

# The Business View

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

## The Government

From Official Sources

**O**CTOBER 3 — President Ramon Magsaysay makes an unannounced visit to the Manila Railroad Company offices and is given a short ride in a coach converted from third- to first-class, one of a number which have been thus converted at a cost of P14,000 each as against the cost of new coaches from Japan which would cost P100,000 each, as Col. Salvador Villa, General Manager of the Company, informs the President. The President instructs Colonel Villa to find means of lowering the first-class fare so that the more comfortable accommodations will be available to more people.

Oct. 4 — The President receives a group of 46 district foresters headed by Director of Forestry Felipe Amos and accompanied by Under-Secretary of Agriculture Jaime Ferrer and Brig. Gen. Florencio Selga, Chief of Constabulary, and tells them that in order to make more land available to the landless and to reduce the number of arrests for *kairiting* burning, the maps of the Bureau of Forestry should be revised as there are many areas classified as forest lands which are actually deforested and should be opened to settlement; he states he will recommend to Congress that the foresters' salaries be increased to the level of those of division superintendents of schools. After the meeting the President has lunch with leading lumbermen.

The President orders an investigation of the release of several thousand crates of onions from the Manila customs zone where the onions supposedly were impounded: later Executive Secretary Fred Ruiz Castro states that the seized goods should be released to importers only upon payment in cash of the appraised value of the onions plus the customs duties and taxes.

Oct. 5 — The President authorizes the release to the Government Service Insurance System of P4,752,000 for the payment of additional premiums for some 680 government employees.

The President also authorizes the Rehabilitation Finance Corporation to issue a loan of P500,000 to the Metropolitan Water District for the purpose of improving facilities to increase the water-pressure in Manila suburbs.

The President receives a report recommending the abolition of the National Rice and Corn Corporation (NARIC) and the immediate investigation and prosecution of all corporation and government officials involved in various allegedly anomalous transactions with this government agency during the past Administration: the report covers 110 pages and is the result of two months of work by a committee composed of Fortunato de Leon, Chairman, and Eugenio R. Reyes and Maj. Francisco M. Jimenez. Included among those recommended to be investigated are all members of the board of directors and executive officials during the Quirino Administration, three officials in the Department of Foreign Affairs, the Insurance Commissioner, NARIC auditors, past and present, and certain NARIC officials still in office, etc. According to the report, the NARIC was virtually bankrupt when the Magsaysay Administration took over, the net loss being P363,365. The report recommends "the creation of a new and independent establishment to carry on the Corporation's business of price stabilization and protection of consumers with an entirely new personnel and set-up." Attached to the report is the draft of a proposed bill creating a "Cereal Stabilization Committee."

The President receives a report from the special committee, headed by Commissioner Manuel P. Manahan, of the President's Complaints and Action Committee, that it had not found any evidence of illegal release of the impounded onions.

The Department of Foreign Affairs announces that it has received advice from the Indonesian Government that it has accepted in principle the proposed terms of agreement respecting illegal Indonesian entries into the Philippines; the proposal was to establish 3 classes: (1) those who entered the country before the war, (2) those who entered after the war and have been in the country not less than 5 years, and (3) those who have been here for less than 5 years; those in the first two groups would be given legal status as resident immigrants; the last group, said to number around 1,000, would be repatriated.

Oct. 6 — The President receives Acting Internal Revenue Collector J. Antonio Araneta and the division and assistant division chiefs of the Bureau of Internal Revenue, inaugurating a regular monthly *merienda* meeting, to discuss the progress of the tax-collecting activities of the Bureau; the President is informed that the Bureau has increased its specific tax collections (on alcohol, tobacco, narcotic drugs, and miscellaneous specific taxes) by over P26,000,000 over the past fiscal year,—P177,572,000 as against P151,438,000. The President inquires about the status of the Maria B. Castro ("Madame X") case and is informed that it is before the Court of Tax Appeals.

The President inducts into office the members of the newly created Asian Good Neighbor Relations Commission headed by Dr. Mariano V. de los Santos.

Oct. 8 — The Cabinet, at a meeting presided over by Vice-President Carlos P. Garcia in the absence of the President, approves a me-

morandum from the Department of Foreign Affairs which provides that in the trade with Hongkong only such goods will be permitted entry which are certified by the Hongkong authorities to be of genuine Hongkong origin; it is stated that there are strong indications that imports from Red China and North Korea are coming into the country via Hongkong, this constituting an indirect form of Philippine financial assistance to Communism.

The Cabinet approves the implementation of the P12,000,000 Agno river irrigation system in Pangasinan, tied up with the Ambuklao power development project of the National Power Corporation, Secretary of Public Works Orosa being authorized to request the release of P4,000,000 scheduled for expenditure during the first half of 1955, P3,000,000 for the second half, P2,000,000 for the first half of 1956, and P1,000,000 a semester in the three remaining semesters; the minimum flow of the project, it is estimated, will irrigate some 7,400 hectares.

The Cabinet approves the renewal of the contract between the Fertilizer Administration and the Luzon Stevedoring Company for the storage of fertilizer for another year,—1954; a total of 13,500 metric tons have been received in the contractor's warehouse, of which only 2,000 tons have been used, as removal to another warehouse would be costly.

The Cabinet also approves Philippine participation in the Bangkok meeting, October 25 to 30, of experts on financial aspects of economic development, tax structures, etc., and in the ECAFE meeting, also in Bangkok, November 1 to 6, of geologists working on the preparation of a geological map of Asia and the Far East.

The Cabinet disapproves a request of the Armed Forces for an annual \$200,000 allocation for the AFP exchange system in importing non-military commodities from abroad for sale to AFP personnel.

Oct. 9 — Following several weeks of controversy between Vice-President and Secretary of Foreign Affairs Garcia and a committee of the Council of Leaders headed by Senator Claro M. Recto with respect to the Japanese reparation negotiations, the President releases a letter, addressed to Felino Neri, as follows:

"I am pleased to inform you that to formalize your selection as Chief Negotiator for the Philippine Government on the reparations question, you are hereby designated, pursuant to the powers vested in me by law and in accordance with the recommendation of the Council of Leaders, Chairman of the Philippine panel to undertake said negotiations with the representatives of the Japanese Government, if and when they are resumed.

"For this purpose, you are also hereby invested with the rank of full ambassador. In this capacity, you shall consider yourself as directly responsible to the President. I urge you, however, to seek counsel and advice from time to time from the consultative committee of the Council of Leaders and the Department of Foreign Affairs, should such consultation be warranted, and [you] shall report to me on such matters as may require my attention.

"The restoration of normal relations with Japan being dependent on the satisfactory settlement of the reparations question, our position thereon, should it be decided to have the negotiations resumed, shall be based on the recent data made available to the Philippines, particularly the report of the Hernandez Survey Mission to Japan."

Oct. 13 — The President receives Charles Robert Burrows, new United States Minister to the Philippines, who has taken over the position of William S. B. Lacy; Mr. Burrows was accompanied by Ambassador Raymond A. Spruance.

The President at the weekly Cabinet meeting instructs Acting Governor Andres Castillo of the Central Bank to begin selling P12,000,000 worth of bonds to finance further work on the Ambuklao hydroelectric project. Approval is withheld on a request for P700,000 for the National Shipyards and Steel Corporation to finance further improvements in the shipyard pending further investigation. The President approves salary increases for Metropolitan Water District officials and employees retroactive to January 1, following the report of a special committee which he appointed after mediating a strike at the beginning of his term of office.

After the Cabinet meeting, the President and members of the Cabinet motor to Pier 7 to watch the unloading of 5,000 tons of rice imported from Thailand aboard the Danish ship, *Johannes Maersk*. Later they have luncheon on the ship, the President having boiled rice and corn (proportion of 2 to 1) brought over from the Malacañang kitchen for the guests to try. General Manager Juan O. Chioco, of the National Rice and Corn Corporation, informs the President that the first 10,000 tons of rice from Pakistan are expected to arrive in Manila before the end of the month.

The President makes an unannounced visit to the Bureau of Posts. Referring to recent mail thefts, the President addressing the employees, enjoins honesty and promises the release of P400,000 for the salaries of some 800 temporary employees needed to cope with the increasing volume of mail.

Alarmed by a number of serious traffic accidents, the President directs the Public Service Commission to enforce existing motor-vehicle laws rigidly.

The President receives a group of newspaper reporters assigned to the Senate "run" and several radio announcers who are leaving on a goodwill visit to Japan; they will be the guests of the Japanese Newspaper Publishers and Editors Association.

Oct. 14. — The President inducts the officers of the newly-formed Society of Public Administrators, composed of government officials, of which Faustino Sy-Changco is President.

The President receives the first group of graduates from a recently formed "Adult Education Class in Retail Merchandising" of the Philippine College of Commerce, advising them to form cooperatives to enable the Government to help them financially.

The President also receives Mr. and Mrs. Virgilio Hilario (the latter the former *Armi Kuusela*, "Miss Universe"), who are leaving for a visit to Finland and other countries including Canada and the United States, and asks them to act as ambassadors of goodwill to the countries they will visit.

Secretary of Agriculture and Natural Resources Salvador Araneta reports to the President on his Department's campaign to inform the farmers of the Administration's price-support program for rice to prevent them from selling their rice at less than ₱8.50 a cavan for *macan ordinario*, Manila price, minus cost of transportation; in no case will a farmer receive less than ₱7.00 a cavan. The Government has made ₱30,000,000 available for the price-support program.

Three members of the special House committee on Mindanao and Sulu, at a luncheon conference with the President (Domecao Alonto, Lanao; Ombra Amilbanga, Sulu; and Luminog Mangelen, Cotabato) in a preliminary report recommend that the Armed Forces be given opportunity to prosecute and complete the campaign against the outlaw *Kamlon* in Sulu; also the assignment of more Moro officers to Mindanao; the designation of additional judges to dispose of land and criminal cases, the step-up of the rural development and the food-production campaigns, and the encouragement of Moslem Filipinos to take up teaching; the group further proposed special legislation to add another congressional district each to the provinces of Lanao and Cotabato.

The President and acting Speaker Daniel Romualdez, who was present at the luncheon conference, agree to send a joint executive-congressional committee to various parts of the country to study the problems posed by the Minimum Wage Law.

Oct. 15 — The President receives Maj. Gen. James Gavin, G-3 (Operations) Chief, U. S. Army, at present on a tour of the Far East; the General was stationed at Camp Stotsenburg some 16 years ago; he is accompanied to Malacañang by Maj. Gen. Robert M. Cannon, Chief, JUSMAG.

The President receives Jose Aranas, head of the Bureau of Internal Revenue and National Bureau of Investigation group, who submitted the third list of tax re-assessments totaling some ₱2,191,000, the amounts found to be collectible from each party ranging from ₱74 to ₱1,192,600; the total amount found collectible by the group since its creation comes to over ₱7,000,000; Aranas explains that the larger number of these assessments have been arrived at by the so-called "application of funds" or "cash analysis" and the "net worth" methods of proving unreported taxable incomes.

Malacañang issues a press release stating that the Philippine delegation to the Colombo Plan Conference in Ottawa, Canada, has filed formal application for membership in the Colombo Plan organization.

"While the nature and extent of our ultimate participation will be subject to the customary processes of ratification under our laws, this preliminary action is another step toward the realization of the Administration's foreign policy objectives. By indicating our endorsement of the principles and aims of the Colombo Plan we are giving substance to our frequently expressed determination to seek every means of cooperation with our free neighbors in the effort to raise the living standards of the peoples of Asia. We are also by this means giving concrete expression to the spirit of the Manila Conference of 1954 and its resultant Pact in which the signatories pledged cooperation in advancing the economic development of the region and fostering the social and economic well-being of its peoples."

Malacañang, in a memorandum circular to all chiefs of government offices signed by Executive Secretary Castro, orders the elimination of all possible "red tape" in government processes and procedures by "(1) Fixing responsibility, (2) Delegating authority to subordinates, (3) Having final action taken at the lowest possible level in the organization, (4) Having complete staff work, (5) Improving coordination and cooperation between government agencies, and (6) Making certain that the processes and procedures by which agency functions are carried out are as simple and efficient as possible."

The President and Mrs. Magsaysay give a luncheon in honor of outgoing Ambassador and Madame Chen Chin-ping of Nationalist China who will leave Manila soon for Taipei for reassignment; the Ambassador has served in the Philippines for some eight years. The President states that "Ambassador Chen has not only succeeded in furthering friendly relations between his country and the Philippines but has also been very cooperative in the promotion of local civic and social projects,"—the President recalling that the Chinese community in the Philippines has contributed around ₱500,000 to the Peace and Amelioration Fund campaign through the Ambassador.

Oct. 18 — The President inducts Emilio Galang into office as acting Commissioner of Immigration.

The President authorizes the release of ₱4,000,000 to start the ₱12,000,000 Agno River irrigation project, a joint FOA-PHILCUSA undertaking, the FOA to make available some \$1,169,000 worth of materials and equipment as its initial contribution upon the release of the ₱4,000,000; the canal system will have a total length of 194 kilometers and will irrigate a 25,000 hectare area in eastern Pangasinan.

Malacañang releases the names of 115 additional candidates who were adjudged to have passed the examinations for certified public accountant given by the Board of Accountancy last December; a list of 85 successful candidates was issued last month; originally 100% of the candidates numbering over 1,000 were announced to have failed.

Oct. 19 — The President signs the documents pertaining to the ₱4,000,000 bond issue for the Agno River irrigation project released by the Central Bank and purchased by the Philippine National Bank; Secretary of Public Works Orosa states that the project will cost ₱12,000,000 plus ₱3,000,000 worth of equipment and materials to be supplied by the FOA, or a total of ₱15,000,000. He also signs the documents for another issue of ₱2,000,000, purchased by the Government Service Insurance System, for the expropriation of the 37-hectare Gonzalez Estate, Calocan, Rizal, for subdivision and re-sale to the tenants.

The President is informed by Judge Sixto de la Costa, acting Chairman of the Reconstruction Finance Corporation Board of Governors, that it has approved a resolution authorizing the grant of loans to home-steaders in amounts not to exceed ₱1,000 and to be used for capital expenditures and not operating expenses; the loans are to be issued at 4% interest and are repayable in 10 years on an equal annual amortization basis.

Julius S. Reese, Spanish-American war veteran and prominent businessman, President of the Manila Trading and Supply Company, dies in New York City, aged 78.

Oct. 20 — The President receives members of a special mission from Indo-China which arrived in Manila recently to observe conditions in the Philippines, particularly the cooperation of army and civilian authorities in social welfare work; included are representatives of Vietnam's ministries of Social Action and of Reconstruction.

The President takes the members of his Cabinet in two airplanes to the inauguration of a ₱100,000 42-inch irrigation pump at barrio Bucayao, Calapan, Oriental Mindoro, which will water some 1,200 hectares of riceland, and later holds his regular Cabinet meeting in barrio San Agustin, Naujan, same province, in a saw-mill shed; the meeting is attended by Governor Francisco Infantado who made use of the opportunity to call attention to the needs of his province,— survey of public lands to prevent the present rampant deforestation, the maintenance of the present Constabulary force which was to have been reduced, the assignment of more judges because of the increasing number of pending cases, certain barrio roads, additional Liberty wells, an administration building for the teachers at Naujan, additional rural health units; the President takes up most of these matters on the spot with the Department Secretaries concerned.

Turning to the regular agenda, the Cabinet approves a recommendation to appoint Felipe Cuaderno, now Director of Telecommunications, as acting Director of Posts, and to designate Jose Alfonso, Cuaderno's assistant, as acting Director of Telecommunications; approves the release of ₱500,000 from the Contingent Fund for letter carriers for the Bureau of Posts, including one for Naujan; approves a grant of ₱15,000 out of the Sweepstakes Funds for the Liberty Wells Association to finance a fund-raising campaign for an additional ₱500,000 in voluntary contributions on top of the ₱400,000 already collected; and approves payment of the claim of Florencio Reyes & Co., Inc. for 837 metric tons of paving asphalt delivered to the Bureau of Public Works at ₱56 a ton. Secretary of Public Works Orosa stating that the Department of Justice had advised that the Government should honor the contract made by the previous Administration, although the price has now gone down to ₱47 a ton.

Oct. 21 — The President issues a proclamation (No. 80) rendering effective the exemption of wheat flour imports from the 17% foreign exchange tax in consonance with the terms of Republic Act No. 1197 recently enacted. On the 3rd of last month, the President proclaimed a similar exemption on cattle, cocoa beans, remittances for payment of living expenses of students studying abroad not exceeding \$250 a month, dollar allocations for Moro pilgrims not exceeding \$300 a year, and remittances of American airlines to their head offices in the United States.

In a conference with Economic Coordinator Alfredo Montelibano the President authorizes the flotation of a ₱1,000,000 bond issue to finance the Government's acquisition of a 2,000-hectare estate in San Luis, Pampanga, for subdivision and sale to the tenants in connection with the EDCOR (Economic Development Corps) there.

The President receives Secretary of Labor Eleuterio Adevosos and Wenceslao Guzon, chairman of an investigating committee recently appointed, and receives a report on the "weeding out of undesirable elements in the Department of Labor"; seven officials have already been dismissed and a number have been suspended.

The President receives the leaders of a 3-week strike in the Benguet Consolidated mines at Masinloc, Zambales, and asks the men to go back to work as he knows that Judge John W. Haussermann, head of the Company, "has the welfare of the Filipinos at heart"; he states he will talk to Judge Haussermann about the reinstatement of 17 workers who were suspended for failure to report; the strikers agree to return to work.

The President receives Holland France, Commissioner of the Salvation Army, who informs him that the organization is planning on erecting some buildings for orphans and indigent mothers and children; he is accompanied by Lt. Col. George A. Arndt, divisional commander of the Salvation Army in the Philippines.

Mrs. Luz Banzon Magsaysay delivers a brief speech in the Malacañang Social Hall to launch the fund and gift drive for the 1954 Malacañang Christmas Festival for poor children. Donations registered in the form of cash, rice, milk, dress materials, soap, toys, candies, etc. amounted to some ₱70,000 worth at the close of the day.

Oct. 23 — The President declines the offer of Secretary of Agriculture and Natural Resources Salvador Araneta to resign; the resignation was prompted by a resolution passed by a group of labor leaders in the presence of Secretary of Labor Adevos, requesting the ouster of Araneta because of his criticism of the Minimum Wage Law as bringing about unemployment in the rural areas; in announcing the President's rejection of the resignation, Press Secretary J. V. Cruz states that the President "had always considered Araneta's expressed views on re-examination of the Minimum Wage Law as the latter's personal views advanced in a sincere and earnest effort to serve the national interest."

Oct. 24 — The President delivers a short address at the Manila Hotel at a public luncheon given in connection with the observation of United Nations Day. The President concludes his speech as follows:

"We are told that we have only two choices: co-existence with Communism or a war of mutual destruction. I disagree on two counts.

"The plea for co-existence should not be addressed to the free world. We have shown, and continue to show, that this is our normal way of life. Peaceful co-existence is what characterizes the friendly relationship between the many different political, cultural, and economic systems represented in the free world. It is the Communist world which has shown again and again its unwillingness to accept peaceful co-existence. Whenever Communists have extended their hands in friendship, behind their backs the other hand held a club and chains for the victim of their overtures. Only when they have demonstrated by deeds their permanent abandonment of such criminal intent can the free world afford to extend its hospitality and let down its guard.

"As for war being the only other alternative, I think we underestimate the moral strength of man's desire for peace as well as the practical common sense of the enemy. Communists are shrewd professional war-makers. They will not undertake an attack unless reasonably sure of success. Free world strength is much greater than their own, as they well know. Their appreciation of this fact is shown by their strategy of driving wedges between free world nations by every means from bribery to coercion. Let all the free nations stand in unity, firmly opposed to their methods, and the Communists will not dare risk defeat. Let that unity remain solid while the strength of the free world grows and Communism may yet abandon brigandage as unprofitable, turning to a society of laws for its own survival.

"That is the challenge that lies before the United Nations. Can narrow short range interests be put aside to meet a common threat, to back UN principles and ideals with unity and firm determination? If we yield to fear, we can hope only for the peace that goes with surrender. If we recognize and use our true strength, peace with freedom will be our reward."

Oct. 25 — The President confers with Secretary of Public Works Orosa, Under-Secretary Juan Paraiso, and Director of Public Works Isaias Fernando, urging them to speed up various road and bridge construction projects; he informs Secretary Orosa, who is concurrently General Manager of the People's Homesite and Housing Corporation, that he has approved a release of ₱6,000,000 from the Government Service Insurance System funds for the construction of low-cost housing in Tondo and Bago Bantay; he asks Col. Antonio Chanco, Chief of the Corps of Engineers, who is also present, how soon the prefabricated schoolhouses would be coming out of the Army plant in Palawan and other places, and Chanco informs him that his plants would soon begin delivering 200 one-room schoolhouses every month.

Oct. 26 — Malacañang announces the suspension of Col. Telesforo Tenorio as Manila Chief of Police and the designation of Col. Napoleon D. Valeriano, as Acting Chief; Tenorio's suspension is based on administrative charges by the Constabulary and on a complaint for qualified theft already docketed with the Manila Court of First Instance. (Both Tenorio and Eduardo Figueras, now in Madrid, are charged in connection with an attempt to cart away a trailer-load of cigarettes valued at ₱49,000, from the U. S. Military Port in Manila in 1950; two other men having already been convicted of complicity in the crime; Tenorio has pleaded "not guilty".)

The President authorizes the release of ₱500,000 for the importation of 1,000 heifers from India, Pakistan, Thailand, or Indonesia, following a conference with Director of Animal Husbandry, Manuel D. Sumulong; the animals will be distributed among farmers who will become their owners after turning over to the Government the first two calves.

The President issues an executive order creating the National Advisory Health Council, headed by the Secretary of Health as Chairman.

Oct. 27 — The President visits the offices of the Government Service Insurance System and is so impressed with the efficiency of the methods followed that at a Cabinet meeting, later, he announces that the GSIS General Manager, Gregorio Lecaros, will head a GSIS team to look into the operation of certain other government offices with a view to increasing their efficiency, mentioning particularly the National Treasury, the Bureau of Customs, and the Philippine General Hospital; the team's functions are to be limited to suggesting more efficient procedures and will not extend to re-organization recommendations which are under study by the Government Reorganization Commission.

Speaking on the controversy over the Minimum Wage Law, the President states at the Cabinet meeting that only the most compelling reasons related to the national interest would justify changes in the law, adding, however, that the Administration could not ignore the request for re-examination voiced by responsible government officials, and he cites the resolution to this effect adopted by the provincial governors and city mayors at their recent national convention, as well as similar proposals by members of Congress; he points out that Secretary Araneta, who is not present at the meeting but on an inspection of the Mountain Province, has not proposed an outright reduction of the minimum wage but a readjustment according to regional conditions. He states that he has agreed with Acting Speaker Daniel Romualdez to create a joint executive-congressional team to survey the country on the question.

The Cabinet recommends Dr. Florencio Quintos, head of the pediatrics department of the Philippine General Hospital, for Director,

the position recently having been separated from that of Dean of the College of Medicine of the University of the Philippines, Dr. Agerico Sison having been retained as Dean; the recommendation will be forwarded to the University Board of Trustees.

The Cabinet approves the floating of an additional ₱3,000,000 in bonds by the Central Bank to finance the Sta. Cruz River and Mabacan River irrigation projects in Laguna to irrigate some 7,200 hectares, and also approves an allotment of ₱200,000 for the Social Welfare Administration to pay for relief supplies purchased in Davao for shipment to Cotabato during the anti-rat campaign.

The President orders the impounding of 8,000 bags of onions imported by the National Onion Growers Cooperative Marketing Association upon receipt of reports that a majority of the Board of Directors of the organization are not bona fide onion growers. Administrator Osmundo Mondoñedo of the Agricultural Credit and Cooperative Financing Administration, later announces that he will petition the court for ordering a receivership for the NOGROCOMA on the same grounds for the protection of the interests of more than 200 members who are genuine onion growers. Stated that the NOGROCOMA already received a first shipment of onions worth around ₱350,000 from the sale of which the Cooperative realized some ₱320,000, and that the 8,000 bags constitute a second shipment. (Newspapers report that the onions are now rotting on the piers.)

The President receives officials of the Colgate-Palmolive Company, headed by W. L. Sims, the Company's International President, who inform him that the Company is going to enlarge its Philippine branch.

Oct. 28 — The President tells a special House committee composed of Moro representatives which is seeking to negotiate the surrender of the Sulu outlaw, Kamlon, to notify him "to put up a white flag and surrender unconditionally"; the President makes clear that there would be no preliminary talks with Kamlon. Army Chief of Staff Lt. Gen. Jesus Vargas, who is present, states that Kamlon will be given fairness and justice.

At a special meeting of the Cabinet, at which newsmen are permitted to be present, Col. Jacinto P. Gavino, a member of the Board of Directors of the National Rice and Corn Corporation, advocates improvement in the purchasing of the crop and in the milling and distribution of rice by establishing seven regional districts, and also recommends the importation of United States surplus rice under the U. S. Agricultural Trade Development and Assistance Act of 1954. The Cabinet is informed that steps have already been taken to import 50,000 tons of this rice. It is also informed that the President's recent order that municipal treasurers buy rice has already resulted in better prices for the growers.

The Cabinet approves the immediate release of ₱900,000 to the Bureau of Posts for payment to the Philippine Airlines. It also approves the release of ₱167,100 for the Bureau of Telecommunications for the employment of badly needed additional personnel.

The President receives a donation of some \$1,716 for the Liberty Wells Fund from Filipinos and Americans in Chicago and Los Angeles.

Oct. 29 — The President inducts Salvador Lluch into office as acting Governor of Lanao, vice Lt. Col. Jorge Sanchez who has been acting Military Governor. Lluch is a former member of Congress and was endorsed by the leaders of the Nacionalista, Democratic, and Liberal parties in Lanao.

The President launches the ₱200,000,000 5-year highway-improvement program at San Pedro Tunasan, Laguna, where ground is broken for a 4.27 kilometer concrete road joining Rizal to the Laguna Boundary Road; the road will cost ₱2,000,000 and will take about 360 days to finish. The President is informed by Secretary of Public Works Orosa that of the 14 projects planned by the Department, 11 have already been advertised and 8 bids have been awarded, as follows: (1) Rizal-Laguna boundary road, ₱2,130,000; (2) Del Pan bridge at mouth of Pasig, ₱5,000,000; (3) Agusan bridge, ₱4,000,000, including FOA assistance; (4) Cagayan Valley road portion from Plaridel to Baliuag, Bulacan, ₱2,000,000; (5) Chili junction road at Urbizondo, Pangasinan, ₱1,000,000; (6) Capas-Bamban road, Tarlac, ₱700,000; (7) Cebu South road, ₱1,000,000; and (8) Macolcol bridge at San Felipe, Zambales, ₱1,000,000. The first year ₱20,000,000 will be spent and the second year, ₱30,000,000.

The President authorizes the release of ₱4,000,000 for the operation of rural health units under Republic Act No. 1082; the units, composed of a physician, nurse, midwife, and sanitary inspector, will be brought up to a total of 1,300 distributed all over the country and each, in its own district, will proceed from barrio to barrio on a definite schedule; in some districts there will be only a physician or a nurse with a midwife or a sanitary inspector; the rural health units will operate directly under the Secretary of Health.

The President issues a directive to Manila Mayor Lacson instructing him to have the Manila police look into reports that NARIC retailers in the city are selling NARIC rice above the price set by the Government.

The President authorizes the release of ₱15,000 for the purchase of two turbine engines for the Iligan City waterworks.

The President acknowledges the receipt of the equivalent of 3 months salary from acting Collector of Internal Revenue J. Antonio Araneta who has pledged his entire salary to the Liberty Wells Fund.

Oct. 30 — The President personally releases 2,500 hectares of agricultural land in barrio Plaridel, Basud, Camarines Norte, to some 1,200 settlers who since the Liberation have been clearing the land, formerly forestry land which he had ordered reclassified and subdivided;

he is angered when told that certain persons, posing as government agents, have been collecting money from the settlers and he tells the people that they are getting the land free and that they should not pay anyone.

The President is honored with a parade and review at Fort William McKinley on the occasion of his granting medals to seven persons for outstanding services rendered the Government, including Under-Secretary of Foreign Affairs Raul Manglapus for outstanding service to the Allied cause during the entire period of the Japanese occupation, also Maj. Gen. Rafael Jalandoni, former Chief of Staff, and Brig. Gen. Florencio Selga.

## Banking and Finance

By M. D. ARNOLD

Sub-Manager

The National City Bank of New York

COMPARATIVE statement of condition of the Central Bank:

As of Dec. 31, 1949    As of Jul. 30, 1954    As of Aug. 31, 1954    As of Sept. 30, 1954  
(In thousands of pesos)

ASSETS	As of Dec. 31, 1949	As of Jul. 30, 1954	As of Aug. 31, 1954	As of Sept. 30, 1954
International Reserve.....	₱460,689	₱457,288	₱474,267	₱444,648
Contribution to the International Monetary Fund....	30,000	30,000	30,000	30,000
Account to Secure Coinage....	113,306	106,940	106,940	106,941
Loans and Advances.....	77,047	714	5,217	20,037
Trust Account-Securities Stabilization Fund.....	—	—	—	—
Domestic Securities.....	92,197	227,970	226,445	224,059
Other Assets.....	20,390	54,626	54,173	59,200
	₱793,629	₱877,538	₱897,042	₱884,285

LIABILITIES	As of Dec. 31, 1949	As of Jul. 30, 1954	As of Aug. 31, 1954	As of Sept. 30, 1954
Currency—Notes.....	₱555,576	₱584,708	₱599,715	₱601,737
Coins.....	74,384	84,802	84,928	84,993
Demand Deposits—Pesos....	117,682	154,484	157,339	138,684
Securities Stabilization Fund Due to International Bank for Reconstruction & Development.....	2,000	14,864	14,862	14,862
Due to International Monetary Fund.....	2,389	2,377	2,377	2,377
Other Liabilities.....	22,498	496	496	496
Deferred Credits.....	2,636	6,136	7,094	10,505
Capital.....	—	894	1,326	1,736
Undivided Profits.....	10,000	10,000	10,000	10,000
Surplus.....	6,464	5,505	5,637	5,627
	—	13,268	13,268	13,268
	₱793,629	₱877,538	₱897,042	₱884,285

### Contingent Account

Forward Exchange Sale..... ₱ 6,460    —    —    —

The International Reserves as of September 30, 1954, were as follows:

Central Bank International Reserves.....	\$222,024,146.73
Japan Open Account (due from).....	15,615,139.50
Net FX Holdings other Banks.....	67,976,057.69
	\$305,615,344.32

This is a decrease of approximately \$5,500,000 as compared to August 31, 1954.

Currency and coins issued totalled ₱686,729,619.58.

MONEY is getting increasingly tight in Manila and the provinces. A cross-section of business concerns interviewed report mounting overdue receivables. Collections are becoming increasingly difficult, and strenuous efforts are required to hold receivables in any reasonable ratio to sales. Reports from the provinces indicate a lack of credit facilities formerly granted by Chinese retailers, which situation is becoming a matter of more concern in those areas as no one has filled the credit gap left by such Chinese retailers.

Unemployment is also becoming a factor of deeper concern.

## Manila Stock Market

By J. J. ORTIGAS

Picornell, Ortigas & Co.

September 25 to October 22

THE strength of Consolidated Mines and Lepanto Consolidated provided the outstanding feature of the stock market.

After declining since our last review, due to labor trouble, Consolidated Mines stock recovered on news of settlement of the strike, while Lepanto Consolidated continues to advance to new highs, though the forward movement was halted due to some profit-taking. On the other hand, Acoje Mining Company and Philippine Iron Mines were under pressure, the latter on the confusing outlook surrounding Philippine trade relations with Japan.

In the gold mining issues, Mindanao Mother Lode and Surigao Consolidated were in better demand.

The price of gold in the local free market was approximately at ₱111.70 per fine ounce.

In the commercial and industrial section, Philippine Long Distance Telephone Company common was unchanged, while San Miguel Brewery closed firm. In the sugar group, Central Azucarera del Pilar and Central Azucarera de Tarlac made small advances.

1953-54 Range	High		Low		Close		Change	Total Sales
	High	Low	High	Low	High	Low		
107.42	82.78							
0.255	0.11							
0.0875	0.037							
0.0975	0.06							
0.0026	0.0011							
4.60	2.60							
0.031	0.015							
0.025	0.017							
0.305	0.115							
0.105	0.03							
0.54	0.325							
0.25	0.13							
0.1475	0.05							
2.29	1.40							
0.31	0.13							
0.27	0.17							
0.015	0.008							

### MINING SHARES

Company	High	Low	Close	Change	Total Sales
M. S. E. Mining Share Average.....	97.69	93.18	97.69	Up 2.95	21,894,611
Acoje Mining Co.....	.13	.11	.11	Off .0225	220,000
Atlas Cons. Mining & Dev. Corp.....	.0725	.07	.0725	Up .0025	786,750
Baguio Gold Mining Co.....	.075	.0725	.0725	—	50,000
Batong Buhay Gold Mining Co.....	.0012	.0012	.0012	Off .0003	140,000
Benguet Consolidated Mining Co.....	2.95	2.95	2.95	—	22,130
Coco Grove, Inc.....	.015	.015	.014a	Off .006	20,000
Consolidated Mines, Inc. xx.....	.025	.02	.025	Up .003	17,093,233
General Base Metals.....	—	—	.10a	—	—
Itogon Mining Co.....	.03	.03	.03	—	20,000
Lepanto Consolidated Mining Co.....	.54	.485	.52	Up .035	1,168,422
Marinduque Iron Mines.....	.14	.13	.13	Off .07	46,500
Mindanao Mother Lode Mines.....	.1125	.10	.11	Up .01	221,500
Philippine Iron Mines, Inc.....	1.60	1.40	1.54	Off .06	90,134
San Mauricio Mining Co.....	.14	.13	.14	—	40,100
Surigao Consolidated Mining Co.....	.19	.175	.19	Up .015	408,400
Suyoc Consolidated.....	.01	.008	.008	Off .007	199,500

xx—Stock Dividend 100%

### COMMERCIAL SHARES

Company	High	Low	Close	Change	Total Sales
Bank of the Philippine Islands.....	—	—	195.00b	—	—
Bogo-Medellin Milling.....	14.00	14.00	14.00	—	100
Central Azucarera de Bati.....	70.00	70.00	70.00	Off 2.00	27
Central Azucarera del Pilar.....	95.00	95.00	95.00	Up 5.00	100
Central Azucarera de Tarlac.....	40.00	40.00	40.00	Up 1.00	30
China Banking Corporation.....	—	—	350.00b	—	—
Cia. de Celulosa de Filipinas.....	12.75	12.75	12.75	Up .75	1,280
Filipinas Cia. de Seguros.....	—	—	22.00b	—	—
Indust. Textiles Mfg. Co. P. I.....	2.60	2.50	2.50	—	1,200
Insular Life Assurance Co.....	—	—	7.50b	—	—
Manila Broadcasting Co.....	—	—	.37b	—	—
Manila Wine Merchants.....	3.50	3.50	3.50	Off .10	500
Marsman & Co., pref.....	—	—	.30a	—	—
Mayon Metal, Class "B".....	—	—	.05b	—	—
Meralco 6-1/2%.....	101.00	101.00	101.00	Off 2.00	T 340
Pasudeco.....	34.00	20.50	26.50b	—	—
Philippine Air Lines, Inc.....	—	—	10.00a	—	—
PLDT Co., com.....	17.00	16.25	16.50	—	12,347
Philippine Oil Dev. Co., Inc. xxx.....	.033	.03	.03	Off .003	1,335,000
Philippine Racing Club, Inc.....	1.00	1.00	1.00	—	1,000
R&D Bonds, 4%.....	100.00	99.50	100.00	—	T 500