

responsible for a growth in population far in excess of that growth in even the most advanced of European countries.

**The Philippines' Spanish Heritage.**—An important exporter of tropical products, which its own industry worked into finished goods in many cases, the Philippines was also nearly self-sufficient in textile production. With this as a base, and with the help of the technical resources of the 20th century, the Philippines has attained a splendid growth. But it should be remembered that before a tree reaches a height of three feet, it must first have grown to one foot, and that to begin with, it had to be planted. The seeds of economic development planted in Spanish times have made possible the Philippines of the present day.

It is indeed to be hoped that in the future all restrictive and discriminatory measures will be abolished and that free trade, with equal rights and privileges for all, will be honestly enforced, as this would contribute to the continuing expansion of the economy of this country in this century as in past centuries.

<sup>1</sup>Arnold J. Toynbee, "A Study of History", Oxford University Press, 1947.  
<sup>2</sup>Ramon Carande, "Carlos V y sus Banqueros" (Emperor Charles the Fifth and his Bankers), Madrid, 1943.  
<sup>3</sup>G. Menéndez Pidal, "Los Caminos en la Historia de Espana" (Roads in the History of Spain), Madrid, 1951.

<sup>4</sup>Morga Retena, "Sucesos en las Islas Filipinas", Madrid, 1910.  
<sup>5</sup>"Catalogo de los Documentos Relativos a las Islas Filipinas existentes en el Archivo de Indias de Sevilla", Barcelona, 1925 (Census of 1588).  
<sup>6</sup>Morga Retena, "Sucesos..." (Letters of Loxapari to the Viceroy of Mexico).  
<sup>7</sup>"Catalogo de los Documentos..." (Catalogue of Documents).  
<sup>8</sup>"Catalogo de los Documentos..." (Catalogue of Documents).  
<sup>9</sup>"The Philippine Yearbook 1951-52." *Philippines Herald*.  
<sup>10</sup>Eulronio Alip, "Political and Cultural History of the Philippines", Manila 1950.  
<sup>11</sup>H. Pardo de Tavera, note in "Una Memoria de Anda y Salazar" (Memorandum), Manila, 1899.  
<sup>12</sup>Montero y Vidal, "Historia General de Filipinas desde el descubrimiento de dichas islas hasta nuestros dias" (General History since the Discovery of the Philippines until our days), Volume 1.  
<sup>13</sup>"Exposicion de la Compania de Filipinas relativa a su establecimiento dirigida por su Junta de Gobierno a las Cortes de la Nacion" (Statement of the Compania de Filipinas addressed to the Parliament), Cadix, 1813.  
<sup>14</sup>H. Pardo de Tavera, note in "Una Memoria de Anda y Salazar" (Memorandum), Manila, 1899.  
<sup>15</sup>H. Pardo de Tavera, note in "Una Memoria..." (Memorandum).  
<sup>16</sup>"Exposicion de la Compania de Filipinas relativa..."  
<sup>17</sup>Montero y Vidal, "Historia General de Filipinas..." (General History of the Philippines), Volume 1.  
<sup>18</sup>Alip "Political and Cultural History of the Philippines", Manila, 1950.  
<sup>19</sup>John Bowring, "Una visita a las Islas Filipinas." (A visit to the Philippine Islands), Madrid, 1876.  
<sup>20</sup>Marshall B. Davidson, "Life in America", Riverside Press, Cambridge, 1951, Volume 1.  
<sup>21</sup>Marshall B. Davidson, "Life in America", Volume 1.  
<sup>22</sup>Comenge, "Cuestiones Filipinas. Los Chinos." Manila, 1894.  
<sup>23</sup>Montero y Vidal, "Historia General de Filipinas..." (History of the Philippines), Volume III.  
<sup>24</sup>Robert McKicking, "Recollections of Manila and the Philippines during 1848, 1849 and 1850", London, 1851.  
<sup>25</sup>Bowring "Viaje..."  
<sup>26</sup>Bowring "Viaje..."  
<sup>27</sup>Schubelweg, "Colonizacion espanola. Estudios acerca de la misma en nuestras posesiones de Oceania." Madrid, 1893.

## The Business View

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

### The Government

From Official Sources

**D**ECEMBER 1 — President Elpidio Quirino creates a committee to take charge of the inauguration of the President and Vice-President of the Philippines on December 30, under the joint chairmanship of Secretary of Finance Aurelio Montinola (banking Secretary in the absence of Secretary of Foreign Affairs J. M. Elizalde) and Senator Francisco A. Delgado, with Vicente Lontok, Secretary to the Cabinet, as Executive Secretary of the Committee. The President authorizes Budget Commissioner Pio Joven to raise the necessary funds.

The President receives the credentials of Jose Manuel Moneta, new Minister of the Republic of Argentina at ceremonies at Malacañan.

The President receives a copy of the charges filed against Governor Dominador Camerino of Cavite for alleged acts of sedition and arbitrary and illegal detention committed on election day.

The Department of Foreign Affairs announces that the Government has recently protested the announced policy of the United Nations to give priority to countries which have pledged financial contributions to the Korean reconstruction program in the buying of needed materials and supplies, the Philippines stressing that though it could not pledge such a contribution in view of its limited budget, it had contributed troops.

Dec. 2 — Maj.-Gen. Calixto Zuloaga, Chief of Staff of the Armed Forces of the Philippines, files with Malacañan his application for retirement from the Army effective December 29.

Executive Secretary Marciano Roque announces that so far he has not received any administrative charges against Governor Camerino.

Dec. 4 — The President orders the re-instatement of Governor Adelmo Q. Camacho of Batasan, with a reprimand and warning; the action is in accordance with a recommendation of the Integrity Board which found him innocent of the more serious charges but guilty of the charge of threat and intimidation in connection with securing the approval of a travel-expense voucher by an official in the Provincial Treasurer's Office.

The President appoints a committee to take charge of the Rizal Day celebrations on December 30 to be presided over by Secretary of Agriculture Placido L. Mapa, with Vicente Lontok as the Executive Secretary.

Malacañan releases the exchange of communications between the President and the Philippine Ambassador at Madrid, Manuel V. Moran, former Chief Justice. In a letter from the Ambassador, dated October 9, he asked Executive Secretary Roque to remind the President that he was waiting for word about his return to the Supreme Court, and on October 17 he wrote the President himself that there would be justification for affording him the opportunity to retire as a member of the Court with life pension. On November 14 he wrote the President congratulating him on the clean elections, etc. and did not withdraw his

### SOME COPIES LEFT

## SHORT HISTORY OF INDUSTRY AND TRADE OF THE PHILIPPINES

From pre-Spanish times until the end of the Roxas Administration

A reprint, revised, of a series of articles

published in the *American Chamber of Commerce Journal*, August, 1952, to June, 1953

By

A. V. H. HARTENDORP

Editor, *American Chamber of Commerce Journal*

Published by

The American Chamber of Commerce of the Philippines, Inc.

Limited edition (500 copies); cloth cover, 288 pp., P10.00.

request to be returned to the Supreme Court. However, when he was notified in a radiogram dated November 20 that the President had read his appointment as ad interim Associate Justice, he replied in a cablegram dated November 28 declining the nomination saying that appointments of this kind should be left to the President-elect. The President replied the same day that he had acted in compliance with the Ambassador's own request and his own promise, adding:

"You are of course a better judge regarding the propriety of your acceptance of the appointment. Deeply appreciate your sacrifice in accepting your present assignment which gave added name and prestige to our country abroad and deeply regret that under the circumstances you had to accept the privilege of resigning stringently to a position which would give you ample security for lifetime upon retirement."

Announced that the instruments of ratification of the Air Agreement and the Postal Convention between the Philippines and Spain were exchanged today at the Office of the Secretary of Foreign Affairs; both agreements were signed in Madrid on October 6, 1951.

Dec. 5.—The President attended the inauguration of the new P3,000,000 laboratories of E. R. Squibb & Sons (Philippine) Corp. at San Pedro Makati, and states in part in a short speech:

"I was very eager to see the results of our planning for general economic development. We have long wished and have made positive and even constitutional steps to afford protection for foreign capital, especially American capital, invested in our economic development in our desire to accelerate our national economy and secure our financial stability. Personally, it was my ambition to be able to exhibit to the world the fruits of our industrial and economic growth. I am gratified which, up to a few years ago, were doubtful of positive results. I am gratified to find that you should have been able to do so. I did not only find occasion to give encouragement to the industrialists who are willing to take the risk in making investments in this country, but also to inspire in them the response they have shown, only to find that you have responded to their challenge."

The Office of Foreign Affairs announces its receipt of the formal reply to the Japanese Government to the Philippine *aide memoire* on the settlement of the reparations question, handed to Acting Secretary of Foreign Affairs Felino Neri by Katsumi Ono, Chief of the Japanese Mission in Manila; comment on the note is withheld pending its study and submission to the Senate.

Dec. 9.—The President, at a Cabinet meeting, directs the fiscal officers of the Government to inquire into the real financial situation of the Republic, two committees of President-elect Ramon Magsaysay having reported that the Government is "by now broke." The President averred that "we are within our budget and the budget is balanced."

[One group, headed by former Secretary of Finance Jaime Hernandez reported that the Government would have an accumulated deficit of over P300,000,000 by the close of this calendar year and that government spending during the last few months prior to the election was unusually heavy. At the end of the current fiscal year, June 30, 1954, the deficit on the basis of appropriations authorized in approved acts and resolutions, is estimated at P274,000,000, funds committed or requested amounting to P781,000,000 against an estimated income of P507,000,000.]

Dec. 8.—The President suspends from office Governor Camerino of Cavite to take effect immediately and continued until the final determination of the administrative charges against him, and inducts Alfonso Sarabaya into office in his place as Deputy Governor. The suspension was recommended by Acting Secretary of Justice Roberto Gianson and the charges will be referred to the Integrity Board. Besides the administrative charges of oppression and misconduct in office against the Governor, information has also been filed by the Provincial Fiscal accusing him of arbitrary detention and sedition.

The Cabinet approves a Christmas bonus of 20% of the monthly wage or salary to all employees and laborers of government corporations which have made a profit during the year, who receive P200 a month or less; the bonus is similar to one granted last year.

Dec. 10.—The President, upon recommendation of Secretary of Labor Aurelio Qutoriano, signs a communication to the Court of Industrial Relations certifying to the existence of a "labor dispute in an industry indispensable to the national interest" in the case of the PAN-TRANCO strike and requesting the Court to take appropriate steps in the exercise of its powers granted it by law. Under the Industrial Peace Act No. 875, the Court may in such a case issue a restraining order. The dispute is between the Pangasinan Employees, Laborers, and Tenants Association and the Pargansian Transportation Company, and the strike, called on October 24, is seriously affecting the Central Luzon provinces, including Baguio City.

The President, in a conference with Liberal Party leaders, takes up the question of designating a temporary head of the Party during the absence of Speaker Eugenio Perez who plans to leave for the United States shortly for medical treatment.

Dec. 11.—The President receives a group of four members of the United States Congress, headed by Representative W. B. Judd, Chairman of the House Committee on Foreign Affairs, and a number of American consultants, accompanied by Ambassador R. A. Spruance; the President tells them that the United States should lead in bringing the democracies and freedom-loving countries of Asia into a union.

A supplementary agreement is signed between the Philippine Government and the United Nations covering the establishment of a statistical training center here under the jurisdiction of the University of the Philippines; the United Nations will provide the services of two statistical experts who will work in close consultation and coordination with competent agencies and officials of the Government.

Dec. 15.—The President has a breakfast conference with Secretary of Foreign Affairs Elizaide who tenders a report on Philippine participation in the work of the General Assembly of the United Nations.

The President, after receiving a report of Secretary of Finance Aurelio Montinola, states that the Government is not bankrupt and acting under the control and Budget Commissioner Pio Joven, to Audit Auditor-General Pedro Gimenez and the Treasurer of the Philippines Vicente Galla to issue a statement on the subject as the "prophesying of the near collapse of the Government is doing a great deal of harm to the national credit, particularly to the value of the peso." The statement issued on this same day concludes the following:

"It will be seen, therefore, that as of December 31, 1953, there will be an expected P85,347,283 cash in the hands of the National Treasurer and an undivided net sum of P25,000,000 accruing to the Treasury Fund distributed in the hands of collecting officers. These two figures amount to over P110,000,000, which should be sufficient to finance the operations of the Government."

Dec. 18.—The President, in speaking to a delegation from the Philippine Society of Civil Engineers, which calls on him on the eve of their annual convention, states that in his establishment of hydro-electric plants he wanted to lay the groundwork for the industrialization of the Philippines and that with reference to various irrigation works it had been his great ambition to be remembered as the irrigation builder of the country.

The President approves the retirement of Civil Service Commissioner Jose Gil, effective December 30. Commissioner Gil entered the Government service in 1910 as a clerk in the Bureau of Posts, served for some time as Secretary of the University of the Philippines, and was made Assistant Director of the Bureau of Civil Service in 1919, becoming the first Filipino Director upon the retirement of Percy Angell, in 1923.

Secretary of National Defense Oscar Castelo and Mayor Arsenio Lacson return to Manila from visits to the United States.

Dec. 19.—The President, after a visit to Washington which was to render a report on his mission to the United States, which was to seek to obtain United States agreement for an additional \$345,000,000 in payments to Philippine war veterans; he states he "succeeded in laying the groundwork."

Dec. 20.—The President officiates at laying the corner-stone of the Roxas Memorial Theater at the corner of Taft Avenue and Isaac Peral Street; the money for the P5,000,000 project, consisting of a theater and two office buildings, was raised by popular subscription.

Dec. 21.—The President issues an proclamation declaring December 26 (Saturday) a special public holiday.

Dec. 22.—The Cabinet approves the proposal of Filemon C. Rodriguez, general manager of the National Power Corporation, to seek the amendment of the agreement between the Government and the Corporation, on the one hand, and the Export and Import Bank (Washington), entered into on July 23, 1952, to extend the availability of a credit line of \$20,000,000 beyond December 31, 1954, to December 31, 1955, because several payments to contractors will fall beyond the former date.

The President, during the Cabinet meeting, appoints a two-man committee composed of Acting Secretary of Justice Roberto Gianson and Budget Commissioner Pio Joven, to study the lease of a bombing tower for television purposes to Judge Antonio Quirino, brother of the President, the legality of which has been questioned; as it is stated, that the equipment was omitted from an American Embassy list, dated November 5, 1953, it did not fall into the category of the equipment turned over by the American Government to the Civil Aeronautics Administration and its disposition as surplus property was justified.

The President receives the Integrity Board, headed by Justice Luis P. Torres (Justice Mariano H. de Joya, Mrs. Pilar Hidalgo Lim, former Justice Jose P. Bengzon, Solicitor-General Juan Liwag, members, and Jose de Jesus, Secretary), which is winding up its affairs, and commends its members for a "job well done". The Board docketed 212 cases, of which 149 cases were disposed of without the necessity of hearings and 63 after hearing; 23 respondents were exonerated, 5 fined, reprimanded, or warned, 5 dismissed from the service, 4 requested to resign or considered resigned, and 1 was suspended; 10 respondents were referred to the Department Secretaries and 4 had the charges against them withdrawn; the Board still has 3 cases pending hearings, 5 received without time to hold hearings now, and 3 awaiting decisions; some 1,200 complaints received were referred to bureaus, offices, and agencies of the Government for lack of jurisdiction on the part of the Board.

The President receives Minister Manuel Nieto of the Philippine Embassy in Madrid.

Dec. 23.—The Cabinet authorizes the National Power Corporation to issue P6,000,000 in bonds for the construction of a second unit of the Maria Cristina Falls hydro-electric development; the first unit, capacity 25,000 kilowatt, completed at a cost of P5,500,000, is now furnishing power to the fertilizer plant and the National Shipyards and Steel Corporation's steel mills.

The Cabinet also approves the establishment of an agricultural school of the Muñoz type on the site of the San Ramon Penal Colony, at Zamboanga, the penal colony of 300 prisoners to be transferred to the Davao Penal Farm; the Bureau of Public Schools has around P50,000 set aside for the operation of the school and it is included for FOA-PHILCUSA aid for 1954 for equipment, additional buildings, etc. The Department of Agriculture has approved the proposal of the Philippine Veterans Board to erect a Veterans Memorial Building at Fort Santiago

to house the offices of the Board and of the Board of Pensions for Veterans (Philippine Revolution), and various accredited veterans' organizations; the Public Works Act provides around ₱1,000,000 for the purpose, subject to availability of the funds.

The President issues an Administrative Order directing the Chief of Staff of the Armed Forces of the Philippines to "assist, aid, and or take over the operation of the Metropolitan Water District" because of the strike declared today by the District's laborers.

Dec. 24 — The President enplanes for Baguio for a few days' rest to return on the 26th.

Malacanban releases a list of the President's Christmas pardons, as recommended by the Board of Pardons and Parole; "pardons" were granted to 68 individuals, "absolute pardons" to 79, "special absolute pardons" to 16, and "commutations of sentence" to 10.

Secretary of Foreign Affairs J. M. Elizalde announces that the Board of the Foreign Service, headed by the Under-Secretary as Chairman, has submitted its recommendations to the President regarding the administrative case against Benigno A. Pidalaoan, former Consul-General in San Francisco.

Dec. 28 — The President grants conditional pardon to 52 Japanese war prisoners whose death sentences were commuted to life imprisonment last June 27 and who were repatriated to serve their sentences in the Sugamo Prison; the action was taken on recommendation of the Japanese Government and on condition that none of them will ever return to the Philippines.

Dec. 29 — The President at a last meeting of the members of the Cabinet, who submit their resignations en masse, accepts them effective at noon of December 30. He thanks them for their services to the country and their cooperation with him. He states:

"Our administration has been efficient and effective. We have brought industry and progress to this country from the prostrations of war. We are proud of our accomplishments, although politics and partisanship are trying to rob us of the credit, going as far as characterizing our administration as corrupt. I am sure none of you could be branded a corrupt official."

The Cabinet receives the report of Acting Secretary of Justice Gianson and Budget Commissioner Joven on the homing tower leased for television purposes and the report is referred to the Department of Foreign Affairs for action.

The Cabinet approves the proposal to transfer to the Bureau of Public Schools without cost the site formerly occupied by the San Ramon Penal Colony in Zamboanga City, provided the City will meet the cost of transporting some 300 prisoners to the Iwahig Penal Colony in Davao.

The Cabinet approves a request of the Department of Finance that the Central Bank sell Treasury bills in the amount of ₱15,000,000 to redeem the bonds presented him with a plaque and a scroll in recognition of his service in the promotion of the Boy Scout movement.

The President receives the members of the diplomatic corps and their ladies who call on him to extend their thanks and good wishes; Mons. Egidio Vagnozzi, papal nuncio, on behalf of the sixteen foreign representatives, thanks the President for his kindness and understanding in their personal dealings with him and also express their gratitude to Secretary of Foreign Affairs J. M. Elizalde and Under-Secretary Felino Neri.

The President receives a delegation of the national executives of the Boy Scouts of the Philippines, headed by Jorge Vargas, President of the organization, who present him with a plaque and a scroll in recognition of his service in the promotion of the Boy Scout movement.

Dec. 30 — At 10:30 a.m. the President receives President-elect Ramon Magsaysay in his study and they drive, together with their respective aides, to the Luneta inauguration site, where they both stand at attention as the national flag and the presidential emblem are raised and the National Anthem is played, after which they shake hands and the President proceeds to Novaliches and retirement attended by a police escort. After a military parade and review the President-elect, at 12 noon, takes his oath of office administered by Chief Justice Ricardo Paras, a few minutes after Carlos P. Garcia had taken his oath as Vice-President, and batteries of the Philippine Armed Forces and the United States Navy fire 21 cannon salutes. Heading the list of invited guests are former President Sergio Osmeña, former President Emilio Aguinaldo, U. S. Assistant Secretary of State Walter S. Robertson and Admiral Arthur Radford, Chairman of the U. S. Joint Chief of Staff, former Ambassador Myron M. Cowley, U. S. Under-Secretary of State Walter Bedell Smith, Lieut.-Gen. Joseph Swing, and two former Chiefs of the Joint U. S. Military Advisory Group—Maj.-Gen. Leland S. Hobbs and Maj.-Gen. Albert Pierson, and also many prominent American newspaper and magazine correspondents. (For President Magsaysay's inaugural address, see the editorial columns of this issue of the *Journal*.)

Dr. Bienvenido M. Gonzalez, President of the University of the Philippines for the year 1954, is conferred the Degree of Doctor of Agriculture and Professor of Animal Husbandry, graduate of the University of Wisconsin (M.Sc.) and Johns Hopkins University (D.Sc.), dies of coronary thrombosis after several days of illness, aged 60.

Dec. 31 — President Ramon Magsaysay motors to Bacoor, Cavite, very early in the morning to inquire into the election-day terrorism there and the reported pardoning and release from prison of some 42 terrorists by President Quirino shortly before the expiration of his term of office.

The President and Mrs. Magsaysay give a buffet luncheon in Malacanban in honor of the distinguished guests who attended the inaugural ceremonies yesterday.

Hundreds of radiograms of felicitation are received by the President from heads of state and from friends here and abroad, also a message from United States Vice-President Richard Nixon.

The President issues a New Year's Day message:

"The new year beckons us with limitless promise. We have won the opportunity really to start anew, plan anew, build anew. The limits to what we can do will be set only by our capacity for work and our boldness in meeting every problem and challenge. But just as our opportunities are limitless, so will their fulfillment demand the most that is in us. We will have to work—work without let-up and without fear, work as much as endurance will permit. In that way alone can we hope to realize the great things that await us. It is in this spirit of confidence and expectancy that I wish our people a most happy new year."

## Banking and Finance

By I. G. SPERING  
Sub-Manager

The National City Bank of New York

### COMPARATIVE STATEMENT OF CONDITION OF THE CENTRAL BANK.

	As of Dec. 31, 1953	As of Sept. 30, 1953	As of Oct. 30, 1953	As of Nov. 30, 1953
<b>Assets</b>				
International Reserve.....	₱460,689	₱460,313	₱462,154	₱449,011
Contribution to 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	9,060	16,180	16,767
Trust Account-Securities Stabilization Fund.....	—	—	—	—
Domestic Securities.....	92,197	228,313	228,125	227,696
Other Assets.....	20,390	50,874	49,185	54,292
	<b>₱793,629</b>	<b>₱885,500</b>	<b>₱892,584</b>	<b>₱884,707</b>
<b>Liabilities</b>				
Currency — Notes.....	₱555,576	₱561,434	₱574,786	₱586,000
Coins.....	74,384	85,661	85,260	84,931
Demand Deposits-Pesos.....	117,682	130,499	181,958	169,896
Securities Stabilization Fund.....	2,000	18,184	10,068	5,035
Due to International Monetary Fund.....	22,498	496	496	496
Due to International Bank for Reconstruction and Development.....	2,389	2,377	2,376	2,377
Other Liabilities.....	2,636	6,585	6,426	3,686
Deferred Credits.....	—	2,402	3,006	3,590
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	7,729	8,075	8,483
Surplus.....	—	10,133	10,133	10,133
	<b>₱793,629</b>	<b>₱885,500</b>	<b>₱892,584</b>	<b>₱884,707</b>

The International Reserves as of November 30, 1953, were as follows:

Central Bank International Reserves.....	\$224,505,637.63
Japan Open Account (due from).....	13,866,229.41
Net FX Holdings Other Banks.....	55,931,249.53
	\$294,303,116.57

This is a decrease of approximately \$8,500,000 from October 31, 1953.

Currency and coins issued totalled ₱671,011,446.01.

Money continues fairly easy in banks. Merchants still carry high receivables and are working strenuously to effect collections. Easier money in banks resulted from the reduction to 50% of the Central Bank requirement of 70% margin against import credits.

The Import Licensing system now works very smoothly and the main concern is what action will be taken when the new Administration takes over on December 30, 1953.

(NOTE: The information contained herein has been derived from reliable sources, but the National City Bank of New York assumes no responsibility for its accuracy.)