc.	175.00	175.00	175.00	28