

The Business View

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

The Government

From Official Sources

OCTOBER 1—President Elpidio Quirino disembarks at Cadiz, Spain, receiving a warm welcome, and proceeds to Seville.

Oct. 2—The President reaches Madrid, where Generalissimo Francisco Franco receives him in elaborate public ceremonies.

Secretary of Foreign Affairs Carlos P. Romulo, Ambassador Joaquin M. Elizalde, Central Bank Governor Miguel Cuaderno, and Flacido L. Mapa, Manager of the Rehabilitation Finance Corporation, arrive in Manila from the United States.

Oct. 3—The Cabinet lays down the policy that no nationals of any foreign country which does not admit Filipino citizens as permanent residents will be admitted as permanent residents here; the decision was prompted by a memorandum from the Department of Foreign Affairs stating that the Canadian Government permits the entry of Filipinos into Canada for only temporary stay.

Oct. 6—An agreement is signed in Madrid permitting the Philippine Air Lines to operate a service between London and Madrid and Madrid and Rome for the next 5 years. A postal convention is also signed.

Executive Secretary Marciano Roque, for the President, orders the repeal of a Lucban, Quezon province, municipal order which required coconut plantation owners to secure a written permit from the Chief of Police prior to gathering coconuts, as "oppressive and unreasonable"; the repeal order followed representations made by the Red V Coconut Products, Ltd.

Oct. 8—After conferring on Generalissimo Franco the rank of Commander-in-Chief of the Philippine Legion of Honor, President Quirino leaves Madrid by the plane *Bataan* and two hours later arrives in Rome where he is received by a large group led by Italian President Luigi and his wife.

Oct. 9—President Quirino and his party are received in audience by Pope Pius XII at Castle Gandolfo.

The Cabinet unanimously approves the action of Secretary of National Defense Ramon Magsaysay in supplying armed escort to both Nacionalista and Liberal party candidates whose lives have been threatened. The Cabinet, on recommendation of Vice-President Fernando Lopez, also approves the formation of an ad interim committee "to study ways and means of regulating and controlling freight rates on outgoing cargo and the activities of ocean shipping lines." The action is taken following information received from the National Development Company that the Associated Steamship Lines have given notice through a circular letter dated September 12 that a general increase of 10% is being made in the general freight tariff on general cargo, to take effect for vessels which commence loading on or after December 15; the Associated Steamship Lines stated that the increase was due to the heavily increased operating costs during the year.

Oct. 10—President Quirino and his party leave Rome for the Philippines.

Oct. 11—The President is welcomed by a large crowd, headed by leading officials, at the Manila Airport after a 6-weeks absence from the country.

Oct. 12—The President at a meeting of the Cabinet reviews his trip abroad and listens to the reports of the members. On recommendation of Secretary Magsaysay he issues an executive order authorizing the payment of cash-rewards to civilians for the surrender, capture, or killing of dissident leaders or for other assistance rendered directly in the peace and order drive, from the funds raised by the Peace Fund Commission.

Oct. 13—The President flies to his home province, Ilocos Sur, where his brother Eliseo is candidate for governor. Before leaving he signs Proclamation No. 279 declaring the period from October 22 to 28 Philippine National Science Week.

The Department of Foreign Affairs announces that Consul Juan C. Dionisio has been designated acting Philippine Consul General in Honolulu while Consul General Manuel Alzate is away on home leave.

Oct. 15—United States Ambassador Myron M. Cowen returns from the United States. He states negotiations for the release of \$5,000,000 as an advance on the \$10,000,000 military aid promised by the United States Government, are "progressing nicely".

Oct. 17—The President, speaking at Narvacan, discloses his intention to set up a cement factory in northern Luzon. He advises the encouragement of the household weaving industry and the planting of cotton.

The President returns to Manila.

Oct. 15—The President, at Vigan, Ilocos Sur, receives Secretary Magsaysay and gives him full authority to dispatch soldiers to any part of the country where he believes peace and security to be seriously threatened but advises him to coordinate projected army activities with the provincial authorities as much as possible. "In case of doubt, use your discretion. Stand firm. As long as you are in the right, I am behind you." The Secretary will fly to Occidental Negros where Governor Rafael Lacson has protested against the recent dispatch of marines to maintain order during the election registrations. Police organizations in a number of towns throughout the Philippines have been placed under constabulary or army authority following registration anomalies.

Oct. 16—Addressing Ilocos municipal officials, the President reiterates his appeal for clean and orderly elections, stating that "his province, Ilocos Sur, should set an example."

The President authorizes the release to the Bureau of Lands of P2,333,896 to expedite the survey and disposition of public lands to homesteaders.

Oct. 19—The Cabinet, after hearing Ambassador Elizalde on the status of the bill pending in the United States Congress which would convert into customs duty the present excise tax of 3 cents a pound on coconut oil from the Philippines, appoints a committee to draft a statement of the Philippine position in the matter. The proceeds before the war were turned over to the Philippine Government, but this is no longer done and the Government has sought elimination of the tax.

Oct. 22—The President receives a written report on Japanese reparations from Representative Diosdado Macapagal, one of the Philippine signers of the peace treaty, who was asked by him to return to Manila by way of Japan to make a personal study of the matter there.

Oct. 23—The United States Embassy having announced the resignation of Ambassador Myron M. Cowen, effective November 15, the President issues a statement praising the Ambassador and stating that it is gratifying that the Ambassador will continue in a position in the State Department where the experience gained during his tour of duty "will be an asset to us as well as to his Government". Ambassador Cowen will be in charge of the implementation of the mutual security treaties recently negotiated between the United States and the Philippines and the United States and Australia and New Zealand.

A report submitted to Malacañan indicates that the Government Service Insurance System now has assets totaling P66,558,243, of which P55,373,124 has been set aside as reserves to guarantee payment of benefits to members. The System as of June 30, 1951, had paid the following benefits to its members and their families:

	No. of claims	Amount
Death benefits	9,795	P10,152,117.98
Cash surrender values	7,130	1,701,004.38
Maturity benefits	7,963	5,359,123.00
Disability benefits	407	481,551.00
	25,295	P19,693,796.36

Oct. 24—Various delegations calling at Malacañan express confidence in a Liberal Party victory at the coming election. The President reiterates his desire for clean and peaceful elections.

Under-Secretary of Finance Sixto Ortiz reports:

"I can recall no experience more persuasive of the special position we enjoy today as a people. The mark of affection and respect with which we are regarded in the new world as well as in the old is something previously unheard of in the history of nations formerly bound together as subject and sovereign. This special position that we enjoy can serve as a lesson in East-West relations worthy of development and expansion. It can be a key to the unification of peoples and the eventual banishment of exploitation, hate, and insecurity and the establishment of the true spirit of brotherhood among mankind."

—President Quirino

"As of the close of business on October 22, 1951, the National Treasury had a cash balance of ₱51,675,190.78. To this should be added the amount of ₱2,263,275.06 which has been reported by the provincial and city treasurers as already collected but not yet remitted to the National Treasury. The General Fund cash is, therefore, ₱53,938,465.84. The unexpended balance of ₱1,801,835.89 out of the loan of ₱62,200,000.00 obtained from the United States Treasury in 1950 is, however, included in this General Fund cash so that the Treasury still has ₱26,136,630.95 representing the residue of government revenues after considering receipts and disbursements from July 1 to October 22, 1951. It should be understood that the Government simultaneously collects and disburses public funds. The operation is not the red."

"Due to the enactment of new tax laws and the upward revision of the rates in old ones, income from taxation during the first quarter of the current fiscal year is approximately 15% greater than that realized in same period of the last fiscal year. This increased income will take care of the increased ordinary expenses this fiscal year."

"All the government agencies: the Central Bank, the Budget Commission, the General Auditing Office, and the Department of Finance are actively cooperating with one another to bring down disbursements. Such amounts as are absolutely necessary for the proper functioning of the Government consistent with service efficiency."

Oct. 24—The President approves the extension of the registration period of voters in a number of places where for one reason or another the registration was held or not completed.

Gen. J. Lawton Collins, United States Army Chief-of-Staff, arrives in the Philippines from Indo-China on an inspection tour, en route to Japan and Korea. He has visited Europe, including Greece, also Turkey.

Oct. 25—The President entertains General Collins at a breakfast attended also by ranking local American and Philippine officials.

The President holds a breakfast conference with General Collins attended also by ranking American and Philippine diplomatic and military officials.

Oct. 26—In a conference with Secretary Romulo, the President decided on the membership of the Philippine delegation to the Sixth Session of the General Assembly of the United Nations, to open in Paris, November 6, as follows: Chairman, Secretary Romulo; members, Ambassador Elizalde, Senator Vicente Madrigal, Representative Diosdado Macapagal, and Senator Eulogio Rodriguez.

The Cabinet, on recommendation of Secretary Romulo, approves the immediate creation of the UNESCO National Committee in the Philippines, to be composed of representatives of 8 agencies of the Government, 12 non-government organizations, and 2 members at large.

The President receives the members of the Import Control Administrations who consulted him on the difficulties they are meeting in financing its activities.

The President signs Executive Order No. 479 fixing new ceiling prices imported and local foodstuffs, including flour, canned fish, eggs, milk, and canned vegetables, and also for certain building materials and school supplies. He also signs Executive Order No. 478 providing for the collection by the Collector of Internal Revenue of the tax on the annual sugar production levied by Republic Act No. 632; the order requires that no sugar quodans or warehouse receipts be released to the sugar-cane planters and sugar centrals unless the tax has been paid.

Oct. 27—The President issues Proclamation No. 283 designating the period November 16 to January 31, 1952, for the third annual fund campaign of the Community Chest of Great Manila, and authorizing government personnel to accept fund-raising responsibilities in the drive.

Secretary Romulo, accompanied by Mrs. Romulo, leave Manila for the United States, en route to Paris. The other members of the Philippine delegation to the United Nations General Assembly meeting will leave later.

Oct. 28—Announced at Malacanan that the Board of Trustees of the Government Service Insurance System approved the reinsurance treaty between the System and the Pacific Union Insurance Company at a meeting held on the 23rd.

Oct. 29—President Quirino visits the government low-rent housing project at Bagu Bantay, Quezon City, where 2,090 units, housing about 14,000 people, are already completed. The houses are rented to low-income government employees who, after 5 years, will be allowed to start buying them on the instalment plan if they so desire. For the time being, the rent ranges from ₱31 to ₱41 a month. Other houses are to be constructed to rent at ₱24 a month.

The President accepts an invitation from a group of civic organizations to speak at a rally to be held at the Rizal Memorial Stadium on November 5, beginning at 4:30 p.m., the President to "appraise our people on the burning questions of the day, among them: (a) What are the plans of our Government to insure clean elections? (b) How can terrorism during elections be avoided?" (c) What steps will be taken to protect the voters?"

Oct. 30—The President informs the Cabinet in connection with the signing of the credentials of Paris Charge d'Affaires Octavio Maloles as alternate delegate to 6th session of the United Nations Assembly, that he and Secretary Romulo have an understanding that the Secretary will return to Manila after delivering his address at the opening of the session as there are many important matters pending in the foreign Affairs Department.

The Cabinet, on recommendation of Public Works Secretary Sotero Baluyot, approves the reduction of the air mail rate to foreign countries from ₱1.20 to ₱.90 per 15 grams and the domestic rate from ₱.50 to ₱.30 per 15 grams.

The President appoints Dr. Agérico B. M. Sison ad interim Director of the Philippine General Hospital, effective November 1, on

recommendation of the Board of Regents of the University of the Philippines.

The President receives Mrs. Dorothy Cowen who arrived in the Philippines yesterday; she informs him that she and her husband, the American Ambassador, are scheduled to leave for the United States on November 14.

The Philippine Embassy in Washington informs the Foreign Affairs Department that beginning November 1 no entry of Philippine cordage will be allowed without prior approval of the Customs in Washington in view of the approaching filling of the Philippine quota of 6,000,000 pounds; as of October 20, 5,775,953 pounds had been imported from the Philippines.

Oct. 31—The President disapproves the action of the Commission on Elections cancelling the registration of voters in a Cavite province precinct and ordering a new registration; the President states that while anomalies were committed there, it is not necessary to cancel the entire registration and that alleged violators are already being dealt with according to law.

The President receives the officers and crew members of the United Nations hospital ship, *Julfandia*, who were accompanied to Malacanan by Consul Gustav Halberg of the Danish Consulate.

The President signs a proclamation reserving an area of some 5,750 hectares of land at Saug, Davao, for the use of the Boy Scouts of the Philippines.

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 July 31 1951	As of Aug. 31 1951	As of Sept. 28 1951
ASSETS				
International Reserve	₱ 460,689	₱ 534,213	₱ 542,313	₱ 522,467
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	29,608	39,608	25,168
Domestic Securities	92,197	231,760	231,206	231,193
Trust Account—Securities Stabilization Fund	—	6,848	6,848	6,848
Other Assets	20,390	71,461	77,055	82,813
	<u>₱ 793,629</u>	<u>₱ 1,011,460</u>	<u>₱ 1,034,600</u>	<u>₱ 1,006,059</u>
LIABILITIES				
Currency — Notes	₱ 555,576	₱ 611,406	₱ 588,994	₱ 579,305
Coins	74,384	93,616	93,515	93,460
Demand Deposits—Pesos	117,682	210,170	254,564	231,225
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	64,190	64,322	67,747
Capital	10,000	10,000	10,000	10,000
Undivided Profits	6,464	8,662	9,788	10,905
Surplus	—	3,689	3,689	3,689
	<u>₱ 793,629</u>	<u>₱ 1,011,460</u>	<u>₱ 1,034,600</u>	<u>₱ 1,006,059</u>

The increase of about ₱8,000,000 in the international reserve in August as compared with July, 1951, was more than offset by a decrease of ₱19,846,000 at the end of September, 1951, as compared to the previous month. No official figures of foreign exchange holdings of banks other than the Central Bank have been published.

Loans and advances in September decreased by ₱14,440,000 as compared to August. The downward trend in circulation continues with ₱672,765,000 outstanding at the end of the month as compared to ₱682,509,000 at the end of August.