1957: ITS IMPRINT UPON PHILIPPINE ECONOMY

by

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Etched against a backdrop of interlocking international events — the Syrian-Turkish strife, the Indonesian crisis, both casting a shadow on our trade promotions; the frontpage sensation of the year, the launching of Sputniks (diverting warlike leanings to more of science and economics) — the Philippines closes this year of sensational news with our industrialization program paced *a la allegro* punctuated by President Garcia's austerity pronouncement.

Credit belongs to President Garcia, who, marshalling the economic forces in all sobriety after receiving the reins of the

> There is really nothing to get worried about this austerity program. It is indeed a policy of minimizing our expenses, increasing our production and enabling us to place our economy on a strong, solid and stable footing.
>
> — President Carlos P. Garcia

government from a fallen leader — whose tragic end is history — exerted all-out efforts that the Philippines should continue what she has always paced — a progressive trend. And President Garcia did not labor in vain for, economically speaking, the Philippines is in a better position than most countries. Put it the other way, the Filipinos are more fortunate than other peoples of the world. In the words of an eminent economist who had just returned from the IMF conference:

"By any standard, the Philippine situation is not hopeless because this country is, in a sense, probably better off compared to some underdeveloped countries of the world or even to some highly industrialized countries. So far, Filipinos have been more fortunate than other countries because while we

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have an army of unemployed and underemployed, never in our history have we seen or had breadlines in our land. There is no desperate cry for food and other absolute essentials in life. The Philippines is still God's country despite the economic hardships which are mild compared to those that exist in other underdeveloped countries. Notwithstanding the current high level of prices — a situation which is found in varying degrees all over the world, most of the essential items are still available here. In the Philippines, as long as you can wave the peso, you can be sure that you can buy almost anything — be it a luxury article, a banned item or an essential commodity."

This observation is shared by other business executives who have studied business conditions abroad. Even visitors, notably, James Langley and Senator Allen J. Ellender voiced the same opinion.

James Langley, Senator Laurel's counterpart in the now famed Laurel-Langley Agreement commended "the rapid progress attained by the Philippines, one of the soundest nations in the Far East."

Senator Ellender was pleased "to find an air of joy and contentment in the Philippines during his visit here." His complimentary remarks about the Philippines were in sharp contrast to most of the other countries which drew sharp criticism.

Certainly, our financial structure is moored on a sound foundation. Budget Commissioner Aytona, recently returned from a tour abroad, dispelled doubts about financing conditions and the stability of the Philippine peso. "The Philippine Peso," he said, "has remained one of the stable currencies in the world. Possible devaluation of the peso remains remote. Financial circles in the United States admit that the peso is strong and will continue to remain so."

Substantial loans speak very highly of our bank credit, these loans channeled to finance these enterprises: agricultural, industrial, commercial, real estate, consumption, government, and others.

Our financial pattern, undoubtedly, is sound as substantiated by our internal revenue collections which registered a remarkable 19 per cent increase over that of last year (January-

June basis). The first six months augured well for the year under review as over-all collections reached the respectable figure of ₱272 million as against the 1956 first six months' collection of ₱220.7 million.

The investment field persisted to attract our investors as corporate business indicated an upsurge of close to ₱3 million on a five-month basis (January-May); partnerships, about ₱2 million upswing and single proprietorships almost a million.

Even our monetary circulation gives all indications of better times as shown by the fact that for the first 9 months of the year we outpaced last year's first 9 months by ₱44.5 million.

Our private building construction in 27 chartered cities including 5 suburban towns of Manila continued to surge up, beating that of the year previous by a goodly sum of ₱22.1 million. This figure is based on the first six months of the year. Remarkably enough, Manila almost came abreast with the over-all total building permit valuations of these 27 chartered cities and 5 suburban towns near it, speaking highly of an all-out building activities in Manila.

As we shift to the production field we find a very consoling thought that our expectations of a productive year are well fulfilled.

Agricultural production has gone up. To be sure, the increase is not phenomenal but the fact that we have increased area planted towards an increased production paves the way to our benefits. Of the food crops, rice is better off than the previous crop year, due perhaps to utilizing what is known as the "Masagana" system. Even the fruits and nuts have gone up. The citrus industry is headed for a rosier future as citrus planters assured the public of a yearly harvest of ₱13 million worth of these fruits. In fact, these citrus planters are making a move to ban imported fruits on the basis of their annual harvest.

Even the commercial crops indicated promise as this year's production is in a much improved condition than that of last year. From coconut to kapok, we feel sure of an increased production year after year. Of the coconut industry, Dr. T. C. FAJARDO, Senior Plant pathologist, said that a highly developed coconut industry can support PI's budgetary needs.

In mining, we have now realized more than pre-war luster as the fiscal year 1956-57 production value gave the remarkable figure of ₱215.3 million. Compared against the fiscal year 1955-56 of ₱186.1 million, we can be certain that we are paving the mining field into a very productive channel. Base metal output surpassed that of last year by a big margin.

In the manufacturing field, on the basis of the first six months' production, as compared against that of the like period of last year, there is registered substantial gains. Out of 18 items, twelve are for increased production and six showed slight decline. Tobacco manufactures, textiles, wood and cork (except wooden furniture), rubber products, chemicals, drugs, metal products, etc., are fulfilling what is expected of them. The rest, like paper and paper products, non-metallic minerals, electrical machinery and appliances, etc., also gained ground although not as substantial as the first group.

Particular mention must be made of rubber manufactures which exceeded those of last year's comparable period by the "proverbial mile." The phenomenal upswing might be attributed to the increased patronage of local production of tires, cases and inner tubes.

Beer is still the acknowledged leader of the beverage group, maintaining its prestige registered in the years previous.

In food manufactures, despite a slight slump, desiccated coconut made a good showing, surpassing last year's output by a safe margin.

In tobacco manufactures, cigarettes of the Virginia blend continued to hold sway, outpacing last year's way ahead, and chewing, flue curing, smoking, etc., also beat last year's output by a comfortable margin. In passing, it may be mentioned that the surprising growth of the tobacco industry especially of the Virginia kind is an offshoot of favorable factors like the erecting and operating of a tobacco redrying plant and conducting industrial and agronomical researches towards improving the tobacco industry.

Textile production is headed for a promising future if this year's production can be an assured springboard. Out by a mile as against that of last year, textile output holds much for the future. Leading the textile output are jute bags and sacks, followed by fishing nets, knitted fabrics, piece goods, cotton tricots, sewing thread and yarns, etc. In fact, statistics showed that the National Development Company, the textile hub, made a production value of ₱50 million to net for profit the amount of ₱1.2 million, a very remarkable showing in a manner of speaking.

Umbrellas, wooden shoes, socks and stockings, towels, blankets, raincoats, hankies are the bright spots in the wearing apparel output.

Output in wood and cork (except wooden furniture) is a revelation as production value for the first half gives ₱59.2 million as against ₱17.7 million of last year. Lumber is easily the standout of the group, followed by plywood.

Our paper and paper products output is steadily on the uptrend beating last year by about ₱3.5 million. Cardboard in boxes grabs the lion's share in the output with cardboard in sheets, printed matter, etc. on its heels. The upswing is attributable to the operation of a paper plant in Bataan which assured the public of a 50-ton paper mill supply for many years, with bamboo (buho) as its basic raw material.

It may sound strange that our output of chemicals, drugs, dyes, etc. is a continuous upswing and this year's production is quite remarkable. Now we have a wide range of productions from anti-biotics to toiletries.

Other manufactures worthy of mention are the non-metallic mineral manufactures, the metal industries which outpaced last year's by a wide berth; electrical machinery, apparatus, appliances and supplies; and electricity, gas and heat.

We now focus our attention to our foreign trade. The volume of trade has increased from ₱1.9 billion in 1956 to ₱2.05 billion this year. Veritably we are paced to high gear in our overseas trade.

Looking at our labor and living conditions, we confront a situation generally improved. For the government employees, the 40-hours, five days a week come as a blessing. Even the employment problem is easing up, what with an expanding industrial objective. Particularly worth mentioning is the almost unlimited exploitation of our manufacturing industries. Even the lowly bagoong is given a boost with the Corona Bagoong Factory organized with ACCFA-FACOMA support. The latest addition is that of a local milk canning with other manufacturing establishments on the go-signal. The army of unemployed therefore finds its job opportunities fulfilled.

As to our housing problem, the various government housing projects have come to benefit the low-salaried employees. If the Walled City housing project is realized, the employees acquiring the right to live in this government-controlled project will be twice blest — because the transportation expenses will be practically nil since they can walk the distance from Intramuros to their offices which might be located in downtown Manila.

The cost of living registered a little rise, just an upswing of 6.64 percentage points, yet as a whole the rise is not palpably felt since the purchasing power of the peso on the basis of the over-all index only dropped to a negligible percentage point.

As we come to the run-down of statistics in three major fields: finance, production and distribution, we find compensating factors that generally point to an improved 1957.

FINANCE

Corporate and partnership investments — The trend is mixed where the corporate and partnership investments are concerned. With a sluggish start of ₱5.6 million by the opening month, the paid-up capital of corporations and partnerships swung up by the second and third month and subsided to ₱3.5 million by November, yet this figure is a little bit higher than the comparable month of the year previous.

Corporations numbered 452 for the January-May period with invested capital of ₱17,975,288. During the same period last year, there were 394 corporations with paid-up capital of

₱14,014,301. Apparently, there was an increase by 58 in number and ₱3,960,987 in value.

Partnerships totalled 290 valued at ₱11,150,620 for 1956 (January-May) as against 285 valued at ₱13,111,410 for the same period this year, a decrease of 5 in number but, strangely enough, an increase of ₱1,960,780 in value.

For the first six months this year single-proprietorships numbered 2,068 with invested capital of ₱49,492,767. For the like period last year there were 1,756 with paid-up capital of ₱48,783,214. The increase was 312 in number and ₱709,553 in value.

Internal Revenue collections — The picture is very encouraging and quite heartening, in a manner of speaking. In the first six months of the year under scrutiny, only the month of April showed a slackening. Starting with ₱41.8 million in January, higher by ₱5.07 million than that of the same month last year, collections improved by the next month with ₱14.0 million more than the like month of the year previous. In fact, February marks the all-time high of collection with March as second peak month. The over-all increase is ₱51.3 million or 19 per cent over that of the like period of last year.

Monetary circulation — Money in circulation for a 9-month period totalled ₱733.8 million as against a total of ₱689.3 million of the like period last year. The following table shows monetary circulation for the first nine months of 1957 as compared with 1956 (first nine months).

Monetary Circulation: January-September 1957
Compared with January-September 1956

Month	1956		1957	
	Value (Million ₱)	Index	Value (Million ₱)	Index
January	₱660.7	109.6	₱706.8	117.2
February	673.6	111.7	724.0	120.1
March	689.6	114.4	731.8	121.4
April	688.1	114.1	744.8	123.5
May	686.1	113.8	744.8	123.5
June	675.0	111.9	725.7	120.4
July	669.6	111.0	721.5	119.7
August	683.8	113.4	732.8	121.5
September	689.3	114.3	733.8	121.7

Real Estate Investment — Real estate sales in Manila made a brisk showing as the first 9 months gave a total of ₱38,683,108 compared to ₱36,567,644 worth of sales during the comparable period of last year. However, mortgages dropped from ₱60,417,851 in 1956 (9 months) to ₱57,581,196 for the identical period this year.

Bank loans, Discounts and Overdrafts — We have for bank loans, discounts and overdrafts ₱1,237.2 million for a nine month period (January-September) as against a total of ₱1,019.9 M of the like period last year.

Presented below is the over-all picture of our bank loans, discounts and overdrafts.

Bank Loans, Discounts and Overdrafts Excluding Central Bank
Value and Index: Jan.—Sept. 1957 and 1956 Compared
(1952 = 100)

Month	1956		1957	
	(Million ₱)	Index	(Million ₱)	Index
January	₱ 883.0	126.3	₱1,121.5	160.4
February	903.7	129.2	1,128.2	161.3
March	918.8	131.4	1,149.1	164.3
April	930.4	133.0	1,163.5	166.4
May	934.0	133.6	1,191.2	170.3
June	941.9	134.7	1,195.5	171.0
July	955.5	136.6	1,218,2	174.2
August	991.6	141.8	1,228.9	175.7
September	1,019.9	145.8	1,237.2	176.9

PRODUCTION

Our productivity is well pronounced for the first six months although there was slight dip in mid-year, yet the decrease was offset by a wide margin during the first five months. For January production, index was 139.0 as against the same month last year which had only 108.9. February swung high up with an index of 149.8 which was 44.3 percentage points higher than the index of the like month the year previous. Cigarette production improved slightly. Electricity, however, soared to the billion mark as over-all production by Meralco for the first nine months reached 1,014,207,437 KWH. Last year's output for the same 9-month period totalled only 838,002,723 KWH.

Our lumber industry is fulfilling a productive year. Production figure was 389,630,545 Bd. ft. for the first nine months as against 298,899,800 Bd. ft. for the same period last year.

Agricultural crops — Production surpassed last year safely. Both food crops and commercial crops are way ahead than last year. Below is the table showing the area planted and production in metric tons.

AGRICULTURAL UTILIZATION AND PRODUCTION IN THE PHILIPPINES: 1956 AND 1957

Crops	1956		1957[a]	
	Area Planted (in Thousand Hectares)	Production (in Thousand Metric Tons)	Area Planted (in Thousand Hectares)	Production (in Thousand Metric Tons)
PHILIPPINES	6,848.3	9,107.7	7,064.8	9,416.3
Food Crops:	5,276.5	6,347.2	5,463.4	6,488.4
Rice	2,742.5[b]	3,273.3	2,783.2	3,364.2
Corn	1,674.8	907.4	1,786.8	895.4
Fruits and nuts except citrus	332.4	615.0	344.9	638.2
Citrus	20.5	32.8	21.4	34.3
Root crops	280.0	1,260.0	291.7	1,292.0
Vegetables except onions and potatoes	92.5	166.5	93.4	168.3
Onions	3.5	10.8	3.5	9.3
Irish potatoes	3.0	8.1	3.2	9.6
Beans and peas	70.0	42.0	75.4	44.1
Coffee	19.8	7.1	21.5	8.3
Cacao	6.4	1.5	6.7	1.6
Peanuts	28.8	17.9	29.3	18.2
All other food crops	2.3	4.8	2.4	4.9
Commercial Crops: ...	1,571.8	2,760.5	1,601.4	2,927.9
Coconut	992.0	—	992.0	—
Copra	—	1,140.0	—	1,264.0
Desiccated coconut	—	42.0	—	44.0
Sugarcane	271.2	—	282.3	—
Centrifugal and muscovado	—	1,163.3	—	1,181.2
Abaca	216.8	120.3	231.5	128.5
Tobacco	75.1	38.4	81.8	50.4
Ramie	2.9	1.2	2.9	1.6
Rubber	5.0	2.0	5.0	2.2
Maguey	3.0	0.2	Negligible	Negligible
Kapok	3.0	2.9	3.0	3.0
All other export crops[c]	2.8	250.2	2.9	253.0

[a] Forecast as of June 1, 1957
[b] Area harvested
[c] Includes cotton and molasses

SOURCE: Agricultural Economics Division, Department of Agriculture and Natural Resources.

FORESTRY

Lumber Industry — This industry has improved considerably. Output for a nine-month period showed an overwhelming increase over that of last year's comparable period. With the exception of June which lapsed somewhat, all the months glowed with promise. Peak month was July with a remarkable production figure of 48,913,634 Bd. ft. as against 43,609,669 Bd. ft. of August last year.

LUMBER PRODUCTION AND INDEX: 1956 AND 1957

Month	1956		1957	
	Production (Bd. ft.)	Index	Production (Bd. ft.)	Index
TOTAL	298,899,800		389,630,545	
January	28,848,271	79.2	44,691,372	122.7
February	29,605,263	81.3	45,118,906	123.9
March	30,862,166	84.8	45,206,713	124.1
April	31,186,916	85.6	43,832,368	120.4
May	31,319,986	86.0	44,010,691	120.9
June	32,844,977	90.2	23,938,713	65.7
July	37,352,744	102.6	48,913,634	134.3
August	43,609,669	119.8	46,373,910	127.4
September	33,269,808	91.4	47,544,238	130.6

Timber — Output shows also an upswing from 2,011,553.79 cu. m. in 1956 (first six months) to 2,116,940.94 cu. m. this year (Jan.-June). Starting with 330,746.49 cu. m. in January, production surged up to register 378,987.50 cu. m. in June. Below are production figures for the first six months compared with those of the like period last year.

Month	1956	1957
	Output (cu. m.)	Output (cu. m.)
January	230,823.41	330,746.49
February	299,067.98	312,795.03
March	433,632.12	398,444.63
April	392,671.65	434,784.72
May	251,650.94	261,182.57
June	403,707.69	378,987.50

MINING

Precious Metals — Gold and silver gave an encouraging production this year. Production value of gold and silver is ₱46,773,314 as compared to ₱43,633,956 of last fiscal year. Even the base metals registered an upswing to make mining headed towards a bright future. (See Tables I and II.)

TABLE I — MINERAL PRODUCTION IN THE PHILIPPINES: FISCAL YEARS 1955-1956 AND 1956-1957

Minerals	1955 - 1956			1956 - 1957		
	Quantity	Value (Pesos)	Totals	Quantity	Value (Pesos)	Totals
GRAND TOTAL			₱186,185,520			₱215,384,126
METALLICS						
Gold	408,390 oz.	₱42,742,097		397,669 oz.	₱45,851,236	
Silver	524,955 oz.	981,859	43,633,956	526,988 oz.	922,078	46,773,314
Lead (metal)	2,261 m.t.	1,390,970		1,644 m.t.	983,465	
Zinc "	420 m.t.	212,952		832 m.t.	434,459	
Copper "	21,482 m.t.	41,323,228		32,649 m.t.	46,418,157	
Manganese ore	4,470 m.t.	215,298		16,032 m.t.	1,282,537	
Chromite ore						
Refractory	625,980 m.t.	19,575,010		585,060 m.t.	22,453,940	
Metallurgical	125,037 m.t.	6,675,688		126,095 m.t.	9,178,082	
Iron ore	1,372,529 m.t.	21,725,307		1,529,512 m.t.	26,139,309	
Quicksilver (metal)	1,857 flks.	1,005,134	92,123,585	3,521 flks.	1,804,800	108,694,749
NON-METALLICS						
Cement	2,691,257 bbls.	33,977,217		2,537,614 bbls.	32,783,465	
Coal	146,306 m.t.	3,497,408		178,127 m.t.	4,288,976	
Rock asphalt	5 m.t.	133		1,743 m.t.	30,628	
Sand, gravel, salt and all other non-metallics		12,953,221	50,427,979		22,812,994	59,916,063

SOURCE: Bureau of Mines, Manila.

TABLE II — BASE METAL PRODUCTION IN THE PHILIPPINES: FISCAL YEARS 1955-1956 AND 1956-1957

Base Metal	1955 - 1956		1956 - 1957	
	Quantity (Dry M.T.)	Value (Pesos)	Quantity (Dry M.T.)	Value (Pesos)
GRAND TOTAL		₱92,123,585		₱108,694,749
Refractory chromite	625,980	19,575,010	585,060	22,453,940
Metallurgical chromite	125,037	6,675,688	126,095	9,178,082
Copper (metal)	21,482	41,323,228	32,649	46,418,157
Lead (metal)	2,261	1,390,970	1,644	983,465
Zinc (metal)	420	212,952	832	434,459
Quicksilver (metal)	1,857 flks.	1,005,134	3,521 flks.	1,804,800
Iron ore	1,372,529	21,725,307	1,529,512	26,139,309
Manganese ore	4,470	215,298	16,032	1,282,537

SOURCE: Bureau of Mines, Manila.

ELECTRICITY PRODUCTION (MERALCO ONLY)

Electricity as personified by Reddy Kilowatt showed a tempo of increased production. Easily the peak month is October, attributed to the start of the cold season characterized by long nights and short days. Production in October reached 101,253,547 KWH as against 83,096,147 for the same period last year. The table below gives production figures for a 9-month period for both 1957 and 1956.

ELECTRICITY PRODUCTION AND INDEX (MERALCO ONLY): 1956 AND 1957
(1952 = 100)

Month	1956		1957	
	Production KWH	Index	Production KWH	Index
TOTAL	838,002,723		1,014,207,437	
January	73,648,100	158.5	85,642,207	184.3
February	71,035,800	152.9	78,379,527	168.7
March	72,178,647	155.4	88,991,227	191.5
April	71,044,647	152.9	85,395,147	183.8
May	75,233,147	161.9	93,392,167	201.0
June	75,608,047	162.7	93,360,267	200.9
July	78,355,247	168.7	96,377,307	207.4
August	79,727,147	171.6	99,619,367	214.4
September	77,240,647	166.3	97,106,527	209.0
October	83,096,147	178.9	101,253,547	217.9
November	80,835,147	174.0	94,690,147	203.8

Manufacturing Industries — Preliminary tabulations from the 1956 Survey of Manufactures for establishments employing more than 20 employees show a total employment of 148.6 thousand, of which 2.8 thousand are working owners and unpaid family workers. Total payrolls for paid employees in manufactures was ₱272 million. Of total employment, 37.1 thousand are in the food industry; 10.8 thousand in tobacco manufacture; 20.5 thousand in footwear and other wearing apparel manufacture; the balance of 80.2 thousand being distributed among the other manufacturing industries. Contributing least to employment is the leather industry which accounted for only .5 thousand of those engaged in manufacturing activities in 1956.

Total output for the 1956 large manufacturing establishments amounted to 1.8 billion pesos, contributing a value added to manufacture in the amount of ₱856 million. The food industry alone contributed more than one fourth of this total output, with such industries as chemicals and chemical products, tobacco products, beverages, footwear and other wearing apparel, and textiles following closely.

Over-all total production value of manufacturing industries for the first half reached ₱806,614,159. Last year's six-month production value registered only ₱703,978,067. Admittedly, there is an increase of ₱102,636,092 which is an evidentiary proof how much we have expanded the manufacturing industries and how much government encouragement, government financing have been given our growing manufacturing establishments. Acting as a protective mantle is the tax-exemption granted to new and essential industries until they can be productive and stand on their own.

Of the 18 kinds of manufactures, production during the first six months indicated that only six slumped slightly while the other 12 registered upsurges in varying degrees which in a way offset the slump. Proof is that the production value still surpassed that of last year by ₱102.6 million.

Registering increases are the following manufactures: *tobacco* and manufactures with production value of ₱206,328,069 as against ₱126,432,058 of last year (first half); *textiles* with production value of ₱38,255,050 compared to ₱29,856,808 of the year previous; *wood and cork (except wooden furniture)*, value ₱59,293,300, last year had only ₱17,777,170; *paper and paper products*, value ₱25,535,384 as against ₱21,730,468; leather products, value ₱1,730,752 compared to ₱1,373,672; rubber products, ₱21,053,743, exceeding last year's ₱5,161,771; chemicals, drugs, medicines, ₱84,448,612, surpassing 1956 value of ₱70,788,-758; vegetable and animal oils and fats, ₱27,877,320 over that of ₱27,418,904; non-metallic mineral products, ₱25,615,016 against ₱23,323,046; metal products, ₱40,630,234 over ₱32,715,-093; electrical machinery, apparatus, appliances and supplies, ₱5,734,877 against ₱4,635,084 and electricity, gas and heat, ₱11,056,996, outpacing last year's ₱10,403,623.

On a slight decline are food manufactures, beverages, wearing apparel, wooden furniture, transportation equipment and miscellaneous industries.

DISTRIBUTION

Our foreign trade has been a continuous upswing. This year, our volume of trade went over the billion mark. Total trade for the year (with the months of October, November and December based on estimates) reached ₱2,057,522,186. Compared against ₱1,964,567,270 of last year there was an increase of ₱92,954,916 or a gain of 47.3 per cent.

Our import trade went up from ₱1,019,214,946 of the year previous to ₱1,246,022,186, or an increase of 22.2 per cent. The swelling of our imports has been attrbiuted to demand of more machinery for the increased tempo of our industrialization program; also of mineral fuels, lubricants, etc.

Our export trade, on the other hand, suffered a slump as it went down from ₱945,352,324 of last year to ₱811,500,000 this year, a decline of ₱133,852,324 or 16.5 per cent. The dip could be traced to our sugar export which was slashed in order that the same could be channeled for local consumption. Logs and lumber slipped a few points down also.

Consequently, we incurred an unfavorable balance of trade of ₱434,522,186 as against ₱73,862,622 of last year.

Our ten principal imports (based on the first 10 months) are machinery, textile yarns, fabrics, made-up articles and related products, mineral fuels, lubricants, base metals, dairy produce; eggs and honey, transport equipment, other machinery, apparatus and appliances, paper and paper manufactures, rubber and manufactures and metal products.

Of these ten leading imports, only rubber and manufactures registered a substantial drop influenced as it were by the increased local production. The other nine surged up in varying degrees of increase.

Of our ten principal exports, five posted substantial gains, namely: copra, abaca (unmanufactured), chromite ore and desiccated coconut and iron ore. The five others slumped, some slightly, like logs and lumber, copper concentrates and canned pineapple; the two a little marked, like sugar (centrifugal) and coconut oil.

The barter trade law, which has been the subject of many a heated discussion in business circles, has somehow affected our foreign trade.

Gross Sales — The monthly sales of 10 leading business concerns including that of a big department store, a prominent book store, automobile dealer, etc., when totalled for the year indicate the tempo of domestic trade. Gross sales of these 10 selected leading business establishments fluctuated a bit as over-all sales reached only ₱27,913,913 as against ₱28,744,316 of the comparable six-month period of last year for a slight drop of ₱830,403 or 2.8 per cent.

The table below shows the monthly gross sales of the ten leading corporations:

GROSS SALES OF TEN LEADING CORPORATIONS:
1956 — 1957
(1952 = 100)

Month	1956		1957	
	Value (Pesos)	Index	Value (Pesos)	Index
	₱28,744,316		₱27,913,913	
January	4,615,270	125.0	4,363,053	118.2
February	4,614,011	125.0	4,263,234	115.5
March	4,984,260	134.2	4,607,299	124.8
April	3,996,977	108.3	4,673,245	126.6
May	5,490,392	148.7	5,059,911	137.0
June	5,043,406	136.6	4,947,171	134.0

If we scan the monthly business indices, we invariably find that the first three months are generally good and the succeeding months then reflect a mixed trend. Thus for January we had an index of 130.7 as against 117.1 of the same month last year; February registered 136.8 (up 6.1 percentage points) compared to 114.7 of the identical month last year. As a whole business was good.

Prices — The BC Retail Price Index with 1948 as base year indicated a little drop as the over-all index for 1956 registered 91.1 for the first 11 months as against 91.0 of this year's comparable period. The drop is negligible. The index of 90.1 for April is the lowest for this year, while the index of 87.8 in February, that of last year.

Of some fifty selected items in Manila Markets for November, twenty registered increased price quotations, thirteen declined considerably while seventeen remained constant.

Those which went up markedly were rice (elon-elon), sugar (centrifugal), yellow mongo, pork (pure meat), fish (bangus), sardines and nails. A skyrocketing of prices involved the much discussed garlic and onions. Even our nipa shingles registered a very marked rise.

The commodities that made slight increases are corn grains (red), eggs (leghorn), vegetable lard, string beans, sweet potatoes, condensed and evaporated milk, denim imported, and bamboos.

Articles that dropped in price quotations are fowls, cabbages, tomatoes, bananas, wheat flour, Hershey's cocoa, West Point Khaki, coco ordinary, printed poplin, pants, khaki long, lumber (tanguile) and cement (Apo).

Holding constantly to price quotations as from last year are ground coffee, beef (first class), coconut, bread (pan de sal), vinegar, salt, margarine, thread, de hilo sport shirts, cotton dresses, cotton, ladies' leather shoes, men's leather slippers, sand, gravel, firewood and laundry soap.

Of the five major products, rice, copra, sugar, leaf tobacco and hemp, only copra and leaf tobacco registered signs of fluctuation as evidenced by the index figure. The other three products maintained a constant upswing in prices. Leaf tobacco was down to 68.8 percentage points in January as against that of last year but gained ground during the next eight months. Copra was up by 4.0 percentage points in January, lost 4.9 percentage points in March, lost 5.0 points in April, then dropped 9.8 percentage points in May and finally went down by .7 points in June but gradually swung up during the rest of the months up to September.

LABOR AND LIVING CONDITIONS

Unemployment — While we have an army of unemployed and underemployed, the employment situation offers no cause for alarm in this country. The farmer for instance, who is a seasonal worker, does not wholly depend on his farming activities — he finds time to fish, does some hat weaving and odd jobs during the off-season or during the slack days of farming. It is thus we find some workers enjoying peak months of employment and idle days.

But with industrialization being interlocked on an agro-industrial pattern, job opportunities await the willing hands not shying from manual labor, the technical men who have acquired some specialized knowledge in mechanical operations. Moreover, the phenomenal expansion of our manufacturing industries with the operation of steel mills, canneries, glass factories, milk bottling, etc., is opening the door to ease up the unemployment angle.

According to latest estimates, our labor force, which has been swelling year after year is estimated to grow by 275,000 yearly. But it is estimated, however, that pretty soon there will be an average of 300,000 jobs annually in which case job opportunities will not be wanting.

Housing problem is no longer a headache. The various government housing projects which have been built and new housing projects like Project 8 in Quezon City and the contemplated opening of another in Walled City solved this problem.

Building construction in and out of Manila, aided by financing institutions like the RFC, the GSIS, have eased up the tense unemployment problem. With the expansion of our agricultural cultivation, part of the labor force is being absorbed by the farming sector. Even far-flung California, Guam and Hawaii have given the labor force golden opportunities. As it is now, the unemployment problem is losing its ertswhile tautness.

Cost of living — The five components of the over-all index of the Cost of Living are food, house rent, clothing, fuel-light-water and miscellaneous, like haircut, recreations, etc. Given some deliberation, one can readily see that there is little deviation in the index figures between this year's and those of last year. Over-all index in January is 310.6, that of the same month last year, 308.2 or a difference of 2.4 percentage points. February registered 303.3 as against 296.6 of the identical month last year. One can scan the index figures up to November to notice scant difference between this year's cost of living indices and those of the year previous. Even the purchasing power of the peso presents just hair-line gaps. If last year, the purchasing power went up as high as ₱0.33, this year, we find the same purchasing power of the peso as ₱0.33 during the months of March, April and May.

The slight rise of the over-all index this year can be attributed to the election campaign fervor when candidates just applied the "free flow of eatables to the electorate." Compensating for the slight rise of the food, clothing and miscellaneous indices are those of house rent and fuel-light-water indices, so that while the three went up, the constants held them down in the manner of ballasts.

FUTURE PROSPECTS

Taken on the over-all analysis, the economic situation this year is much better than that of last year. The Philippines has just nailed another milestone in the trail of progress.

Prospects for the coming new year point to a year of promise and fulfillment. In fact, President Garcia's austerity program is one way of spelling prosperity in a subtle language for when one curbs on needless expenditures, prods labor for increased production — the natural tendency is an improved well-being of the citizenry guided as it were by a seasoned leader whose winnowed wisdom becomes a source of lasting inspiration.

Pointing to an improved 1958 we have the following:

1. Improved 1958 Palay Crop predicted by the Department of Agriculture and Natural Resources.

2. PI to get loans to finance the Binga hydro-electric project in Northern Luzon and a ₱4-million loan to finance a second power unit in Maria Cristina Falls, and other projects.

   Job opportunities will be thus afforded the unemployed when operation starts.

3. Industrialization expansion program on the agro-industrial economy.

4. Better outlook for the rubber industry.

5. Expanded coffee industry to give Philippine self-sufficiency in three years.

6. Improved citrus industry promises brighter future.

7. Mining industry by surpassing pre-war level continues to indicate bright days ahead.

8. Increased participation of Filipino capital in the investment field as evidenced by the corporate, partnerships and single-proprietorships activities.

9. Increased credit facilities of our financing institutions — the RFC, GSIS, PNB, etc.

10. More manufacturing establishments and factories to be operating soon.

The advent of 1958 is one rosy future.