

# The Business View

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

## Office of the President of the Philippines

*From an Official Source*

**N**OVEMBER 2—President Elpidio Quirino indicates he will defer action on the proposed creation of a Rice Emergency Board pending agreement among members of the Rice Commission and the rice growers on certain aspects of the matter. Delegations of rice growers have called on him and asked that the minimum price proposed be raised from P12 to P15 per cavan of palay.

The President issues Executive Order No. 71, coordinating the activities of the different relief organizations in connection with both the campaign for the restoration of peace in Central Luzon and natural calamities throughout the country. The Philippine National Red Cross will direct the mobilization, accommodation, and care of evacuees in troubled areas; the Director of Health will direct the sanitation and health services; PRATRA will direct the procurement, storage, and supply of food, clothing, and medicines; the Commissioner of Social Welfare in cooperation with PACSA will direct the distribution; the Constabulary will maintain order and security.

"In case of disasters caused by typhoons, floods, fires, earthquakes, and other natural calamities, the relief work shall be undertaken by the Philippine National Red Cross which may call on the Social Welfare Commission, the PACSA, or the PRATRA whenever assistance is necessary."

Mrs. A. A. Perez, Commissioner of Social Welfare, and Chairman of PACSA, reports that up to October 31, a total of P374,590 worth of relief supplies has been distributed in Nueva Ecija, Bulacan, Pampanga, Quezon, Laguna, Tarlac, Pangasinan, Batavia, Rizal, and Sulu in amounts ranging between P80,000 and P7,000 (for Sulu).

Nov. 4—With respect to the American election, President Quirino states:

"The reelection of President Harry S. Truman and the new control of the Democratic Party of both Houses of the Congress means to us the normal continuation of friendly and beneficent relations with the United States in abnormal times. It goes without saying the Washington Administration will be sympathetic to ours as heretofore. President Truman is a tried friend, solicitous of the welfare of the people whose independence he himself proclaimed. We have every reason to expect that, in time of stress and distress, America will continue to be sympathetic to the Filipino people."

The President accepts the resignation of Col. Jesus Villamor as General Manager of the National Airports Corporation.

Nov. 9—The President at a Cabinet meeting urges department secretaries to travel frequently about the country to bring the government closer to the people. The Cabinet authorizes the release of P1,000,000 to the Armed Forces of the Philippines for the installation of buildings, etc., at Floridablanca, Pampanga, where the trainee program is centered.

Nov. 10—The President constitutes the Rice Emergency Board, appointing as members Secretary of Agriculture and Natural Resources P. L. Mapa, Sec-

retary of Commerce and Industry C. Balmaceda, and Jose Cojuangco and Romualdo Vijandre, the two latter representing the rice growers. The President discloses that he has decided to create the Board to act as an advisory body to him. A minimum price of P13 was decided upon, though this price will come into effect only if the President proclaims an emergency and it is decided that the Government, through NARIC, shall buy such a part of the harvest as is thought necessary. He has instructed NARIC to concentrate on production and procurement and PRATRA to stop purchasing and distributing palay.

Nov. 11—The president is reported to have exempted a foundry-shop operator in Mandaluyong, Rizal, engaged in the manufacture of kettles out of aluminum scrap, from paying internal revenue tax in view of the fact that he is engaged in a "new and necessary industry" not in existence prior to the war, under authority of Republic Act No. 35. Previously, two firms engaged in the manufacture of plastics have been likewise exempted.

The President, after a day's tour of Central Luzon, states that both "Operation Harvest" and "Operation Evacuees" have been successful and that Central Luzon is peaceful and will have a bumper rice crop. According to PACSA, out of 145,000 evacuees and needy people in Nueva Ecija, 140,245 have been given relief; 38,000 out of 43,000 displaced persons in Quezon; 95,000 out of 98,000 evacuees in Bulacan. "The same proportion was reported for all the PACSA provinces."

Nov. 12—The President issues a proclamation reserving 10,000 hectares of land in Davao for the National Abaca and Other Fibers Corporation. He issues an administrative order designating an official to investigate the dispute that has arisen between the National Land Settlement Administration and the National Development Company in the cultivation of areas assigned for the use of the latter in Ala Valley, Cotabato.

The President appoints a committee headed by Secretary Mapa to study the possibility of acquiring a dock and shipyard facilities in Portland, Oregon, being offered for sale by the United States Government as domestic surplus army property. The installations cost \$20,000,000 but may be acquired on the basis of around five cents to the dollar.

The Cabinet approves the organization of more provincial branches of the Philippine National Bank, beginning with those which existed before the war.

Nov. 13—According to a PACSA report, nearly 1,000,000 persons in Central and Southern Luzon have been aided from July to the first week of November.

Nov. 15—The International Bank of Reconstruction and Development announces that it has completed preliminary phases of an inquiry into the hydroelectric projects in Luzon for which the Philippines is negotiating a loan of \$15,000,000.

Nov. 16—The nation celebrates the President's 58th birthday anniversary. President Harry S. Truman in a cable to President Quirino states:

"I have received the gracious message of felicitations you have sent me upon my election to the Presidency of the United States. Be assured, Mr. President, that the future of the Philippine Republic will always be close to my heart and to the hearts of all Americans. Receive the assurance of my best wishes for your health and happiness, for the prosperity of the Philippine nation, and for peace throughout the world."

Nov. 17.—The Government is reported to have requested various Philippine shipping companies to instruct their offices in Shanghai to give preference to Filipino evacuees in their bookings.

Nov. 18.—The President and American Charge d'Affaires Thomas Lockett exchange the instruments of ratification of the Consular Convention between the Philippines and the United States, signed in Manila on March 14, 1947.

The Government receives from the U. S. Alien Property Administrator another 17 parcels of real estate in different parts of the country aggregating some 99,000 square meters and 1,170 shares of P100 par value capital stock of the Sea Food Corporation.

A group of eight officers and enlisted men of the Philippine Naval Patrol recently sailed for the United States for a year's training in various U. S. Navy schools. Two other groups will leave next month.

Nov. 19.—The President issues Executive Order No. 184 declaring a rice emergency and providing for the government control of the purchase or acquisition of rice or palay at a fixed price and creating a Rice Emergency Board to advise the President in meeting the emergency. The order fixes the price of P14 for a cavan (44 kilos) 2nd class *macan* palay, the price of other varieties to be computed on this basis. The price in various localities will be this minus the cost of transportation to Manila. For distribution, the present cooperative arrangement between NARIC and PRATRA will continue. The issuance of licenses to buy palay with or without the right to mill will probably be through NARIC. Should the Government declare a rice emergency in 1949-50, the basic price will be P13; if another emergency is declared in 1950-51, it will be P12. A fine of P10,000 or 10 years' imprisonment or both is fixed for those violating the order; alien violators, if convicted, will serve sentence and in addition be deported.

Nov. 20.—The Government Enterprises Council approves practically in toto the recommendations of the Labor-Management Board as to the petition of Manila Railroad Company workers. Secretary of Labor P. Lovina expresses his gratification and states that under an existing executive order strikes against the Government and government enterprises are prohibited. Standardization of salaries of MRR employees was among the major recommendations. President Quirino, who presided over the meeting, redefined the position of the GEC, stating that it is a purely advisory body and is to "study, supervise, or revise the policies of the Government with respect to the operation of government corporations". He speaks of his plan to create an independent department, with portfolio, to supervise the activities of all government enterprises "rather than to make a superstructure" of the GEC.

Nov. 22.—At a continuation of the GEC meeting, the creation of a central hospital for officials and employees of the Government and of government corporations is discussed. In connection with the capital needs of the National Land Settlement Administration it is decided that such a sum as may be made available will be included in a further over-all study

of the financing of government corporations to be undertaken when the Central Bank is organized.

"Since funds would not likely be enough to cover all the requests of government corporations, it was indicated, a system of priority allotment will have to be effected."

The President issues Administrative Order No. 75 implementing the provisions of Executive Order No. 184 creating the Rice Emergency Board. According to the order, NARIC is designated to purchase rice for the Government or to issue licenses to private parties to purchase rice and shall also determine

"the reasonable compensation, after hearing the owners, for the lease and operation of any warehouse, mill, *kiskisan*, elevator, drier, or other facilities for the production and/or distribution of rice and/or for the seizure and commandeering thereof if deemed by the Government necessary to do so, or to issue license to owners of said.... (facilities).... to be operated in accordance with the provisions of Executive Order No. 184."

(Continued on page 449)

## Banking and Finance

BY F. C. BAILEY

National City Bank of New York

COMPARATIVE Financial Summary of Thirteen Manila Banks compiled from reports issued weekly by the Bureau of Banking:

		(Monthly averages —000 omitted)	
	<i>Loans, Discounts and Advances</i>		
October, 1948 P423,157	September, 1948 P434,680	October, 1947 P340,257	
	<i>Total Bank Resources</i>		
October, 1948 P981,809	September, 1948 P1,009,544	October, 1947 P622,194	
	<i>Bank Deposits (Public Funds Not Included)</i>		
October, 1948 P443,642	September, 1948 P447,662	October, 1947 P408,180	
	<i>Debits to Individual Accounts</i>		
October, 1948 P109,574	September, 1948 P105,010	October, 1947 P110,378	
According to the Currency Statement issued by the Treasurer of the Philippines, the following figures are given relative to the Currency in Circulation:			
October 31, 1948 P852,879,026	September 30, 1948 P834,831,236	October 31, 1947 P725,054,420	

The increase in circulation of P18,000,000 reflects in part the accelerated activity of the War Damage Commission in effecting the settlement of claims.

The local financial world is awaiting the inauguration of the Central Bank. With the return from Washington of Secretary of Finance Cuaderno it is expected that the new institution will begin operations within a few weeks.

With the continuation of the West Coast strike, business in November remained quiet with a slight improvement which may be attributed to the end of the rainy season and the approach of the holiday trading period. Inventory positions stabilized somewhat with the limitation on arrivals because of the shipping situation. There has been no marked change in the local price situation with respect to imports, but it is possible that, with the present Administration continued in authority in the United States with its tendency toward establishing price controls and lower living costs, we may see a downward trend in the cost of articles imported from the United States.

## Office of the President . . .

(Continued from page 433)

"Until the rules and regulations to be recommended by the Rice Emergency Board governing the granting of licenses shall have been issued by the President, . . . PRATRA is hereby authorized, in behalf of the NARIC, to accept and gather all sworn statements required by said order to be submitted by all persons, corporations, associations, partnerships, firms, and other entities, setting forth the quantity of cleaned rice in stock for sale to consumers as well as the terms and conditions of all contracts for the purchase or acquisition in any other manner of palay and/or cleaned rice to be harvested or produced from the 1948-1949 crop and to submit to the NARIC all such sworn statements and contracts."

The President and a large party of government officials and members of Congress board the S. S. *Argus* for a 12-day cruise of the Visayas and Mindanao.

Nov. 30.—The NARIC has been authorized to issue temporary and revocable permits to qualified individuals and firms to purchase or sell rice or palay, acting as agents of the Government, according to a Malacañan press release.

The following material for the "Office of the President" column was left out of the October-November issue for lack of space and is published in this issue to fill in the record:

Sept. 21—The President inducts the new members of the Cabinet. As reorganized:

Foreign Affairs  
Interior  
Finance  
Justice  
Agriculture and Natural Resources  
Public Works and Communications  
Education  
Labor

Bernabe Africa (acting)  
Sotero Baluyut (new)  
Miguel Cusadero  
Sabino Padilla (new)  
Pincido Mapa (transferred from  
Commerce and Industry)  
Ricardo Nopomuceno  
Prudencio Langcaon (new)  
Primitivo Lovina (new)

National Defense  
Health  
Commerce and Industry  
Executive Secretary  
Budget-Commissioner  
Public Welfare

Ruperto Kangleon  
Antonio Villaraza  
Cornelio Balmaceda (new)  
Teodoro Evangelista (new)  
Pio Pedrosa  
Mrs. Asuncion Perez (new and  
without portfolio)

Former Secretary Mariano Garchitorena has been offered the post of Minister to France; former Secretary of Education Manuel Gallego has been given the rank of Ambassador with a roving assignment; former Secretary of Labor Pedro Magsalín has been appointed technical adviser to Malacañan and Philippine delegate to the International Labor Organization of the United Nations.

Sept. 22—Felino Neri takes his oath of office as acting Under-Secretary of Foreign Affairs.

The Department of Finance issues the following press release:

"No order has been issued by any official in the Government for the complete closing of all outports in the Philippines. By 'outport' is meant a port having no customhouse. The Cabinet in its meeting last August 31 merely resolved that the Secretary of Finance should impress upon the Commissioner of Customs the need of exercising his discretion granted by Section 1210 of the Revised Administrative Code of issuing special permits to ocean-going vessels to load cargo at outports sparingly. This resolution was reaffirmed on September 7 and reiterated on September 14.

"In informing the Commissioner of Customs of the resolution, the Department also instructed that official that, where bookings or commitments had already been made on or prior to August 31, for the loading of export cargo at the outports, special permits may be issued to ocean-going vessels, after verification by the Bureau of Customs. Special permits may also be issued in meritorious cases, such as for the loading of logs, mineral ores, and other export cargo which, by their bulk or weight, are not suitable for loading on coastwise vessels from the outports to the principal ports of entry.

"There are 11 Philippine ports of entry at present in which foreign vessels may call without restriction, that is, without securing special permits from the Commissioner of Customs. These ports are Manila, Cebu, Iloilo, Davao, Zamboanga, Tabaco, Jolo, Aparri, Jose Panganian, Tacloban, and San Fernando, there being a customhouse in each of these ports. As far as these ports are concerned, there has been no change in the practice heretofore followed."

Sept. 24—Ambassador J. M. Elizalde will represent President Quirino at the inauguration of President Carlos Prio Socarras of Cuba in Havana. The Philippines may enter diplomatic relations with both Cuba and Mexico shortly.

President Quirino has instructed Secretary Africa to proceed with the establishment of a legation in Tokyo accredited to

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SCAP, with Africa as head with the rank of Minister.

Sept. 25—The President confers with the Board of Governors of the Philippine Rice Growers Association, headed by its president, Jose Cojuangco, which recommends to him the creation of a Rice Commission to study the problems of the industry.

Sept. 28—The President appoints Esteban R. Abada as Under-Secretary of Education; Teodosio Dino as Under-Secretary of National Defense; and Cecilio Putong as Director of Public Schools.

Acceptance of the resignation of Chairman Kalaw of NA-COCO will be deferred pending a report of the National Economic Council on the matter of the transactions of the Corporation, according to a Malacañan announcement.

Sept. 29—The President creates a Rice Commission and charges it to deal with the problem of the annual rice-shortage of around 15,000,000 cavans or around 20% of the total needs of the country. The Commission is composed of Placido Mapa, Chairman, Ricardo Nepomuceno, Primitivo Lovina, Cornelio Balmaceda, Vicente Carmona, Delfin Buencamino, Vicente Sabalvaro, Ildefonso Coscolluela, Servillano de la Cruz, Jose Cojuangco, and Guillermo Guevara (representing the Philippine Chamber of Commerce).

Sept. 30—The President issues an executive order (No. 177) providing for a further extension of time,—to December 31, 1948, within which pre-war Treasury certificates may be retired.

October 1—The taking of the 1948 Census opens.

The President's executive order creating the Rice Commission, issued today, contains a provision calling upon that body to submit a report and recommendations not later than October 30. The President extends the life of the Horrilleno committee investigating the transactions of the Surplus Property Commission for another month to the end of October.

Oct. 4—Announced that the President has appointed Tomas A. Testa as Acting General Manager of the Shipping Administration as of September 30. The Shipping Administration Board is composed of Rafael Corpus, Alfredo de Leon, Enrique Razon, Felipe Cuaderno, and Vicente Manalo.

Oct. 5—The Malacañan Office of Public Information states that the price on the head of Luis Taruc set by the late President Manuel Roxas, amounting to P30,000, may be revived, though some believe that Taruc had already been killed (later proved unlikely). The release states that the back of the Huk resistance has been broken.

Oct. 6—A subcommittee of the Rice Commission recommends that armed forces be assigned to protect rice-growers against outlaws in 8 Luzon provinces.

A subcommittee of the National Economic Council takes up the proposal to establish government warehouses for the storage of copra as the lack of such warehouses is forcing planters to dispose of the product as soon after the harvest as possible to prevent wastage.

Announced that the President's Action Committee on Social Amelioration will buy the carabaos of persons driven from their farms by the disorders in Luzon to prevent their being slaughtered for food, and will offer them for resale to farmers who may need them. French Minister Gaston Willoquet is reported to have made an offer to the President for the sale to the Government of 5,000 carabaos from Indo-China.

Oct. 8—As a result of a suggestion from the President, a joint committee of department secretaries, provincial governors, and city mayors is organized. Secretary of Labor Lovina in an address to the governors and mayors urges them to guard against the exploitation of labor, but also to help educate labor leaders and their followers so they will not resort to rash action injurious to capital, as radical and unfair measures would "kill the hen that lays the golden eggs."

A subcommittee of the Rice Commission recommends the establishment of a Rice Emergency Administration which would hold a monopoly in the buying and selling of rice, the price to producers to be guaranteed at a minimum of P12 a cavan (maean second class) for the first year, P11 for the second, and P10 for the third. The NARIC would be recapitalized to enable the REA to carry out its procurement functions through that agency. "Procurement and distribution must be centralized under the REA, with possibility of NARIC doing all the procurement and the PRATRA all the distribution." "For long-run objectives, the REA shall establish producers' and consumers' cooperatives,

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with the producers' cooperatives ultimately gaining ownership and control over warehouses and rice-mills."

Oct. 13—A delegation from Mindoro calls on the President in connection with the proposed establishment of a national land settlement there, stating there are two suitable areas, one of 187,000 hectares and the other of 376,000 hectares.

United States officials hand a check to the Philippine Government for P918,776.04 as a first payment to reimburse the Government's expenditures for land purchased through the Office of the Solicitor General in connection with the Clark Field expansion program under the United States-Philippine military base agreement. The land acquired has a total area of 7,726 acres and is valued at around P6,000,000.

Oct. 14—The Rice Commission recommends to the President the creation of a Rice Emergency Administration, substantially as previously recommended by the sub-committee (See under Oct. 8). One recommendation is that all the loaning agencies of the Government, particularly the Philippine National Bank, be instructed to grant commercial loans to farmers on the basis of palay delivered to NARIC; another, that in case of conflict over the division of a crop, the Government commandeer the palay and place it in a warehouse pending the settlement of the dispute among the parties concerned, the cost of handling and warehousing to be charged to them.

Oct. 15—The Department of Justice, answering a query from the Malacañan Press Association through the Office of Public Information, cites the Supreme Court decision of October 26, 1932, which declared the Communist Party as it then existed was an illegal association.

Oct. 18—The President, in an address before the student body of the University of the Philippines, stresses the need, especially during the present international crisis which threatens "our accepted ways of freedom," of strengthening democratic government at home.

This "special responsibility (of students and alumni) is not to discover special rights and privileges for ourselves. It is to enable all our people to share the discipline, the excitement, the rewards of a life of freedom and creative peace—for our own country and for the world."

Oct. 19—The President announces that he will resume the portfolio of Foreign Affairs following the swearing in of Bernabe Africa as head of the mission accredited to General Douglas MacArthur's headquarters in Tokyo.

Oct. 21—The President issues a directive settling a conflict in the Surplus Property Commission over the appointment of new officials and employees by the Chairman. Salaries earned may be paid, but employees laid off may not be replaced except under the terms of the new budget which has been reduced by the Control Committee by around 50%. Security guards dismissed must be replaced by Constabulary men.

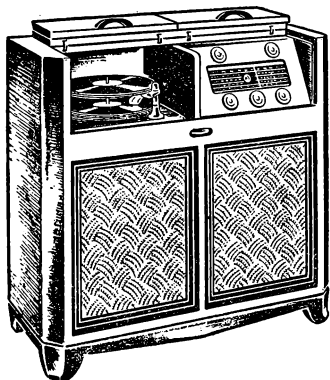
The International Bank for Reconstruction and Development (Washington) announces that a request of the Philippines for a loan to be used largely for power development still awaits completion of a study of the financial position of that Government and analysis of the particular projects.

Oct. 22—The Cabinet approves a proposal of the Insular Salvage Company to resume the retrieving of coins dumped into the sea by the USAFFE during the war, under a new contract giving the company 30% instead of 25% as formerly of the coins recovered. The company has recovered P878,082, but it is estimated that there are still some P3,000,000 to be salvaged. The Cabinet also grants authority to the Bureau of Public Works to earmark and withdraw from the Quezon City Surplus Depot, No. 19, all road and construction machinery and supplies, on memorandum receipt. A similar authority was given the President's Action Committee on Social Amelioration to withdraw canned foods and tents. After November 30, the Surplus Property Commission will be free to place the contents of the depot on sale. The Cabinet decides, too, that the transfer of the University of the Philippines to Quezon City shall be carried out, although the actual transfer of classes may be delayed "until such time as all the essential conditions for the transfer have been established." The University will take over the buildings to be vacated by the U.S. Army there. Commonwealth Act No. 442 appropriates P17,500,000 over a period of 10 years, from the excise tax on coconut oil, for the purpose of the transfer.

Oct. 23—The Presidents of the Philippines and of the United States are reported to have simultaneously issued parallel proclamations on October 21 implementing reciprocal legislation in both countries extending copyright privileges to authors or proprietors of "intellectual property." The Philippine Proclamation is numbered 99.

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