

Unlisted commercial stock traded during the month included: 12 shares Atlantic Gulf and Pacific Co. at P350; 38 shares Batangas Transportation Co. at P220; 260 shares Jai Alai Corporation at P17 and P16, closing at P16; 1,000 shares Manila Jockey Club at P2.05; 200 shares Philippine American Drug Co. (Botica Boie) at P133; 50 shares Philippine Trust Co. at P70; and 505 shares Victorias Milling Co. at P135 dividend.

## Credit

By W. J. NICHOLS

Treasurer, General Electric (P.I.) Inc.

**L**AST month we commented on the unnecessary use of collectors for picking up checks that could easily be sent through the mails. We have been discussing the matter with several of our associates in other businesses, and everyone seems to be in agreement that the whole system of presenting bills for payment and effecting collections in the Philippines is outmoded and should be modernized.

The present system, aside from being inefficient and expensive, is wide open to abuses. It is frequently used as a device for delaying payment as long as possible. Collectors are often required to make several calls at one location before finally obtaining settlement of an account. The usual excuse is that the invoices are being checked or the cashier is out at the moment.

Some business firms, for reasons best known to themselves, prefer not to maintain bank accounts but to make all payments in cash. However we see no reason why such establishments should not be required to deliver payments when they become due rather than to wait until a collector calls.

We believe there are several steps which might be effective in reducing the necessity for collectors. A great deal would be accomplished if each manager reviewed the routines in effect in his own office to determine whether the methods of auditing and paying invoices are efficient. The granting of discounts for payments made before due dates, is another device which might be helpful. This practice is rather widespread in the United States but is used relatively little in the Philippines. The sending of notices to customers and vendors to the effect that all payments are to be made by mail, should also serve to reduce the need for collectors.

The Association of Credit Men, Inc. (P.I.) has recently recognized the need to revamp our old-fashioned collection methods and it is hoped that in the near future a campaign will be undertaken to solve the problem.

## Insurance

### OPEN LETTER to

Members of the Senate and Congress,  
The Mayor and People of Manila

Dear Sirs:—During this year several bills have been submitted to Congress affecting insurance companies—some were very rightly disregarded, but the arguments against others were not so obvious and therefore received consideration. However, the fact that such bills were drafted points to a lack of understanding of the principles of insurance, and therefore companies transacting this class of business feel

that these principles should be presented to the public to prevent legislation which would ultimately react to their detriment.

The whole function of insurance is to "distribute the losses of a few over many," and for this purpose the companies act as trustees for their policy holders. It follows therefore that any legislation which is discriminatory against insurance companies, reacts on the policy holders, and therefore in voicing our protest, we are endeavoring to protect the interest of the insuring public.

The matter of immediate interest is House Bill No. 1350, which was passed by Congress and became Republic Act No. 280, without any opportunity being given for insurance companies or the insuring public to present their case. By this Act the Municipal Board of Manila is empowered to pass an ordinance whereby fire insurance companies will pay to the City a tax of  $\frac{1}{2}\%$  on premiums derived from policies issued on properties situated in Manila, for the purpose of providing equipment and upkeep of the Manila Fire Department: it will be seen therefore that it is suggested that the "protection of the many should be paid for by the few" whereas in actual fact the uninsured are more interested in fire protection.

The proposed ordinance has received consideration and has been approved in principle by the Municipal Board, but we trust that we will be given a hearing before the ordinance is passed. For this purpose the following Memorandum of Protest has been drafted:—

(1) The Manila City Fire Department operates for the benefit of all residents in Manila, and therefore the entire upkeep of this Department should be borne through taxation by the whole community. There is no justification for the view that part of the cost of the Fire Department service should be met by a contribution from the insurance companies.

(2) The cost of such a contribution, as proposed in the Act, would necessarily fall on the insuring public and would then lead to a position whereby a service which is available to all is subsidised by one section of the community which is prudent enough to insure, and not by the other and less prudent section which does not insure—a position which is clearly indefensible.

(3) Insurance companies are at present paying a Premium Tax of  $1\%$  to  $3\%$ . A Stamp Tax of  $1\frac{1}{2}\%$ , paid by the insured, is also levied on all policies of insurance. In effect therefore the present proposed tax of  $\frac{1}{2}\%$  would result in an addition to direct taxes already borne by the insuring public and insurance companies. We respectfully submit that in our opinion the present taxes should be more than sufficient to provide funds for the equipment and upkeep of the Manila Fire Department.

(4) We submit that were this ordinance to be enforced it would be discriminatory against fire insurance companies, in corroboration of which argument we quote the following extract from a report by a Royal Commission on Fire Brigades:—

"So far as any question of principle is concerned there appears to be no more reason for the Fire Department of an Insurance company to subsidize Fire Brigades than for the Marine Department of subsidize light houses or the Burglary Department to subsidize the police."

To illustrate the injustice which such a tax would have on the insuring public we quote the following figures from the Manila Fire Department's latest report:—

	FIRE LOSSES ON AUTO-TRUCKS, BUILDINGS, AND CONTENTS			
	Auto-Trucks	Buildings	Contents	Total
1. Value of Property Involved ...	P373,150.00	P14,172,078.00	P18,449,791.79	P22,994,931.79
2. Value of Insurance thereon ...	111,000.00	5,511,260.00	4,715,500.00	10,338,860.00

from which it is reasonable to assume that approximately one-third of the property in Manila is insured, and yet it is suggested that prudent owners thereof

should pay for fire protection for those less prudent who own the remaining two-thirds.

We trust that in view of the thoughts presented in the above paragraphs, that the Municipal Board will give consideration thereto.

*Manila Fire Insurance Association*

Manila, November 26, 1948

REAL ESTATE SALES IN MANILA, 1940-1948

Prepared by the Bureau of the Census and Statistics

Note: A large percentage of 1945 sales and a diminishing percentage of 1946 sales, represent Japanese Occupation transactions not recorded until after liberation.

	1940	1941	1945	1946	1947	1948
January . . .	P 6,004,145	P 962,970	P 7,943,605	P 4,385,011	P 6,030,012	P 3,644,734
February . . .	918,873	779,783	1,337,830	2,267,151	7,217,317	3,879,633
March . . .	1,415,246	1,532,104	(?)	2,622,190	7,166,866	4,243,719
April . . .	883,207	988,380	213,262	1,916,293	8,611,076	5,021,093
May . . .	403,866	1,129,736	962,008	3,684,937	4,618,181	3,129,799
June . . .	542,187	598,431	1,212,780	3,637,956	3,988,560	8,019,246
July . . .	1,324,861	559,742	1,123,565	4,974,862	4,097,183	5,146,529
August . . .	1,905,828	1,239,414	699,740	4,438,510	5,627,572	6,192,786
September . . .	1,141,114	815,112	1,870,670	4,698,896	7,437,213	4,737,581
October . . .	993,103	1,182,678	2,096,893	5,545,800	6,083,486	11,477,138
November . . .	938,416	858,235	2,555,472	3,340,384	4,177,054	
December . . .	1,504,004	(?)	2,874,408	4,025,826	3,205,584	
<b>TOTAL . . .</b>	<b>P17,974,844</b>	<b>P10,647,285</b>	<b>P22,890,133</b>	<b>P45,537,914</b>	<b>P68,260,104</b>	<b>P55,492,348</b>

Real Estate

By C. M. HOSKINS  
C. M. Hoskins & Co., Inc.

THE Manila real estate market for November has continued firm. Preliminary figures show total sales for P5,386,248, which is about P600,000 over the October figure, but under the previous nine months average.

Prices continue unchanged at substantially higher than pre-war figures. Buyer demand is active, while sellers who have been holding out for excessive prices are beginning to make listings at figures approximating the market values.

Assessed values are undergoing revision throughout Manila, at substantially higher figures but generally far below market values, so that appeals are expected to be few in number.

Commercial rental rates have eased slightly, which is attributed in part to the mortality among unsuccessful post-war commercial concerns, and in part to the suspension of business expansion plans in the face of the proposed import control regulations.

Mortgage money continues less abundant, especially for large amounts. Private capitalists are now entering the mortgage market for 10% mortgages. Institutional mortgages, while funds were available, were generally placed at 6% and 7%.

Electric Power Production

Manila Electric Company System

By J. F. COTTON  
Treasurer, Manila Electric Company

1941 Average — 15,316,000 KWH

	1948	1947
January . . . . .	27,301,000	17,543,000 K
February . . . . .	26,021,000	17,603,000 I
March . . . . .	26,951,000	20,140,000 L
April . . . . .	26,871,000	19,601,000 O
May . . . . .	28,294,000	19,241,000 W
June . . . . .	29,216,000	17,898,000 A
July . . . . .	31,143,000	22,593,000 T
August . . . . .	31,993,000	23,358,000 T
September . . . . .	32,012,000	23,122,000 H
October . . . . .	33,943,000 *	24,755,000 U
November . . . . .	32,412,000 **	24,602,000 O
December . . . . .		25,725,000 R
<b>Total . . . . .</b>		<b>255,981,000 S</b>

\* Revised  
\*\* Partially estimated

Output decreased slightly in November largely because of the shorter month. The increase over November, 1947, was 7,910,000 KWH or 32.3%.

BUILDING CONSTRUCTION IN MANILA: 1936 TO 1948

Compiled by the Bureau of the Census and Statistics from data supplied by the City Engineer's Office.

MONTH	1936 (Value)	1937 (Value)	1938 (Value)	1939 (Value)	1940 (Value)	1941 (Value)	1945 (Value)	1946 (Value)	1947 (Value)	1948 (Value)
January . . .	P 540,030	P 426,230	P 694,180	P 463,430	P1,124,550	P 891,140	P —	P 1,662,245	P 3,645,970	P 6,571,660
February . . .	720,110	479,810	434,930	1,063,050	1,025,920	467,790	—	2,509,170	3,270,150	6,827,005
March . . .	411,680	396,890	1,300,650	662,840	671,120	641,040	—	3,040,010	3,398,910	7,498,560
April . . .	735,220	659,680	770,130	1,029,310	962,420	408,640	462,020	3,125,180	8,295,640	7,370,292
May . . .	400,220	670,360	1,063,570	1,139,560	740,510	335,210	1,496,700	3,968,460	5,564,870	8,570,410
June . . .	827,130	459,360	754,180	809,670	542,730	418,700	2,444,070	3,904,450	5,898,580	10,217,840
July . . .	302,340	691,190	756,810	495,910	357,680	609,920	1,741,320	3,062,640	9,875,435	7,771,487
August . . .	368,260	827,660	627,790	622,050	661,860	306,680	1,418,360	4,889,640	7,428,260	7,568,950
September . . .	393,100	777,690	684,590	554,570	590,380	530,830	1,015,250	7,326,570	7,770,310	7,095,860
October . . .	663,120	871,780	718,190	645,310	738,700	699,040	639,030	4,630,550	6,747,240	5,368,800
November . . .	460,720	320,890	972,310	461,580	485,100	315,930	1,364,310	4,373,390	7,088,283	
December . . .	648,820	849,160	503,230	1,105,910	333,490	67,553	1,605090	5,034,600	4,924,320	
<b>TOTAL . . .</b>	<b>P6,170,750</b>	<b>P7,530,690</b>	<b>P9,280,560</b>	<b>P9,053,250</b>	<b>P8,234,460</b>	<b>P5,682,273</b>	<b>P12,186,150</b>	<b>P47,526,905</b>	<b>P73,907,248</b>	<b>74,860,864</b>
<b>Annual Average</b>	<b>514,229</b>	<b>627,557</b>	<b>773,380</b>	<b>754,438</b>	<b>680,205</b>	<b>474,356</b>	<b>1,015,513</b>	<b>3,960,575</b>	<b>6,158,937</b>	