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Oil strike at Batas 1?



The country may have another oil strike. The Ministry of Energy said Philippine Cities Service Inc. has completed the first of a series of drill stem tests on its exploratory well, Batas 1. Batas 1 is located four kilometers west of the Caddao structure where two wells with a combined capacity of 9,680 barrels a day were drilled and are awaiting development. Cities Service, itself, gave its new well a 50-50 chance of becoming a new oil strike. Two other DSTs will be conducted on the well to determine the production capacity of the well — if it proves to be productive. Page 8

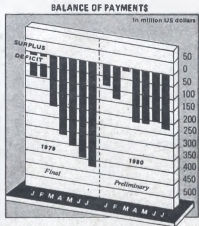
The economy in first 7 months

- Exports grew 33.7% to \$2.79 billion
- Imports rose 23.1% to \$3.73 billion
- Foreign borrowings totaled nearly \$1.9 billion; obligations repaid amounted to \$1.37 billion
- New foreign investments increased 35% to \$123.7 million
- Mineral exports more than doubled at \$712.24 million

Ayala Corporation can't plan over six months ahead

The Ayala Corporation, noted for its successful planning, is now doing the thing only six months ahead — but in a detailed, "flexible" manner. It is into food — a necessity in any condition. It is also into several activities in Mindanao, where as a "politically neutral organization" it provides "a necessary service or product," Enrique Zobel indicates. He also advised management executives on choosing companies to acquire during uncertain times. Page 7

BOP deficit trimmed to \$223M



Trade shortfall: \$937.9M

The Philippines posted a \$22.75-million balance of payments deficit last month, bringing the total since January to \$223.42 million. The Central Bank said the seven-month deficit, however, was better than the \$426.66 million recorded in the same period last year. The biggest contributor to this seven-month deficit was the importation of \$3,029 million worth of essential items, among them crude oil. Imports totaled \$3,732 million, while exports totaled \$2,794 million for a trade deficit of \$937.8 million. However, "invisible" transactions like foreign borrowings, tourism, and services contributed \$714.45 million to narrow down the deficit. Page 8

Two moves in major aggie sectors



Sugar workers press demand for raise in buying price so they can get wage hike

Sugar workers have asked Labor Minister Blas F. Ople to forward to President Marcos their proposal for the government-owned National Sugar Trading Corp. to raise its buying price for sugar from the present P105 to P130 during crop year 1980-81 which begins next month. They said the new price would enable their employers to give them salary adjustments required by various presidential decrees. These employers have been exempted from giving their workers the statutory wage increases and required emergency living allowances because of the previously depressed price of sugar. Page 6

Plan set for coco workers hurt by fall in copra price



The government has adopted a nationwide program to assure coconut workers of an income despite the continued drop in the world market price of copra. For one, it has started recruitment of coconut industry workers for overseas jobs. It will also launch technology transfer projects to teach farmers other ways of making money. In the future, the workers will also be granted social benefits like social security, education, financing and housing. Initially, however, the government is concentrating on finding work for the coconut workers, according to Rafael Espiritu, director of the Rural Workers Office of the Ministry of Labor and Employment. The first batch of 350 men is being processed for work in Egypt. Page 6

10 more IRRI-developed rice varieties included in other nations' schemes

Ten rice varieties developed by the International Rice Research Institute were named in national programs of rice growing countries last year. This brought to 75 the number of IRRI varieties so far adopted all over the world. The new varieties are: Sinhwelthe, IR 34, IR 36, Rajinder Dhan 201, Laxmi, Sabitri, IR 529, IR 50, IR 48 and IR 2053. The Philippines

last year formally adopted IR 48 and IR 50. IR 48 is the first IRRI line to have intermediate amylose content, which makes it one of best IRRI varieties in terms of flavor and texture when cooked, while IR 50 is one of the varieties most resistant to tungro, a disease caused by viruses, which has spread in wide areas of Mindanao and Central Luzon. Page 2

Firms borrowed P164B thru CPs in 1st semester

Short-term borrowings of the business sector from the public through commercial papers amounted to P163.9 billion during the first half of the year. The Securities and Exchange Commission said this is 21% more than the borrowings of P135.1 billion during the same period last year. Since the total debt ceiling of the companies "at any one time" during the period was P55.7 billion, the high total borrowings indicate increased transactions in the money market, the SEC said in a report. Page 8

Corporate Developments

MMIC shift to coal for nickel operations given tax boosters

The Board of Investments approved Marinduque Mining and Industrial Corp.'s shift from oil-fired to coal-fired nickel operations for registration under the energy priorities program. MMIC received two extra years of exemption from all taxes except income tax. Page 7

4 exporters get BOI incentives

The Board of Investments registered four projects under the Export Incentives Act, including that of Union Chemicals, Inc., the local affiliate of Ajinomoto Co., Inc. of Japan, which produces monosodium glutamate. Page 7

The Stock Market

Share prices opened strong at the exchanges yesterday, firmed up at midsession but weakened at the home stretch. Transactions were a bit livelier as the commercial-industrial and oil sectors recorded higher peso turnovers. Volume more than doubled Friday's traded shares. Page 16

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INSIDE SECTION II

TAX CUTS: The US congressional joint economic committee has urged tax cuts amounting to \$25 billion to hasten economic recovery from a recession in 1981. Page 9

COPPER OUTPUT: Chile's copper production seen rising to at least 1.5 million metric tons a year by 1990. Page 9

TRADE DEFICIT: Taiwan had a trade deficit of \$103 million in the first 16 days of August, pushing the country's trade shortfall to \$524 million since the start of the year. Page 9

MONEY SUPPLY: Australian money supply growth of 12.9% in fiscal 1979/80 was considered too strong. Page 9

INVESTMENTS: Singapore has overtaken Indonesia to become the leading ASEAN country for Japan's direct overseas investments. Page 9

SWEDISH ECONOMY: A myth collapses: Swedish economy not invulnerable after all. Page 11

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World adopts 10 new IRR1 varieties

LOS BAROS, Laguna (PNA) — The International Rice Research Institute (IRRI) reports that 10 varieties it has developed were named in 1979 in national programs of rice-growing countries bringing to 75 the number of IRR1 varieties adopted worldwide.

The new varieties are: Sinhawethi, IR 34, IR 36, Rajinder Dan 201, Luxmi, Sabitri, IR 529, IR 50, IR 48 and IR 2053.

Sinhawethi was released in Burma while IR 34 was used in Tamil Nadu, India. IR 36 was planted both during the wet and dry seasons in Orissa, India.

Rajinder Dan 201, a high-yielding variety that has excellent grain quality and bacterial blight resistance, was recommended in Bihar, India, particularly in areas with good water control.

Luxmi and Sabitri were endorsed for the Terai region of Nepal. These varieties resist many diseases and insects. They are early-maturing and have excellent grain quality.

IR 529, a high-yielding, medium-duration cultivar, was released in Niger and Upper Volta.

DISEASE-RESISTANT IR 50 was released in the Philippines. This is a variety that matures in 105 days and resists diseases such as the



tungro virus. It is also disease-resistant. The first IRR1 line to have intermediate amylose content, IR 48, was also released in the Philippines. It matures in 135 days and resists most diseases and insects.

The first variety to be recommended in the Sudan is IR 2053.

IRRI also said IR 34 released in Tamil Nadu and IR 36 recommended for Orissa, both in India, are identical to the IR varieties of the same name released in the Philippines.

The total of recommended varieties in 1979 was exceeded by the total in 1978 when IRRI achieved in "all-time high" of 14.

The varieties named in national programs then are: IR 43, IR 44, IR 45, and IR 46 in the Philippines; Atahan, IR 36 and IR 38 in Indonesia; IR 1529 in Cuba; NN 3A, NN 4A and NN 5A in Vietnam; PR 103 and Prasad in India; and Tamale 1 in Ghana.

Universities' role in building 'global community' discussed

By Ma. VICTORIA A. GOCHOCO Reporter

In a world that has grown to be more crowded, more hungry and more competitive, universities have a special role to play. That role is to develop a knowledge base on which a "global community" can exist as a conglomerate of continuously advancing civilizations in peace and justice.

This was the gist of yesterday's theme discussion on the special role of universities in the development of international cooperation. It was the first theme discussed at the ongoing seventh general conference of the international Association of Universities at the Philippine International Convention Center.

At yesterday's conference, it was established that fragmentation and rift in the international system — resulting in considerable conflict and strife accompanied by fragmented and increased parochialism in knowledge — has not helped any in solving the world's current major problems, including poverty. It was predicted that by the year 2000, 500 million people will live below the level of absolute poverty.

SYSTEMATIC KNOWLEDGE. In yesterday's conference, it was discussed that the world's current problems — and the need to develop a much more "systematic

knowledge" in dealing with them — the international role of universities needs to be continuously reassessed.

According to Lord Briggs of Lewes of the University of Oxford, serious global imbalances resulting from geographical, social and political developments require more concern for cooperation specially among universities.

He said each university cannot be separated completely from the process of history or from movements of aspirations, of people. Universities have to work out in union a practical attitude toward cooperation and work out viable means for its realization, he said.

He declared that in the late 1970s, a "narrowing of horizons" was experienced in universities, caused in part by financial considerations. There was more focus on resources available to the administration, he indicated, rather than development in history, sociology or other fields.

SIX-FOLD ROLE. In this light, he said the special international role of universities is six-fold:

1. They should help educate people with a capacity for identifying solutions to the world's prob-

lems, applying those solutions and evaluating results.

2. They should develop individual strategies of their own, with the university president himself directly involved in implementation.

3. Through cooperative activity with other universities, they should create part of the necessary university structure in which global community thinking can prosper, as in the creation of "national and personal" networks to form a "global infrastructure" that would be relevant to development of a university.

4. They should increase their concern for local and national affairs.

5. They should use more sensibility and imagination in the acquisition of information and analysis of problems for international education. The greater the uncertainty in the world situation, the greater should be the use of imagination. This would serve not merely to rouse curiosity about other people but generate concern for other people; and

6. They should emphasize the creative role of the arts (visual art, music) in bringing together peoples of the world.

Filing claims on life insurance policies

If claim requirements are submitted quickly, and the life insured is incontestable, a claim can be settled in only a few hours or one day, according to Amado V. Dimalanta, assistant vice-president for claims of the Philippine American Life Insurance Co.

The first procedure in settling a claim against an insurance policy is the submission, upon the death of the insured, of a death certificate, marriage contract (in case the beneficiary is a spouse), the insured's birth or baptismal certificate, and the insurance policy contract.

The following claim forms must be filled out: certificate of claimant, to be accomplished by the beneficiary or beneficiaries; certificate of the attending physician who last ministered or attended to the deceased; and a certificate of identifying witness to be accomplished by an unrelated or uninterested party to the claim, who has been an acquaintance of the deceased and who can attest to the fact of death.

These forms are released upon ascertaining that the policy was in force at the time of the insured's death.

Different procedures are followed if the beneficiary is a minor. If the policy amount is \$20,000 or below, the company requires an affidavit of legal guardianship to be executed by the father, or by the mother if the father is deceased. If both parents are deceased, letters of guardianship are required.

If the policy amount is more than \$20,000, the claimant must submit letters of guardianship to be issued by the proper court appointing a judicial guardian.

If the insured dies within two years from the policy's effective date or from the date of reinstatement, the policy is deemed contestable. In such a case, the insurance company proceeds to look into the health history of the insured to confirm his declarations in the application for insurance.

Since an insurance contract is a contract based on good faith, concealment of a material fact and/or misrepresentation of an applicant's true state of health entitle the insurer to contest or deny the claim. However, according to insurance company officials, the percentage of denials is small and records show that great number of claims even on contestable policies have been paid.

On the other hand, there are the so-called "borderline claim cases" that are not processed right away.

One example is that of an insured with a history of hypertension, who collapses and dies when his head hits a pavement. In this case, doubt arises as to what in fact was the proximate cause of death.

Another instance is that of murder or assault, in which case the question would be: Did the insured provoke his assailant?

Other circumstances could delay the payment of claims, and the most common are the following:

- An accident in which the insured's culpability is called into question, such as a car accident when he may have been inebriated while driving;
- An accident occurring while the insured was driving with an improper or expired license — a violation of the law.

• A change of beneficiary, whereupon the previously named beneficiary challenges the new claimant, or the authenticity of the insured's signature.

In some cases, two claimants both attest they are the legitimate spouse of the insured. Under Philippine law, if the common-law spouse is designated as beneficiary but the deceased was legally married to someone else, the money will go to the insured's estate to be shared by his or her heirs. The common-law spouse is disqualified from any claim, except when she or he and the insured are both single and therefore with no legal impediment to marriage.

(The "How To" series is a Business Day feature every Tuesday and Thursday).

LOI 1056: assistance to firms that may be hurt by wage hike

By MAT DEFENSOR

The implementation of guidelines of Letter of Instructions No. 1056 should be able to resolve the issue on exemptions and exclusions of distressed firms or industries from payment of the new wage adjustments.

The issue was raised by the labor sector during the Tagaytay tripartite conference on wages, employment and industrial relations on the grounds that "these wholesale exemptions and exclusions" constitute "technical violations of the spirit of the agreement" and "contrary to the original intent and objectives of the welfare-oriented measures."

Prior to issuance of Presidential Decree No. 1713 (the law effecting the new wage increase) and LOI No. 1056, full or 50% exemptions from or deferment of compliance to wage increases were granted under PD No. 1634 and PD No. 1678. Benefiting from these were distressed or de-capitalized industries, newly organized firms, small and medium-scale enterprises, retail and service enterprises and labor-intensive and export-oriented enterprises, among others.

Applications for exemptions were approved by the Ministry of Labor and Employment on the basis of actual or potential losses, on recommendation of government ministries concerned and three-fourth of the employees covered by specific wage laws. The criterion was that accumulated losses were incurred in the preceding two years and impaired a firm's total book value of assets by at least 10%. Exemptions were usually good for a maximum of one year, subject to renewal upon re-application.

The labor sector eagerly awaits the new guidelines with optimism, hoping that at least government assistance to distressed firms may not only lie in the form of ex-

emptions or exclusions. LOI No. 1056 seemed to favor labor's wish, since it seeks to "determine the appropriate response or assistance that may be extended to those firms with a view to maintaining industrial growth and viability. . . ."

Regarding small and medium-scale industries, for example, labor contends that various forms of government assistance and incentives, other than exemptions from mandatory wages and benefits, are still the

only appropriate means for promoting these industries.

Labor indorses the request of these industries for expeditious treatment of their rediscouted loans, condonation of certain penalties arising from delays in export shipments and easier access to the International Guarantee Loan Fund (IGLF). It proposes that the government exercise moral suasion to elicit sympathetic treatment from financial institutions, and utilize Social Security System funds or government money to finance the stockpiling of critical raw materials for small and medium-scale industries.

These are good proposals and they should indicate that, though not specified in the LOI, labor and management should have to join the Minister of Finance (as chairman of the Cabinet standing committee) and the Minister of Labor in the task of formulating the guidelines that will be faithful to the LOI's primary intention, which is "to adopt a mechanism to intensify and provide quick success to distressed firms in order to preserve jobs and decent income for the workers."

This way, it can be able to draw the mechanism that will work three ways in favor of labor, industry and government.

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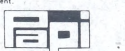
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Print Media Organization

Ongpin chides chamber on tariff reforms sked

Industry Minister Roberto V. Ongpin expressed "surprise and disappointment" at the reported attitude of the Philippine Chamber of Commerce and Industry (PCCI) on the tariff reforms recently initiated by the government.

"I can only conclude that they (PCCI members) have misunderstood the tariff reform program or have not studied it sufficiently," Ongpin said.

Instead of criticizing the tariff reform program, Ongpin said the PCCI members "should have welcomed it" as "the vast majority of them will, in fact, benefit from the reforms."

PCCI, as reported in the newspapers, was questioning the timeliness of the tariff reform program, on charging the prevailing worldwide crisis brought about by the oil price increase and inflation. At the same time, it was noted that development countries are setting up their protective measures.

PROGRAM TIMETABLE. According to Ongpin, the tariff reform program will be staged over a period of five years beginning 1981. One phase involves the reduction of peak (above 50%) tariff rates, to 50% in two stages over two years.

The other phase involves the rationalization of tariffs for finished products and inputs (raw materials) of 14 selected industries. This particular phase, he said, will be approached on a sectoral basis and the tariff reforms will be undertaken hand in hand with

the development programs for these industries. "The phasing is intended to give industry ample time to make the necessary adjustments," he added.

On the protective measures being put up by developed countries, Ongpin said the main concern of government is to promote industries which could produce goods at reasonable prices for local consumers.

"It must be realized that the tariff reform program is really an anti-inflationary measure and this makes it a well-timed undertaking," he stressed.

SMUGGLING. At the same time, the industry minister pointed out that the tariff reform program will "discourage smuggling" because there will no longer be the high tariffs that put premium on goods.

"There is even a possibility that tariff revenues may increase slightly contrary to what PCCI expects, particularly because more reasonable tariff levels will discourage smuggling," he said.

Ongpin also pointed out that the tariff reform program is not being undertaken to satisfy a World Bank requirement in granting a \$200 million loan.

"This WB loan came after the government's decision to restructure the country's overall industrial program. Even without the loan, we will be undertaking the restructuring program and the tariff reform will still have to be implemented," he said.

Private groups plan ind'l estates in Mactan, Cebu

Private sector groups recently proposed establishment of industrial estates in southern Mactan and in Nueva Ecija.

In a letter to the Export Processing Zone Authority (EPZA), Malayan Integrated Industries Corp. offered to put up a seaport-oriented processing zone on a proposed reclamation area at Cordova in southern Mactan.

The proposed industrial estate, which would be near the newly inaugurated Mactan Export Processing Zone, could be financed under the administration and supervision of EPZA, the private company said.

Another group of local investors, including a retired general and the owner of a rural college, is also eyeing the possibility of developing 67 hectares of prime agricultural land in Cabaño, Nueva Ecija, into an industrial estate.

Gallego Institute of Agriculture and Industry president M. Gallego, requested EPZA to include the project under the government's program to disperse industries to the rural areas.

The proposed industrial estate site lies along the Cabaño-Arayat inter-provincial highway, some 110 kilo-

meters from Manila by road and 12 kilometers from a railroad station in Gagay town. It is about an hour's drive to Cabañatuan and Angeles cities.

SUITABILITY. Gallego said the relatively low land cost and abundance of raw materials makes the area suitable for the putting up of an industrial zone.

Industrial enterprises which could be set up in the proposed industrial estate, according to Gallego, are alcohol distillery plant, moscovado sugar mill, seed farm, tractor assembly and manufacturing plant, cigar and cigarlet factory, tobacco classification and flue-curing barn, yeast plant, cottage industries, ceramics plant, machine tools, engineering works, garments and apparel industry, shoe and leather goods manufacturing, and livestock feedlot.

Prospective financiers of the proposed Nueva Ecija industrial estate project are the Asia Corp. and Defintco, an international finance and investment company based in the United States. Both firms are represented by retired Gen. Tranquilino Paranas.

Malaysia to cut oil output

KUALA LUMPUR (Reuters) — Malaysia's crude oil output will be reduced about 3.6% to around 270,000 barrels a day on average in 1980 from about 280,000 B/D in 1979 as a result of the newly imposed depletion

might be found in the future may be postponed for a period of three to five years.

This will help ensure that the availability of Malaysia's oil resources is stretched as far as possible.

NET IMPORTER. He estimated that on the present pattern of consumption, Malaysia will become a net importer of oil by about 1988.

Abdullah stressed that a positive factor in Malaysia's total energy picture is its large reserves of natural gas which amount to almost three times its oil reserves in British thermal units (BTU) equivalent.

Petronas believes that in the period before new forms of energy become commercially viable, gas will be the energy source to tide the country over the transition from oil. Petronas has sought the World Bank expertise to work out a master plan for the utilization of

natural gas for Malaysia, with the study expected to begin before the end of 1980, he added.

RESERVES. Another Petronas official, research department head Bebe Choo, told the conference that Malaysia's recoverable oil reserves are now estimated at 1.8 billion barrels and its non-associated gas reserves at a level in excess of 30 trillion cubic feet.

These figures, publicly released for the first time, represent an advance of about 30% on previous official reserves estimates of 1.4 billion barrels of oil and about 23 trillion cubic feet of gas.

She said the recoverable oil reserves at the present daily production rate will last only another 18 years, assuming no new discoveries are made and the current level of oil recovery technology prevails.

Major RP economic policies hit

Major Philippine economic policies — from the export-oriented industrialization strategy to unbanking — were criticized by speakers at the First Conference on Economic Independence last Saturday.

The conference was sponsored by the National Economic Protectionism Association (NEPA) and the Philippine Council for Economic Independence (PCEI).

Writer Renato Constantino who keynoted the conference said that major economic policies such as "foreign investment incentives, export orientation, lower tariffs, export processing zones, and unbanking, are 'part and parcel of the fullscale integration of the Philippine economy into the mainstream of world capitalism.'"

Constantino claimed that this type of development "has failed to materially reduce unemployment, has aggravated the concentration of wealth in the hands of foreign corporations and a small local elite, has raised our national debt to astronomical proportions, has made our economy dangerously vulnerable to international price fluctuations, inflation and recession and is quickly turning over to foreign control more and more of our natural resources and an ever larger sector of our economy."

TAXATION. Another speaker, Hilario Henares, former chairman of the defunct National Economic Council (NEC) and now president of the Philippine Pigment and Resin Corp., said the tax burden in the Philippines stands at 25% of the gross national income.

"This, he said, will result in a 'serious and almost irreversible inflation eroding the standard of living of the mass of the people.'"

Summarizing Parkin's analysis in "The Limits of Taxation," Henares claimed that if a country's taxation rate reaches 20% of the national income, the productive sector of the population and the government itself becomes corrupt. "This point was reached in the Philippines in 1977 when taxes collected accounted for 20.85% of the gross national income, according to Henares.

Henares warned that a 30% to 35% tax on the national income will set into motion a visible decline in freedom and stability, as what has been happening in most South American dictatorships. When the tax burden reaches 36%, "disaster, complete and final, although not always immediate" will result, he added.

DEPENDENCE. Perfecto V. Fernandez, professor of law of the University of the Philippines, said government policies such as the free entry of foreign investments, maximum avallment of foreign funds and maximizing exports are creating an economy dependent on the "Industrial North" or principally the United States, Western Europe and Japan.

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Most Third World nations reported in economic crisis

UNITED NATIONS (Reuter) — Most Third World nations are in economic crisis, and the economies of the least developed ones have either collapsed or are about to, their ministers said in a communique.

Prepared in the Group of 77, the developing nations' umbrella organization, after a detailed ministerial review of their economic difficulties, the document blamed the industrialized world for their plight.

There was no adequate political will in that quarter, "even on issues requiring urgent and non-postponable action," the group, which now numbers 120 nations, complained.

In certain cases, developed countries have even tended to back away from earlier agreements, the document said, without citing any example.

UN seeks ways to clear mountain of debts of developing nations

UNITED NATIONS (Reuter) — The United Nations seeks ways to clear the \$281 billion mountain of debts accrued by developing countries in the two-week special session of the United Nations General Assembly. Already, there are fears that the session will be marked by a sharp confrontation between poor nations and the more affluent West, accused of doing too little to help them.

A communique issued on Saturday after three days of private ministerial talks among the 118 developing countries called the industrialized states' response "inadequate and halting."

The ministers, meeting in the so-called Group of 77, said their countries faced an unparalleled economic crisis, resulting from "the inequities and inadequacies of the existing international economic system."

They want this completely revamped. So the General Assembly will try to agree on an agenda and pro-

cedure and establish a favorable climate for year-long global negotiations, due to begin in January.

Secretary General Kurt Waldheim is expected to launch an appeal for immediate aid for the poorest of the poor.

The communique continued that the world economic crisis has now assumed unparalleled dimensions, particularly in regard to the chronic imbalances in international payments, a substantial slowdown in world economic activity and growth, accompanied by widespread protectionism.

Secretary General Kurt Waldheim is expected to launch an appeal for immediate aid for the poorest of the poor.

This 11th UN special session is the third to be devoted to economic problems. It is also the third session of the General Assembly this year. The previous ones were on the Soviet intervention in Afghanistan and the Palestinian question.

ZIMBABWE. Whatever differences may appear as the session develops, it will begin in harmony with the admission of Zimbabwe as the UN's 153rd member.

Prime Minister Robert Mugabe, who fought a bloody guerrilla war to win black majority rule through free elections, will personally accept membership and address the assembly.

IMF looking for ways of raising new funds

TOKYO — The International Monetary Fund (IMF) is studying ways of raising new funds to help non-oil producing developing countries with balance of payments deficits, Japanese finance officials said.

The subject was also taken up at the IMF interim committee meeting held in Hamburg last April, they said.

But the officials declined comment on a report in the Japanese financial daily *Nihon Keizai Shinbun* which said the 140-nation IMF has begun studying its first borrowings from international money markets.

MEASURES. The daily quoted the finance ministry as saying the steps being considered include the issue of short or medium term IMF bonds and receipt of syndicated loans from major international banks.

The report said IMF funds were at present sufficient with quota contributions from member countries totaling \$3 billion, which would be boosted by 50% in the near future. — Reuter

WORLD SITUATION

Sweeping revamp starts as Polish gov't yields to workers on strike

WARSAW (Reuter) — Prime Minister Edward Babuch resigned Wednesday and Communist Party leader Edward Gierek promised free trade unions as authorities made a sweeping new bid to end the strike wave now crippling Poland.

Gierek, presiding over the biggest political shakeup Poland has seen in 36 years under communism, announced what amounted to a major liberalization of the country's one-party system.

He also promised full democratic trade union elections by secret ballot. Demands for free trade unions were the central issue at stake in a state referendum in northern Poland which has brought most of the nation's industry to a standstill for more than 10 days.

Babuch was replaced as prime minister by former chief economic planner Josef Pionkowski.

Workers from more than 400 enterprises in northern Poland defied both the prime minister and Gierek by holding out on the union issue which the authorities had at first refused to concede.

SURPRISE REVERSAL. The surprise reversal of police almost certainly meant a victory for the strikers in Gdanek and other cities along the Baltic coast who were

thought likely to call off their stoppage.

Gierek, who has been fighting for his own political survival during the last eight weeks, promised that if the militant strike leaders were elected to union office the election would be honored.

This amounted to a surrender of some of its power by the Communist Party.

Four full members of the 14-man politburo and two candidate members were dropped in the second big shakeup of the ruling body this year.

Babuch rose to power during the earlier shakeup in February as it became clear that Poland was plunging deeper into a political and economic

crisis. The finance, foreign and machine industry ministers and two deputy prime ministers lost jobs in last night's top-level purge.

The men in charge of the national price commission, radio and television and the statistical office were dropped.

After the appointment of a new chief, Jerzy Lukaszewicz, was also ousted. He has played a prominent role in the government's press campaign

during the eight-week labor crisis.

MEAT PRICES. The crisis broke when Babuch decided to raise the price of meat on July 1. Initially the media ignored the wave of strikes which spread across the country.

They then changed their policy and tried to shame the strikers into submission by asking the nation the full extent of the damage they were causing.

Both tactics failed. The shakeup followed an emergency session of the Communist Party central committee which met for six hours to discuss the failure of two deputy prime ministers to break the strike deadlock in the north.

The committee's decisions were announced on a special television news program in the north.

After the announcements, Gierek spoke to the nation and it was clear that the general mission of radio and television and the statistical office were dropped.

After the appointment of a new chief, Jerzy Lukaszewicz, was also ousted. He has played a prominent role in the government's press campaign

with East German head neighbor.

Otto Lambsdorff said relations with East Germany were continuing as before.

But it was a blow for Schmidt, campaigning for the October's general election as the champion of détente, to have two meetings with East European leaders cancelled in a week.

Last Monday, Polish communist party chief Edward Gierek postponed talks with Schmidt in Hamburg because of the strikes.

Four days later, Schmidt himself felt he had to turn down Honecker's invitation for two days of talks in East Germany, which would have been the first visit there by a West German chancellor in 10 years. — Reuter

Schmidt cancels talks with East German head

WEST GERMANY. The surprise reversal of police almost certainly meant a victory for the strikers in Gdanek and other cities along the Baltic coast who were

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All bids shall remain valid for award and may not be withdrawn for a period of sixty (60) calendar days after the actual date that Bids are opened and opened.

The right is reserved, as the best interests of MWSSES may require, to waive any informality or to reject any or all bids received without assigning any reason.

(SGD.) OSCAR I. ILLUSTRE
Acting General Manager

Business Day
SPECIAL REPORT
on
UNIBANKING
and its effects on the
Philippine financial system

AUGUST 28, 1980

The special report will look into Unibanking laws and how these will affect the operations of the country's commercial banks, savings banks, investment houses, loan and savings associations and other components of the financial system.

Other subjects covered by the Special Report:

- Comparison of the Philippine Unibanking model with that of the German and Japanese models as perceived by Finance Minister Cesar Virata.
- Growth of the Philippine capital market and possibilities of "economic power concentration" under the Unibanking scheme.
- The new generation of banking executives.
- The history of mergers among Philippine financial intermediaries.

Deadline for reservation and submission of camera-ready materials is August 25, 1980.

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Pakistan putting up army modelled after Chinese

"People's Army"

ISLAMABAD — Pakistan's military ruler, General Zia-ul-Haq, is considering a massive increase in the size of the country's armed forces to create a peoples army on the Chinese model, officials sources said today.

In confidential letters to selected military chiefs, General Zia proposed introducing "mass military training" to secure Pakistan from both internal and external threats. The letters, dated Aug. 4, asked the recipients, including the military governors of Pakistan's four provinces, for their ideas and early replies. The sources said the general would like to see the country's present 450,000-man standing army expanded to include in new forces and would have a "specialized role."

But he said he envisaged a smaller and far better equipped standing military force than at present.

General Zia also said if a peoples army were set up it might have to be at the expense of economic development and asked his fellow generals for their ideas on how Pakistan's economic and social needs could be fulfilled simultaneously.

BACKING. The official sources said the new peoples army plan seemed to be in response to Pakistan's failure to win large-scale military backing from

the United States and the West after the Soviet Union's armed intervention in neighboring Afghanistan in December. It was seen as a response to India's recent multi-million dollar arms purchases from the Soviet Union and his plans to modernize its armed forces.

In March, Pakistan turned down a \$400-million American military aid package, made in response to the Soviet intervention, on the grounds that it would detract from rather than enhance the country's security.

No details were given in General Zia's letter of the projected cost of the proposed peoples army but he pointed out that the government had to divide expenditures between the army and economic development with the result that neither got the desired attention.

BALANCE. The general added, "in view of the present state of our economic capability, it is possible to visualize an effective plan which would allocate greater resources to economic development than to economic development without crippling the latter."

He said he expected the general to assess in particular the political impact the move would have and the economic effect on Pakistan.

Pakistan's banned politicians are certain to oppose the plan vigorously.

WASHINGTON (Reuters) — When Jimmy Carter unveils his economic recovery program this week, it is likely to emphasize profound differences with his Republican opponent, Ronald Reagan.

While the foundation of an extra-intramural approach is to free private business from the burdens of government,

the President is expected to propose an active role by the government to recover the economy.

So far only the deflated has presented a clear-cut economic policy, while the incumbent, with three and a half years in office behind him, has not.

But this is not surprising. With the economy in sickly shape as the United States grapples with recession, it is the president's task to turn the attention of potential voters away from the dismal past and to focus instead on the future.

Politically, however, it may be difficult to ask Americans to look to the future when the state of the current economy is all to clear.

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Carter, Reagan present contrasting platforms

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News Briefs

11 die in train crash

STOCKHOLM: At least 11 people were killed and 35 injured yesterday when a passenger train derailed at full speed near Uplands Vasby, about 25 kilometers north of Stockholm. The train was carrying at least 500 passengers from Sweden's North to Stockholm by way of Lulea, northern Sweden, when the accident occurred, flinging the last eight coaches off the track. Cause of the accident was not yet established, but railway officials speculated that a wheel might have come off one of the coaches. — Agence France Presse

Pravda hits US nuclear shift

MOSCOW: The Soviet Communist Party newspaper Pravda charged yesterday that the recent shift in strategic emphasis announced by US President Jimmy Carter was "a new step toward nuclear war." The new nuclear plan, which would envisage limited strikes against military and industrial installations rather than "open talks on medium-range weapons in Europe and advanced American nuclear systems." Washington has so far "avoided replying to this proposal," attempting "to turn the Soviet Union from this issue." Pravda charged. The Soviet Union categorically rejected the invitation by Washington to a new escalation of the arms race and calls for an end to this dangerous game. "Pravda concluded. — AFP

Schism in Iran's leadership

TEHRAN: President Abolhasan Banisadr's refusal to accept a list of proposed ministers submitted by the new premier, Mohammed Ali Rajai, revealed the wide gulf separating Iran's principal governmental leaders. Banisadr, principal objector, had announced a "new choice" for the key post of interior minister, who, he said, "should be neutral and belong to no party." Neither Banisadr nor Rajai revealed the name of the proposed minister. The Soviet Union's foreign minister said that Banisadr wanted Mustafa Mir Salim to be appointed to the post. — AFP

Peking accuses Moscow of 'high-handedness'

HONG KONG: Peking yesterday accused Moscow of assuming a posture of high-handedness since the formation of the Suzuki cabinet in Japan last month. The official Chinese News Agency said in an article that the latest show of Kremlin's power politics toward Japan was the towing of a crippled Soviet nuclear submarine through Japan's territorial waters in defiance of Tokyo's warnings against such a violation. The agency explained that Moscow's high-handedness toward Tokyo was an attempt to reverse the new Japanese government's attitude toward the Soviet Union, particularly after its invasion of Afghanistan last December. It recalled that former Japanese Prime Minister Masayoshi Ohira had temporarily frozen contacts with Soviet officials, and that the Soviet Union had restricted exports of sophisticated technology to Moscow and boycotted the Moscow summer Olympic following the Soviet intervention in Afghanistan. Although the Kremlin made a gesture to Tokyo following the death of Ohira, new Prime Minister Zenko Suzuki had stated clearly that the return of Japan's northern territories should be the basis of the friendship between the two countries. — AFP

Oil ministry accused in accident

PEKING: A commentary in the People's Daily yesterday blamed top officials of the Ministry of Petroleum Industry for China's worst oil rig disaster in the Bo Hai Gulf last November which claimed 72 lives. The commentary, published in the Communist Party newspaper also accused the Minister of Petroleum Industry, Song Zhemin, of having signed a cover-up report which was an "obvious deception." "To speak of negligence, the cause of the accident traced to the ministry's disregard for both subjective and objective conditions in laying down the tasks," it said. It accused the ministry of having started no investigation for two months after the accident. "I tried to cover up the facts of this most serious accident ever to occur in China's oil industry and to shield those responsible for it," it said. The first report from the ministry to the government had tried to blame the capsizing of the offshore rig on a gale of over force 10. A later report signed by Petroleum Minister Song had changed this to a force 11 gale, but "this is obvious deception," it said. (Reuters)

270 die in Bangladesh floods

DACC: Floods and their aftermaths have claimed 270 lives and affected about 10 million people in 14 of Bangladesh's 21 administrative districts since last week's heavy rains. The Communist Party newspaper has already disrupted railway communications in Faridpur district and was threatening Dacca's only road link with 12 northern and southern districts. Floodwaters have also cut off the government's main artery. Among the worst-hit districts are Rajshahi, Tangail, Faridpur, Rangpur and parts of Dacca. In Faridpur, 86 kilometers south of here, a railway bridge has collapsed. The water has been washed away by the strong current from the Ganges river overflowing both banks. — AFP

No Republican 'two China' policy — Bush

HONOLULU (Reuters) — Republican vice-presidential nominee George Bush, heading home from China into what would be the first official storm of the election campaign, said flatly here there will be no Republican "two China" policy.

Trying to ward off mounting criticism from Peking of statements by Republican presidential candidate Ronald Reagan on Taiwan, Bush told reporters here:

"I would refer you to what Mr. Reagan has said and what I have said — which is there will be no 'two China' policy."

"Our effort to continue to improve relations with the People's Republic of China is to recognize that the people of Taiwan are friends — and that's what it's all about."

SPECULATION. Reagan caused a rash of speculation here when he said on the campaign trail that he would support a "two China" policy if elected president he would be able to restore official government relations with Taiwan.

His statement led to speculation he wanted a "two China" policy — one to maintain a formal relationship with China and with the Chinese nationalists on Taiwan.

Bush, at the end of his three-day mission to appear on television last night to be playing down the significance of Reagan's statement.

Libyan diplomat willing to testify on 'Billogate'

VIENNA (Reuters, AFP) — Libya's most senior diplomat in the United States said yesterday he would testify to his government if invited to do so by a Senate subcommittee investigating the question.

Manсур Kikhia, Libya's permanent representative to the United Nations, said he would also like to testify on his relations with fugitive American financier Robert Mugger.

"When we are accused in public, we have to answer in public," he said.

Kikhia, a former foreign minister, was speaking during a visit to Vienna for a UN meeting.

New violence flares in ME

LONDON (Reuters) — New violence flared in the Middle East yesterday as two Palestinian fedayeen were shot in the Jerusalem area and Israeli fighters shot down a Syrian jet in a dogfight over Southern Lebanon.

One Israeli was killed and 12 people, seven of them foreign tourists, were injured by a bomb that exploded at a gasoline station off the main Jerusalem-Tel Aviv highway.

Earlier a bomb planted on a traffic island at the junction in Jerusalem went off but only one was hurt, police said.

ZIA

roughly. They are united in their opposition to General Zia's military government and any attempt by him to increase his power.

General Zia's new army against internal as well as external threats was seen as further evidence of his refusal to hand over power to a civilian government and US extra-intramural approach for suppression, according to a diplomat from a Muslim country who was aware of the government's proposal.

Pakistan's major aid donors are unlikely to welcome the change if it leads to a cut in developmental programs at the expense of the army's defense spending, the official sources said.

The 11-nation Aid-to-Pakistan Consortium of major western industrialized countries and Japan is currently giving consideration to rescheduling Pakistan's extensive foreign debts.

He said he told the subcommittee last week he wanted to testify to refute press reports that he tried to bribe President Carter's son-in-law and Vesco to use their influence to win government export licenses for Libya aircraft bought by Libya.

NO INTENTION. "We did not try to bribe any body for those planes," Kikhia said.

Washington refused in 1973 to permit export of eight C-130 transport planes and several Boeing 747 aircraft already paid for by Libya, saying it opposed what it called Libyan leader Muammer Kadhafi's support for international urban guerrillas.

He also denied press allegations that he tried to bribe John White, chairman of the Democratic Party's national committee, to lobby for the licenses.

"We only met for three minutes in 1978," he said. "I did not talk with him about the issue and my purpose was not to give him any money."

north of the Israeli border.

In other military actions, Israeli and Lebanese forces clashed and shelled the Palestinian nationalist stronghold of Nabatiyah yesterday, officials said.

They said the shelling was sporadic but that the earlier bombardment was a heavy one which damaged 25 houses in a number of villages.

This bombardment and other shelling reported from the coastal city of Tyre marked the sixth successive day on which a town in Lebanon had been a target for such fire.

He said

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56-year fund for workers' bank capital

LOMBARD — A fund established 56 years ago by the wife of a British sea and shipping merchant is to be used to set up a new bank in Sri Lanka.

Lady Jane Lochore helped set up the fund in 1924 to relieve indebtedness among workers in a Mexico for which it proved so helpful that it was incorporated by an act of Parliament in 1928.

Today the fund, housed in a four-story building in the heart of Colombo, has assets of \$1 million and is managed by Sri Lankan workers in debt.

Under the scheme worked out by the fund, workers will be the only shareholders in the bank.

Albert De Silva, managing trustee of the Lady Lochore fund, said that the bank's main function of the workers' bank will be to help finance the needs of workers and their families. — Reuter

Saudi sets takeover of Aramco

NEW YORK, Aug. 25 (Reuters) — Saudi Arabia has completed its payments under the agreements to take full control of Arabian American Oil Co., even though the actual takeover documents still have not been signed, Petroleum Intelligence Weekly said.

The newsletter said the final \$1.5-billion payment was made to the four Aramco partners during the second quarter. Exxon Corp., Standard Oil Co. California and Texaco Inc. each held 28.5% of Aramco and 1.45% was held by Mobil Corp.

PIW said relatively few points still remain to be settled to make the 100% takeover official and final, noting that there has been no official confirmation of recent press reports that nationalization will be completed in October.

Due to falling copra prices Program set for coco workers who lose jobs

The Ministry of Labor and Employment has launched a nationwide program to give alternative income to coconut workers who may lose their jobs due to the continued drop in copra's world market price.

The program consists of tapping other supplemental means of livelihood for coconut workers, the placement of retrenched workers in gainful employment locally and overseas, and the provision of permanent social and economic benefits for them.

Rural Workers' Office (RWO) director Rafael Espiritu said in an interview that the amelioration program is in accordance with the presidential Letter of Instructions No. 1035 issued last June 3.

INSTRUCTION. The LOI directed MOLE, the Philippine Coconut Authority, and the Coconut Producers Federation (CooFed) to undertake social benefit programs for coconut industry workers in view of the depressed world market price of copra.

In London, copra is currently quoted at \$430 per metric ton. The commodity reached its peak price at \$680 per metric ton during April 1979. It

averaged \$614 per metric ton during that year.

Espiritu said one of the program's features is the placement of coconut workers in overseas or domestic jobs.

He said MOLE's Bureau of Employment Services (BES) has allowed a recruitment agency and a workers' federation, the Kaisahan ng Manggagawa sa Niyyugan, to recruit construction workers from depressed coconut areas, and send them overseas to work.

The recruitment agency and Kaisahan have processed the work and travel papers of some 350 displaced coconut workers who will be sent to work for Group III Canada, which has housing projects in Egypt. The company needs 2,000 construction workers.

Workers to be sent abroad, Espiritu said, are those who have knowledge in masonry, carpentry, plumbing and other construction skills.

WORKERS' POOL. Espiritu said that RWO, the BES, the KMN, and the Philippine Coconut Authority recently signed a memorandum of agreement that calls for the creation of a pool of

displaced coconut workers to be deployed for overseas jobs. The labor ministry targets about 3,000 coconut workers to be sent abroad by 1981, Espiritu said.

A labor leader said 83% of those who own the country's 2.6 million hectares of coconut plantations are seriously feeling the pinch of prevailing high production costs and copra's low world market price.

He said these landowners, who operate an average of five hectares each have taken to cultivating their own plantations to save on costs.

This is a threat to the employment of about 500,000 coconut workers who comprise the industry's "floating populace" — workers whose services are hired by plantation owners especially during harvest, he said.

Domestically, copra is bought at P1.50 per kilo. The cost of processing the commodity, however, is estimated at P1 per kilo, without including the transport costs required to shuttle the commodity to marketplaces.

The labor leader added that majority of the coconut landowners — as part of cost-cutting measures — now forego the scientific methods of clear-

ing, cultivation and fertilization of plantations. Mechanized cultivation of coconut land costs an average of P150 per hectare, he said.

TECHNOLOGY TRANSFER. Espiritu said that under the program, MOLE will also launch technology transfer projects to enable coconut farmers to engage in enterprises that would supplement their income.

Among these is the massive adoption of multi-cropping techniques for coconut plantations, the transfer of talong culture from Cavite coast to the coastal areas of Pangasinan and Tarlac, and the cultivation of giant tomatoes for the Clark and Subic military installations.

Towards the end of 1981, the amelioration program calls for the government to institutionalize more permanent economic and social benefits for coconut workers, such as social security, education, credit and housing.

Likewise in the plan is the promotion of a land consolidation scheme in the industry, whereby workers will be grouped together and their farm as one big plantation so as to increase production and cut cost.

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Guidelines on unbanking

(i) The sale of assets, such as shares of stock, on credit; and

(j) Any other transaction as a result of which a director, officer or stockholder becomes obligated or may become obligated to the lending bank, directly or indirectly, by any means whatsoever to pay money or its equivalent.

SEC. 47. Transactions not Covered. — The terms "loan," "borrow," "money borrowed" or "credit accommodations" as used herein shall not refer to the following transactions:

(a) Advances against accrued compensation, or for the purpose of providing payment of authorized travel, legitimate expenses or other transactions for the account of the bank or for utilization of maternity and other leave credits;

(b) The increase in the amount of outstanding credit accommodation as a result of additional charges or advances made by the bank to protect its interest such as taxes, insurance;

(c) The discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, including but not limited to the acquisition by a domestic bank of export bills from any of its directors, officers, stockholders (including foreign bank stockholders) and their related interests which are drawn in accordance with the terms and conditions of the covering letters of credit. *Provided,* That the transaction shall automatically be subject to the ceilings as herein provided once the director, officer or stockholder and/or their related interest who is a party to the transaction becomes directly liable to the bank.

(d) Transactions with a foreign bank which has stockholdings in the local bank where the foreign bank acts as guarantor through the issuance of letters of credit or assignment of a deposit, the currency eligible as part of our international reserves and held in a bank in the Philippines to secure credit accommodations granted to another person or entity. *Provided,* That the foreign bank stockholder shall automatically be subject to the ceilings as herein provided in the event that its contingent liability as guarantor becomes a real liability; and

(e) Deposits of a first bank with a second bank, whether domestic or foreign, which has stockholdings in the first bank.

SEC. 48. Applicability to Credit Card Operations. — The credit card operations of a banking institution shall not be subject to the regulatory provisions of this Chapter where the credit card holder is a director, officer or stockholder of the bank: *Provided,* That (a) the privilege of becoming a credit card holder is open to all qualified persons on the basis of selective criteria which are applied by the bank to all applicants thereof; and (b) the bank director, officer or stockholder concerned reimburses the bank for advances made on and payments on his credit card within a period of thirty (30) days from the date the bank made such advances. However, if the director, officer or stockholder concerned fails to reimburse the bank within the 30-day period mentioned herein, the transaction shall be subject to the applicable requirements of this Chapter.

SEC. 49. Direct or Indirect Borrowings. — For purposes of these rules on loans and credit accommodations to directors, officers, stockholders and their related interest, a credit accommodation shall be considered a direct or indirect borrowing in accordance with the following criteria:

(To be continued)

Zobel gives advice on 'flexible' planning

Ayala Corporation has established and basic direction, and knows what it wants in the next 20 years. But its planning is being made only for the six months ahead, its president Enrique Zobel yesterday told the Management Association of the Philippines.

He emphasized, however, that detailed plans are being made for that brief period, to allow "maximum flexibility."

"We look to planning to define our long-term goals and to give us alternative ways of reaching those goals, based on different assumptions. In other words, we are developing flexible means to meet relatively inflexibility targets," he stated.

When embarking on any project, Ayala considers alternative strategies for the project, changes in government policies, market conditions, and availability of funds.

Zobel cited the Ayala investments in Mindanao, which he said many people have been wondering about.

He said he has been told that Ayala's Mindanao Hotel, insurance operations, agri-based ventures are open to both Muslim and communist aggressions and that it might be better to pull out while the going is good.

Zobel said he firmly believes in the future of Mindanao, and he believes that "a politically neutral business organization which truly provides a necessary service or product for the economy will continue to remain in operation."

During hard times, the role Zobel has followed is not to use

borrowing money. He said that by borrowing money two obvious risks are involved: on the present assets and the new company being acquired.

Zobel urged planners to review weak points in their companies. An import-dependent firm has an in-built weakness, he said; a completely export market dependent firm is also inherently weak. He suggested that the strategy of exporting everything and discouraging local market sales is not only a disservice to the people but also a short-sighted posture for the company itself.

Zobel said Ayala's future plans center on basic food production. The strategy is meant to cover many eventualities. In any condition food is essential, he noted.

BUYING CRITERIA. What is a good company to acquire in uncertain, necessary, unstable times? Zobel answered:

- * a company which has a solid market for its product; or
- * a company which has lost money but trimmed its operations to the point of success but has financially drained its resources in the effort. Additional criteria:
 - * when the lines of the firm complement with your own;
 - * when management can be changed easily;
 - * when the company is not saddled with excessive collectibles and inventories from heavy borrowings; and
 - * if it enhances the profits of other businesses of the acquiring firm.

4 export firms get incentives

The Board of Investments last week approved four projects under the Export Incentives Act (Republic Act No. 6135).

Heading the list of approved projects was that of Union Chemicals, Inc., an export producer of monosodium glutamate, with an annual production capacity of 1,760 metric tons.

The project is expected to cost P20.78 million, to be funded with long-term loans of P10 million and equity contributions of P10.78 million. Union Chemicals is 60% Filipino and 40% Japanese. Its parent firm, Ajinomoto Co., Inc. of Japan, will assist in its overseas marketing.

It is to produce 1,760 metric tons of monosodium glutamate (from sugarcane molasses) annually, and export at least half of this amount to Canada, Italy and Australia.

OTHERS. Also approved under the Export Incentives Act were:

- * Nagua Manufacturing, Inc., an export producer of garments, with an annual production capacity of 145,000 pieces. Project cost is placed at P4.09 million. Target export markets are Japan, United States, Panama, Australia, New Zealand and Italy;
- * Pacific Seamen Services, Inc., a service exporter in shipping personnel management;
- * Trans-Global Maritime Agency, Inc., another service exporter in shipping personnel management, which has an agreement with Exxon Corp. of the United States to supply manpower to two Exxon subsidiaries, Esso Tankers, Inc. and Esso Singapore Private Ltd.

BOI approves MMIC's \$123-M shift to coal

The Marinduque Mining and Industrial Corp.'s project to shift from oil-fired to coal-fired nickel operations has been approved by the Board of Investments for registration under the first (1980) energy priorities program, which will entitle MMIC to incentives granted under the Investment Incentives Act (Republic Act No. 5168).

MMIC's project, which will cost \$122.76 million (roughly P920.67 million), involves the acquisition of two coal-fired boilers to replace the three oil-fired boilers at its Nonoc nickel refinery. The present machineries consume about \$75 million worth of bunker oil a year.

Anti-pollution filter up for demonstration

Claude Laval III, head of an American corporation which manufactures a novel filtering equipment for environmental protection, will arrive tomorrow to introduce the product to prospective users in the Philippines.

This was announced yesterday by Jesus T. Maglutac, president of Comart (Phils.) Inc. licensed distributor in Asia of Claude Laval Corp. for its Lakos separator, a centrifugal filter that removes solids from liquids.

Laval will demonstrate the equipment to present and prospective clients.

According to MMIC chairman and president Jesus S. Cabarrus, the project is expected to reduce the Nonoc refinery's fuel cost by 40% or roughly \$30 million a year.

PRIVILEGE. For the conversion, the government is giving MMIC an extra two-year exemption from taxes, except income tax.

MMIC had a five-year tax exemption which expired on Dec. 31, 1978. Cabarrus had said that the government, "recognizing the impact of continuously escalating fuel prices and the almost complete dependence on oil in our nickel operations," extended the privilege for another two years. "In return, MMIC is expected to actively pursue the conversion of the present oil-powered facilities to coal."

Also part of the coal conversion program are the construction of new pier facilities capable of berthing 60,000 dry metric tons of ore and coal carriers, installation of coal unloading and storage facilities, installation of conveyor systems, and development of stockpile and reclamation areas.

According to MMIC, new boilers are needed because the present ones cannot be converted to run on coal, and the nickel refinery needs to run continuously.

The new boilers are designed to accept a wide range of coal types with heating capacity values of 8,500 BTU (British thermal units) per pound up to 12,000 BTU per pound. This will allow MMIC to utilize indigenous coal resources once available. Initially, MMIC will depend on imported coal.

Enrique Zobel Farmer-banker, sportsman, visionary, Filipino.

He flies Philippine Airlines



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Sugar workers press demand for price hike

By RODRIGO V. ALVAREZ
Reporter

Sugar workers have petitioned Labor Minister Blas Ople to forward to President Marcos their proposal for the National Sugar Trading Corp. (Nasutra), the sole domestic outfit authorized to trade in sugar, to increase sugar's composite (buying) price from the present P105 per picul to P130, starting cropyear 1980-1981.

The cropyear starts next month and ends next August.

Sugar workers said that at the new composite price, millers and plantation owners will be obliged to provide workers the required wage increases stipulated under various presidential decrees. These employers have been exempted from the wage decrees because of the previously depressed world sugar prices.

The proposal came from the National Congress of Unions in the Sugar Industry of the Philippines, Pasami Laborers and Employees Association, Central Azucarera de Tarlac Labor Union, Pasudco Workers Union, and the Murcia Cotton Workers Union.

The unions asked Nasutra to declare that the composite price of sugar for cropyear 1979-1980 be effectively increased to P110 per picul, and not P105 per picul which Nasutra pays at present to producers.

Millers and plantation owners have expressed indignance over Nasutra's inability to raise the effective composite price to P110 per picul, in spite of the commodity's booming price in the world market.

Unions have expressed disagreement over the previous public announcements of Nasutra specifying the prices of export contracts to be paid to buyers from Indonesia, Russia, Japan, South Korea, France, Iraq, and the United States.

ASUTRA. Earlier, Nasutra executive vice-president Jose A. Unson said Nasutra will be able to pay sugar exporters P110 per picul in December, or when the country's total exports shall be fully sold and delivered to buyers.

He said that if there are adequate cargo ships and if buyers are willing to acquire their sugar at earlier schedules, Nasutra will try to complete deliveries by October.

The unions also petitioned to request the President to change the present profit-sharing scheme for sugar exports. They stressed that the current "fifty-fifty sharing" of Nasutra and sugar producers be made into seventy-thirty in favor of producers," so that employers could afford higher production costs.

Unions representing the country's mill and plantation workers are scheduled to meet Saturday and Sunday in Bacolod City to formalize the unification of the workers' unions in line with the "one union, one industry" concept espoused by the Labor Code.

STRIKE? Among the likely things to be discussed is the unions' plan to hold a nationwide strike, in protest against millers' and plantation owners' inability to provide the supposed wage increase due them. These wage increases are the P60 monthly emergency allowance under PD No. 1123, the P60 allowance under PD No. 1614, and the P90 allowance under PD No. 1634, which employers have pledged to pay if Nasutra increases sugar's composite price to P110 or P130 per picul.

Unions also disclosed that at present, the P2 daily allowance for non-agricultural workers and the P1.50 allowance for agricultural workers are scheduled to be generally not given to workers in the sugar industry. They further expressed doubts that employers will be able to comply with the P1 increase in the basic daily pay and the P60 monthly emergency allowance under PD No. 1113 recently being signed by President Marcos.

Millers and producers say they are willing to give workers higher pay provided that the government will pay producers a higher composite price for sugar.

The Philippines posted a \$22.75-million balance of payments deficit in July, as imports exceeded sales January to \$23.24 billion, the Central Bank reported yesterday.

The seven-month deficit, however, was better than the \$426.66 million deficit recorded for the same period last year.

As in the past, the deficit was largely due to insufficient export receipts to pay for imports, particularly crude oil.

A significant development during the month was the deceleration in both imports and exports, indicating reinforcement moves by the private sector as a result of recessionary pressures.

The exports in July amounted to \$400.03 million, 15.4% more than the same month in 1979. This growth rate is far below the average 35% recorded in recent years.

Although imports expanded by 13.2% to \$491.31 million, this growth rate was lower than previous years, however, exports for the first seven months grew by 33.7% to \$2.794 billion against \$2,090 million for the same period in 1979.

On the other hand, import payments totaled \$3,732 million this year against \$3,032 million last year.

TRADE DEFICIT. The cumulative trade deficit this year came to \$187 million, an improvement over the \$941.43 deficit posted for the same period in 1979.

The top export item consisted of mineral products which are enjoying favorable international prices as a result of political and economic uncertainties.

Exports of copper concentrates, gold, nickel and other such minerals reached \$712.24 million, more than double the \$301.66 million realized during the same period last year.

Copper concentrates alone accounted for \$429.61 million of this year's mineral product export receipts. Last year's copper concentrate export earnings came to \$199 million.

Non-traditional manufactures were the second leading export group with foreign exchange earnings of \$882.31 million — 31.2% more than last year's \$519.97 million. Of them, garments accounted for \$173.88 million while electric and electronic equipment and spare parts contributed \$79.73 million.

Other major export items in the group were textile yarns and fabrics (\$55.61 million), chemicals (\$47.79 million), furniture and fixtures (\$45.61 million), wood manufactures (\$49.49 million), non-metallic mineral manufactures (\$40.55 million), and machinery and transport equipment (\$24.78 million). Coconut was still among the major export earners, although its contribution had considerably declined from a share of 1.6% in prices due to a glut in vegetable oils in the world market following the US embargo on exports to the USSR.

Coconut product exports

In first 7 months

Trade deficit trimmed to \$187M

By JOSE P. OMPOC, Jr.
Reporter

amounted to \$407.06 million, a 24.1% drop from last year's \$531.78 million, almost twice last year's \$146.11 million. The major portion of this came from exports of centrifugal and refined sugar with receipts of \$271 million. Another \$19.07 million came from exports of molasses.

Forest products earned \$278.34 million for the seven-month period, slightly higher than last year's \$259.3 million. Revenues from lumber amounted to \$147.26 million, followed by \$57.27 million and from plywood \$28.2 million.

Fruits and vegetables earned \$167.98 million, a 6% decline from last year. Processed products amounted to \$141.64 million while bananas contributed \$85.29 million.

IMPORTS. On the import side, the CB reported that over four-fifths or \$3,029 million of total import payments consisted of essential items.

Essential imports items alone totaled \$2,929 million, while the remaining \$100.46 million were for importations of essential consumer items.

Classified by end-use, the CB said producer good importations reached \$3,586 million, while consumer goods amounted to \$145.68 million.

It noted that for producer goods, semi-processed raw materials cost \$1,533 million; unprocessed raw materials \$1,237 million; machinery and equipment, \$533.53 million; and supplies, \$182.49 million.

For consumer good imports, \$126.6 million were for non-durable items while the remaining \$17.08 million were for durable

goods.

The seven-month \$937.87 million trade deficit was offset by surpluses obtained from "invisible" transactions, such as foreign borrowings, tourism earnings, and services including insurance.

Foreign borrowings for the seven-month period totaled \$1,897 million, although during the same period, its borrowings in outstanding foreign obligations were repaid.

The government sector alone borrowed \$1,249 million during the seven months. Its borrowings in July totaled \$304.34 million, of which \$196.39 million were short-term or those having a maturity of less than a year.

The private sector's new foreign borrowings for the period totaled \$647.84 million.

INVESTMENTS. New foreign investments for the period totaled \$123.72 million against \$91.1 million for the comparable period last year.

Current account transactions, a form of invisible transaction, contributed \$1,438 million in foreign exchange receipts.

These came mainly from foreign exchange remitted to the Philippines by overseas Filipino laborers (\$210,516 million), services (\$400,07 million), tourism (\$120,06 million), interest income (\$166.88 million), expenditures of the US government in this country (\$113.14 million) and personal expenses of transients (\$87.85 million).

Transfer account transactions, another form of invisible transaction, contributed \$193.44 million for the period. These were derived from personal remittances of foreigners to Philippine residents (\$109.9 million), pensions received by Philippine residents from the US government (\$68.03 million) and foreign donations and contributions (\$26.36 million).

Companies borrowed P164B thru CP issues in 1st half

Short-term borrowings of the business sector from the public through commercial papers amounted to P163.9 billion during the first semester of the year, 21% more than P135.1 billion during the same period last year, according to statistics from the Securities and Exchange Commission.

That would point to very active money market transactions this year, since the SEC approves, under P55.7 billion worth of commercial papers, the total debt ceiling of the companies, for the period.

The SEC said that registration of short-term commercial paper is an open-ended process, which allows a company to issue commercial paper up to the ceiling of the "ceiling" at any one time. A company that has redeemed previous issues can thus float a different set of papers provided the total does not exceed the debt ceiling.

As of last June, P18.7 billion worth of commercial papers were not yet redeemed. That month had the lowest outstanding balance for the period, while the highest was during February when the balance amounted to P27.1 billion.

On the other hand, the highest amount of commercial paper issued was recorded in April, and the lowest was P26.7 billion in May.

If the money market can absorb at least a P2 billion of the commercial papers each month, which is higher than the outstanding balance as of the end of the first semester, some of those investment funds must have gone to other forms of investment.

STOCK MARKET. Incidentally, it would not be the stock market, since the amount of turnovers in the exchanges has been on the decline since March. In fact, turnovers in the first six months of the year totaled only P2.88 billion, compared with P3.04 billion in the same period last year.

The SEC report of the short-term commercial paper showed that banks were allowed to float P29 billion, or 52% of the total for the period, but it was silent on the amount actually issued by banks.

Financial institutions with quasi-banking functions (P18.9 billion) were authorized to issue P14.7 billion, 26.4% of the total, but the report again does not state the amount issued.

Companies had a debt limit of P12 billion, 21.6% of the overall limit, while they issued P1.9 billion, about 11% of the total amount (P163.9 billion) issued during the period.

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BIR clarifies sales discounts

The Bureau of Internal Revenue yesterday ruled that discounts may be allowed as a deduction from the gross selling price of goods sold.

But such discounts, BIR said should be at the time of the sale and indicated in the sales invoice.

The BIR issued this ruling to clarify queries from taxpayers.

The BIR said only bona fide discounts given to purchasers are deductible from the gross selling price for the purpose of computing the sales tax.

It stressed that such discounts must be expressly indicated in the sales invoice.

Thus, discounts for prompt payment, for cash sales or other special or confidential reasons not indicated in the sales invoice are not deductible.

Oil strike at Batas 1?

The Philippines Cities Service, Inc. (PCSI) yesterday completed the first of a series of drill stem tests (DSTs) on its exploratory oil well, Batas 1, and there is a strong possibility that this will be another oil strike, the Ministry of Energy announced yesterday.

Located four kilometers west of the Cadalao structure where two oil wells with a combined production capacity of 9,680 barrels a day were drilled and are awaiting development.

DSTs are tests conducted to determine the characteristics of oil structure. It can enable oil explorers to determine the rate of oil flow.

Based on the result of the first DST, PCSI gave Batas 1 a 50-50

chance of becoming another discovery well. The well was 7,900 feet deep.

Depending on the results of two other DSTs to be conducted on the well, PCSI intends to spend another exploratory well in the south Pandan area, about three kilometers southeast of Pandan 1, a discovery well with an established flow rate of 6,154 barrels a day.

Originally, PCSI was to drill Tara I which is north of Libro I, a discovery oil well located between the Matina and Pandan structures. However, with the possibility of Batas 1 being another discovery well, PCSI decided to accelerate the development program for the Matina and Pandan structures.

RP-Indon trade discussed

Indonesia is inviting Filipino investors in the pharmaceutical industry, Indonesian Ambassador to the Philippines Soedarmono said yesterday.

In an open forum following his address yesterday at the Chamber of International Trade, Soedarmono also said trade relations between the Philippines and Indonesia will still have to see the development of the tourism and shipping industries.

He said that while trade between the two countries has shown significant growth in the past five years, not much has been done by both nations to enhance trade in these areas.

Soedarmono said that with Indonesia's 145 million population, "it will take a long time for the country to become self-sufficient in medicine, such as the sale of antibiotics." The Philippines last year exported to Indonesia \$38,686 worth of vitamins, analgesics and anti-

pyretic products, and other pharmaceutical and medicinal products.

"We still have to do a lot of things together, particularly in small projects such as pharmaceuticals," he said. He added that the Philippines and Indonesia seem to be producing the same products, for which both compete in the international market.

TODAY

- Monthly luncheon meeting of the Philippine Contractors Association, 8 a.m., at the Valle Verde Country Club, Insurance Commissioner Gregorio Cruz Amalino is guest speaker.
- Second day of the seven-day seventh general conference of the International Association of University Students, at the planetary hall of the Philippine International Convention Center.

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WB plans \$13-B loan to havenots over next 5 years

WASHINGTON (Reuter) — The World Bank has announced plans to lend about \$13 billion over the next five years for energy programs in developing countries.

In a report entitled "Energy in the Developing Countries," the World Bank said many of these nations rely on rapidly diminishing sources such as firewood and charcoal for more than half their needs.

"The demand for fuelwood, the most important source of traditional energy for residential uses, has grown faster than supply..." the report said. "Many developing countries are therefore facing a second energy crisis," it said.

"The magnitude of the fuel crisis is immense," the report added: "As fuelwood supplies are exhausted, animal and crop residues are burned, depriving the soils of valuable nutrients and organic conditioning material."

92 BENEFICIARIES. The \$13-billion to be offered to 92 developing countries, represents 17% of the bank's total lending commitments, the report said.

Lending for oil and gas is expected to total about \$4 billion for the final years 1981-1985. The total energy lending program also includes reforestation and developing other renewable resources as well as coal, nuclear power and natural gas.

World Bank president Robert McNamara, in an introduction to the report, noted: "In 1980, these countries will spend \$50 billion on importing oil. Their domestic production grows no faster than in recent years, their oil imports will rise by 1990 to \$11 billion..."

McNamara added that "by maximizing energy production between the end of the decade and by a vigorous program of energy conservation," oil imports in 1990 could be cut by up to \$30 billion.

He said the bank's resources were insufficient to meet all essential investment needs for these developing countries so the organization will explore the possibility of establishing an energy affiliate of the bank.

Chilean copper output to rise to 1.5-M MT by '90

SANTIAGO (Reuter) — Chile's copper production should rise to at least 1.5 million metric tons a year by 1990 from its present level of around one million MT, vice-president of the Chilean copper commission General Ruben Schindler said.

He told Reuters in an interview the bulk of the extra production will come on stream during the second part of this decade.

Schindler said output for the next few years will continue unchanged at around the 1979 level of 1.06 million MT of fine copper, as it exports which last year totaled 1.0 million MT.

The estimate of the rise in production takes into account a number of new mining projects currently being studied by private companies although not yet finally approved.

INVESTMENT. Total investment in the copper mining industry this decade, including maintenance and the cost of the new mines under study, is estimated at about \$6.5 billion.

All new mining capacity will be brought on stream by private companies, and financed by those companies, while output from state-owned mines will continue around the present level of 850,000 MT a year, Schindler said.

The expected rise in output should be sufficient to maintain Chile's share of the world market at 13% on present demand projections.

Government policy is to reduce the role of the state in the economy and state-owned mines could be offered for sale to the private sector in the longer term.

CAPACITY. Schindler said refinery capacity within the country is set to rise to 800,000 MT a year next year from the present level of 789,000 as a new refinery, La Aguirre, comes on stream.

However, there are no plans beyond this to increase refinery capacity and this will be up to private companies to decide.

He said Chile's recoverable reserves of fine copper are estimated at 123 million MT, the largest in the world.

US marts sensitive to Chinese crop reports

PEKING (Reuter) — Chinese officials feel US commodity markets have been too sensitive in their reaction to reports on Chinese agriculture, and specifically reports of possible damage to the current cotton crop, informed sources said.

The sources quoted officials as saying they themselves did not yet know the extent of damage to China's cotton crop as a result of rain and floods, but they had the impression the damage was localized.

Foreign agricultural sources have estimated China was likely to re-plant two million acres of US cotton this year, the same as last year, but that would depend on the price.

Taiwan trade deficit now totals \$524M

TAIPEI (Reuter) — Taiwan had a trade deficit of \$108 million in the first 16 days of August, pushing the country's trade shortfall to \$524 million since the start of the year, according to preliminary customs statistics.

In the same period last year Taiwan had a trade surplus of \$792 million.

The worsened trade performance was attributed to rising oil costs and a large increase in machinery imports.

Congress panel urges \$25-B tax cut to hasten economic recovery

WASHINGTON (Reuter) — The congressional joint economic committee has urged tax cuts to speed economic recovery from a recession in 1981. The committee of senators and members of the House of Representatives suggested a \$25-billion tax cut with half of it designed to promote sluggish US growth.

In its midyear report on the economy, the committee also gave indirect backing to the Senate finance committee drive to cut business and individual taxes by \$39 billion.

The recommendation for tax cuts received bipartisan economic committee support, but some members said more should be done to move the nation out of recession.

Senator Edward Kennedy (Democrat, Massachusetts) repeated his plea for wage and price controls, a \$12-billion jobs program and gasoline rationing, which he advocated during his bid for the Democratic presidential nomination.

Economic committee chairman Lloyd Bentsen (Democrat, Texas) said a study of six post-World War II recessions showed that the government can do little to influence the course of downturns in the economy.

The committee recommended that government and private job training programs be restructured to relieve unemployment and prepare people for jobs needed in private industry during the 1980s.

Aussie money supply growth strong

SYDNEY (Reuter) — Australian money supply (M3) growth of 12.9% in fiscal year 1979/80, July/June, was too strong, the Reserve Bank of Australia said in its annual report.

Commenting on possible reasons for this, the bank said the government appeared to have placed too much emphasis on the need to avoid disruption in the market place at the expense of the more desirable aim of increasing interest rate flexibility.

MAJOR WEAPON. Money supply growth control is seen by Treasurer John Howard as the Treasury's major weapon in the fight against inflation but the bank noted that such strong growth had not contributed to this end.

It said government bond sales could have been higher during the year had yields been lifted to match soaring overseas rates but it was

decided instead to follow the market rather than try to jump ahead and establish new selling platforms.

This had illustrated the susceptibility of the Australian capital market to developments in international markets, the bank added.

DEMAND. The Reserve Bank said it was not until late in the year that yields came into line with the higher market rates and demand picked up.

This coincided with the introduction of the new tap system and the bank added the experience with this development proved satisfactory.

The bank said a larger non-bank take-up of bonds during the year would have led to the volume of money being directly reduced, bank lending and lending by non-bank corporation being restrained and private liquidity being kept in hand.

OUTLOOK. Turning to the outlook for 1980/81, the bank said there is a need for firmer policies with the demand for finance for business and government projects likely to remain strong.

Consequently the Reserve Bank is looking to

trading banks to try and restrain lending to an annual growth of not more than 10%, the same target it set last year.

The eventual output was 17% and the reserve bank noted that this was accounted for by fuller use of overdraft limits.

S'pore top Asean nation for direct Japan investments

SINGAPORE (Reuter) — Singapore overtook Indonesia to become the leading ASEAN country for Japan's direct overseas investments in fiscal 1979 ended March 30, the Japanese External Trade Organization (JETRO) bulletin issued by the Japan Trade Center said.

Of the \$695 million invested in the Association of Southeast Asian Nations (ASEAN) last year, Singapore accounted for \$265 million or 42.8%, it said.

Indonesia took \$150 million, and of the other three ASEAN countries, the Philippines \$102 million, Thailand \$55 million and Malaysia \$3 million.



The Toughest Sleek

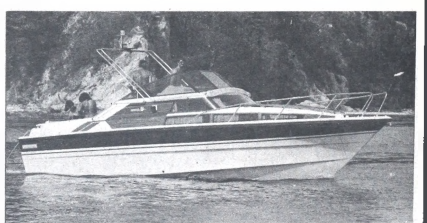
- Toughestly built as a dynamic response to the challenge of change
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- A perfect escape for outdoor space ready to go to your own paradise... at your speed...

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FJORD PHILS, INC. builds not only exceptional pleasure boats but extremely seaworthy, comfortable boats from 19 DAYCRUISERS to 24 DAY CRUISERS AND WEEKENDERS AND NOW, 900 CABIN CRUISERS.....

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- FJORD 24 WEEKENDER
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COMPANY _____
ADDRESS _____
COUNTRY _____
SIGNATURE _____ DATE: _____

Reply! Return this to: FJORD PHILIPPINES, INC., P.O. BOX 100, BATAAN EXPORT PROCESSING ZONE, MARIVELES, BATAAN. TEL. NO. (469) 2170. TELEFAX: 40813 FJORD PN 81347 FJORD PN



Commodities

FUTURES QUOTATIONS FRIDAY, AUGUST 22, 1980

METALS

COPPER (NY) - cents per lb. Table with columns: Open, Close, High, Low, and price details for various months.

PEPPER (NY) - cents per lb.

Table with columns: Seller, Spot, August, and price details for various grades of pepper.

GRAINS & OILSEEDS

VEGETABLE OILS (NY) - cents per lb.

Table with columns: Grade, Sep/Oct, and price details for various vegetable oils.

GOLD (NY) - dollars per 100 oz.

Table with columns: Open, Close, and price details for gold.

GOLD (Hong Kong) - US dollars per 100 oz.

Table with columns: Open, Close, and price details for gold in Hong Kong.

FOREX TRADING

The guiding rate for today is P7.558 to US\$1, change of P0.0005 from yesterday's P7.5575.

Transactions at the Foreign Exchange Trading Center yesterday amounted to \$2 million.

BD CURRENCY CONVERSION TABLE August 26, 1980

Table with columns: Currency, Equivalent of foreign currency in US dollar, Equivalent of US\$1 in foreign currency, and Equivalent of foreign currency in RP peso.

INTERBANK RATE

The average inter-bank demand rate quoted yesterday was 11.71%, according to traders from 16 participating institutions.

*New York free exchange rate; sellers' quotations as of August 22, 1980 as quoted by the Central Bank for August 25, 1980.

Monetary Movements

Gold closed Friday in London at \$634 an ounce, almost unchanged from its previous close while in Hong Kong it rose higher at \$644.

The dollar was hit by profit-taking and book-easing ahead of the weekend amid nervousness about money supply figures released late in the day.

Authorized minimum buying rates of authorized agent banks and foreign exchange dealers from tourists, transients and residents for August 26, 1980

Table with columns: Country, Rate, and agent bank information.

Oil prices in London were mostly unchanged from their previous close.

The dollar fell to 1.8005/15 marks and 1.660/80 Swiss francs, compared to last night's 1.8007/80 and 1.6675/90 close.

In those cases where the authorized foreign exchange dealer is generally authorized to purchase/convert currencies sold by residents.

Source: Central Bank

US dollars in London were mostly unchanged from their previous close.

The dollar fell to 22.30/35 yen, compared with 22.30/35 yen, compared with 22.30/35 yen.

The dollar had risen slightly this morning to a 1.8070/75, before slipping to a late 1.8055/45.

Dealers said trading was thin, however, with operators nervous or skeptical of the market.

Many banks had closed early ahead of the weekend.

Oil prices in London were mostly unchanged from their previous close.

The dollar fell to 22.30/35 yen, compared with 22.30/35 yen, compared with 22.30/35 yen.

The dollar stood at a late 22.40/225 yen against a late 22.25/35 yen.

The Hong Kong dollar made some ground to a late 4.9500/10 to the US unit from 4.9500/20.

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The Hong Kong dollar made some ground to a late 4.9500/10 to the US unit from 4.9500/20.

ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION NOTICE OF CASH DIVIDEND

Notice is hereby given that at the special meeting of the Board of Directors of ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION on July 23, 1980, a regular cash dividend of THIRTY CENTAVOS (P0.30), plus a extra TEN CENTAVOS (P0.10), per share, was declared by the Board, upon the consent of the Corporation's bank creditors and approval of the Board of Investments, payable on October 6, 1980 to stockholders of record on September 5, 1980.

(SGD.) ANTONIO R. INFANTE Corporate Secretary

US copper output up

WASHINGTON (Reuters) - Production of US copper at primary refineries and secondary plants rose to 809,039 metric tons in August, up from 795,900 tons in July, according to a report from the US Bureau of Mines said.

Total US copper imports during May were 37,225 MT, or 29.2% of the previous month and 14,412 MT in May 1979, the bureau said.

It said actual consumption of US copper in May fell to 152,900 MT, or 11.1% of April and 181,282 MT in May a year ago.

New Corporations

Date of Registration, March 1-6, 1980

Name of Corporation, Officer, Address

Line of Business

Capitalization

AGRICULTURE, FISHERY AND FORESTRY

MAC INTERNATIONAL DEVELOPMENT COMPANY, INCORPORATED Macario Te 902 Producers Bank Bldg. 314 Nueva St., Binondo, Manila	logging operations	5,000,000 a 1,250,000 b 1,250,000 p
A.K. ALONTO DEVELOPMENT CORPORATION c/o Encarnio Yaneza Marbella I Condominium Roxas Blvd., Manila	logging operations	2,000,000 a 400,000 b 100,000 p
KINGSLAND LIVESTOCK FARMS, INC. Jesus Madrazo 206 Balagtas St., Pasay, Metro Manila	production of livestock & livestock products	5,000,000 a 1,000,000 b 250,000 p
DAGOHOY FISHING AND AGRO DEVELOPMENT CORPORATION Lorezo Sepé Rm. 306 PCJ Bank Bldg. Sta. Cruz, Manila	operation of fish farms	1,000,000 a 200,000 b 50,000 p
SAN FERNANDO BAY DEVELOPMENT CORPORATION c/o Erlinda Sta. Ana Tiu San Fernando, La Union	logging operations	2,000,000 a 600,000 b 100,000 p
ROKIS INDO-AGRO DEVELOPMENT CORPORATION Santiago Manogdo 850 Manogdo St., Bo. Silahis SBPP Vill., Don Mariano Marcos Ave. Quezon City, Metro Manila	vegetable production including roots and tuber crops	100,000 a 20,000 b 5,000 p
CDC AGRO INDUSTRIAL CORPORATION Corman Sackermann Montevdra, Hipona, Capiz	production of livestock & livestock products	100,000 a 25,000 b 25,000 p
CASMAN FARMS, INC. Tomaso Avena Angeles City	livestock & livestock products	1,000,000 a 200,000 b 50,000 p
ASIAN SWINE BREEDERS AND AGRI-CULTURAL RESEARCH CENTER, INC. Carpis Gatmaytan Bamban, Tarlac	livestock & livestock products	20,000,000 a 5,000,000 b 6,000,000 p

TRANSPORTATION, STORAGE

CARGO SEAWAY, INC. c/o Simon Delgado 10 Carissa St., San Manuel Subd. Las Pilas, Metro Manila	water transport	3,000,000 a 150,000 b 150,000 p
UNION CARGO CO., INC. Geronimo Tanseco, Jr. Ekman Bldg., South Superhighway cor. Rockefeller St., Makati, Metro Manila	air transport	1,500,000 a 300,000 b 300,000 p
DALAHANIAN ICE & COLD STORAGE CORPORATION Felipe Anastacio Rm. 602, 1010 Bldg. A. Mabini, Ermita, Manila	storage and warehousing	500,000 a 400,000 b 100,000 p
NEGROS ALLIED VETERANS ARRASTRE AND STEVEDORING SERVICES, INCORPORATED Olimpio Dionisio Pulupandan, Negros Occidental	water transport	50,000 a 12,500 b 3,125 p

CONSTRUCTION

F-G BUILDERS, INC. Josefita de la Fuente 62 Lantana, Cubao, Quezon City Metro Manila	general building construction	1,000,000 a 200,000 b 50,000 p
BTU CONSTRUCTION & DEVELOPMENT CORPORATION Tommy Ting Rm. 104 Arte Bldg., 139-141 Sta. Mesa Ext., San Juan, Metro Manila	general engineering construction	10,000,000 a 2,000,000 b 500,000 p

SERVICES

ASIA PACIFICA PUBLICATIONS AND PRINTING CORPORATION Domingo Bardos Rm. 104 Arte Bldg., 139-141 Sta. Mesa Ext., San Juan, Metro Manila	printing/publishing & allied industries	500,000 a 100,000 b 25,000 p
MECHANICO MOTOR SERVICE, INC. c/o Ceiso Dionisio Milbay St., BF Resort Vill. Las Pilas, Metro Manila	repair of motor vehicles and motorcycles	200,000 a 40,000 b 10,000 p
PATH FINDER BROKERAGE CORPORATION Benito Lala Suite 304-A FNCB Bldg. Juan Luna, Binondo, Metro Manila	services allied to transport	250,000 a 100,000 b 100,000 p
JZ MOTOR SHOP, INC. Vicente Zamora 114 Antipolo St., Makati, Metro Manila	repair of motor vehicles and motorcycles	100,000 a 50,000 b 12,500 p
UNITY PRINTING PHILIPPINES, INC. Benito Wong 122-124 Halcon St., Quezon City Metro Manila	printing/publishing & allied industries	1,000,000 a 200,000 b 50,000 p

a-Authorized; b-Subscribed; p-Paidup
Source: Securities and Exchange Commission

French '80 inflation likely to reach 13%

PARIS (Reuter) — French inflation in 1980 is likely to be around 13% compared with 11.8% in 1979, the prime minister's office said.

In a review of the French economy in the month of August forecasts a 1980 current account balance of 30 billion francs compared with the 6.2 billion franc surplus in 1979.

GDP GROWTH. The review forecasts French 1980 gross domestic product growth of 2.2% against a provisional 3.4% in 1979 and recent 1980 official forecasts of between 2.6 and 2.7% growth.

M-2 money supply growth in 1980 is forecast at 11%, unchanged from the official target and compared with a 14.4% growth in 1979.

Previous month recent official forecasts put 1980 French inflation at around the 1979 level of 11.8%, and the 1980 current account deficit at 25 billion francs. The review forecasts a 1980 trade deficit of 55 billion francs against the 13.3 billion shortfall of last year.

ENERGY BILL. Nineteen-tenths of the deterioration of the trade balance between first half of 1980 and first half 1979 was the result of the sharp increase in the energy bill, it added.

Energy imports represent nearly 30% of France's total import bill, and the cost of oil has risen 15% in the last 18 months, the review noted.

France's oil bill is expected to increase by around 60 billion francs in 1979 over 1978, to 120 billion francs. This is due to increase inflation but the government will continue its anti-inflation policies aimed at restraining monetary growth and public expenditure, maintaining a stable franc and encouraging moderation in wage claims, it said.

Declining UK interest rates seen

LONDON (Reuter) — UK bank lending rates are expected to decline into next year after reaching 13 to 14% by the end of 1980 against the current 16%, Barclays bank chief and senior manager Roy Vine told Reuters after an interim results press conference. He said rates should start coming down again as soon as distortions are removed from the money supply figures, but declined to estimate the extent of the cyclical drop.

Vice-chairman Deryk Weyer added he is not so optimistic as some bankers as to the prospects for sustained lower rates.

Weyer said a period of interest rate stability is hard to envisage, noting that upward pressures on short-term rates are being seen in both the UK and US.

Bank borrowing is being kept high by companies which are finding difficulty in desocking in current markets, he added.

A myth collapses Swedish economy not invulnerable after all

By MICHAEL METCALFE

STOCKHOLM (Reuter) — Sweden's apparent immunity from economic and political traumas seems to be wearing thin, after years of shielding the country from crises which have affected its neighbors.

Its aloofness has led to a widely known myth called the Swedish model, but now this model is vulnerable to increasing, infectious economic tensions, and some Swedes argue that the socio-economic basis for the myth has collapsed.

CRISIS. World events have caught up with Sweden, prompting Prime Minister Olof Palme to remark recently the country is close to economic crisis and that something must be done.

In an unannounced move in the nation's postwar political history, Faellin's center-right government has summoned a special session of the parliament, Riksdag to deal with a new austerity package his government is preparing.

The program aims to cut about 20 billion crowns from the 1981/82 estimated budget deficit of about 65 billion crowns, keeping the deficit at 1980/81 levels. The cuts will rely on a higher value added tax and a slower pace of public spending, with specific reductions in housing, medical and food subsidies and defense spending, informed political sources said.

The government, determined to rein in galloping consumer spending, has proposed increasing VAT by 1.9 percentage points to 1970, taking VAT charged on goods in the shop window to 23.46% from the present 20.3%.

Swedish VAT currently accounts for well over a quarter of central government revenue. Every one percentage point increase in VAT is estimated by economists to yield close to 1.70 billion crowns in revenue.

New budget minister Rolf Wirtén said recently private savings must also increase. He added that the planned public spending cuts must not spur unemployment before the expected recession begins to bite.

The government's belief that a crisis is near is shared by many politicians, bankers, economists, trade unionists and industrialists. But predictably they differ over the best remedies for the short and long term.

CHANGES. A number of bankers and industrialists said they favored long-term structural changes to the economy. Others, including many politicians, stressed the need for quicker, incisive solutions.

Yet the inter-related symptoms they want to treat already have been diagnosed, first in other countries, now here. They include the effects of labor and management disputes, inflation boosted by high energy costs and escalating budget, trade and current account deficits.

The nationwide labor conflict earlier this year exploded the myth of employer-employee harmony regarded as unique and as a major contribution to the Swedish model.

The conflict lamed Swedish industry for the best part of two weeks in early May and left more than half the country's workforce of four million on strike, locked out, or idle.

Economists said the settlement hammered out of the conflict impeding Swedish international competitiveness and reduced chances of curbing the growth in its budgetary and current account deficits.

INFLATION. The pressure of imported inflation on domestic prices has increased in successive five months. Consumer price rises are now running at an annualized rate of around 13.5%, compared with under 13% in the last year.

The sharp oil price increases during 1979 put a big squeeze on the economy. The government must set oil imports this year at cost 27.5 billion crowns against 28

billion in 1979, while economists put the figure nearer 30 billion.

Prior to the oil price increases the government's economic policy had started to limit inflation. But officials said the hikes dashed hopes of achieving a full turnaround. The national budget for the fiscal year ending June 30, 1981 is officially estimated to show a deficit of about 58 billion crowns, sharply up from the projected shortfall of 48.6 billion in 1979/80.

DEFICIT. The Swedish trade account registered a deficit of 6.8 billion crowns in the first seven months of 1980, widening decisively from the 240-million crown shortfall in the same 1979 period. The government has now conceded the deficit will exceed its April forecast of 7.06 billion deficit for all of 1980.

Banking economists said the trade deficit is likely to be nearer 10 billion crowns this year compared with the final 4.31 billion deficit for 1979.

Compounding the problem is a huge unemployment rate: currently a 12% in Sweden's current account, which the government now estimates will widen to between 19 and 21 billion crowns next year, or 4% of gross national product. In 1979 it was 11 billion crowns or about 2.5% of GNP.

The rise in unemployment has the government is increasingly resorting to borrowing abroad. Its external debt, now put at 35 billion crowns, is soaring.

Bankers estimate Sweden will have to borrow between 20 billion and 25 billion crowns abroad this year to help finance the swelling 1980 budget and current account shortfalls. The government has forecast foreign borrowings of only 13 to 17 billion crowns.

The coalition government's austerity proposals to deal with these problems have come under fire from opposition Social Democrats and communists, as well as trade unionists, who argue they are unfair.

The proposed VAT increase has prompted rumors of discontent from the main trade-union grouping, the LO, and from rank-and-file union members. They threaten to drive a tougher bargain in next year's wage talks than in the past several years.

The employers' federation has also been critical of an increase in VAT, fearing it will dampen consumer spending and curb industrial production, which shows signs of falling in the second half after relatively healthy growth in the first six months.

Hans Werthen, managing director of AB Electrolux, sees the real economic problem as one of balance of payments, especially with a current account deficit nearing 20 billion crowns. "The traditional medicine is to devalue the money which you have help in the order of this magnitude," he said.

He added productivity has been squeezed by increasing prices and export employment at the expense of the private sector.

EXPORT DRIVE. Werthen urged a greater drive for exports and a lowering in imports, especially imported parts for exported products. But economists, while the trade and Skandinaviska Enskilda Banken, Sweden's largest commercial bank, said the country is unlikely to export itself out of the problem in the short term.

The country's public deficit will drive government policy for most of the 1980s, while the trade and current account imbalances will most of the time be a secondary concern. The public has not received the message the government's savings package is the first step on a long and difficult road to stability.

He said he favors concerted fiscal policies over the long term. "Inflationary surges will be curbed if the fiscal scaling is called for, not applied."

Trade Trends

NOTICE

Press releases used in this and other sections are not paid for. However, the editor reserves the right to edit all materials to conform with Business Day's editorial standards. Publicity agencies and other contributors are asked to type their releases on stationery bearing the letterhead of their office. Others are advised to put their name, address, and telephone number. All press releases must be typed triple-spaced.

Center for adult training in Baguio gets PBSP grant

The Philippine Business for Social Progress (PBSP) recently extended a P136,498 grant to the Catholic Vicar Apostolate of the Mountain Province to continue the operation of an adult training center in Baguio City.

PBSP, a foundation created and supported by private businessmen to institute self-help community projects among the rural and urban poor, had been assisting the Baguio Diocesan Training Center for the past six years.

Now in its terminal year of PBSP assistance, the Baguio Diocesan Training Center aims to continue to improve the living conditions of residents in selected areas through an integrated program of functional literacy, community education and manpower skills training.

The project beneficiaries, some 800 community residents, belong to non-literate ethnic groups living within and at the outskirts of

Baguio. The predominance of non-literate community residents belonging to the Igorot Tribes prompted the establishment of the center in 1973 to provide functional literacy, community action and employment skills. This objective was viewed as a concerted effort of private development agencies for the development of tribal Filipinos.

The implementation of the program resulted in the formation of eight core groups capable of organizing and conducting their own income-generating activities. An ongoing number of 168 enrollees in functional literacy classes in 13 areas enabled the students to manage their socio-economic projects with basic business skills.

The success of the Diocesan Adult Training Center in implementing its programs in Baguio enables it now to expand to other areas of the Mountain Provinces.

D. Bosco studies training at ITT

Selected students of the Don Bosco Technical College in Mandaluyog are undergoing actual on-the-job training at the facilities of ITT Philippines, this was announced by Fr. Francisco Panfilo, rector of Don Bosco Mandaluyog.

Enrique M. Joaquin, ITT Philippines president, announced that the company's tieup with Don Bosco is in line with its policy of collaborating with the educational sector in the training of specialized technicians to fill the needs of the growing Philippine economy.

Since February of last year, a total of 26 Don Bosco students have been trained by ITT Philippines, of whom five are now employed with ITT Philippines.

The trainees work eight hours a day with a daily allowance similar to that of a regular ITT Philippines employee. The training, a total of eight weeks for first and second year students and 20 weeks for third year students, is part of Don Bosco's technical program leading to a diploma in Electronics Technology.

Coco trade ills ailed

The problems that beset the coconut industry are mainly due to three factors: fluctuations in production, erratic world conditions, and a multi-layered marketing system. Publicity agencies and other contributors are asked to type their releases on stationery bearing the letterhead of their office. Others are advised to put their name, address, and telephone number. All press releases must be typed triple-spaced.

Hermenigildo Zayco, Board of Investments general manager, is setting the monthly breakfast dialogue of the Bishops Businessmen's Conference (BBC) at the Makati Sports Club.

Zayco said it is difficult to forecast coconut production volumes because during a coconut tree's development, its flowers or fruits are at the mercy of drought, typhoons, earthquakes, and other calamities that may affect its growth.

From 1970 to 1978, he said, the supply of the product to the world markets, "he added, was a lot of substitution occurs.

Zayco said that in the last 10 years, coconut oil's share of total world export of oils and fats varied from a low of 6.9% in 1974 to a high of 11.4% in 1978.

"These extremes in availability of coconut oil in the world market make it difficult to determine the best market, because consumption only equals supply," he said.

But Zayco said, the biggest headache of the country's 500,000 coconut farmers is the multi-layered marketing structure composed of 10,000 buyers and 4,500 municipal buyers — the middlemen in the business.

He said these buyers are usually financed by the dealers, traders, or exporters in the upper part of the market structure. There are also at least 25 copra dealers who aggregate copra into larger volumes for sale to exporters and processors.

"One can imagine how depressed prices could be at the farm gates, especially for those farms located in isolated places, far away from the oil mills. These buyers are not only the outlet for the farm produce but also the source of financing of the poor farmers, who cannot turn to banks, not being able to provide the needed security," Zayco said.



NCR COMPUTERS FOR DYNETICS — Dynetics Incorporated, a leading local manufacturer of micro-electronic circuits used in computers, recently ordered its third NCR computer from NCR Corporation (Philippines). The new computer, an NCR 18410 system, will be used for on-line work-in-process monitoring and inventory control; yield analysis, and payroll applications. Dynetics is a B01-registered firm employing more than 6,000 employees at its modern plant facilities at the FTI Complex in Taguig. Shown during the signing are (from left, seated): Gerardo B. Zapanta, manager, CI/MEG division, NCR; Jose T. Quimson, president, NCR; Byron Johnson, vice-president, Dynetics; and Arthur Barisan, EDP manager, Dynetics. Standing, from left are NCR's Ban Bello, district manager, and Eddie C. Laguardinan, account manager.

Business Briefs

McCann-Erickson ad seminar

Twenty-three employees and some 35 key client personnel of McCann-Erickson (Phila.) Inc. recently completed the first of its manpower development seminars in advertising. The seminar series have been designed by the agency's worldwide headquarters in New York to provide the necessary materials and international expertise to properly train its people all over the world in the various skills in advertising. The first of these M.E.A. seminars discussed the principles of strategic planning and research in advertising and was hailed enthusiastically both by the agency's local employees, as well as a large number of its major clients. All participants viewed it as a truly innovative and exciting training facility which demonstrates the agency's commitment to the development of the advertising practice and its people. Topics covered by the first seminar on research were: Translating Information Into Strategy; Use of Research in Creative Development; Testing Advertising Concepts and Present Research Techniques for New Business. Seminar candidates who successfully completed the course requirements will receive certificates from McCann-Erickson International headquarters signed by no less than Willard C. Mackay, Jr., president and CEO of the worldwide advertising agency. McCann also disclosed that subsequent training seminars are being completed in New York for immediate release and these will be on media, creative, account management, production and financial administration.

Atlas bares June output

Andres Soriano, Jr., president and chairman of the board of Atlas Consolidated Mining and Development Corporation, announced that the June, 1980 production at Toledo and Masbate operations consisted of 42,394 WMT of copper concentrate and gold bullions containing 11,362,490 kilograms (25,050,000 lbs.) of copper, 406,982 grams (14,030 oz.) of gold and 1,093,938 grams (35,142 oz.) of silver. Pyrite production was 8,301 DMT with a grade of 43.71% sulfur. Estimated gross value of the June, 1980 production is P245,970,000. This value was derived by using the average metal prices for the month of June, 1980.

Seminars held on technical writing

Communication Consultants, Inc. recently conducted seminars on technical writing for the Philippine Long Distance Telephone Co. and the Lloyds Bank International — Manila. Seminars were held by Dr. Casilda Luzares of De La Salle University who has had extensive training in the field of English-for-Special-Purposes in England and the US. Similar to an earlier seminar for the R & D division of San Miguel Corporation, the seminars were specially designed for each group, taking into consideration the writing needs of the participants. There were four phases to each seminar — needs analysis, course and materials designing, the seminar-workshop, and finally, an evaluation of the individual participants in terms of their progress as well as areas which should be further strengthened to improve their writing competence.

Research on 'folk medicine'

The Manman Foundation, through trustee Emilio G. Vito, is funding an in-depth research on the uses of medicinal plants otherwise known as "folk medicine." The research is being conducted by professionals from the University of the Philippines who have formed an integrated study group to work in the rural areas. According to the group, headed by Dr. Ernesta G. Quintana, Philippine forests teem with plants which could be developed as sources of raw materials for drug manufacture. This will reduce the country's dependency on costly imported raw materials. Dr. Quintana noted, The

People in the News



KAPUNAN TOMAS YAP

Appointments

Ruperto R. Kapunan III joined the Bancorn Group, Inc. (BGI) as vice-president for the civil engineering division where he holds the position of vice-president for operations. He was president and general manager of his own construction company and spent 11 years with D.M. Conuslin, Inc., where he rose from the position of cadet engineer to that of operations manager, the position he held prior to his joining Bancorn. After obtaining his B.S. degree in Ateneo, he enrolled at the University of the Philippines and graduated with a Bachelor of Science degree in Civil Engineering. He also completed his graduate studies in Business Administration at the Ateneo Graduate School of Business.

Sanford J. Kornberg, president and general manager, McCann-Erickson (Philippines), Inc., has announced the appointment of Tessa H. Tomas as creative director, and Emily A. Abrera as deputy creative director. Ms. Tomas joined McCann in 1978 as an associate creative director and has been responsible for a wide range of its clients' products. She is a graduate of the University of the Philippines with a degree of Broadcast Communications. Ms. Abrera joined McCann in 1978 as creative group head and eventually became an associate creative director. She is also a graduate of the University of the Philippines with a degree in Mass Communications.

Departure

Lowell T. Yap, CPA-lawyer and manager of the tax department of Joaquin Cunanán & Co., left recently for Evanston, Illinois, USA. Yap will be away for about two years. He will take up graduate studies at Northwestern University having been awarded a James Nelson Raymond International Fellowship by the said university for the school year 1980-81. Afterwards, he may be considered by Joaquin Cunanán & Co. for further training in taxation as an MDP participant in any of the Price Waterhouse offices in the States. Yap passed the CPA board exams in 1972 and topped the second place in the bar exams given in November 1977.

1975 Central Bank statistical bulletin showed that the import value of medicine and pharmaceuticals reached \$34.6 million. In 1976, imports reached \$39.1 million.

New UST Graduate School program

Managers, supervisors, guidance counselors, school administrators in both the government and private sectors are given an opportunity to earn credits for the important value of medicine and pharmaceuticals reached \$34.6 million. In 1976, imports reached \$39.1 million.

New UST Graduate School program Managers, supervisors, guidance counselors, school administrators in both the government and private sectors are given an opportunity to earn credits for the important value of medicine and pharmaceuticals reached \$34.6 million. In 1976, imports reached \$39.1 million.

Interested parties may contact the UST Graduate School for further information regarding the workshop thru telex, 26-69-35 or 21-00-81 loc. 247.

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MANILA/KOBE DIRECT SERVICE SEMI CONTAINER					
VESSEL	VOY	Closing CFS/CV	MANILA	CEBU	KOBE
E. SATURN	36 CN	Aug 26/27	IMPORT	Aug. 30/31	Sept. 6/8
E. POLARIS	15 CN	Sept. 3/4	Sept. 3/6	Sept. 7/9	Sept. 14/17
E. SATURN	37 CN	Sept. 15/15	Sept. 14/16	Sept. 18/20	Sept. 26/28
E. POLARIS	16 CN	Sept. 22/23	Sept. 22/25	Sept. 26/27	Oct. 2/3

MANILA YOKOHAMA EXPRESS SERVICE SEMI CONTAINER (ALSO CALLING NAGOYA, KOBE)					
VESSELS	VOY	Closing CFS/CV	MANILA	CEBU	YOKOHAMA
E. MARINER	51 N	AUG. 25/25	PORT	---	Sept. 10
E. SATELLITE	53 N	SEPT. 1/2	SEPT. 1/4	---	Sept. 20
E. JUPITER	33 N	SEPT. 8/9	SEPT. 8/11	SEPT. 12/13	Sept. 25
E. METEOR	34 N	SEPT. 19/20	SEPT. 19/22	SEPT. 23/24	Oct. 5

PHILIPPINE/JAPAN DIRECT SERVICE (YOKOHAMA, NAGOYA, KOBE)					
VESSELS	VOY	MANILA	Other Ports	Yokohama	Other Ports
ADVENTURE	47N	Omits	SEPT. 1/10	SEPT. 25/27	SEPT. 29/30
E. ORION	36N	Sept. 8/10	Sept. 12/18	Sept. 26/28	Sept. 30/2
SERPENS	95 N	---	Sept. 6/13	---	Sept. 20/23
E. CLIPPER	48N	SEPT. 17/19	SEPT. 21/24	OCT. 10/12	OCT. 14/16
E. MARS	35N	SEPT. 26/28	SEPT. 30/4	OCT. 14/16	OCT. 18/20
E. APOLLO	40 N	Oct. 2/4	Oct. 6/10	Oct. 20/22	Oct. 24/26

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Fishers lift blockades at French ports

PARIS (AFP) — Shipping was moving normally at the giant Mediterranean port of Fos-sur-Mer yesterday as the easing of the fishermen's nationwide port blockade allowed shipping to move at several other harbors, including Le Havre and Caen in the north.

Trawlersmen at Cherbourg in West France also lifted their blockade at 10 a.m., but they would not allow car ferries for Britain to leave and they warned that they intended to reimpose their barrage at 6 p.m.

However, shipping remained imprisoned at Dieppe.

The lifting of the blockade at several smaller ports near Le Havre in northwest France continued, enabling yachtsmen to sail.

At Fos in the Mediterranean, oil tankers and iron ore carriers were maneuvering with the help of civilian tug-

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VESSEL	BRISBANE	SYDNEY	MELBOURNE	FREMANTLE	MANILA
NAGARA	Via Sydney	Sailed	AUG. 23/25	AUG. 28/30	Sept. 12/13
M. MONSOON	Sept. 13/14	Sept. 15/17	Sept. 19/20	Sept. 26/27	Oct. 9/10
TAMARA	Oct. 13/14	Oct. 15/17	Oct. 19/20	Oct. 26/27	Nov. 9/10
NAGARA	Nov. 13/14	Nov. 15/17	Nov. 19/20	Nov. 26/27	Dec. 9/10

VESSEL	Sydney	Melbourne	Ade- lade	Burnie	Singapo- re	P. Kalina Penang	Manila
ADVARA	Sailed	Sailed	Sailed	Sailed	Sailed	Sailed	SEPT. 12/13
ANDROS	Aug. 21/25	Sailed	Sailed	Sailed	Sailed	11/14	Oct. 3/4

PHIL/AUSTRALIA EXPRESS SERVICE

VESSEL	Manila	Taiwan	Hongkong	Sydney	Melbourne	Burnie	Adelaide
ADVARA	SEPT. 12/13	Sails direct to Sydney	Sept. 24/26	SEPT. 27/28	SEPT. 30/31	Oct. 1-2	Oct. 1-2
ANDROS	Oct. 3/4	Sails direct to Sydney	Oct. 16/20	Oct. 23/24	Oct. 25/26	Oct. 28/29	Oct. 28/29

**** Brisbane cargo acceptable to Sydney**

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WEEKLY EXPRESS SERVICE
CONTAINER/BREAKBULK/REEFER

	ROSS EVERETT VOY. 26	LEONOR EVERETT VOY. 27	BRAD EVERETT VOY. 27	FERNANDO EVERETT VOY. 13
YOKOHAMA	Sailed	Sailed	Sailed	Aug. 27
NAGOYA	Sailed	Sailed	Sailed	Aug. 30
KOBE	Sailed	Sailed	Sailed	Aug. 31
MOJI	Omit	Sailed	Sailed	Aug. 28
MANILA	Sailed	Aug. 27	Sept. 2	Sept. 8
CEBU	Sailed	Aug. 29	Sept. 5	Sept. 12
DAVAO	Aug. 25	Sept. 1	Sept. 8	Sept. 15
YOKOHAMA	Sept. 3	Sept. 10	Sept. 17	Sept. 24

LEONOR EVERETT VOY-27
 ARRIVING MANILA WEDNESDAY AUG. 27
 FCL CLOSING TIME 1600 AUG. 28

ITF interdictions costing Filipino seafarers a lot

The country is losing P1,603,360 in foreign exchange and the berths of 90 Filipino seafarers yearly because of the interdictions by the International Transport Workers Federation (ITF) on four ships crewed by seafarers recruited by one manning firm alone.

"You can imagine the total losses being suffered by the country if we add up the results of ITF interdictions on the entire manning component of the Philippine Chamber of Maritime Industry," said a shipping executive who met 11 returning Filipino seafarers last weekend.

The repatriated seafarers were part of the crew of m/v Madang who were dismissed after the shipowners were forced to pay through the ITF local \$132,629 (or roughly, P993,967.50).

The other crew members, all Chinese nationals under Capt. T. S. Sung, did not participate in the interdiction, thus prompting the shipowners to replace all Filipino crew members with Chinese nationals.

When the repatriated Filipino seafarers arrived in Manila, they found that letters in this action included, not only their own country, the manning industry, the manning firm, but also themselves and their families particularly.

Here are the reasons why:

The seamen signed payrolls amounting to \$132,629 which Jerry McGrow, the local ITF official used as basis to collect from the shipowners. Of this amount he distributed to the crew only \$39,758.70 representing 30% of the total amount in the payroll, stating that under standard operating procedure of the Philippine government, the seafarers' families back home are entitled to receive the remaining 70% through banks in Manila.

However, when the repatriated seafarers arrived in Manila, they found their wives did not receive any telegraphic transfer or any information that some amount was due them.

Meanwhile, the seamen learned that they have lost their jobs aboard the vessels. They learned, too, that they have been blacklisted by other shipowners — foreign and domestic.

"The manning firm which recruited the seafarers was told by the shipowners that a sister ship, m/v Silvitucree, might just as well be crewed by a full Chinese crew because "Chinese seafarers were apparently more true to their contract since they refused to join the ITF interdiction."

A cargo vessel having a capacity of 16,115 tons, Silvitucree has an 11-man Filipino crew whose monthly payroll runs up to \$2,200 (or annually P198,000). The sad part of this was that Silvitucree's Filipino crew did not know the series of events which transpired aboard their 20,548.38-ton sister ship, m/v Madang.

Manning industry circles said the number of vessels crewed by seafarers recruited by this particular manning firm which were interdicted by the ITF now total four.

"Nevertheless," this source confided, "the firm has lost seven sister-ships altogether through

government for immediate assistance "before the entire manning industry is wiped out by foreign interdiction."

The repatriated Filipino seafarers from m/v Madang were identified as Botwin's Mate Wilfredo Abadillo, Rodolfo Soliveres, Carpenter's Mate Gregorio Malliban, Able-bodied Seaman (A/B) Norberto Oliver, A/B Ignacio Lagrana, A/B Nolasco Manasal, A/B Ricardo Belmonte, Oiler First Class Nelson Ricarte, Oiler Edgar Bruselas, Oiler Juanito Mindo, Oiler Pedro Rosado, Wiper Ricardo Abadillo, Cook Rodolfo Palleo. — National Media Production Center

EAC LINES-CANADA/USA

EXPORT	FEEDER	SAILS	PORTS OF CALL
SIENA V-034	P. ABOTIZ V-20	AUG. 28	VANCOUVER B.C. SEATTLE YACOMA LONGVIEW PORTLAND
	XIJIANG V-23	AUG. 29	LOS ANGELES SAN FRANCISCO
	NEW PONY V-05	AUG. 30	OTHER AREAS VIA LOS ANGELES
IMPORT	FEEDER	ARRIVAL	
SAMOJA V-031	NEW PONY V-07	SEPT. 19	TORONTO & MONTREAL
SARGODHA V-033	NEW PONY V-10	OCT. 3	

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					Mikawa Maru V-77			9/21
Eastern Polar V-15 CN	9/4	9/6	9/14					
Electro Ace V-44	9/11	9/13	9/21	9/23	Hotaka V-19			10/4

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CHEF CELESTE holds court over a feast of Italian cuisine at the Century Park-Sheraton's lobby outlet, Cafe' in the Park. The chef is on his annual summer vacation from his family-owned Ristorante La Falconera in Triviso, Italy, and is in town on his first food promotion in the Philippines.



BON APPETIT

A master chef comes to Manila (veni, vidi, vici)

Chef Celeste Tonon doesn't speak a word of English, but then, food is an international language. And in that medium, Chef Celeste is among the most fluent in the world.

The master chef is at the center of a minor epicurean festival now ongoing at the Century Park-Sheraton Hotel, aptly called "Italian Extravaganza." Local Italian cuisine buffets who have run through the gamut of pizza, ravioli and lasagna (not to mention spaghetti) and all its kindred forms will find a whole new world opened up to their palate with such gastronomic adventures as *Metanzone al Fungetto* (eggplant and mushroom salad); *Zuppa dell' Adriatico* (seafood soup); *Brasato di Manzo al Barolo* (braised beef in red wine sauce); *Carre di Maiale alla Parmigiana* (roast pork loin with cheese sauce); and *Zabaglione alla Veneziana* (Sabayon Venetian style).

The veritable feast can be had in a daily luncheon at the hotel's Cafe in the Park until Sept. 4, and at luncheon shows starting today at the Sheraton ballroom which feature, as part of

the Italian theme, the fashion collection of Italy's foremost designer Brioni.

Chef Celeste, according to the Sheraton's Christie Garcia, is in Manila on a "working holiday," and in the course of an annual vacation he regularly takes from his family-owned Ristorante La Falconera "da Celeste" in Venegua, Triviso. The restaurant is a former ducal manor whose rooms have been transformed by Celeste and his family (mother, brother, sister and wife) into separate dining rooms with a cavernous kitchen at the center. Its upper floor was converted into a large banquet room; and, in an area once used for game hunting, an interesting variety of mushroom rooms now grows which Chef Celeste uses in his various recipes. The manor-turned-ristorante is closed every summer; and this year, Chef Celeste — who is only 30 — decided to pay a working visit to Manila for his first food promotion in the country. As Century Park officials aptly put it, his Italian patrons' loss is most definitely Manila's gastronomic gain.



Playboy Club of Manila, in cooperation with Delta Motor Corp., presents exclusively for Playboy Club Members and their Guests...

Welcome, Playmates All!

A night of razzle-dazzle excitement spotlighting:

- 25th Anniversary Playmate - Candy Loving
- Playboy's April Playmate - Lisa Sohm
- Bayanihan Dance Co.
- Danny Cruz and the 747 with Ella del Rosario
- Emcee - Eddie Mercado

Come, revel with us on our 2nd anniversary! Bubble with delicious exhilaration as the Playmates USA present themselves live in the most sizzling show this side of the Bay! Rendezvous with the 1980 Miss Young International and her newly-appointed Court of Beauties. And say cheers for the Bunny of the Month for August.

Come, have yourself one unforgettable evening. Applaud our Anniversary! August 26, 9:45 at the Playboy Club Living Room. No cover charge for Members; P50.00 for guest of Member.



The Playboy Club of Manila

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MERIENDA AT THE CLIPPER — The Manila Mandarin's Clipper Lounge features a menu of Filipino merienda items from 3 to 6 p.m. Traditional dishes like Dinuguen at Puto, Lumpiang Ubod, Sotanghon Guisado and Arroz Caldo, and delicacies like Palitaw ne may lings, Guinataang Halo-Halo, Maruyang Saging and Buco Salad will be served. Filipino cuisine is rich in variety and color, tempting both taste buds and the eye, and The Mandarin has some up with a whole separate menu to reflect the tasty dishes that take pride of place in fiestas and parties.

MOT No. 07-76

HOTEL HAPPENINGS

The Resort Hotels Corp.'s *Teal Vista Lodge* offers a daily luncheon feast, "Fiesta sa Teal," at the lodge's Vista Hall. On Sundays, a dance troupe called the Sanghiyang Group performs a lively "fire dance" — in bare feet over flaming coals.

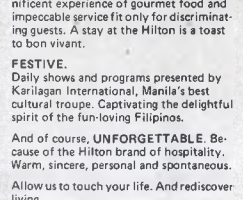
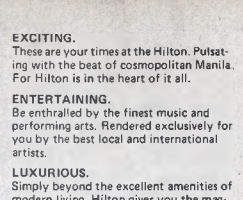
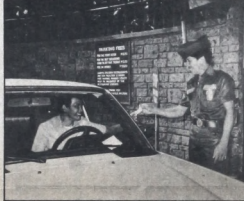
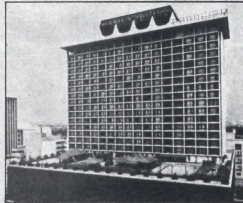
"The Fabulous Hollywood Swinging Hot Dance Revue" performs lunchtime at the *Manila Garden*. This seven-member revue from the United States features a provocative belly dance, as well as spectacular full-costume numbers.

Silasis International Playboy Club celebrates its second anniversary today. In town to grace the occasion are Candy Loving, Playboy's 25th anniversary playmate, and Liza Sohm, Playmate of the month for April.

Ongoing at the *Brau Keller* German-cellar restaurant of the *Holiday Inn Manila* is a lunchtime fashion show, featuring *Goulas Coropse's* "All-Star Fashion Collection." The show is on until Sept. 12.

Gregg Centeno's haute couture collection is featured in a daily luncheon show at the *Hyatt Regency's La Concha*. On Friday, two roundtrip tickets to Singapore, courtesy of *Philippine Airlines* will be raffied off to luck patrons.

THE TIMES AT THE HILTON



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1	2	3	4	5	6
7					
9				10	
12			13		
14	15		16		
17			18	19	20
21			22		
23			24		

ACROSS

- Sticking of the quality of being intelligible? (9)
- Essential for graduate to attack, say, a treatise? (5)
- Father returns bit to deal out? (8)
- Game pot up a post? (5)
- Those in charge requiring careful handling to a point? (7)
- A body would not know this company marching with him at last? (7)
- What all boys grow up to? (7)
- Streaks of wayward priests? (7)
- Elit's kid would feel such aversion? (7)
- Lifers wrecked by cigarette ends? (7)
- A number score about hidden stock? (5)
- Killed the red cub, senselessly? (5)
- Criminal in lifelong dedication to wrongdoing? (5)
- The gourmand's most enjoyable occasions? (8)

DOWN

- Clever strategem the French may follow to link a pair? (6)
- Stage of life when Grandfather would be asking for his mans (6,5)
- Curved nails on which one may be filled with anxiety? (10)
- Ladle out an exclusive story? (5)
- Reveries of floating constructions? (7,2,3,3)
- Part of one's moniker to call him, in short? (8)
- Straw? (6,4)
- Lively as the team Oms played around with? (8)
- Sir Walter Raleigh's jacket the queen finally could be free to strap on? (8)
- Methods of treating French priests? (5)

Yesterday's solution:

Now: (7) Anagram
ACROSS: 1. Shop-stop 6. Isha-M (A) 9. THE HILTONS 10. A.M.
-S.S. 11. Ad-versive 12. Let me see 13. TAILOR'S 14. Eliza
16. Sled 18. Elements (E) 19. Hail 21. Lingo (L) 22. Hiran
23. Torvent 24. Nibir (N) 25. Maltose 26. E-H (E)
27. Addressed.

DOWN: 1. Servant 2. Octaves 3. THE GIMMEL FASHION 4. The rose
5. Poodle 6. Ivan the Terrible (Ivan) 8. (S) 7. Lindbergh (L) 8. Ma-ster-y (M) 14. Sweatband 16. Balance 17. Igniter 19. Trella
(M) 20. Let's see 22. Sam-G.A.

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MANILA HILTON INTERNATIONAL

The Stock Market

C-Is, oils post higher peso turnovers in lively trading

The market rallied anew yesterday with prices posting a strong opening and firming up at midsession, but weakened several minutes before bell time.

The price of metals abroad corrected last Friday, although the local mining industry continued to advance. They believe that yesterday's movement of mining issues was a carryover of last week's strength.

increment. Interport surprised the market with a 24% price appreciation, although the issue was not actively traded.

Gainers outnumbered losers, 27 to 11, while 20 issues closed unchanged.

MANILA STOCK EXCHANGE QUOTATIONS Monday, August 25, 1980

Table with columns: STOCKS, BID, ASKED, OPEN, HIGH, LOW, CLOSE, VOLUME. Includes sub-sections for BANKS and COMMERCIAL & INDUSTRIAL BOARD.

MAKATI STOCK EXCHANGE, INC. QUOTATIONS Monday, August 25, 1980

Table with columns: STOCKS, BID, ASKED, OPEN, HIGH, LOW, CLOSE, VOLUME. Includes sub-sections for COMMERCIAL & INDUSTRIAL BOARD and BIG BOARD.

Table with columns: SUGARS, BID, ASKED, OPEN, HIGH, LOW, CLOSE, VOLUME. Includes sub-sections for BIG BOARD and SMALL BOARD.

Table with columns: SHARES, VALUE, AVERAGES. Includes sub-sections for SMALL BOARD and GRAND TOTAL.

Table with columns: SHARES, VALUE, AVERAGES. Includes sub-sections for SMALL BOARD and GRAND TOTAL.

PHILIPPINE STOCKS ABROAD

Table with columns: Open, High, Low, Close, Change, Volume, Bid, Asked. Includes sub-sections for In New York and In Hong Kong.

SECONDARY BOND MARKET QUOTATIONS August 26, 1980

Table with columns: Issuer, Amount, Maturity, Coupon Rate, Bid, Offer, Yield.

Source: Bancam Development Corporation

Source: Bizon Investment and Management Corporation

NOTE: Due to space limitations, certain untraded stocks are usually deleted from the published lists.