

The President, upon receiving a complaint from the Filipino Flour Importers Association, inquires from Central Bank Governor Cuaderno why the Monetary Board has ordered the "de-control" of the importation of wheat flour.

Jan. 11—The President instructs General Vargas to take a census of Moro "kumpits", some of these vessels, equipped with 60 h.p. outboard motors being used for raiding attacks and able to outrun naval patrol boats, with a view to the possibility of government prohibition of such equipment; recent piratical raids have been reported on Basilan City, Dumalom, Bukidnon, and Kabasalan, Zamboanga del Norte.

Jan. 12—President Magsaysay having left Malacañang to work on his state-of-the-nation address, Vice-President Carlos P. Garcia presides over a meeting of the Cabinet at which Secretary of Finance Hernandez explains that the Monetary Board decided on the "de-control" of wheat flour importation as the price has now reached a stable level and that the action does not mean an unlimited allocation of dollars for the importation of flour as the total can not be more than the value of 7,500,000 bags which is the Philippine quota under the International Wheat Agreement.

Jan. 13—President Magsaysay certifies to the Court of Industrial Relations the labor dispute between the Philippine Marine Officers Guild on the one hand and the Compañia Maritima, Madrigal Shipping Company, and Philippine Steam Navigation Company on the other, pursuant to Section 10 of Republic Act No. 875, known as the "Magna Carta of Labor"; a strike was declared last July and is still unsettled; the action was taken with the concurrence of the Cabinet, but Secretary of Labor Eleuterio Adevosos opposed it because, as he stated, it is necessary to encourage collective bargaining as distinguished from compulsory arbitration as practiced in the past; other department heads favored certification as the strike had "already broken into violence."

The President endorses to Secretary of Justice Tuason for study and review the report of the special presidential committee headed by Dr. Gaudencio Garcia (Judge Jesus Paredes, Sr. and Assistant Solicitor-General Ramon Avanceña, members) which recommended the "separation from office" of three members of the Manila Municipal Council,—Board President Francis Yuseco and Councillors Justo Ibay and Ruperto Cristobal, accused of having accepted a total of ₱5,000 from the Lirio Terminal Market Association; the committee also recommended consideration of the possible prosecution of the officials of the Association for corruption of public officials.

Jan. 19—The President receives Paul R. Parrette, head of the Philippine Manufacturing Company, who calls to discuss plans of his Company for putting up a palm-oil mill at the site of the projected National Resettlement and Rehabilitation Administration settlement near the Davao Penal Colony; the mill will produce hydrogenated oil, now being imported from abroad, used in the manufacture of soap and lard. Economic Administrator Montelibano, who accompanied Mr. Parrette, informs the President that the NARRA plans to open a palm plantation in the area in connection with the mill and to give released prisoners from the Penal Colony preference as settlers and workers on the plantation.

Jan. 20—President Magsaysay organizes an Economic Planning Board to advise him on governmental economic and financial policies composed of eight men with Central Bank Governor Cuaderno as Chairman and Secretary of Finance Hernandez, Malacañang Adviser Filemon C. Rodriguez, Dean Hermenegildo B. Reyes, Hans Menzi, and Teodoro F. Valencia as members; two others, a senator and a representative, will be appointed after consultation with the Council of Leaders. Terms of reference set for the Board include consideration of the impact on the economy of the contemplated revised United States-Philippine Trade Agreement with recommendations with respect to the activities of various government agencies and development-project priorities; recommendations with respect to revision of the tariff structure; submission of drafts of legislation necessary to implement the contemplated new trade relations with the United States; and recommendations with respect to measures necessary to encourage domestic and foreign private capital investment.

Jan. 22—Senator Jose P. Laurel returns from the United States and is conducted by the reception committee headed by Vice-President Garcia to the Luneta grandstand where he asks the people to wait as he wishes to go to Malacañang to invite President Magsaysay to be present; the President cordially receives him and accompanies the Senator back to the Luneta, where he pays him and the other members of the non-partisan Philippine Mission high tribute and congratulates them on their work; the Senator himself addresses the crowd both in English and Tagalog in explaining the achievements of his mission; at the close, the President conducts Senator Laurel to his home on Pefiafrancia Street and then returns to Malacañang.

Senator Laurel releases the following press statement:

"I am happy to return to the native land after a relatively brief sojourn in the United States as head of the Philippine Economic Mission. The mission chairmanship afforded me an opportunity once again to serve our people. The new Agreement is the result of arduous labors of the Filipino and American panels during 3 months of continuous negotiations. By this new Agreement we have secured appreciable advantages in the political and economic fields, besides in-

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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 Oct. 29, 1954	As of Nov. 29, 1954	As of Dec. 29, 1954
(In thousands of pesos)				
ASSETS				
International Reserve...	₱460,689	₱428,816	₱406,474	₱375,259
Contribution to the International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	113,306	106,940	106,940	106,940
Loans and Advances.....	77,047	37,388	49,708	62,547
Trust Account-Securities Stabilization Fund....	—	—	—	—
Domestic Securities.....	92,197	225,572	226,095	261,102
Other Assets.....	20,390	61,068	59,703	63,858
	₱793,629	₱889,784	₱878,920	₱895,706
LIABILITIES				
Currency-Notes.....	₱555,576	₱604,784	₱608,150	₱629,219
Coins.....	74,384	85,110	85,297	85,176
Demand Deposits-Pesos.....	117,682	138,702	121,272	135,903
Securities Stabilization Fund.....	2,000	14,860	14,902	4,985
Due to International Monetary Fund.....	22,498	496	496	496
Due to International Bank for Reconstruction & Development..	2,389	2,377	2,376	2,376
Other Liabilities.....	2,636	12,265	14,745	9,210
Deferred Credits.....	—	2,138	2,486	402
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	5,784	5,928	8,671
Surplus.....	—	13,268	13,268	13,268
	₱793,629	₱889,784	₱878,920	₱899,706

Contingent Account

Forward Exchange Sale. ₱ 6,460

The International Reserves as of December 31, 1954, were as follows:

Central Bank International Reserves.....	\$187,629,247.73
Japan Open Account (due from).....	19,697,727.63
Net FX Holdings other Banks.....	65,203,616.08
	\$272,530,691.44

This is a decrease of approximately \$10,500,000 as compared to November 30, 1954. It is pertinent to note that the amount due from Japan under the Philippine-Japanese Trade Agreement is now up to almost \$20,000,000, whereas the trade agreement terms stipulate a swing balance of \$2,500,000.

Currency and coins issued totalled ₱714,395,456.32.

Money remains fairly tight in the banks and in the market. Strenuous efforts have to be made to keep receivables somewhere near current.

Unemployment is of increasing concern.

All commercial banks operating in the Philippines

Consolidated Balance Sheet

(As of December 31, 1954)

(In millions of pesos)

Resources	
Loans and discounts.....	₱ 409.08
Overdrafts.....	253.23
Stocks, bonds, and other securities.....	116.10
Due from Banks, H.O., branches, and agencies.....	108.48
Due from Central Bank of the Philippines.....	118.64
Customers' liabilities, acceptances L.C.....	147.34
Other resources.....	123.74
	₱ 1,276.61

Liabilities	
Deposits subject to checks	254.72
Savings and time deposits	405.21
Deposits of public funds	246.37
Capital, reserves, surplus and undivided profits	121.70
Other liabilities	208.61
Total liabilities	P 1,276.61

Contingent Liabilities	
Unused commercial L/C	P 239.74
Bills received for collection	19.16
Bills sent for collection	4.14
Securities held for safekeeping	26.98
Trust department accounts	98.49
Other contingent accounts	27.04
Total contingent liabilities	P 415.55

Data taken from published figures
Not included: Monte de Piedad & Savings Bank
Republic Savings Bank

These figures include the assets and liabilities of the Philippine operations of foreign banks maintaining branches in the Philippines, but they do not take into account the vast resources of their head offices.

Editor's Note: The interested reader may wish to analyze the figures given above in order to compute the amount available in the Philippine banking system to finance the country's industrialization program. To accomplish such an analysis, the following factors must be given due weight:

1. Banks are required to maintain at all times a reserve of 18% against demand deposits and 5% against fixed and savings deposits.
2. Present regulations stipulate that the banks must also maintain a reserve of 50% against all letters of credit outstanding. This reserve figure, for purposes of analysis, is complicated by allowing banks to net the amount of export overdrafts outstanding against letters of credit outstanding with the reserve computed on the balance remaining. This imponderable may be resolved to a degree by using an arbitrary reserve figure of 25% which, we are frank to admit, is a guess.
3. With certain well defined exceptions, no bank in the Philippines may lend to any one borrower an amount exceeding 15% of its "unimpaired capital and surplus".

Manila Stock Market

By J. J. ORTIGAS
Picornell, Ortigas & Co.

December 27, 1954, to January 21, 1955

THE stock market, after the year-end rally, eased off on profit-taking, closing at 129.38, off 4.39 points. However, selling was not forceful and during the last few days has almost dried up.

Among the individual issues, Acoje and Philippine Iron Mines ruled easier, in particular the latter following the announcement of new stock issues, amounting to 600,000 shares, offered to stockholders at the rate of 1 share for every 10 shares held at the price of P3 per share. Surigao and Benguet went against the trend of the market, closing firmer.

The price of gold in the free market has ruled steady, closing at P109.70 per fine ounce nominal.

In the commercial and industrial section of the market, San Miguel Brewery common was off P.50. In the sugar group, Carolotas were in better demand, while Victorias, which is traded over the counter, advanced to close at par 100, up P5. Philippine Long Distance Telephone Company common was easier in very restricted trading, as were fixed-interest securities which closed lower.

MINING SHARES

1954-55 Range	High	Low	High	Low	Close	Change	Total Sales
136.60 84.42							
	M. S. E. Mining Share		136.60	129.38	129.38	Off 4.39	21,288,994
0.245 0.11	Average		.145	.12	.12	Off .04	381,000
0.0975 0.0575	Acoje Mining Co.						
	Atlas Cons. Ming. & Dev. Corp.		.095	.09	.095		2,817,893

1.20 0.85	Atok Big Wedge	1.00	1.00	1.00	Up .13	1,200
0.0975 0.06	Baguio Gold Mining Co. x					
0.90 0.60	Balabac Mining Co.	.075	.06	.065b	Off .015	125,000
0.0024 0.0011	Batang Bay Gold	.85	.85	.85	Off .05	6,500
3.75 2.60	Benguet Cons.			.0313b		
0.034 0.0195	Consolidated Mines	3.75	3.20	3.40	Up .05	17,000
0.15 0.04	General Base Metals	.034	.029	.031	Off .001	9,463,080
0.15 0.09	Hixbar Gold Mining Co.	.038	.038	.038	Off .002	15,000
0.055 0.025	Itegon Mining Co.	.15	.12	.12	Off .03	40,000
0.70 0.355	Lepanto Cons.	.033	.03	.033	Up .003	70,000
0.21 0.125	Marinduque Iron Mines xx	.68	.66	.66	Off .02	388,000
0.16 0.055	Mindanao Mother Lode	.21	.20	.20		187,000
0.23 0.085	Paracale Gumaus Cons.	.16	.155	.15a	Off .005	27,000
4.05 1.40	Philippine Iron Mines, Inc. x			.30a		
0.16 0.13	San Mauricio Mining Co.	3.75	3.35	3.35	Off .10	108,405
0.265 0.175	Surigao Cons.	.14	.14	.14		41,000
0.015 0.008	Suyoc Cons.	.265	.24	.26a	Up .02	975,000
	United Paracale Mining	.015	.013	.015	Up .005	300,000
	x—Ex-Dividend			.02b		
	xx—Ex-Stock Dividend					

COMMERCIAL SHARES

210.00 173.00	Bank of the Philippine Islands	210.00	210.00	210.00	Up 10.00	58
15.00 14.00	Bogo-Medellin Milling			13.50b		
70.00 58.00	Cent. Azu. de Bais	70.00	68.00	70.00		208
15.00 11.00	Cent. Azu. de la Carlota				Up 3.00	5,380
10.50 9.00	Cent. Azu. de Pilar	15.00	13.00	15.00		2,640
45.00 32.00	Cent. Azu. de Tarlac	9.50	9.50	9.50		
370.00 360.00	China Banking Corp.			36.00b		
12.75 10.50	Cia. de Celulosa de Filipinas				Off .50	2,435
23.00 22.50	Filipinas Cia. de Seguros x			22.00b		
7.50 7.50	Insular Life Ass. Co.			9.00b		
0.44 0.40	Manila Broadcasting Co.	.44	.39	.44	Up .04	43,425
0.06 0.06	Marsman & Co., pref.			.30a		
	Mayon Metal, class "B"			.06a		
104.00 101.00	Meralco 6-1/2%			102.00b		
153.00 153.00	Metropolitan Inc. Co. x			150.00b		
10.00 5.00	Philippine Air Lines, Inc.			9.50a		
	Philippine Guaranty Co., Inc. x			22.50b		
17.25 11.50	Philippine Long Dist. Tel. Co., com.	16.00	16.00	16.00	Off .50	1,450
0.047 0.017	Philippine Oil Dev. Co., Inc.	.043	.038	.04	Off .003	6,252,500
1.00 0.86	Philippine Racing Club, Inc.			1.04a		
100.00 99.50	R & D 4% Bonds, 1959	100.00	100.00	100.00		T 30
35.50 31.50	San Miguel Brewery, com. x	32.00	31.50	32.00	Off .50	16,880
103.00 93.00	San Miguel Brewery, 7% pref. x	98.00	96.00	97.00	Off 1.50	910
107.00 102.00	San Miguel Brewery, 8% pref. x	102.00	102.00	103.00b	Off 1.50	80
14.00 13.00	Univ. Ins. & Indemnity			13.00b		
	Williams Equipment, com.			10.00b		
	x—Ex-Dividend					
	T—Bond sales reported in units of P100.					

OVER-THE-COUNTER

Company	High	Low	Close	Total Sales
Manila Jockey Club	P 1.80	P 1.80	P 1.80	800
Philippine Long Dist. Tel Co., 6% Bonds (1966)	100.00	100.00	100.00	P10,000
Victorias Milling Co., Inc.	P100.00	P 95.00	P100.00	5,231

Credit

By DUNCAN BURN

Manager, Eastern Inspection Bureau and
Manager, Association of Credit Men, Inc. (P.I.)

THE figures given last month from a preliminary survey on credits and collections proved to be fair indications of the final survey results. On January 13, 1955, results of a consolidation of information submitted by 33 members of the Association of Credit Men, Inc. (P.I.) were passed on to members. Twenty-one members reported no change in the credit and collection situation at year-end 1954 as compared with September, 1954. Seven members reported the collection situation tighter, while five members reported a somewhat easier situation. Most of those reporting changes suggested that they were very slight. The general opinion of credit executives was that the situation would have been worse at year-end had not more diligent and thoughtful and severe steps been taken to effect collections. Some sent collection