

T.A. Henry

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
MANILA

# ANNUAL REPORT

OF THE  
SECRETARY OF FINANCE  
TO THE  
PRESIDENT OF THE PHILIPPINES  
FOR THE  
FISCAL YEAR ENDED JUNE 30, 1962



MANILA  
BUREAU OF PRINTING  
1965

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DEPARTMENT OF FINANCE  
MANILA

*February 25, 1963*

His Excellency  
The PRESIDENT OF THE PHILIPPINES  
Manila

SIR:

Pursuant to the provisions of Section 91 of the Revised Administrative Code, I have the honor to submit the accompanying report of the Secretary of Finance for Fiscal Year ended June 30, 1962. I assumed office as Secretary of Finance on August 1, 1962. This report covers the period of the administration of Hon. Dominador R. Aytona, from July 1, 1961 to December 31, 1961 and of Hon. Fernando E. V. Sison from January 1, 1962 to June 30, 1962.

Very respectfully,

(Sgd.) RODRIGO D. PEREZ, Jr.  
- *Acting Secretary of Finance*



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Secretaries of Finance			Undersecretaries of Finance <sup>1</sup>			American Governors and Filipino Presidents and the period of their respective administration
Name	Period of Office		Name	Period of Office		
	From	To		From	To	
<i>Secretary of Finance and Justice</i>						
Henry C. Ide, Vermont, U. S. A. -----	Sept. 1, 1901	Sept. 24, 1906	-----	-----	-----	William H. Taft (July 4, 1901 Dec. 23, 1901)
James F. Smith, U. S. A. -----	Sept. 25, 1906	June 30, 1908	-----	-----	-----	Luke E. Wright (Actg.) (Dec. 1901 to Jan. 30, 1904)
Gregorio Araneta, Iloilo -----	July 1, 1908	Oct. 30, 1913	-----	-----	-----	Luke E. Wright (Feb. 1, 1904 to Nov. 3, 1905)
Victorino Mapa, Capiz -----	Nov. 1, 1913	Jan. 14, 1917	-----	-----	-----	Henry C. Ide (Acting) (Nov. 4, 1905 to April 1, 1906)
			-----	-----	-----	Henry C. Ide (April 2, 1906 to Sept. 19 1906)
			-----	-----	-----	James F. Smith (September 20, 1906 to May 7, 1909)
			-----	-----	-----	James F. Smith, W. Cameron Forbes (Acting) (May 8, 1909 to Nov. 10, 1909)
			-----	-----	-----	Newton W. Gilbert (Acting) (May 16, 1912 to Sept. 1, 1913)
			-----	-----	-----	Francis Burton Harrison (Sept. 1913 to October 3, 1921)
			-----	-----	-----	Francis Burton Harrison

<sup>1</sup> There were no Undersecretaries of Finance prior to January 16, 1917.

<sup>2</sup> Among the departments created by an act of the Philippine Commission on September 6, 1901 was the Department of Finance and Justice.

<sup>3</sup> There were two (2) undersecretaries of Finance from April 16, 1929 to December 31, 1931; and from January 1, 1933 to March 10, 1936.

<sup>4</sup> The Commonwealth Government of the Philippines commenced on November 15, 1935.



*Secretaries and Undersecretaries of the Department of Finance from September 1, 1901 to June 30, 1962 and the Governors General During the American Regime and the Presidents During the Commonwealth and the Republic of the Philippines—Continued*

Secretaries of Finance			Undersecretaries of Finance			American Governors and Filipino Presidents and the period of their respective administration.
Name	Period of Office		Name	Period of Office		
	From	To		From	To	
<i>Secretary of Finance</i>						
Alberto Barretto, Zambales .....	Jan. 15, 1917	July 17, 1923	Miguel Unson, Iloilo.....	Jan. 16, 1917	July 17, 1917	Francis Burton Harrison Charles Emmet Yeater (Acting) (1921) General Leonard Wood (Oct. 4, 1921 to Aug. 6, 1927)
Miguel Unson, Iloilo, (Acting).....	July 18, 1928	Dec. 31, 1931	(1) Vicente Carmona, Capiz (2) Guillermo Gomez (Iloilo)	Jan. 1, 1927 Apr. 16, 1929	Dec. 31, 1931 Jan. 2, 1939	General Leonard Wood Eugene A. Gilmore (Acting), (1927-1928) Henry L. Stimson (Mar. 1, 1928 to Feb. 23, 1929) Dwight F. Davis (June 4, 1929 to June 9, 1932)
Vicente Carmona, Capiz (Acting).....	Jan. 1, 1932	Dec. 31, 1932	Guillermo Gomez .....	Jan. 2, 1939	-----	Theodore Roosevelt, Jr. (Feb. 29, 1932 to March 16, 1933)
Rafael Alunan, Negros Occidental .....	Jan. 1, 1933	Apr. 26, 1933	(1) Vicente Carmona (2) Guillermo Gomez	Jan. 1, 1933	Mar. 10, 1936	Theodore Roosevelt, Jr.
Vicente Singson Encarnacion, Ilocos Sur (Acting).....	Apr. 23, 1933	July 24, 1934	(1) Vicente Carmona (2) Guillermo Gomez	-----	-----	Theodore Roosevelt, Jr. Frank Murphy (June 15, 1933 to Nov. 14, 1935)
Elpidio Quirino, Ilocos Sur.....	July 25, 1934	Feb. 18, 1936	(1) Vicente Carmona (2) Guillermo Gomez	-----	-----	Frank Murphy Manuel L. Quezon (Nov. 15, 1935 to Aug. 1, 1944)
Antonio de las Alas, Batangas.....	Feb. 19, 1936	Nov. 15, 1938	(1) Vicente Carmona (2) Guillermo Gomez	Up to Mar. 1936	-----	Manuel L. Quezon
Manuel Roxas, Capiz .....	Nov. 26, 1938	Aug. 28, 1941	(1) Guillermo Gomez (2) Alfredo L. Yatco, Batangas Guillermo Gomez	Up to Jan. 2 1939 Jan. 3, 1939 Jan. 22, 1940	----- Jan. 15, 1940 Feb. 4, 1942	Manuel L. Quezon
Serafin Marabut, Samar.....	Aug. 29, 1941	Dec. 29, 1941	Guillermo Gomez .....	-----	-----	Manuel L. Quezon
Jose Abad Santos, Pampanga .....	1941	1942	-----	-----	-----	Manuel L. Quezon
Andres Soriano.....	Mar. 26, 1942	July 31, 1944	-----	-----	-----	Manuel L. Quezon
Jaime Hernandez, Camarines Sur.....	Aug. 8, 1942	May 27, 1947	Jose M. Hilario, Cebu.....	Dec. 22, 1945	June 15, 1946	Sergio Osmeña (Aug. 2, 1944 to May 27, 1946)
Elpidio Quirino (Vice-Pres.) and concurrently Secretary of Finance	May 28, 1946	Nov. 24, 1946	Crispin Llamado, (Cavi- June 27, 1946 te	-----	-----	Manuel Roxas (May 28, 1946 to April 15, 1948)
Miguel Cuaderno, Sr., Bataan.....	Nov. 25, 1946	Jan. 2, 1950	Crispin Llamado .....	-----	-----	Manuel Roxas Elpidio Quirino (Apr. 16, 1948 to Dec. 30, 1953)
Pio Pedrosa, Leyte .....	Jan. 5, 1949	Sept. 12, 1951	Crispin Llamado.....	-----	Apr. 10, 1950	Manuel Roxas
Aurelio Montinola, Iloilo .....	January 1952	Dec. 1953	Sixto B. Ortiz, Albay.....	Apr. 11, 1950	Dec. 29, 1953	Elpidio Quirino
Jaime Hernandez, Camarines Sur.....	Jan. 1954	Jan. 24, 1960	Jose P. Trinidad, Batangas	June 18, 1954	-----	Ramon Magsaysay (Dec. 31, 1953 to March 17, 1957)
Dominador R. Aytona .....	Jan. 25, 1960	Dec. 29, 1961	Jose P. Trinidad.....	June 18, 1954	Jan. 1, 1962	Carlos P. Garcia (March 18, 1957 to Dec. 30, 1961)
Fernando E. V. Sison, Pangasinan .....	Jan. 2, 1962	July 1, 1962	Jorge Labayo.....	June 11, 1962	-----	Carlos P. Garcia Diosdado Macapagal (Dec. 30, 1961)

<sup>5</sup> Does not include service during the Japanese occupation.

<sup>6</sup> Appointed member of the War Cabinet of the President as Secretary of Finance, Agriculture and Commerce under Executive Order No. 196 dated December 24, 1941.

<sup>7</sup> Served under the Philippine Commonwealth Government in exile in the United States of America during World War II.

<sup>8</sup> Served under the Philippine Government in exile in the United States of America during the last part of World War II and in the early part of the reestablishment of the Commonwealth Government in the Philippines.

<sup>9</sup> The Government of the Republic of the Philippines commenced on July 4, 1946.

<sup>10</sup> On leave of absence from April 11, 1950 to October 27, 1950.



**RANKING ADMINISTRATIVE AND STAFF OFFICIALS OF THE  
DEPARTMENT OF FINANCE AND OF THE BUREAUS AND  
OFFICES AS OF JUNE 30, 1962**

Hon. FERNANDO E. V. SISON ..... Acting Secretary of Finance  
Hon. JORGE LABAYO ..... Acting Undersecretary of Finance  
MAMERTO B. ENDRIGA ..... Assistant Secretary for Fiscal Affairs  
JOSE A. ANTONIO ..... Assistant Secretary for Administrative  
Affairs  
RUBEN P. MACAPINLAC ..... Head Executive Assistant

**ADMINISTRATIVE DIVISION**

JOVENCIO N. FOJAS ..... Administrative Officer V  
(Chief of Division)  
PERCIVAL P. TUMLOS ..... Administrative Officer II  
(Assistant Chief of Division)

**MANAGEMENT AND BUDGET DIVISION**

JOSE T. CELESTE ..... Department Budget Officer  
(Chief of Division)

**PERSONNEL DIVISION**

GREGORIO A. CASTILLO ..... Personnel Officer III  
(Chief of Division)

**INVESTIGATION DIVISION**

VICENTE S. TAN ..... Chief Finance Investigator  
(Chief of Division)  
CANDIDO R. SAMONTE ..... Assistant Chief Investigator  
(Assistant Chief of Division)

**DEPARTMENT ACCOUNTING DIVISION**

SOTERO H. BAY ..... Department Chief Accountant III  
(Chief of Division)

**REVENUE PROMOTION DIVISION**

REMEDIOS ACOSTA-AZURIN ..... Chief Tax Adviser  
(Chief of Division)  
VICENTE C. ARMADA ..... Assistant Chief Tax Adviser  
(Assistant Chief of Division)

**PUBLIC DEBT MANAGEMENT DIVISION**

PEDRO M. ALMANZOR ..... Chief, Public Debt Management  
Division  
NESTOR BUNGUBONG ..... Assistant Chief, Public Debt Manage-  
ment Division

**LOCAL GOVERNMENT FINANCE DIVISION**

DIOSCORO T. TIMTIMAN ..... Chief Supervising Treasurer  
(Chief of Division)  
HERMOGENES DIEGO ..... Assistant Chief Supervising Treasurer  
(Assistant Chief of Division)

**STATISTICS AND PUBLICATION DIVISION**

PATRICIO A. MORALES ..... Fiscal Controller II  
(Chief of Division)  
SALVADOR DEL ROSARIO ..... Assistant Fiscal Controller II  
(Assistant Chief of Division)

**CASH AND PROPERTY SECTION**

LOPE F. CUARESMA ..... Collecting and Disbursing Officer  
(Supply Officer III)

**BUREAU OF CUSTOMS**

**OFFICE OF THE COMMISSIONER**

CESAR CLIMACO ..... Acting Commissioner of Customs  
PABLO C. MARIANO ..... Deputy Commissioner of Customs  
TIMOTEO ASERON ..... Director for Administration and Gen-  
eral Affairs  
LAMBERTO ROBLEDO ..... Director for Port Operations and  
Chairman Board of Marine Inquiry  
JAMES H. KEEFE ..... Customs Security Coordinator  
SALVADOR T. MASCARDO ..... Collector of Customs IV  
HIPOLITO V. RUIZ ..... Chief Customs Patrol Service  
ARTURO C. LEAÑO ..... Training Officer  
ROLANDO G. GEOTINA ..... Senior Executive Assistant II  
ARTEMIO AGONCILLO ..... Collector of Customs II

**INTERNAL AUDIT SERVICE**

BENITO TAMAYO ..... Auditor IV

**BUDGET AND FISCAL OFFICE**

DOMINADOR RICARTE, Jr. ..... Director for Budget and Fiscal Affairs  
MAXIMO R. CRUZ ..... Budget Officer IV

**ACCOUNTING DIVISION**

PRIMO M. BAUTISTA ..... Chief Accountant IV

**OFFICE OF THE PERSONNEL OFFICER**

TRINIDAD S. VIADO ..... Personnel Officer III

**OFFICE OF THE LEGAL COUNSEL**

CASIMIRO CALUAG ..... Chief Legal Officer  
CIPRIANO LAMSEN ..... Assistant Chief Legal Officer



## ADMINISTRATIVE DIVISION

FILEMON MAYO ..... Administrative Officer IV

## INVESTIGATION DIVISION

FELIX GREGORIO ..... Chief Customs Examiner  
PATRICIO A. AMANSE ..... Assistant Chief Customs Examiner

## HULL AND BOILER DIVISION

AGUSTIN L. MATHAY ..... Chief Maritime Safety Engineer

## CUSTOMS SECURITY SERVICE

TEODORICO HARESCO ..... Special Police Chief II  
EFIFANIO T. VILLEGAS ..... Arrastre Superintendent

## MANILA CUSTOMHOUSE

PEDRO PACIS ..... Collector of Customs IV  
JUAN C. CAPALAD ..... Collector of Customs III  
FAUSTINO N. DOMINGO ..... Chief Customs Appraiser  
EDUARDO CRISOSTOMO ..... Assistant Chief Customs Appraiser  
FELIX NARITO ..... Cashier V  
JOSE T. VIDOYA ..... Chief Legal Officer  
ALEJANDRO P. DIZON ..... Assistant Chief Legal Officer  
MATIAS ANTOLIN ..... Harbor Superintendent  
TOMAS MARIANO ..... Chief Customs Assessor  
LUIS BUENAVENTURA ..... Marine Registrar  
VICENTE V. CASTILLO ..... Special Police Chief II

## MANILA INTERNATIONAL AIRPORT CUSTOMHOUSE

EDILBERTO DAVID ..... Collector of Customs IV

## CEBU CUSTOMHOUSE

FLORENCIO M. ESPINO ..... Collector of Customs III

## ILOILO CUSTOMHOUSE

PEDRO G. VILLAFUERTE ..... Collector of Customs III

## ZAMBOANGA CUSTOMHOUSE

JUAN B. CELESTE ..... Collector of Customs II

## LEGASPI-TABACO-VIRAC-CATANDUANES CUSTOMHOUSE

EULOGIO B. LAWENKO ..... Collector of Customs II

## JOLO CUSTOMHOUSE

ALFREDO T. FRANCISCO ..... Collector of Customs III

## JOSE PANGANIBAN CUSTOMHOUSE

DEMOCRITO R. SEPTIMO ..... Collector of Customs II

## DAVAO CUSTOMHOUSE

GUILLERMO ABALLE ..... Collector of Customs II

## TACLOBAN CUSTOMHOUSE

FORTUNATO CATALON ..... Collector of Customs II

## CAGAYAN DE ORO CUSTOMHOUSE

ANDRES B. FERNANDEZ ..... Collector of Customs II

## SAN FERNANDO CUSTOMHOUSE

AGAPITO ABRIOL-SANTOS ..... Collector of Customs II

## PORT OF DUMAGUETE

PACIFICO PACIS ..... Collector of Customs II

## PORT OF BATANGAS

ROMEO L. GONZALES ..... Collector of Customs III

## BUREAU OF INTERNAL REVENUE

JOSE B. LINGAD ..... Acting Commissioner of Internal Revenue  
MISAEAL P. VERA ..... Deputy Commissioner of Internal Revenue  
AMBROSIO M. LINA ..... Operation Head, Assessment Department  
ELIAS E. VEGA ..... Operation Head, Collection Department  
PATROCINIO F. LANDAS ..... Operation Head, Legal Department  
VICTOR CABREZA ..... Operation Head, Administrative Services Department  
CASTOR AYERAS ..... Operation Head, Management and Planning  
ARISTON O. SANDOVAL ..... Chief, Income Tax Division  
ABDON M. MENDIGORIN ..... Chief, Alcohol Tax Division  
LAURO ABRAHAM ..... Chief, Tobacco and Miscellaneous Tax Division  
LEOPOLDO GONZALES ..... Chief, Business Tax Division  
VICENTE Z. LASQUETY ..... Chief, Investigation Division  
SALUD CAMPOMANES ..... Chief, Narcotic Drugs Division  
CLEMENTE BATAN ..... Chief, Delinquent Accounts Division  
MOISES SAN AGUSTIN ..... Chief, Collection Agents Division  
MOISES A. PILAR ..... Chief, Law Division  
ESTANISLAO ALVAREZ ..... Chief, Appellate Division  
PRISCILLA GONZALES ..... Chief, Litigation Division  
AMADO C. MENDIZABAL ..... Chief, General Services Division  
JOSE C. INFANTE ..... Chief, Cash and Disbursement Division  
SEBASTIAN C. BATAK ..... Chief, Personnel Division  
ROBERTO CLEMENTE ..... Chief, Training Division  
ARTURO ARCILLA ..... Chief, Organization and Methods Staff  
MARTE GARCIA ..... Chief, Budget Division  
JOSE RESURRECCION ..... Acting Chief, Accounting Division  
LEONARDO CABAÑERO ..... Chief, National Supervisors Division  
HORACIO CRUZ ..... Chief, Statistical Division  
CASTOR C. JONGCO ..... Chief, Tax Census Division  
ALFONSO CAMILLO ..... Acting Chief, Tax Information Division



## REGIONAL DIRECTORS

DIONISIO ROQUE ..... Regional District No. 1  
 VICENTE TAGLE ..... Regional District No. 2  
 TOMAS TOLEDO ..... Regional District No. 3  
 BERNARDO CARPIO ..... Regional District No. 4  
 POLICRONIO C. BLANCO ..... Regional District No. 5  
 RICARDO RIVERA ..... Regional District No. 6  
 TEODORO CASTRO ..... Regional District No. 7  
 TEODORO LUCERO ..... Regional District No. 8  
 LUIS VELASCO ..... Regional District No. 9  
 FRANCISCO TANTUICO ..... Regional District No. 10

## BUREAU OF THE TREASURY

VICENTE G. GELLA ..... Treasurer of the Philippines  
 UBALDO CARBONELL ..... Assistant Treasurer of the Philippines  
 CORNELIO FORNIER ..... Senior Executive Assistant  
 ROMUALDO ESCANILLA ..... Internal Auditor IV  
 DIOSDADO IBABAO ..... Chief Special Investigator  
 MELITON R. REYES ..... Chief Legal Officer

## ADMINISTRATIVE DIVISION

DALMACIO GENER ..... Administrative Officer IV Chief, Administrative Division  
 JAIME Q. QUIMSON ..... Administrative Officer II Assistant Chief, Administrative Division

## PLANNING DIVISION

ANASTACIO FONTANILLA ..... Fiscal Controller I Chief, Planning Division  
 FERMINA JANDUSAY ..... Assistant Fiscal Controller I Assistant Chief, Planning Division

## FIELD OPERATIONS AND PUBLIC DEBT SERVICING DIVISION

VICENTE RODRIGUEZ ..... Chief Fiscal Analyst

## ACCOUNTING DIVISION

ULPIANO ALMEYDA ..... Chief Accountant IV

## CASH AND WARRANT DIVISION

DOMINGO MALOGA ..... National Cashier Chief, Cash and Warrant Division  
 AMADO RAYMUNDO ..... Assistant National Cashier Assistant Chief, & Warrant Division

## NATIONAL CASH ACCOUNTING DIVISION

AMASTACIO CORONEL ..... Chief Accountant IV Chief, National Cash Accounting Division  
 RANULFO ORTIZ ..... Chief Accountant III Assistant Chief, National Cash Accounting Division

GUERRILLA BACK PAY OFFICE  
(R. A. Nos. 897 and 2664)

GAUDENCIO CAUNTAY ..... Chief, Back Pay Claims Examiner

BACK PAY OFFICE  
(R.A. No. 304)

GUILLERMO MALANA ..... Chief Back Pay Claims Examiner  
 FELISBERTO DE CASTRO ..... Assistant Chief Back Pay Claims Examiner  
 ALFREDO ASCAÑO ..... Supervising Back Pay Claims Examiner

## OFFICE OF THE INSURANCE COMMISSIONER

FRANCISCO Y. MANDANAS ..... Insurance Commissioner  
 GREGORIA-CRUZ ARNALDO ..... Assistant Insurance Commissioner  
 RUBEN P. ENRIQUEZ ..... Actuarial Consultant (par time)  
 FELIX C. BRIONES ..... Chief Economist  
 MANOLO C. ROMULO ..... Senior Executive Assistant

## REGULATION DIVISION

BENJAMIN C. MIRANDA ..... Chief Legal Officer  
 EMMANUEL OLOSORO ..... Assistant Chief Legal Officer  
 MARIANO CAPARAS ..... Supervising Insurance Examiner  
 ARMANDO D. AMPALDO ..... Supervising Insurance Examiner

## EXAMINATION DIVISION

JOSE M. CORTES ..... Chief Insurance Examiner  
 PATRICIO R. GONZALES ..... Supervising Insurance Examiner  
 MANUEL G. MELGAR ..... Supervising Insurance Examiner

## RATING DIVISION

ELADIO PEÑALOSA ..... Chief Actuarial and Rating Examiner  
 JOSE T. PULIDO ..... Acting Chief Actuarial and Rating Examiner  
 MARIA T. MAITIM ..... Supervising Actuarial and Rating Examiner  
 EMMANUEL B. ASISTADO ..... Supervising Actuarial and Rating Examiner

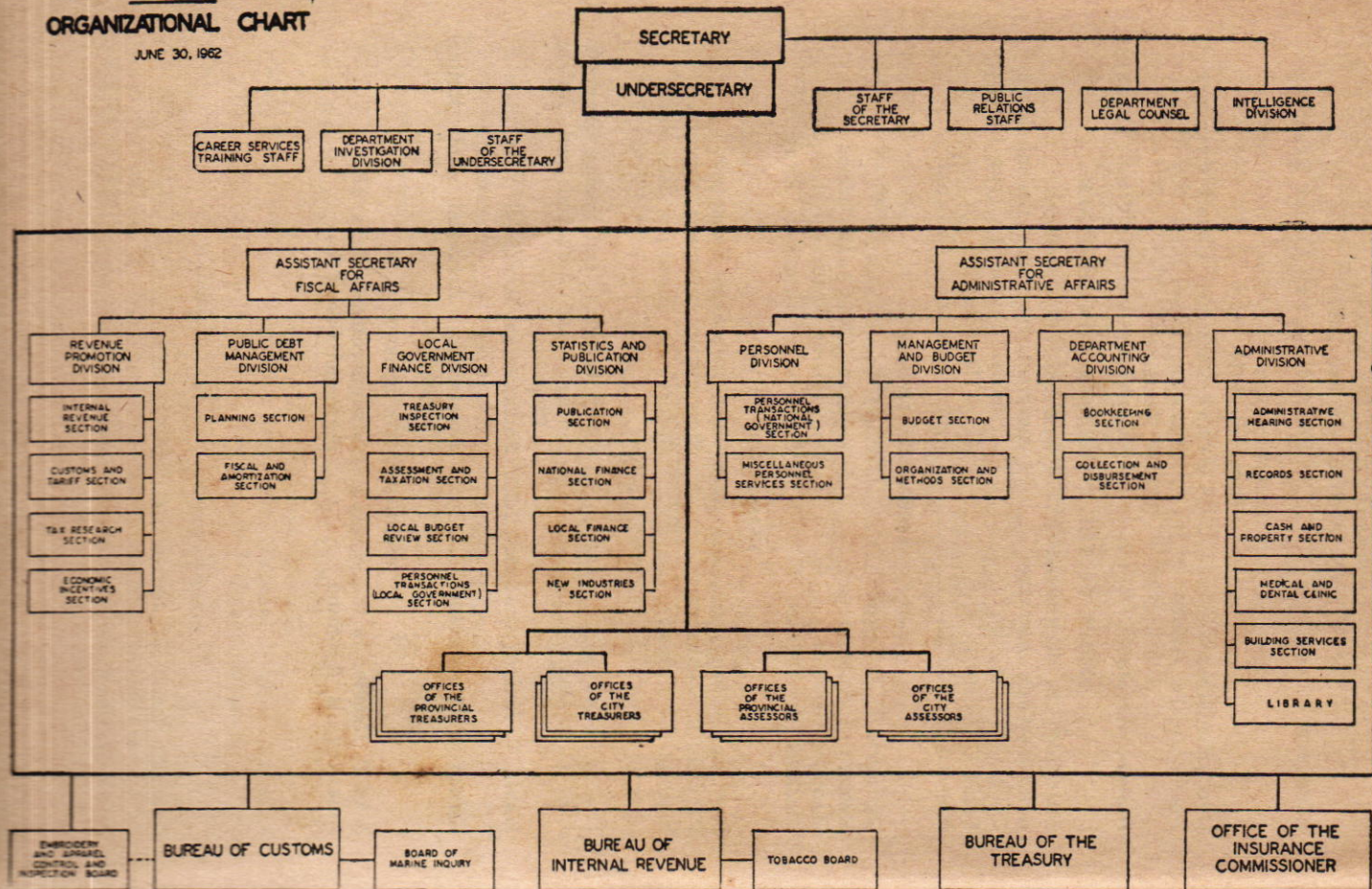
## ADMINISTRATIVE DIVISION

JOSE P. CARPIO, JR. ..... Administrative Officer II  
 EMMANUEL B. ASISTADO ..... Personnel Officer I



# DEPARTMENT OF FINANCE ORGANIZATIONAL CHART

JUNE 30, 1962





## FUNCTIONS OF THE OFFICE OF THE SECRETARY OF FINANCE

The Office of the Secretary of Finance has the following functions:

(1) Direct control and executive supervision over all the bureaus and offices under the Department;

(2) General supervision over the financial affairs and financial agencies of provincial, city and municipal governments;

(3) Initiation, study, formulation and administration of tax and other fiscal policies and fiscal legislations suited to the economy of the country and the financial needs of the government;

(4) Undertaking of public borrowing on the credit of the government, except as otherwise specifically provided;

(5) General administration, including the investigation of the conduct of officials and employees of the whole Department;

(6) Management of the public debt and collaboration, at the technical level, in the revision of annual development financing plans of the government; and

(7) Supervision over the collection of national and local revenues.

### FUNCTIONS OF THE DIFFERENT DIVISIONS UNDER THE OFFICE OF THE SECRETARY OF FINANCE

I.—Under the immediate supervision of the Undersecretary:

1. *Department Investigation Division*—The Department Investigation Division shall have the following general functions, duties, powers, and responsibilities:

(1) To conduct character investigation of officials and employees under the Department of Finance relative to their original, promotional and reinstatement appointments;

(2) To conduct investigation of conduct cases made on the basis of complaints or reports that certain officials and/or employees are alleged to have committed violation of administrative regulations and/or criminal statutes;

(3) To prepare formal charges on administrative cases as may be warranted;

(4) To conduct tax fraud investigations involving violations of revenue and customs laws, rules, and regulations;

(5) To conduct investigation of tax exempt industries including violations of tax-exempt laws and regulations;



(6) To prosecute administrative and criminal cases initiated or filed by this Division;

(7) To perform such other duties and functions assigned from time to time by the Undersecretary or Secretary of Finance.

**2. Career Services Training Staff.**—The Career Services Training Staff shall have the following general functions, duties, and responsibilities and prepare the papers concerning them for submission to the Undersecretary:

(1) Supervise and coordinate the training and seminar programs of the Bureau of Internal Revenue and Bureau of Customs services schools, as well as those of the Bureau of the Treasury and the Insurance Commissioner's Office, and those of the other offices under the Department of Finance; and manages and conducts the in-service training school of the Department proper;

(2) Plan, determine, develop, maintain and promote personnel and professional growth and advancement through scholarships or grants, particularly those in the internal revenue and customs services;

(3) Conducts periodic survey of training needs and proposes long and short range programs in those areas requiring intensive training; coordinate individual and group training for all levels of personnel in office-wide programs; and evaluates training programs with operating officials;

(4) Give consultation services to:

- a. Chiefs of Divisions and heads of primary units in the Office of the Secretary regarding Division-wide programs;
- b. Agency training officers;

(5) Conduct:

- a. Group inter-division activities in the Office of the Secretary;
- b. Department-wide training involving two or more agencies;

(6) Prepare and recommend rules and regulations for the selection, placement, promotion or disqualification of personnel for and in the

(1) *Internal Revenue Section:*

(7) Prepares and submits reports to the authorities concerned;

(8) Perform such other duties and functions that will enhance the career services training programs and accomplishes such other assignments given by the Secretary or the Undersecretary.

**II. Under the immediate supervision of the Assistant Secretary for Fiscal Affairs:**

**1. Revenue Promotion Division.**—The Revenue Promotion Division shall plan, direct, supervise, coordinate and/or synchronize the work and performance of the following sections with their corresponding general functions, duties, and responsibilities:

(1) *Internal Revenue Section:*

- a. Review and/or propose revisions on internal revenue laws, rules, and regulations;

b. Evaluate tax census data in relation to actual or estimated revenue;

c. Review and pass upon rulings and decisions of the Commissioner of Internal Revenue on appeal by taxpayers;

d. Process claims for informer's reward involving matters pertaining to internal revenue tax collections;

e. Review and pass upon or act on circulars, memoranda, or orders of the Bureau of Internal Revenue pertaining to tax and other revenue matters.

(2) *Customs and Tariff Section:*

a. Review and/or pass upon circulars and regulations implementing customs and tariff laws and the propriety of tax determination or assessment by customs officers;

b. Process all releases of shipments, exempt from taxes and duties except tax-exempt industries;

c. Process requests for refunds of customs duties and taxes compromises and tax credits;

d. Process claims for informers' rewards involving customs revenue;

e. Prepare decisions or rulings in connection with investigations of dumping and countervailing cases;

f. Study and research on the tariff and tax provisions in agreements, treaties and conventions entered into by the Philippine Government with other foreign governments, international groups and associations and propose changes thereof that will benefit the economy of the country, uphold national honor and dignity and maintain good relations with foreign countries and international groups or associations.

(3) *Tax Research Section:*

a. Plan and conduct studies and researches and submit recommendations on tax incidence, tax rates, collections cost and other fundamental subjects of internal revenue and customs taxation;

b. Conduct comparative studies of tax laws and tax administration procedures of other countries with the aim in view to adopting technical aspects which may be suitable to local conditions within the level of our economic development;

c. Conduct a continuing study and analysis, and make recommendations on how to improve the revenue operational methods, procedures and services of the Bureau of Customs and the Bureau of Internal Revenue as regards collection of revenues;

d. Undertake the compilation of all customs, tariff, and tax laws and implementing rules and regulations that will serve as a guide to government officials and employees implementing the same and of the public concerned;



- e. Conduct research and study for the improvement of the exportation system of the Philippines with the end in view that (a) only products that can compete in quality and prices in the world market will be allowed for exportation; (b) minimize overshipment, under-pricing and under-valuation of export products and increase in volume and quality, and naturally income from exports, of dollar-producing export products; and
- f. Render monthly report on researches and studies made.

(4) *Economic Incentives Section:*

- a. Process applications for tax exemption privileges of new and necessary industries;
- b. Process requests for tax-free release of importations of tax-exemption grantees;
- c. Undertake actual inspection of plants of persons or business firms applying for tax exemption under R.A. 901, as amended, and R.A. No. 3050 and submit reports of findings and recommendations;
- d. Keep record and control of regular submission of financial reports by tax exempt industries under R. A. No. 901 and evaluate and control the same;
- e. Process all requests for refund or tax credit of taxes and duties which otherwise would not have been paid under R. A. No. 901 and R. A. No. 3050;
- f. Conduct research work in the preparation of decisions on new and unsettled questions involving the interpretation and administration of Customs tariff, and tax laws and regulations and submit report;
- g. Conduct research in connection with the action by the Commissioner of Customs on queries in the interpretation and application of certain provisions of the tariff, customs, and tax laws and submit report;
- h. Analyze financial reports, such as balance sheets, profit and loss statements, etc., submitted by entities granted tax exemptions under the provisions of R. A. 35 as amended by R. A. 901 and make computations of the taxes waived by the government by virtue of such exemptions;
- i. Recommend and draft opinions for the Secretary of Finance in cases specifically assigned by him;
- j. To conduct research work on the national economy and the tax system of the various countries of the world, and on the tax system of the Philippines in relation to her own economy; and to draft progressive legislation on taxation including tariffs that is particularly suited to the Philippine economy and to the financial needs of the Government and render monthly report;
- k. To study carefully our existing tax laws, detect the inequalities and defects in them with the aim in view of effecting taxation on the basis of ability to pay and render monthly report;

- l. To conduct studies, gather data, observe problems and difficulties confronting the officials charged with the administration of tax laws and help prepare appropriate regulations to minimize or prevent tax evasions;
- m. To make comparative analysis of collections from various sources of the revenue for the purpose of determining which taxes need revision for the lowering of rates and which taxes need revision for purposes of increasing the rates.

2. *Public Debt Management Division.*—The Public Debt Management Division shall plan, direct, supervise, coordinate and/or synchronize the work and performance of the following sections with their corresponding general functions, duties, and responsibilities:

(1) *Planning Section:*

- a. Prepares recommendations on the issuance and sale of government securities to finance public works and other economic development projects of the Government;
- b. Studies, reviews and makes recommendations on proposals of government owned and/or controlled corporations and other agencies to incur indebtedness or to issue bonds, debentures, and other securities, both here and abroad, which are unconditionally guaranteed by the Government;
- c. Studies and recommends the forms, terms and conditions of all proposed bond flotation measures;
- d. Proposes ways and means for the effective supervision of public debt sinking fund investments;
- e. Plans and prepares the groundwork materials for the study and analysis in the formulation and revision of the annual development bond financing program;
- f. Studies and recommends the proper allocation of funds for, and steps in the collection of advances made for, debt services;
- g. Prepares comments on bills relative to public debt which may be referred to the Department of Finance;
- h. Takes action on communications pertaining to the administration and collection of the so-called government rehabilitation accounts being performed by the PNB in behalf of the Government.
- i. Makes study of all laws authorizing the issuance and sale of bonds and other forms of government securities and recommends action in the implementation of these laws;
- j. Determines the investments made by the National Treasury for the National Government and sees to it that such investments are properly documented;
- k. In coordination with the Fiscal and Amortization Section, evaluates various statements on public debt and up-dates those statements being submitted to the Budget Commis-



sion, upon its request, in connection with the preparation of the budget document being submitted annually to Congress;

- l. Performs such other duties and functions that may be required from time to time by superior orders.

(2) *The Fiscal and Amortization Section:*

- a. Prepares statement showing status of the backpay obligation of the National Government, emergency currency notes and pre-war obligations;
- b. Prepares, computes, and maintains control of interest and sinking fund requirements of all securities issued by the Central Bank under the provisions of R. A. Nos. 245, 266, 1000, 1400, 1383, and C. A. 120, as amended, and other authorizing Acts;
- c. Analyzes financial statements of government owned or controlled corporations proposing to incur indebtedness under the guarantee of the National Government;
- d. Prepare amortization and interest schedules for the payment, redemption, and refunding of the various indebtedness of National Government;
- e. Analyzes the paying capacity of borrowing entities, with reference to self-liquidating programs and projects except that of the provinces, cities, and municipalities;
- f. Prepares such special reports or data as may be requested by the Technical Committee on Development Financing;
- g. Prepares and keeps up-to-date a summary of the bonded and non-bonded obligations of the Government as well as of the different government corporations;
- h. Performs such other duties or functions that may be required from time to time by superior orders.

3. *Local Government Finance Division.*—The local Government Finance Division shall plan, direct, supervise, coordinate and/or synchronize the work and performance of the following sections with their corresponding general functions, duties, and responsibilities:

(1) *Treasury Inspection Section:*

- a. Prepare reports on income and expenditures and other financial reports of local governments;
- b. Analyze monthly, quarterly, and annual financial reports of local treasurers and assessors;
- c. Analyze and prepare appropriate action on inspection reports submitted by provincial treasurers who are designated supervising treasurer-assessors in their respective regional districts;
- d. Prepare action on requests for authority to incur overdrafts of municipalities and municipal districts;



- e. Supervise the submittal of monthly reports required under Provincial Circulars Nos. 5-62 dated February 9, 1962, and 7-62 dated February 14, 1962;
- f. Prepare action on requests to withhold internal revenue allotments due provinces, cities, municipalities and municipal districts to satisfy unpaid statutory and current contractual obligations of said entities;
- g. Prepare action on requests for free telephone service of provincial, city, and municipal officials and employees;
- h. Prepare action on requests for automobile allowance under the provisions of Executive Order No. 31, Series of 1954;
- i. Prepare action on requests for amendment of Administrative Order No. 262, Series of 1959, of the President;
- j. Prepare department orders reclassifying provinces and municipalities;
- k. Prepare comment on bills pertaining to local governments;
- l. Prepare quarterly consolidated statements showing actual receipts and disbursements of provinces and cities, actual balances of funds and not cash available at the end of the quarters;
- m. Prepare action on certificates of settlement of provincial and city treasurers;
- n. Prepare action on matters specially assigned to this section.

(2) *Assessment and Taxation Section:*

- a. Review ordinances of cities and municipalities imposing municipal license tax and fees and prepare appropriate action thereon;
- b. Prepare action on protest against ordinance pursuant to the provisions of R. A. No. 2264.
- c. Prepare consolidated statements of municipal license tax and fees imposed by cities and municipalities throughout the Philippines for guidance of the Assessment and Taxation Section in determining if the license tax or fee imposed is excessive, unjust, oppressive or confiscatory;
- d. Preparation of model ordinances for cities and municipalities in accordance with the provisions of Republic Act No. 2264;
- e. Prepare comments and recommendations on bills covering local taxation and assessments;
- f. Prepare recommendations for appointment of members of Market Committees;
- g. Prepare action on controversies on the awards made by market committees of market stalls in city and municipal markets;
- h. Prepare action on queries about operation of public markets;
- i. Analyze and prepare action on schedules of values submitted by provincial and city assessors for approval of the Secretary of Finance;
- j. Prepare action on protests against excessive assessments of real property;



- k. Prepare recommendations for appointment of members of the Board of Assessments Appeals;
- l. Prepare action on queries on the taxability or non-taxability of certain classes of real properties;
- m. Prepare action on requests for interpretation of the provisions of Commonwealth Act 470 (Assessment Law), Republic Act No. 2264 (Local Autonomy Act) and Republic Act No. 2370 (Barrio Charter) and others governing assessments and tax matters;
- n. Prepare action on queries regarding the rate of *ad valorem* tax imposed on real property in provinces and cities;
- o. Prepare action on requests for refund of real property taxes paid under protest;
- p. Prepare action on requests for the extension of the period of sessions of the Board of Assessments Appeals in provinces and cities;
- q. Prepare action on other matters specially assigned to this section.

(3) *Local Budget Review Section:*

- a. Analyze and prepare action on annual and supplemental budgets of provinces and cities pursuant to the provisions of Section 1 of Republic Act No. 2264;
- b. Prepare action on requests to exceed salary percentage of provinces, cities, and municipalities;
- c. Prepare action on requests for the creation of new municipalities and certificates in connection therewith;
- d. Prepare certificates as to the inability of provinces and cities to provide the full counterpart fund required under Republic Act No. 917;
- e. Prepare action on appeals from actions taken on municipal budgets by provincial treasurers;
- f. Prepare action on queries relative to the operation of budgets, effectivity thereof, creation of positions, and salary increases;
- g. Prepare action on claims for payment of unpaid salaries of local government personnel and unpaid accounts due from local government offices;
- h. Prepare action on requests of provinces and cities for authority to incur overdrafts and amortization thereof;
- i. Review actions taken on municipal budgets by Provincial Treasurers;
- j. Prepare action on applications for national aids;
- k. Prepare action on applications for loans from the Development Bank of the Philippines and the Government Service Insurance System;
- l. Prepare action on requests for provincial advance from the Central Bank of the Philippines under Section 95 of Republic Act No. 265;



- m. Prepare action on requests to receive higher scale of salary from municipal officials or municipalities which are at the same time capitals of the province. (See R. A. 2368);
- n. Prepare statements showing dates of receipt and action taken on provincial and city annual and supplemental budgets and the nature of action taken thereon;
- o. Prepare up-to-date lists of statutory and contractual obligations of provinces and cities for guidance of Local Budget Review Section in acting upon current annual and supplemental budgets of provinces and cities; and
- p. Prepare action on matters specially assigned to this section.

*(4) Personnel Transactions, Local Government Section:*

- a. Prepare action on appointments (original, transfer, or promotional) of provincial, city, municipal and municipal district employees under the offices of provincial and city treasurers and assessors;
- b. Prepare action on applications for vacation and sick leave with or without commutation and terminal leave of resigning and retiring officials and employees in the local treasury and assessment service;
- c. Prepare action on applications for retirement of officials and employees in the local treasury and assessment service;
- d. Prepare action on administrative cases involving the aforementioned officials and employees;
- e. Prepare action on requests for authority to suspend employees in the local treasury and assessment service facing administrative action;
- f. Prepare action on requests for permission to come to Manila on official business by said officials and employees;
- g. Prepare action on requests for reinstatement in the local treasury and assessment service;
- h. Prepare action on applications for bonding of employees in the local treasury service;
- i. Prepare action on requests for permission of officials and employees in the local treasury and assessment service to take part in the management of any business, or engage in outside clerical or sedentary employment or any profession or employment;
- j. Prepare action on requests for special permits to possess firearms of said officials and employees;
- k. Prepare action on requests for authentication of specimen signatures of provincial and city treasurers and their subordinates;
- l. Prepare action on requests that trips to Manila of provincial and city treasurers and assessors and their subordinates be authorized as on official business and that they be allowed to collect actual and necessary expenses for subsistence and lodging at the rate not exceeding that authorized under Executive Order No. 78, Series of 1945;



- m. Prepare action on requests of provincial and city treasurers that certain employees under their respective offices be detailed in municipalities or districts (in the case of cities) for the good and interests of the service;
- n. Prepare action on requests for change of name of women employees in the local treasury and assessment service;
- o. Prepare consolidated lists of provincial and city treasurers and assessors and their subordinate employees arranged alphabetically by provinces and cities;
- p. Compile by provinces and cities reports of efficiency ratings of subordinate employees of provincial and city treasurers and assessors;
- q. Take charge of the distribution of typing work among the typists of the division;
- r. Take charge of receiving and releasing official correspondence assigned to the division;
- s. Prepare action on matters specially assigned to this Section.

4. *Statistics and Publication Division.*—The Statistics and Publication Division shall plan, direct, supervise, coordinate and/or synchronize the work and performance of the following sections with their corresponding general functions, duties and responsibilities:

(1) *Publication Section.*

- a. Prepare and cause, to be printed and distributed the Annual Report of the Secretary of Finance to the President of the Philippines;
- b. Prepare and cause to be printed and circulated, monthly, quarterly or semi-annually, publications dealing mainly on financial and related statistics for which the Department is responsible and other publications for the purpose of disseminating information to the public on the operations and activities of the Department as well as the bureaus and offices under it;
- c. Coordinate the publication and circulation of statistical series to be produced by other Section of the Division.

(2) *National Finance Section:*

- a. Collect, compile, tabulate, and analyze financial and related statistics involving national government finances, such as statistics on national revenue collections, Customs and Internal Revenue Collections, public debt, Treasury cash position, etc.;
- b. Collect, compile, tabulate, analyze and evaluate related statistics on man-power, performance, work measurements, and other management statistics to be used for performance control, national budget preparation, and formulation of management policies and decisions;
- c. Put in circulation such statistical series of all statistical data of the Department including its bureaus and offices



relating to the fiscal and revenue operations involving national finances;

- d. Formulate a system of gathering statistical data from the bureaus and offices under the Department, as well as other agencies, needed for its purposes;
- e. Prepare such statistical data involving national finances needed by the Secretary from time to time and those required by Congress and requested by other agencies and statistics needed in connection with the preparation of the annual budget;
- f. Prepare and keep up-to-date statistical charts and graphs depicting the statistical data mentioned above;
- g. Act on request of other agencies or bodies for statistical data on national finances.

### (3) *Local Finance Section:*

- a. Collect, compile, tabulate, and analyze financial and related statistics involving local government finances, such as statistics on local government revenue and expenditures, real property tax collections and assessments, etc.;
- b. Put in circulation such statistical series to be produced in connection thereafter;
- c. Coordinate and formulate a system of statistical reporting for the local treasury and assessment offices;
- d. Prepare such statistical data on local government finances needed by the Secretary from time to time and those required by Congress or requested by other agencies;
- e. Prepare and keep up-to-date statistical charts and graphs depicting the statistical data mentioned above.

### (4) *New Industries Section:*

- a. Collect, compile, tabulate and analyze statistical data on new and necessary industries granted tax exemption privileges under Republic Act No. 901, as amended, such as the number of applications received and approved, the tax exemptions granted, suspended or revoked the manufacturing operations of such tax-exempt industries, the dollars used in the importations of raw material, machinery and parts by such industries etc.;
- b. Collect, compile, tabulate and analyze statistics relative to the operation of tax-exempt industries including percentage of raw materials imported, labor, cost, profit and related matters which are needed by the Department for the proper enforcement of the provisions of R. A. 901;
- c. Put in circulation such statistical series that may be derived therefrom;
- d. Coordinate and formulate a system by which the statistical data needed for its purposes may be gathered from the industries concerned;
- e. Prepare such statistical data on new and necessary industries needed by the Secretary, the Congress and other agencies from time to time;



- f. Prepare and keep up-to-date statistical charts and graphs depicting the statistical data mentioned above;
- g. Act upon request of other agencies or bodies for statistical data on tax-exempt industries.

### III. Under the immediate supervision of the Assistant Secretary for Administrative Affairs:

1. *Personnel Division*.—The personnel division shall plan, direct, supervise, coordinate and/or synchronize the work and performance of the following sections with their corresponding general functions, duties, and responsibilities:

#### (1) *The Personnel Transaction Section:*

- a. Examine, prepare action and/or process appointments, recruitments, reinstatements, transfers of employment, separations, leaves of absence and sick leaves of personnel of the Department and perform coordination work with personnel divisions and sections of the bureaus and offices under it including the local governments;
- b. Prepare and keep up-to-date records and plantillas of personnel strength and promotional line-ups and provide an advance list of qualified personnel materials suitable to fill different position levels in the Department proper and its bureaus and offices, including the local governments, arranged accordance with existing policies;
- c. Review, examine, and process all appointments including promotions submitted by all bureaus and offices under the Department of Finance to determine compliance with Department Order No. 11 and other existing policies;
- d. Pass upon and act on request for position classifications and reclassifications for the personnel of the Department and the bureaus and offices under it;
- e. Pass upon and act on request for official trips of officials and employess as well as Personnel Circulars and/or Memorandum Circulars emanating from the Bureaus and offices under the Department except employess of local government.

#### (2) *The Miscellaneous Personnel Service Section:*

- a. Maintain personnel working records which include absences, time records, leave credits, except those for file by the Records Section, of the officials and employees of the Department Proper;
- b. Prepare periodic personnel reports on efficiency ratings and leave credits of the Department proper;
- c. Prepare action requests for filling up of vacant positions and attend to follow-ups of appointment papers and maintain liaison work with other government offices.

2. *Management and Budget Division*.—The Management and Budget Division shall plan, direct, supervise, coordinate and/or



synchronize the work and performance of the following sections with their corresponding general functions, duties, and responsibilities:

(1) *Budget Section:*

- a. Prepare and justify the annual budget, financial plans and budgetary policies of the Department and attend budgetary hearings;
- b. Conduct continuous study of budgetary requirement consistent with department programs and activities in relation to previous budget authorizations;
- c. Review annual budget estimates submitted by the bureaus and offices under the Department and assist in conducting hearing for appropriation request of bureaus and offices under it;
- d. Prepare memoranda or circulars regarding policies and procedures for preparation of the budget by bureaus and offices under the Department and process special budgets submitted by them;
- e. Prepare financial and other fiscal reports for the Department;
- f. Act on and control requests for authority for obligation of allotments to cover expenditure of funds in the Department proper as well as the bureaus and offices under it.

(2) *Organization and Methods Section:*

- a. Study, recommend, and coordinate the continuing organization and methods activities in the Department as well as the bureaus and offices under it through an effective system of execution within the framework of an approved program on management improvements;
- b. Make studies toward the development of a planned system of communications and written manuals involving current operating procedures for the Department and Bureaus and Offices under it;
- c. Prepare organizational, functional and personnel charts of the Department and the agencies under it;
- d. Attend in the continuing management program in the department, bureaus, and offices and local governments through an effective system of execution on short term and long range basis.

3. *Accounting Division.*—The Accounting Division shall prepare the papers within the scope of the following general functions, duties and responsibilities:

- (1) Exercise technical supervision and guidance over the accounting divisions and/or units in the bureaus and offices under the Department;
- (2) See to it that records of public funds and property are properly kept and proper accounting thereof is applied and maintained in the Department Proper and in the agencies under it;



- (3) Certify availability of funds and/or allotments on vouchers, payrolls, requisitions, appointments, and other documents;
- (4) Countersign vouchers and payrolls involving not exceeding P500.00 each, draw treasury warrants, prepare abstracts and financial statements, keep ledgers and other accounting books and records and process vouchers;
- (5) Prepare consolidated monthly reports of collections and disbursements of the bureaus and offices under the Department as required by the Budget Commission;
- (6) Investigate accounting and related irregularities and other matters in the bureaus and offices under the Department and other agencies as the Secretary may direct;
- (7) Look into the collection or liquidation efforts on the accounts receivables, accounts payables, and cash advances in the Department proper and in the agencies under it.

(1) *Bookkeeping Section:*

- a. Exercises technical supervision and guidance on bookkeeping matters over the accounting units in the bureaus and offices under the Department;
- b. Prepares consolidated monthly reports of income, obligations, allotments, and liquidations of all funds of the different bureaus and offices under the Department;
- c. Performs bookkeeping functions of the Department Proper, Philippine Purchasing Agency and Counterpart Projects;
- d. Prepares trial balances, monthly statements of income and expenditures, and financial statements and other reports needed for budgetary purposes of the Department of Finance (Proper);
- e. Keeps books of accounts and other related accounting records, such as general ledger, subsidiary ledgers and special journals;
- f. Prepares reconciliation statements of accounts, treasury accounts current and bank balances;
- g. Maintains and controls the records for release of appropriations from the General Auditing Office to the Office; compares appropriation releases of the General Auditing Office with provisions of the Appropriation Act;
- h. Prepares correspondence and handles office records pertaining to financial and bookkeeping matters of the Department and
- i. Looks into the collection or liquidation efforts on cash advances in the Department (Proper) and in the agencies under it.

(2) *Collection and Disbursement Section:*

- a. Exercises technical supervision and guidance in collection and disbursement matters over the accounting units in the bureaus and offices under the Department;
- b. Sees to it that the collections of the Department (Proper) are properly handled and ascertain that all collections are summarized and recorded according to existing regulations;



- c. Controls expenditures by analyzing allotments received and changes made therefrom;
- d. Processes disbursement vouchers covering day-to-day transactions and prepares treasury warrants and collection bills;
- e. Examines supporting documents of claims and determine their propriety and legality;
- f. Remits all salary deductions to the different agencies concerned;
- g. Prepares correspondence relative to collections and disbursements;
- h. Handles office records relative to collections and disbursements; and
- i. Looks into the collection or liquidation efforts of accounts receivables and accounts payables in the Department (Proper) and in the bureaus and offices under it.

4. *The Administrative Division.*—Except matters pertaining to local government, the Administrative Division shall plan, direct, supervise, coordinate and/or synchronize the work and performance of the following sections with their corresponding general functions, duties and responsibilities:

- (1) Plans, directs, supervises, coordinates, reviews and/or revises the work of the various sections under it;
- (2) Attends to general administrative matters covering assignments, details, designations, travels, and permits of the personnel of the Department including the bureaus and offices under it;
- (3) Plans, directs, supervises, and coordinates the work and performance of the different administrative divisions of the bureaus and offices under the Department of Finance;
- (4) Acts upon and/or prepares circulars, orders, memoranda, and the like of the Department and of the bureaus and offices under it;
- (5) Acts on all contracts, leases and rentals of the Department including the bureaus and offices under it; and
- (6) Acts on all other matters pertaining to the administrative affairs of the Department of Finance.

(1) *Administrative Hearing Section:*

- a. Presides over formal hearings of administrative cases involving personnel of the Department Proper and the bureaus and offices under it including the provincial, city treasurers and assessors' offices, and prepares the appropriate recommendation on the cases handled to the Civil Service Commission or to the Office of the President, as the case may be;
- b. Acts upon, reviews, revises and/or modifies recommendations submitted by the different bureaus and offices under the Department on Administrative cases formally heard or commenced by them;
- c. Reviews and evaluates reports on fact finding investigations conducted by the Investigation Division and the Intelligence Division of the Department Proper and such other



investigation agencies of the different bureaus and offices under it;

- d. Prepares formal charges against personnel of the Department and all the bureaus and offices under it based on the reports submitted on fact-finding investigations, or after proper evaluation, when circumstances warrant;
- e. Acts upon and prepares recommendation on motions and/or petitions for reconsideration filed by respondents in administrative cases;
- f. Acts on appeals from the decisions of the Insurance Commissioner and the Board of Marine Inquiry;
- g. Acts and prepares actions preparatory to execution or enforcement of decisions of the Commissioner of Civil Service in administrative cases;
- h. Acts on such other matters as may be assigned by higher authorities.

**(2) *The Records Section:***

- a. Acts as custodian of official file copies and original document and the seal of the Department;
- b. Releases to proper addresses all correspondence and other papers; and
- c. Keeps control, for effective follow-up purposes by corresponding division heads, of directives, orders, requests and other matters requiring further action.

**(3) *Cash and Property Section:***

- a. Takes charge of collection and disbursements of funds and preparation of corresponding vouchers; and attends to requisitions and procurement of supplies and equipment and controls the issuance thereof according to the needs of the division concerned of the Department Proper;
- b. Prepares regular statements or reports of cash receipts, current accounts, cash advances, accountabilities and inventory of supplies and equipment for the department proper;
- c. Attends to emergency purchases of the Department Proper and bureaus and offices under it as an exception to Executive Order No. 290; and
- d. Takes charge of the maintenance of the department property, equipment, and other facilities.

**(4) *Medical and Dental Clinic:***

- a. Attends to consultations and treatments of all medical, minor surgical and dental cases of the Department personnel and of the bureaus and offices under it;
- b. Answers and attends to all emergencies within the premises of the Department building;
- c. Refers cases to related health institutions or agencies;
- d. Refers cases for laboratory and X-Ray examinations;



- e. Attends to periodic physical examinations of all Department personnel as circumstances demand;
- f. Attends to individual or staff conferences on health problems;
- g. Attends to immunization against prevailing diseases and in case of impending epidemic;
- h. Conducts home visits as per order, for verification and follow-up of sick Department and bureaus and offices personnel;
- i. Attends to environmental sanitation of the premises of the Department building;
- j. Reports on accomplishments, monthly, and annually;
- k. Makes researches and compiles data on health index, morbidity and incidence of diseases among the Department personnel; and
- l. Attends to all others that circumstances demand and as may be required of the clinic by the Department.

*(5) Building Services Section:*

- a. Provides housekeeping, janitorial and related work within the Department Proper;
- b. Provides telephone and elevator services; and
- c. Coordinates their functions with related sections in the Bureaus of Internal Revenue and Treasury.

*(6) Library:*

- a. Maintains a collection of books, official gazettes, papers, and other library references and reading materials;
- b. Attends to the needs of officials and staff divisions or units of the Department for books, magazines, and other reference materials; and
- c. Initiates and attends to the selection of books, magazines and other printed matters which may be used by the personnel of the Department in relation to the performance of their official functions.



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## REPORT OF OPERATIONS

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## REPORT OF OPERATIONS

This report covers briefly the fiscal and administrative phases of operations of the Department and its bureaus and offices from July 1, 1961 to June 30, 1962.

### SUMMARY OF FISCAL OPERATIONS

The first part of this summary gives a bird's eye view of the result of operations of the National Government while the second part reviews the fiscal operations of the Department and its agencies.

#### INCOME AND EXPENDITURES OF THE NATIONAL GOVERNMENT IN BRIEF

The General Fund net receipts in F.Y. 1962, including extraordinary income, amounted to ₱1,213,864,483.60 as compared with the net receipts of the preceding year in the amount of ₱1,084,003,849.97, or a net increase of ₱129,860,633.63. The amounts are net after deducting allotments to the local governments in the sums of ₱132,405,341.45 from the receipts of the year under review and ₱116,365,204.84 from the receipts of the preceding year. These allotments represent the share of the local governments in the internal revenue collections pursuant to the provisions of Commonwealth Act No. 466, as amended.

Against the General Fund receipts for F.Y. 1962, the National Government recorded an expenditure of ₱1,208,660,872.33 as compared with the sum of ₱1,077,401,291.39 expended during F.Y. 1961.

From the foregoing, it is shown that the National Government made a net savings in the General Fund, of ₱5,203,611.27 during F.Y. 1962, thus reducing the accumulated deficit of the National Government to ₱144,599,129.20 as of June 30, 1962. Following is a comparative statement showing the General Fund operations of the National Government during the F.Y. 1961 and F.Y. 1962:

	F. Y. 1962	F. Y. 1961	Increased (Decreased)
Total income, transfers and reversions .....	₱1,213,864,483.60	₱1,084,003,849.97	₱129,860,633.63



Total expenditures and transfers.....	(1,208,660,872.33)	(1,077,401,291.39)	(131,259,580.94)
Excess of income over expenditures	5,203,611.27	6,602,558.58	(1,398,947.31)
Surplus adjustment	3,795,911.27	(5,289,208.29)	9,085,119.56
Deficit at beginning of period .....	(153,598,651.74)	154,912,002.03	1,313,350.29
Accumulated deficit at end of the period .....	(P144,599,129.20)	(P153,598,651.74)	P8,999,522.54

The details of the above summary are shown in Table I.

The increase in the overall receipts of the agencies of the Department, particularly, those of the Bureau of Internal Revenue, the Bureau of Customs and the Bureau of the Treasury for all funds by P135,719,623 as shown in the following statement enabled the Government to expand its expenditures on activities of authorized projects and effect some savings which improved slightly its fiscal position at the close of the year:

	Actual Collections (All Funds)		Increased (Decreased)
	F. Y. 1962	F. Y. 1961	
<i>Bureau of Customs:</i>			
General Fund (Net) .....	P437,447,566	P361,313,002	P76,134,564
Special Funds .....	37,324,694	53,874,587	(16,549,893)
Total .....	P474,772,260	P415,187,589	P59,584,671
<i>Bureau of Internal Revenue:</i>			
General Fund (Net) .....	P576,207,034	P524,595,055	P51,611,979
Special Fund .....	82,206,268	58,057,721	24,148,547
Total .....	P658,413,302	P582,652,776	P75,762,526

	Actual Collections (All Funds)		
	F. Y. 1962	F. Y. 1961	Increased (Decreased)
<i>Bureau of the Treasury:</i>			
General Fund .....	P124,193,256	P124,761,226	(P567,970)
Special Fund .....	671,533	601,867	69,666
Total .....	P124,864,789	P125,363,093	(P498,304)



*Office of the Insurance Commissioner:*

General Fund .....	P786,571	P617,297	P169,274
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*Office of the Secretary:*

General Fund .....	P1,242,073	P457,991	P784,082
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Total for the Bureaus  
and Offices of the De-  
partment:

General Fund (Net)	P1,139,876,500	P1,011,744,571	P128,131,929
Special Fund .....	120,484,308	112,896,613	7,668,320

Total .....	P1,260,360,808	P1,124,641,184	P135,800,249
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The improvement of the revenue receipts largely through the Bureau of Internal Revenue and Bureau of Customs is attributed to the following factors:

(1) Growing tax consciousness of the people through propaganda and information campaign;

(2) Campaign against tax evasion and graft and corruption;

(3) Payment of taxes by new and necessary industries in accordance with the increasing ratio of payment as provided for under Republic Acts Nos. 35 and 901, as amended, on taxes which may be assessed;

(4) The decontrol program effected by the new administration at the start of the second semester of F.Y. 1962; and

(5) Overall improvement of the economy of the country.

The decontrol program removed controls on foreign exchange resulting to the increase of the C and F value of goods coming into the country, thus, increasing the base upon which the tax rates were imposed. The General Fund received from the Central Bank as an extraordinary windfall the total sum of P91,620,635.12 from the proceeds of the operations of the then Marginal Law.

The trend of the receipts on major sources of revenue from taxation are on the increase. The upward trend of such sources are shown graphically in the following Charts Nos. I to VI.

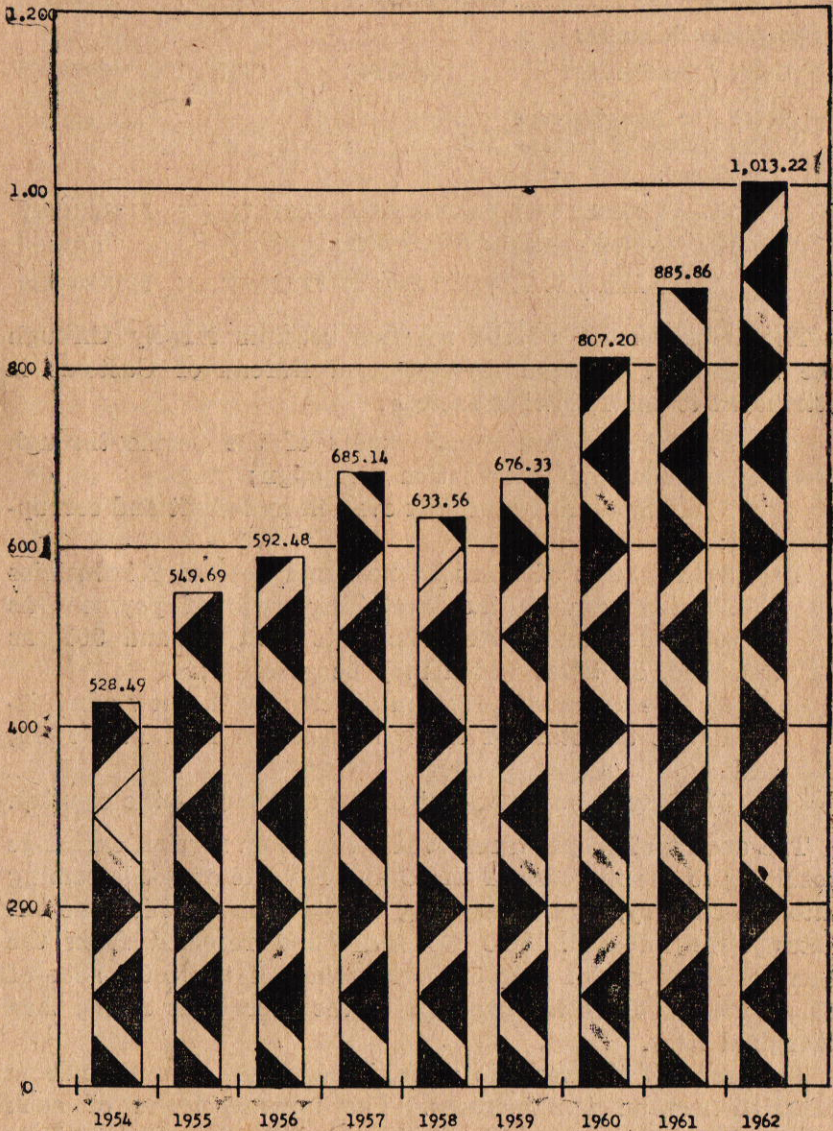
In the present set-up of the fiscal operations of the National Government, the final authority to review, finalize, coordinate, and advise the President on the estimates of income, submitted by all agencies of the National Government, is with the Budget



In Millions  
Duros

TREND OF REVENUE COLLECTIONS  
(General Fund)  
Total Revenue from Taxation

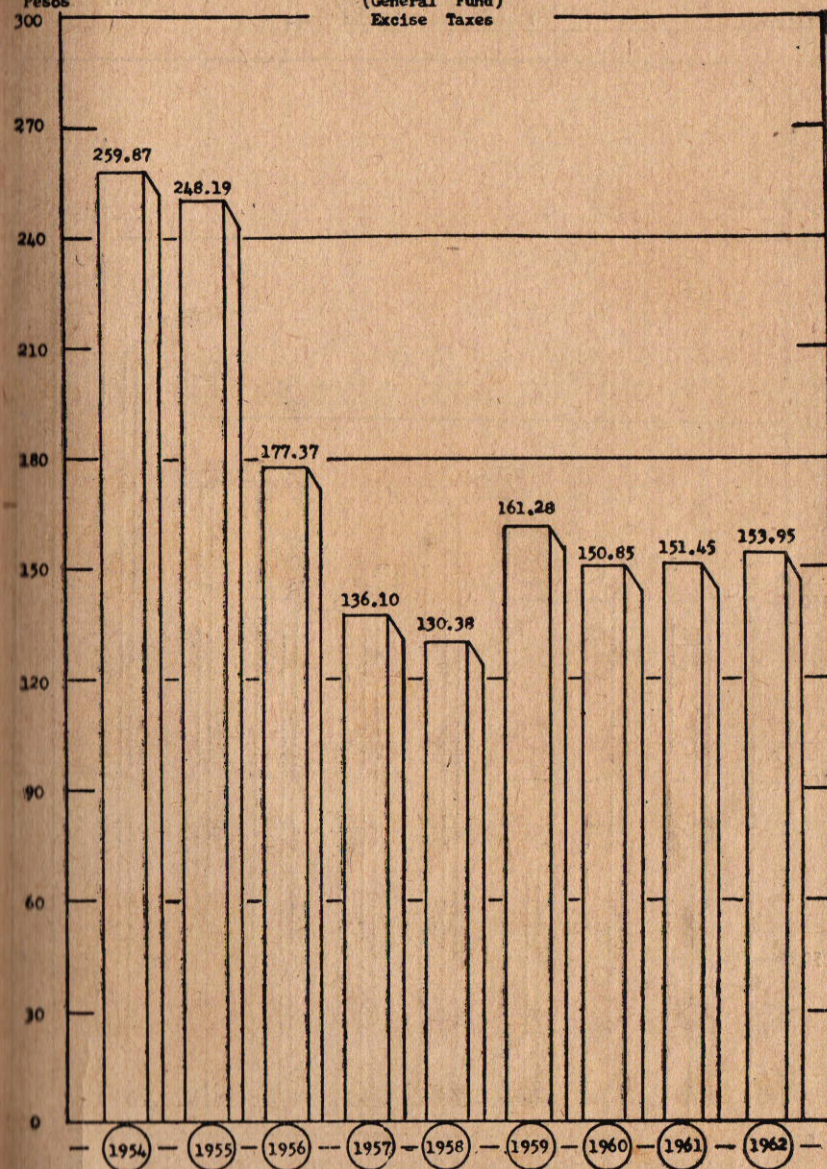
CHART I





In Million  
PesosTREND OF REVENUE COLLECTIONS  
(General Fund)  
Excise Taxes

CHART II





TREND OF REVENUE COLLECTIONS  
(General Fund)  
License and Business Taxes

CHART III

Million  
Pesos





TREND OF REVENUE COLLECTIONS  
(General Fund)  
Income & Taxes

CHART IV

In Million Pesos

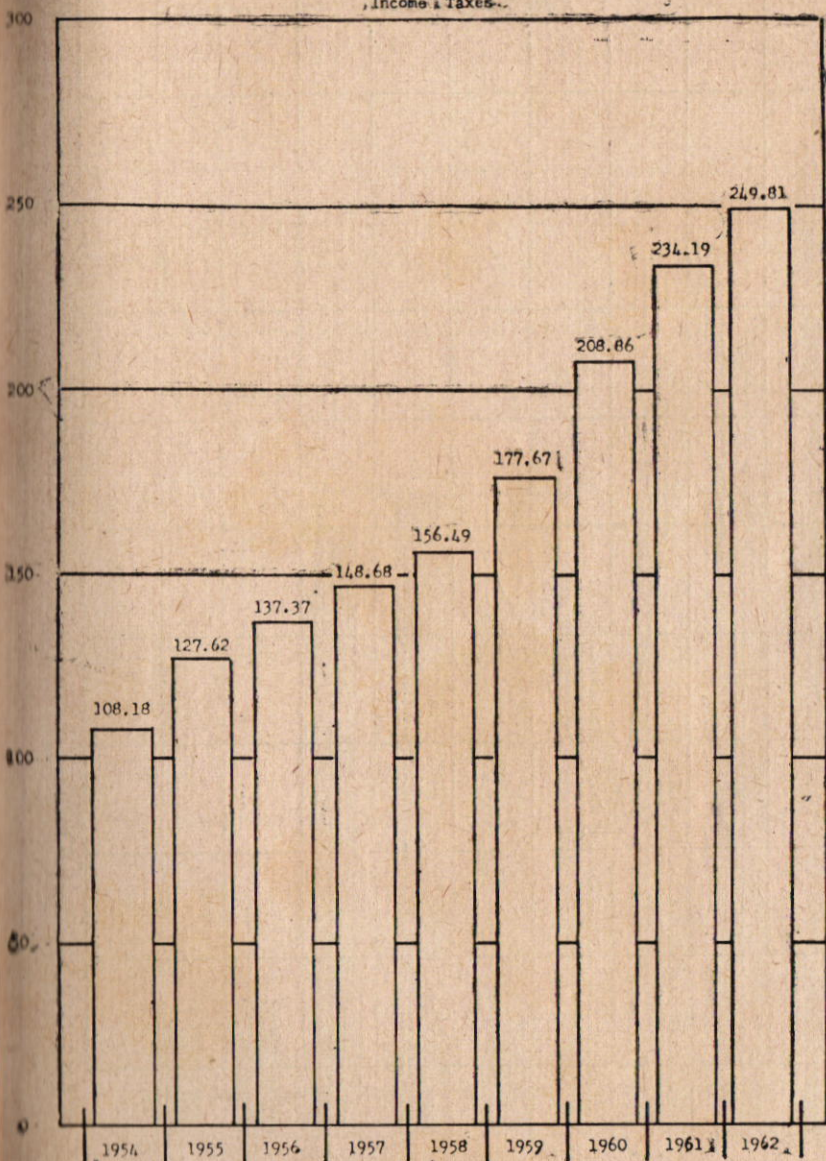
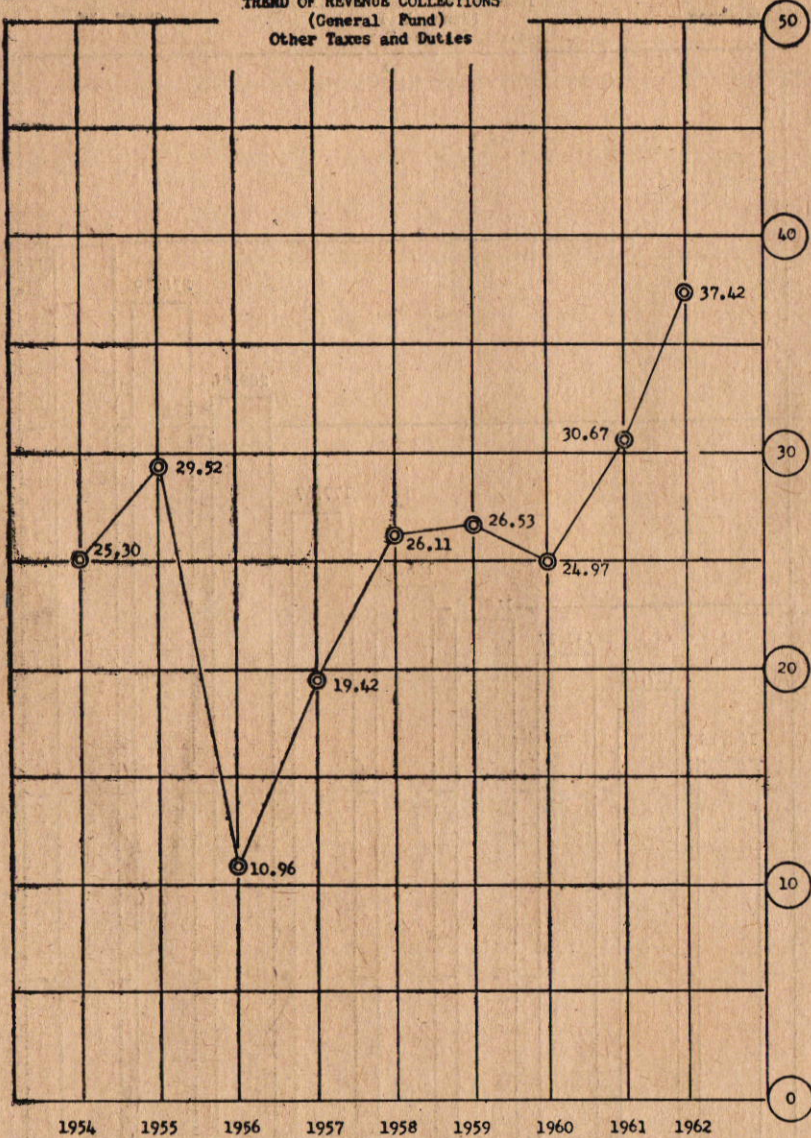




CHART V

TREND OF REVENUE COLLECTIONS  
(General Fund)  
Other Taxes and Duties

In Million Pesos

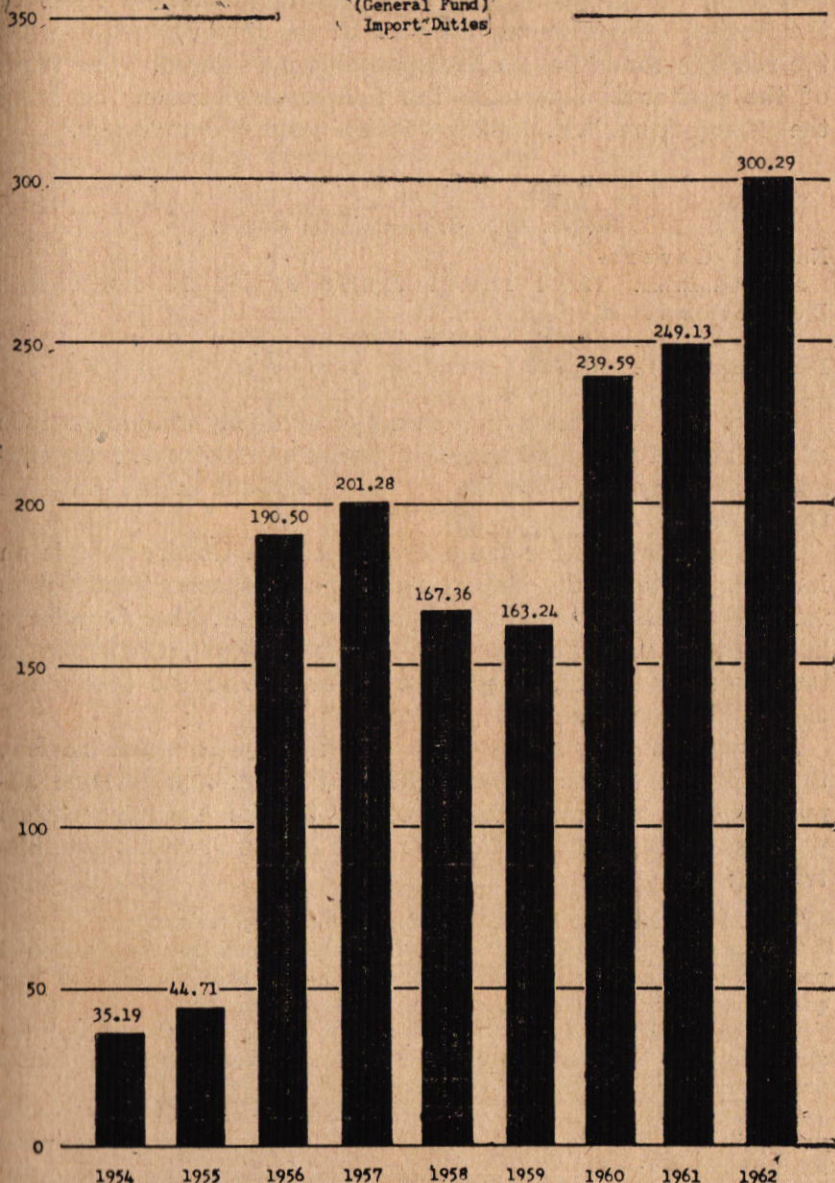




In Million Pesos

TREND OF REVENUE COLLECTIONS  
(General Fund)  
Import Duties

CHART VI



Commission. However, the Department of Finance actually determines the overall income of the National Government considering that it produces 94 per cent more or less of the overall General Fund revenue receipts and approximately 80



per cent of all receipts of all funds combined. In determining therefore, the programming of expenditures and activities of the National Government, the view of the Department on what the receipts would be, are indispensably considered. The truth of the matter is shown in the following statement covering the period from F.Y. 1957 up to the year under review.

	F. Y. 1957	F. Y. 1958	F. Y. 1959	F. Y. 1960	F. Y. 1961	F. Y. 1962
Receipts, All Funds Combined (In Millions)						
National Govern- ment * .....	P921.4	P1,117.1	P1,053.8	P1,240.3	P1,461.8	P1,494.2
Department of Finance .....	800.6	812.3	790.2	995.0	1,124.3	1,252.5
Percentage (%)..	86.89	72.72	74.98	80.22	76.91	

Chart No. VII following shows graphically the magnitude of the role of the department in terms of income and expenditures as compared with the overall operations of the National Government.

Raising revenues for the operation of the Government is an important role of the Department in our economy which calls for the special attention and supervision of the Secretary; however, as such Secretary and as "ex-officio", Chairman of the Monetary Board, he plays a major role in the determination of fiscal and monetary policies.

During the first semester of the fiscal year under review, the activities of the Department on the tax and revenue administration program were geared to the following fiscal policies, outlined during the last days of the previous administration:

"1. Deficits shall not be incurred for ordinary operation;

"2. Recourse to public credit shall be made only for developmental projects of great priority, while the public debt shall be serviced adequately and shall be consistent with monetary stability;

"3. The collection of existing taxes shall be intensified and our tax structure shall be revised to distribute the tax burden equitably and to provide reasonable stimulus to economic growth;

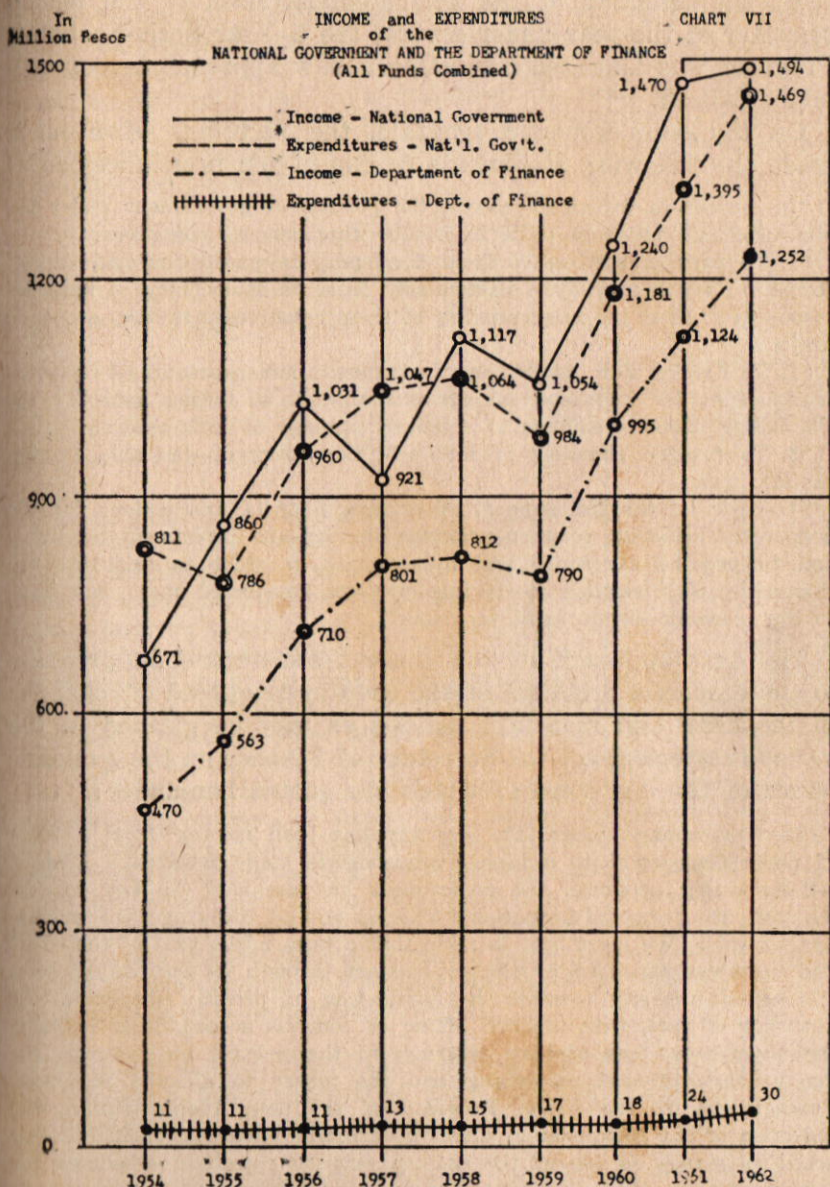
"4. Tariffs shall be modified to extend sufficient assistance to domestic producers and to yield fiscal revenues, but undue burden to consumers shall be avoided; and

"5. The financial means of local governments shall be increased to enable them to have a greater share in the task of economic and social development."

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\* Per Budget Document





However, the advent of the new administration resulting from the General Elections of November, 1961, brought in a reshaping of policies, for financing the fiscal program and ushered into the Department and its agencies a new atmosphere and a new approach of performance of activities during the last semester of the year under review.



At the inception of the new administration in the second semester of the year under review, the 5-Year Socio-Economic Program was launched projecting a new approach in our economic takeoff.

On the socio-economic program, the Secretary of Finance made the following statements in one of his pronouncements:

"In respect to fostering growth, the policies of government under the socio-economic program shall have four fundamental objectives:

"1. To prevent bottlenecks from developing in production and capital formation which may arise particularly from an inadequacy of financial resources or from the inaccessibility of these resources to worthy economic projects.

"2. To develop new institutions, instruments and procedures to provide inducements for increased savings out of current income and for the channeling of these savings to economic projects of high priority.

"3. To provide channels to facilitate the entry of desirable foreign capital; and

"4. To enlist the full support of private, financial institutions for the purpose of achieving common priorities in loan and investment programs and to provide assistance and inducements in order to facilitate the channeling of investible funds into projects considered most important to the economic development program."

The new approach of the current socio-economic program to the economic problems of the country triggered off changes in the fiscal and monetary policies as may be gleaned in the various statements of the Secretary of Finance on the economic issues of the day some of which are quoted hereunder:

"In our country, where the economy has been moving from a state of underdevelopment to a higher intermediate stage towards a goal of self-sustaining progress, the government has assumed the key role in the process of capital-formation. This is not to disparage the private sector's role. We must bear in mind that a tremendous part of the effort and resources expended by the government through its various agencies is directed precisely towards the stimulation of private enterprise. As a matter of fact, with the full lifting of controls accomplished recently, the government has already returned to the private businessman the major share of decision-making and the power to allocate resources. Furthermore, in the Fiscal Program of the new Administration, the reduction of the remainder of direct government participation in business activities stands as one of the six top priority objectives scheduled for implementation. The Administration recognizes the principle that private enterprise, and not the government, should be the prime motivating force in economic growth.

"However, the key role of government in the capital formation process of an underdeveloped country is almost a foregone conclusion and an inexorable economic phenomenon. The government has to provide these facilities and services which would be unprofitable and unrewarding for



private enterprise to undertake, particularly in a country with limited financial resources. The government must step into those fields which patently lie beyond the capacity of the private businessmen, but yet are basic to the functioning of even a modicum of private investment activity. Otherwise, who will? But in a democracy like ours, the government should remove itself from those fields which can be taken over by private enterprise as our business and industrial community matures in resources, technology, and experience.

"\* \* \*. While a private business relies partly on the capital savings of its owners and partly on loans from outside for its investment and working capital, the government must largely depend upon tax proceeds to finance its program. \* \* \*

"In addition, if we are to develop a more efficient public administration and raise the morale of career civil servants in order to eliminate every vestige of corruption in the service, the salaries of government employees still have to be raised to equal those in the private sector.

"During these times when the country is adjusting itself to the conditions of free economy brought about by decontrol, we shall be particularly sensitive to inflationary stresses. Any imprudence in the carrying out of fiscal operations may easily depreciate the peso further; exert an upward push on prices, cause undue fluctuation in the exchange rate, and damage our international payments position. Therefore, while following through with our social and development objectives, we should resort as much as possible to non-inflationary means for accumulating the financial resources called for by the program.

"The fiscal experts estimate that even if our tax-collection machinery were 100 per cent efficient, which is unlikely; and even if all the existing non-inflationary sources of funds were tapped, the government would fail to cover all of the financial requirements called for. New revenue sources will therefore have to be found, and new savings realized through systematic improvement in the organization and management of the government and the coordination and centralization of policies. Although we are among the lowest-taxed countries in the world, it would not be feasible to raise revenues by levying new taxes on consumers as this would actually be a disincentive to invest.

"To solve this problem of increasing our revenue collections, the President has proposed to Congress the following policies for financing the fiscal program;

"(1) Intensified, honest and equitable tax collection and plugging of loopholes for tax evasion;

"(2) Eradication of venalities in the Bureaus of Internal Revenue and Customs;

"(3) Amendment of the Basic Industries Act so as to curb unwarranted proportions of tax exemptions;

"(4) A sound remedy for financing public schools;



"(5) Revision of the conditions on the proposal to increase present allotments to local governments from national revenues; and

"(6) Submission, as the need arises, of proposals for tax reform both in tax structure and its administrative machinery."

### TAX PROGRAM

Although within the last decade, our economy has undergone achievements of improvements where industrial progress are visibly apparent, the Philippines is still within the category of an underdeveloped country. We are in a situation where the basic goal of our development requires tremendous amounts of funds for capital investments. The situation is such that while adequate funds are provided for normal public services, a maximum balance of the programmed expenditures should, as much as possible, be plowed back into productive investments within the level which our economy is capable of providing.

While the country is more fortunate than other young countries in other parts of the world in the sense that it possesses factors favorable for a dynamic economic start:

1. Rich natural resources;
  2. A potential domestic market with a vigorous, intelligent, rapidly growing population;
  3. Rapidly growing supply of skilled labor and aggressive entrepreneurship;
  4. Expanding financial institutions; and
  5. Developing means of transportation and communications,
- one of the manifold problems to be met to take advantage of the above factors is the need of capital to finance government expenditures to accelerate economic development.

One of the resources to finance government capital expenditures is taxation. It has been one of our objectives to modernize the system and to maintain it at a level within the capacity of our economy geared to the taxpayers' willingness and ability to pay. It has always been told that the Philippines is one of the lowest taxed countries of the world and that there is still room for increasing the tax burden of our people to at least 10 per cent of our national income.

The Joint-Legislative-Executive Tax Commission created by R. A. No. 2211 has been entrusted with the work of conducting studies and researches to improve revenue collection and ad-



ministration and to formulate a more efficient tax structure in accordance with the following fundamental principles:

- (1) To avoid increasing the tax burden of the average taxpayer;
- (2) To assess sectors of the economy not now bearing their proportionate share of the costs of government;
- (3) To place emphasis on progressive rather than regressive factors in the tax system, with ability to pay as the criterion;
- (4) To avoid impairing appropriate business incentives; and
- (5) To use the tax structure as a legitimate instrument for achieving social and economic justice in the distribution of fruits of our national economy. (Sec. 3, R. A. 2211).

#### TAX LEGISLATION AND/OR REVENUE ADMINISTRATION

The Department of Finance, being the collecting arm of the National Government is primarily concerned with the improvement of revenue administration. Revenue Administration may be improved through administrative measures and/or through legislative action. Administrative measures taken during the year under review are discussed extensively in the report of activities of the Bureau of Internal Revenue contained in the other following pages of this Report. Steps were also taken during the year by which tax structure may be improved through Congress. While in the previous years, the formulation of tax measures in the Executive Branch was primarily, if not completely, placed on the shoulders of this Department, the creation of the Joint-Legislative-Executive Tax Commission has shifted that responsibility to the latter, which coordinates through membership in the Commission, the legislative and executive views on tax measures to be formulated. The Secretary of Finance, being one of the Members of the Commission representing the Executive Branch of the Government, has been playing a major role in the conduct of study, research and decision as to the build-up of the tax structure being formulated for the country. Within the internal set-up of the Department, the Bureau of Internal Revenue and the Bureau of Customs, a continuous study has been going on for the revision of the existing tax laws, or the working procedures of their enforcements and the formulation of new tax measures with the end in view of making the tax system progressive



rather than regressive in character within the limitation that business incentives of the taxpayers should not be impaired. The findings, or suggested measures of the Department, are ordinarily sent to the Congress through the Joint-Legislative-Executive Tax Commission for coordination. There are occasions wherein the Joint-Legislative-Executive Tax Commission refer some of its problems to the Department for comment and/or informative data.

The Department was made to understand that during the last session of Congress, several tax bills were presented to the Congress for the consideration of that body; but because of political developments in both houses of the Congress, not much was accomplished towards the passage of proposed tax measures. Only two bills affecting internal revenue taxation were passed which were approved by the President. The two measures are:

- (1) Republic Act No. 3463 (Approved June 16, 1962)—An Act to exempt the Peoples' Homesite and Housing Corporation from the payment of all taxes, duties, fees and other charges.
- (2) Republic Act No. 3470 (Approved June 16, 1962)—An Act creating the National Cottage Industries Development Authority (NACIDA) under the Department of Commerce and Industry, prescribing its duties, powers and functions and appropriating funds therefor. Section 16 of this Act grants tax exemption to persons or firms engaged in the production, manufacture and sale of cottage products, for a period of five years from the date of registration with the Board of Directors of the NACIDA.

On the Customs side, the President's Executive Order Nos. 5 and 13-A issued on January 21 and June 28, 1962, respectively, raised the tariff rates on semi-essential and non-essential items of commodities and decreased the rates on essentials. The reduction of rates on essential items reduces the burden of taxation in favor of consumers while the increased rates on semi-essential or non-essential discouraged their importations and at the same time encourage local production.

The advent of a new administration at the start of the second semester of the year, geared the outlook of tax administration



to the following admonition of the President contained in his Budget Message of February 19, 1962:

"More than ever tax policies shall rely on intensified, honest and equitable tax collection and on plugging loopholes for tax evasion. The tax collections machinery shall be made more adequate. Special efforts shall be exerted to clean the Bureau of Customs and the Bureau of Internal Revenue of venalities."

More detailed discussion of activities on revenue administration are reported in the pages devoted for the Bureau of Internal Revenue and Bureau of Customs of this Report.

#### ADMINISTRATION OF TAX CENSUS IN FISCAL YEAR 1962

Republic Act No. 2070, as amended by R. A. No. 2212, which is known as the Tax Census Law requires the gathering of data relative to taxable assets owned by every resident of the Philippines at 18 years of age or over, corporations, joint stock companies, partnerships, joint account or associations whether domestic or foreign. The operation of the law is administered by the Bureau of Internal Revenue through its Tax Census Division and was started in F.Y. 1959 through F.Y. 1961. These years have been largely informative to the taxpayers in that the BIR laid the groundwork for the tax census survey by:

- (a) Disseminating information on the tax census law to the public;
- (b) Directing the printing and distribution of the tax census forms;
- (c) Answering written and verbal queries on tax census matters; and
- (d) Sending of tax census primers, circular letters and posters to various offices and individuals.

The operation of the Tax Census Law has also been informative to the government in the sense that as early as of June 30, 1961, the BIR discovered 10,946 more potential income tax filers whose gross income was more than ₱1,800 each in 1957 but who failed to file their income tax returns. This discovery raised the potential income tax filers to 144,153 as of June 30, 1961.

As discussed below the tax census survey during F. Y. 1962 revealed quite a big number of additional income tax filers who failed to file their income tax returns.



## TAX CENSUS DIVISION

The Tax Census Division received 3,371 more tax census statements filed, thereby raising the total number of filers to 1,785,642 and processed 4,276 more statements bringing the total statements processed to 1,781,401. The "Matching Process" undertaken by the Division yielded 3,783 more potential income tax return filers whose gross income each was ₱1,800 or more in 1957, but who failed to file their income tax returns. The total number of potential income tax return filers discovered reached a total of 147,936. Upon careful re-checking, it was ascertained that thousands of persons listed as income tax non-filers in Region 4, Quezon City, were found to have filed their income tax returns in Region 3, Manila; hence our adjusted total income tax-non-filers is 109,726.

A coordinated tax campaign by the Tax Census Branches, the Income and Business Tax Branches and the Office of the Provincial Revenue Officers against the potential income tax return filers resulted in the settlement of 5,599 Income Tax cases with collection of ₱42,431.05 broken down by regions as follows:

*Number of Cases Settled and Assessments  
and/or Collection Effected*

Regions	1960-61		1961-62		Total	
	No. of Cases	Assessed	No. of Cases	Assessed	No. of Cases	Assessed
TOTAL .....	16,515	₱236,897.00	5,599	₱42,431.05	22,114	₱279,328.05
1 .....	655	59,293.95	11	35.00	666	59,328.95
2 .....	2,088	26,889.30	2,936	23,282.48	5,051	50,171.78
3 .....	4,323	24,599.79	529	645.00	4,852	25,244.79
4 .....	447	4,447.71	62	1,018.65	509	5,466.36
5 .....	578	30,528.34	336	3,195.85	914	33,724.19
6 .....	606	6,079.27	28	422.75	634	6,502.02
7 .....	1,722	20,904.05	853	4,344.40	2,575	25,248.45
8 .....	1,662	16,966.14	589	8,027.77	2,251	24,993.91
9 .....	2,481	24,178.03	90	900.00	2,571	25,078.03
10 .....	1,953	23,010.42	128	962.15	2,081	23,972.57

Eight thousand one hundred fifty-one Tax Census statements were also verified during the period under review and referred discrepancies in tax data to the Investigation and Income and Business Tax Branches with the result that the Bureau chalked up ₱143,335.28 in deficiency income tax, surcharges and compromise. The Division further furnished, upon request, 100



statements to the Investigation Division and other agencies of the government as reference in the investigation of fraud and anti-graft cases.

*No. of Statements Verified and Assessments Derived Therefrom:*

Regions	1960-61		1961-62		Total	
	<i>TCS</i>	<i>Assessment</i>	<i>TCS</i>	<i>Assessment</i>	<i>TCS</i>	<i>Assessment</i>
<b>TOTAL</b>	13,449	P62,612.69	8,151	P99,016.40	21,600	P161,629.09
1	560	923	164	670.00	724	1,593.00
2	805	—	1	94,501.50	806	94,501.50
3	5,090	54,050.53	669	2,001.40	5,759	56,051.93
4	242	285.00	847	1,135.00	1,089	1,420.00
5	464	384.50	—	—	464	384.00
6	1,062	2,038.24	273	272.00	1,335	2,310.04
7	244	—	11	130.00	255	130.00
8	1,134	4,642.00	198	—	1,332	4,642.00
9	3,625	139.42	5,769	—	9,394	139.42
10	223	150.00	219	307.00	442	457.00

Three hundred sixty-nine cases of non-filing of tax census statements were settled with compromises collected in the sum of P2,490.00. Shown below is a comparative table showing collections effected from non-filers of income tax returns and tax census statements with discrepancies in tax data leading to income tax deficiencies:

Region	1960-	1961-1962	Total
<b>Total</b>	<b>P310,094.23</b>	<b>P143,335.28</b>	<b>P453,429.51</b>
1	60,431.95	705.00	61,136.95
2	26,901.80	117,783.98	144,685.78
3	74,444.42	2,608.90	77,053.32
4	6,285.21	2,513.65	8,798.86
5	31,128.09	3,206.35	34,334.44
6	8,279.26	940.64	9,219.90
7	26,415.49	4,658.50	31,073.99
8	22,525.32	8,758.41	31,283.73
9	28,252.64	1,000.00	29,252.64
10	24,265.36	1,159.89	25,424.21
<b>TCD</b>	<b>1,164.69</b>	<b>—</b>	<b>1,164.69</b>

The Division furnished the city and municipal treasurers with additional copies of the National Tax Register of tax census filers in their respective jurisdiction as guide in the collection of taxes. It had also caused the tabulation of the remaining 200,000 tax census statements pertaining to RO-9 as the last step preparatory to the production of tax census



statistics. Shown below is a summary table of statements processed and listed as of June 30, 1961:

Regions	TOTAL	Processed		Listed	
		1.80	1.81	1.80	1.81
		1,773,707	9,070	1,763,775	8,911
1		236,234	357	236,344	354
2		255,896	433	254,091	400
3		179,937	4,275	179,937	4,275
4		222,268	1,253	222,268	1,253
5		138,737	354	138,717	354
6		91,685	211	90,120	211
7		233,341	755	233,341	755
8		135,421	496	135,421	494
9		113,016	411	106,474	411
10		167,062	525	167,062	404

The tax census statistics for individual and corporate census filers were completed, consisting of 9 statistical tables for individuals and 2 statistical tables for corporations. One set of the tables was furnished upon request to the Joint Legislative Tax Commission in connection with its project to revise and up-date the national tax structure. Shown below is the summary table of individual tax census filers by regions showing number of filers, dependents, assets, income and liabilities:

Region	Filers	Dependents	Assets	Income	Liabilities
TOTAL	1,763,775	6,369,322	₱5,727,629,700	₱5,185,376,500	₱598,205,200
1	236,344	839,147	312,389,600	400,634,100	51,140,500
2	254,091	987,058	414,829,500	487,239,600	46,366,100
3	179,937	541,941	1,340,034,200	1,283,430,000	8,024,100
4	222,268	800,507	1,147,448,100	964,408,800	13,443,300
5	138,717	485,293	481,708,600	293,893,100	65,287,200
6	90,120	371,431	176,936,100	223,064,200	40,380,000
7	233,341	858,357	758,171,400	493,413,800	95,795,600
8	135,421	529,902	443,495,000	393,162,500	162,412,400
9	106,474	399,392	254,104,700	261,424,500	47,377,800
10	167,062	556,294	298,512,500	384,705,900	67,947,200

In the preparation of 2nd Tax Census Survey, revised tax census forms were requisitioned and distributed to the cities and municipalities. Printed revised tax census primers were also distributed to disseminate tax census information. Instructions in the handling of tax census forms were also sent to the Collection Agents and Regional Directors. Hereunder is the response to the 2nd Tax Census Survey as of June 30,



1962 as reported by the Regional Directors of the ten regional districts, to wit:

#### ESTIMATES AND COLLECTIONS OF REVENUES

Region	1.80	1.81
TOTAL .....	1,431,922	7,600
1 .....	104,012	158
2 .....	139,772	225
3 .....	139,084	3,480
4 .....	180,123	1,901
5 .....	89,120	178
6 .....	150,091	126
7 .....	297,278	599
8 .....	83,256	350
9 .....	78,319	185
10 .....	170,867	397

#### ESTIMATES AND COLLECTIONS OF REVENUES

##### *Estimates of Receipts:*

The extent of programming and nature of expenditures of the government are largely determined by the expected receipts of revenue to accrue to the public coffers. Adjustments in programming of expenditures are decided by the actual performance in collection. The Department, and its bureaus and offices, particularly the Bureau of Internal Revenue and Bureau of Customs, produce an average of 80% more or less of the collections of the National Government of all funds combined and about 93% of its General Fund. Of the total revenue from taxation, 98% is collected by the Bureau of Internal Revenue and the Bureau of Customs.

The estimates of income for F. Y. 1962 (July 1, 1961 to June 30, 1962) operations were made sometime in November or December, 1960, or about seven months before the start of the fiscal year for which the receipts of estimated income were to be used.

In making the estimate, considerations were given to existing laws authorizing the levy of revenues as well as the trend of business, domestic and foreign, then obtaining at the time. Forecasts of conditions likely to occur in the fields of economics and politics during the year and revenue or tax measures expected to be considered by Congress were considered in arriving at amounts of estimated receipts.



Referring to the year under review, the original estimates of receipts of the Department and its agencies reflected in the Budget sent by the President to the Congress were as follows:

General Fund (Total).....	P1,021,641,460
Special Funds (Total).....	104,143,790
Total for All Funds .....	<u>P1,125,785,250</u>

However, sometime in October, 1961, because of upward trends in the collections of the Bureau of Internal Revenue and Bureau of Customs shown during the first quarter, the Department increased its estimates of receipts as follows:

*Estimates F. Y. 1962*

	1st Revision July 1961	2nd Revision January 1962	Increase (Decrease)
General Fund (Total—Net)	P947,448,960	P1,130,367,180	P182,918,220
Special Funds (Total—Net)	112,623,790	90,831,202	(21,792,588)
Total for all funds.....	<u>P1,060,072,750</u>	<u>P1,221,193,382</u>	<u>P161,125,635</u>

The above increase was shared by the agencies of the Department as follows:

	Increase (Decrease)
General Funds:	
Office of the Secretary .....	P.....
Bureau of Customs .....	125,720,000
Bureau of Internal Revenue .....	85,176,500
Bureau of the Treasury .....	(27,978,280)
Office of the Insurance Commissioner .....	.....
Total .....	<u>P182,918,220</u>
Special Funds:	
Bureau of Customs .....	(P21,792,588)
Bureau of Internal Revenue .....	.....
Bureau of the Treasury .....	.....
Total .....	<u>(P21,792,588)</u>
GRAND TOTAL FOR ALL FUNDS ADDED TO THE ORIGINAL ESTIMATES .....	<u>P161,125,632</u>

The above changes in estimates being effected during the year as demonstrated above is a procedure necessary to make



the estimates as realistic as possible. The revision invariably being made at the start of the fiscal year is necessary to consider the new legislations which may have been passed by Congress and approved by the President and which may have the effect of increasing or decreasing the expected receipts of the government. Political and economic developments here and abroad, may have taken place as to disrupt the original estimates stated in the budget document. More often than not, actual collections are either above or below the original estimates because irrevocably, the forces of economics and politics are not within the control of the forecaster. Deviations are always bound to occur. However, it is the principal concern of the forecasters to avoid as much as possible wide negative deviation. Adjustments in the estimates have to be made during the year to give elasticity to the programming of expenditures so that services for general welfare could be generated when and where they are needed.

The first six months, from July to December 31, 1961, show the following trend of collections of the bureaus and offices under the Department:

1st Semester (F. Y. 1962)				
	Estimates per Last Revision	Actual Receipts	Increase (Decrease)	Increase (Decrease)
<i>Bureau of Customs:</i>				
General Fund .....	P224,902,498	P235,828,239	P10,925,741	4.86
Special Fund .....	17,467,412	19,219,940	1,752,528	10.03
<i>Bureau of Internal Revenue:</i>				
General Fund .....	P259,441,150	P248,780,826	(P10,660,324)	(4.12)
Special Fund .....	23,061,000	37,237,884	14,176,884	61.48
<i>Bureau of the Treasury:</i>				
General Fund .....	P9,940,310	P42,101,236	P32,160,926	323.54
Special Fund .....	243,790	293,968	50,178	20.58
<i>Office of the Insurance Commissioner:</i>				
General Fund .....	P455,080	P360,767	(P94,313)	(20.72)
<i>Office of the Secretary:</i>				
General Fund .....	P77,400	P295,144	P217,744	281.32
<b>TOTAL GENERAL</b>				
FUND .....	P494,816,438	P527,366,212	P32,549,774	6.58
<b>TOTAL SPECIAL</b>				
FUND .....	P40,772,202	P56,751,792	P15,979,590	39.19

\* Net after transfer of P230,000 to the General Fund by operation of law.



The unusual increase of collections by the Bureau of Customs experienced during the period was accounted for by the increased collections on import duties from U. S. because of the fact that under the Laurel-Langley Agreement (R. A. 1355), goods coming from the U. S. would have to pay 75 per cent of the customs duties due starting January 1, 1962 up to December 31, 1963. Immediately prior to that date or up to December 31, 1961, only 50 per cent of the import duties on import from that country was paid. Importers therefore imported heavily during the year so that the commodities were made to arrive on or before December 31, 1961, in order to beat the deadline of the 50 per cent payable duties under the provisions of said Act.

The favorable trend of collections continued during the second semester (January 1 to June 30, 1962). The upward trend is most noticeable in the Bureau of Customs as may be shown in the following statement:

January 1, 1962 to June 30, 1962			
<i>Bureau of Customs:</i>	Revised Estimates	Actual Receipts	Excess Deficiency
General Fund .....	P195,162,502	P201,619,327	P6,456,825
Special Fund .....	13,615,000	18,104,754	4,489,754
Total .....	P208,777,502	P219,724,081	P10,946,579
<i>Bureau of Internal Revenue:</i>			
General Fund .....	P346,775,350	P327,426,208	(P19,349,142)
Special Fund .....	36,139,000	44,968,384	8,829,384
Total .....	P382,914,350	P372,394,592	(P10,519,758)

The start of the second semester of the fiscal year brought changes in the fiscal and monetary policies of the Government. The full decontrol was applied by the new administration in which the rate of foreign exchange was left to the forces of supply and demands of the free market. The decontrol of foreign exchange raised the parity of the peso to the dollar, so that the C & F value and/or landed cost in pesos of imported goods which is the base upon which the rates of tax were imposed increased consistently. Furthermore, the President of the Philippines issued Executive Order No. 5, dated March, 1962, Executive Order No. 13-A dated June 28, 1962 which increased the tariff rates on semi-essential and non-essential commodities and reduced the rates on essential goods.



*Internal Revenue Receipts (General Fund)*

The internal revenue taxes are collected by the Bureau of Internal Revenue and the Bureau of Customs. Revenue receipts from imported commodities are being collected by the Bureau of Customs and are reported to the Department as receipts and performance of said Bureau. Those collected by the Bureau of Internal Revenue are shown in the following comparative statement:

	F. Y. 1962	F. Y. 1961	Increase (Decrease)
1. Specific tax (on domestic products) .....	P191,034,941	P186,112,835	P4,922,106
2. License, business and occupation taxes .....	143,540,739	126,976,011	16,564,728
3. Income tax .....	310,082,076	278,238,512	31,843,564
4. Documentary stamps tax .....	12,296,349	10,027,047	2,269,302
5. Revenue from public forests .....	9,437,608	6,764,122	2,673,486
6. Estate, inheritance and gift taxes .....	5,933,169	299,867	633,302
7. Residence tax .....	8,806,168	7,606,255	1,199,913
8. Franchise tax .....	6,282,024	5,200,412	1,081,612
9. War Profits tax .....	14,692	.....	14,692
10. Incidental revenue (fines and penalties) .....	2,342,503	(4,396)	2,346,899
11. Miscellaneous .....	.....	390,527	(390,527)
<hr/>			
Total gross revenue from taxation .....	689,770,269	626,611,197	63,159,077
<hr/>			
Less: Apportionment to local governments .....	114,110,729	102,486,277	11,624,452
<hr/>			
Net revenue from taxation .....	575,659,540	524,124,920	51,534,625
Earnings and other credits (Miscellaneous income) ....	547,494	470,140	77,354
<hr/>			
TOTAL (INTERNAL REVENUE ACCRUING TO THE NATIONAL GOVERNMENT) .....	P576,207,034	P524,595,055	P51,611,979
<hr/>			

The trend of growth of the collections of internal revenue taxes enumerated in the above statement are shown in Charts I to VI.



The upward trend of collections is attributable to the increased ratio which new and necessary industries are required to pay on assessable taxes: from 25 to 50 per cent during Calendar Year 1961 and to 90 per cent during Calendar Year 1962; to the steady growth of the stable economy of the country; improved collection methods and technique; the resultant effects of the tax census law, tax information campaign and administrative measures being taken against corruption.

(1) *Specific Tax (Domestic)*—

The principal sources of revenue for specific tax on domestic products are those collected from distilled spirits, fermented liquors, manufactured tobacco, cigars, cigarettes, matches, wines, playing cards, cinematographic films, saccharine, firecrackers, bunker fuel oil, diesel fuel oil, kerosene or petroleum, coal and coke. Collections in the following items during the year under review as compared with F. Y. 1961 are as follows:

Sources	F. Y. 1962	F. Y. 1961	Increase (Decrease)
Distilled spirits .....	P14,594,663	P10,268,321	P4,326,342
Fermented liquor .....	25,633,159	22,606,350	3,026,809
Manufactured tobacco .....	678,547	632,963	45,584
Cigars .....	251,762	233,675	18,087
Cigarettes .....	141,562,889	146,857,300	(5,294,411)
Matches .....	1,140,278	671,133	469,145
Wines .....	54,422	18,793	35,629
Playing cards .....	458	139	319
Cinematographic films .....	407,385	348,275	59,110
Saccahrine .....	10,080	3,729	6,351
Firecrackers .....	3,179	3,420	(241)
Bunker fuel oil .....	288,896	242,400	46,496
Diesel fuel oil .....	902,856	1,555,174	(652,318)
Kerosene or petroleum .....	5,487,269	2,587,160	2,900,109
Coal and coke .....	19,098	21,515	(2,417)
<b>TOTAL</b> .....	<b>P191,034,941</b>	<b>P186,050,347</b>	<b>P4,984,594</b>

The receipts from specific tax on domestic products during F. Y. 1961 in the amount of P186,050,347 has increased to P191,034,941 or an increase of P4.98 million. This progressive trend is attributed to the growing industrialization of our economy and some improvements made in the conduct of our tax collection campaign. While receipts from distilled spirits and fermented liquors increased by P7.3 million, the collections from locally manufactured cigarettes decreased by P5.2 million.



## (2) *License Business and Occupation Tax—*

The receipts from this source during the preceding year amounted to ₱126,678,133 which increased to ₱143,540,739 or an increase of ₱16.86 million in F. Y. 1962. Of this increase of ₱16.86 million, ₱12 million or 72% accrued from the sales of producers and/or manufacturers under Sections 184 to 186 of the National Internal Revenue Code.

## (3) *Income Tax—*

It has always been pointed out that less than 25 per cent of the country's revenue from taxation are derived from direct levy and that therefore our tax structure is regressive in character which should be modified so as to make it more progressive in nature based on the principle that the levy should be made on the ability of the taxpayer to pay. Towards that direction we have made a substantial headway as shown by the fact that income tax as a direct source of taxation has now become a major source of income of the government. The following shows comparatively the results of the collection on this source of tax during the year under review:

Income Tax	F. Y. 1962	F. Y. 1961	Increase (Decrease)
1. Individuals .....	₱74,829,377.00	₱82,105,325.00	(₱7,275,948.00)
2. Corporations .....	204,292,518.00	172,948,037.00	31,344,481.00
3. Withholding income tax from wages ..	30,960,181.00	22,570,190.00	8,389,991.00
<b>Total .....</b>	<b>₱310,082,076.00</b>	<b>₱277,623,552.00</b>	<b>₱32,458,524.00</b>

Of the increase of ₱32.45 million, ₱31.3 million came from corporations ₱8.3 million from withholding income tax while collections from individuals suffered a decrease of ₱7.2 million. The tax paid by individuals and corporations are levied on earnings or profits in the conduct of business or professions by individuals and on profits of corporate bodies. The increase as above shown is attributed to:

(a) The benefits derived from the operation of the Tax Census Law which has diffused tax consciousness among the people, and enabled the government to discover entities which should have filed but failed to file their income tax returns; and

(b) Growth of our economy.



(4) *Other Internal Revenue Taxes—*

The other internal revenue taxes are indicated in the comparative statement below for F. Y. 1962 and F. Y. 1961:

Sources	F. Y. 1962	F. Y. 1961	Increase (Decrease)
Documentary stamp tax .....	P12,296,349	P10,027,047	P2,269,302
Revenue from public forests..	9,437,608	6,764,122	2,693,486
Estate, inheritance and gift taxes .....	5,933,169	5,299,867	633,302
Residence tax .....	8,806,168	7,606,255	1,199,913
Franchise tax .....	6,282,024	5,200,412	1,081,612
War profits tax .....	14,692	.....	14,692
Fines and forfeitures .....	2,342,503	(4,396)	2,346,899
Operating and service income- Government .....	438,678	436,473	2,205
Miscellaneous .....	108,816	424,194	(315,378)
Total .....	<u>P45,660,007</u>	<u>P35,753,974</u>	<u>P9,906,033</u>

The receipts from these sources accounted for 6.5 per cent of the gross receipts of the Bureau of Internal Revenue for the year under review as compared with 5.5 per cent of the preceding year which shows that the improvement in collections from these sources is about 1 per cent of the preceding year and that the major improvement in the overall receipts of the Bureau of Internal Revenue is supplied by three major sources—the specific tax; license, business and occupation taxes, and income tax. Receipts from residence tax has been always in the upward trend since the enactment of the Tax Census Law. The war profits tax law is now a dead law.

*Customs Receipts—General Fund*

The internal revenue taxes being collected by the Bureau of Customs for the Bureau of Internal Revenue are shown in the following statement, comparing the collection of F. Y. 1961 with those of F. Y. 1962:

*Internal Revenue Tax Collections by Customs*

	F. Y. 1962	F. Y. 1961	Increase (Decrease)
Specific tax on importations..	P6,714,347	P6,792,109	(P77,762)
License and business taxes on business (Compensating and advance sales tax).....	144,181,504	115,158,669	29,022,835
Documentary stamp tax .....	6,355	7,295	(940)
Total .....	<u>150,902,206</u>	<u>121,958,073</u>	<u>28,944,133</u>



Apportionment of internal revenue taxes to Local Government .....	(18,294,612)	(13,878,928)	(4,415,684)
Net accruing to the National Government .....	<u>P132,607,594</u>	<u>P108,079,145</u>	<u>P24,528,449</u>

The specific tax collected by the Customs are principally from importations of distilled spirits, fermented liquors, narcotics, wines, playing cards, cinematographic films, firecrackers, matches, manufactured tobacco, cigars and cigarettes, fuel oil, coal and coke and medicinal preparations containing prohibited drugs. The collections during the year under review on specific tax on importations decreased slightly because credit lines on luxury items are being controlled and discouraged. The decrease of specific tax on importations are offsetted by a corresponding increase in the collections from domestically produced products.

The decontrol partly accounts for the increase of P29 million on compensating and advance sales tax from imports whose landed costs upon which the taxes were imposed were increased by the floating rate at the free market of foreign exchange. Payments by new and necessary industries from 25 per cent in C. Y. 1960 to 50 per cent in C. Y. 1961 and to 90 per cent in C. Y. 1962 of taxes assessable on these imports, largely accounted for said increase.

## COLLECTIONS (REVENUE FROM TAXATION—General Fund)

### BUREAU OF CUSTOMS

	F. Y. 1962	F. Y. 1961	Increase (Decrease)
1. Ordinary import duties ....	P108,744,391	P79,852,286	P28,892,105
2. Import duties (Laurel-Langley Agreement) (50%) on U. S. goods up to Dec. 31, 1961 and 75% beginning Jan. 1, 1962—R. A. 1355.....	67,635,925	50,677,669	16,958,256
3. Special import tax (U. S.) R. A. 1394, (8.5%) up to Dec. 31, 1961; (6.8%) up to Dec. 31, 1962: On U. S. goods .....	60,063,601	56,849,716	3,213,885



On Non-U. S. goods ....	63,845,986	61,748,131	2,097,855
4. Documentary stamp tax....	3,126,588	3,132,936	(6,348)
Total .....	<u>P303,416,491</u>	<u>P252,260,738</u>	<u>P51,155,753</u>

The progressive trend of the collections on the above listed sources of customs collections was attributed to the following factors:

1. The increasing portion of the taxes to be paid by tax exempt new and necessary industries at the rate of 50 per cent of the assessment in C. Y. 1961 and 90 per cent in C. Y. 1962. Said subsidized industries paid 50 per cent of the assessable taxes on importations of new and necessary industries during the first semester of the fiscal year and 90 per cent during the second semester.

2. The undergoing shift of direction of our foreign trade from U. S. to Non-U. S. sources are shown below:

	F. Y. 1959	F. Y. 1960	F. Y. 1961
U. S. ....	49.5%	46.1%	45%
Non-U. S. ....	50%	53.9%	55%

The shift of more importations to non-U. S. sources provides a broader base upon which the full rate of ordinary import duties is applied.

3. The decontrol program adopted in the second semester of the fiscal year which lifted the controls on foreign exchange and importations of commodities, boosted to a great extent the customs collections. The floating rate of exchange in the free market has increased the C and F peso value of goods and also their landed costs thus increasing the base upon which the taxes were imposed.

4. The volume and value of importations increased during the year.

#### SPECIAL FUND RECEIPTS

The receipts accruing to some of the special funds of the National Government are collected, partly or wholly, by three of the bureaus under the Department of Finance; namely, the Bureau of Customs, the Bureau of Internal Revenue and the Bureau of the Treasury. The following comparative state-



ment shows the special funds pertaining to each of them and the amounts collected in fiscal years 1961 and 1962:

	FY 1961	FY 1962	Increase (Decrease)
Bureau of Customs—			
Portworks Fund .....	P21,808,723.36	P24,147,178.00	P2,338,454.64
Highways Special Fund .....	32,065,863.94	13,177,516.00	(18,888,347.94)
Bureau of Internal Revenue—			
Highways Special Fund .....	57,442,890.48	81,664,078.00	24,221,187.52
Tobacco Inspection Fund .....	614,831.00	542,190.00	(72,641.00)
Bureau of the Treasury—			
Fidelity Fund .....	601,866.63	671,533.00	69,666.37
Total .....	<u>P112,534,175.41</u>	<u>P120,202,495.00</u>	<u>P7,668,319.59</u>

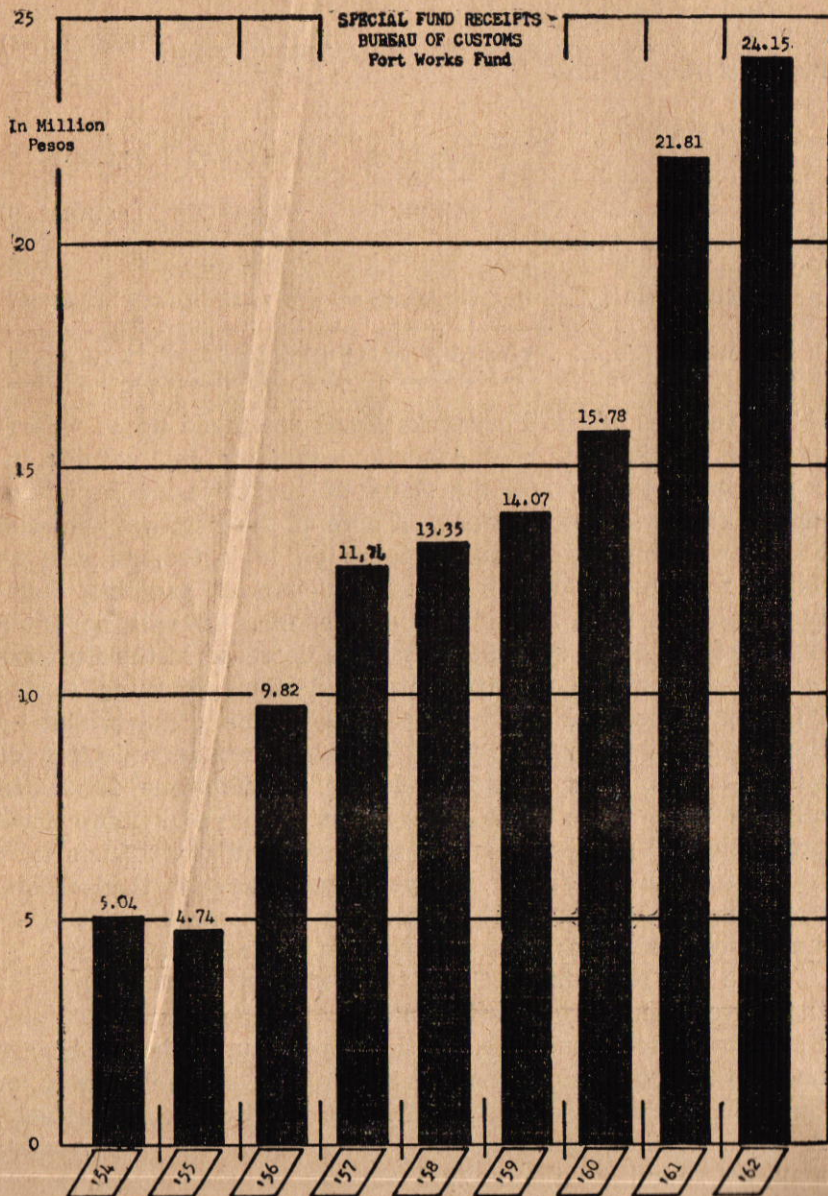
The receipts of the Portworks Fund are made up of wharfage fees on imports and exports, operating and service income, tonnage dues and the share of the Government in the income of the arrastre service. Those of the Highways Special Fund are composed of excise taxes on imported, as well as locally manufactured, lubricating oils, naptha, gasoline, denatured alcohol used for motive power, etc. It will be noted from the foregoing statement that the decrease in the Customs collection of excise taxes on imported items accruing to the Highways Special Fund has been more than compensated by the increase in the Bureau of Internal Revenue collection of similar taxes on domestic products for the same fund. In other words, there were less importations and more local production of gasoline, naptha, oils and similar products used for motive power during the year under review than in the preceding fiscal year. This trend has become evident ever-since local refineries of such products started operation.

While the receipts of these two principal special funds of the Government are mostly collected by the bureaus of this Department mentioned above, the expenditures therefrom are under the supervision and administration of the Bureau of Public Works and the Bureau of Public Highways, respectively. A more detailed treatment of the operations of these funds may be found in the annual reports of the bureau heads concerned.



The trend in the collections of these special funds is shown in Charts VIII, IX and X. For statistics on these funds from fiscal year 1958 to fiscal year 1962, please refer to Table IV.

CHART VIII

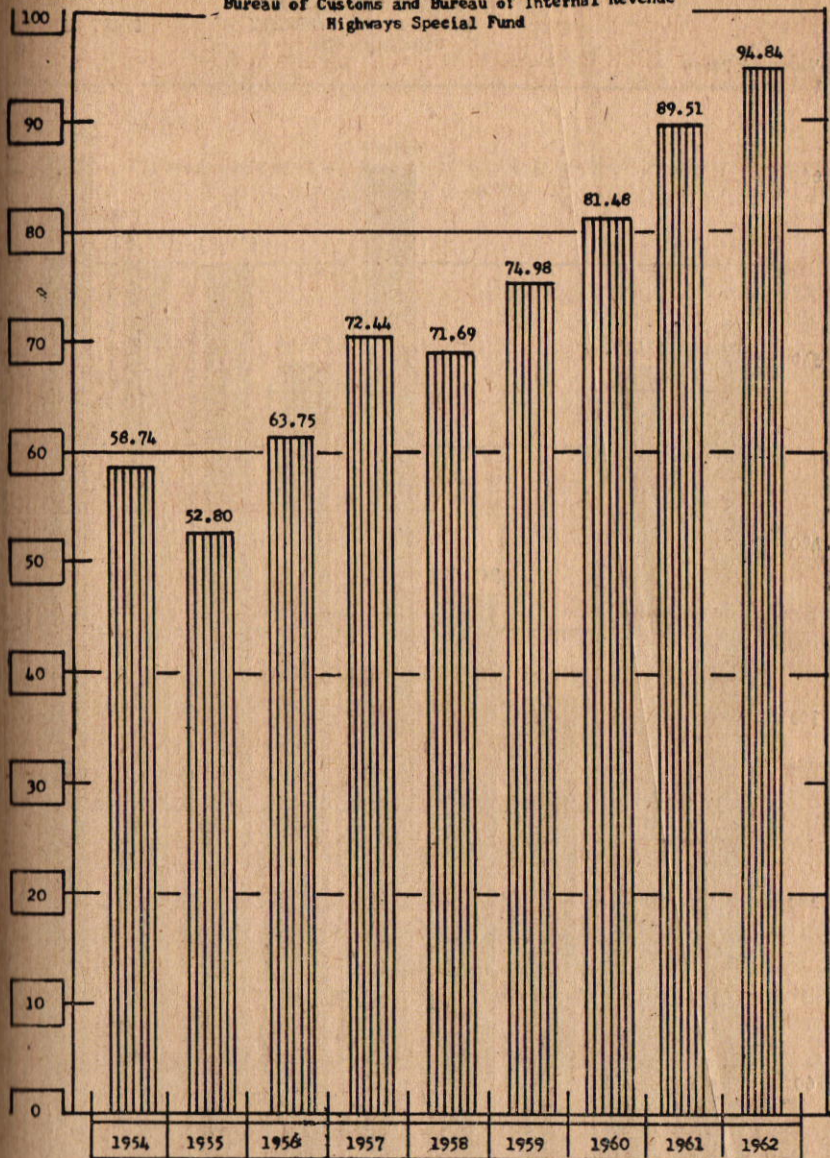




In Million Pesos

SPECIAL FUND RECEIPTS  
Bureau of Customs and Bureau of Internal Revenue  
Highways Special Fund

CHART IX

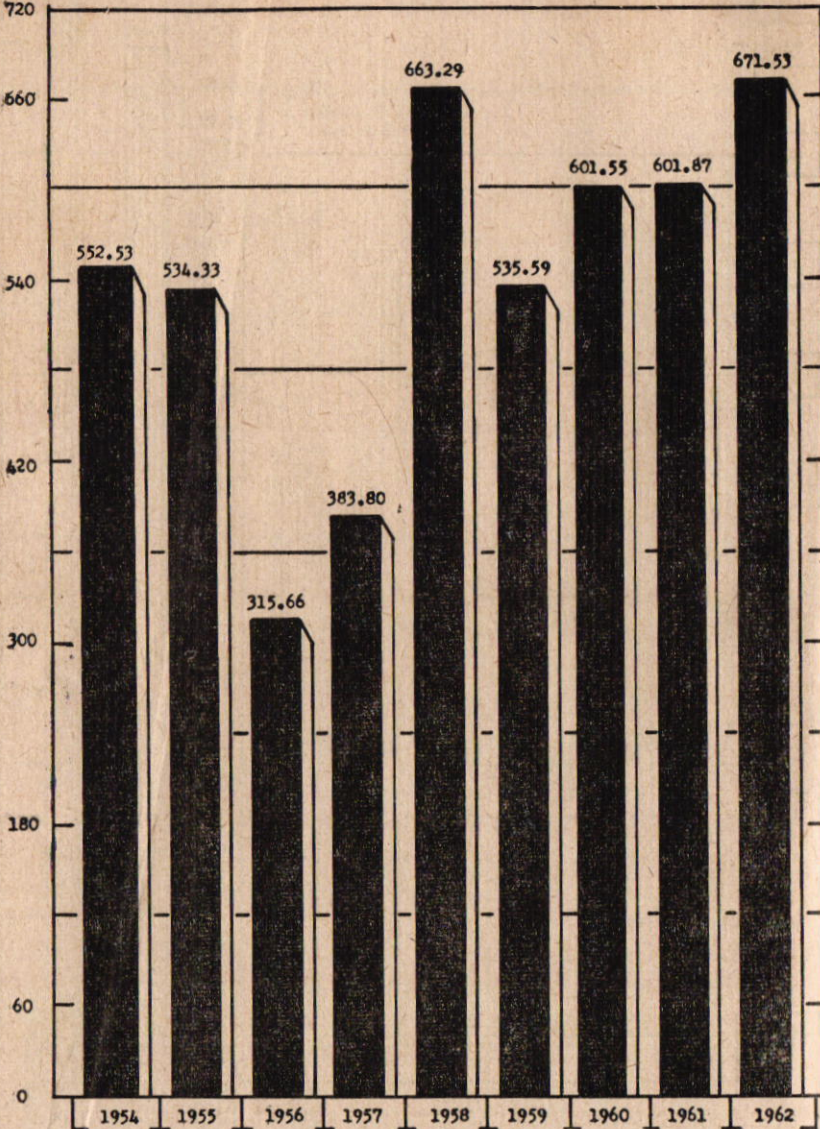




SPECIAL FUND RECEIPTS  
BUREAU OF THE TREASURY  
Fidelity Fund

CHART X

In  
Thousand Pesos





## THE PER CAPITA TAX

The per capita tax burden in fiscal year 1961 was ₱40.94 compared with ₱44.69 in fiscal year 1962. This was arrived at as follows:

*Statement of Per Capita Tax Burden for Fiscal  
Years 1961 and 1962*

	FY 1961	FY 1962
1. National revenue from taxation (Gross) .....	P1,094,265,415.00	P1,234,929,503.97
2. Real property tax .....	62,565,555.99	68,071,358.10
Provinces .....	15,547,422.39	17,092,462.44
Cities .....	30,622,241.84	33,262,614.21
Municipalities .....	16,395,891.76	17,716,281.45
3. Total tax burden .....	P1,156,830,970.99	P1,303,000,862.07
4. Population (Estimated)* .....	28,258,000	29,159,000
5. Per capita tax burden .....	40.94	44.69

\* Actual census of population was taken in 1948 and 1960. The estimates after 1960 are based on an annual increase of 3,179 per cent, as computed.

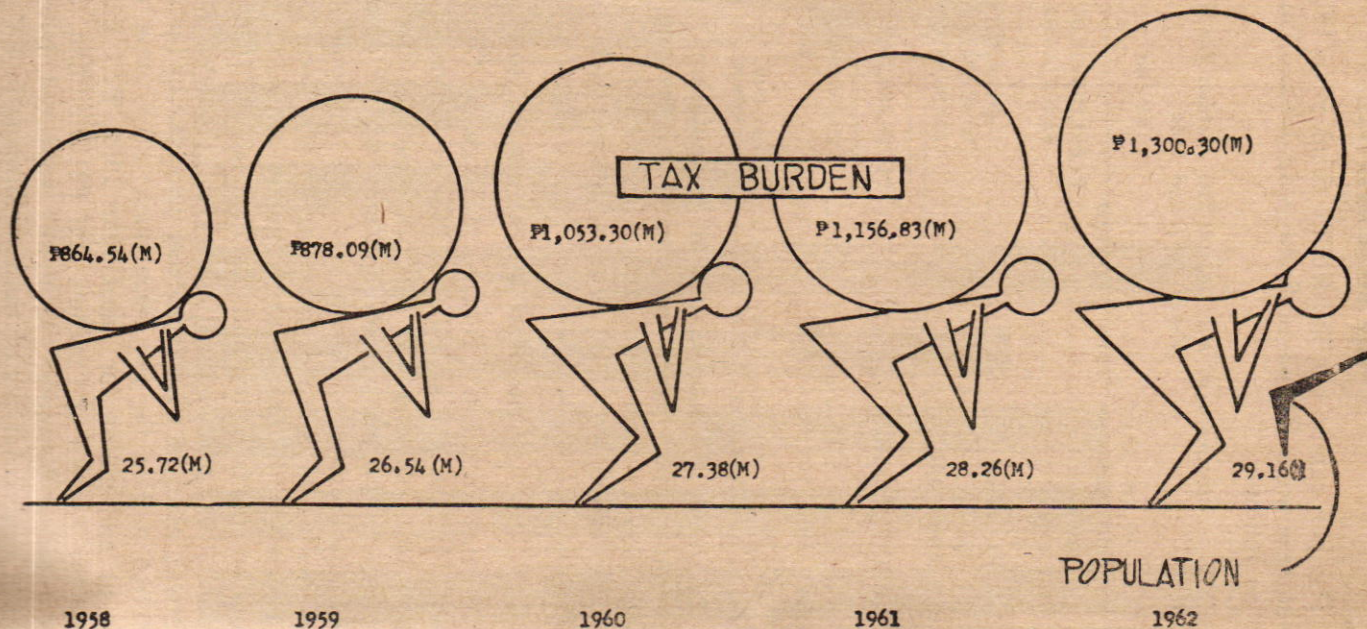
Following the same basis of computation presented above, the annual per capita tax burden of the people from fiscal year 1958 to fiscal year 1962 is graphically shown in the following chart No. XII. For additional details, please refer to Table V.

## THE COST OF TAX COLLECTION

In the President's Budget Message to Congress for fiscal year 1962, it was stated that "the collection of existing taxes shall be intensified and our tax structure shall be revised to distribute the tax burden equitably and to provide reasonable stimulus to economic growth." This was one of the five fiscal policies to be pursued that year by the fiscal planning of the Government in promoting economic growth and stability. In line with this policy and the firm belief "that a stronger tax collection machinery will add greatly to government revenues," it was planned that from the proposed budgetary support of ₱176.0 million for the Department of Finance and all its bureaus and offices for fiscal year 1962, ₱7.1 million would be for the Bureau of Customs and ₱21.3 million, for the Bureau of Internal Revenue. As finally approved, however, the combined appropriations of the two bureaus in FY 1962 amounted



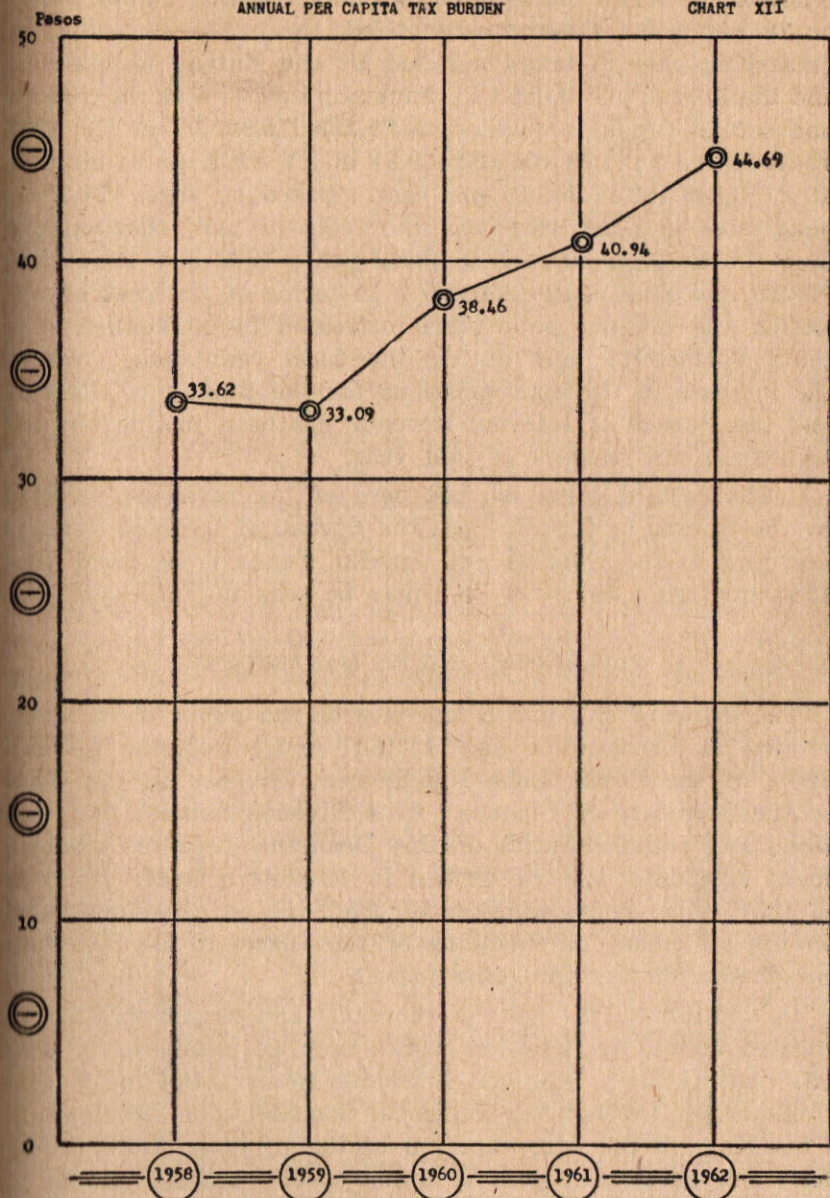
## ANNUAL TAX BURDEN AND ESTIMATED POPULATION





ANNUAL PER CAPITA TAX BURDEN

CHART XII



to P26.0 million only: P6.6 million for the Bureau of Customs and P19.4 million for the Bureau of Internal Revenue. This tions of P21.8 million in FY 1961.

The total expenditures of the two bureaus during fiscal years 1962 and 1961 were P25,542,850.64 and P21,236,415.11



respectively. The increase in expenditures was ₱4,306,435.53 or 20 per cent. On the other hand, the gross tax collection (referring only to taxes collected by the Bureau of Customs and the Bureau of Internal Revenue accruing to both the general and special funds) amounted to ₱1,256,970,902.92 in FY 1962 as compared with ₱1,106,122,460.81 in FY 1961, or an increase of ₱150,848,442.11 or 13 per cent. Based on these total expenditures and tax revenues, the costs of tax collection per peso for the two bureaus in fiscal years 1962 and 1961 were ₱0.020 and ₱0.019, respectively. In terms of the cost of collecting the tax per peso which increased by a fraction of a centavo (₱0.001) only during the fiscal year under review, the increase in the appropriations for the Bureau of Customs and the Bureau of Internal Revenue has been justified by the additional tax receipts in said year.

The cost of collection per peso of tax revenues collected by the Bureau of Customs and the Bureau of Internal Revenue accruing to the General and Special Funds from fiscal year 1953 through fiscal year 1962 may be seen in Table VI.

#### PUBLIC DEBT AND ITS MANAGEMENT

The growing size and complexity of the public debt, necessitated the creation on July 1, 1957 under Republic Act No. 1800, of the Public Debt Management Division in the Office of the Secretary of Finance. This Division handles the functions and responsibilities of this Department in the management of public debt prescribed in Executive Order No. 236, s. 1957. The responsibilities of the Division are enumerated in the statement of functions of the Office of the Secretary of Finance in the foregoing pages.

In addition to the general functions and responsibilities indicated above, the Division works in close collaboration with the Central Bank, National Economic Council and the Budget Commission, through the Technical Committee on Development Financing, in the determination of the proposed bond ceiling for each fiscal year and in other special studies related to public debt.

For fiscal year 1962, the tentative cash disbursement ceiling from public borrowings (bond ceiling) was ₱120.2 million. The actual issuance of bonds and other securities by the Central Bank during the fiscal period, at the request of this Depart-



ment pursuant to the provisions of Executive Order No. 236, s. 1957, did not exceed said ceiling as indicated hereunder:

Fiscal Year 1962			
	Tentative Ceiling	Actual Issuance	Balance Unissued
Bonds .....	P118,689,026	P109,042,880	P9,646,146
PW&ED .....	105,146,026	100,000,000	5,146,026
NPC .....	9,543,000	9,042,880	500,120
NAWASA .....	4,000,000	.....	4,000,000
Negotiable Land Certificate .....	1,500,000	769,000	731,000
Total .....	P120,189,026	P109,811,880	P10,377,146

The P100 million PW&ED bonds issued and sold by the Central Bank includes P29.95 million of such bonds floated on June 29 and 30, 1961 but chargeable against the FY 1962 ceiling for PW&ED bonds. These bonds were issued as a direct obligation of the National Government while the P9,042,880 worth of NPC corporate bonds were issued under the guarantee of the Government of the Republic of the Philippines. Out of the above amount of P109,811,880 worth of government securities sold by the Central Bank, the Budget Commission authorized the release of a total of P92,183,100.20 as of June 30, 1962, of which the sum of P83,030,100.20 came from PW&ED bond funds.

The proceeds from the sale of the aforesaid bonds have been utilized for financing the construction of various public works projects of the Department of Public Works and Communication and other projects of government corporations and other agencies, as well as hydro-electric projects under the National Power Corporation, in line with the development program of the Government in order to enhance economic growth. Under the provisions of Republic Act No. 1400, the Central Bank also issued upon the request of this Department negotiable land certificates in the total face amount of P769,000.00, the proceeds of which were used as part payment for the purchase of haciendas, landed estates and subdivisions by the Land Tenure Administration for subdivision and resale under liberal terms to the tenants thereof in conformity with the policy of the Government to give land to the landless as envisioned under the said Act. ACCFA notes in the respective amounts of P1,000,000 and P3,940,000 to finance the coffee stabi-



lization program of the Government, as well as to refinance matured and maturing ACCFA notes during fiscal year 1961, were likewise issued by the Central Bank.

In order to carry out its lending operations, especially to meet the heavier demand for medium and long-term credit, with emphasis in agriculture and industry which has assumed greater urgency during FY 1962, the Development Bank of the Philippines, pursuant to the provisions of Section 2(g) of Republic Act No. 2081, issued its corporate bonds amounting to ₱92.5 million upon the recommendation of the Secretary of Finance and with the approval of the President.

During fiscal year 1962, a total of ₱71,791,685.00 worth of Treasury notes was issued by the Secretary of Finance under Republic Act No. 245 to refinance the portion of the 3rd Series Treasury Notes, which matured on June 25, 1961, that cannot be covered then by the share of the National Government (earmarked for the retirement of the public debt) from collections of the dollar margin fee. On the other hand, a total of ₱81.8 million of such notes was retired, ₱10 million from the share of the Government from the collections of the dollar margin fee and the balance of ₱71.8 million by refinancing through the issuance of similar notes under Republic Act No. 245 as stated above, thereby reducing the amount of Treasury Notes outstanding from ₱396,338,949.90 in fiscal year 1961 to only ₱386,330,634.90 as of June 30, 1962. The retirement of the said notes partly from the share of the collections of the dollar margin fee and by refinancing relieved the General Fund from ordinary receipts from an additional charge of ₱81.8 million which otherwise would have adversely affected the financing of other essential services of the Government.

During the same fiscal year, the Secretary of Finance also issued a non-interest bearing and non-negotiable promisory note in the amount of ₱126,510.30 in favor of the Central Bank to cover the advance made by the said Bank for the payment of the second installment on the initial subscription of the Philippines to the International Development Association under Republic Act No. 2687, bringing the total amount of the said notes issued by the Secretary of Finance to ₱99,307,516.20 as of June 30, 1962, inclusive of those notes issued to cover the advances made by the Central Bank for the payment of the increase of quota of the Philippines to the International Monetary Fund and subscription to the Inter-



national Bank for Reconstruction and Development under the provisions of Republic Act No. 2052, as amended.

The redemptions made on the backpay obligations of the Government under Republic Act No. 304 amounted to ₱43,404,505.47 during FY 1962 as compared with the amount of ₱19,165,546.25 effected in FY 1961 or an increase of ₱24,238,959.22. The increase is attributed to the policy laid down by the Department to liquidate the backpay obligations as fast as available funds would permit to maintain the confidence of the people in the capacity of the Government to meet its obligations. However, because of the insufficiency of funds available for the full liquidation of the said obligations, Memorandum Order No. 11-62 was promulgated by this Department effective June 1, 1962, setting forth the order of priorities in the redemption of backpay claims to facilitate the payment thereof, as follows:

1. Civilian claims—full payment of the balance still due.
2. Certificates of indebtedness held by the government hospitals—full payment of balance still due.
3. Army claims corresponding to the 40 per cent of outstanding balance previously authorized but remaining unpaid to-date.
4. Certificates of indebtedness held by local governments—
  - (a) Provinces, cities, and municipalities which have suffered recent calamities;
  - (b) Provinces, cities, and municipalities which incurred heavy overdrafts; and
  - (c) Other local governments not covered by (a) and (b), 30 per cent of their outstanding total CI holdings.
5. Government institutions—whatever amount may still be available but not exceeding 30 per cent of its outstanding CI holdings.
6. Third party (buyer) claimants.

In brief, the transactions involving the public debt during the fiscal year under review were as follows:

Total outstanding as of June 30, 1961 .....	₱2,525,612,285.41
Add: Additional borrowings from July 1, 1961 to June 30, 1962 .....	446,404,779.25
Total .....	2,972,017,064.66



Deduct: Redemption during the year .....	257,490,673.97
Balance outstanding as of June 30, 1962 ....	<u>P2,714,526,390.69</u>

The additional borrowings and redemptions made during the period are broken down as follows:

### ADDITIONAL BORROWINGS

#### Bonded Debts—

National Bonds—Public Works and Economic Development Bonds (R. A. No. 1000) .....	P70,052,500.00
Other Bonded Debts—	
National Power Corporation Bonds (C. A. No. 120, R. A. Nos. 358 and 1397) .....	9,042,880.00
Development Bank of the Philippines (RFC) Bonds (R. A. Nos. 85 and 2081) .....	92,500,000.00
Total Bonded Debt .....	<u>171,595,380.00</u>

#### Non-Bonded Debt—

##### Budgetary Loans:

##### Domestic—

Certificates of Indebtedness issued to holders of Emergency Currency Notes (R. A. No. 369) .....	128,636.50
Emergency Currency Notes registered under R. A. No. 369:	
Cash Redemption Value of Pre- and and Post- surrender issues .....	13,365,561.39
Post-surrender issues due 1969 .....	47,405,464.35
Pre-war obligations of the National Government .....	10,000,000.00
Central Bank Loan to National Government (R. A. No. 265) .....	100,000,000.00
Central Bank Loans to Local Governments (R. A. No. 265) .....	3,677,772.00
Loans to Local Governments assumed by the National Government (R. A. No. 839) ....	895,097.19

##### Other Loans:

##### Foreign—

NPC Loan from International Bank for Reconstruction and Development (Biñga Project, R. A. No. 357) .....	2,075,078.78
NPC Loan from IBRD (Angat Project, R. A. No. 357) .....	1,942,530.03



Export-Import Bank Loan (FY 1956) ICA- NEC (R. A. Nos. 16 and 213) .....	529,660.64
Export-Import Bank Loan (FY 1957) ICA- NEC (R. A. Nos. 16 and 213) .....	1,841,203.62
MRRCo. Loan from Mitsui Bussan Kaisha, Ltd. for the purchase of 10 sets Shinko Diesel Engines (R. A. No. 470) .....	137,296.00
DPWC Loan from IBRD for financing dredg- ing project (R. A. No. 3101 in relation to Act No. 3592, as amended) .....	4,905,660.00
Development Loan Fund (Highways) DPWC (R. A. Nos. 16 and 213) .....	6,520,457.78
Export-Import Bank Loan of DPWC for the development and improvement of the In- ternational port facilities of the Manila Harbor (R. A. No. 2701 in relation to Act No. 3592, as amended) .....	1,438,157.34
Export-Import Bank Loan of the DPWC (CAA) for the enlargement and improve- ment of the MIA (R. A. No. 3101 in relation to Act No. 3592, as amended) ....	1,403,490.66
DPWC Loan from Union Metal Co., USA, on deferred payment plan, for the Bureau of Public Highways .....	916,137.62
Domestic—	
LTA Negotiable Land Certificates (R. A. No. 1400) .....	769,000.00
Treasury Notes (R. A. No. 245) .....	71,791,685.00
Non-Negotiable and Non-Interest Bearing Promissory Notes (R. A. Nos. 2052, 2686 and 2687) .....	126,510.30
ACCFA 3-Year Notes (R. A. No. 821) .....	3,940,000.00
ACCFA 1-Year Notes (R. A. No. 821) .....	1,000,000.00
Total Non-Bonded Debt .....	274,809,399.25
Total Additional Borrowings .....	P446,404,779.25

### REDEMPTIONS

#### Bonded Debt—

Development Bank of the Philippines (RFC) Bonds (R. A. No. 85, as amended by R. A. No. 2081) .....	P252,000.00
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#### Non-Bonded Debt—

U.S. General Services Adm. Loan (R. A. Nos. 16 and 213) .....	164,145.22
Central Bank Loan to National Government (R. A. No. 265) .....	100,000,000.00



Central Bank Loans to Local Governments (R. A. No. 265) .....	3,491,400.00
Backpay of Government Employees (R. A. No. 304) .....	43,404,505.47
NPC Export-Import Bank Loan (Ambuklao Project, C. A. No. 120; R. A. Nos. 358 and 1397) .....	2,032,631.56
NPC Loan from IBRD (Biñga Project, R. A. No. 357) .....	1,016,000.00
Export-Import Bank Loan (FY 1956) ICA-NEC (R. A. Nos. 16 and 213) .....	15,310.86
Export-Import Bank Loan (FY 1957) ICA-NEC (R. A. Nos. 16 and 213) .....	114,505.20
MRR Co. Loan from GE and other Japanese firms for the purchase of diesel-electric locomotives, spare parts and passenger coaches (R. A. No. 470) .....	1,260,070.60
DPWC Loan from Industriale Handels Combinatie (IHC) Holland for the purchase of dredging equipment, auxiliary units and spare parts (R. A. No. 3101 in relation to Act No. 3592, as amended)....	8,985,650.00
Development Loan Fund (Highways) DPWC (R. A. Nos. 16 and 213) .....	P100,000.00
DPWC Loan from Union Metal Co., USA, on deferred payment plan, for the Bureau of Public Highways .....	366,455.06
NDC Loan for the acquisition of 12 ocean-going vessels from Japan (R. A. No. 1407) .....	10,488,000.00
Treasury Notes (R. A. No. 245) .....	81,800,000.00
ACCFA 2-Year Notes (R. A. No. 1194) .....	2,000,000.00
ACCFA 1-Year Notes (R. A. No. 821) .....	2,000,000.00
Total Redemptions .....	<u>P257,490,673.97</u>

Only P71,791,685.00 worth of Treasury Notes out of the total governmental debt redeemed was refinanced. The balance of P185,698,988.97 was paid out of revenue receipts of the National and local governments and government owned corporations.

As may be noted from the foregoing statements, the gross public debt increased by P188,914,105.28 during the fiscal period covered by this report. The increase in the public debt is attributed to the additional flotation of bonds being effected every year under the annual development bond financing program of the Government for the construction of public works and other projects for economic development, and to the other forms of public borrowings undertaken by the Government as well as by government corporations and other agencies. The increase may also be attributed to the inclusion of the follow-



ing items as part of the gross public debt during fiscal year 1962:

Emergency Currency Notes registered under R. A.	
No. 369 .....	P60,771,025.74
<hr/>	
(a) Cash Redemption Value of Pre- and Post-surrender issues .....	13,365,561.39
(b) Post-surrender issues due 1969 .....	47,405,464.35
Pre-war Obligations of the National Government ....	10,000,000.00
Loans to Local Governments assumed by the National Government .....	895,097.19
<hr/>	
Total .....	P71,666,122.93
<hr/>	

On the other hand, the increase in the net public debt during the year amounted to P125.5 million only or from P2,342.4 million in FY 1961 to P2,467.9 million in FY 1962. The difference of P63.4 million (P188.9 M-P125.5 M) between the increments in the gross and net debt represents the additional amounts accumulated in the sinking fund intended to repay the debt as they mature.

This Department has always been cognizant of the importance of redeeming government securities promptly and completely on their respective dates of maturity. Consequently, it has pursued with vigor, in collaboration with other agencies of the Government, the objectives in maintaining the integrity and efficient management of the public debt, especially in keeping amortization and interest payments thereon as per schedule and in taking the necessary steps toward the establishment by government corporations and other agencies concerned of appropriate reserves or adequate sinking funds for the prompt and speedy redemption of their corporate bonds and other forms of securities issued in their favor when they mature. The provisions for loan repayments and sinking fund contributions provided annually by the National Government not only maintain the confidence of the public in government securities but also exert a significant deflationary check against undue monetary expansion.

Summarized hereunder are the outstanding public debt, accumulated sinking fund and net debt in million pesos at the end of each fiscal year from 1958 through to 1962:

FY 1958 .....	P1,926.8	P226.4	P1,700.4
FY 1959 .....	2,200.6	198.4	2,002.2



FY 1960 .....	2,321.3	203.4	2,117.9
FY 1961 .....	2,525.6	183.2	2,342.4
FY 1962 .....	2,714.5	246.6	2,467.9

A consolidated statement showing the details of the growth of the gross public debt in FY 1962 is included in this report as Table VII. A statement showing the outstanding debt, changes in the outstanding debt, amounts accumulated in the sinking fund, the net debt and the per capita debt burden FY 1958 to FY 1962 also forms part of this report as Table VIII. The trend of the growth of the gross and net debt, including the accumulated sinking fund, from FY 1958 to FY 1962 is indicated in Chart XIII.

Some of the other activities of the Department of Finance during the year being reviewed in connection with the management of the public debt are as follows:

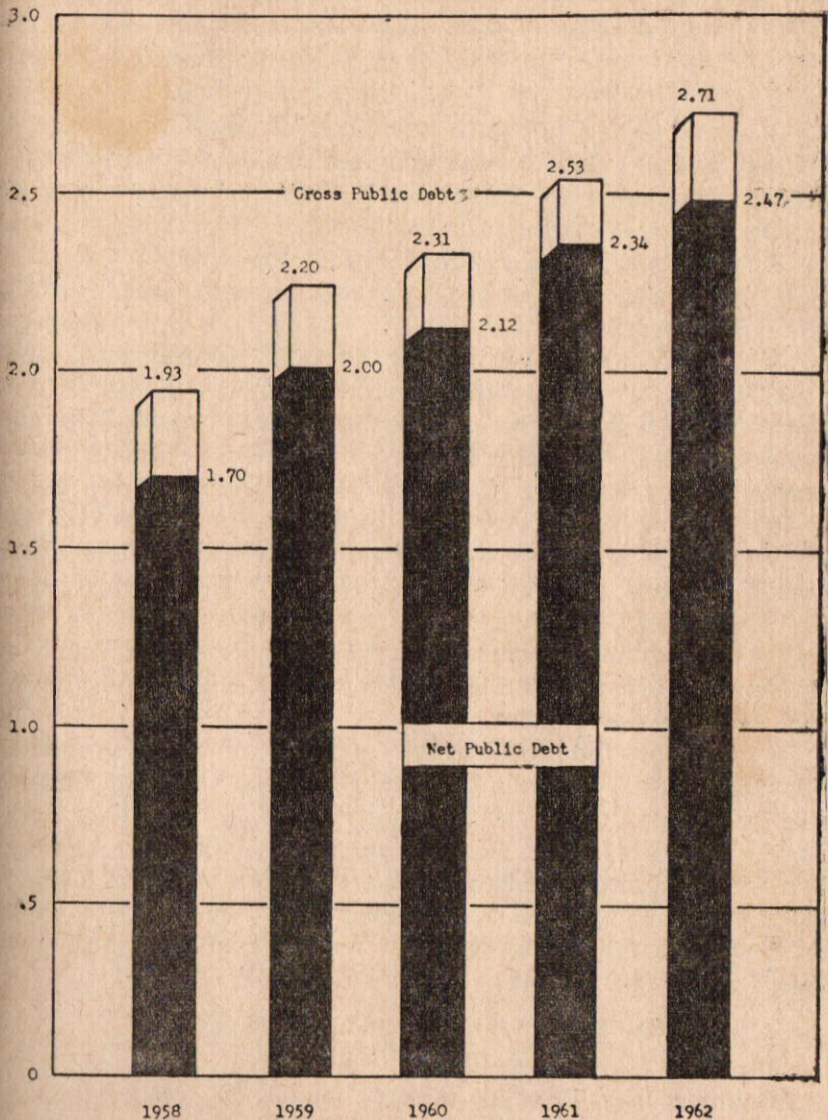
(1) Under the supervision of this Department, the collection of the government rehabilitation accounts being undertaken by the Trust Department of the Philippine National Bank, in behalf of the National Government, was intensified. These accounts are being collected to reimburse the advances made from the General Fund to maintain the sinking fund created for the redemption of the P46 million worth of PW & ED bonds issued under Republic Act No. 1000 to rehabilitate the Philippine National Bank. During fiscal year 1962, the amount of collections from these accounts aggregated P1,190,883.90 bringing the total collection effected from 1955 to P7,462,324.94 as of the end of the said fiscal year.

(2) To protect the interest of the Government, constant verifications have been undertaken by this Department to determine whether all the investments of the National Government in the various government owned and/or controlled corporations are properly supported by documentary evidence and necessary steps were initiated to secure such documents whenever the findings show that the same were not executed by the entities concerned. This Department also initiated in FY 1962 the necessary measures to collect whatever dividends due on these investments of the Government as a result of which the amount of P1,083,333.33 was set up in the books of the Cebu Portland Cement Company as payable to the National Government representing the cash dividends due on its P15 million investment in the said Company. The Treasurer of the Philippines was advised to take the necessary



In Billion  
PesosDETAIL OF GROWTH  
OF  
PUBLIC DEBT

CHART XIII



steps for the remittance of the said amount to the National Treasury.

(3) In the middle part of fiscal year 1962, it was published in the newspapers that the U. S. Congress may favorably consider the payment of the balance of the approved Philippine



War Damage claims. Should the payment of such claims materialize, the local governments would receive additional war damage payment for local government projects destroyed during the last war. Inasmuch as the loans incurred by the local governments from the former Agricultural and Industrial Bank, now Development Bank of the Philippines, for the construction of such projects were already condoned and assumed by the National Government, that portion of the war damage damage pertaining to the condoned obligations which may be received by the local governments should rightfully be paid to the National Government. Steps were already taken by this Department to assure the remittance thereof to the National Treasury.

(4) During fiscal year 1962, certain governments were found to be very much behind in the payment of their obligations to the National Treasury covering the amortization and interest on the Post-1934 bond issues of said governments for public improvements and waterworks and sewerage projects in their respective localities. Under the provisions of the different Acts authorizing the issuance and sale of the above bonds of local governments, the National Government shall be reimbursed by such entities for the sums so disbursed for the sinking fund, interest and expenses of issue and sale of the bonds after payment of such expenses has been made by the National Government.

In view of the considerable amount of the arrearages (P4,235,575.13 as of June 30, 1962), the Department of Finance required those governments concerned to provide the necessary amounts for the payment of their obligations in their corresponding local budgets being submitted to this Department for review. This requirement will insure the payment of these statutory obligations to the National Treasury, pursuant to the provisions of Republic Act No. 2264.

#### ADMINISTRATION OF REPUBLIC ACTS NOS. 35 AND 901, AS AMENDED

As stated in a previous report, one of the responsibilities of the Department of Finance is to administer the operations of Republic Act No. 35, otherwise known as the Tax Exemption Law, as amended by Republic Acts Nos. 901, 2351, and 2352. In effect this law stimulates the private sector towards industrialization by encouraging the development of new and necessary industries which are extended assistance through a



temporary waiver by the Government of its right to collect taxes from such industries granted the privileges of tax exemption under the law.

The reports of operations gathered periodically by this Department indicate that the implementation of this law has been instrumental in attaining the headway thus far achieved by the Government towards the realization of a stable agro-industrial economy for the country. Under existing regulations, the latest reports on the results of operations of tax-exempt industries available to the Department pertain to Calendar Year 1961. The operations during Calendar Year 1962 will be reported to the Department within the first semester of C. Y. 1963.

As of December 31, 1961, 24 new applicants were granted tax exemption privileges thereby bringing to a total of 965 the number of firms enjoying the benefits of the privileges. Of said 965 firms, 678 were actually operating, 47 were not yet in operation, 130 had their exemption privileges expired and 134 had theirs suspended. Of the 134 firms whose privileges were suspended, the Department lifted its suspension to 24 firms which are now continuing to enjoy the tax-exemption privileges.

Below is a list of the number of firms, arranged by industry groups, granted tax-exemption privileges as of December 31, 1961:

	No. of Firms
1. Food, Manufacturing .....	151
2. Tobacco Leaf-Flue Curing .....	5
3. Textiles .....	140
4. Wood Treating and Wood Products .....	54
5. Paper and Paper Products .....	60
6. Leather and Leather Products .....	15
7. Rubber Products .....	20
8. Chemicals .....	103
9. Non-metallic Minerals .....	49
10. Basic Metal and Metal Products .....	184
11. Machinery and Parts .....	30
12. Electrical Machinery .....	48
13. Miscellaneous .....	106
Total .....	965

During C. Y. 1961, the paid-up capital was increased by P6.1 million boosting the aggregate paid-in capital to a total



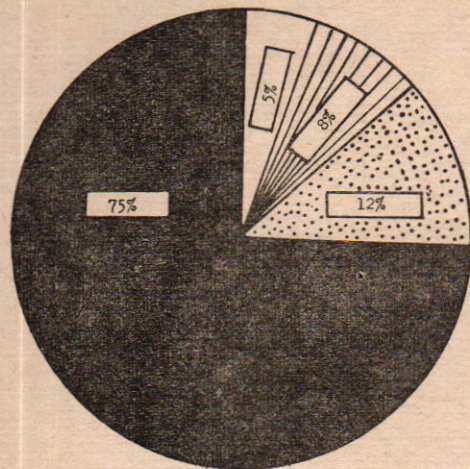
of P728.1 million as of the close of the year. Of the said P728.1 million, 76.71 per cent or P558.5 million was owned by Filipinos; 11.35 per cent or 82.7 million, by Americans; 6.97 per cent or P50.7 million, by Chinese; and 4.97 per cent or P36.2 million, by other nationals. The capital holdings of Americans and Chinese nationals decreased by .9 per cent and 1.5 per cent, respectively, while the holdings of Filipinos and all other nationals increased by 2.0 per cent and 4; per cent, respectively, as shown in Tables IX and X and Chart XIV.

Reports from the operating firms for C. Y. 1961 show that 480 firms realized a net profit of P994 million, while 114 firms sustained a lose of P13.1 million or an overall-all net profit of P81.3 million for all firms.

Listed hereunder are the different industry groups together with their corresponding capital investments and net profits or loss derived from their operations during 1961:

<i>Industry Groups</i>	<i>Paid-In Capital</i>	<i>Net Profit Loss</i>
1. Food Manufacturing .....	P81,898,180.99	P13,073,468.81 (1,600,604.81)
2. Tobacco Leaf-Flue Curing .....	4,896,507.40	430,995.94
3. Textiles .....	193,823,933.58	9,108,243.32 (3,078,938.75)
4. Wood Treating and Wood Products..	33,487,027.42	1,272,371.21 (4,416,277.50)
5. Paper and Paper Products .....	32,403,723.97	2,443,862.81 (653,247.72)
6. Leather and Leather Products .....	4,273,155.57	378,342.02 (37,819.98)
7. Rubber Products .....	44,048,983.51	17,697,564.74 (112,413.94)
8. Chemicals .....	55,765,439.30	8,048,610.74 (652,589.18)
9. Non-Metallic Minerals .....	91,118,818.70	16,538,478.67 (1,050,012.29)
10. Basic Metal and Metal Products .....	95,900,647.38	14,172,587.45 (533,330.54)
11. Machinery and Parts .....	7,622,062.20	357,130.41 (110,145.54)
12. Electrical Machinery .....	51,323,948.33	6,970,159.33 (66,295.21)
13. Miscellaneous .....	31,529,985.80	3,896,405.46 (781,637.19)
<b>Total .....</b>	<b>P728,092,414.15</b>	<b>P94,388,240.91</b> <b>(13,093,312.65)</b>

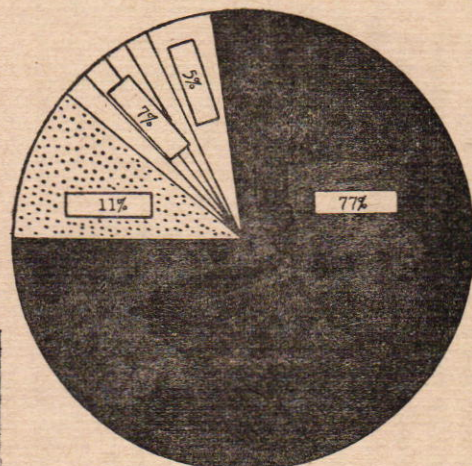
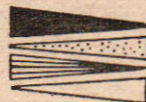




1960

LEGEND

FILIPINO  
AMERICAN  
CHINESE  
OTHERS



1961



Manpower absorbed by said tax-exempt new and necessary industries decreased from 76,210 men employed in C. Y. 1960 to 75,170 employed in C. Y. 1961 or a decrease of 1,040. The decrease is due to the exclusion of the manpower absorbed by 58 additional firms, whose tax exemption grant expired during the year. Manpower utilization was distributed as follows:

<i>Manpower Utilized</i>	<i>C.Y. 1961</i>	<i>C.Y. 1960</i>	<i>Increase (Decrease)</i>
Skilled .....	25,979	24,268	1,711
Semi-skilled .....	19,262	19,861	(599)
Non-skilled .....	19,847	21,929	(2,082)
Office Personnel .....	10,082	10,152	(70)
<b>Total .....</b>	<b>75,170</b>	<b>76,210</b>	<b>1,040</b>

The above figures do not include the manpower absorbed by 130 firms whose tax-exemption had expired prior to December 31, 1961 and which firms are estimated to be employing no less than 16,510 men. All in all it is estimated that all these new and necessary industries which had received aid under R. A. Nos. 35 and 901 are at present employing no less than 91,680 men.

The total cost of goods manufactured by these tax-exempt industries increased from ₱812,038,916.12 in C. Y. 1960 to ₱952,406,420.52 in C. Y. 1961, or an increment of ₱140,367,504.40. This favorable trend in the level of production of locally manufactured articles has been responsible to some extent in reducing our importation which means savings of dollars. At the rate of \$1.00 to ₱2.00, dollar savings during C. Y. 1961 was estimated to have amounted to \$237.2 million.

As was expected, the aid extended to tax-exempt industries generated additional sources of government revenues. In C. Y. 1961, of the estimated ₱226.5 million in taxes which should have been paid from the operations of the new industries under tax exemption grant, only ₱75.5 million has been waived as exemptions. It is presumed that the difference of ₱151.0 million had accrued to the National Treasury because of the partial lifting of tax exemption privileges provided for and scheduled under Republic Act No. 901, as amended by Republic Acts Nos. 2351 and 2352. The statement showing the taxes, the collection of which was waived by the government as aid to new and necessary industries is shown in Table XI. If we add to this the taxes being paid by the 130 firms whose



tax-exemption had already expired after having enjoyed the privileges for the maximum of ten years granted by the law and which taxes are estimated at ₱49.6 million, the total taxes that may have accrued to the government by the operation of those new and necessary industries will total ₱200.6 million for the C. Y. 1961.

The tax exemption privileges will expire on December 31, 1962. On the basis of the above trend, the new and necessary industries that enjoyed tax exemption under R. A. No. 901, as amended, are expected to contribute to the national coffers no less than ₱276.1 million for C. Y. 1962 and about ₱305.1 million when an estimated 800 firms of the over 1,000 firms granted tax-exemption are in operation. As these firms are continuing to expand and grow, their expected contributions in revenue will be greater than the above figure.

#### SUPERVISION OF PROVINCIAL, CITY AND MUNICIPAL FINANCIAL AFFAIRS

The stabilization of local government finances has always been the paramount objective of this Department in its exercise of "general supervision over the financial affairs and financial agencies of provincial, municipal and city governments," in accordance with Section 81 of the Revised Administrative Code. To this end, the Department of Finance has consistently emphasized to the local governments the importance of (1) improving their program of assessment and collection of local revenues; (2) maintaining progressive and balanced local budgets; and (3) preserving the integrity and efficient management of their financial agencies. The full enjoyment by the local governments of the autonomy envisioned for them hinges on the attainment of these objectives.

##### *A. Revision in the Assessment of Real Property for Taxation Purposes—*

The assessed values of real properties in most provinces, cities, municipalities and municipal districts are still way below the true and full market values of such properties. The overall assessment level throughout the country as of 1956 was about 42% only, according to the report of the defunct Special Tax Revision Commission. While this level might have improved considerably as a result of the continuous reassessment undertaken by certain provinces and cities, there



is still a very wide margin for increasing the real property valuation in this country.

The need for a general revision of real property assessments has long been recognized. This Department has already taken the initiative of enjoining provincial and city assessors to submit revised schedules of values for departmental approval and/or review. The response was spontaneous but the only drawback to the gigantic task of a general revision of assessments throughout the archipelago was the lack of funds. With the exception of a very few provinces, cities and municipalities, the local governments are encountering hardships in submitting balanced budgets. In spite of this predicament, several provinces and cities, realizing the importance of revising the assessments in their localities for purposes of taxation, undertook such revision. This revision in several provinces and cities increased the total assessed valuation of real properties in all provinces and cities from P6,926,313,712.88 in Calendar Year 1960 to P7,554,295,131.00 in Calendar Year 1961, or an increase of P627,981,418.12, the details of which are shown in Table XII.

The following provinces and cities have shown marked improvements in their assessments for Calendar Year 1961 with the corresponding increase in assessments indicated opposite each:

Provinces	Increase in Assessments
1. Bataan .....	P12,186,300.00
2. Batangas .....	17,965,920.00
3. Bulacan .....	17,241,840.00
4. Camarines Norte .....	4,981,150.00
5. Camarines Sur .....	9,011,700.00
6. Cavite .....	43,161,370.00
7. Davao .....	21,116,270.00
8. Misamis Occidental .....	45,233,090.00
9. Pampanga .....	73,983,040.00
10. Rizal .....	110,057,830.00
Cities	
1. Bacolod .....	4,914,490.00
2. Baguio .....	17,604,960.00
3. Cebu .....	2,825,990.00
4. Lipa .....	10,331,220.00
5. Manila .....	70,557,788.00
6. Naga .....	8,170,950.00
7. Ormoc .....	3,055,720.00
8. Pasay .....	18,570,730.00



9. Quezon .....	27,435,190.00
10. Silay .....	7,237,980.00

In connection with the general revision of assessments mentioned above, it may be stated that the Assessment Advance Fund, created in Fiscal Year 1946 under Republic Act No. 78 and administered by this Department to help finance the revision of real property assessments in the province and chartered cities, is no longer available for the general revision herein contemplated. The law (R. A. No. 78) does not authorize the use of the Fund for financing subsequent general revision of real property assessments. Pursuant to the provisions of said law, all repayments made to the Fund which amounted to P3,014,207.33 as of June 30, 1962 were reverted to the General Fund of the National Government. The status of the Assessment Advance Fund as of the said date is shown in Table XIII of this Report.

#### B. Real Property Tax—

As stated above, the total taxable assessed valuation of real property increased in Calendar Year 1961 by P627,981,418.12. There was also a corresponding increase in the real property tax collected. Based on the revised assessments, the collections from real property tax in Calendar Year 1961 amounted to P54,504,016.11 which is 64.34% of P84,706,319.41, the total tax collectible in the same year. As compared with the total collection of P48,805,122.19 from the same source in Calendar Year 1960 which is 64.48% of P75,691,174.14, the total tax collectible in said year, there was an overall increase of P5,698,893.92 in collections.

Listed hereunder are the ten ranking provinces and cities based on assessed valuation of real property, real property tax collectible and collections in Calendar Year 1961:

Province	Assessment	Tax Collectible	Collection	Percentage Collection
1. Rizal .....	P632,138,610.00	P6,321,386.10	P4,785,409.92	75.70
2. Negros Occi- dental .....	239,295,420.00	2,392,954.20	1,748,506.86	73.07
3. Quezon .....	220,155,060.00	2,201,550.60	1,022,241.97	46.43
4. Pampanga ....	217,157,760.00	2,171,577.60	1,295,325.84	59.65
5. Cotabato .....	171,886,960.00	1,718,869.60	567,953.64	33.04
6. Batangas .....	167,907,240.00	1,469,188.35	1,203,476.81	81.92
7. Davao .....	165,451,300.00	1,654,513.00	970,189.94	58.64
8. Bulacan .....	154,642,100.00	1,546,421.00	896,122.24	57.95
9. Nueva Ecija..	145,046,080.00	1,450,460.80	712,999.02	49.16
10. Pangasinan ..	124,156,750.00	1,241,567.50	596,905.97	48.08



Cities				Per cent
1. Manila .....	P1,160,189,646.00	P17,402,844.09	P15,823,438.38	90.92
2. Quezon .....	449,822,830.00	5,622,785.38	5,031,766.03	89.49
3. Cebu .....	168,606,440.00	1,475,306.35	997,986.19	67.65
4. Pasay .....	133,710,910.00	1,671,386.38	1,251,494.00	74.88
5. Davao .....	119,054,020.00	1,339,357.73	684,022.16	51.07
6. Bacolod .....	82,346,210.00	823,462.10	538,281.77	65.37
7. Iloilo .....	71,311,561.00	713,115.61	475,797.40	66.72
8. Baguio .....	68,914,180.00	688,095.10	649,319.07	94.64
9. Iligan .....	40,936,010.00	511,700.13	317,525.00	62.05
10. Zamboanga ....	37,732,440.00	377,324.00	229,922.38	60.93

As the real property tax accrue during a particular Calendar Year and is reported only after the end of December of the year involved, the collections for Fiscal Year 1962 could not as yet be finally determined until after the reports for the period from January to June, 1962, have been received from all the different local governments. However, a comparison on a fiscal year basis between the actual real property tax collections for FY 1960 and FY 1961 is shown hereunder:

	FY 1960	FY 1961	Increase (Decrease)
Provinces (including municipalities) .....	P30,431,040.90	P31,943,314.15	P1,512,273.25
Cities .....	26,700,000.61	30,622,241.84	3,922,241.23
Total .....	P57,131,041.51	P62,565,555.99	P5,434,514.48

The details of these collections in Calendar Year 1961 are shown in Table XIV and those in Fiscal Year 1961, in Tables XV and XVI.

### *C. Maintenance of Balanced Local Budgets—*

After three years of operation of Republic Act No. 2264, the local Autonomy Act, local government officials are now substantially well acquainted with the provisions thereof, especially those pertaining to the local governments' taxing power which is now extensively developed, and those pertaining to the adoption of balanced budgets based on conservative estimates of local treasurers. As a result, few provinces, cities and municipalities incurred overdrafts during the fiscal year under review. Where overdrafts were incurred, the cause may be traced to several typhoons and floods that occurred during the year which affected tremendously the paying capacity of taxpayers.



Upon advice of this Department, the local governments took advantage of the provisions of Section 95 of Republic Act No. 265, authorizing the Central Bank of the Philippines to "make direct provisional advances to the Government or to any of its political subdivisions to finance expenditures authorized in the annual appropriations of the borrowing entity." With the provisional advances granted them by the Central Bank which amounted to ₱3,677,772.00 in FY 1962, said entities were able to pay regularly the salaries and wages of local officials and employees, especially during the lean months of the year.

The regularity in the general revision of real property assessments to approximate current market values of real properties, as required in Commonwealth Act No. 470, as amended, otherwise known as the Assessment Law; the extensive exercise of the power to tax all kinds of businesses and professions; and the vigorous tax collection campaigns waged individually by local treasurers, have resulted in the steady increase of the income of local governments from Fiscal Year 1959. As a matter of fact, it is expected that at least sixty per cent (60%) of the provinces and cities will be raised in classification during the ensuing fiscal year on account of the increase of their income for the last five fiscal years. This is also true in the case of municipalities and municipal districts.

A comparison between the general fund income of provinces and cities in Fiscal Years 1961 and 1962, the details of which appear in Table XVII, is summarized below:

	FY 1961	FY 1962	Increase (Decrease)
Provinces .....	₱48,496,715.40	₱54,774,793.15	₱6,278,077.75
Cities .....	113,357,580.39	118,008,127.50	4,650,547.11
Total .....	<u>₱161,854,295.79</u>	<u>₱172,782,920.65</u>	<u>₱10,928,624.86</u>

In line with the policy of the Department to make local governments self-sufficient, budgetary proposals to create new positions and to grant salary increases were not given favorable action where the province or city involved has already exceeded the maximum amount expendable for salaries and wages. Attempts of certain provinces, cities and municipalities to include in their annual budgets estimated income from national aids were likewise discouraged. However, it should



be understood that the local governments are still very much dependent on these handouts from the National Government for sustaining their annual programmed expenditures. The bulk of their income is still made up of internal revenue allotments as can be seen in the following summary statement of general fund income of local governments for fiscal year 1961:

Provinces	FY 1961	Per cent of Total
Regular Internal Revenue Allotments .....	P17,759,892.91	36.52
Special Internal Revenue Allotments .....	7,375,589.52	15.17
Real Property Tax .....	11,716,791.36	24.10
All Others .....	11,774,349.19	24.21
<b>Total .....</b>	<b>P48,626,622.98</b>	<b>100.00</b>

Provinces	FY 1961	Per cent of Total
Regular Internal Revenue Allotments .....	P168,881.48	46.34
Special Internal Revenue Allotments .....	51,822.43	14.77
Real Property Tax .....	93,601.00	25.68
All Others .....	48,119.77	13.21
<b>Total .....</b>	<b>P364,424.68</b>	<b>100.00</b>

Cities	FY 1961	Per cent of Total
Regular Internal Revenue Allotments .....	P7,454,142.25	06.46
Special Internal Revenue Allotments .....	P16,330,338.14	14.16
Real Property Tax .....	25,377,955.39	22.00
All Others .....	66,183,355.42	57.38
<b>Total .....</b>	<b>P115,345,791.23</b>	<b>100.00</b>

Municipalities	FY 1961	Per cent of Total
Regular Internal Revenue Allotments .....	P4,359,085.52	05.60
Special Internal Revenue Allotments .....	12,840,933.20	15.51
Real Property Tax .....	16,363,334.04	21.04
All Others .....	44,210,944.90	56.85
<b>Total .....</b>	<b>P77,774,297.66</b>	<b>100.00</b>

(NOTE:—The internal revenue allotments indicated above were actually received by, and included in the budget operation statements of, the different local entities. The internal revenue allotments to local governments as computed by the Bureau of Internal Revenue may be seen in Table XVIII.)



This Department has been discouraging the incurrence of overdrafts in appropriations and/or overdrafts in appropriated funds. There is no provision of law which authorizes the incurring of either kind of overdrafts in the provincial, city and municipal accounts. On the contrary, express provisions of law prohibit positively the incurring of overdrafts except under certain conditions. Local treasurers were instructed not to incur overdrafts at the end of the year. Any treasurer found with an overdraft during the year in spite of the fact that the income estimated in the budgets were subsequently fully realized are proceeded against administratively. Under this rule, several local government treasurers were administratively punished for incurring unauthorized overdrafts and for misuse of trust funds.

Below is a statement of the status of the general funds of provinces and cities as of June 30, 1962, showing their unappropriated balances or overdrafts, as the case may be.

Provinces	Unappropriated Balance or Overdraft	Cities	Unappropriated Balance or Overdraft
1. Abra .....	P8,330.38	1. Bacolod .....	P153,238.75
2. Agusan .....	2,208.88	2. Baguio .....	129,496.90
3. Aklan .....	(134,733.47)	3. Basilan .....	150,843.90
4. Albay .....	26,921.71	4. Butuan .....	232,901.95
5. Antique .....	43,475.41	5. Cabanatuan .....	6,186.97
6. Bataan .....	416,213.47	6. Cagayan de Oro.....	14,316.54
7. Batanes .....	5,354.99	7. Calbayog .....	(130,099.68)
8. Batangas .....	201,710.00	8. Calococan .....	375,151.80
9. Bohol .....	160,542.39	9. Cavite .....	7,212.23
10. Bukidnon .....	52,609.50	10. Cebu .....	277,232.04
11. Bulacan .....	103,828.04	11. Cotabato .....	(3,627.65)
12. Cagayan .....	748.95	12. Dagupan .....	48,406.07
13. Camarines Norte .....	26,709.43	13. Danao .....	53,905.25
14. Camarines Sur .....	1,344.00	14. Davao .....	206,536.84
15. Capiz .....	33,457.98	15. Dumaguete .....	123,064.49
16. Catanduanes .....	17,457.01	16. Gingoog .....	53,588.49
17. Cavite .....	3,865.32	17. Iligan .....	141,079.72
18. Cebu .....	(21,315.51)	18. Iloilo .....	200,485.88
19. Cotabato .....	185,693.73	19. Lapu-Lapu .....	34,765.11
20. Davao .....	7,657.60	20. Legaspi .....	48,785.40
21. Ilocos Norte .....	(47,822.25)	21. Lipa .....	46,706.37
22. Ilocos Sur .....	53,368.63	22. Lucena .....	19,911.48
23. Iloilo .....	23,718.53	23. Manila .....	36,602,408.75
24. Isabela .....	21,149.60	24. Marawi .....	5,902.40
25. Laguna .....	171,754.39	25. Naga .....	78,453.65
26. Lanao del Norte.....	4,305.00	26. Ormoc .....	15,805.61
27. Lanao del Sur .....	None	27. Ozamiz .....	91,129.69
28. La Union .....	None	28. Pasay .....	(1,929,826.27)
29. Leyte .....	9,225.99	29. Quezon .....	4,619,069.85
30. Southern Leyte .....	30,451.19	30. Roxas .....	108,154.91
31. Marinduque .....	(6,850.76)	31. San Carlos .....	187,355.28
32. Masbate .....	27,051.65	32. San Pablo .....	59,630.06
33. Misamis Occidental.....	101,503.24	33. Silay .....	140,685.08



Provinces	Unappropriated Balance or Overdraft	Cities	Unappropriated Balance or Overdraft
34. Misamis Oriental.....	8,509.42	34. Tacloban .....	43,684.14
35. Mt. Province .....	308,269.76	35. Tagaytay .....	492.32
36. Negros Occidental.....	309,350.88	36. Toledo .....	20,258.51
37. Negros Oriental.....	112,355.25	37. Trece Martires .....	3,947.19
38. Nueva Ecija .....	1,082.08	38. Zamboanga .....	115,476.52
39. Nueva Vizcaya .....	539.31		
40. Occidental Mindoro.....	11,949.89	Total .....	<u>P42,352,746.54</u>
41. Oriental Mindoro.....	50,954.47		
42. Palawan .....	30,884.74		
43. Pampanga .....	(366,220.17)		
44. Pangasinan .....	(351,687.08)		
45. Quezon .....	52,609.97		
46. Rizal .....	3,801,694.88		
47. Romblon .....	67,897.69		
48. Samar .....	(198,915.79)		
49. Sorsogon .....	2,837.08		
50. Sulu .....	58,105.62		
51. Surigao del Norte.....	9,007.37		
52. Surigao del Sur.....	45,134.27		
53. Tarlac .....	(22,161.13)		
54. Zambales .....	160,403.32		
55. Zamboanga del Norte....	14,364.78		
56. Zamboanga del Sur.....	None		
Total .....	<u>P5,636,902.43</u>		

The consolidated financial operations of the general funds of the various provinces, cities and municipalities for fiscal year 1961 are presented in Tables XIX, XX and XXI, respectively. The income for the principal funds, as well as the expenditures from the general funds, of provinces and cities in fiscal year 1962 are shown in Table XXII.

#### *D. Organization of Financial Agencies of Local Governments—*

As of June 30, 1962, there were fifty-six (56) provinces, four (4) sub-provinces, thirty-eight (38) chartered cities, and one thousand two hundred and sixty-one (1,261) municipalities in the Philippines, each of which, except the sub-provinces, has its own local treasury office. Each of the provinces and chartered cities also has an assessment service. The composition of these local financial agencies and the manner in which their officials and employees are appointed are as follows in accordance with existing rules and the Local Autonomy Act (R. A. No. 2264) :



Local Government	Service	Officials and Employees	Mode of Appointment
Province -----	Treasury -----	Provincial Treasurer (Head)	Recommended by the Secretary of Finance; appointed by the President of the Philippines; confirmed by the Commission on Appointments of Congress.
do -----	do -----	Assistant Provincial Treasurer and Administrative Deputies	Appointed by the Provincial Treasurer in accordance with Civil Service Law and Rules; approved by the Secretary of Finance and the Commissioner of Civil Service.
do -----	Assessment -----	Provincial Assessor or Ex-Officio Provincial Assessor (Head)	Same as the Provincial Treasurer.
do -----	do -----	Assistant Provincial Assessor	Appointed by the Provincial Assessor in accordance with Civil Service Law and Rules; approved by the Secretary of Finance and the Commissioner of Civil Service.
do -----	Treasury and Assessment	Subordinate Personnel	Appointed by the Provincial Governor in accordance with Civil Service Law and Rules; approved by the Commissioner of Civil Service.
City -----	Treasury -----	City Treasurer (Head)	Same as the Provincial Treasurer
do -----	do -----	Assistant City Treasurer	Appointed by the City Mayor in accordance with the City Charter and Civil Service Law and Rules; approved by the Commissioner of Civil Service.
do -----	Assessment -----	City Assessor or Ex-Officio City Assessor (Head).	Same as the Provincial Assessor
do -----	do -----	Assistant City Assessor	Same as the Assistant City Treasurer.
do -----	Treasury and Assessment		Same as the Assistant City Treasurer and Assessor.
Municipality -----	Treasury -----	Municipal Treasurer (Head)	Same as the Assistant Provincial Treasurer and Administrative Deputies.
do -----	do -----	Subordinate Personnel	Appointed by the Municipal Mayor in accordance with Civil Service Law and Rules; approved by the Commissioner of Civil Service.

\* The Assistant City Treasurer and Assessor of Manila are appointed by the President of the Philippines as per Charter of the City, upon the recommendation of the Secretary of Finance and subject to confirmation by the Commission on Appointments of Congress.

The appointment of provincial assessors is authorized under Section 7 of Commonwealth Act No. 470, as amended. However, only forty (40) of the fifty-six (56) provinces have separate assessment offices each headed by a regular fulltime assessor. In the case of chartered cities, the provisions of city charters invariably provide for the position of a city assessor, make the city treasurer ex-officio city assessor, or, as in the majority of cities, designate the city treasurer acting city assessor until the municipal board or city council provide otherwise. Of the thirty-eight (38) chartered cities in the country, only twenty-one (21) have separate assessment offices each headed by a regular fulltime assessor. The inability of certain local governments to employ fulltime assessors is a direct result of their poor financial condition.



Below is a list of the Provincial and City Treasurers and Assessors indicating therein by (X) the provinces and cities in which the Treasurers are ex-officio assessors.

*Roster of Provincial and City Treasurers and Assessors*

Provinces	Treasurers	Assessors
1. Abra .....	Esteban Andres .....	x
2. Agusan .....	Manuel P. de la Serna .....	Santos C. Cabaltera
3. Aklan .....	Benjamin Masangkay .....	x
4. Albay .....	Jose S. Guerrero (Actg.) ..	Manuel Lanuza
5. Antique .....	Teodorico Selorio (Actg.) ..	Rogelio A. Javier
6. Bataan .....	Jose L. Recio .....	x
7. Batanes .....	Santiago T. Razon (Actg.) ..	x
8. Batangas .....	Leonardo C. Gutierrez .....	Candido C. Enriquez
9. Bohol .....	Dionisio Borja .....	Getulio Calope
10. Bukidnon .....	Luis R. Llauder (Acting) ..	x
11. Bulacan .....	Pio V. Advincula .....	Agapito Marcelo
12. Cagayan .....	Leonardo Cuiyab (Actg.) ..	Inocencio Deza
13. Camarines Norte ..	Esteban Echano (Actg.) ..	Ernesto de Jesus (Actg.)
14. Camarines Sur .....	Melecio Palma .....	Ramon Ocampo
15. Capiz .....	Rodrigo V. Amistoso .....	x
16. Catanduanes .....	Perfecto Olarte .....	x
17. Cavite .....	Miguel Yuvienco .....	Artemio K. Medina
18. Cebu .....	Panfilo Dunque .....	Anatolio Yncino
19. Cotabato .....	Cornelio A. Español .....	Pacifico A. Gutierrez
20. Davao .....	Simplicio Montaño .....	Vicente Boot
21. Ilocos Norte .....	Matias M. Reyes .....	Jacinto V. Morales
22. Ilocos Sur .....	Jose Gabaldon .....	x
23. Iloilo .....	Leon C. Miraflores .....	Elias L. Villaluna
24. Isabela .....	Marcial Lianko .....	Eugenio A. Santos
25. La Union .....	Conrado Estrella .....	Ramon T. Zanduetta (In-Charge)
26. Laguna .....	Ricardo C. Buenafe (Actg.) ..	Arturo R. Calapas (Acting)
27. Lanao del Norte ..	Ramon L. Bitancor .....	Jorge Sheker
28. Lanao del Sur ....	Hadji Urang Naga .....	Shiek Cosain Naga
29. Leyte .....	Antonio N. Zabala .....	Sofronio Yu Libarios (Acting)
30. Southern Leyte ....	Calixto Carisma .....	x
31. Marinduque .....	Pedro A. Cabildo .....	Francisco Pamfilo
32. Masbate .....	Francisco D. Dimatera .....	x
33. Misamis Occidental	Pascual Caoile .....	Eugenio Codilla
34. Misamis Oriental ..	Jose Quirolgico .....	Arsenio M. Lim
35. Mountain Province	Domingo R. Calub .....	Romulo P. Zarate
36. Negros Occidental	Juan D. Taala .....	Dionisio Villaruz
37. Negros Oriental ..	Lazaro J. Alfabeto .....	Triunfo P. Alvarico
38. Nueva Ecija .....	Valentin Escuadro (Actg.) ..	Lazaro Francisco
39. Nueva Vizcaya ....	Gavino Pe Benito .....	x
40. Occidental Mindoro	Paulino Ganda .....	x
41. Oriental Mindoro ..	Primitivo Rondina .....	Zosimo C. Mendoza
42. Palawan .....	Gregorio A. Villena .....	Raimundo Buncag



Provinces	Treasurers	Assessors
43. Pampanga .....	Ambrasio G. Canivel .....	Gonzalo Beltran
44. Pangasinan .....	Licerio P. Sendaydiego ....	Jose Ungson
45. Quezon .....	Andres M. Llames .....	Eduvigio Antona
46. Rizal .....	Pedro K. Coronel .....	Pacifico Javier
47. Romblon .....	Damian Fadri (Actg.) ....	x
48. Samar .....	Francisco B. Mendiola	Liberato B. Cinco
	(Actg.) .....	
	Constancio Ferranco	
	(Under suspension) .....	
49. Sorsogon .....	Geronimo Garcia (Actg.) ..	x
50. Sulu .....	Francisco B. Mendiola (On	
	Sp. detail) .....	x
	Felix Casimiro (Actg.) ..	
51. Surigao del Norte	Crisanto B. Amores .....	Osorio Calejesan
52. Surigao del Sur ..	Prospero B. Pichay .....	Juan T. Paqueo
53. Tarlac .....	Pacifico Quinez (Actg.) ..	Eusebio Agustin
		(Acting)
54. Zambales .....	Marcelino Navaleza (Actg.)	Santiago Mantes
55. Zam. del Norte ..	Leon Barinaga .....	x
56. Zam. del Sur .....	Pedro L. Herrera .....	Placido Lumbay

## X—Treasurer ex-officio assessor

Y—Acting Provincial Treasurer of Samar during the  
suspension of Mr. Constancio Ferranco

## City

1. Bacolod .....	Alfredo Tambasen .....	Cirilo B. Gallos
2. Baguio .....	Domingo Cabali .....	Francisco D. Panajon
3. Basilan .....	Vicente Vasquez .....	x
4. Butuan .....	Modesto D. Piencenaves	Victor C. Lerias
	(Actg.) .....	
5. Cabanatuan .....	Primo U. Ferrer .....	Ricardo Cerin
6. Cagayan de Oro ..	Leoncio B. Mendoza .....	x
7. Calbayog .....	Julio Amores .....	x
8. Caloocan .....	Amado A. Oliveros .....	x
9. Cavite .....	Gorgonio Bustamante .....	x
10. Cebu .....	Panfilo Dunque (Actg.) ..	Cipriano Trinidad
11. Cotabato .....	Augusto Pacis .....	x
12. Dagupan .....	Domingo T. Parras .....	Marcelino V. Villamil
13. Danao .....	Delfin A. Cabigon .....	Loreta Durano
14. Davao .....	Maximino Asistido .....	Nicolas Catiil
15. Dumaguete .....	Paterio A. Torres .....	Avelino Quiamco
16. Gingoog .....	Cleto Bagaipo (Actg.) ....	Leopoldo Rubin
		(Acting)
17. Iligan .....	Daniel E. Tuazon (Actg.) ..	Agustin Pilar
18. Iloilo .....	Enrique D. Gaborne .....	x
19. Lapu-Lapu .....	Eugenio Vaño .....	Amando Amores
20. Legaspi .....	Felino Belen .....	Illuminado A. Romero
21. Lipa .....	Gabriel S. Africa (Actg.)	Pablo D. Umali



22. Lucena .....	Eliseo B. Palilio (Actg.) ..	x
23. Manila .....	Manuel Cudiamat .....	Honorato Edaño
24. Marawi .....	Demetrio A. Dichoso .....	x
25. Naga .....	Zoilo Balmaceda .....	Aurelio Rojano (Acting)
26. Ormoc .....	Menandro J. Tavera .....	Geronimo Capahi
27. Ozamis .....	Maximo Lago .....	x
28. Pasay .....	Ceferino Fuentes .....	Rogaciano de Leon
29. Quezon .....	Conrado Hernandez .....	Moises B. Romero
30. Roxas .....	Miguel Reynaldo .....	x
31. San Carlos .....	Tirso Santillan .....	x
32. San Pablo .....	Serafin Fule (Actg.) .....	Adelo Belen
33. Silay .....	Gregorio Alfabeto .....	x
34. Tacloban .....	Bernardo B. Agustin .....	x
35. Tagaytay .....	Vicente O. Celestial .....	x
36. Toledo .....	Simeon Casia (Actg.) .....	x
37. Trece Martires ..	Miguel Yuvienco .....	x
38. Zamboanga .....	Ramon G. Regondola .....	Jose Bucoy
39. Canlaon .....	(Not yet formally organized)	

X—Treasurer ex-officio assessor

*E. Safekeeping of Funds and Property by the Fiscal Officers of local Governments—*

There are more than eleven thousand five hundred (11,500) officials and employees in the local treasury and assessment services who, under the law and regulations, are accountable for funds and property in their custody. By the very nature of their duties and responsibilities, the integrity of their office is often the subject of scrutiny by our citizenry with whom they are in closest contact. It is for this reason that the Department of Finance has bound itself to take all precautionary measures against the commission by these local fiscal officers of malfeasance and irregularities to strengthen the confidence and trust of our people in the Government. The campaign against dishonesty and all forms of official misconduct was pursued with more vigor during the year under review. The result was that in fiscal year 1962, there were less cases involving irregularities in the safekeeping of funds and property committed by fiscal officers of local governments handled by this Department than during the preceding fiscal year.

For the period from July 1, 1961 to June 30, 1962, one hundred seventy-six (176) such cases were handled, of which one hundred sixty-four (164) were submitted to the Commissioner of Civil Service for decision and twelve (12) cases,



referred to provincial and city authorities for investigation or reinvestigation. The number of such cases handled by this Department in fiscal year 1961 was two hundred forty-five (245).

*Management of Cash of the National Treasury*

The cash requirements of the National Government for all funds have increased to an average of ₱80 million monthly, more or less, so that the management of cash of the different funds of the National Government in the custody of the National Treasury has grown to be a function of great magnitude. For the management and control of the cash transactions of the National Government, the Claims and Accounts and the Fiscal Planning divisions of the National Treasury are now coordinatedly preparing three cash statements—the daily, weekly and monthly summary cash statements.

The Revised Administrative Code requires the Treasury to prepare daily accounts of receipts and disbursements of Treasury funds. The daily cash statement now being prepared shows the location, the beginning and ending balances and the excess or deficiency of receipts over disbursements of the cash for each fund during the day. The creation of the Claims and Accounts Division and the substitution of the Invoice of Funds by the Remittance Advice form has improved the remittance system in that the time lag of the daily statements has been reduced from one or two months to one or two days behind, which is the highest efficiency so far attained as of the close of the year. The improvement of the remittance system has made possible the issuance of an up-to-date daily cash statement and the preparation of up-to-date reconciliation statements of bank accounts of the Treasury with its depository banks (Central Bank of the Philippines and the Philippine National Bank). The coordination between the Cash Division, handling the cash transactions, and the Claims and Accounts Division which accounts for such transactions, have made the Treasury operate like an ordinary bank. Since the transfer of the keeping and maintenance of the Accounts Current from the General Auditing Office to the Bureau of the Treasury, the latter is more in full grasp of the cash movements and transactions of the National Treasury.

The Planning Division prepares the weekly, monthly and yearly cash management statements which summarizes the



cash flow into and out of the national coffers. The statements furnish the fiscal officials and the government depository banks like the Central Bank and the Philippine National Bank ready information and data on cash receipts and disbursements of the National Government. The statements reflect how much has been withdrawn from the economy in tax revenues and also how much has been injected into the same economy by disbursements accelerating economic activities.

A more realistic forecast of cash receipts and disbursements is now possible. Governmental activities with expenditures growing faster than resources of receipts have made cash forecasts a necessity. Such forecasts predict possible gaps between future collections and disbursements and alert the fiscal officials to prepare remedial steps to be taken should the probable receipts fall short of the disbursements programmed.

Samples of the daily, weekly and monthly cash statements being prepared for the management and control of cash transactions are herein shown as Table Nos. XXII, XIV and XV, respectively.

*Daily Statement of Available Cash*

The Daily Cash Statement (Treasury Cash and Accounts Current) showing the beginning and ending fund balances and location of cash for each of the funds under the accountability of the National Treasurer and the net increase or decrease of the cash during the day, makes possible for the Department of Finance to determine the amount and location of cash available for the daily government operations every morning as of the opening hours of work which may be located in the Treasury vault, in the Central Bank and in the Philippine National Bank. The segregation in the statement of the respective balance of cash of each of the different funds is necessary because of the need of information from day to day of the amount of cash of the General Fund available to finance the ordinary expenditures of the Government. The various special, fiduciary and other funds have always had sufficient balances and their management to prevent deficits has caused no serious problem.

The collection of the City of Manila and suburban cities are immediately within the accountability of the National Treasurer and they compose approximately 80 per cent of the over-all receipts of the National Government.



If at times the cash balance of the General Fund is about to be, or is in the red, temporary advances to meet general government expenditures from the Central Bank as authorized under Section 95 of Republic Act No. 265 are resorted to. Borrowings thereon are supposed to be repaid from the General Fund receipts within the first quarter of the next succeeding fiscal year.

In previous years, the unstable cash position of the General Fund is partly relieved by borrowings from the Special Funds which has much idle cash in the Treasury and whose balances manifested negligible changes during the fiscal years. But because of the existing laws and/or regulations governing the use of funds and the improvement of the cash position of the General Fund through fiscal year 1961, such borrowings from the Special Funds have been totally stopped.

#### SUMMARY OF ADMINISTRATIVE OPERATION

The following are the bureaus and offices of the Department:

1. Office of the Secretary
2. Bureau of Customs
3. Bureau of Internal Revenue
4. Bureau of the Treasury
5. Office of the Insurance Commissioner

The Secretary of Finance, subject to the supervision and control of the President of the Philippines in matters of general policy, exercises direct supervision and control over these bureaus and offices, as well as over the Special Tax Revision Commission, Tobacco Board, Board of Marine Inquiry and Embroidery and Appeal Control and Inspection Board. Through them, the functions of the Department are being exercised. Said functions in broad terms are as follows:

a. The enforcement of internal revenue laws and collection of revenue taxes by the Bureau of Internal Revenue;

b. The enforcement of customs and maritime laws and regulations, the collection of customs duties, special import taxes, tonnage dues, wharfage and other charges by the Bureau of Customs;

c. Supervision and control over insurance, mutual benefits, relief and benevolent societies and associations and charitable trusts by the Office of the Insurance Commissioner;

d. Supervision and control of the Government's financial transactions, receipts, safekeeping and custody and disburse-



ments of general and special funds by the Bureau of the Treasury;

*e.* The administration of tax-exemption statute (Republic Act No. 35, as amended) and its implementing rules and regulations;

*f.* General supervision over the financial affairs of local governments; and

*g.* Collaboration with other fiscal agencies; the Budget Commission, governmental banks and financial institutions for the projection and/or formulation of economic, fiscal and monetary policies at national level. Through the monetary board of which the Secretary of Finance is the Chairman and the Fiscal Policy Council of which he is a member, the Department exerts its important role in shaping monetary and fiscal policies of the nation.

To carry out more effectively its executive functions of control, direction and supervision over the bureaus and offices under its jurisdiction, a change in the organizational set-up of the Office of the Secretary was effected pursuant to Republic Act No. 3100. The National Finance Division was abolished but three divisions were created, namely: the Management Control Division, Statistics and Publication Division and Personnel Division. Three executive positions were created: the Assistant Secretary for Fiscal Affairs, Assistant Secretary for Administrative Affairs and Department Legal Counsel. These changes were effected to bring about more specialization in work performance in order to meet the increasing volume of activities on the Department and thus bring about quantitative and qualitative improvement in production and economy in cost.

Under the present organizational set-up in the Department Proper (Office of the Secretary) the Secretary is aided by his office staff, the Undersecretary and his staff and the different divisions with their staffs divided into two distinct groups, namely, those concerned with fiscal affairs and those which deal on administrative matters, headed by an Assistant Secretary for Fiscal Affairs and an Assistant Secretary for Administrative Affairs; respectively. The organizational set up of the Department (proper) is as follows:

#### I. Office of the Secretary

(a) Executive Assistants

(b) Department Legal Counsel



- (c) Intelligence Division
- (d) Clerical Staff

## II. Office of the Undersecretary

- (a) Career Services Training Staff
- (b) Clerical Unit

## III. Assistant Secretary for Fiscal Affairs

1. Revenue Promotion Division
  - (a) Internal Revenue Section
  - (b) Customs and Tariff Section
  - (c) Tax Research Section
  - (d) Economic Incentive Section
2. Public Debt Management Division
  - (a) Planning Section
  - (b) Fiscal and Amortization Section
3. Local Government Finance Division
  - (a) Assessment and Taxation Section
  - (b) Budget Review Section
4. Statistics and Publication Division
  - (a) National Finance Section
  - (b) Local Finance Section
  - (c) New Industries Section
  - (d) Publication Section

## IV. Assistant Secretary for Administrative Affairs

1. Investigation Division
2. Personnel Division
  - (a) Personnel Transaction Section
  - (b) Miscellaneous Personnel Services Section
3. Management Control Division
  - (a) Budget Section
  - (b) Organization and Methods Section
4. General Services Division
  - (a) Records Section
  - (b) Cash and Property Section
  - (c) Medical and Dental Clinic
  - (d) Building Service Section
  - (e) Library
5. Department Accounting Division
  - (a) Section for the office of the Secretary
  - (b) Section for the Office of the Insurance Commissioner



A more detailed description of the organizational set up of the different bureaus and offices under the Department is shown in the charts of the corresponding agencies.

During the year under consideration, the Secretary of Finance is either a chairman or a member of the following boards or committees:

1. Chairman, Monetary Board, Central Bank of the Philippines (R. A. No. 265)
2. Chairman, Fertilizer Bid Committee (R. A. No. 1609 as amended, and R. A. No. 2084)
3. Member, Council of State Screening Committee
4. Member, Joint Legislative Executive Tax Commission
5. Member, Jose Rizal Centennial Commission
6. Member, Fiscal Policy Council
7. Member, UNICEF Program of the Philippines
8. Member, Council of State
9. Member, New Marikina Project Coordinating Committee
10. Member, Special Committee on Integrated Steel Mill Projects
11. Member, Committee on Virginia Tobacco Leaf Importation

As of June 30, 1962, there were 218 officials and employees in the Department of Finance (Proper) whose positions were authorized under R. A. No. 3100. In addition thereto, there were 33 officials and employees in the newly organized Intelligence Division created under Department Order No. 6, dated March 1, 1960. The distribution of the personnel is as follows:

Staff of the Secretary and Undersecretary .....	23
Staff of the Assistant Secretaries .....	2
Department Legal Counsel .....	1
Career Services Training Staff .....	2
Revenue Promotion Division .....	28
Public Debt Management Division .....	12
Local Government Finance Division .....	26
Statistics and Publication Division .....	18
Investigation Division .....	20
Personnel Division .....	12
Management Control Division .....	6
General Services Division .....	51
Department Accounting Division .....	8
<b>Total .....</b>	<b>218</b>

The exigencies of the time and circumstances constantly impose new duties upon the state in directing its attention more and more to the social and economic functions of the government. The efforts started by the Department of Finance in



the preceding years for the improvement of management with particular emphasis towards the (a) modernization of office methods and procedure to achieve greater economy, efficiency and effectiveness in operation and (b) the promotion of a higher level of honesty and integrity as countermoves against graft and corruption within the sensitive areas in the agencies of the Department, particularly in the Bureau of Customs and Bureau of Internal Revenue, have been continued with greater emphasis and enthusiasm.

Towards these ends, the Secretary of Finance issued Department Orders, Memoranda and Provincial Circulars to guide the employees in implementing the above policies. Rules and regulations both for the fiscal and administrative affairs were promulgated from time to time to carry out the economic functions of the state, the most significant of which are enumerated hereunder:

1. Department Order No. 5062 (Exhibit No. 2) prescribing the standardized classification and/or identification of the different regulations, orders, circulars, memoranda, etc. issued by the Secretary of Finance as well as those by the heads of bureaus and offices under the Department, to avoid confusion and thereby facilitate codification and implementation thereof.

2. Department Order No. 6-62 (Exhibit No. 3) which sets a procedure in the receipt, action and processing of all applications for release of importations by New and Necessary Industries under R. A. No. 901, as amended.

3. Department Order No. 8-62 (Exhibit No. 5) ordering the transfer of all pertinent records of cases regarding the personnel of this Department and its agencies to the Investigation Division of the Department.

4. Department Order No. 12-62 (Exhibit 9) calling for the issuance of the "Department of Finance Bulletin" to serve as a dependable source of information pertinent to the functions of the Department as well as its agencies.

5. Department Order No. 13-62 (Exhibit No. 10) revising some pertinent portions of Department Order No. 289-A series of 1957, on the evaluation of cars imported for personal use.

6. Department Order No. 16-62 (Exhibit No. 14) creating a Committee to direct, control and supervise the Finance-Customs BIR Investigation Group in determining the tax liabilities of various textile and/or embroidery firms.



7. Department Order No. 18-62 (Exhibit No. 16) creating a Finance-BIR Mobile Team to investigate and/or reinvestigate cases involving tax fraud or tax evasion.

8. Department Order No. 23-62 (Exhibit No. 17) enjoining all Provincial and City Treasurers to make proper disbursement of local funds, especially appropriations for sundries which should be intended for a twelve month period.

9. Department Order No. 23-62 (Exhibit No. 18) prescribing a procedure in the selection for promotion and recruitment of personnel in the bureaus and offices in the Department.

10. Memorandum Circular No. 1-62 (Exhibit No. 19) quoting Rule IX of the Civil Service Rule and Regulations on the prohibition of lobbying by officials and employees in the Commission on Appointments of the Congress of the Philippines for purposes of obtaining recommendations for promotions from politicians.

11. Memorandum Circular No. 3-62 (Exhibit No. 21) quoting the pertinent portion of Executive Order No. 4 promulgated on January 18, 1962, empowering the Presidential Anti-Graft Committee to have direct access to all books, documents, papers or records of all government offices.

12. Memorandum Circular No. 4-62 (Exhibit No. 22) quoting a directive of the Office of the President dated February 19, 1962, re-submission of a monthly report of the important activities of the Department and its agencies.

13. Memorandum Circular No. 13-62 (Exhibit No. 27) for compliance with the request of the Chairman of the National Economic Council to submit a report of a program of development for the next five years of the Department of Finance.

14. Memorandum Circular No. 16-62 (Exhibit No. 28) calling for the submission of plans for the effective implementation of the President's Five-Year Integrated Socio-Economic Program.

15. Memorandum Circular No. 22-62 (Exhibit No. 32) enjoining all public officials and employees to cooperate to the fullest extent in the current drive against smuggling and selling of smuggled "blue seal" cigarettes.

16. Memorandum Circular No. 31-62 (Exhibit No. 33) regarding instructions for the immediate liquidation of unexpended balances of cash advances received from the National Government and submittal by local governments of originals or certified true copies of bills covering unsettled account receivable from the National bureaus and offices.



17. Provincial Circular dated August 17, 1961 (Exhibit No. 34) requesting the cooperation of all provincial and city treasurers and/or assessors and municipal treasurers in connection with "Operation Normal Prices" and instructing them to report any incident of price violation to the nearest PC Commander/Officer, the Commercial Agent of the Bureau of Commerce, the Chief of Police or the Mayor concerned.

*The Campaign Against Graft and Corruption*

The drive against graft and corruption by the Department during the year under review was given greater emphasis in order to ferret out the corrupt and undesirable officials and employees.

As of June 30, 1962, the Department Proper handled 2,400 administrative cases. The status of said cases at the close of the fiscal period 1962 is as follows:

Number of cases handled during the year .....	2,400
Number of cases without formal charges handled during the year .....	1,935
Number of cases with formal charges handled during the year .....	465
Number of cases with formal charges closed during the year .....	363
Number of cases still under study and/or preliminary investigation and evaluation .....	102

*Status of Closed Cases*

Number of cases referred to the Civil Service Commission for decision .....	135
Number of cases in which penalties were imposed by the Civil Service Commission .....	176
Number of cases dropped for lack of evidence .....	29
Number of cases in which respondents were acquitted and/or exonerated by the Civil Service Commission .....	22
Number of cases decided at Departmental Level .....	1
Total number of cases closed during the year.....	363

The drive to weed out the misfits and corrupt officials and employees in the Department in order to restore the people's confidence in their government is one of the major policies of the new administration. In the Department of Finance, particularly in the Bureau of Customs and the Bureau of Internal Revenue, the Secretary of Finance has declared an all out war against those erring officials and employees. Personnel of the bureaus and offices under the Department including those of the local governments who were charged administratively for



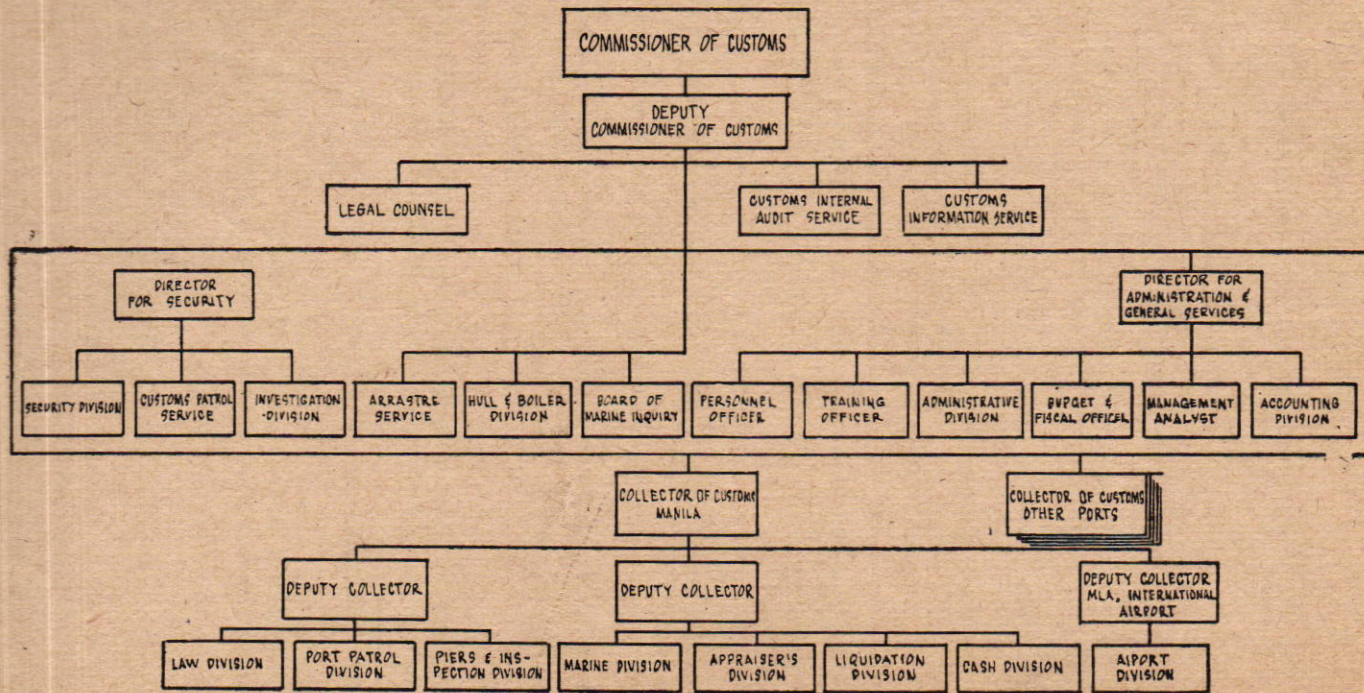
various offenses were tried as fast as possible and the evidence presented by those indicted were carefully and diligently evaluated. Findings of facts and law are either decided at Department level, or forwarded to the Commission of Civil Service for decision. At the close of the fiscal year ended June 30, 1962, there were 2,400 administrative cases disposed of and/or evaluated involving the personnel of the Department and of the bureaus and offices under it including those in the local governments.

Another move of the Department in its relentless drive against graft and corruption was the issuance of Memorandum Circular No. 3-62 dated February 2, 1962, barely two months from the time the new administration took hold the reins of the government, quoting for the information and guidance of all concerned, Executive Order No. 4, series 1962, empowering the Presidential Anti-Graft Committee to have direct access to all books, documents, papers or records of all government offices. This policy launched by the new administration against dishonesty has minimized and curtailed the spread of graft and corruption within the Department.

In the handling of administrative cases, the policy followed in the preceding year was also followed through the year under review. Under the arrangement, in view of the lack of hearing personnel in the Department, investigations of administrative cases either preliminary or formal, were conducted first by the agencies concerned. The findings and recommendations thereon are forwarded to the Department for review and/or confirmation of decision. However, should there be cases wherein the Department considers it necessary to conduct a re-investigation or rehearing of the case, it is either returned to the bureau concerned for reinvestigation and/or rehearing, or the Department may conduct its re-investigation or rehearing. The arrangement does not forego the prerogative of the Department to conduct motu-proprio investigations and hearings of any case by its own investigators.



# ORGANIZATIONAL CHART OF THE BUREAU OF CUSTOMS





## **BUREAU OF CUSTOMS**

### **FUNCTIONAL STATEMENT OF THE BUREAU OF CUSTOMS FY 1962**

#### **COMMISSIONER OF CUSTOMS:**

- (1) Supervises all activities of Collectors of Customs.
- (2) Enforces Customs and Tariff laws and other laws and regulations administered by the Bureau.
- (3) Formulates policies and promulgates rules and regulations for the enforcement of Customs and Tariff laws and issues orders governing the operations of the Ports of entry.
- (4) Revises decisions of Collectors of Customs in protests and seizure cases on appeal.
- (5) Recommends to the Secretary of Finance personnel actions concerning officials and employees of the Bureau.
- (6) Supervises arrastre services at different ports of entry.

#### **DEPUTY COMMISSIONER OF CUSTOMS:**

- (1) Supervises Customs ports in so far as administration and collection of revenues are concerned.
- (2) Assumes the duties and responsibilities of the Commissioner during his absence.

#### **LEGAL COUNSEL:**

- (1) Acts as legal adviser and consultant to the Commissioner of Customs.
- (2) Collaborates with the Solicitor General in the prosecution of tax cases.
- (3) Studies and recommends action on request of Collectors of Customs for authority to accept compromise fines.

#### **CUSTOMS INTERNAL AUDIT SERVICE:**

- (1) Ascertains:
  - (a) That all collections are accounted for properly and promptly;
  - (b) That all disbursements are in accordance with legislative intent;
  - (c) That all properties of the Bureau are accounted for and properly safeguarded;
  - (d) That the books of accounts of the Bureau are kept up-to-date and show factual data which they purport to represent.
- (2) Re-examines methods and procedures and recommendation of changes to increase efficiency.

#### **CUSTOMS INFORMATION SERVICE:**

- (1) Accumulates and maintains a record of value and classifications;
- (2) Forwards value and classification information to appraising officer.
- (3) Supervises, controls and coordinates the functions of the Customs Laboratory.



**DIRECTOR FOR SECURITY:**

(1) Exercises overall supervision over customs enforcement and patrol activities, including protection of revenue, anti-smuggling, security of installation and Customs property, and maintenance of peace and order.

(2) Supervises and coordinates the activities of the Security Division, Investigation Division, as well as the Customs Patrol Service.

**SECURITY DIVISION:**

(1) Responsible for the security of Bureau's personnel, property, equipment and installations.

(2) Investigates smuggling, subversion espionage, frauds and evasion of Customs laws and regulations, complaints against the Customs Service, and market value, cost and classification for proper valuation and assessment of taxes.

(3) Conducts searches, seizures, and arrests in Customs premises whenever there is a violation of Customs laws and regulations.

**CUSTOMS PATROL SERVICE:**

(1) Supervises, controls and coordinates the functions of the Shore Patrol and Harbor Patrol.

**CUSTOMS LAUNCH SERVICE:**

(1) Supervises, controls and coordinates the functions of the Maintenance, Launches, Motor Pool, and Communications.

(2) Provides maintenance and repair service for all Customs vehicles being used in operation.

(3) Provides maintenance and repair of all customs launches and speedboats and other seacrafts which are being used by the port of Manila and subports.

(4) Handles the housing of all motor vehicles so that they may be available anytime as the occasion demands.

**INVESTIGATION DIVISION:**

(1) Checks merchandise and reviews entries for under or over valuation and/or misrepresentation.

(2) Checks compliance with pertinent laws and regulations, such as anti-dumping, code classification, etc.

**ARRASTRE SERVICE:**

(1) Supervises arrastre accounts of all arrastre contracts in the Philippines.

(2) Insures the contractor's compliance with contract and Customs laws and regulations.

(3) Handles appeals from arrastre claims decisions, and handles arrastre service complaints.

(4) Coordinates with Director of Security on arrastre police activities.

(5) Supervises proper use of government facilities, and attends to port area improvement plan.

**HULL AND BOILER DIVISION:**

(1) Conducts admeasurements, re-admeasurement and inspection of vessels.



**BOARD OF MARINE INQUIRY:**

- (1) Conducts hearing and formulates decisions on marine accidents.

**DIRECTOR FOR ADMINISTRATION AND GENERAL AFFAIRS:**

- (1) Supervises, controls and coordinates the functions of the Personnel Officer, Training Officer; Administrative Division, Budget and Fiscal Officer and Management Analyst.

**PERSONNEL OFFICER:**

- (1) Maintains personnel records.
- (2) Attends to personnel actions, such as recruitment, appointment, promotions, removal, etc.
- (3) Directs personnel management in the Bureau.

**TRAINING OFFICER:**

- (1) Develops and administers an in-service training program for the Bureau to improve capacity of personnel and obtain maximum utilization of skills.

**ADMINISTRATIVE DIVISION:**

- (1) Keeps and maintains records of the Bureau
- (2) Attends to duplicating, mail and messenger service of the Bureau.
- (3) Procures, keeps and distributes supplies and equipment.
- (4) Attends to building maintenance.

**BUDGET AND FISCAL OFFICER:**

- (1) Prepares financial reports for various offices.
- (2) Prepares bureau's budget and its justification.
- (3) Compiles and prepare statistics of the Bureau.

**MANAGEMENT ANALYST:**

- (1) Responsible for planning and implementing management improvement program.
- (2) Conducts work simplifications, production control, plans layout, statistical control, and related studies to reduce delays and increase efficiency and effectiveness of customs operations.
- (3) Conducts organizational studies to establish better relationship between control and field offices.

**ACCOUNTING DIVISION:**

- (1) Directs and supervises the accounting activities.
- (2) Gives technical advise on financial matters.
- (3) Submits financial statement and reports.
- (4) Implements administrative and financial policies.
- (5) Ascertains that accounting and auditing relations are observed.
- (6) Certifies to the correctness of vouchers, journals, bills, financial statements and other reports.
- (7) Certifies to availability of funds and/or allotments.

**COLLECTORS OF CUSTOMS—MANILA AND OTHER PORTS OF ENTRY:**

- (1) Have jurisdiction over all matters arising from the enforcement of tariff and customs laws within their respective districts.



- (2) Assess and collects duties, taxes, dues and fees.
- (3) Decide seizures and protests cases arising from collection of duties and on matters effecting violation of customs laws.
- (4) Impose short charges on importers, vessels and other parties for violation of customs laws and regulations.
- (5) Supervise Customs brokers in the Port of Manila.
- (6) Supervise pilotage and arrastre service in the Port of Manila.
- (7) Issue port facilities.
- (8) Prescribe local administrative regulations for the Port of Manila.

#### **DEPUTY COLLECTOR:**

- (1) Acts as the immediate assistant of the Collector.
- (2) Assumes responsibility on administrative matters in the Port of Manila.
- (3) Supervises the activities of the Law Division, Port Patrol Division, Administrative Service Section, and Piers and Inspectors Division.

#### **LAW DIVISION:**

- (1) Conducts hearings in protests and seizures cases and other violations of customs laws and regulations and prepare recommendations and decisions for the Collector.
- (2) Conducts legal research and submits opinions on cases involving questions of law.
- (3) Takes charge of the processing and receipt of Customs bonds and their cancellations.
- (4) Processes applications for license to engage in and operate Customs brokerage business.
- (5) Acts as legal adviser and consultant to the Collector of Customs.

#### **PORT PATROL DIVISION:**

- (1) Regulates traffic within Customs premises including piers and wharves.
- (2) Guards government property within Customs premises.
- (3) Takes into custody persons arrested for violation of Customs laws and regulations and turning them over to proper authorities for detention pending action in court.
- (4) Prevents pilferage and thievery in the piers and Customs premises and apprehensions of perpetrators thereof.
- (5) Conducts searches, seizures and arrests in the Port, in vessels, or in piers whenever there is reasonable suspicion of violation of Customs laws and regulations.

#### **PIERS AND INSPECTORS DIVISION:**

- (1) Supervises entrance, clearance and berthing of foreign and local vessels.
- (2) Supervises and control all cargoes discharged and loaded on board foreign and local vessels.
- (3) Requires the collection of berthing, storage and rental fees.
- (4) Enforces customs, marine and harbor regulations.

#### **DEPUTY COLLECTOR FOR ENTRIES:**

- (1) Processes import and export entries.
- (2) Recommends issuance of special permits for delivery of perishable



merchandise and transshipment of overlanded cargoes to the Collector.

(3) Keeps a proper record of goods stored in bonded warehouse pending re-exportation or release upon payment of duties and takes and liquidating corresponding withdrawn entries.

(4) Handles the registration and documentation of vessels of Philippine registry.

#### **APPRAISERS DIVISION:**

(1) Examines and appraises imported merchandise.

(2) Determines tariff classification of such merchandise and assessment duties to be levied thereon.

(3) Makes return on imported entries, and internal revenue statements giving quantities, description, dutiable weights, and taxable values of the articles covered by the entries and internal revenue statements, and the tariff paragraphs and rate of duties and internal revenue taxes applicable thereon.

(4) Authorizes delivery of imported goods after examination and appraisal upon ascertaining that customs duties and internal revenue taxes due thereon have been paid or secured to be paid.

(5) Responsible for the enforcement of import and export laws and regulations.

#### **LIQUIDATION DIVISION:**

(1) Determines correct dutiable volume of consumption entries for proper collection of Customs duties and the gross value of all importations, for all internal revenue tax purposes.

(2) Verifies rates made by the Appraisers Division on entries and internal revenue statements.

(3) Compute fines to be imposed upon imports.

(4) Prepare statements of refund setting forth the amount to be refunded on account of protest as well as to claims duly approved.

(5) Liquidates drawback applications.

#### **CASH DIVISION:**

(1) Attends to the collection of all customs duties, internal revenue taxes and other fees, dues and fines.

(2) Deposits daily collections with the National Treasury.

(3) Makes daily report of all collections for the port of Manila.

(4) Has custody of all customs documentary stamps for sale to the public.

#### **DEPUTY COLLECTOR (MANILA INTERNATIONAL AIRPORT):**

(1) Responsible for the assessment and collection of Customs duties, taxes and the enforcement of all customs laws and regulations at the airport.

(2) Enforces Customs laws and regulations relating to imports, foreign exchange and export at the airport.

(3) Assesses and collects all revenues on goods imported and exported through the airport.

(4) Prosecutes seizures cases before the law Division.

(5) Maintains surveillance of airport premises to prevent smuggling.



**REPORT OF OPERATIONS OF THE BUREAU OF CUSTOMS**

Pursuant to Sec. 1139 of the Revised Administrative Code, the general duties, powers, and jurisdiction of the Bureau of Customs shall include:

- (A) The admeasurement, registration, documenting and licensing of vessels built or owned in the Philippines, the recording of sales, transfers and encumbrances of such vessels and performance of all the duties pertaining to commercial register;
- (B) The general supervision, control and regulation of the coastwise trade and in the carrying or towing of passengers and freight in the bays and rivers of the Philippines;
- (C) The prohibition and supervision of unnecessary noises such as explosion of gasoline, engines, the excessive sounding of whistles or sirens and other needless and disturbing sounds made by water craft in the ports of the Philippines or in parts of rivers included in such parts;
- (D) The exclusion, if the conditions of the traffic should at any time so require, of vessels of more than one hundred and fifty tons from entering, berthing, or mooring in the Pasig River for any other purpose than to obtain necessary repairs not procurable in Manila Bay;
- (E) The examination and licensing of marine officers to be carried on Philippine vessels, the determination of the qualification of pilots, the regulation of their services and the fixing of the fees which they may charge;
- (F) The supervision and control over the entrance and clearance of vessels, whether engaged in domestic or foreign commerce; the inspection of Philippine vessels, and supervision over the safety and sanitation of such vessels;
- (G) The enforcement of customs laws and, in collaboration with other agencies, other Laws of the Philippines relating to commerce, navigation, immigration and quarantine;
- (H) The collecting or securing of the lawful revenue from dutiable merchandise and from tonnage dues and wharf charges; the collection or securing of all other dues, fees, fines and penalties accruing under the customs laws; and the prevention and suppression of smuggling and other frauds upon the customs;
- (I) The supervision and control over the handling of foreign mails arriving in the Philippines, for the purpose of the collection of the lawful duty on dutiable articles thus imported and the prevention of smuggling through the medium of such mails;
- (J) The construction, repair, maintenance, and operation of vessels belonging to or under the control of the Bureaus; the maintenance, lighting, inspection and superintendence of lighthouse; and the care and maintenance of buoys, beacons, lightships, navigation marks and their appurtenances and general superintendence over interisland water transportation;
- (K) The maintenance and enforcement in the Philippines of the laws and treaties concerning commercial intercourse and im-



migration; the shipping, protection and care of merchant seamen; the exclusion of stowaways arriving in the Philippines and the arrest, detention and transportation of such as unlawfully disembark therein; and the supplying of subsistence and giving of aid to shipwrecked sailors or other persons in distress, in conformity with maritime usage.

## RECEIPTS AND EXPENDITURES

### A. Receipts—

During the fiscal year 1961-1962, the total gross receipts of the Bureau of Customs from all sources, comprising customs revenue collections, including those for other offices of the government, such as internal revenue collections, Highways and Portworks Funds, amounted to ₱493,066,872 as compared to ₱429,066,516 of the preceding fiscal year, or an increase by 15 per cent or by ₱64,000,356.

A comparative statement of the gross receipts of the Bureau for the General Fund, Portworks Fund and Highway Special Fund, collected during the fiscal year 1961-1962 are as follows:

General Fund	1961-1962	1960-1961	Increase (Decrease)
Customs duties and taxes	₱304,829,972.00	₱253,233,857.00	₱51,606,115.00
Internal Revenue taxes ....	150,902,106.00	121,958,073.00	28,944,133.00
Port Works Fund .....	24,147,178.00	21,802,723.00	2,338,455.00
Highway Special Fund ..	13,177,516.00	32,065,863.00	(18,888,347.00)
Total .....	₱493,066,872.00	₱429,066,516.00	₱64,000,356.00

The increase of customs revenues during the fiscal period under review is attributed to the following circumstances:

1. Lifting of exemption from special import tax on articles imported by tax-exempt industries, effective June 1, 1959 under the provisions of Republic Act No. 2351;

2. Imposition of taxes on importations of tax-exempt industries at the rate of 10 per cent in CY 1959, 25 per cent in CY 1960, 50 per cent in CY 1961 and 90 per cent in CY 1962; of the total taxes due;

3. Discontinuance of exemption from import duty and compensating tax on goods brought in by returning residents and those imported by residents for personal use;

4. The decontrol on foreign exchange resulting to the free market rate in the conversion of foreign currencies into Philippine currency in the determination of the value subject to tax;



5. Increase of rate of customs duties on goods coming from U. S. from 50 per cent to 75 per cent of what is due beginning January 1, 1962.

The following is a comparative statement of income from all sources by ports during F. Y. 1962 and F. Y. 1961:

*Income of the Different Ports of Entry from all Sources  
During F. Y. 1962 as Compared with those of F. Y. 1961*

	1961-1962	1960-1961	Increase (Decrease)
Manila .....	P432,734,355.00	P356,097,576.00	P76,636,779.00
Aparri .....	339,451.00	68,067.00	271,384.00
Jose Pañaniban .....	388,791.00	374,891.00	13,900.00
Legaspi-Tabaco .....	158,758.00	464,087.00	(305,329.00)
Iloilo .....	7,951,578.00	10,009,882.00	(2,058,304.00)
Cebu .....	18,857,662.00	31,122,115.00	(12,264,453.00)
Tacloban .....	328,997.00	967,432.00	(638,435.00)
Zamboanga .....	1,137,013.00	954,799.00	182,214.00
Davao .....	2,270,740.00	4,097,933.00	(1,827,193.00)
Jolo .....	142,028.00	215,676.00	(73,648.00)
San Fernando .....	2,375,647.00	5,913,473.00	(3,537,826.00)
Cagayan de Oro .....	3,427,151.00	3,018,802.00	408,349.00
Dumaguete .....	826,626.00	832,079.00	(5,453.00)
Batangas .....	15,480,919.00	10,088,797.00	5,392,122.00
San Jose .....	34,381.00	77,394.00	(43,013.00)
MIA .....	6,612,776.00	4,763,514.00	1,849,262.00
Total .....	P493,066,873.00	P429,066,516.00	P64,000,356.00

Percentage of increase ..... 15 per cent

*B. Expenditures—*

The total expenditures of the Bureau of Customs during the period under review amounted to P6,190,471.64 as compared with P5,137,603.61 of the preceding fiscal year or an increase by 20.5 per cent or by P1,052,868.03.

This increase in the operating expenses was necessitated by the expansion of the activities of the Bureau and justified by the increase in over all revenue receipts. A comparative distribution of the expenditures by items of expense and by geographical locations is shown in the following statements:

*Distribution by Nature of Expenses*

Personal Services .....	P4,515,446.91	P4,215,409.12	P300,037.79
Travel Expenses .....	109,990.18	91,224.80	18,765.38
Supplies and Materials .....	264,798.67	181,812.44	82,986.23
Other Services .....	288,407.60	225,326.50	63,081.10
Equipment Outlay .....	672,502.56	132,133.05	540,369.51



Gov't Share Life and  
Retirement Pre-  
miums .....

339,325.72

291,697.70

47,628.02

Total Expend-  
itures .....

P6,190,471.64

P5,137,603.61

P1,052,868.03

*Distribution of Expenditures by Ports of Entry*

	1961-1962	1960-1961	(Decrease) Increase
Manila .....	P4,817,916.55	P3,847,476.66	P970,439.89
Aparri .....	17,989.34	17,255.97	733.37
Jose Pañganiban .....	49,410.07	39,858.00	9,551.07
Legaspi-Tabaco .....	50,366.57	55,178.23	(4,811.66)
Iloilo .....	190,169.31	190,758.10	(588.79)
Cebu .....	205,808.18	284,487.01	(78,678.83)
Tacloban .....	82,698.97	89,865.32	(7,166.35)
Zamboanga .....	95,269.58	106,129.71	(10,860.13)
Davao .....	86,330.28	91,543.73	(5,213.45)
Jolo .....	94,281.59	149,442.50	(55,160.91)
San Fernando .....	45,995.84	64,076.88	(18,081.04)
Cagayan de Oro .....	72,436.58	87,564.53	(15,127.95)
Dumaguete .....	32,271.52	38,262.83	(5,991.31)
Batangas .....	54,476.62	41,856.45	12,620.17
San Jose .....	33,602.81	33,846.75	(243.94)
M. I. A. ....	261,447.83	.....	261,447.83
Total .....	P6,190,471.64	P5,137,603.67	P1,052,867.97

Percentage of increase ..... 20.5 per cent

*Foreign Trade—*

During the period from July 1, 1961 to June 30, 1962, the Philippines imported from different countries among which are the United States, Japan, United Kingdom, North American Countries, Benelux countries, Italy, Spain, Indonesia, Oceania and others.

The total imports from these countries amounted to P1,418,102,720 (C. I. F.) as compared with P1,344,943,761 (C. I. F.) the previous fiscal period or an increase of P73,148,959 (C. I. F.)

The Philippine exports during the same period to those countries amounted to P1,063,346,739 as against P1,121,679,312 for the previous fiscal year or a decrease of P58,332,573.

From the figures above, it will be noted that there existed an unfavorable balance of trade in the amount of P354,755,981 during the period under review.



*Arrastre Service—*

During the fiscal year 1961-1962, the arrastre service in Manila was operated by the Manila Port Service, a subsidiary of the Manila Railroad Company, while private contractors, all under a management contract, handled the arrastre services in the ports of Cebu, Iloilo, Zamboanga and Davao. In the port of Jolo, the arrastre service was handled by the Collector of Customs of that port. The port of San Fernando, Legaspi-Tabaco, Cagayan de Oro, Tacloban, Batangas and Jose Pan-ganiban do not have arrastre service.

The volume of cargoes handled by the different ports for the period under review are distributed as follows:

*A. Port of Manila—*

	1961-1962	1960-1961
Tons of import cargoes handled in the piers .....	1,318,321,358	1,220,325,361
Tons of import cargoes discharged at shipside .....	1,129,005,783	880,040,510
Tons of transit import cargoes ....	9,795,891	7,549,517
Total import cargoes tonnage ..	2,457,123,032	2,107,915,388
Tons of export cargoes handled .....	70,749,996	51,574,311
Total volume of cargoes handled .....	2,527,873,028	2,159,489,699

*B. Port of Cebu—*

## 1. Volume of cargoes handled and checked by the Visayan Terminal Co., Inc.

(a) On the piers (tons) ..	78,831,893	53,195,846
(b) Shipperside .....	6,674,915	9,366,419
Total handled (tons) .....	85,506,808	62,562,265

*C. Port of Iloilo—*

(a) Total volume of import cargoes	213,422,000	94,376,734
(b) Tons of export cargoes handled	42,044,000	40,699,929
(c) Total volume of cargoes handled	255,466,000	135,076,663

*D. Port of Zamboanga—*

(a) Value of imports handled .....		P1,125.00
(b) Value of export cargoes handled	P29,471.77	28,833.20
(c) Total value of cargoes handled	P29,471.77	P29,958.20



*E. Port of Davao—*

Total volume of import and transit cargoes handled .....	6,735,832	6,415,666
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Like the port of Cebu only import cargoes including transit cargoes were handled by the arrastre service at the Port of Davao.

The arrastre service in the Port of Jolo, as in the previous years, was managed by the Collector of Customs. Due to the small quantity of cargoes handled of both exports and imports, no permanent arrastre personnel are hired unlike in other ports.

## PERSONNEL

To carry out the functions of the Bureau of Customs, the entire personnel as of June 30, 1962 reached a total of 2,042 officials and employees as compared with 1,806 of the preceding year.

The distribution of customs personnel among the ports as of June 30, 1962 is shown below:

Ports	Regular	Temporary	Total
Manila .....	1,229	14	1,243
Aparri .....	25	—	25
Jose Pañganiban .....	29	—	29
Legaspi-Tabaco .....	37	—	37
Iloilo .....	92	—	92
Cebu .....	144	—	144
Tacloban .....	33	—	33
Davao .....	49	—	49
Zamboanga .....	45	—	45
Jolo .....	30	—	30
San Fernando .....	37	—	37
Cagayan de Oro .....	49	—	49
Dumaguete .....	28	—	28
Batangas .....	30	—	30
San Jose .....	24	—	24
Manila International Airport .....	133	—	133
Maasin .....	14	—	14
Total .....	2,028	14	2,042

*Port of Manila*

Manila is the busiest port and the center of our foreign trade. As of June 30, 1962, it has a complement of 1,243



officials and employees of whom 1,229 are regular and 14 are temporary or emergency laborers.

During the period under review, the total collections made by this port from all sources reached the amount of ₱432,734,355.00 as compared with ₱356,097,576.00 of the preceding fiscal year or an increase of ₱76,636,779.00. The operating expenses of the port during the same period was ₱4,817,916.55 as compared to ₱3,847,476.66 of the preceding fiscal period or an increase of ₱970,439.89. The increase in expenses incurred may be justified by increase in revenue receipts by ₱77.03 million.

#### *Foreign Trade, Port of Manila—*

The total foreign trade of this port during the period under review amounted to ₱1,338,878,669.00 (C. I. F.), of which ₱1,144,133,637.00 represented the value of imports and ₱194,745,062.00 represented the value of exports.

During the year under review, 1,852 ocean-going vessels having an aggregate of 13,821,968.85 tons, gross and 6,906,945.93 tons net entered the country with 2,420,650,372 kilos of cargoes brought in while 508,778,504.59 kilos were brought out.

#### *Coastwise Trade—*

As regards coastwise trade, there were 8,040 vessels of different categories that entered that port while 8,016 cleared said port. This included those that entered and cleared the North Harbor. A detailed report of the activities of the North Harbor from Fiscal Year 1961–1962 is shown on page 119.

#### *Manila International Airport Customhouse—*

With the enactment of R. A. 2700, the Manila International Airport was separated from the Port of Manila and created as an open port of entry. The total collections of the port during the period under review amounted to ₱6,612,776.05 as against ₱4,763,513.87 of the preceding year or an increase of ₱1,849,262.18.

#### *Foreign Carrying Trade—*

During the fiscal period 1961–1962, eleven (11) airlines of various nationalities operated at the Manila International Airport, and are as follows: (1) Pan-American World Airways, (2) Northwest Orient Airlines, (3) Qantas Empire Airways, (4) Cathay Pacific Airways, (5) Civil Air Transport, (6) KLM Royal Dutch Airlines, (7) Philippine Airlines, (8) Air France, (9) Garuda Indonesian Airways, (10) Scandinavian Airlines



*Annual Report on Coastwise Vessels North Harbor Manila (July 1, 1961 to June 30, 1962)*

Month	Number of Vessels	Ships Tonnage		Cargo Tonnage Caltex, Shell			Passenger		Transit Cargo	
		Gross	Net	Incoming	Outgoing	Bunkering	Incoming	Outgoing	Packages	Kilos
July 1, 1961.....	240	234,332.73	117,522.73	61,974.29	52,467.60	5,973	19,867	17,399	19,435	7,345.80
August 1961.....	248	213,830.87	113,043.48	66,270.48	61,786.11	5,989	18,433	15,763	18,649	7,827.20
September 1961.....	231	200,267.60	107,322.33	84,166.65	35,954.72	4,769	18,029	16,710	18,475	6,487.00
October 1961.....	239	218,163.99	117,525.31	68,394.96	52,788.46	5,870	21,249	19,068	18,987	6,395.05
November 1961.....	238	205,445.07	102,361.26	70,426.50	66,534.30	4,921	21,254	17,497	16,998	5,991.89
December 1961.....	268	233,337.04	136,658.38	104,992.04	58,324.30	5,968	31,681	24,480	17,936	7,401.30
January 1962.....	304	263,001.44	136,683.67	74,066.15	79,305.66	6,314	60,614	26,879	18,979	7,737.37
February 1962.....	233	205,823.30	121,781.97	52,676.30	48,369.94	5,847	21,568	18,893	20,471	8,295.40
March 1962.....	259	236,903.32	121,740.57	73,515.90	121,740.50	5,794	27,968	26,186	30,017	9,421.34
April 1962.....	260	243,003.89	144,544.21	66,650.99	66,650.99	6,421	44,418	41,736	23,165	5,274.30
May 1962.....	243	223,412.69	127,249.00	62,228.92	48,771.12	5,983	43,409	38,509	18,977	6,819.90
June 1962.....	261	249,704.17	136,506.14	70,333.99	56,311.06	5,685	60,874	31,091	24,038	8,991.20
Total.....	3,024	2,727,226.11	1,482,939.05	855,697.17	749,004.76	69,534	359,364	294,211	246,127	87,987.75

NOTE:—Transit cargoes sent to Sub-Post and bunkering loaded on coastwise vessels from July 1, 1961 to June 30, 1962 (inclusive). There are more vessels recorded on the report of the Marine Division Office due to vessels cleared by the Marine Division outside the North Harbor area.

Bunkering is in drum.



System, (11) Swiss Air Transport and British Overseas Airways Corporation.

The following tabulations show the aircraft operation of the airlines of various nationalities in the Manila International Airport during F. Y. 1961-1962 as compared with the fiscal period 1960-1961.

*July 1, 1961 to June 30, 1962*

Nationality	Number of Planes	Number of Passenger			Cargo Weight (lbs.)	
		Landed	Transit	Departed	Incoming	Outgoing
American.....	418	19,424	4,830	22,769	405,071	397,107
Australian.....	450	4,090	15,690	3,818	273,398	135,421
British.....	613	17,657	5,144	18,583	346,194	134,441
Chinese.....	112	3,914	30	3,662	33,873	42,152
Dutch.....	358	6,281	10,992	5,820	288,466	105,772
Filipino.....	437	20,326	14	21,130	592,405	135,956
French.....	108	2,270	2,132	3,083	58,238	151,416
Indonesian.....	111	698	1,985	748	10,082	14,442
Scandinavian.....	205	3,565	2,288	3,359	157,245	54,154
Swiss.....	108	1,882	1,460	1,708	75,770	51,526
Others.....	16	224	62	258	-----	-----
Total.....	2,936	80,331	44,627	85,338	2,150,742	1,222,387

*July 1, 1960 to June 30, 1961*

Nationality	Number of Planes	Number of Passenger			Cargo Weight (lbs.)	
		Landed	Transit	Departed	Incoming	Outgoing
American.....	461	19,042	3,917	21,486	384,976	320,261
Australian.....	484	2,176	12,021	2,206	176,614	107,540
British.....	363	12,460	3,275	11,912	173,631	50,061
Chinese.....	108	2,818	7	2,490	42,503	154,443
Dutch.....	426	6,368	13,669	6,456	259,646	86,340
Filipino.....	467	17,449	189	16,198	419,129	76,142
French.....	52	2,151	1,384	2,298	101,958	58,131
Indonesian.....	67	847	39	788	6,403	13,670
Scandinavian.....	197	2,466	2,162	2,317	162,322	45,337
Swiss.....	103	973	843	1,032	38,021	41,477
Others.....	13	257	69	169	3,040	3,038
Total.....	2,781	67,007	37,575	67,352	1,768,243	956,440

It will be observed that during the fiscal period under review there was an increase of 155 plane flights as against the previous fiscal year. This marked increase in the operations at the Manila Airport is attributed to the operation of the British Airways Corporation (BOAC) which started on November 2, 1961. The increase in the number of passengers was due to the operation of jet planes which could accommodate more passengers.



*Summary of Foreign and Domestic Trade  
of the Philippines for All Ports*

As per report of the Bureau of Customs, during the year under review, the total value of the foreign trade of the Philippines amounted to ₱2,481,449,459.00. The exports of the country reached ₱1,063,346,739.00 while the imports amounted to ₱1,418,102,720.00 or an unfavorable balance of trade in the amount of ₱354,755,981.00 during the year. The following comparative statement shows the different ports, the value of foreign trade handled during fiscal years 1962 and 1961 and also the extent of activities as regards the domestic trade in terms of the value of incoming and outgoing cargoes for each of the different ports and subports.

PROBLEMS OF THE BUREAU

The implementation of the Revised Tariff and Customs Code, the intensification of the anti-smuggling campaign and the implementation of the immediate payment system are pressing problems of the Bureau requiring an increase of personnel because of increasing volume of transactions and complexity of the work. A salary rate not less than ₱200 pesos monthly as minimum is considered reasonable and imperatively necessary to minimize, if not totally eradicate, susceptibility to corruption. The modernization of equipment and management methods are urgently needed to minimize the causes of delay in the work performance in the daily operations of the bureau. The construction of customs houses in the different ports of entry: Legaspi-Tabaco, Batangas, Zamboanga, Davao, San Fernando, Cagayan de Oro, Jolo, Tacloban, Jose Pañganiban and San Jose, to house the customs offices and personnel is necessary to avoid renting buildings which in the long run is very expensive.

The rampant smuggling particularly in the South needs immediate solution. The motor launches and speedboats of the bureau are for the present inadequate in quantity and speed to cope against the operations of the smugglers. The bureau's motor launches are too old, obsolete and defective and cannot outdistance motorized kumpits used by the smugglers. These kumpits are so constructed that they run fast and can even penetrate shallow waters where apprehensions by government motor boats becomes quite difficult. New and faster speedboats that can overtake the smugglers are urgently needed by the bureau to check the present rampant smuggling, particularly, in the waters of the South.



# FOREIGN TRADE

Ports	Total Value of Foreign Trade		Value of Imports		Value of Exports	
	Fiscal Year 1962	Fiscal Year 1960	Fiscal Year 1962	Fiscal Year 1960	Fiscal Year 1962	Fiscal Year 1960
Manila.....	P1,338,878,699	P1,531,511,785	P1,144,133,637	P1,162,515,816	P194,745,062	P368,994,969
Cebu.....	168,025,366	238,938,801	89,411,646	72,611,474	78,613,720	100,827,327
Iloilo.....	295,650,710	238,162,578	47,397,318	30,278,155	248,253,392	207,784,423
Zamboanga.....	75,199,929	59,793,957	2,476,299	1,321,749	72,723,630	58,472,208
Davao.....	287,493,271	62,821,948	3,939,938	3,463,160	83,553,333	59,358,887
Jolo.....	365,958	2,434,983	102,784	344,458	263,074	2,050,525
Legaspi-Tabaco.....	20,457,392	18,142,204	16,038	1,045,993	20,441,354	17,096,211
Dumaguete.....	45,478,447	38,736,143	1,850,503	957,385	43,627,934	37,778,758
Batangas.....	157,339,025	81,248,206	96,109,895	44,423,803	61,229,130	36,824,403
San Jose, Samar.....	5,396,346	5,386,249			5,196,346	5,386,249
San Fernando.....	71,289,962	63,885,655	4,254,993	5,829,701	67,034,969	58,055,954
Cagayan de Oro.....	139,764,942	124,036,827	27,803,837	21,516,965	111,361,105	102,519,862
Jose Panganiban.....	26,299,547	19,626,197	601,233	636,745	25,098,314	18,989,452
Aparri.....	11,114,449	6,117,607			11,114,449	6,117,607
	P2,480,449,459	P2,466,633,073	P1,418,102,720	P1,344,953,761	P,1063,346,739	P1,121,679,312

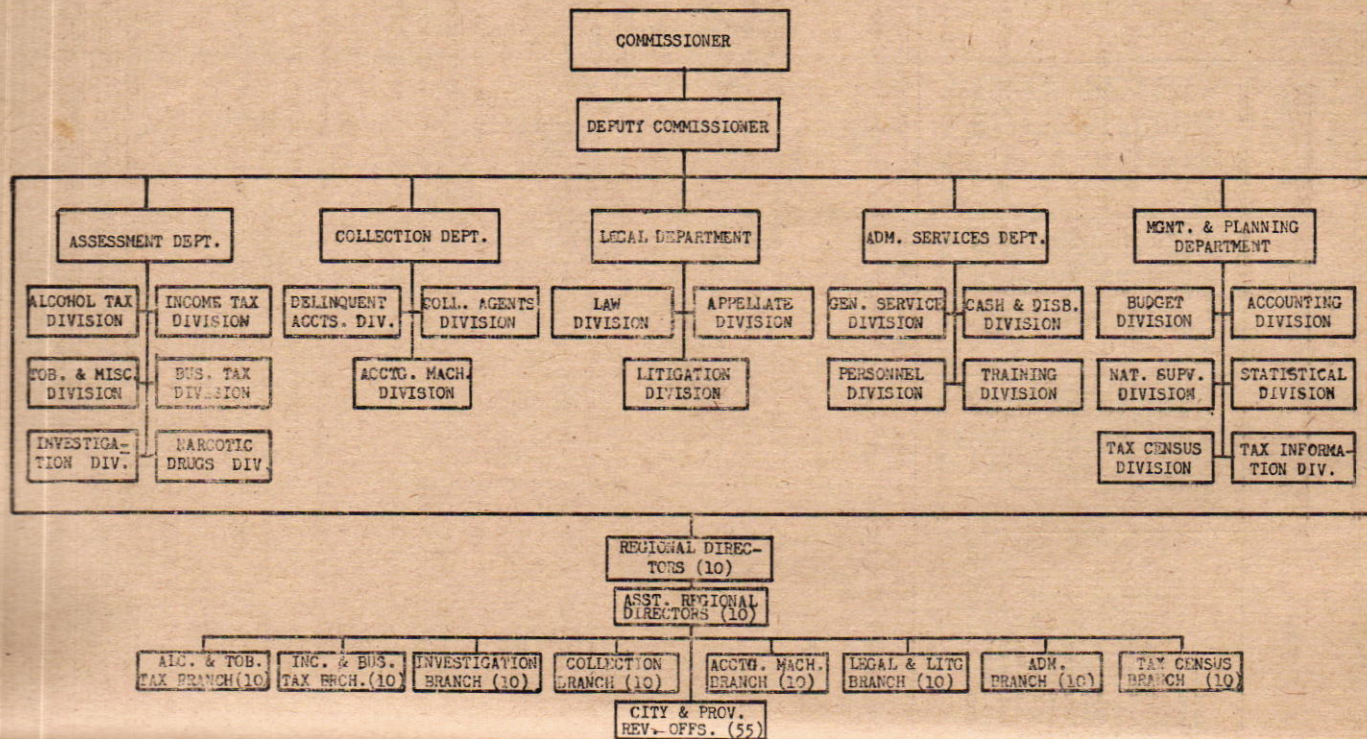


## COASTWISE TRADE

Ports	Value of Inward Cargo		Value of Out Ward Cargo	
	Fiscal Year 1962	Fiscal Year 1960	Fiscal Year 1962	Fiscal Year 1960
Manila-----	P294,103,795	P1,627,171,536	P1,342,805,805	P781,799,600
Cebu-----	395,281,419	355,157,607	400,869,651	321,187,713
Iloilo-----	319,939,296	186,545,304	88,609,896	88,578,248
Zamboanga-----	84,917,992	62,263,803	41,395,891	20,598,321
Davao-----	169,310,059	154,011,425	104,572,176	91,452,186
Jolo-----	18,868,420	15,886,122	17,045,315	15,886,022
Legaspi-Tabaco-----	51,994,238	23,362,317	16,308,626	54,670,245
Tacloban-----	65,860,868	60,992,637	17,965,095	13,626,673
Dumaguete-----	34,273,304	28,984,780	7,318,129	8,341,219
Batangas-----	3,537,172	4,753,898	059,245,440	116,470,428
San Jose, Samar-----	4,608,772	4,270,181	4,477,230	-----
San Fernando-----	31,298,239	14,823,015	98,195	61,515
Cagayan de Oro-----	68,384,030	68,034,056	30,436,698	27,899,261
Jose Panganiban-----	4,422,019	6,980,447	1,079,409	2,217,094
Apurri-----	172,663	67,625	589,817	88,726
	P1,546,962,286	P2,163,404,653	P2,232,317,273	P1,541,877,251



O R G A N I Z A T I O N      C H A R T  
Bureau of Internal Revenue





## BUREAU OF INTERNAL REVENUE

### STATEMENT OF FUNCTIONS OF THE BUREAU OF INTERNAL REVENUE

#### *COMMISSIONER*

Formulates policies and administers the activities of the Bureau of Internal Revenue in the administration and enforcement of internal revenue laws, special tax laws, and regulations.

#### *DEPUTY COMMISSIONER*

Assists the Commissioner in the administration and enforcement of internal revenue laws, special tax laws and regulations.

#### *ASSESSMENT DEPARTMENT*

Performs staff and advisory functions in implementing the assessment program. Exercises technical guidance over the tax assessment of internal revenue taxes.

#### *ALCOHOL TAX DIVISION*

Develops, evaluates, and coordinates policies and programs relating to the assessment of specific taxes on alcoholic products. Prepares directives to the chiefs of the specific tax branches for effective implementation of such programs.

#### *TOBACCO & MISCELLANEOUS TAX DIVISION*

Develops, evaluates and coordinates policies and programs relating to specific tax on tobacco products and other miscellaneous articles. Prepares directives to the chiefs of the specific tax branches for effective implementation of such programs.

#### *INVESTIGATION DIVISION*

Develops, evaluates and coordinates operating techniques and methods in the investigation of tax fraud cases. Collects intelligence information from regional districts, newspapers, magazines and other sources for development and dissemination to the different investigation branches.

#### *INCOME TAX DIVISION*

Develops, evaluates and coordinates policies and programs relating to the assessment of income tax, estate, inheritance and gift, bank, franchise, insurance premium and residence taxes, and violation of bookkeeping regulations. Processes income tax refunds collected thru withholding.

#### *BUSINESS TAX DIVISION*

Develops, coordinates and evaluates policies and programs relating to license, fees, business and occupation taxes, including documentary stamp taxes, forest charges, mining, amusement and firearms taxes.



## NARCOTIC DRUGS DIVISION

Develops, coordinates and evaluates policies and programs relating to control and supervision of importation, manufacture, exportation, distribution and traffic of narcotic drugs; investigates occupation taxes of physicians, pharmacists, nurses, dentists, opticians and veterinarians; prepares and submits statistical reports on narcotics to the Permanent Central Opium Board at Geneva, Switzerland.

## COLLECTION DEPARTMENT

Performs staff and advisory functions in implementing the collection program; coordinates the procedures for the collection, accounting and reporting of all internal revenue taxes on the national, regional, provincial and municipal levels, evaluates procedures and techniques in the collection of both the current and delinquent accounts.

## DELINQUENT ACCOUNTS DIVISION

Develops and coordinates procedures relating to the collection of all delinquent accounts by fieldmen and the keeping and maintaining of records thereof and enforces all rules and regulations relative to the submission of reports thereon. Prepares warrants of distraint and levy for cases elevated to the national office; acts on appealed collection cases. Issues tax clearance certificates.

## COLLECTION AGENTS DIVISION

Develops policies and procedures relating to the accounting and reporting of all payments of internal revenue taxes received by the collection agents assigned in the different cities and municipalities. Issues directives to the supervising collection agents for the effective supervision and control of the cash accountabilities of the collection agents in their respective regions.

## ACCOUNTING MACHINES DIVISION

Prepares and maintains IBM account cards and prepares therefrom overall IBM lists of delinquent taxpayers and similar lists broken down by regional districts, provinces and cities, municipalities and municipal districts; lists and indexes tax data on income tax returns, assessments and collections and prepares tax refund checks, assessment notices, master lists of taxpayers and various other statistical data.

## LEGAL DEPARTMENT

Performs staff and advisory functions in implementing the program on the laws administered and enforced; acts as chief legal adviser and consultant in the interpretation and execution of internal revenue laws, special tax laws and regulations, supervises the prosecution of tax cases in courts; and prepares tax bills for legislation.

Prepares rulings, opinions, regulations and circulars implementing tax laws, conducts researches and studies on taxation; drafts tax legislation and issues tax bulletins.



## LITIGATION DIVISION

Represents the Commissioner of Internal Revenue in the trial of internal revenue cases in collaboration with the Solicitor General and provincial and city fiscals; prepares pleading, briefs, memoranda; interviews witnesses and evaluates evidence in connection therewith.

## APPELLATE DIVISION

Conducts conferences with taxpayers to arrive at the correct tax due; acts on appeals and protests of taxpayers in disputed cases and claims for refunds of taxes erroneously or illegally collected.

## ADMINISTRATIVE SERVICES DEPARTMENT

Performs staff and advisory functions in implementing the administrative services policies and programs; direct the performance of house-keeping activities; develops policies for the placement, development and training of employees; conducts investigation of personnel to insure the highest standard of personnel competence and honesty; and acts on general vouchers for miscellaneous expenses except those for travel and claims for per diems.

## GENERAL SERVICES DIVISION

Provides general services support including the upkeep of office building; procurement and distribution of office space, supplies, furniture and equipment; handling of correspondence and the development and execution of records management programs.

## PERSONNEL DIVISION

Executes the personnel administration program in accordance with recruitment, selection and placement policies; conducts character investigation of personnel and prospective employees to insure a high standard of honesty and integrity; process appointments, promotions and other matters relating to personnel.

## CASH AND DISBURSEMENT DIVISION

Handles cash collections and disbursements for the Bureau and reviews methods and practices and makes reports to other offices for effective internal control of cash. Processes salary and policy loans. Accounts for sale of strip stamps for cigars, cigarettes, smoking and chewing tobacco and regular and auxiliary labels for distilled spirits.

## TRAINING DIVISION

Determines training needs; conducts training on both inservice and pre-service basis; and develops appropriate employee self-development programs.

## MANAGEMENT AND PLANNING DEPARTMENT:

Performs staff and advisory functions in developing and evaluating integrated management and planning programs; make studies to improve the organization, procedures, and methods of program implementation



and to determine desirable changes in existing tax laws or the need to enact new tax measures; conducts continuing analysis and appraisal of results of operating programs; and plans and arranges for the dissemination of tax information.

#### **BUDGET DIVISION:**

Directs budget and financial planning activities of the Bureau; plans and prepares the annual budget estimates; recommends programs and procedures covering financial activities carried out in the Bureau; and processes all vouchers and warrants drawn against the appropriation of the Bureau.

#### **ACCOUNTING DIVISION:**

Accounts for and keeps records of assets; liabilities, income and disbursements and appropriated funds; certifies to the availability of funds and allotments; and prepares periodical reports and reconciliation of accounts. Allocates share of local government collections.

#### **NATIONAL SUPERVISORS DIVISION:**

Conducts an independent review and appraisal of all operational activities as a basis for productive and constructive service to management and the carrying out of a program for assisting management to maintain the highest standards of efficiency among its employees.

#### **STATISTICAL DIVISION:**

Prepares and keeps statistical data on actual collections and income estimates; prepares estimates of income; compiles other statistical information on business and economic conditions which may provide basic information for tax legislation by Congress.

#### **TAX CENSUS DIVISION:**

Supervises the taking and consolidation into a national tax census of the statements of assets, income and liabilities of persons, individuals and corporations, and develops and coordinates tax census data as bases for tax reforms and tax policies.

#### **TAX INFORMATION DIVISION:**

Plans and arranges means of disseminating information on the application and enforcement of tax laws thru every known media and gathers and prepares and distributes information materials as pamphlets primers charts, posters, etc.; conducts tax clinics, discussions and other methods to facilitate mass information.

#### **REGIONAL DIRECTORS (10):**

The Regional Director administers and enforces internal revenue laws and regulations within the assigned regional areas in conformity with delegations of authority from the Commissioner of Internal Revenue.

#### **ASSISTANT REGIONAL DIRECTORS (10):**

Assists the Regional Director in the administration and enforcement of internal revenue laws and regulations within the regional districts.



**ALCOHOL AND TOBACCO TAX BRANCH (10):**

Directs and supervises within the regional districts all specific tax work to insure uniform execution of policies and programs established by the National Office.

**INCOME AND BUSINESS TAX BRANCH (10):**

Evaluates audit operations of the regional districts relating to all internal revenue taxes, not tainted with fraud.

**INVESTIGATION BRANCH (10):**

Investigates tax fraud cases within the region, and coordinates work with other branches in the assessment of deficiency taxes and the prosecution of criminal cases.

**COLLECTION BRANCH (10):**

Evaluates collection work of the region relating to internal revenue taxes, maintains liaison with provincial, city and municipal treasurers, and keeps and maintains records of delinquent accounts.

**ACCOUNTING MACHINES BRANCH (10):**

Lists and indexes tax data on taxpayers, income tax returns, assessments, collections, tax refunds, assessment notices and other statistical data.

**LEGAL AND LITIGATION BRANCH (10):**

Acts as legal advisor to the Regional Director; supervises the prosecution of criminal cases in court for violations of the National Internal Revenue Code; and prepares tax rulings for the regional districts.

**ADMINISTRATIVE BRANCH (10):**

Supervises the administrative services of the regional district including general services, personnel, records and property.

**TAX CENSUS BRANCH (10):**

Supervises the taking of the national tax census in the regional districts; maintains a tax register; processes tax census statements; and taxes, maintains liaison with provincial, city and municipal treasurers.

**CITY AND PROVINCIAL REVENUE OFFICERS (55):**

Perform purely line responsibility and yeoman functions; deals directly with taxpayers thru their fieldmen; are responsible for field investigations of taxpayers in the assessment and collection of internal revenue taxes.

**REPORT OF OPERATIONS OF THE BUREAU OF INTERNAL REVENUE**

Under the provisions of Section 3 of Commonwealth Act No. 466, otherwise known as the National Internal Revenue Code, the Bureau of Internal Revenue is vested with the powers and duties relative to the collection of all internal revenue taxes, fees and charges, and the enforcement of all forfeitures, penalties, and fines connected therewith. Said Bureau is also em-



powered to give effect to and administer the supervisory and police powers conferred to it by the Code and other laws.

The activities of the Bureau of Internal Revenue from July 1, 1961 to June 30, 1962, included the administration of the Tobacco Inspection Law. The Commissioner of Internal Revenue, as Chairman of the Tobacco Board is entrusted with its administration. It also included the collection functions of each city and municipal treasurers to collection agents and clerks in accordance with Section 8 of Republic Act No. 2655.

### INCOME AND EXPENDITURES

#### *Income—*

The decentralization of the operations of the Bureau of Internal Revenue among ten (10) regional districts has improved much its tax assessment and collection program. Below is a comparative statement of internal revenue collections for the general and special funds by regional districts. (Note: Those marked "C" show the portion of internal revenue collection made by the Bureau of Customs for the Bureau of Internal Revenue.)

### COMPARATIVE STATEMENT OF GROSS INTERNAL REVENUE COLLECTIONS (ALL FUNDS COMBINED)

(Collection thru Customs Included)  
BY REGIONAL DISTRICTS

Regional Districts	Fiscal Year 1961-1962	Fiscal Year 1960-1961	Increase (Decrease)
1 C .....	P1,038,451.18	P3,608,537.80	P(2,570,086.62)
Regional District No.	16,783,190.27	15,463,411.48	1,319,778.79
2 C .....	46,256,258.10	35,305,420.38	10,950,837.72
Regional District No.	153,966,559.40	130,702,945.10	23,263,614.72
3 C .....	451,423,598.74	448,374,652.59	3,048,946.15
Regional District No.	4 C .....	148,257,260.37	106,447,184.36
Regional District No.	5 C .....	123,633.55	6,763.50
Regional District No.	6 C .....	26,183,484.30	16,335,603.44
Regional District No.	7 C .....	94,724.84	75,323.16
Regional District No.	8 C .....	4,233,265.54	3,901,226.70
Regional District No.	9 C .....	19,401.68	332,038.84
Regional District No.	10 C .....	19,401.68	332,038.84



Regional District No.			
7 C .....	6,595,117.42	13,942,840.00	(7,347,722.58)
	32,386,530.57	19,105,520.55	13,281,010.02
Regional District No.	1,451,695.30	3,202,577.84	(1,750,816.54)
8 C .....	26,261,497.61	20,483,201.34	5,778,296.27
Regional District No.			
9 C .....	46,701.70	73,012.02	(26,310.32)
	10,611,307.46	7,597,066.87	3,014,240.59
Regional District No.			
10 C .....	811,209.11	1,889,414.71	(1,078,205.60)
	16,889,554.76	12,588,866.56	4,300,688.20
Total .....	164,128,092.50	153,501,348.13	10,626,744.37
	779,285,945.72	685,602,154.27	93,683,793.45
GRAND TOTAL ..	P943,414,040.22	P839,103,502.40	P104,310,537.82

### *Internal Revenue Receipts—General Fund—*

The total gross internal revenue collections for the General Fund during F. Y. 1962 amounted to P839,929,287.10 of which P149,611,523.18 was collected by the Bureau of Customs. It follows that the gross collection performance of the Bureau of Internal Revenue was P690,317,763.92. Of the gross collection of P839.9 million, the amount of P122.4 million was allotted to local governments as their share in accordance with the provisions of the National Internal Revenue Code and other special laws.

In F. Y. 1961, the gross internal revenue collections amounted to P747,951,167.99 of which P120,966,944.80 was collected by the Bureau of Customs. It follows then that the gross collection actually made by the Bureau of Internal Revenue in the previous year (F. Y. 1961) amounted to P626,984,223.19. Of the gross collection of P746.9 million, P116.3 million was allotted to local governments.

It follows then that the gross internal revenue receipts in F. Y. 1962 increased by P91.9 million of which increased P63.3 million was actually collected by the Bureau of Internal Revenue and P28.6 million by the Bureau of Customs.

The above-mentioned increase is contributed to by the following major items:

Sources	In millions	Increase
Specific tax (domestic) .....		P4.9
License, business and occupation taxes .....		16.8
Franchise tax .....		1.0
Documentary stamp tax .....		2.2



Income tax .....	32.4
Residence tax .....	1.3
Revenue from public forests .....	2.8

Of the ten (10) regional districts and as regards the performance of the Bureau of Internal Revenue only and excluding the collection by Customs, District No. 4 made the largest improvement in collection, followed by District No. 7, District No. 2 and District No. 5, respectively. District No. 4 contributed ₱41.8 million to the gross increase; District No. 7, ₱13.2 million; District No. 2, ₱10.9 million and District No. 5, ₱9.8 million.

*Special and other Funds—*

In the Special Funds, the Bureau of Internal Revenue during F. Y. 1962, made a total collection of ₱103,397,187.90 as against the collection of ₱90,872,912.88 during the previous year (F. Y. 1961) or an increase of ₱12.5 million.

The following two comparative statement of internal revenue collections show the sources of income of the General Fund, various Special Funds and allotments to local governments. While the collections of the Bureau of Customs included in the following statement is considered a performance of the Bureau of Customs their inclusion in the statement has been made to show the quantitative magnitude of internal revenue receipts in the over-all total of income from taxation of the National Government.

COMPARATIVE STATEMENT OF INTERNAL REVENUE  
COLLECTIONS

(ALL FUNDS COMBINED)

	July 1, 1961 June 30, 1962	July 1, 1960 June 30, 1961	Increase (Decrease)
Specific Tax (Domestic)	₱191,034,941.37	₱186,050,347.20	₱4,984,594.17
License, business and occupation taxes .....	143,540,739.20	126,678,132.95	16,862,606.26
Franchise tax .....	6,282,024.10	5,196,004.08	1,085,940.02
Documentary stamp tax (Internal Revenue) ..	12,296,349.33	10,029,158.87	2,267,190.46
Income tax .....	310,082,076.03	277,623,552.26	32,458,523.77
Individuals .....	74,829,376.50	82,105,325.21	(7,275,948.71)
Corporations .....	204,292,518.14	172,948,037.42	31,344,480.72
Withholding in- come tax from wages .....	30,960,181.39	22,570,189.63	8,389,991.76



	JULY 1, 1961 to JUNE 30, 1962	JULY 1, 1960 to JUNE 30, 1961	Increase (Decrease)
War Profit Tax .....	14,691.50	-----	14,691.50
Estate, inheritance and gift taxes .....	5,933,169.23	5,107,418.03	825,751.20
Residence tax .....	8,806,168.43	7,429,556.50	1,376,611.93
Revenue from public forests .....	9,437,607.91	6,593,447.82	2,844,130.93
Fines and forfeitures..	2,342,503.17	1,800,372.09	542,131.08
Income from rentals ....	41,313.12	48,769.69	(7,456.57)
Service Income .....	438,677.79	394,381.68	44,296.11
Miscellaneous receipts..	34,651.61	494.87	34,156.74
Sale of fixed assets .....	58.20	84.72	(26.52)
Inventory adjustments..	30.14	34.16	(4.02)
Prior year credits .....	32,762.78	32,358.27	404.51
Total .....	<u>P690,317,763.92</u>	<u>P626,984,223.19</u>	<u>P63,333,540.73</u>
Allotment to Local Governments .....	(114,110,729.33)	(102,485,922.10)	(11,626,807.23)
NET (Internal Revenue) According to the National Governments ....	<u>P576,207,034.59</u>	<u>P524,500,301.09</u>	<u>P51,706,733.50</u>
Import Taxes—			
Specific tax (Im- ported) .....	6,600,664.77	5,910,011.06	690,652.91
Compensating and advance sales tax	143,004,503.50	115,048,732.35	27,955,771.15
Documentary stamp tax (Customs) .....	6,354.91	8,200.59	(1,845.68)
Prior Year Credits (customs) .....	-----	-----	-----
Total .....	<u>149,611,523.18</u>	<u>120,966,944.80</u>	<u>28,644,578.38</u>
Allotment to Local Governments .....	(18,294,612.12)	(13,878,927.84)	(4,415,684.28)
NET (Thru Customs) Accruing to the Na- tional Government...	<u>P131,316,911.06</u>	<u>P107,088,016.96</u>	<u>P24,228,894.10</u>
TOTAL (NET) Ac- cruing to the National Gov- ernment .....	<u>P707,523,945.65</u>	<u>P631,588,318.05</u>	<u>P75,935,627.60</u>
Provincial and Muni- cipal in the A/Current	87,565.32	279,421.53	191,856.21



## Special Funds:

Highways .....	81,579,582.56	75,837,952.01	5,741,630.55
Bond Fund (R. A. 1435) .....	14,601,067.10	14,129,942.94	471,124.16
R. A. No. 3051 ....	6,215,022.26	.....	6,215,022.26
Tobacco Inspection .....	542,190.05	538,383.50	3,806.55
National Parks ....	80.37	.....	80.37
Mines Special Fund .....	459,245.46	366,634.43	92,611.05

Total Special  
Funds .....

P103,397,187.80	P90,872,912.88	P12,524,274.92
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TOTAL GROSS INTERNAL  
REVENUE COLLECTION

P943,414,040.22	P839,103,502.40	P104,310,537.82
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STATEMENT OF INTERNAL REVENUE COLLECTIONS  
COMPARED WITH THE REVISED BUDGET ESTIMATES

<i>Sources of Income</i>	JULY 1, 1961 to JUNE 30, 1962 Revised Budget Estimates	ACTUAL Receipts	(Excess or Deficiency)
Specific tax (Domestic)	P190,856,500.00	P191,034,941.37	P178,441.37
License, business and occupation taxes .....	157,520,000.00	143,540,739.21	(13,979,260.79)
Franchise tax .....	5,800,000.00	6,282,024.10	482,024.10
Documentary stamp tax (Internal Revenue) ..	12,000,000.00	12,296,249.33	296,349.33
Income tax:	322,000,000.00	310,082,076.03	(11,917,923.97)
Individuals .....	90,000,000.00	74,829,376.50	(15,170,623.50)
Corporations .....	209,000,000.00	204,292,518.14	(4,707,481.86)
Withholding in- come tax from wages .....	23,000,000.00	30,960,181.39	7,960,181.39
War Profits tax .....	.....	14,691.50	14,691.50
Estate, inheritance and gift taxes .....	5,000,000.00	5,933,169.23	933,169.23
Residence tax .....	7,600,000.00	8,806,168.43	1,206,168.43
Revenue from public forests .....	7,500,000.00	9,437,607.91	1,937,607.91
Fines and forfeitures ..	2,000,000.00	2,343,503.17	342,503.17
Income from rentals ....	50,000.00	41,313.12	(8,686.88)
Service Income .....	320,000.00	438,677.79	118,677.79
Miscellaneous Receipts ..	570,000.00	34,651.61	(535,348.39)
Sales of fixed assets ....	.....	58.20	58.20
Inventory adjustments ..	.....	30.14	30.14
Prior year credits .....	.....	32,762.78	32,762.78
Total .....	711,216,500.00	690,317,763.92	(20,898,736.08)



Allotment to Local Governments .....	105,000,000.00	(114,110,729.33)	(9,110,729.33)
NET (Internal Revenue) Accruing to National Government .....	<u>P606,216,500.00</u>	<u>P576,207,034.59</u>	<u>P30,009,465.41</u>
Import Taxes:			
Specific tax (imported) .....	7,500,000.00	6,600,664.77	(899,335.23)
Compensating and advance sales tax .....	144,100,000.00	143,004,503.50	(1,095,496.50)
Documentary stamp tax (customs) .....	10,000.00	6,354.91	(3,645.09)
Prior year credits (customs) .....	.....	.....	.....
Total .....	<u>151,610,000.00</u>	<u>149,611,523.18</u>	<u>(1,998,476.82)</u>
Allotment to Local Governments .....	<u>(18,294,612.00)</u>	<u>(18,294,612.12)</u>	<u>(.12)</u>
NET (Thru Customs) Accruing to the National Government .....	133,315,388.00	131,316,911.06	(1,998,476.94)
TOTAL (NET) Accruing to the National Government .....	<u>P739,531,888.00</u>	<u>P707,523,945.65</u>	<u>(P32,007,942.35)</u>

### *Expenditures—*

During the year under review, the net cost to the National Government for the operation of the Bureau amounted to P19,728,615.00 as compared with that of fiscal year 1961 which amounted to P10,098,811.50 or an increase of P9,629,803.50. Such increase in expenditures has been justified by the increase on internal revenue collections of P93.6 million (those of Customs excluded) due to the intensive collection campaign undertaken by the Bureau. The unit cost of operation for the same period is P.0209 for each peso of tax collected as compared with P.0121 during the preceding fiscal period.

After the approval of Republic Act No. 2655 creating 2,000 positions of collection agents and clerks, the number of positions filled up in the bureau during fiscal year 1962 reached a total of 5,060 officials and employees.

As mentioned in this report, the total collections of the Bureau for all funds, (collection of Customs for the Bureau of Internal Revenue included) amounted to P943,414,040.22 for F. Y. 1962. With these receipts, the internal revenue tax



burden per capita based on 29,698,000 estimated population for the same period was P31.767. On the other hand, the total collections for F. Y. 1961 was P839,103,502.40 and the internal revenue tax burden per capita based on the 28,727,000 estimated population for F. Y. 1961 was P29.10.

A statement of the tax collection, expenditures, internal revenue tax per capita, cost of collection and number of employees from F. Y. 1905 to F. Y. 1962 is shown hereunder:

*Table Showing Collections, Expenditures, Population Tax Per Capita of Collection and Number of Employees*

Fiscal Year	Expenditures	Collections	Cost of Collecting P100	Population	Tax per Capita	Number of Employees
1905	P183,854.91	P5,200,383.95	P3.50	7,699,500	.675	69
1906	464,592.91	11,366,606.70	4.10	7,761,200	1.465	156
1907	640,461.47	12,748,963.91	5.00	7,844,300	1.625	266
1908	700,000.00	14,339,773.15	4.90	7,964,400	1.847	262
1909	654,636.91	14,694,403.32	4.48	8,094,600	1.815	258
1910	655,269.32	17,527,824.54	3.75	8,219,700	2.132	248
1911	639,474.31	19,206,131.20	3.35	8,387,200	2.290	435
1912	644,109.24	21,184,168.30	3.06	8,575,700	2.470	430
1913	600,044.26	22,784,762.96	2.64	8,785,500	2.593	409
1914	849,530.91	31,342,067.79	2.71	9,061,400	3.476	403
1915	467,163.24	27,888,394.05	2.07	9,268,500	2.954	426
1916	475,879.02	30,731,638.98	1.87	9,541,700	3.220	483
1917	603,440.31	39,937,370.96	1.51	9,836,100	4.060	554
1918	619,620.41	48,508,163.65	1.28	10,151,400	4.778	530
1919	698,778.66	53,282,756.67	1.31	10,324,000	5.161	550
1920	661,886.03	52,279,177.22	1.27	10,445,300	5.005	655
1921	751,763.47	41,833,382.11	1.80	10,672,700	3.920	529
1922	636,979.05	39,197,017.94	1.62	10,908,400	3.593	546
1923	659,743.80	44,193,704.34	1.49	11,152,400	3.963	529
1924	685,287.63	48,867,909.54	1.40	11,404,800	4.285	579
1925	804,121.80	53,499,188.80	1.50	11,665,550	4.586	646
1926	856,089.47	54,544,432.46	1.57	11,934,600	4.570	645
1927	848,888.86	53,458,890.16	1.53	12,212,000	4.541	666
1928	937,865.14	57,984,978.61	1.62	12,497,700	4.640	673
1929	915,737.26	60,590,736.68	1.51	12,791,700	4.737	703
1930	980,240.64	55,883,406.47	1.75	13,094,100	4.268	695
1931	881,837.68	50,086,913.92	1.74	13,404,900	3.736	692
1932	783,082.63	47,130,598.31	1.66	13,724,000	3.434	672
1933	665,981.23	40,774,900.12	1.63	14,051,400	2.902	638
1934	672,247.73	45,159,166.83	1.49	14,387,100	3.139	680
1935	674,045.39	46,971,774.93	1.43	14,731,300	3.189	680
1936	712,489.06	56,591,599.89	1.26	15,083,700	3.752	695
1937	972,514.79	73,354,896.60	1.33	15,444,500	4.750	930
1938	1,169,714.26	66,301,810.61	1.77	15,813,600	4.193	1,047
1939	582,246.39	38,068,611.20	1.53	16,152,100	2.357	1,054
(Jan.-June)						
1940	1,380,033.06	74,538,414.95	1.85	16,459,900	4.528	1,036
1941	1,457,408.49	80,434,830.34	1.82	16,773,700	3.795	1,232
(A)						
1946	1,652,335.51	48,741,460.42	3.39	18,434,400	2.644	949
1947	1,509,010.00	173,303,037.44	0.87	18,785,700	9.225	1,076
1948	2,309,568.16	263,023,100.88	0.88	19,145,800	13.739	1,182
1949	2,518,054.35	320,076,759.04	0.78	19,508,700	16.407	1,215
1950	2,685,248.75	285,995,970.39	0.94	19,880,500	14.386	1,251
1951	2,848,918.84	362,303,916.41	0.79	20,259,500	17.883	1,196
1952	3,393,684.39	445,568,485.75	0.76	20,645,600	21.582	1,403
1953	4,024,159.17	434,520,337.40	0.93	21,039,200	20.653	1,508
1954	4,371,241.93	402,579,522.94	0.95	21,440,200	21.575	1,574
1955	4,949,071.64	491,589,465.00	1.01	21,848,800	22.500	1,727
1956	5,503,563.39	534,638,813.30	1.03	22,265,300	24.012	1,830
1957	6,763,786.26	616,355,751.49	1.10	22,689,700	27.340	1,995
1958	7,769,131.00	607,278,255.22	1.29	23,122,200	26.138	2,225
1959	10,004,472.30	636,946,857.19	1.57	24,017,000	26.526	2,732
1960	10,544,969.81	734,891,699.93	1.44	27,473,000	26.799	2,759
1961	10,098,811.50	839,103,502.40	1.21	28,727,000	29.210	4,954
1962	19,728,615.00	943,414,040.22	2.09	29,698,000	31.767	5,060



## REVENUE OPERATIONS

The overall operations of the Bureau of Internal Revenue during the period under review were divided among five (5) main Departments each headed by a Revenue Operations Executive. The departments and the divisions under each are as follows:

## 1. Assessment Department

- a. Income Tax Division
- b. Business Tax Division
- c. Alcohol Tax Division
- d. Tobacco and Miscellaneous Tax Division
- e. Investigation Division
- f. Narcotic Drug Division

## 2. Collection Department

- a. Delinquent Account Division
- b. Collection Agents Division
- c. Accounting Machine Division

## 3. Legal Department

- a. Law Division
- b. Appellate Division
- c. Litigation Division

## 4. Administrative Services Department

- a. General Services Division
- b. Personnel Division
- c. Cash and Disbursement Division
- d. Training Division

## 5. Management and Planning Department

- a. Budget Division
- b. Accounting Division
- c. National Supervisors Division
- d. Statistical Division
- e. Tax Census Division
- f. Tax Information Division

1. *Assessment Department.*—This Department, in pursuance to the tax intensification campaign recommended the issuance of procedures and directives to the various investigating units. The respective chiefs of the different divisions under it were called to a round table conference to map out a campaign on smuggled goods. The drive on smuggled articles was launched throughout the country in connection with the other law enforcement agencies, such as the PC, PERCEP and the Philippine Navy. Cases of smuggled goods seized from known owners



and possessors were recommended to the Provincial Fiscal for criminal prosecution. Seized smuggled articles from unknown owners and possessors were sold. The intensive campaign resulted in the increase of tax collection on almost all kinds of taxes.

This Department also recommended the issuance of Field Circular No. U-157 to solve the continued complaints of taxpayers on overlapping investigations. The circular distinguished fraud and non-fraud cases. The jurisdictions of the investigation of various kinds of taxes were also distributed to the different investigation units to avoid confusion.

*a. Income Tax Division.*—This division consists of three (3) sections, namely: Audit Review Section, Estate, Inheritance and Gift Tax Section; and Income, War Profits, Residence, Franchise, Insurance Premium and Bank Taxes Section.

It is charged with the administration and enforcement of National Internal Revenue Taxes on Income, Transfer, Withholding, War-Profits, Residence, Franchise, Insurance Premium and Banks, of national level (deficiency tax of over ₱10,000.00 on the basis of the reports of examination submitted) coming from the ten (10) Regional Districts of the Philippines and from the General Auditing Office in connection with franchise taxes. It also handles reports of investigations conducted by the Investigation Division and special Investigating Unit.

The number of cases processed by the division during F. Y. 1962 reached a total of 139,999. It made an assessment and cash collection in the total amount of ₱42,781,239.40 as compared with ₱52,156,088.91 of the preceding fiscal period or a decrease of ₱9,347,826.18. The decline in the assessment and collection may be due to the fact that all special groups and units under the Investigation Division were disbanded and the personnel were re-assigned to the different Regional Offices.

Shown below is the assessment and cash collections made by the division from July 1, 1961 and to June 30, 1962:

NATURE OF TAX CASE	ASSESSMENT	CASH COLLECTIONS	TOTAL
Income tax cases .....	₱29,214,822.38	₱5,917,932.84	₱35,132,755.22
Transfer tax cases .....	5,326,845.01	.....	5,326,845.01
Franchise tax cases ....	1,235,207.96	346,430.39	1,581,638.35



Insurance premium tax cases .....		57,430.39	57,430.39
Bank tax cases .....		550,301.68	550,301.68
Withholding tax cases .....	64,268.00		64,268.00
Other tax cases .....	68,000.75		68,000.75
Total .....	P35,909,144.10	P6,872,095.30	P42,781,239.40

*b. Business Tax Division.*—This division is in charge of administering the enforcement of laws and regulations on sales and occupation taxes, compensating and other percentage taxes, forest charges, amusement, mining and other taxes. It made a total assessment of ₱6,342,334.86 during the fiscal year under review as against the assessment of ₱23,860,152.87 made in Fiscal Year 1961 or a decrease of ₱17,517,818.01. The division also made a total collection during the same period in the amount of ₱5,945,179.64 as compared with ₱4,476,465.90 for fiscal year 1961 or an increase of ₱1,468,707.74. The number of business tax cases acted by the same division reached a total of 7,179 for Fiscal Year 1962 as against 6,053 for Fiscal Year 1961 or a decrease of 1,126 cases.

A comparative statement of the activities of the Business Tax Division is shown hereunder:

*A—Business Tax Cases Acted Upon*

<i>Sections</i>	<i>Fiscal Year 1960-1961</i>	<i>Fiscal Year 1961-1962</i>	<i>Increase (Decrease)</i>
Sales and Occupation Taxes Section .....	1,087	1,400	313
Compensating and Other Percentage Taxes Section .....	799	2,639	1,840
Forest Charges Section .....	2,798	1,968	(830)
Amusement, Mining and Other Taxes Section .....	1,369	1,172	(197)

*B—Other Miscellaneous Work Accomplished*

Sales and Occupation Taxes Section .....	14,466	13,859	(607)
Compensating and Other Percentage Taxes Section .....	16,141	19,654	3,511
Forest Charges Section .....	142,110	81,364	(60,746)
Amusement, Mining and Other Taxes Section .....	1,316	none	(1,316)

*C—Export Certificates Issued and Forest*

<i>NATURE</i>	<i>Fiscal Year 1960-1961</i>	<i>Fiscal Year 1961-1962</i>	<i>Increase (Decrease)</i>
Export Certificate Is- sued .....	3,351	3,725	374



Sawn and Unsawn			
Timber (Bd.Ft.) ....	834,098,962	977,801,505.04	143,702,543.04
Lumber (Sq. Ft.) ....	306,374,768	406,739,521	100,364,753
Unsplit Rattan (l.m.)	1,650,100	1,080,510	(569,590)
Almaciga (kg.) .....	2,305,523	1,901,052	(404,471)
Gum Elemi (kg.) .....	185,591	104,141	(81,540)
Dipterocarp (kg.) .....	.....	1,018	1,018

*D—Letters of Demand Released and Assessment Involved*

Section	No. of Demand	FY 1960-1961		FY 1960-1961		Increase (Decrease)	
		Amount	No. of Demand	Amount	Demand No. of	Increase	
Sales and Occupation Taxes .....	107	P20,565,056.72	111	P2,520,470.98	4	(P18,044,585.74)	
Compensating and Other Percentage Taxes.....	43	1,235,652.93	74	2,120,493.34	31	884,840.41	
Forest Charges Section	232	1,491,063.99	149	738,793.55	(83)	(752,270.44)	
Amusement, Mining and Other Taxes Section....	7	568,379.23	29	962,576.99	22	394,197.76	
Total .....	389	P23,860,152.87	363	P6,342,334.86	(26)	(17,517,818.01)	

*E—Collections Made By The Division*

	FY 1960-1961	FY 1961-1962	Increase (Decrease)
Amusement .....	P17,195.92	P276,928.42	P259,732.50
Certification Fees .....	7,358.50	7,669.50	311.00
Documentary Stamp Tax ....	124,622.70	126,714.70	2,092.00
Exploration Taxes .....	392,899.04	485,566.47	92,667.43
Fixed and Percentage .....	783,662.70	168,501.32	(615,161.38)
Firearms License Fees .....	120.00	337.50	217.50
Forest Charges .....	1,748,530.12	2,466,191.32	717,661.20
Mining .....	1,291,395.75	1,679,743.34	384,347.59
Rentals .....	9,621.40	4,671.50	(4,949.90)
Sugar Taxes (Commonwealth Act No. 567) .....	97,632.50	214,327.67	116,695.17
Withholding (RA No. 1051)	3,427.27	518,527.90	515,100.63
Total .....	P4,476,465.90	P5,945,179.64	P1,468,707.74

*c. Investigation Division.*—This division is composed of the Tobacco Tax Unit and the Alcohol Tax Unit. These two units were transferred to this division by virtue of the promulgation of Memorandum Order No. 1031 dated April 21, 1961, dissolving all special investigation units in the national office of the Bureau of Internal Revenue. There were 297 cases acted upon by this division from July 1, 1961 to June 30, 1962 with a total assessment of P20,649,784.94.

*(aa) Tobacco Tax Unit.*—This unit serves as a counter checking body in the national office in matters



relating to the enforcement of existing revenue laws and regulations governing the operations of tobacco manufacturers and dealers. During the period under review, this unit handled 6 cigarette cases, involving possession of fake BIR strip stamps, possession of illegally acquired cigarette paper bobbins and apprehension of dealers of cigarettes with fake strip stamps. It also investigated 9 cigarette factories and redrying plants, making a total of 15 cases. The greatest accomplishment of the Tobacco Tax Unit for FY 1962 was the investigation of an alien-owned cigarette factory in Manila involving an assessment amounting to ₱32,809,440.00 as unpaid specific tax due on illegally manufactured cigarette.

*d. Narcotic Drugs Division.*—This division is charged with the control and supervision of importation, exportation, manufacture, distribution and traffic of narcotic drugs. It also prepares and submits statistical reports to the Permanent Central Opium Board at Geneva, Switzerland, aside from investigating occupation taxes of physicians, pharmacists, nurses, dentists, opticians and veterinarians. During the period under review, the division had a total collection amounting to ₱50,886.24. One thousand four hundred forty eight (1,448) tax cases were investigated and 890 cases settled. A total of 93 import certificates were issued. 35 special permits and 7,239 local permits were also issued during the same period.

*2. Collection Department.*—This Department has assumed full supervision and control of the collection of all taxes, fees, charges and imports prescribed in the National Internal Revenue Code and in other tax laws and regulations. To realize its objectives of collecting current and delinquent taxes, it has planned and recommended the allocation, transfer and promotion of all personnel performing collections functions. It has also initiated programs and revitalized established procedure and techniques for the collection of current and delinquent tax accounts. One of the outstanding accomplishments of this Department was the launching of "Operation Collection" in September 1961 resulting to the satisfactory payment and closure of a large number of delinquent accounts.

*a. Collection Agents Division.*—The marked improvement in the collection of internal revenue taxes has



justified the creation of this division under Republic Act No. 2655. The concerted efforts and the tax information campaign undertaken by the 1,534 Collection Agents and clerks assigned in 1,344 municipalities and 38 cities have effected the collection of current taxes and reduced delinquent accounts to the minimum.

*b. Accounting Machine Division.*—This division is primarily charged with the preparation and maintenance of IBM lists of delinquent tax accounts for the entire country. It also performs various IBM service jobs for other departments of this Bureau.

*c. Collection Agents Division.*—With the turn over of the collection function and of the responsibilities of remitting the collections to the Treasurer of the Philippines from the municipal and city treasurer pursuant to the provisions of Republic Act No. 2655, the collection of national internal revenue taxes has achieved a far reaching result. The success is due to the concerted efforts and tax information campaign undertaken by the Collection Agents and Collection Clerks in their respective stations. Proper remedial measures in the form of directives have issued to the field for the proper and effective safeguarding of their cash accountabilities. Ocular inspections of their respective sphere of activities have been made from time to time by the Central Office personnel giving these fieldmen instructions on the proper implementation of Memorandum Circular No. 5 of the Department of Finance relative to the early remittance of taxes collected to the Treasurer of the Philippines.

With 1,534 collection agents and collection clerks assigned in 1,344 municipalities and 38 cities the trend in the increase of collections during the fiscal period under review as shown in their monthly reports of accomplishments is heartening. It is regrettable to state however, that there are still around 944 municipalities which have only one (1) personnel of the Bureau performing the collection function work, who, at certain times during sickness or inability of the incumbents could not give adequate services to the public unless temporary assignment of Cash Clerks from neighboring municipalities is made by the Regional Director or by the Provincial Revenue Officer. Furthermore, there are quite a number of mu-



icipalities without a collection agent nor cash clerk and the collection function is still being performed by the Deputy Provincial Treasurers.

Shown below is the distribution of Collection Agents and Collection Clerks in the different inspection districts of the Philippines during FY 1961-1962:

*Distribution of Collection Agents and Collection Clerks in Revenue inspection Districts as of June 30, 1962*

Inspection Districts	Number of Municipalities			Number of Collection		
	Old	New	Total	Agents	Clerks	Total
<i>Provinces:</i>						
1. Abra .....	28	—	29	1	19	20
2. Agusan .....	16	2	18	5	11	16
3. Aklan .....	17	—	17	14	6	20
4. Albay .....	16	—	16	12	10	22
5. Antique .....	16	1	17	13	5	18
6. Bataan .....	12	—	12	10	4	14
7. Batanes .....	6	—	6	1	4	5
8. Batangas .....	29	1	30	29	12	41
9. Bohol .....	42	2	44	34	7	41
10. Bukidnon .....	13	1	14	5	8	13
11. Bulacan .....	24	1	25	25	15	40
12. Cagayan .....	28	—	28	20	3	23
13. Camarines Norte .....	10	—	10	9	3	12
14. Camarines Sur .....	35	1	36	34	4	38
15. Capiz .....	17	—	17	16	2	18
16. Catanduanes .....	11	—	11	11	1	12
17. Cavite .....	18	—	18	19	6	25
18. Cebu .....	49	—	49	50	12	62
19. Cotabato .....	31	7	38	17	7	24
20. Davao .....	30	—	30	20	5	25
21. Ilocos Norte .....	21	1	22	16	5	21
22. Ilocos Sur .....	39	1	40	22	11	33
23. Iloilo .....	42	1	43	39	14	53
24. Isabela .....	28	—	28	24	4	28
25. Laguna .....	29	—	29	29	10	39
26. Lanao del Norte .....	17	1	18	6	4	10
27. Lanao del Sur .....	28	1	29	1	22	23
28. La Union .....	20	—	20	18	9	27
29. Leyte Northern .....	16	1	17	13	1	14
30. Leyte Southern .....	16	1	17	12	1	13
31. Marinduque .....	6	—	6	4	5	9
32. Masbate .....	22	—	22	16	3	19
33. Mindoro Oriental .....	12	1	13	8	8	16
34. Mindoro Occ .....	8	—	8	7	1	8
35. Misamis Occ .....	13	1	14	11	2	13
36. Misamis Oriental .....	22	2	24	18	4	22
37. Mt. Province .....	45	—	45	4	31	35
38. Negros Occidental .....	27	1	28	23	21	44
39. Negros Oriental .....	28	1	29	24	2	26
40. Nueva Ecija .....	30	—	30	23	5	33
41. Nueva Viscaya .....	11	4	15	11	4	15
42. Palawan .....	15	—	15	—	12	12
43. Pampanga .....	22	—	22	22	12	34
44. Pangasinan .....	45	1	46	32	10	42
45. Quezon .....	43	2	45	42	15	57
46. Rizal .....	26	—	26	26	17	43
47. Romblon .....	13	1	14	5	7	12
48. Samar .....	58	4	62	46	—	46
49. Sorsogon .....	16	—	16	16	3	19
50. Sulu .....	22	—	22	10	3	13
51. Surigao de Norte .....	24	2	26	10	13	23
52. Surigao del Sur .....	11	5	16	12	2	14
53. Tarlac .....	17	—	17	17	8	25
54. Zambales .....	14	—	14	10	3	13
55. Zamboanga del Norte .....	15	2	17	14	4	18
56. Zamboanga del Sur .....	22	3	25	6	3	9
Total .....	1,291	53	1,344	947	423	1,370



Cities	Number of Collection Agents and Clerks		
	Agents	Clerks	Total
1. Manila	1	38	39
2. Baguio	1	6	7
3. Basilan	—	—	—
4. Butuan	1	3	4
5. Bacolod	1	5	6
6. Cabanatuan	1	3	4
7. Calbayog	1	2	3
8. Caloocan	1	2	3
9. Cavite	1	3	4
10. Cagayan de less Oro	1	3	14
11. Cebu	1	6	7
12. Cotabato	1	3	4
13. Dagupan	1	2	3
14. Danao	1	1	2
15. Davao	1	6	7
16. Dumaguete	1	—	1
17. Gingoog	1	1	2
18. Iligan	1	2	3
19. Iloilo	1	5	6
20. Lapu-Lapu	—	—	—
21. Legazpi	—	—	—
22. Lipa	1	3	4
23. Lucena	1	2	3
24. Marawi	1	2	3
25. Naga	1	4	5
26. Ormoc	1	2	3
27. Ozamiz	1	3	4
28. Pasay	1	3	4
29. Quezon	1	7	8
30. Roxas	1	2	3
31. San Carlos	1	2	3
32. San Pablo	1	3	4
33. Silay	1	1	2
34. Tacloban	1	—	1
35. Tagaytay	1	2	3
36. Trece Martires	1	2	3
37. Toledo	1	1	2
38. Zamboanga	—	—	—
Total	34	130	164

*d. Delinquent Accounts Division.*—During the period under review, this division handled 125,832 delinquent tax cases involving the amount of ₱244,975,286.05, classified as follows:

Nature of tax	No. of Cases	Amount Involved
Income Tax	70,673	₱145,570,426.97
Business Tax	44,561	73,464,067.17
Estate, Inheritance and Gift Taxes	10,508	25,940,791.91
Total	125,832	₱244,975,286.05

Of these number, 20,853 delinquent accounts amounting to ₱54,672,545.13 were closed in the regional districts and in the national offices and 187 tax obligations amounting



to P88,428.73 were settled with backpays, the details of which are shown hereunder:

<i>Nature of tax</i>	<i>No. of Cases</i>	<i>Amount Involved</i>
Income Tax .....	15,803	P49,194,640.02
Business Tax .....	4,285	2,957,926.82
Estate, Inheritance and Gift Taxes .....	952	2,608,407.02
Total .....	21,040	P54,760,973.86

thereby leaving 104,792 unsettled cases involving an aggregate sum of P190,214,311.49 as of June 30, 1962, broken down as follows:

<i>Nature of tax</i>	<i>No. of Cases</i>	<i>Amount Involved</i>
Income Tax .....	15,870	P96,375,786.95
Business Tax .....	40,366	70,506,140.35
Estate, Inheritance and Gift Taxes .....	9,556	23,332,384.19
Total .....	104,792	P190,214,311.49

As may be gleaned from the above figures, an increase by 6,253 cases involving an aggregate amount of P30,778,294.83 have been made during the fiscal year 1962 whereas during the preceding fiscal period 14,787 cases with an aggregate amount of P23,982,679.03 were either closed or settled by backpays.

Another accomplishment of the division during the same period is the issuance of 38,989 tax clearances to applicants going abroad and 3,624 tax clearance certificates for Central Bank purposes, naturalization, change of name and other purposes or a total of 42,613 tax clearance certificates issued.

3. *Legal Department.*—The Legal Department as Chief Counsel, Chief Legal Adviser and Consulting Body of the Bureau of Internal Revenue performs staff and advisory functions in implementing the programs and the laws administered and enforced and in the interpretation and execution of internal revenue laws, special tax laws and implementing regulations. Supervision in the prosecution of tax cases in courts including the preparation of tax bills for legislation are some of the varied functions of this department.

a. *Law Division.*—This division which serves as the right arm of the Legal Department in the interpretation



of tax legislation has played an important role in the operation of the Bureau. It has made and issued a total of 2,593 written as well as verbal rulings. It has also prepared 5 general circulars, 16 tax bills, 12 monthly Bulletins and one (1) Revenue Regulation.

The monthly Bulletin being published by this division contains digest of internal revenue rulings and court decisions on taxation, particularly those of the Court of Tax Appeals and the Supreme Court. It serves as an informative publication both to the officials and employees of the Bureaus and the general taxpaying public.

As a means to coordinate the functions of the Legal and Litigation Branches, the Law Division reviews the rulings and decisions of the former for the Legal Department.

Laws affecting internal revenue taxation which were passed during the first session of the 5th Congress of the Philippines and approved by the Chief Executive through the undertakings of this division are as follows:

1. Republic Act No. 3463 (Approved June 16, 1962)—An Act to exempt the Peoples' Homesite and Housing Corporation from the payment of all taxes, duties, fees and other charges.

2. Republic Act No. 3470 (Approved June 16, 1962)—An Act creating the National Cottage Industries Development Authority (NACIDA) under the Department of Commerce and Industry, prescribing its duties, powers and functions and appropriating funds therefore. Section 16 of Republic Act No. 3470 grants tax exemption in favor of persons or firms engaged in the production or manufacture of cottage products, for a period of five years from the date of registration with the Board of Director of the NACIDA.

*b. Appellate Division.*—This division reviews and conducts formal hearings and conferences on contested decisions and assessments of the Commissioner of Internal Revenue and the ten (10) Regional Directors at the instance and upon request of taxpayers to give them opportunity to exhaust all administrative remedies in the Bureau in the settlement of their tax cases, before resort is made to the Appellate Tax Court. This remedy affords both the taxpayers and the State speedy disposition of



tax cases. Requests for refund and tax credits are processed and decided by this decision.

During the period under review, 15 internal revenue cases involving a total amount of P7,244,090.72 were formally heard. This represents an increase of P407,371.65 over the total amount involved in the cases heard by this division during FY 1961.

The division during the same period had 180 pending cases aside from the 4,981 dockets received or a total of 5,161 cases for disposition. With these large number of cases for action, 4,629 dockets were disposed off as of June 30, 1960 with 532 cases still pending. The division also acted on 367 disputed cases requiring no hearing and claims for refund and tax credit.

*c. Litigation Division.*—This division in collaboration with the Office of the Solicitor General, represents the government in hearing internal revenue cases before the lower courts and the Appellate Tax Court.

From July 1, 1961 to June 30, 1962, 104 cases involving an aggregate amount of P4,545,301.07 were filed with the Court of Tax Appeals by the taxpayers with the State as respondent therein. On the other hand, the government as plaintiff, filed with lower court (CFI) 36 tax collection cases involving the total sum of P1,250,290.42, which could not be collected by means of summary remedy of distraint and levy.

The internal revenue court cases decided during the same period in favor of the government are:

<i>Court</i>	<i>No. of Cases</i>	<i>Amount</i>
Supreme Court .....	15	P3,460,385.28
Court of Tax Appeals .....	27	1,719,269.08
Court of First Instance .....	13	789,704.71
Total .....	55	P5,969,359.02

while those decided in favor of the taxpayers are:

<i>Court</i>	<i>No. of Cases</i>	<i>Amount</i>
Supreme Court .....	10	P497,147.69
Court of Tax Appeals .....	12	544,191.79
Court of First Instance .....	1	83,179.43
Total .....	23	P1,124,518.91



or a total of 78 cases decided involving a total amount of P7,093,877.93.

Among the big and important internal revenue tax cases decided by the Court of Tax Appeals during the fiscal year under consideration are the cases of *Alexander Hooder & Co. Ltd. et. al. vs. Collector of Internal Revenue*, *British Traders Insurance Co., Ltd. vs. Commissioner of Internal Revenue*, *Phoenix Assurance Co., Ltd. vs. Collector of Internal Revenue*, *Home Products, Inc. Ltd. vs. Collector of Internal Revenue*, *Jose B. Aznar, as administrator of Matias Aznar vs. Collector of Internal Revenue* and *Manuel P. Sunga vs. Commissioner of Internal Revenue*.

4. *Administrative Services Department*.—The Revenue Operations Head of this department who, by virtue of Memorandum Order No. 1020, dated December 20, 1960, of the Commissioner of Internal Revenue and approved by the Secretary of Finance, has assumed the responsibility of approving and signing treasury warrants covering disbursements of the Bureau as well as warrants covering taxes, traveling expenses vouchers, treasury warrants for salaries, rentals, etc.

Since the transfer of this responsibility from the deputy Commissioner, the Revenue Operation Head, has approved and signed 125,855 vouchers warrants and checks.

a. *General Services Division*.—This Division takes charge of all the housekeeping functions of the Bureau and provides general services and support to all other divisions and units including the upkeep of office spaces and building premises. It has supervision in the handling, transmission and filing of all correspondence and in the development and execution of records management programs. The Records Control Section under this Division handles the recording, distribution, preservation and disposition of all correspondence of the Bureau. It furnishes certified copies of official documents, microfilm tax dockets involving P10,000.00 or more and keeps a file of all closed tax cases.

The preparation of requisition for forms, supplies, equipment, furniture and such other items as may be needed by the Bureau is within the province of the Property Section. It maintains properly accounting records, obtain services for repair of furniture and equipment, and dispatches motor vehicles to officers for official use.



*b. Training Division.*—The training activities of this division during the period under review is characterized by the variety of subject matters involved in the training program as well as in the ranks of the participants including department heads, assistant heads of departments, division chiefs, assistant chiefs of divisions, filedmen, new employees of the Bureau as well as foreigners undertaking study and observation under NEC-AID sponsorship.

From September 25 to October 30, 1961 management supervision seminar for division chief level was conducted. This was followed by another supervisory training course for assistant chiefs of divisions from November 20 to December 13, 1961. From January 15 to February 2, 1962 section chiefs of the National Office participated in another training program.

The Training Division did not confine its training program in the Central Office. It extended its activities in the southern regions covering the Visayan Islands and Mindanao. Supervision seminars were conducted in the City of Cebu and Davao City with all chiefs of branches and Provincial Revenue Officers of the different Regional Districts as participants. With these briefings and orientation courses being undertaken in the development of the participants in the field of public administration on taxation, the Bureau is looking forward that in the years to come our taxpaying public shall voluntarily come and obligate themselves to contribute their share in the form of taxes for the economic prosperity of the nation.

*5. Management and Planning Department.*—One of the major functions of the Management and Planning Department is to make studies to improve the organization, procedure and methods of program implementation and to determine desirable changes in existing tax laws or the need to enact new tax measures.

*a. Organization and Methods Staff.*—This unit was created on February 12, 1962 as the permanent machinery to handle the Bureau's management improvement program which was launched on August 24, 1961. Placed administratively under the Management and Planning Department, its major function is to provide continuing assistance to supervisors and serves as a permanent unit to undertake studies and analyses of the organizational and procedural problems of the Bureau.



*b. Budget Division.*—This division is in-charge of planning and executing the financial operations of the bureau on the basis of the budget approved for the year. The total expenditures (all funds combined) of the Bureau of Internal Revenue during the year under review amounted to ₱18,426,639.00, as compared with ₱16,863,400.00 of the previous fiscal year or an increase of ₱1,563,239.00. Of the ₱18,426,639.00, the amount allotted from the general fund was ₱18,050,279.00 and the balance of ₱376,360.00 was from the Tobacco Special Fund.

The increase in the expenditures in the General Fund is due to the following factors: (1) increase due to the creation of 125 new positions under Republic Act No. 3100; (2) decrease of the government share in the employees retirement and life insurance premiums appropriated under Republic Act No. 3100; (3) increase due to the appropriation of an additional amount to carry out the 1st step implementing the WAPCO Salary Standardization Plan; (4) decrease in salaries because of 5 positions of the Medical and Dental Clinic transferred to the Office of the Secretary of Finance. Likewise, the increase in the Tobacco Inspection Fund in the amount of ₱234,760 is due to the (1) increase in personal services; (2) implementation of the WAPCO Salary Standardization Plan; (3) additional government share in the employees life and retirement insurance premiums; (4) additional position of one (1) stenographer and (5) per diem of the Chairman, the Secretary and the members of the Tobacco Board.

*c. Accounting Division.*—This division accounts for and keeps records of assets, liabilities, income and disbursements and appropriated funds. It also certifies to the availability of funds and allotments and prepares periodic reports and "reconciliation accounts." Below is the statement of expenditures of the Bureau from July 1, 1961 to June 30, 1962:

#### GENERAL FUND

	Expenses	Appropriations
Personal Services—		₱14,505,645.00
Salaries and wages .....	₱14,462,658.33	.....
Overtime pay .....	42,986.67	.....
	.....	.....
Total Personal Services	14,505,645.00	14,505,645.00
	.....	.....



Maintenance and other operating expenses .....		2,816,634.00	
Traveling expenses .....	671,876.52		
Communication Services .....	137,775.99		
Transportation services .....	21,186.72		
Other services .....	117,468.41		
Supplies and materials .....	1,564,263.59		
Rentals .....	261,459.00		
Gratuities .....	42,603.56		
<hr/>			
Total maintenance and other operating expenses .....	2,816,634.00	2,816,634.00	
<hr/>			
Equipment outlay .....	478,000.00	478,000.00	
<hr/>			
Contribution to life and retirement under R. A. 186 .....	514,172.59	1,552,100.00	
660 .....	1,037,927.41		
<hr/>			
Total Contributions .....	1,552,100.00	1,552,100.00	
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Total General Fund .....	19,352,379.00	19,352,379.00	
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## TOBACCO INSPECTION FUND

Personal Services—		144,344.00	
Salaries and Wages.....	132,104.00		
Contributions to Life and retirement premiums .....	12,240.00		
<hr/>			
Total Personal Services	144,344.00	144,344.00	
<hr/>			
Equipment Outlay .....	2,000.00	2,000.00	
<hr/>			
Maintenance and other operating expenses .....		229,892.00	
Travelling expenses .....	9,515.60		
Other services .....	190,990.80		
	28,935.60		
Rent .....	450.00		
<hr/>			
Total maintenance and other operating expenses .....	229,892.00	229,892.00	
<hr/>			
Total Tobacco Inspection Fund .....	376,236.00	376,236.00	
<hr/>			
GRAND TOTAL .....	P19,728,615.00	P19,728,615.00	
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*d. National Supervisors Division.*—The history, development and the activities of the National Supervisors Division during the fiscal year under consideration are as follows:

1. Introduced new techniques in internal audit procedures for provincial revenue offices and for all branches under the Regional Office.

2. Simplified the system of making reports of work accomplishments of the National Supervisors.

3. Actively assisted in the giving of classification tests for fieldmen and finally, in reclassifying them in accordance with the standard set by the National office.

4. Assisted the national officials and the Regional Directors in the implementation of all the policies and instructions on all levels of organization.

5. Became instrumental in the discovery of many cases of misdeclaration of payments on duplicate official receipts in the office of the Collection Agents of the City of Manila.

*e. Tax Census Division.*—The history, development and activities of the tax census from 1959 through Fiscal Year 1962 is already discussed in the preceding pages of this report.

*f. Tax Information Division.*—This division embarked in an intensive information campaign from September 1, 1961 the date it was formally organized up to June 30, 1962 with the aim of arousing a responsive tax consciousness among the Philippine taxpayers, and the formation of a cordial, cooperative relationship founded on mutual trust and confidence between the revenue bureau and the tax-paying public. The significant accomplishments of this division during the same period are summarized below:

1. The publication in all media of mass communication of "catch-phrase slogans" with tax educational import.

2. The presentation of tax educational programs over television channels.

3. Fulfilled speaking engagements or invitations on the subject of the new administration's "Socio-Economic Program" with emphasis and stress on the people as the sovereign masters and the revenue officials and employees as the public servants.



4. The sponsorship of a nationwide essay writing contest for high school students on a topic which will make them conscious of the necessity of taxes in the economic development and the general welfare of the country.

5. The proposed translation of the Income Tax Primer into the Filipino language.

*Publication.*—Aside from radio, television, educational programs used by the bureau in its information campaign, the use of publications such as newspapers and magazines are now being availed of by the bureau. The bureau also prepared and issued from time to time memoranda, circulars, bulletins and orders for the purpose of properly implementing the provisions of the National Internal Revenue Code on the one hand and familiarized as well the field force on the rulings, regulations and decisions of the courts of justice and disseminated these information to the taxing public. The most important regulations, orders, memoranda, circulars and bulletins issued by the bureau during the period under consideration are the following:

*Field Circulars—*

V-153—Classifying provinces and provincial revenue officers on the basis of revenue collections and prescribing qualifications of such officers.

V-155—Modification of Field Circular No. 153 dated September 4, 1961.

V-156—Position and qualifications of chiefs and assistant chiefs of branches in the Regional Offices.

V-157—Procedure for the Issuance of Authority to Investigate and Keeping of Research thereof.

*Revenue Regulations, Revenue Memorandum, Circulars, Revenue Orders and Revenue Administrative Orders—*

V-77—Amendment to Section 20 of Revenue Regulations No. V-1 or the Bookkeeping Regulations, relative to inspection of books, registers and records.

V-75—Amendment to Revenue Regulations No. V-62, as amended by Revenue Regulations No. V-66, Internal Revenue Regulations No. 2-62—Repeal of Revenue Regulations No. V-62, as amended by Revenue Regulations No. V-66.

Revenue Administrative Order No. 1-62—Extending the deadline of filing tax census statements from February to March 30, 1962 and for other purposes.



- Revenue Memorandum Circular No. 3-62—Dissemination of the contents of circular No. 104 of the General Manager, Government Service Insurance System to Heads of Departments, Chiefs of Bureaus and Offices, Managing Heads of Government Owned or Controlled Corporations, Provincial Governors, City and Municipal Treasurers and others concerned.
- Revenue Memorandum Circular No. 4-62—Dissemination of the contents of the memorandum of the Assistant Secretary for Administrative Affairs to the Commissioner of Internal Revenue.
- Revenue Memorandum Circular No. 5-62—Publishing unnumbered ruling dated February 22, 1962 of the Commissioner of Internal Revenue re encashment by collection agents out of their collections treasury warrants issued by this Office.
- Revenue Memorandum Order No. 7-62—Setting a deadline for strict enforcement of the Memorandum of the Commissioner dated September 1, 1961 on the subject "Submission of all vouchers for reimbursement of traveling expenses incurred during any month not later than the end of the next succeeding month."
- Revenue Memorandum Circular No. 8-62—Loss of 1 pad, Revenue Official Receipt (B. I. R. Form No. 25.24).
- Revenue Administrative Order No. 2-62—Issuance of Identification Cards on B. I. R. Forms 101 and 101-A to Internal Revenue Officers and Employees.
- Revenue Memorandum Circular No. 11-62—Control of Imported Tax Free Equipment and Supplies by Bureau, Offices and other Entities.
- Revenue Memorandum Order No. 12-62—Implementing the Socio-Economic Program of His Excellency, the President of the Philippines, his desire to be furnished with up-to-date report of actual revenue collection.
- Revenue Regulation No. 3-62—Revocation of Revenue Regulations No. V-74—Re Filing of Income Tax Returns and Payments of Income Taxes.
- Revenue Memorandum Order No. 13-62—Requiring all claimants for reimbursement of traveling expenses to submit to the Budget Division, the attached form of "Handwriting specimen, duly accomplished not later than May 15, 1962."
- Revenue Memorandum Order No. 15-62—Pursuant to the Executive Order No. 8, dated March 30, 1962. (Half-Day Session)
- Revenue Memorandum Circular No. 16-62—Publishing the decision of the Supreme Court in the case entitled "Collector of Internal Revenue vs. Antonio Prieto, et. al. GR. No. 11976 and the Commissioner of Internal Revenue vs. Asturias Sugar Central, Inc., GR. L-15013."
- Revenue Memorandum Circular No. 18-62—Publishing the decision of the Supreme Court in the case entitled "Clara Diluangco Palanca, et. al. vs. Commissioner of Internal Revenue.



- Revenue Memorandum Order No. 24-62—Assumption of Office of Mr. Jose B. Lingad as Commissioner of Internal Revenue.
- Revenue Circular No. 17-62—Solicitation of recommendations from outside sources.
- Revenue Circular No. 22-62—Liability of franchise holders for compensating tax on articles imported abroad for use in connection with their business.
- Revenue Regulations No. 4-62—Amendments to Section 4 of Revenue Regulations No. V-7.
- Revenue Memorandum Order No. 27-62—Suspension of Investigation of 1961 Income Tax Returns.
- Revenue Memorandum Order No. 36-62—Proper Conduct and Decorum of Revenue Officials.
- Revenue Administrative Order No. 3-62—Definition of the functions of the Collection Agents Division, Regional Collection Supervisors, Collection Agents and Collection Clerks.
- Revenue Memorandum Order No. 30-62—"Operation Collections" for the period from July 1, 1962 to August 31, 1962.
- Revenue Memorandum Order No. 31-62—Required reports in "Operations Collections."
- Revenue Memorandum Circular No. 20-62—Enjoining all officers and employees of the Executive Branch of the Government to cooperate in the drive against smuggled products and to desist from buying, possessing and using them and appealing to the public for cooperation.
- Revenue Memorandum Circular No. 21-62—Order of priorities in redemption of Back Pay Claims.
- Revenue Memorandum Order No. 35-62—Procedure for effective supervision on the use of cigarette strip stamps.
- Revenue Memorandum Circular No. 24-62—Publishing the Rules and Regulations of the Civil Service Board of Appeals.
- Revenue Memorandum Order No. 38-63—Operation New Taxpayers.
- Revenue Memorandum Circular No. 27-62—Procedure in Selection for promotion and recruitment of personnel.
- Revenue Memorandum Circular No. 28-62—Encashment of checks issued by the National Bureaus and Offices payable by commercial banks covering salaries and reimbursement of expenses of national officials and employees assigned to province and cities.
- Revenue Memorandum Circular No. 45-62—Revocation of Revenue Memorandum Order No. 39-62 regarding deposits of revenue collections with certain banks.

#### TOBACCO AND TOBACCO PRODUCTS, FERMENTED LIQUORS, WINES AND DISTILLED SPIRITS

During the fiscal year 1961-1962, the Philippines exported to foreign countries tobacco and its by products, namely: leaf tobacco, cigars, cigarettes and distilled spirits, wines and fermented liquors.



### A. Tobacco:

During the period under consideration, the Philippines, exported 4,846,615 kilos of filler (stemmed or unstemmed) were shipped duty free to the United States while 19,782,219 kilos of said tobacco fillers were exported to other countries.

In the same year 19,258,371 kilos of leaf tobacco were exported as compared with 7,255,474 kilos exported during the previous fiscal period. The biggest buyer of our leaf tobacco is Spain which has imported 15,162,471 or 79 per cent during the year under review and 5,450,848 kilos or 76 per cent in 1961. The United States was formerly the second largest buyer having absorbed 884,419 kilos or 12 per cent in 1961. In FY 1962, Germany became the second largest consumer of our leaf tobacco having imported 1,892,368 kilos or 9.8 per cent.

### B. Cigars:

Our cigar export to the United States and other foreign countries during the same period was 14,790,336 units as against 9,427,546 units of the preceding fiscal year. The principal importers of these cigars are the United States—9,248,925 units, Hawaii—2,295,465 units, England—1,161,180 units, Hongkong—599,042 units, North Africa—465,020 units, Singapore—176,305 units, Japan—103,112 units and the rest were distributed among other countries in all continents of the world.

### C. Cigarettes:

The cigarettes exported by the Philippines from July 1, 1961 to June 30, 1962 reached a total of 3,522,546 units as compared with 4,663,285 units of the pervious year. The leading buyers of our cigarettes are the United States—1,191,770 units, France—988,000 units, Spain—903,550 units and Andorra—112,000 units. Australia which used to be the leading importer of Philippine cigarettes had an abrupt decrease in the importation having imported only 650 units during FY 1962 as against 372,000 units of the preceding fiscal period.

### D. Fermented Liquors:

The fermented liquors produced in the Philippines during fiscal year 1960–1961 and 1961–1962 were 96,802,200 and 112,281,552.07 gauge liters, respectively. The country's export of fermented liquors to other countries as of June 30, 1962 was 4,005,662.28 as against 3,025,371.09 of the last fiscal year or an increase of 982,345.19 liters or 32.49 per cent over the preceding year's export of the product.



The output of domestic distilled wines and imitation wines during the same period and the previous fiscal year are:

Class	FY 1961	FY 1962	Increase (Decrease)	Percent
P1.00 .....	20,645.2	68,072	47,426.8	229%
2.00 .....	.....	.....	.....	.....
Total .....	20,645.2	68,072	47,422.8	

while the quantity of domestic and imported wines and imitation wines removed from domestic consumption during the same period were as follows:

Class		FY 1961	FY 1962	Increase (Decrease)	Percent
Domestic Manufacture	P1.00	20,645.20	35,490.8	14,845.6	72%
	2.00	.....	.....	.....	.....
Total		20,645.20	35,490.8	14,845.6	
Imported	1.00	.....	99,797.10	.....	.....
	2.00	79,792.91	16,105.80	37,558	47%
	12.00	.....	1,448.01	.....	.....
Total		100,438.00	117,350.91	37,558.6	
GRAND TOTAL		100,438.00	152,841.71	52,403.6	

#### F. Distilled Spirits:

The quantity of distilled spirits produced and the kind of materials used in the production of same for fiscal years 1961 and 1962 are shown below:

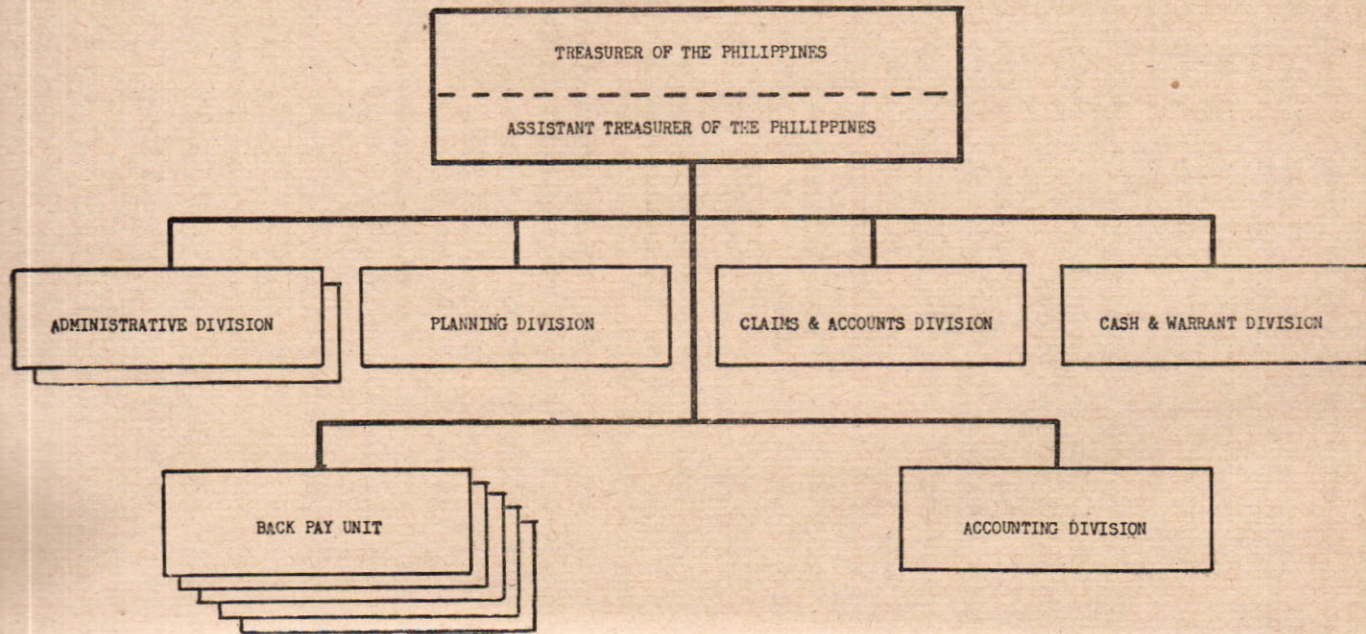
Class	FY 1960-1961		FY 1961-1962	
	Quantity Used	Proof Liters	Quantity Used	Proof Liters
Molasses .....	56,979,469	40,862,994	48,348,863	38,058,547
Nipa Sap .....	94,764	17,515	21,120	1,253
Coco Sap .....	71,997	8,671	223,044	29,829
Others (Ks. and cans).....	16,573	1,898	.....	2,628
	57,162,803	40,891,078	48,593,027	38,092,257

#### Waste Tobacco Destroyed and Removed for Industrial Purposes

The quantities of waste tobacco destroyed and removed for industrial purposes during the period under review reached a total of 902,370 kilos and 199,019, as against 2,748,215 kilos and 376,216, kilos respectively during the previous fiscal period or a decrease by 2,023,042 kilos or by 6.09 per cent.



ORGANIZATIONAL CHART  
BUREAU OF THE TREASURY  
FY - 1961 - 1962





## BUREAU OF THE TREASURY

### STATEMENT OF FUNCTIONS OF THE OFFICE OF THE TREASURER OF THE PHILIPPINES

- (1) Responsible for the receipt, safekeeping, and disbursement of funds in the Treasury;
- (2) Plans organization of the bureau, assigns responsibility and authority;
- (3) Provides executive direction, coordination and control of the bureau;
- (4) Coordinates and supervises the remittance of national revenues to the Treasury; and
- (5) Assures that funds are available to cash all Treasury Warrants.

#### *Assistant Treasurer:*

- (1) Provides direction, coordination, and control of the Bureau's day to day operations;
- (2) Assumes the responsibility of the Treasurer in his absence;
- (3) Assists the Treasurer of the Philippines as directed.

#### *Administrative Division:*

- (1) Supervises the administration of all laws, rules, and regulations affecting the operations and functions of the bureau;
- (2) Supervises and manages actions in the development and formulation of policies and regulations in all areas of personnel and administrative management as well as the processing, screening of personnel for hiring, transfers and promotions in accordance with the Civil Service Laws, rules and regulations;
- (3) Maintains the plantilla of personnel;
- (4) Advises on legal matters;
- (5) Handles the In-Service Training of personnel;
- (6) Supervises personnel, safe custody of property, preparation of payroll and the general housekeeping activities of the bureau;
- (7) Keeps custody of all records of the bureau;
- (8) Handles the redemption of BPI and illegally issued PNB circulating notes in accordance with laws;



- (9) Supervises the administration of unclaimed bank balances in accordance with Act No. 3936 and the Assurance Fund;
- (10) Handles matters pertaining to certification of fire-arms deposits;
- (11) Maintains the security of the Finance Building;
- (12) Processes all back pay claims of the defunct offices and corporations;
- (13) Administers the operation of the Fidelity Fund;
- (14) Coordinates with the preparation of the Bureau's Annual Budget; and
- (15) Supervises the collections and disbursements of funds for various agencies.

*Planning Division:*

- (1) Makes on forecast Treasury Cash flow and advises the Treasurer on action needed to meet cash requirements;
- (2) Coordinates in the preparation of the Bureau's Annual Budget;
- (3) Analyzes performance reports and reviews the organization, methods and procedures and recommends improvements thereof;
- (4) Prepares training materials on management practices;
- (5) Maintains a report-and-form control system;
- (6) Provides for the prompt payment of national bonded indebtedness, both direct and guaranteed;
- (7) Estimates bond amortization and interest payments;
- (8) Provides for redemption of emergency currency and guerrilla notes, and illegally issued PNB Notes;
- (9) Prepares financial reports on public debt;
- (10) Maintains close liaison with field collecting agencies;
- (11) Proposes simplified methods, procedures, and reports to increase efficiency of the collection system; and
- (12) Counsels collecting agents on their problems.

*Claims and Accounts Division:*

- (1) Maintains records of receipts and disbursements of national funds;
- (2) Advises agencies of funds deposited to their accounts, and of the balances of their accounts;
- (3) Maintains accounting records of all funds of the national government deposited with the bureau; and
- (4) Prepares Trial Balances and other financial reports regarding national government funds.



*Cash and Warrant Division:*

- (1) Receives, safeguards and disburses funds deposited with the Treasury;
- (2) Maintains records reflecting the cash positions of the National Treasury;
- (3) Advises agencies of warrants charged against their account with the bureau;
- (4) Maintains Treasury accounts with depository banks; and
- (5) Controls all warrants paid by the Treasury.

*Accounting Division:*

- (1) Keeps books of accounts and takes care of their analysis;
- (2) Prepares Trial Balances and supporting statements and other financial reports;
- (3) Keeps up-to-date control of appropriations and allotments;
- (4) Coordinates work in the development and installation of required modifications to suit national accounting and reporting requirements; and
- (5) Maintains safekeeping of all accounting records.

*Back Pay Unit:*

- (1) Receives, reviews and verifies back pay claims;
- (2) Prepares and issues acknowledgments, certificates of indebtedness and payments;
- (3) Maintains back pay accounting records and controls;
- (4) Maintains files of applications and correspondence and other Back Pay records; and
- (5) Prepares financial reports of back pay funds.

REPORT OF OPERATIONS OF THE BUREAU  
OF THE TREASURY

Pursuant to the provisions of Section 1604 of the Revised Administrative Code, the Treasurer of the Philippines shall receive for safekeeping all funds which by law may be covered into the National Treasury or deposited therein whether revenue receipts of the General Fund, or trust and depository funds of the Republic of the Philippines. He shall likewise receive special deposits of money or securities from individuals in connection with or in relation to government transactions.

As of June 30, 1962, the cash received by the Republic of the Philippines, through the Bureau of the Treasury, which represented the collections of the different collecting agencies



amounted to P2,141,412,053.26. The overall increase of receipts for all funds amounted to P261,687,151.86 as compared with the receipts in the last fiscal year.

It will be observed that inspite of the significant improvement in the receipts of all the different funds, the overall cash balance of the National Government declined from P435,876,132.44 as of June 30, 1961 to P421,795,448.10 as of June 30, 1962, indicating a decrease of P14,080,684.34 or 3.23 per cent.

Below is a statement of operation covering all funds during fiscal year ended June 30, 1962:

Balance, July 1, 1961 .....		P435,876,132.44
Deduct: Operating Deficit—		
Receipts .....	P2,094,597,499.54	
Disbursements .....	2,141,412,253.26	
	<hr/>	
Operating deficit.....	(P46,814,753.72)	
Add: Net changes in Debts—		
Notes payable.. (10,000,000.00)		
Bonds Payable 72,329,854.48		
Sinking Funds		
Payments (4,128,311.93)		
	<hr/>	
Net change in		
Debts .....	P58,201,542.55	
	<hr/>	
Deduct: Net other changes—		
Interest Earned		
(Paid)..... (39,109,994.11)		
Transfers .....	13,642,520.94	
	<hr/>	
	(P25,467,473.17)	
	<hr/>	
	P32,734,069.38	(14,080,684.34)
	<hr/>	
Balance, June 30, 1962 .....		P421,795,448.10
		<hr/>

Notwithstanding the increases in collections during the fiscal period, the ending cash position of the National Government at the close of F. Y. 1962 declined in view of the heavy disbursements made during the year. Apparently, the result of operations during F. Y. 1961 was better than the present fiscal period in the sense that there was an operating surplus of P46,200,481.88 in F. Y. 1961 as against an operating deficit of P46,814,753.72 in the year under review.



Hereunder are comparative statements of the overall receipts and disbursements for all funds of the National Government during fiscal years 1962 and 1961:

RECEIPTS				
Funds	F. Y. 1962	F. Y. 1961	Increase (Decrease)	Per- centage
General Fund .....	P1,542,674,959.56	P1,400,272,421.21	P142,402,538.35	10.16
Special Fund .....	237,298,634.36	210,504,824.85	26,793,809.51	11.29
Bond Fund .....	1,786,999.55	1,446,443.48	340,556.07	23.54
Fiduciary Fund .....	56,835,752.53	45,810,252.51	11,025,500.02	24.07
Other Funds .....	256,001,153.54	174,876,405.63	81,124,747.91	46.38
Total .....	P2,094,597,499.54	P1,832,910,347.68	P261,687,151.86	14.23
DISBURSEMENTS				
Funds	F. Y. 1962	F. Y. 1961	Increase (Decrease)	Per- centage
General Fund .....	P1,469,107,024.52	P1,269,975,141.27	P199,131,883.25	15.66
Special Fund .....	246,268,062.07	205,570,070.15	40,697,991.92	19.80
Bond Fund .....	117,730,504.22	113,673,043.13	4,057,461.09	35.65
Fiduciary Fund .....	51,608,130.39	37,045,457.76	14,562,672.63	39.31
Redemption Fund .....	15.00	—	15.00	100.00
Other Funds .....	256,698,517.06	160,446,153.49	96,252,363.57	59.99
Total .....	P2,141,412,253.26	P1,786,709,865.80	P354,702,387.46	19.85
Excess (deficiency) of receipts over .....	(P46,814,753.72)	P46,200,481.88		

From the above statements, it will be observed that the receipts of the different funds during the year under review, showed sizeable increases over the receipts during the preceding year. The General Fund registered the most significant increase in the amount of P142,402,538.35 or 10.16 per cent.

The increase however, in the receipts of the other funds was only P81,124,747.91, which was very much less than the increase in the General Fund, yet the ratio of increase is 46.38 per cent as against the ratio of increase of 10.16 per cent for the General Fund.

On the other hand, the disbursements of the General Fund during the year under review exceeded the disbursements during the previous fiscal year by P199,131,883.25 or 15.66 per cent. Notwithstanding such increase in disbursements, the operation of the General Fund during the year under review still resulted in a sizeable surplus in the amount of P73,567,935.04.



A comparative statement of the balance of each of the different accounts of the National Government with different depositories as well as the balance of the different funds composing cash of said depositories during fiscal year 1961 and 1962 are shown below:

DEBIT Cash	BALANCES			
	June 30, 1962	June 30, 1961	Increase (Decrease)	Percentage
Treasury vault .....	P9,923,210.42	P7,144,017.74	P2,784,192.68	38.57
Central Bank:				
Demand Deposit .....	164,101,179.49	371,899,549.14	(207,798,369.65)	55.87
Special and other				
Trust Funds .....	2,779,823.50	2,779,823.50	-----	-----
Highway Special Fund ...	2,151,276.07	2,151,276.07	-----	-----
Sinking Fund .....	367,032.69	205,390.47	161,642.22	78.50
Philippine National Bank:				
Account "A" .....	21,887,061.61	21,746,075.52	140,986.09	0.64
Time Deposit .....	30,132,447.50	-----	30,132,447.50	100.00
Other Banks:				
Time Deposit .....	174,063,358.86	29,950,000.00	144,113,358.86	481.12
Savings Deposit .....	16,385,062.96	-----	16,385,062.96	100.00
Total .....	P421,795,448.10	P435,876,132.44	(P14,080,684.34)	(3.23%)
CREDIT				
General Fund .....	P51,207,916.59	P81,931,659.98	(P30,723,743.39)	(37.50%)
Special Fund .....	198,214,004.03	179,716,996.94	18,497,007.09	10.27
Bond Fund .....	74,200,734.36	109,804,482.45	(35,403,748.09)	32.30
Fiduciary Fund .....	71,100,250.00	60,799,305.72	10,300,944.37	16.54
Money Order Fund .....	(29,898,344.22)	(27,098,030.07)	(2,800,314.15)	(10.33)
Depository Fund .....	(1,449,082.58)	(668,603.59)	(780,478.99)	(116.73)
Redemption Fund .....	(4,760.00)	(4,745.00)	(15.00)	(9.32)
Sinking Fund .....	58,424,729.83	31,595,066.01	26,829,663.82	84.92
Total .....	P421,795,448.10	P435,876,132.44	(P14,080,684.34)	(3.23%)

From the above statements, it will be seen that the overall cash position of the National Government as of June 30, 1962 had decreased by P14,080,684.34 or 3.23 per cent.

The cash treasury vault showed an increase of P2.7 million or 38.57 per cent as compared with that as of June 30, 1961. However, the cash balance of the demand deposit account of the Treasury decreased by P207,798,369.65. This substantial reduction in the balance of the demand deposit account with the Central Bank was due to the placement of sizeable sums with the Philippine National Bank as well as Filipino owned banks or controlled commercial banks in the private sector which have been authorized to accept government deposits pursuant to Section 118 of Republic Act No. 265 on recommendation of the Treasury. These funds were deposited with the



banks with varying maturities in order that when the same mature withdrawal thereof will not cause any financial dislocation or embarrassment on the part of the banks concerned.

The deposits of the Treasury to the Philippine National Bank as of June 30, 1962 amounted to P52,019,501.11 which exceeded by P30,275,433.59 or 100.64 per cent the balance of deposits as of June 30, 1961 which stood at P21,746,075.52. The checking account showed an increase of P140,986.09 or 0.64 per cent whereas the time deposit showed an increase of P30,132,447.50 or 100 per cent. The time deposits with other banks which amounted to P29,950,000 as of June 30, 1961, increased to P174,063,353.85 as of June 30, 1962. As of the same date, June 30, 1962, there was P16,385,062.96 in savings deposit with private commercial banks.

The placement of these idle funds of the government on time and savings deposits with the Philippine National Bank and other commercial banks was one of the boldest policies adopted by the National Treasury in years and its impact was felt in the banking business and commercial sections. It not only eased tight money situation but also broadened the credit base by providing the banks with sufficient cash they needed to finance their lending operations.

#### FACTORS THAT AFFECT THE CASH POSITION OF THE GENERAL FUND

The cash position level of the General Fund goes consistently with the fluctuating trend of revenue collections. The level of revenue collections is generally highest during the months of the payment of income tax by taxpayers. Under existing regulations the filing of income tax returns and payments thereof are made in the months of April and July of the year.

The General Fund had a balance of P81,931,659.98 as of July 1, 1962. The month of July is a collection month for income tax purposes and at the same time a disbursement month for government operations, it being the start of the fiscal year. From July 1 to 21, 1961 the receipts exceeded the disbursements by a sizeable amount so that as of July 21, 1961 the balance of the general Fund rose to P137,347,743.10. As of July 31, the fund balance went down to P118,045,902.73.

During the month of August 1961, disbursements exceeded the receipts in big amounts so that as of August 31, 1961, the balance of the fund declined to P47,557,382.86 or a decrease



by P70,448,519.87 or at a daily average of P3,064,718.25 excess of disbursements over the receipts.

During the month of September the fund balance continued to decline. The release of P18,000,000.00 appropriation for the Sinking Fund during the month was temporarily suspended to prevent placing the Fund in the red; so that at the close of the month, the Fund, because of the deferment of the release of the Sinking Fund for backpay of P18,000,000.00 had a balance of P11,377,914.54.

The imminence of the General Fund going in the red prompted the National Treasury to apply on September 26, 1961 for a credit line with the Central Bank in accordance with Section 95 of R. A. 265 to cover any cash deficit that may be incurred. The application was favorably considered and under Resolution No. 1665 dated October 27, 1961 of the Monetary Board, the Republic of the Philippines was granted an overdraft line of P141,000,000, the marginal amount allowable under the law.

By October 12, 1961 the cash deficit of the General Fund reached P10,094,101.90. To eliminate the cash deficit the Treasury requested the Central Bank to make several credits to its demand deposits account out of the approved credit line of P141,000,000. Up to November 22, 1961 a total of P100,000,000 was borrowed by the National Treasury out of its credit line with the Central Bank to finance the operations of the General Fund. At the close of office hours on November 22, 1961, the General Fund has only an outstanding balance of P21,987,536.21 even after the borrowing of P100,000,000 had been made. As of December 29, 1961 the fund balance was as low as P3,777,389.29. On January 2, 1962 the balance went down to as low as P816,486.40 which suddenly rose to P11,910,379.97 on January 3, 1962. As of January 31, 1962 the Fund had a balance of 14,062 million. In February, the National Treasury released the payment of P18,000,000 to the Backpay Sinking Fund and at the close of February 28, 1962, the General Fund had a balance of P50,090,654.70. This improvement of the General Fund was accounted for by the good collections in January and February and to the share of the fund in the dollar margin fee collections which amounted to P89,380,619.15 remitted by the Central Bank in favor of the National Treasury.

The heavy disbursement made by the General Fund in March, 1962 including the liquidation of P8 million obligation of the General Fund to the Special Fund which was outstanding since 1950, were met adequately by the General Fund. As at the



close of March the Fund had a balance of P29,768,497.06. The receipts in April exceeded the disbursement so that as at the end of the month, the Fund had a balance of P48,589,288.48, which balance was rather below expectations considering that April is the income tax collection month. The balance of the Fund as of the end of May stood at P105,834,329.49. The sudden increase of balance at the end of May in spite of the heavy disbursements during the month was due to the fact that the collections in April by the Collection Agents of the Bureau of Internal Revenue were permitted to be deposited by said agents with the Philippine National Bank and other commercial banks as a temporary fiscal measure to relieve tight money situations and remitted to the Treasury only in May.

With the General Funds sound position on June 1, 1962, the two promissory notes at P20,000,000 each or a total of P40 million representing part of the borrowings of the Fund from the Central Bank were redeemed. This redemption of the promissory notes enabled the Treasury to save a total of P295,341.65 in interest payments on the loans covered by the said notes up to June 30, 1962. The unpaid balance of the P100 million borrowed on the credit line was liquidated by the Fund within the first quarter of F. Y. 1963.

A Summary statement of operation of the General Fund during fiscal year 1962 is as follows:

Balance, July 1, 1961 .....	P81,931,659.98
Add: Operating Surplus—	
Receipts .....	P1,463,432,067.76
Other Receipts..	79,242,891.80    P1,542,674,959.56
Disbursements .....	1,469,107,024.52
Operating Surplus .....	73,567,935.04
Deduct: Net Change in Debt—	
Treasury Notes redeemed .....	(P10,000,000.00)
Sinking Fund Payment .....	(28,911,311.62)
	(P38,911,311.62)
Net Other Changes:—	
Interest Payment	(43,237,145.80)



Transfers .....	415,649.98		
Adjustments ....	(22,558,870.99)		
	<hr/>		
	P65,280,366.81)	(104,291,678.43)	(30,723,743.39)

Balance, June 30, 1962 .....	<hr/>	P51,207,916.59
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*Special Fund:—*

The Special Fund, during fiscal year ended June 30, 1962, registered a total cash receipts of P237,298,634.36 while the cash disbursements amounted to P246,268,062.07. After considering the cash disbursement and other receipts, the result was an operating deficit of (P8,969,427.71). Adding however, the net of the transfers and adjustments in the total amount of P27,466,434.80, the result was an ending balance of P198,214,004.03. Of the said balance, as of June 30, 1962, P100,149,283.36 was on time deposit with private Filipino-owned commercial banks, while P98,064,720.67 formed part of the demand deposit of this Treasury with the Central Bank.

The Operating statement of the Special Fund is shown hereunder:

Balance, July 1, 1961 .....	P179,716,996.94
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Deduct: Operating Deficit:

Receipts .....	P231,824,554.42		
Other Receipts ....	5,474,079.94	P237,298,634.36	
Disbursements .....		246,268,062.07	
		<hr/>	
Operating Deficit .....		(P8,969,427.71)	

Add: Net Other Changes:

Transfers .....	2,142,272.52		
Adjustments .....	25,324,162.28	27,466,434.80	18,497,007.09
		<hr/>	

Balance, June 30, 1962 .....	<hr/>	P198,214,004.03
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*Bond Fund:—*

The aggregate cash receipts arising from the normal operations of the fund and excluding the proceeds from the sale of bonds during the fiscal year under consideration amounted to P1,786,999.55 while the disbursements totalled P117,730,504.22, thus showing an excess of P115,943,504.67 disbursements over the receipts. After considering the proceeds from sale of bonds, and the transfers and adjustments during the year, the fund still suffered a net operating deficit of P35,403,748.09, thus re-



ducing the beginning balance of ₱109,604,482.45 as of July 1, 1961 to ₱74,200,734.36 as of June 30, 1962.

The statement of operations of the Bond Fund is shown below:

Balance, July 1, 1961 ..... ₱109,604,482.45

Deduct: Net Operating Deficit.—

Receipts .....	₱842,545.11		
Other Receipts....	944,454.44	₱1,786,999.55	
Disbursements .....		(117,730,504.22)	

Net Operating Deficit .....	(₱115,943,504.67)
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Add: Net Change in Debt—

Bonds Payable.....	79,095,380.00		
Net Other Changes:			
Transfers ....	6,084,598.44		
Adjustments .....	(4,640,221.86)	80,539,756.58	(35,403,748.09)

Balance, June 30, 1962 ..... ₱74,200,734.36

*Fiduciary Fund:—*

During the year under review, the Fiduciary Fund had cash receipts of ₱56,835,752.53, whereas the disbursements amounted to ₱51,608,130.39 resulting a surplus in the operation in the amount of ₱5,227,622.23. After the net transfers and net adjustments in the amount of ₱5,073,322.23 have been added, the fund has an ending balance of ₱71,100,050.09 as of June 30, 1962.

A statement of the operation of the Fiduciary Fund for the fiscal year 1962 is shown below:

Balance, July 1, 1961 ..... ₱60,799,305.72

Add: Operating Surplus

Receipts .....		₱56,835,752.53	
Disbursements ..	₱51,538,980.68		
Other Disbursements .....	69,149.71	51,608,130.39	

Net Operating Surplus .....	5,227,622.14
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Add: Net Other Changes

Transfers .....	920,000.00		
Adjustments ....	4,153,322.23	5,073,322.23	10,300,944.37

Balance, June 30, 1962 ..... ₱71,100,250.09

*Other Funds:*

During the fiscal year under consideration, the other funds (Money Order, Depository and Sinking Fund) had a total re-



ceipts in the amount of P256,001,153.54 while the disbursements were P256,698,517.06, resulting an operating deficit of P697,363.52. After considering the net change in the debt of the funds, interest earned, transfers and adjustments, the operation of the other funds resulted in an ending balance of P27,077,303.03.

A statement of the operation of the Other Funds is shown hereunder:

Balance, July 1, 1961 .....			P3,828,432.35
Deduct: Net Operating Deficit			
Receipts .....	P256,001,153.54		
Disbursements ..	P211,262,142.75		
Other Disbursements .....	45,436,374.31	256,698,517.96	
Net Operating Deficit .....		(P697,363.52)	
Add: Net Change in Debt			
Bonds Payable..	(P6,765,525.52)		
Sinking Fund Payment .....	24,782,999.69	P18,017,474.17	
Add: Net Other Changes			
Interest Earned (Paid) .....	4,127,151.69		
Transfers .....	4,080,000.00		
Adjustments ....	(2,278,391.66)	5,928,760.03	P23,238,870.68)
Balance, June 30, 1962 .....			P27,077,303.03

SUMMARY OF CASH BALANCE (ALL FUNDS)  
AS OF JUNE 30, 1962

General Fund .....	P51,207,916.59
Special Fund .....	198,214,004.03
Bond Fund .....	74,200,734.36
Fiduciary Fund .....	71,100,250.09
Other Funds .....	27,077,303.03
Total of Cash Balance .....	P421,795,448.10

As mentioned in this report, it will be noted that although there was a significant increase in the receipts of the various funds during the fiscal period under consideration, the overall cash position of the National Government was only P421,795,448.10 as compared with P435,876,132.44 during the preceding fiscal year, or a decrease of P14,080,684.34 or 3.23 per cent.

The decline of the overall cash position of all the funds in fiscal year 1962, inspite of greater revenue collections during



the year under review was due to the heavier disbursements compared with the disbursements of the previous fiscal period because of more extensive programming of expenditures of the government.

### *Budget Control and Management*

The Bureau of the Treasury as part of its ordinary function, under the present arrangement, also administers the operation of appropriations provided for under special laws. The appropriations under special laws incurred a total obligation of P174,129,745.00 during the year under review.

Under Republic Act 3100, the amount of P1,522,880.00 was appropriated for its own exclusive use for the ordinary operation and activities. The latter amount include P1,436,280.00 for the General Fund and P87,600.00 for the operation of the Public Binding Law (Fidelity Fund).

### *Obligations under Special Laws*

The Bureau of the Treasury in its administration of Special Laws during the year under review, incurred a total obligation of P174,129,745.00 of which P136,762,777.00 was from the General Fund; P90,544,000.00 from the Special Fund; P1,500,00 from the Depository Fund used to repay the various provincial and city treasurers for the advance made by them to the members of the US Armed Forces stationed in the Philippines during World War II; and P35,866,424.00 from the Bond Fund representing the amount invested in the different projects intended to accelerate the agricultural, industrial and social development of the country.

Functionally, the total obligations of P174,129,745.00 may be divided into two categories:

1. For treasury management and administration of special laws .....	P116,013,321.00
2. Investments .....	58,116,424.00
Total .....	<u>P174,129,745.00</u>

### *Income—*

*Miscellaneous.*—The Bureau of the Treasury during fiscal year ended June 30, 1962, registered a total income of P197,483,039.00 broken down as follows:

General Fund .....	P124,208,695.00
Special Fund .....	761,248.00



Bond Fund .....	71,013,096.00
Depository Fund .....	1,500,000.00
Total .....	<u><u>₱197,483,039.00</u></u>

Of the above income of the General Fund, ₱99,620,635 represented the share in the proceeds of the dollar margin fee collections; ₱7,000,000 as the share of the Fund in the net profits of the Central Bank; ₱12,036,859 represents repayment of advances, made by the Treasury for the amortization and interest on bonds the proceeds of which were used to finance self-liquidating projects of government corporations, local governments as well as bureaus and offices; ₱77,672 represented other taxes and duties, and ₱21,393 represented income derived from the operation and services rendered by the bureau.

The treasury also received the amount of ₱70,052,500 representing proceeds from the sale of bonds under Republic Act No. 1000 and ₱960,596 representing interest earned of funds on time deposit with local banks under the Depository Fund. The Bureau of the Treasury likewise received from the Development Bank of the Philippines the amount of ₱1,500,000. The said amount was used to reimburse the various Provincial and City Treasurers who in one way or the other advanced their fund for the financing and construction undertaken by the USAFFE during World War II in the Philippines.

A comparative statement of income received by the Bureau of the Treasury during fiscal year 1961 and 1962 are shown below:

*Comparative Statement of Income  
Bureau of the Treasury  
Between FY 1962 and FY 1961*

Sources of Income	FY 1962	FY 1961	Increase (Decrease)	Per- centage
<b>GENERAL FUND—</b>				
Other taxes and duties (Miscellaneous) .....	₱77,672	₱267,042	(₱189,370)	( 70.91)
Operating and Service Income.....	21,393	28,656	(7,263)	( 25.35)
Miscellaneous Income .....	821,003	1,330,777	(509,774)	( 38.31)
Prior Years Credit .....	(382,722)	(575,629)	(958,351)	(166.49)
Fines and Penalties .....	391	583	192	( 32.93)
Miscellaneous .....	1,203,334	754,565	448,769	( 59.47)
Repayment of Advances.....	12,036,859	6,687,995	5,348,864	79.98
Government Corporations .....	2,429,363	779,532	1,649,831	211.64
Local Governments .....	294,654	319,339	(24,685)	( 7.73)
Miscellaneous (Bureaus and Offices) .....	9,312,842	5,589,124	3,723,718	66.62



Proceeds from Gold Devaluation.....	—	47,725,502	(47,725,502)	(100.00)
Share of the General Fund on the proceeds of the Dollar Margin Law .....	99,620,635	16,047,316	83,573,319	520.79
Receipts from the net profits of the Central Bank to finance the Revolving Fund for Rural Bank Trust Fund .....	7,000,000	7,000,000	—	—
Proceeds from the sale of Treas- ury Notes .....	—	40,000,000	(40,000,000)	(100.00)
Share of the General Fund on the net profits of the Central Bank .....	4,515,670	—	4,515,670	100.00
Excise Tax .....	66,170	—	66,170	100.00
Transfer of the balance of Emer- gency Gold Assistance Trust Fund .....	49,293	—	49,293	100.00
Total (General Fund).....	P124,208,695	P119,087,288	P5,121,407	4.30
SPECIAL FUND—				
Fidelity Fund .....	P702,325	P601,867	P100,458	16.69
Service Income .....	625,575	593,845	31,730	0.53
Miscellaneous .....	75,750	8,022	68,728	856.74
Land Title Assurance Fund.....	58,923	98,581	(39,658)	( 40.23)
Interests .....	—	11,141	(11,141)	(100.00)
Miscellaneous .....	58,923	87,440	(28,517)	( 32.61)
Securities Statistical Fund.....	—	6,210,073	(6,210,073)	(100.00)
Interests .....	—	3,475,003	(3,475,003)	(100.00)
Miscellaneous .....	—	2,735,070	(2,735,070)	(100.00)
Total (Special Fund).....	P761,248	P6,910,521	(P6,149,273)	( 88.98)
BOND FUND—				
Proceeds from sale of Bond.....	P70,052,500	P167,422,313	(P97,369,813)	( 58.19)
Miscellaneous (Interest on Time Deposits) .....	960,596	1,055,000	94,404	( 8.95)
Total (Bond Fund).....	P71,013,086	P168,477,313	(P97,464,217)	( 56.67)
Depository Fund .....	P1,500,000	—	P11,500,000	—
Grand Total (All Funds)	P197,483,039	P294,475,122	(P96,992,083)	( 32.93)

The extent of the administrative operations of the Treasury could be gleaned from the extent of obligations made on the allotments on the different appropriations provided for under the different laws indicated below:

*Treasury Miscellaneous Funds*

1. Total amount of debit memos accounted for during the year .....	P315,991,082.05
2. Total amount of credit memos accounted for during the year .....	313,417,039.91



## 3. Appropriations Allotted:

## GENERAL FUND:—

Fixed Expenditures	Allotted	Obligated
Cost of printing bonds, R. A. 1000 .....	P50,000.00	P50,000.00
Exchange premiums .....	313,130.00	313,130.00
Interest on U. S. WAA Loan, R. A. 16 .....	6,887.00	6,887.00
Interest on Romulo-Snyder Agreement .....	300,000.00	.....
Interest on Treasury Notes, R. A. 245 .....	7,158,696.00	7,158,696.00
Interest on PW & ED Bonds, R. A. 1000 .....	25,534,330.00	25,534,330.00
Interest on Post—1934 Bonds .....	561,115.00	561,115.00
Repayment of U. S. WAA Loan, R. A. 16 .....	164,146.00	164,146.00
Sinking fund amortization on PW & ED bonds, R. A. 1000 .....	20,414,833.00	20,414,833.00
Sinking fund installment for the redemption of Negotiable Land Certificates, R. A. 1400 .....	282,260.00	282,260.00
Contribution to Backpay Rights Sinking Fund, R. A. 1400 .....	40,000,000.00	40,000,000.00
Amortization of post—1934 bonds .....	396,461.00	396,461.00
Back Years' Retirement Gratuities R. A. 660 .....	1,163,070.00	1,163,070.00
Pensions of retired teachers, C. A. 706 .....	640,000.00	512,112.78
Pensions of retired Constabulary Officers and EM, C. A. 237 .....	260,000.00	195,008.50
Pensions of retired employees of the Bureau of Health, C. A. 237 .....	50,000.00	27,765.30
Back pensions and gratuities, Adm. Order No. 50 .....	50,000.00	5,402.81
Retirement premiums of employees of defunct LASEDECO, R. A. 1160 .....	21,480.00	21,477.35
<i>Continuing Appropriations (all capital outlay except ACCFA which is for purchase of fertilizers for distribution to farmers)</i>		
Philippine Tobacco Administration, R. A. 1135 .....	3,500,000.00	3,500,000.00
Development Bank of the Philippines, R. A. 2702 .....	7,000,000.00	7,000,000.00
NARRA, R. A. 1160 .....	4,000,000.00	4,000,000.00
ACCFA, R. A. 1609 .....	1,500,000.00	1,500,000.00
Philippine National Cooperative Bank, R. A. 2023 .....	1,250,000.00	1,250,000.00
BOND FUND—		

*Capital Outlay*

Abaca Corporation of the Philippines, R. A. 1205 .....	3,000,000.00	3,000,000.00
MRR Co. R. A. 1625 .....	4,000,000.00	4,000,000.00
NDC, R. A. 1407 .....	17,936,424.00	17,936,424.00
NAMARCO, R. A. 2080 .....	7,500,000.00	7,500,000.00



PHHC, R. A. 1322 .....	3,080,000.00	3,080,000.00
PHILCOA, R. A. 1369 .....	350,000.00	350,000.00
DEPOSITORY FUND (U. S. Obligation in the Phil.)—		
Reimbursement to provincial govern- ments for advance made to USAFFE, R. A. 3149 .....	1,500,000.00	1,500,000.00
4. Income		
GENERAL FUND—		
Excise Taxes .....	65,439.96	
Operating and Service Income .....	22,122.99	
Prior Years' credits (due to adjustment of GAO error of crediting ₱6 Million instead of only ₱6,000 (this account has a red balance) .....	(417,250.49)	
Miscellaneous income .....	847.87	
Share in the undivided profits of the Central Bank .....	4,515,670.19	
Share from the 25 percent dollar fee collections .....	99,620,635.12	
Revolving Rural Banks Trust Fund, R. A. 2702 .....	7,000,000.00	
Transfer of balance of Emergency Gold Assistance Trust Fund .....	49,293.24	
Repayment of advances, R. A. 1000 (gov- ernment corporations) .....	2,224,063.35	
Repayment of advances, R. A. 1000 Local governments) .....	185,046.30	
Repayment of advances, R. A. 1000 (miscellaneous) .....	9,312,842.82	
		₱122,578,711.35
Prior years credits .....	32,185.67	
Miscellaneous Income .....	1,200,000.00	
Repayment of advances (government corporations) .....	205,299.69	
Repayment of advances (local govern- ments) .....	109,607.94	1,547,093.30
BOND FUND—		
Miscellaneous Income .....	1,113,730.26	
Proceeds from sale of PW ED bonds .....	70,052,500.00	71,166,230.26
DEPOSITORY FUND (U. S. Obligation in the Philippines)—		
Miscellaneous Income (Thru DBP) .....		1,500,000.00
TREASURY PROPER FUNDS—		
1. Appropriations Allotted: .....	961,080.00	901,804.83



## GENERAL FUND (Operating Expenditures)—

Personal Services .....	961,080.00	901,804.83
Traveling Expenses .....	20,000.00	16,774.79
Supplies and Materials .....	116,000.00	104,030.03
Other Services .....	337,386.00	312,578.00
Gratuities (Allotments release pending transfer from allotment for personal services) .....		4,848.00
Annual amortization to GSIS for government share of insurance premiums under R. A. 132 .....	430,380.00	430,380.00
Fixed Expenditures—government share for life and retirement insurance premiums .....	82,850.00	66,318.47
Overtime service chargeable against overall savings that may be realized from appropriations of different bureaus and offices under the Executive Department (Allotment release Pending in GAO as of this writing) ..		537,512.48
Redemption of emergency Currency notes of the late Igmadio Pamularco under R. A. No. 39 .....	1,520.00	1,520.00

## FIDELITY FUND—

Personal Services .....	25,400.00	19,880.65
Government share for life—7 retirement premiums .....	2,700.00	1,786.67
Traveling Expenses .....	500.00	94.75
Supplies and Materials .....	5,000.00	4,344.58
Sundry Expenses .....	49,620.00	49,410.62

## 2. Income

## GENERAL FUND—

Collections by Board of Travel and Tourist Industries, government services, fines and penalties, etc. ....	82,890.00
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## FIDELITY FUND—

Fidelity bond premiums .....	702,325.23
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## LAND TITLE ASSURANCE FUND—

For .1% of registration fee collections by Register of Deeds .....	75,064.09
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## BACKPAY RIGHTS SINKING FUND

## R. A. No. 304—

1. Redemptions of backpay claims .....	P43,371,274.09
2. Redemptions of PNB checks (dishonored) surrendered by third parties .....	183,760.82



3. Acknowledgments newly issued during the year (this amount which were issued as of June 30, 1962, were booked as of Sept. 30, 1962) .....	6,615,715.52
4. Income	
From Investments, DBP .....	1,314,315.55
From contributions—	
Government corporations .....	P1,014,978.98
Local governments .....	410,079.76
National government .....	40,000,000.00
Prior Years Credits .....	2,995.17
R. A. No. 897—	
1. Backpay acknowledgments issued during the year ....	6,582,323.04
2. Certificates of Indebtedness issued during the year .....	7,187,012.34

### *Fidelity Bond—*

During F. Y. 1962, the Treasury processed 159,688 applications for bonding, out of which the Fidelity Fund assessed as premiums the amount of P625,575.19. Of this amount, P319,011.72 was collected and the balance of P306,563.47 was accounted for as receivables in the books of accounts of the Bureau of the Treasury. During the same period, the cash received by the fund amounted to P446,711.87 of which, P127,-730.15 pertained to bond premiums uncollected during the previous fiscal years, while P319,011.72 pertained to income accruing to the fiscal year under consideration. The balance of the fund and the statement of receivables as of June 30, 1962 are accounted for below:

### *Statement of Accounts Receivables (Fidelity Fund)*

	FY 1962	FY 1961	Increase (Decrease)
National Government Agencies .....	P1,004,937.38	P922,101.90	P82,835.48
Provinces and Cities .....	227,283.42	203,067.12	25,216.30
Miscellaneous .....	407,740.90	376,468.12	31,272.78
Total .....	P1,639,961.70	P1,500,637.14	P139,325.56

### PUBLIC DEBT

Section 7 of Executive Order No. 236, Series of 1957 which prescribes the role of the Bureau of the Treasury in the overall management of the public debt of the National Government, provides:

“Section 7.—Role of the Bureau of the Treasury.—The Bureau of the Treasury shall establish a common fund from all proceeds from



the sale of Republic Act No. 1000 bond. Such fund shall be entitled the 'Public Works and Economic Development Funds' (PWED) and shall be available for any and all projects the financing of which has been authorized by the President through the issuance and sale of Republic Act No. 1000 bonds."

The Treasury services the public debt. Below is a comparative statement showing the servicing of the public debt during F. Y. 1962 and F. Y. 1961.

*Public Debt Servicing of the Bureau of the Treasury  
during fiscal years 1961 and 1962*

	FY 1961	FY 1962	Net Increase (Net Decrease)
<i>a. Bonded Debts—</i>			
(1) Contribution to sinking fund on bonds issued after May 1, 1954 .....	P357,718.00	P396,461.00	P38,743.00
(2) Interest on bonds issued after May 1, 1954 .....	481,115.00	561,115.00	80,000.00
(3) Contribution to sinking fund on bonds under R. A. 1000 .....	P16,136,921.00	P21,771,813.00	P5,634,892.00
(4) Interest on bonds under R. A. 1000 .....	21,446,341.14	30,814,031.16	9,367,690.02
(5) Amortization on sinking fund for NPC bonds under R. A. 3043 .....	.....	2,729,071.88	2,729,071.88
(6) Interest on NPC bonds under R. A. 3043 .....	.....	5,806,747.34	5,806,747.34
<i>b. Unbonded Debts—</i>			
(1) Repayments on war Assets Administration loans .....	164,146.00	164,146.00	.....
(2) Interest on war Assets Administration loan .....	12,315.00	6,887.00	(5,428.00)
(3) Interest on US RFC loan .....	300,000.00	.....	(300,000.00)
(4) Contribution to backpay sinking fund R. A. 304 .....	6,000,000.00	40,000,000.00	34,000,000.00
(5) Contribution to backpay sinking fund R. A. 897 .....	3,762,880.00	.....	(3,762,880.00)
(6) Contribution to sinking fund negotiable land certificate under R. A. 1400 .....	258,743.00	282,260.00	23,517.00
(7) Interest on Treasury notes under R. A. 245 .....	6,383,500.00	7,153,511.42	770,011.42



(8) Redemption of emergency notes .....	1,520.00	1,520.00
(9) Interest on US RAF loan .....	300,000.00	(300,000.00)

*Grand Total debt servicing expenditures ..* P55,603,679.14 P109,687,563.80 P54,083,884.66

The foregoing figures do not include redemption of obligations or amortization to sinking funds and interest payments made directly by government corporations or local governments.

### *Collections from repayment of advances—*

A comparison of the FY 1961 and FY 1962 repayments to the National Treasury by government corporations, local governments, and bureaus and offices for the advances made by the National Government for amortizations to sinking funds and interest payments for self-liquidating projects, is as follows:

	FY 1961	FY 1962	Net Increase (Net Decrease)
a. Government Corporations .....	P779,532.00	P2,224,063.35	P1,444,231.35
b. Local Governments	319,339.00	294,654.24	(24,684.76)
c. Miscellaneous bureaus and offices	5,589,124.00	9,312,842.82	3,723,718.82
Total .....	P6,687,995.00	P11,831,560.41	P5,143,265.41

### BACK PAY

#### *Redemption of Claims under R. A. No. 304—*

During the fiscal period under review, the total redemption of back pay claims recognized under R. A. 304 amounted to P43,371,274.09 while the redemption during the same period in F. Y. 1961, aggregated to P19,165,546.25. The redemption made during the year under review was greater by P24,205,727.84 than the redemption made in the preceding fiscal year. There was also a significant increase in the total face value of acknowledgments issued under R. A. No. 304 during the period from July 1, 1961 to June 30, 1962 as compared with the total face amount of acknowledgment issued the previous period. The increase was attributed to the shift of emphasis from the preparation of checks to the issuance of acknowledgment certificates.



*Redemption of Claims under R. A. No. 897—*

During the fiscal year under consideration, the acknowledgment certificates issued reached a total amount of P6,582,323.04 as compared with P7,039,202.47 of the previous fiscal period or a decrease of P456,879.43. On the other hand, the certificates of indebtedness issued during the period under review to back pay claimants recognized under R. A. No. 897 amounted to P7,187,012.34.

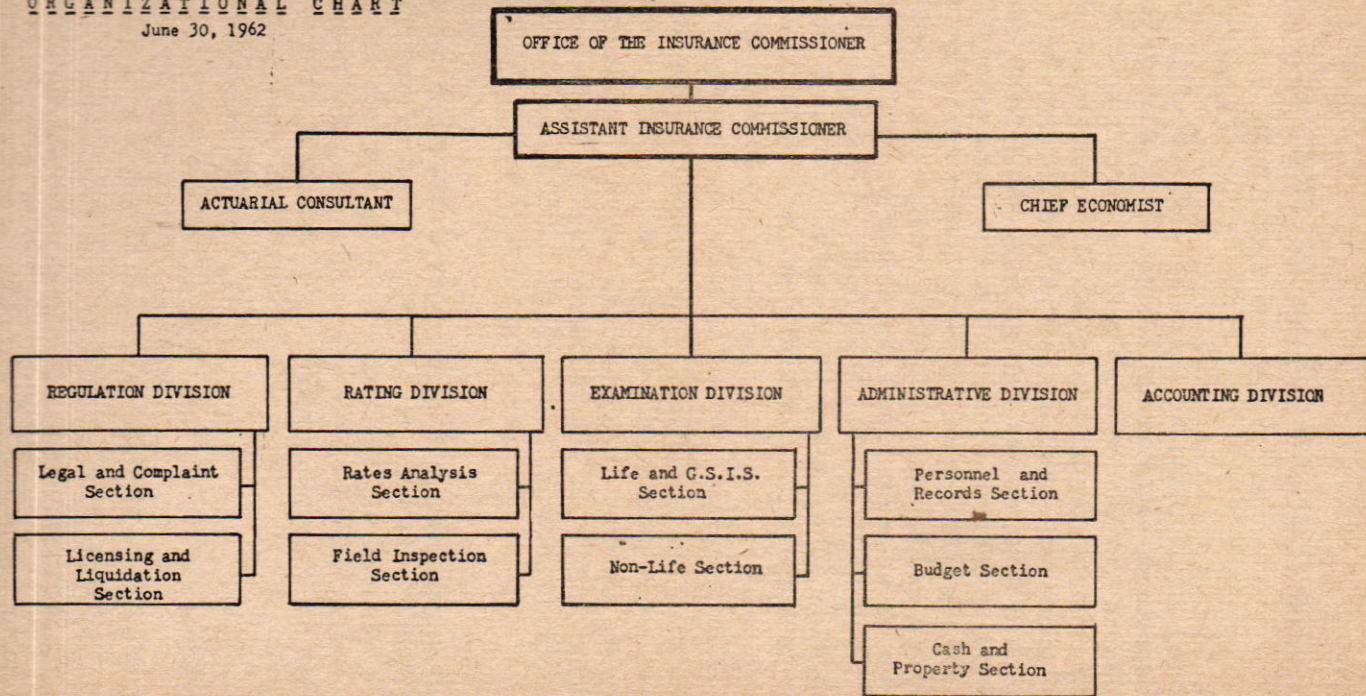
*Emergency Currency Notes—*

As of June 30, 1962, the amount of P1,500.00 was disbursed for the redemption of emergency currency notes. It will be noted that although there was an appropriation of P5 million for FY 1962 to redeem said notes, this appropriation has not been programmed for release.



ORGANIZATIONAL CHART

June 30, 1962





## OFFICE OF THE INSURANCE COMMISSIONER

### STATEMENT OF FUNCTIONS

#### *Executive Staff—*

Controls and supervises insurance companies, their general agents and agents, benevolent societies, charitable organizations, and adjusters of fire claims; formulates policies and programs to insure enforcements of the provisions of existing laws, circulars and regulations governing insurance, benevolent societies, charitable trust organizations and adjusters; drafts bills for Congress pertaining to insurance matters, investments and other matters governing the expanding activities and operations of insurance companies; conducts examinations into the Financial Condition and methods of doing business of the GSIS and furnish reports of examinations to the GSIS Board of Trustees; the Secretary of Finance; Congress and the President; makes annual reports in the activities of the Office of the Secretary of Finance.

#### *Actuarial Consultant—*

Serves as Actuarial Adviser and Consultant to the Insurance Commissioner. Checks, verifies and passes upon calculations of policy reserves, exhibit of valuations, formulas, tables, premium rates of insurance companies and all matters involving actuarial computations. Passes upon approval of life insurance policies and endorsements.

#### *Chief Economist—*

Acts as technical adviser and assists the Commissioner formulate economic policies regarding the insurance industry; evaluates the legal and economic aspects of all securities and investments of insurance companies. Heads Planning Staff of Office in over-all planning of the various divisions, on their methods, procedures and reporting standards.

#### *Administrative Division—*

Under the general supervision of the Insurance Commissioner, is responsible for the following:

- (1) Plans, directs, coordinates all administrative service functions, general service function general services, personnel administration and budget preparation control functions under the direction of the Insurance Commissioner;

- (2) Takes charge and answers routine and ordinary correspondence requiring administrative action and those requiring



policy matters or decisions, subject to the approval of the Commissioner;

(3) Examines and/or verifies requisitions for office supplies, payrolls and vouchers;

(4) Prepares appointment papers of personnel and the necessary communications covering their transmittal to the different offices concerned;

(5) Supervises the making of necessary arrangements of meetings, hearings and conferences to be conducted by the Insurance Commissioner;

(6) Studies complaints against personnel of the Insurance Commissioner and recommends proper administrative or legal actions and also conducts investigations under directions;

(7) Prepares office orders, memoranda, rules and regulations and other office instructions;

(8) Prepares-in-service training courses and contacts "Resource Speakers" and other agencies in gathering in-service training materials;

(9) Takes custody of the equipment, and supplies of the Commission;

(10) Handles payments of salaries and materials of the office;

(11) Prepares the purchases of equipments and supplies and materials of the office;

(12) Takes charge of the maintenance and repair of equipments, and general services;

(13) Develops and maintains a library adequate to meet the needs of the office;

(14) Maintains and keeps records of correspondence, publications and related matters; and

(15) Discharges other functions as the Commissioner and/or the Assistant Commissioner may assign to the Division from time to time.

#### *Actuarial and Rating Division—*

Under the general supervision of the Insurance Commissioner, is responsible for the following:

(1) In implementing all laws, rules and regulations affecting rates of non-life insurances. Advice and consult with the Insurance Commissioner with respect to office policy, and need for new or revised laws and regulations in supervision of rates for all non-life insurance business.



(2) Analyses, reviews and prepares recommendations for Insurance Commissioner's action on:

(a) Filings by rating organizations and by companies making independent filings on:

1. Rates of premiums chargeable.
2. Rating plans, schedules, rules and classifications.
3. Policy forms and endorsements.

(b) Statistical plans and reports designed together with respect to premiums, losses and expenses bases to rate-making.

(3) Conducts examination of insurance companies and rating organizations in respect to rates charged underwriting and re-insurance procedures being followed by the companies as regards to fire, inland, marine, casualty and fidelity and surety business.

(4) Makes ocular inspection of the physical risks insured to check the correctness of the rate charged on the risk covered under the policy.

(5) Conducts periodic ocular inspection of industrial risks having special features in connection with class of construction, fire fighting equipment available and adequacy of water supply. Makes ocular inspection of the different districts and blocks in cities and other centers of population for area-classification for rating purposes in accordance with the degree of hazards and/or other fire preventive devices and facilities present in each area.

(6) Assists the Insurance Commissioner in the hearings he conducts for the purpose of rate-revision, making of tariffs and promulgation of rules and regulations.

(7) Checks, analyses and verifies all statements of business done, both for life and non-life, premiums on business done, underwriting expense exhibits, and other statistical reports.

(8) Checks computations of assessments made to life and non-life companies verify their statements of premium submitted.

(9) Other functions as may be assigned by the Insurance Commissioner.

*Legal, Licensing and Complaints Division—*

Under the general supervision of the Insurance Commissioner, is responsible for the following:

(1) Licensing of:

- a. Domestic insurance companies



- b. Foreign insurance companies
- c. Mutual benefit and benevolent societies
- d. Trusts for charitable uses
- e. Agents (general and individual agents)
- f. Rating organizations
- g. Adjusters of fire insurance claims

(2) Renewing licenses of:

- a. Domestic insurance companies
- b. Foreign insurance companies
- c. Agents (general and individual agents)
- d. Rating organizations
- e. Adjusters of fire insurance claims

(3) Approval and Policy Forms and Riders and Endorsements for Life and Non-Life Insurance Companies and the Government Service Insurance System.

(4) Conducts qualifying examinations for insurance agents.

(5) Attending to complaints and inquiries.

(6) Prepares insurance bills for enactment by Congress.

(7) Promulgates circulars, rules and regulations governing the insurance industry in the Philippines.

(8) Passes upon investments of insurance companies, the Government Service Insurance System, and the Social Security System.

(9) Control of register of Securities of foreign insurance companies doing business in the Philippines; and

(10) Liquidation and/or rehabilitation of insurance companies.

*Division of Examination and Financial Analysis—*

Under the general supervision of the Insurance Commissioner is responsible for the following:

(1) Examination of foreign and domestic insurance companies pursuant to Section 174 of the Insurance Act (Act 2427); and mutual benefits, relief and benevolent societies under Act 3612; and of charitable trusts under Commonwealth Act 434.

(2) Checking of annual statements filed by insurance companies, in accordance with Section 180 of the Insurance Act (Act 2427)

(3) Checking of annual financial reports of mutual benefit, relief and benevolent societies; and of charitable trusts.



(4) Examination of foreign insurance companies which will withdraw from the Philippines, pursuant to Republic Act 447, amending Act No. 2427.

(5) Passing upon the synopses of the approved annual statements of insurance companies before their publication in the newspapers under Section 181 of the Insurance Act.

(6) Passing upon monthly reports of free cash in banks of non-life insurance companies, pursuant to Circular No. 57 of this Office.

(7) Passing upon quarterly reports of investments, as per Section 199 of the Insurance Act.

(8) Compiling and analyzing data submitted by insurance companies.

(9) Preparation of the annual reports of the Office for submission to the Secretary of Finance.

(10) Supervision over the activities of adjusters of fire insurance claims, as per Republic Act No. 1554 (Section 1-h)

(11) Preparing correspondences pertaining to confiscated bonds of the Courts and to promissory notes in default held by banking institutions.

(12) Answering queries from the public pertaining to financial status of insurance companies, mutual benefit, relief and benevolent societies; and charitable trusts; and

(13) Undertaking such special assignments or investigations as may be ordered by the Commissioner or other higher authorities.

#### REPORT OF OPERATIONS OF THE OFFICE OF THE INSURANCE COMMISSIONER

Under Section 2 of Republic Act No. 275, the functions of the Office of the Insurance Commissioner are limited to the supervisions of all insurance companies doing business in the Philippines. The Office is maintained and operated out of its receipts in connection with services rendered on insurance matters. If the total expenses of the Office of the Insurance Commissioner for every fiscal year shall exceed the aggregate amount of the fees collected under the provisions of Act No. 2427, as amended, known as the Insurance Act, the excess shall be assessed by the Insurance Commissioner pro-rata upon all domestic and foreign insurance companies operating in the Philippines in proportion to the gross premiums and other considerations written or received by them during the period for which the assessment or reinsurance covering property or



risks located in this country; but in no case shall any such company be assessed at less than ₱300.00. In other words, this Office is maintained by its earnings automatically appropriated.

#### INSURANCE

During the period under review, there were 164 insurance companies in the Philippines, as compared with 156 at the close of the preceding fiscal years, classified as follows:

Nationality	Life	Non-Life	Total
Domestic .....	15	100	115
American .....	4	17	21
Others .....	3	24	27
Total .....	22	141	163

(a) Of the seven (7) foreign life insurance companies, four (4) American and three (3) foreign other than Americans are only servicing their policyholders in the Philippines. On the other hand, of the one hundred (100) non-life domestic companies, not one was suspended during the period under review. All these domestic companies are in full operation servicing their policy holders.

The listing of insurance companies, including the Government Service Insurance System, operating in the Philippines as of June 30, 1962, with pertinent information about the business done and authorized to be transacted such as fire, marine, automobile, motor car and motor vehicles, health and accident, earthquake, fire or earthquake shock, burglary, larceny, theft, typhoon, floods, tidal waves, plate glass, riot and civil commotion, lightning and explosions, fidelity and surety, and miscellaneous and life insurance business transacted by these companies and their net premiums written for the year ended December 31, 1961 as compared with those for the year ended December 31, 1960, is as follows:

#### LIFE

Nature of Transaction	As of December 31, 1961	As of December 31, 1961	Increased (Decreased)
Insurance issued, revived and increased during the year:			
(a) Number of policies ....	162,555	169,287.00	(6,732)
(b) Amount .....	₱673,583,355.67	₱643,296,719.00	₱30,286,636.67
Net premium income (exclud-			



risks located in this country; but in no case shall any such company be assessed at less than P300.00. In other words, this Office is maintained by its earnings automatically appropriated.

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(b) Amount .....	P673,583,355.67	P643,296,719.00	P30,286,636.67
Net premium income (exclud-			



ing annuity consideration)			
during the year	76,498,520.91	84,979,920.10	(8,481,399.19)
Annuity consideration collected			
during the year	867,631.50	1,353,582.34	(485,950.84)
Losses and claims settled during			
the year .....	12,381,344.83	6,962,945.98	5,418,398.85
Insurance in force			
(a) Number of policies..	537,133	496,278	40,855
(b) Amount....	2,351,505,054.24	2,107,592,422.00	243,912,632.24

*Comparative Statement on Overall Underwriting and Investment  
Income and Expenses of Non-Life Insurance Companies  
for C.Y. 1960-1961*

Nature of Transaction	As of December 31, 1961	As of December 31, 1961	Increased (Decreased)
Net risks written (retention) .....	P9,998,500,678.46	P7,974,944,114.38	P2,023,556,564.08
Risks ceded to unauthorized companies	1,624,149,404.01	2,030,667,506.98	(406,518,102.97)
Gross risks written..	11,622,650,082.47	10,005,611,621.36	1,617,038,461.11
Net premiums written (Retention) .....	95,345,921.90	76,621,683.31	18,724,238.59
Net premium ceded to Un-Authorized companies .....	14,944,625.78	17,203,238.41	(2,258,612.63)
Gross premium written .....	110,290,547.68	93,824,921.72	16,465,625.96
Net premium earned	88,546,947.63	71,458,765.77	17,088,181.86
Net losses incurred...	46,715,636.72	32,270,364.00	14,445,272.72
Ratio of net premiums earned .....	52.76%	44.03%	8.73%

*Insurance Companies Newly Licensed*

During the fiscal year under consideration, eight (8) domestic insurance companies were licensed by this Office to engage in insurance business in the Philippines under Section 195 of the Insurance Act, as amended, by Republic Act No. 446. Of these eight (8) domestic insurance companies licensed, seven (7) are non-life and one (1) life companies.

*Examination of Insurance Companies*

Pursuant to the provisions of Section 174 of the Insurance Act, as amended, examinations of the affairs, financial condition and methods of doing business of the domestic and foreign insurance companies were made during the year under review. One hundred twenty nine (129) insurance companies excluding



the Government Service Insurance System were examined during the year.

*Securities Deposited by Foreign Insurance Companies*

The securities amounting to approximately ₱12,856,954.60 deposited by insurance companies for the benefit and security of their policy holders and creditors in the Philippines, pursuant to the provisions of Section 178 of the Insurance Act, as amended, together with their depositories are as follows as of June 30, 1962:

Items Deposited	Deposited with the Office of the Insurance Commissioner	Deposited with the Bureau of the Treasury	Deposited with the Morgan Guaranty Trust Co. of New York	Deposited with Chase Manhattan London
Certificates of deposits in pesos issued by local banks .....	₱1,065,160.00	.....	.....	.....
Certificates of deposits in gold dollars issued by local banks	\$120,250.00	.....	.....	.....
Cash deposit- ed with the M o r g a n G u a r a n t y T r u s t C o m - p a n y o f New York..			\$20,000.00	
Bonds in dol- lars .....			\$1,788,300.00	
Bond in Phil- ippine pesos		₱5,059,950.00		
Bond in Bri- tish pounds sterling .....				£185,000/0/0
S t o c k s i n P hillippine pesos .....		1,240,130.00		50,000.00
Stock in Bri- tish pound sterling ....				£62,000/0/0
Bonds in In- dian Rupee..	Rs 320,468.75			

The above deposits include approximately ₱165,461.40 worth of securities owned by the following companies which had not



been licensed by this Office up to June 30, 1962: Safeguards Insurance Company, Hartford, Connecticut, Nor—Deutsche Vericherungs-Gessellschaft, Hamburg, Germany; Taiso Insurance, Tokyo, Japan; and Yokohama Fire and Marine Insurance Company, Ltd., Yokohama, Japan.

*Investments in Philippine Securities and Legal Reserves on Policies Written in the Philippines of Foreign Companies*

Under the provisions of Section 176-A of the Insurance Act, as amended, by Republic Act No. 488, foreign insurance companies operating in the Philippines are required to set aside an amount equal to at least thirty (30%) per centum of their legal reserves as of December 1960, on policies written by them in the Philippines, and to invest the same in Philippine Securities.

As of December 31, 1961, foreign insurance companies authorized to transact business in the Philippines, had set up the total amount of ₱96,514,423.24 as their legal reserves on policies written by them in the Philippines for the calendar year which ended on said date. The required investment, which is equal to thirty (30%) per centum of the legal reserves needed amounted to ₱28,954,326.97 as required by law. However, the actual total investment in Philippine securities of the authorized foreign insurance companies as of December 31, 1961, amounted to ₱70,065,521.03, or an excess of ₱41,111,194.06 over the required amount. All these foreign companies had faithfully complied with the requirements of the Act mentioned above.

The Philippine securities purchased by the foreign insurance companies in accordance with the aforesaid section shall not be sent out of the territorial jurisdiction of the Philippines without the written consent of the Insurance Commissioner.

The above-mentioned investments are classified as follows:

Nature of Investments	Foreign (American)	Foreign (Other than American)	Total
Real Estate .....	nil	nil	nil
Fixed Deposits .....	₱1,595,800.00	₱925,382.00	₱2,521,182.00
Bonds .....	11,217,532.75	19,845,724.58	31,063,257.33
Stocks .....	6,074,238.38	2,203,169.92	8,277,408.30
Mortgage Loans .....	1,031,148.28	nil	1,031,148.28
Policy Loans .....	13,547,401.78	13,625,123.34	27,172,525.12
Total .....	₱33,466,121.19	₱36,599,399.85	₱70,065,521.03



*Annual Statements*

Of the 115 domestic (excluding the Government Service Insurance System) and 48 foreign or a total of 163 insurance companies, only 107 and 48 foreign or a total of 155 companies submitted their respective annual statements during the fiscal year under review. The 9 companies which did not file their annual statements include 6 other newly licensed companies whose annual statements were not yet due. These companies are: Philippine International Surety and Insurance Company, Inc., the Rural Insurance & Surety Company, Inc., whose authority to operate was suspended on March 8, 1961 but was subsequently lifted on April 16, 1962 and the NGI Insurance & Surety Corporation which did not transact business and its authority to operate expired on June 30, 1960 but renewed and approved by this Office under a new name, Philippine British Assurance Co., Inc.

Tables XXVI and XXVII of this report show the financial status of 107 domestic insurance companies 14 life and 93 non-life, and the 48 foreign insurance companies (American and other than American (7 life and 41 non-life as of the dates indicated in the first column of said table.

*Policy Forms*

Under Section 184 of the Insurance Act, as amended, no insurance policy is allowed to be issued or delivered within the Philippines unless in the form previously approved by the Insurance Commissioner. Of the 704 policy forms approved during the period under consideration, 184 were for life and 520 for non-life companies.

*Complaints*

Complaints and inquiries regarding insurance matters were received and attended to by this Office. During the fiscal year under review, there were 5,216 of such complaints and inquiries.

There were received complaints against insurance companies for refusal to pay claims on technical grounds, and against insurance agents for misrepresentations of the term of the policies, and for misappropriations of premium collections.

The mediation of this Office in controversies between the insured and the insurance companies and their agents had resulted in the settlement of such controversies to the satisfaction of the parties concerned in many cases.



### *Insurance Adjusters*

As of June 30, 1962, there were ten (10) independent insurance adjusters licensed by the Office. These insurance adjusters and their mailing address are shown on Table XXVIII of the report.

### *Giving Of Insurance Agents Examinations*

The giving of qualifying examination for insurance agents, in accordance with Circular No. 48 of this Office, as amended, is aimed at elevating the standards of the underwriters' profession to enable the insurance companies to have a selected group of representatives who may be entrusted to represent their interests properly to the insuring public.

As of June 30, 1962, this Office had given five (5) examinations 2 regular and 3 special, in Manila and other important cities and places in the Philippines. Two thousand one hundred seventy-eight (2,178) examinees took said examinations.

### *Insurance Agents*

On June 30, 1962, there were 17,897 agents certificates of authority in force as against 21,964 of the previous fiscal period. Of the former, 15,977 certificates are for life companies and 1,920 certificates are for non-life companies.

At the close of Fiscal Year 1962, there were 629 certificates of authority issued in favor of individuals, partnership, associations or corporations to act as general agents of domestic and/or foreign insurance companies as against 853 as of June 30, 1961.

### *Mutual Benefit, Relief and Benevolent Societies or Associations*

As of June 30, 1962, there were 209 licensed mutual benefit, relief and benevolent societies or associations as compared with 203 on June 30, 1961.

Of the 209 associations mentioned above, 53 submitted their respective annual reports, which were properly checked in accordance with Act No. 3612.

One Hundred fifty six (156) associations did not submit their reports. The reason for their failure to file such reports is being explored for appropriate action in accordance with Section 2743 of the Revised Administrative Code, as amended by Act No. 3612.



From the 53 annual financial reports checked, the following consolidated figures were gathered:

Assets .....	P3,466,684.78	
Liabilities .....	1,255,424.48	
Net worth .....		P2,211,260.30

Income:

Donation .....	13,037.50	
Contribution .....	1,568,861.03	
Fee .....	1,054,282.73	
Other Receipts .....	2,903,441.45	
Previous Balance .....	929,323.76	
Total .....		6,468,946.47

Disbursements:

Death benefits .....	P1,475,739.34	
Sick benefits .....	22,415.29	
Other benefits .....	3,974,529.83	
Total .....		P5,472,684.46

Net Receipts .....		P996,262.01
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*Trusts for Charitable Uses*

As of June 30, 1962, 355 charitable trusts registered with this Office under the provisions of Section 2 of Commonwealth Act No. 434 as compared with 317 registered charitable trusts as of June 30, 1961.

During the fiscal year under review, 38 new applications for certificates of registration were filed with this Office by trusts for charitable uses. All of these applications were approved and the applicants were issued Certificates of Registration. There were no certificates of registration for trusts for charitable uses cancelled during the period.

Of the 355 trusts for charitable uses, 72 rendered their respective annual financial reports, while 283 failed to submit their corresponding reports.

From the annual financial reports submitted by the 72 trusts for charitable uses, the following consolidated figures were gathered:

Assets .....	P18,015,296.23	
Liabilities .....	6,072,151.11	
Net worth .....		P11,943,145.12



## Income:

Donation and contribution.....	4,554,104.37	
Fees .....	2,263,195.13	
Benefit Performance .....	170,934.06	
Other benefits .....	3,093,511.72	
Total .....		P10,081,745.28

## Expenses:

Relief given .....	1,097,338.20	
School expenses .....	492,299.24	
Miscellaneous expenses .....	6,325,181.13	
Total .....		P7,914,818.57

Net Income .....		P2,166,926.71
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The other registered trusts for charitable uses which have not submitted their respective annual financial reports are being required to do so.

### *Assessment of Insurance Companies*

Pursuant to Republic Act No. 275, the excess of the expenses of the Office of the Insurance Commissioner over its income shall be assessed pro-rata upon all insurance companies operating in the Philippines in proportion to the gross premiums and other considerations written or received by them during the period for which the assessment is made. The amount of P554,100 was assessed upon all insurance companies operating in the Philippines during the fiscal year ended June 30, 1962.

### *Insurance Associations and Rating*

As of June 30, 1962, there were three (3) associations of insurance companies duly licensed by this Office to engage in making non-life and policy conditions. They are as follows:

Name of Association	Business Address
1. Surety Association of the Philippines	313 Rosario Bldg., Manila
2. Philippine Rating Bureau	450 Regina Bldg., Manila
3. National Rating Bureau	Suite 201 FCI Bldg., Manila

The licenses of these associations were renewed as of July 1, 1962.

During the period under consideration, there were 20,634 (fire, interisland marine, motor, car, workmen's compensation, personal accident and fidelity and surety bonds) risks inspected or whose policies were verified in connection with the enforcement of the tariff rules and regulations and rates approved by this Office.



The requests for substantive discounts from tariff rates on fire cover of the various industrial plants such as those engaged in the manufacture of marine parts, glass and cosmetics including flour processing and refining mill were approved and granted after determining that these buildings are not only exceptionally fire resistive in construction but also protected and well equipped with fire equipment for their own use in conformity with the Rules of the Fire Manual.

New "class/occupancy" incorporated by the Philippine Rating Bureau and the Surety Association of the Philippines in its fire tariff and in the schedule of bonds, respectively, were screened and approved first before the insurance companies are allowed to charge the assured. The rates were likewise approved.

As regards the use of the "Three Fourths Loss Clause", all non-life insurance companies issuing policies covering retail stores are required to comply with Circular Letter No. 1-62 dated June 1, 1962 issued by the Insurance Commissioner.



TABLE I.—*List of Insurance Companies Operating in the Philippines on June 30, 1961*

Name of Company	Kinds of Business Authorized
<i>Domestic</i>	
<i>A. Non-Life—</i>	
1. Agricultural Fire Insurance & Surety Co., Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
2. Alpha Insurance & Surety Co., Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
3. Asian Surety & Insurance Co., Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
4. Associated Insurance & Surety Co., Inc.	Fire, marine, motor car, fidelity and surety, casualty and miscellaneous (except life)
5. Bankers and Manufacturers Assurance Corporation	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
6. Belfast Surety & Insurance Co., Inc.	Fire, marine, motor car, earthquake shock, typhoon, flood, personal accident, workmen's compensation, public liability, tidal wave, fidelity and surety and miscellaneous (except life)
7. Capital Insurance & Surety Co., Inc.	Fire, marine, surety, fidelity, accident, motor car, and miscellaneous (except life)
8. Cathay Insurance Company, Inc.	Fire, marine and miscellaneous (except life)
9. C C C Insurance Corporation	Fire, marine, casualty, fidelity and surety, personal accident and miscellaneous (except life)
10. Central Surety & Insurance Company	Fire, marine and miscellaneous (except life)
11. Century Insurance Company, Inc.	Fire, marine, fidelity, surety and miscellaneous (except life)
12. Citadel Insurance & Surety Co., Inc.	Fire, marine, casualty, fidelity and miscellaneous (except life)
13. Citizen's Surety & Insurance Co., Inc.	Fire, marine, casualty, fidelity, surety and miscellaneous (except life)
14. Commonwealth Insurance Company	Fire, marine, motor car, workmen's compensation earthquake, fire, earthquake shock, typhoon, flood, burglary, theft, plate glass, explosion third party, liability, fidelity and surety. Housekeeping, larceny, personal accident and property damage, sickness, hospitalization, machinery and erection, livestock, riot and civil commotion and aviation.
15. Commercial Insurance & Supply Co., Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
16. Communications Insurance Co., Inc.	Fire, marine (cargo & hull), motor vehicle casualty, personal accident, fidelity and surety and miscellaneous (except life)
17. "Consolacion" Insurance & Surety Co., Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
18. Cosmopolitan Insurance Co., Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
19. Country Bankers Insurance & Surety Co., Inc.	Fire, marine, casualty, fidelity and surety, motor car, personal accident and miscellaneous (except life)



Name of Company	Kinds of Business Authorized
20. Domestic Insurance Company of the Philippines	Fire, marine, accident, earthquake shock, earthquake fire, riot and loss of profits, motor car, public liability, property damage, jewelry, fidelity, surety, plate glass, burglary, accident and health.
21. Eastern General Reinsurance Corporation	Fire, marine, casualty, fidelity and surety and miscellaneous reinsurance (except life)
22. Empire Insurance Company	Fire, marine, earthquake, tidal wave, typhoon, war risk, civil commotion, malicious damage, motor car, public liability, property damage, jewelry, fidelity, surety, plate glass, burglary, accident and health.
23. Equitable Insurance and Casualty Co., Inc., The	Fire, marine, casualty, fidelity, surety and miscellaneous (except life)
24. Far Eastern Surety & Insurance Co., Inc.	Fire, marine, fidelity and surety, employer's liability, workmen's compensation, casualty, personal accident, motor car and miscellaneous (except life)
25. Federal Insurance Company, Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
26. Fidelity and Surety Company of the Philippine Islands	Fire, marine, typhoon, flood, earthquake, fire, earthquake shock, profits, motor car, workmen's compensation, theft, public liability, general accident, personal accident, mercantile robbery, safe burglary, plate glass burglary, robbery, aviation, employer's liability, casualty, riot, and civil commotion, explosion, sprinkler, leakage, loss of profits, use and occupancy, rents, tidal wave, fidelity and surety.
27. Fieldmen's Indemnity Company, Inc.	Fire, marine, motor car, common carrier, personal accident, casualty, fidelity and surety and miscellaneous (except life)
28. Fieldmen's Insurance Company, Inc.	Fire, marine, motor car, personal accident, casualty, fidelity and surety and miscellaneous (except life)
29. Fieldmen's Guaranty Co., Inc.	Fire, marine, motor car, common carrier, personal accident, casualty, fidelity, surety and miscellaneous (except life)
30. Filipinas Compañia de Seguros	Fire, marine, and miscellaneous
31. Filipino Merchants Insurance Co., Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
32. First Continental Assurance Company, Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
33. First National Surety and Assurance Co., Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
34. First Quezon City Insurance Co., Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
35. Fortune Insurance and Surety Co., Inc.	
36. General Indemnity Company, Inc.	Fire, marine, casualty, and miscellaneous (except life)
37. General Insurance and Surety Corporation	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
38. Goodyear Insurance Co., Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
39. House of Insurance, Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
40. Imperial Insurance, Inc., The	Fire, marine, casualty fidelity and surety miscellaneous except life)



Name of Company	Kinds of Business Authorized
41. Industrial Insurance Company, Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
42. Insurance Company of Commercial & Industry Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
43. Insurance & Surety Corporation of the Far East	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
44. Liberty Insurance Corporation	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
45. Luzon Surety Company, Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
46. Mabuhay Insurance & Guaranty Co., Inc.	Fire, marine, motor car, workmen's compensation, fidelity and surety and miscellaneous (except life)
47. Malayan Insurance Company, Inc.	Fire, marine, motor car, earthquake fire, earthquake shock, typhoon, flood, personal accident, workmen's compensation, public liability, tidal wave, fidelity, surety and miscellaneous (except life)
48. Manhattan Guaranty	Fidelity and surety, fire, marine, earthquake typhoon, flood, tidal wave, riots, civil commotion, war, revolutions, rebellions, civil war, military or usurped powers, use and occupancy, storm, bombardment, invasion, insurrection, motor car, burglary and accident.
49. Manila Insurance Company	Fire, marine, motor car, personal accident, workmen's compensation, earthquake, typhoon, flood, fidelity and surety and miscellaneous (except life)
50. Manila Surety & Fidelity Company, Inc.	Fire, marine, fidelity, surety, accident, motor car, and miscellaneous (except life)
51. Manila Underwriters Insurance Co., Inc.	Fire, marine, casualty, motor car, personal accident, fidelity and surety and miscellaneous (except life)
52. Meridian Assurance Corporation	Fire, marine, motor car, general accident, fidelity and surety, earthquake fire, earthquake shock, workmen's compensation, casualty and miscellaneous (except life)
53. Metropolitan Insurance Company	Fire, marine, fidelity and surety, accident, casualty and miscellaneous (except life)
54. Mutual Security Insurance Corporation	Fire, marine, casualty, fidelity, surety, earthquake fire, earthquake shock and miscellaneous (except life)
55. NGI Insurance and Surety Corporation	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
56. Northwest Insurance and Surety Co., Inc.	Fire, marine, earthquake, tidal wave, typhoon, war risk, civil commotion, malicious damage, motor car, public liability, property damage, fidelity and surety, plate glass, burglary, insurance, workmen's compensation, aviation and personal accident
57. Oceanic Insurance Company, Inc.	Fire, marine, casualty, and surety and miscellaneous (except life)
58. Overseas Insurance Corporation	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
59. Pacific Insurance Company	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
60. Paramount Surety and Insurance Co., Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)



Name of Company	Kinds of Business Authorized
61. People's Surety and Insurance Co., Inc.	Fire, marine, motor car, personal accident, fidelity and surety, casualty and miscellaneous (except life)
62. Philippine American Accident Insurance Co., Inc.	Fire, marine, fidelity and surety and miscellaneous insurance (except life)
63. Philippine American Assurance Company, Inc.	Fire, marine, fidelity, surety, casualty and miscellaneous (except life)
64. Philippine American General Insurance Co., Inc.	Fire, marine, motor car, typhoon, earthquake, tidal wave, war risk, civil commotion, malicious damage, public liability, property damage, workmen's compensation, personal accident, casualty, machinery and erection, aircraft and aviation and fidelity and surety.
65. Philippine Guaranty Company, Inc.	Fire, marine, motor car, employers' liability, earthquake fire, earthquake shock, profit, theft, workmen's compensation, casualty, other public liability, earthquake, riot and civil commotion, typhoon, explosion, sprinkler leakage, loss of profits, use and occupancy, rents, flood and tidal wave, general accident, mercantile robbery, aviation and fidelity and surety.
66. Philippine Home Assurance Corporation	Fire, marine, fidelity, surety, casualty and miscellaneous (except life)
67. Philippine First Insurance Company, Inc. (Formerly Yek Tong Lin Fire and Marine Inc. Co., Ltd.	Fire, marine, motor car, earthquake, tidal wave, war risk, civil commotion, malicious damage, public liability, property damage, workmen's compensation, personal accident, casualty, fidelity, and surety, machinery and miscellaneous (except life)
68. Philippines International Surety Company Inc.	Fire, marine, fidelity, surety, accident, health, lightning, earthquake shock, earthquake, marine, miscellaneous (except life).
69. Philippine Phoenix Surety and Insurance Inc.	Fire, marine, fidelity, surety, accident, health, lightning, earthquake shock, earthquake, marine, miscellaneous (except life).
70. Philippine Reinsurance Corporation	Fire, marine, fidelity, surety, accident, health, lightning, earthquake shock, earthquake, marine, miscellaneous (except life).
71. Philippine Surety & Insurance Company, Inc.	Fidelity, surety, fire, personal accident and miscellaneous (except life)
72. Pioneer Insurance & Surety Corporation	Fire, marine, casualty, fidelity, fidelity and surety and miscellaneous (except life)
73. Plaridel Surety & Insurance Company, Inc.	Fire, marine, fidelity and surety covers firearms and other bonds, personal accident
75. Provident Insurance Company of the Philippines	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
75. Provident Insurance Company of the Philippines	Fire, marine, earthquake, tidal wave, typhoon, war risk, civil commotion, malicious damage, motor car, public liability, property damage, jewelry, fidelity and surety, plate glass, burglary, accident, flood, rest, leasehold, use and occupancy, riot, machinery and creation.
76. Reinsurance Company of the Orient, Inc.	Fire, marine, fidelity and surety and miscellaneous, life reinsurance and insurance (except life)
77. R & B Surety & Insurance Company, Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
78. Reliance Surety & Insurance Company, Inc.	Fire, marine, casualty, fidelity, surety and miscellaneous (except life)
79. Republic Surety & Insurance Company, Inc.	Fidelity, surety, fire, earthquake, marine, personal accident and miscellaneous (except life)



Name of Company	Kinds of Business Authorized
80. Rizal Surety & Insurance Company	Fire, marine, fidelity and surety, personal accident, motor car, earthquake shock, earthquake fire, rents, typhoon, flood, public liability, workmen's compensation, burglary, theft, loss of profits, use and occupancy, riot and civil commotion, explosive, tidal wave, sprinkler leakage, general accident, employer's liability, casualty, plate glass, robbery, machinery and erection.
81. Sentinel Insurance Company, Inc., The	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
82. Sincere Insurance Company, Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
83. Southeast Insurance Company, Inc.	Fire, marine, casualty, motor car, accident, workmen's compensation, fidelity and surety
83. South Sea Surety & Insurance Company, Inc.	Fire, typhoon, flood earthquake, motor car, fidelity and surety, marine and personal accident
85. Standard Insurance Company, Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
86. State Bonding & Insurance Company, Inc.	Surety, fidelity, fire, marine, typhoon, flood, earthquake, motor car and miscellaneous (except life)
87. Tabacalera Insurance Company	Fire, marine, earthquake, typhoon, flood, tidal wave, explosion, war, riot, civil commotion, lightning, insurrection, malicious damage, riot, rental value, aircraft, automobile, baggage, island marine, sprinkler leakage, use and occupancy, accident, health, workmen's compensation, elevator, plate glass, burglary, theft, robbery, registered mail and fidelity and surety and miscellaneous (except life)
88. Times Surety & Insurance Company, Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
89. Traders Insurance & Surety Company, Inc.	Fire, motor car, marine, fidelity and surety, personal accident and miscellaneous (except life)
90. Trust Insurance Corporation	Fire, motor car, marine, fidelity and surety, personal accident and miscellaneous (except life)
91. United Insurance Company, Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
92. Universal Insurance & Indemnity Company	Fire, marine, fidelity and surety, casualty, liability, earthquake, automobile, airplane, war, and bombardment, riots and civil commotions, typhoon, flood, windstorm, hurricane, explosion, rent, malicious damage, plate glass, tidal wave, workmen's compensation, personal accident and miscellaneous (except life)
93. Utility Assurance & Surety Company, Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
94. Victory Surety and Insurance Company, Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)
95. Visayan Surety & Insurance Corporation	Fire, fidelity and surety, accident and marine
96. Willington Insurance Co., Inc.	Fire, marine, casualty, fidelity and surety and miscellaneous (except life)



Name of Company	Kinds of Business Authorized
97. Workmen's Insurance Co., Inc.	Fire, marine, motor car, common carrier, personal accident, casualty, surety and fidelity and miscellaneous (except life)
98. World Wide Insurance & Surety Co., Inc.	Fire, earthquake fire, earthquake shock, rents profits, typhoon, flood, marine accident, fidelity, surety, casualty and miscellaneous.
99. Zenith Insurance Corporation	Fire, marine, casualty, personal accident, motor car, workmen's compensation, fidelity and surety and miscellaneous (except life)

#### B. Domestic Life—

1. Alphas Mutual Life Insurance Company, Inc.	Life, health and accident
2. Asian Crusader's Life Assurance Corporation	Life, health and accident
3. Builders Life Assurance Company, Inc.	Life, health and accident
4. Capital Life Assurance Corporation	Life, health and accident
5. Fieldmen's Life Assurance Corporation	Life, health and accident
6. Filipinas Life Assurance Company	Life
7. FMF Insurance Company, Inc.	Life, health and accident
8. Great Pacific Life Insurance Corporation	Life, health and accident
9. Insular Life Assurance Company, Ltd.	Life, health and accident
10. National Life Insurance Company of the Philippines	Life, health and accident
11. Philippine American Life Insurance Company	Life, health and accident
12. Philippine International Life Insurance Co., Inc.	Life, health and accident
13. Star Life Insurance Corporation	Life, health and accident
14. Travellers Life Assurance Company, Inc.	Life, health and accident
15. United Life Assurance Company, Inc.	Life, health and accident

#### A. Foreign (American)

##### I. Non-Life—

1. Aetna Insurance Company	Fire, marine, earthquake fire, earthquake shock, rents, use and occupancy, typhoon and flood and profits, automobile, public liability, workmen's compensation, personal accident, mercantile robbery, safe burglary, general accident, earthquake, loss of profits, riot, civil commotion, explosion, tidal wave, sprinkler leakage, employer's liability, casualty, theft, plate glass, burglary, robbery, aviation, major medical expense, steam boiler and machinery
2. American Home Assurance Company (AIUPI)	Fire, marine, and inland marine, tornado, windstorm, and cyclone, sprinkler leakage, explosion, flood, earthquake, riot, civil commotion, motor car, automobile, public liability, property damage liability, accl-



Name of Company	Kinds of Business Authorized
	dent and health, burglary, robbery, plate glass, workmen's compensation, fidelity and surety (except official recognizances, stipulations, bonds and undertakings)
3. American Insurance Company (AFIA)	Fire, marine, typhoon, earthquake fire, earthquake shock, flood, personal accident, use and occupancy, explosion, tidal wave, sprinkler leakage, automobile, workmen's compensation, theft, plate glass, public liability, rent, loss of profits, riots, civil commotion, fidelity and surety (except official recognizances, stipulations, bonds, undertakings and surety bonds in connection with or pertaining to marine insurance) profits, general accident, employer's liability, earthquake, mercantile burglary, casualty
4. Fireman's Fund Insurance Company (AFIA)	Fire, marine, earthquake fire, earthquake shock, rents, typhoon and flood, profits, automobile, public liability, workmen's compensation, personal accident, burglary, theft, steam boiler, machinery, earthquake, loss of profits, use and occupancy, riot, civil commotion, explosion, tidal wave, sprinkler leakage, general accident, employer's liability, mercantile robbery, safe burglary, casualty plate glass, robbery, aviation, and fidelity and surety (except official recognizances, stipulations, bonds and undertakings) and major medical expense
5. Firemen's Insurance Company of Newark (AIUPI)	Fire, marine and inland marine, windstorm, and cyclone, tornado, sprinkler leakage, explosion, flood, earthquake, riot, civil commotion, motor car, automobile, public liability, property damage liability, accident and health, burglary, robbery, plate glass, workmen's compensation and fidelity and surety (except official recognizances, bonds and undertakings)
6. Fulton Insurance Company (AIUPI)	Fire, marine, motor vehicle, tornado, windstorm and cyclone, sprinkler leakage, riot, civil commotion, explosion, earthquake, personal accident, workmen's compensation, casualty, fidelity and surety (except official recognizances, stipulations, bonds and undertakings)
7. Granite State Insurance Company (AIUPI)	Fire, marine, motor vehicle, excluding bodily injury liability, tornado, sprinkler leakage riot, civil commotion, explosion, earthquake, casualty including accident, fidelity and surety (except official recognizances, stipulations, bonds and undertakings)
8. Great American Insurance Company of N.Y. (AFIA)	Fire, marine, motor car, employer's liability, earthquake fire, earthquake shock, profits, theft, workmen's compensation, casualty, other public liability, earthquake, riot and civil commotion, typhoon, explosion, sprinkler leakage, loss of profits, use and occupancy, rents, flood and tidal wave, general accident, personal accident, mer-



Name of Company	Kinds of Business Authorized
9. Hanover Insurance Company	candle robbery, safe burglary, plate glass, burglary, robbery, aviation, major medical expense, steam boiler, machinery and fidelity and surety (except official recognizances, stipulations, bonds and undertakings)
Fire, marine, motor vehicle, windstorm and cyclone, sprinkler leakage, riot, civil commotion, explosion, earthquake, tidal wave	
10. Hartford Fire Insurance Company (AFIA)	Fire, marine, earthquake, fire, earthquake shock, rent, use and occupancy, typhoon, flood, profits, automobile, public liability, workmen's compensation, personal accident, mercantile robbery, safe burglary, general accident, earthquake, loss of profits, riot, civil commotion, explosion, tidal wave, sprinkler leakage, employer's liability, casualty, theft, plate glass, burglary, robbery, aviation, major medical expenses, steam boiler, machinery and fidelity and surety (except official recognizances, stipulations bonds and undertakings)
11. Home Insurance Company (AFIA)	Fire, marine, earthquake, motor car, workmen's compensation, casualty, employer's liability, burglary, public liability, earthquake shock, earthquake fire, loss of profits, riot, use and occupancy, profits, civil commotion, rents, typhoon, flood, explosion, tidal wave, sprinkler leakage, fidelity and surety, general accident, personal accident, mercantile robbery, safe burglary, theft, plate glass, robber, and aviation and major medical expenses.
12. Insurance Company of North America	Fire, marine, earthquake, tornado, windstorm and cyclone, hail, rain and flood, sprinkler leakage, war riot, civil commotion, explosion aeroplane, motor vehicle, property damage, workmen's compensation, employer's liability, public liability, casualty and fidelity and surety (except official recognizances, stipulations, bonds and undertakings)
13. New Hampshire Insurance Company (AIUPI)	Fire, marine, motor vehicle, tornado, windstorm, cyclone, sprinkler leakage, riot, civil commotion, explosion, earthquake, casualty including accident and fidelity and surety (except official recognizances, stipulations, bonds and undertakings.)
14. National Union Fire Insurance (AIUPI)	Fire, marine, tornado, cyclone, windstorm, sprinkler leakage, riot, civil commotion, explosion, earthquakes, automobile, public liability, property damage liability, robbery, plate glass, accident, health, theft, burglary, and fidelity and surety (except official recognizances, stipulations, bonds and undertakings)
15. Milwaukee Insurance Company of Milwaukee, Wisconsin (AIUPI)	Fire, marine, motor vehicle, tornado, sprinkler leakage, explosion, earthquake, elevators, vehicles, public liability, accident, theft, burglary, plate glass and fidelity and surety (except official recognizances, stipulations, bonds and undertakings)



## Name of Company

## Kinds of Business Authorized

- |   |   |
|---|---|
| 16. Security Insurance Company of New Haven (AIUPI)   | Fire, marine, motor vehicle, tornado, wind-storm, cyclone, sprinkler leakage, explosion, earthquake, riot, civil commotion, casualty, including accident and fidelity and surety (except official recognizances, stipulations, bonds and undertakings)  |
| 17. St. Paul Fire & Marine Insurance Co., Inc. (AFIA) | Fire, marine, earthquake, fire, earthquake shock, rent, use and occupancy, typhoon, flood, profits, automobile, public liability, workmen's compensation, personal accident, mercantile, robbery, safe burglary, general accident, earthquake, loss of profits, riot, civil commotion, explosion, tidal wave, sprinkler leakage, employer's liability, casualty, theft, plate glass, burglary, robbery, aviation, fidelity and surety (except official recognizances, stipulations, bonds and undertakings) and major medical expenses. |

## B. Foreign (American)

*Life—*

- |   |                           |
|---|---------------------------|
| 1. American Life Insurance Company, Inc.            | Life, health and accident |
| 2. Lincoln National Life Insurance Company, The     | Life                      |
| 3. Occidental Life Insurance Company of California  | Life, health and accident |
| 4. United States Life Insurance Company in New York | Life, health and accident |
| 5. West Coast Life Insurance Company (Servicing)    | Life, health and accident |

## A. Foreign (Other than American)

## I. NON-LIFE—

- |  |   |
|--|---|
| 1. American International Assurance Co., Ltd. Hongkong | Fire, marine, automobile, casualty, accident and health, public liability, or property damage, liability, burglary of theft, robbery, plate glass, employer's liability, workmen's compensation, lightning, explosion, storm, flood earthquake, war, strikes, riots and civil commotion and fidelity and surety (except official recognizances, stipulations, bonds and undertakings)   |
| 2. Atlas Assurance Company, Ltd. London, England       | Fire, marine, motor car, workmen's compensation, plate glass, personal accident, earthquake shock, typhoon, flood, baggage burglary, diseases and illness   |
| 3. British Traders Insurance Co., Ltd. Hongkong        | Fire, marine, earthquake shock, earthquake fire, typhoon, flood, riot, civil commotion, casualty, motor car, workmen's compensation, baggage, engineering, war strikes, tidal wave, volcanic eruption, loss of profits, explosion, loss of rent, personal accident, third party liability, public liability, sickness and disease, plate glass, lift theft, larceny, employer's liability, burglary, housebreaking and fidelity and surety (except official recognizances, stipulations bonds and undertakings) |



Name of Company	Kinds of Business Authorized
4. Caledonian Insurance Company Edinburgh, Scotland	Fire, marine, earthquake, plate glass, personal baggage, personal accident and sickness, burglary, war, riots, civil commotion, typhoon, loss of profits, casualty, steam boiler and machinery
5. Chungkuo Insurance Company, Ltd. Taipei, Taiwan	Fire, marine and miscellaneous (except life)
6. Commercial Union Assurance Company London, England	Fire, marine, motor car, earthquake shock and/or earthquake fire, typhoon, flood, accident, workmen's compensation, riot and civil commotion, explosion, loss of rent, employer's liability, burglary, house-breaking, larceny, theft, third party liability, aircraft, plate glass, baggage, loss of profits, sickness and disease, cash-in-transit and fidelity
7. Employer's Liability Assurance Corporation, Ltd. London, England	Fire, marine, motor car, earthquake shock, workmen's compensation, plate glass, typhoon flood, riot and civil commotion, loss of profits, lift, general accident and sickness fidelity and surety (except official recognizances, stipulations, bonds and undertakings) burglary, baggage and all risks, robbery from messengers and public liability including professional liability
8. General Insurance Co., Helvetia, Ltd. St. Gall, Switzerland	Marine, personal baggage, earthquake fire, earthquake shock, typhoon, tidal wave, flood, riot and civil commotion
9. Guardian Assurance Company, Ltd. London, England	Fire, marine, lightning, typhoon, flood, earthquake, explosion, volcanic eruption, tidal wave, riots, strike and civil commotion
10. Law Union & Rock Insurance Co., Ltd. London, England	Fire, casualty (except plate glass) sickness, accident and disease, earthquake shock, typhoon, flood, riot and civil commotion and marine
11. Liverpool & London & Globe Insurance Co., Ltd. Liverpool, England	Fire, marine, automobile, plate glass, loss of profits, general accidents, employer's liability, burglary, housebreaking, larceny theft, water damage and damage by and/or to aircraft
12. London Assurance London, England	Fire, marine, earthquake fire, and/or shock, typhoon and flood, riots, civil commotion, explosion, consequential loss and/or loss of profits
13. Netherlands Insurance Co., es- tablished 1845 Ltd. The Hague, Holland	Fire, marine, earthquake fire
14. New India Assurance Co., Ltd. Bombay, India	Fire, marine, traveler's baggage, earthquake fire, earthquake shock, typhoon, tidal wave, flood, riot, civil commotion, baggage burglary, consignment by air, motor car, personal accident, aviation, motor vehicles, workmen's compensation, aviation and fidelity guaranty
15. New Zealand Insurance Co., Ltd. Auckland, New Zealand	Fire, marine, motor car, householders, burglary, public risks, personal accident, sickness, workmen's compensation, casualty, flood, typhoon, earthquake, plate glass, money-in-transit, specified sickness, general casualty, cargo and hull, riot and civil commotion and consequential fire loss



Name of Company	Kinds of Business Authorized
16. North British & Mercantile Assurance Co., Ltd. London, England	Fire, marine, motor car, personal accident, and disease, baggage, workmen's compensation, employer's liability, earthquake fire and shock, lift, typhoon, flood, explosion, riot and civil commotion, third party liability, plate glass, consequential loss, burglary, fidelity guaranty, forgery, robbery and all risks (comprehensive)
17. Northern Assurance Company, Ltd. London, England	Fire, motor car, accident, sickness and disease, workmen's compensation, earthquake fire and shock, typhoon, flood, comprehensive, riot and civil commotion, explosion and consequential loss, public liability, marine engineering and contractor's all risks
18. Phoenix Assurance Company, Ltd. London, England	Fire, marine, lightning, typhoon, flood, earthquake, accident, workmen's compensation, riot and civil commotion, explosion, war, volcanic eruption, tidal wave, loss of rent, sickness and disease, employer's liability, motor car, thunderbolt, burglary, housebreaking, larceny, theft, property damage, third party liability, plate glass and fidelity guaranty
19. Royal Insurance Company, Ltd. Liverpool, England	Fire, marine, motor car, earthquake shock, workmen's compensation, accident and health, earthquake fire, plate glass, lift and liability to public, burglary, riot, civil commotion and other risks
20. Sea Insurance Company, Ltd. Liverpool, England	Fire, marine, accident, typhoon, earthquake, motor car, personal baggage, war, riots, civil commotion, malicious damage and workmen's compensation
21. South British Insurance Co., Ltd. Auckland, New Zealand	Fire, marine, earthquake, fire, earthquake shock, explosion, typhoon, flood, cash-in-transit, fidelity, accident, workmen's compensation, riot and civil commotion, loss of rent, burglary, housebreaking, larceny, theft and loss of profits
22. Sun Insurance Office, Ltd. London, England	Fire, marine, lightning, typhoon, flood, earthquake, motor car, workmen's compensation, personal accident, sickness, disease, volcanic eruption, tidal wave, loss or rents, personal baggage, riot and civil commotion, loss of profits, plate glass, burglary (business and private) special risks (jewelry & photo) personal liability, public liability (third party) and money-in-transit
23. Switzerland General Insurance Co., Ltd. Zurich, Switzerland	Fire, marine, traveler's baggage, earthquake fire, earthquake shock, typhoon, tidal wave, flood, riot and civil commotion
24. Union Insurance Society of Canton, Ltd. Canton, Ltd., Hongkong	Fire, marine, casualty, baggage, war, strikes riot, and civil commotion, earthquake fire and/or shock, typhoon, flood, tidal wave, volcanic eruption, loss of profits, explosion, loss or rents, personal accident, third party liability, public liability, sickness and disease, plate glass, lift, em-



## Name of Company

## Kinds of Business Authorized

ployer's liability, workmen's compensation, motor car, burglary, housebreaking, larceny, theft and fidelity and surety (except official recognizances, stipulations, bonds and undertakings) and engineering

## B. Life—

- |  |      |
|--|------|
| 1. Crown Life Insurance Company<br>(Servicing) Toronto, Canada         | Life |
| 2. Manufacturers Life Insurance<br>Company Toronto, Ontario,<br>Canada | Life |
| 3. Sun Life Assurance Company of<br>Canada Montreal, Canada            | Life |



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## EXHIBITS

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**DEPARTMENT ORDERS, CIRCULARS, MEMORANDA, PROVINCIAL CIRCULARS, REVENUE REGULATIONS, ETC.**

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Exhibit No. "1"

DEPARTMENT OF FINANCE  
MANILA

*January 5, 1962*

DEPARTMENT ORDER No. 1-62

Effective today, all officers or employees on detail and assigned for duty in the Intelligence Division, Department of Finance, are hereby relieved and ordered returned to their respective bureaus or offices where they have their original appointments.

Before reporting to their respective offices or units they are, however, directed to report to the Assistant Secretary of Finance for Administrative Affairs regarding the turnover of their respective property or cash accountabilities including their identification cards, firearms, if any, and other properties received so that clearance can be given and said items finally turned over to the proper authorities. A report of status of pending work shall also be submitted duly certified, in the absence of which, negative report should be submitted instead.

All personnel in the Intelligence Division who are presently assigned to other offices or units including the Bureau of Customs and Bureau of Internal Revenue are hereby recalled and directed to submit a report of their work, finished or not, to the Assistant Secretary of Finance for Administrative Affairs who will bring the matter to the attention of the Secretary for appropriate disposition.

All officers and employees concerned are hereby directed to implement this order and shall be guided accordingly.

All previous assignments or directives in conflict herewith are revoked accordingly.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



DEPARTMENT OF FINANCE  
MANILA

February 2, 1962

## DEPARTMENT ORDER No. 5-62

Subject: *Classification of orders, memorandums or circulars issued by the Secretary and by the heads of bureaus and offices under the Department of Finance.*

In order to have a standardized classification and/or identification of the different regulations, orders, circulars, memorandums, etc., issued under the Department of Finance, avoid confusion and facilitate systematic codification and implementation thereof, the following classifications are hereby prescribed for the information and guidance of all concerned:

1. *Department Orders.*—These shall include directives, rules regulations, orders, and/or instructions of general application and permanent character which establish new policies or implementations of laws and executive orders.

2. *Administrative Orders.*—These shall include rules, regulations and instructions for the information and guidance of all officials and employees of the issuing bureau or office including the public in general in connection with the proper administration and operation of the issuing agency. These shall also include the enumeration of administrative inspection districts and regional offices of the Bureau of Internal Revenue and the changes which may be made from time to time. Administrative Orders shall be subject to approval by the Secretary of Finance. For proper distinction, they shall be issued thus: Revenue Administrative Order, Custom Administrative Order, Treasury Administrative Order, Insurance Administrative Order.

3. *Memorandum Orders.*—These shall contain directives or instructions affecting the officials and employees of the issuing bureau or office involving a more limited scope and requiring definite compliance. Those orders shall likewise be identified thus: Department Memorandum Order, Revenue Memorandum Order, Customs Memorandum Order, Treasury Memorandum Order, and Insurance Memorandum Order. Since Memorandum Orders issued by the agency do not involve policies, they need not have the approval of the Secretary of Finance.

4. *Personnel Orders.*—These shall include all assignments change of station, and travel orders of official and employees of the bureaus or offices which are more or less permanent in character and subject to limitations or conditions under existing rules and regulations. These orders shall be approved by the Secretary of Finance and forwarded to the Executive Secretary for approval under Administrative Order No. 42, series of 1937, unless the order will involve movement of personnel for



not more than thirty days. These Personnel Orders shall also be identified thus: Department Personnel Order, Customs Personnel Order, Treasury Personnel Order and Insurance Personnel Order. The Bureau of Internal Revenue is not included herein because it shall use the usual "Travel Assignment Order" (See Item 10).

5. *Special Orders*.—These orders shall be prepared by the Department or its agencies and shall cover special assignments or missions to be accomplished by officials and employees concerned for a definite period. These orders shall also include special missions or work assignments which may be issued by the agency concerned upon directive from the Secretary. These orders shall likewise be identified thus: Department Special Order, Revenue Special Order, Customs Special Order, Treasury Special Order, and Insurance Special Order. Special Orders issued by the Bureau of Internal Revenue will include specific missions or work assignments which are of a nature not contemplated under the provisions of Section 12 of the National Internal Revenue Code.

6. *Memorandum Circulars*.—These shall contain dissemination of instructions and other information for the guidance of all officers and employees of the particular bureau or office and the public in general including the circularization of rulings, precedents, laws or regulations of general interest and the opinions of the Secretary of Justice, resolutions and decisions of courts and the Commissioners of Civil Service which affect the functions and duties of the personnel of the Department. They shall also include such rules and regulations which may be issued by the different agencies of the Department which affect in one way or another the functions of the bureau or office under the Department of Finance. They shall be also identified thus: Department Memorandum Circular, Revenue Memorandum Circular, Customs Memorandum Circular, Treasury Memorandum Circular and Insurance Memorandum Circular.

7. *Provincial Circulars*.—These shall contain instructions, rulings, precedents, laws or regulations including opinions of the Secretary of Justice, resolutions and decisions of courts and the Civil Service, and other information for the guidance of all Provincial, City Treasurers and Assessors and/or Municipal Treasurers and their employees. They shall include such rules and regulations which may be issued by the different agencies of the Department which affect in one way or another the functions of the Office of the Provincial, City Treasurers and Assessors and/or Municipal Treasurers and their employees.

8. *Provincial Memorandum*.—These Provincial Memorandums are issued by the Department and shall contain definite directives or instructions affecting the Office of the Provincial, City Treasurers and Assessors and/or Municipal Treasurers and their employees involving a limited scope and requiring definite compliance.

9. *Revenue Regulations*.—These shall be issued by the Secretary of Finance upon recommendation of the Commissioner of Internal Revenue in the performance of its revenue and collection functions for the proper guidance of the public as well as all internal revenue officers and employees involving revenue rules and regulations. These Internal Revenue Regulations are applicable only to the Bureau of Internal Revenue.

10. *Travel Assignments Orders*.—These orders are issued by Commissioner of Internal Revenue under Section 12 of the National Internal



Revenue Code upon approval by the Secretary of Finance or his duly authorized representative, which shall conform with department level policies, involving assignments and travel orders or revenue officers and employees whether in the central office, regional or other inspection districts of the Bureau of Internal Revenue.

Each of these types of orders, memorandums or circulars shall be numbered consecutively from number 1 at the beginning of each year in accordance with Section 79(B) of the Revised Administrative Code to be followed by the last two digits of the applicable year thus: Department Order No. 1-62; Administrative Order No. 2-62. The subject and addresses shall be clearly indicated under each type of orders, memorandums or circulars for reference purposes.

Attention is invited to existing laws or regulations wherein certain department orders, administrative orders, internal revenue regulations, etc. are required to be published in the Official Gazette, in which case, upon approval thereof by the proper officials, steps shall be immediately taken to have the same published accordingly.

All bureaus and offices under the Department issuing these orders, memorandums or circulars are hereby directed to see to it that corresponding copies be furnished the Secretary of Finance for proper coordination, filing and codification. For the proper control of numbers, it is hereby required that a register should be maintained and numbers should be immediately typewritten before signature of the proper officials. Those orders or circulars that are to be approved by the Department of Finance should invariably be indicated with the proper numbers in accordance with the register.

All orders, instructions, directives, circulars or memorandums contrary to, or inconsistent herewith, are hereby revoked or modified accordingly.

This Order shall take effect immediately.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



DEPARTMENT OF FINANCE  
MANILA

February 15, 1962

DEPARTMENT ORDER No. 12-62

Subject: *Issuance of the "Department of Finance Bulletin" and other publications of the Department of Finance*

The Department of Finance will soon launch an information campaign to stimulate tax consciousness on the part of the tax-paying public, generate public interest on the activities and operations of the Department and of its bureaus and offices, promote closer cooperation among the personnel and elevate to a higher level their morale and interest in the service.

To realize this objective, the Department of Finance will publish "The Department of Finance Bulletin" an information magazine to serve as a dependable source of information pertinent to the function of the Department as well as its agencies. Other appropriate publications will be issued from time to time as the situation warrants. The Bulletin will be the official organ of the Department and its agencies.

All the heads of bureaus and offices under the Department are hereby directed to furnish the Office of the Secretary, through the Public Relations Staff of this Office, with press releases, circulars, memoranda, and copies of administrative decisions and rulings, and articles about matters of public interest which they issue from time to time for publication in the "Department of Finance Bulletin". All such materials should be submitted not later than the 15th of every month starting April, 1962.

The heads of bureaus and offices should designate one among their personnel, preferably the press relations or public information officer, who shall take charge of the gathering of the materials in his office or bureau and the submission of such materials to the Department.

Compliance herewith is enjoined.

(Sgd.) FERNANDO E. V. SISON  
Acting Secretary



DEPARTMENT OF FINANCE  
MANILA

February 19, 1962

DEPARTMENT ORDER No. 6-62

Subject: *Application for Release of Importation by New and Necessary Industries under Republic Act No. 901, as Amended*

Effective immediately, the application of new and necessary industries for the release of their importations, tax-free under Republic Act No. 901, shall be processed as follows:

The applications shall be received at the Records Section where they shall be duly stamped to show the date of receipt thereof and numbered consecutively, after which they shall be forwarded immediately to the Revenue Promotion Division.

The receiving clerk at the Revenue Promotion Division shall receive the applications, keep a record thereof, and distribute them equally among others, the number of the application, date received in the Division, date released, and notation whether the application has been approved, disapproved, or action held in abeyance due to deficiency or defect in the application.

The Processing Committee, composed of one representative each of the Secretary of Finance (DF), chairman; the Secretary of Commerce and Industry (DCI), and the Chairman of the National Economic Council (NEC), members; shall process the applications in accordance with law, existing rules and regulations, and shall examine them in accordance with Section 1 of Republic Act No. 2351 to determine whether (a) the machinery and spare parts thereof, and raw materials are actually needed and will be used exclusively by the grantee in the manufacture of articles covered by the tax exemption, and (b) the foreign exchange allocation and related documents covering the importation are in the name of the importing tax-exempt industry. In processing the applications, due consideration shall be given the consecutive numbers assigned to the release certificate; that is, the processing shall start from the lowest to the highest number, on the basis of first come first serve.

The applications assigned to and by the DF representative shall be routed to the DCI representative, and finally to NEC representative. Those assigned to and acted by the DCI representative shall be routed to the NEC representative, and finally to the DCI representative. Those assigned to and acted by NEC representative shall be routed to the DF representative, and finally to the DCI representative. Immediately after the processing is completed, the applications shall be sent to the Chief of the Revenue Promotion Division, through the Chief of the Economic Incentives Section, for review.

The functions of the Committee members are defined and delimited by Section I of Republic Act No. 2351, as enumerated above. The findings and conclusions of each member of the Committee shall be reached in-



dependently of the other members. Where, as a result of their individual evaluation, the opinions of Committee members are not unanimous on the merits of any application, the same shall be deliberated by the Committee and its final conclusion shall serve as the Committee recommendation as a whole. Defects or deficiencies found in the application and/or additional information needed by any member of the Committee shall be communicated to the Chief of the Economic Incentives Section who shall prepare or cause to be prepared, for the signature of the Assistant Secretary for Fiscal Affairs, the necessary communication to advise the applicant accordingly of the said deficiencies or defects, and the need for additional information. In no case shall the said communication partake the nature of a decision. The collective views arrived at by the Committee as a whole shall serve as its recommendation for final decision by the Secretary or, upon delegation, by the Undersecretary and the ASSISTANT SECRETARY for FISCAL AFFAIRS, as the case maybe. CASES of applications for withdrawal of raw materials which are not specifically mentioned in the letter-grant or at variance with the exact nomenclature from those mentioned in the said grant, but found to be actually needed and for the exclusive use of the industry, shall be elevated for Secretarial level decision.

All applications found in order as well as those recommended for denial shall be sent to the Assistant Secretary for Fiscal Affairs. Release certificates prepared for his signature shall be signed by him, and those prepared for the signature of the Undersecretary or the Secretary, as the case may be, shall be passed upon by him before sending them to the proper official. After the release certificates have been signed, they shall be sent to the Records Section for release.

The certificates addressed to the Commissioner of Customs shall be released by the Records Section after indicating thereon the date of release. Under no circumstances will originals of the certificates be delivered to the parties following up the applications. They shall be sent through the office messenger, direct to the Commissioner of Customs in accordance with existing instructions. The copy of the certificate intended for the applicant may be given directly to his duly authorized representative.

Any application which remains unacted within a period of three days (exclusive of Saturdays, Sundays and holidays) from the receipt thereof shall be brought to the attention of the Assistant Secretary for Fiscal Affairs and any official or employees found responsible therefor shall be subject to appropriate disciplinary action.

This supersedes any previous orders relative to the same subject matter which are inconsistent herewith.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



DEPARTMENT OF FINANCE  
MANILA

Exhibit No. "5"

DEPARTMENT ORDER No. 7-62

March 2, 1962

Subject: *Designation of all Special Investigators of the Investigation Division, this Department, as regular Customs and Internal Revenue Officers.*

Pursuant to the provisions of Republic Act No. 251, all Special Investigators of the Investigation Division, this Department, are hereby designated as Customs and Internal Revenue Officers and as such, they shall exercise the duties and assume the responsibilities of regular Customs and Internal Revenue Officers in the examination of books of accounts, income tax returns, and related records of taxpayers whose tax cases are under investigation by the Division.

This Order shall take effect immediately.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



Exhibit No. "6"

DEPARTMENT OF FINANCE  
MANILA

March 6, 1962

DEPARTMENT ORDER No. 8-62

Subject: *Custody of Records of Cases Handled by the Investigation Division.*

To facilitate thorough, effective and expeditious action on cases handled by the Investigation Division, this Department, and in order to ensure accurate reporting, when circumstances warrant, of all available information regarding personnel of the Department of Finance and those of the bureaus and offices under it, the custody and maintenance of the records of such cases and the releasing of correspondence or papers relative thereto are hereby transferred to the Investigation Division.

Immediately upon receipt of this Order, the Chief of the Records Section shall cause the transfer, on or before April 15, 1962, of the pertinent records under consideration to the Investigation Division, together with the steel cabinets wherein contained, after the same have been properly inventoried, updated and bound to facilitate such transfer.

The Chief Special Investigator shall be primarily responsible for keeping and maintaining such records, papers and documents of cases already investigated and under investigation by the Investigation Division; and shall adopt appropriate measures calculated to ensure the transfer, receipts and maintenance thereof in a systematic and orderly manner.

This Order accordingly modifies Department Order No. 48, dated September 27, 1960, on the centralization, control and maintenance of department records.

(Sgd.) FERNANDO E. V. SISON  
Acting Secretary



Exhibit No. "7"

DEPARTMENT OF FINANCE  
MANILA

March 12, 1962

DEPARTMENT ORDER No. 9-62

Subject: *Dispensing with the accomplishment of DF-ISSD Form No. 10 prescribed in Paragraph 2 of Department Order No. 215, series of 1955*

In view of the fact that the statement of assets and liabilities which all officials and employees of the Government are required to submit under Section 7 of Republic Act No. 3019, otherwise known as the Anti-Graft and corrupt Practices Act, contains the same information on such assets and liabilities desired in DF-ISSD Form No. 10, the further accomplishment of said form as required under Paragraph 2 of Department Order No. 215, dated January 31, 1955, and in connection with the character investigation of promotional appointees conducted by the Investigation Division, this Department, pursuant to Department Order No. 214, dated January 15, 1955, has been rendered unnecessary and shall henceforth be dispensed with. However, in the investigation of administrative case, the employee or official involved may be required to accomplish said DF-ISSD No. 10, if circumstances warrant.

DF-ISSD Form No. 9 shall continue to be accomplished by original appointees and appointees by reinstatements or transfers from other offices or bureaus of the Government to the Department of Finance and the offices and bureaus under it and should be submitted with two (2) passport size pictures of the appointee, clearance certificate from the National Bureau of Investigation and evidences showing civil service eligibility and educational attainment.

This Order supersedes Department Order No. 215, dated January 31, 1955.

(Sgd.) FERNANDO E. V. SISON  
Acting Secretary of Finance



DEPARTMENT OF FINANCE  
MANILA

March 27, 1962

DEPARTMENT ORDER No. 10-62

Subject: *Redefining the Composition, Powers, and Duties of the Intelligence Division, Department of Finance*

Pursuant to the powers and authority vested in me by Section 79 (b) of the Revised Administrative Code, as amended, in relation to the pertinent provisions of Commonwealth Act No. 466, otherwise known as the National Internal Revenue Code, of Republic Act No. 1937, otherwise known as the Tariff and Customs Code of the Philippines and of Section 1 of Republic Act No. 251, the composition, powers and duties of the Intelligence Division of the Department of Finance established under and by virtue of Department Order No. 6 dated March 1, 1960 shall be as hereinafter redefined and set forth:

Paragraph I—Mission

The Intelligence Division is charged primarily with the mission of securing, gathering, compiling and classifying intelligence data on all matters affecting the national economy and the financial affairs of the government as well as "character and conduct" intelligence on all personnel of the Department and of the bureaus, offices and instrumentalities under it. It is also the avowed purpose of the Division to carry out effectively the administration's unrelentless drive against any form of graft and corruption smuggling, counterfeiting tax frauds and other violations of revenue and customs in order that the Collection of taxes be made more efficient and that greater economic stability for the country insured.

Paragraph II—Composition

The Intelligence Division shall be composed of a Chief of the Division who shall be responsible only to the Secretary; an Assistant Chief who shall act as coordinator for Administration and Training; an Assistant for Operations and an Assistant for Research, Analysis and evaluation, all of whom shall be designated by the Secretary and of such other personnel appointed by the Secretary from time to time; provided, however, that whenever the interest of the service so requires or as often as the need for it arises, the Secretary may, upon recommendation of the Chief, Intelligence Division, draw such other personnel from the bureaus and offices under the Department of Finance, including the Department Proper. The salaries of personnel assigned to the Division shall continue to be chargeable against the funds of the corresponding offices from which they are drawn. Additional funds necessary to carry out the mission and functions of the Division shall be made available to it by the Secretary.



## Paragraph III.—Powers &amp; Duties

It shall be among the powers and duties of the Intelligence Division—

1. To secure, receive, evaluate, classify, compile and keep information or intelligence reports which are pertinent and necessary for the Secretary of Finance in the proper and faithful performance of his functions.

2. To collect and gather information and/or evidences against officials and employees under the Department engaging in graft and corrupt practices, acts or omissions penalized by law, rule or regulations, and, in connection therewith, to recommend, upon proper evaluation, the filing of administrative charges against said officials and employees.

3. To detect, discover and investigate violations, crimes and other offenses penalized by law, rule or regulation, the enforcement of which falls under the jurisdiction of the Department of Finance.

4. To perform such other related functions as the Secretary of Finance may assign from time to time.

5. Upon prior specific instruction and authorization by the Secretary of Finance or the Chief Intelligence Division, the members of the investigation staff, in collaboration with internal revenue and/or customs personnel as the case may be, shall be empowered:

*a.* To effect arrest and seizures for the violations of any law or regulation administered by the Bureau of Internal Revenue. (Section 14, Commonwealth Act No. 466).

*b.* To enter any house, building or place, while in the discharge of their official duties, where articles subject to tax under Title V (Specific Tax), Commonwealth Act No. 466, are produced or kept, or on reasonable suspicion are believed to be clandestinely produced or kept to the extent necessary to discover, examine or seize the same. They may also stop and search any vehicle or other means of transportation when on reasonable grounds they believe the same to carry articles or goods the specific tax on which has not been paid. (Section 167, Commonwealth Act No. 466).

*c.* To make searches, seizures and arrest on board vessels or piers, wharves, and other customs men whenever there is a violation or reasonable suspicion of violation of customs laws and regulations. (Circular Letter No. 538, Bureau of Customs, dated July 10, 1950).

*d.* To attend to the examination of merchandise in the piers and other customs premises before delivery with the customs appraisers and examiners. (Circular Letter No. 538, Bureau of Customs, dated July 10, 1950).

*e.* To prevent the illegal importation and landing of contrabands. (Circular Letter No. 538, Bureau of Customs, dated July 10, 1950).

6. Subject to prior approval of the Secretary of Finance or the Chief, Intelligence Division, the Assistant Chief, Assistant for Operations and the Assistant for Research, Analysis and Evaluation of the Intelligence Division shall have the power:

*a.* To issue subpoena or subpoena duces tecum requiring the appearance of witnesses and the production of books and papers pertinent to the investigation and inquiries thereby authorized, and to



examine them and such books and papers as it shall need in relation to any matter it is required to investigate.

b. To take and require sworn statements for any person or persons so summoned in relation to cases under investigation, subject to constitutional restrictions;

c. To administer oaths upon cases under investigation.

d. To possess suitable and adequate firearms for their personal protection in connection with their duties and for the proper protection of witnesses and persons in custody.

Paragraph IV—Repealing Clause

All Orders inconsistent with this Department Order are hereby revoked and/or modified accordingly.

This Order shall take effect immediately.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



Exhibit No. "9"

DEPARTMENT OF FINANCE  
MANILA

March 20, 1962

DEPARTMENT ORDER No. 11-62

Subject: *Classifying the municipality of Buug, Zamboanga del Sur, in accordance with the provisions of Republic Act No. 2368.*

Pursuant to the provisions of Section 2171 of the Revised Administrative Code, as amended by Republic Act No. 2368, the municipality of Buug, Zamboanga del Sur, is hereby initially classified as Sixth Class municipality in accordance with the schedule established in Section 2170 of the said Code, as amended, on the basis of its annual income of P28,297.92 for fiscal year 1961 as certified by the Auditor General.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



DEPARTMENT OF FINANCE  
MANILA

April 18, 1962

DEPARTMENT ORDER No. 13-62

Subject: *Revising Department Order No. 289-A, series of 1957, Prescribing Regulations for the Evaluation of Cars Imported for Personal use.*

Pursuant to the provisions of Section 79(B) of the Revised Administrative Code and for the purpose of determining the dutiable and taxable values of cars imported into the Philippines, the following regulations are hereby prescribed for the information and guidance of all concerned:

1. Appraisers shall ascertain, estimate and determine by all reasonable ways and means the value of cars imported into the Philippines, irrespective of country of origin, as required by law, any invoice or affidavit thereto or statement, or cost of production to contrary notwithstanding

In ascertaining, estimating and determining the dutiable value of cars of US brands and manufacture, appraisers may take into account, but shall not be limited to, the retail factory price published in the Red or Blue Book.

2. The published retail factory price as published in the Red or Blue Book shall be entitled to depreciation allowance for the applicable model year of all makes of cars, regardless of country where manufactured, in accordance with the following table:

(*) Current Year Models .....	10%
One Year Old Models .....	25%
Two Year Old Models .....	40%
Three Year Old Models .....	50%
Four Year Old Models .....	60%
Five Year Old Models .....	70%
Six Year Old Models .....	80%
All Older Models .....	90%

\* Applicable only after the end of first quarter of the year. No depreciation allowed on advance year models.

3. The above depreciation allowances shall apply to all extra equipment or accessories already installed in a car at the time of importation.

4. In determining the ocean freightages of cars imported into the Philippines, customs appraisers shall, in the absence of creditable and accurate information on the freightages actually paid, use the freightages certified by local agents of ocean liners as prevailing on the date of loading of the cars on exporting vessels. In respect to cars locally acquired from tax-exempt parties, the freightages shall be based on the average freightages of cars coming to the Philippines from the country of manufacture thereof prevailing on the date of acquisition.



5. The compensating tax shall be based on the current taxable retail value, as determined in Paragraph 2 above plus import duty, special import tax, freight, insurance, and all other expenses incident to importation.

6. Used cars originally imported for personal use by tax-exempt persons and later sold to non-tax-exempt persons shall be considered as first imported at the time of sale. Appraisement shall be based on the published retail factory price for the year of manufacture or nearest known thereto, plus freight as indicated in Paragraph 4 above, which when added together shall be entitled to a depreciation allowance as determinable from the table appearing in Paragraph 2 above. The published retail factory price (Blue or Red Book value) plus the freight, less the deduction allowed for depreciation shall be the correct taxable retail value for purposes of computing compensating tax. Import duty and special import tax shall be determined by deducting the wholesale price differential of 20% from the current taxable retail value as ascertained in this Paragraph.

7. The appraiser shall keep a detailed and up-to-date record of the types, models and values of all cars imported for personal use; also of all those sold in the Philippines by tax-exempt persons to non-tax-exempt persons, for ready reference in the evaluation of such cars.

This Order shall take effect immediately.

Department Orders Nos. 289 dated October 26, 1957 and 289-A dated November 19, 1957, are hereby revoked. All orders and regulations inconsistent with this Order are hereby revoked or amended accordingly.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



Exhibit No. "11"

DEPARTMENT OF FINANCE  
MANILA

April 18, 1962

DEPARTMENT ORDER No. 14-62

**Subject:** *Revoking Memorandum Order No. V-854 dated August 4, 1958 creating the Office of the City Revenue Officer, Regional District No. 3 (Manila)*

In order to eliminate multiplicity of line functions and responsibilities in Regional District No. 3 (Manila) and to simplify the top-heavy organizational set-up of field offices thereat consisting of the offices of the City Revenue Officer, the City Manila Examiner and the City Manila Agent, Memorandum Order No. V-854 creating the Office of the City Revenue Officer is hereby revoked.

The transfer of the personnel in the Office of the City Revenue Officer shall be effected in the proper Travel Assignment Order hereafter to be issued by the Commissioner of Internal Revenue.

All orders, instructions, directives, circulars or memoranda contrary to, or inconsistent herewith, are hereby revoked or modified accordingly.

This Order shall take effect immediately.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary of Finance*



DEPARTMENT OF FINANCE  
MANILA

April 18, 1962

DEPARTMENT ORDER No. 16-62

**Subject:** *Creation of a Committee to direct, control and supervise the Finance-Customs-BIR Investigation Group in determining the tax liabilities of various textiles and/or embroidery firms.*

1. By authority contained in Section 79(B) and 79(C) of the Revised Administrative Code, as amended, a Committee is hereby created to direct, control and supervise the Finance-Customs-BIR Investigation Group in determining the tax liabilities of various textile and/or embroidery firms. The Committee is composed of the following:

- (a) Mr. Vicente S. Tan, Chief Special Investigator, this Department—Chairman;
- (b) Timoteo Y. Aseron, Customs Director of Administration—Member;
- (c) Mr. Ambrosio M. Lina, BIR Revenue Operations Executive—Member

2. The following personnels are designated as members of this Investigation Group:

- (a) All members of the investigative force of the Investigation Division, Department of Finance
- (b) Segundo Javier ..... Bureau of Customs
- (c) Rizalino Guzman ..... do
- (d) Pacito Garcia ..... do
- (e) Woodrow Burgos ..... do
- (f) Aquilino Larin ..... Bureau of Internal Revenue
- (g) Augusto Guerrero ..... do
- (h) Jose B. Llana ..... do
- (i) Pedro Acuña ..... do
- (j) Victorino Gonzales ..... do
- (k) Bibiano Austria ..... do
- (l) Arnulfo Flores ..... do
- (m) Pedro Aquillon ..... do
- (n) Jesus Soriano ..... do
- (o) Arsenio Generoso ..... do
- (p) Ernesto C. Vicia ..... do
- (q) Reynaldo Aguirre ..... do
- (r) Amando Melgar ..... do
- (s) Felix Rebagay ..... do

For purposes of this Order, the above-named Customs and BIR personnel are hereby relieved from their respective bureaus and are directed to report to the Chief Special Investigator, Investigation Division, this Department, for their assignments.



Pursuant to the provisions of Republic Act No. 251, the above-named personnel are designated as customs and internal revenue officers. As such, they shall exercise the duties and assume the responsibilities of a regular customs and internal revenue officer in performing such work under this Order as the Committee created under Paragraph 1, hereof, may direct from time to time.

3. The Investigation Group shall perform the following functions:

- (a) Determine the tax liabilities of all textiles and/or embroidery firms, covering their respective importations of raw materials;
- (b) Determine other tax liabilities of and/or violations of Customs laws and regulations by said firms in connection with the importation, manufacture, and exportation of such raw materials;
- (c) Enforce collection of duties and taxes, penalties, and forfeitures through the Bureau of Customs and/or recommend to the Secretary measures to safeguard the interests of the government and such other action against erring firms as may be deemed appropriate, for such tax liabilities and violations determined;
- (d) Conduct such investigation of those embroidery firms including examination of their embroidery materials, machineries, equipment, and books of accounts, and conduct such examination and inventory of pertinent records in the Bureau of Customs, as may be necessary to carry out the functions enumerated in Paragraphs 3a., 3b., and 3c., above.

4. Said Committee shall be responsible directly to the Secretary of Finance for the proper performance of the assigned function of the Investigation Group. It shall prescribe such implementing measures and effect such coordination with the Bureau of Customs as may be required to carry out the functions specified in Paragraph 1, above. The Committee shall also submit the necessary reports to the Secretary of Finance and furnish him with copies of all written instructions issued by the Committee.

5. All officials and employees of the Bureau of Internal Revenue and Bureau of Customs, particularly those in the Appraiser's Division, Marine Customhouse, are enjoined to extend to this Committee and its Investigation Group with all pertinent records required by the Committee to accomplish its work.

6. This Order supersedes Department Order No. 87 and Department Personnel Order No. 2-61, dated June 12, 1961, and February 8, 1962, respectively. All other Orders inconsistent with this Department Order are hereby revoked and/or modified accordingly.

7. This Order shall take effect immediately.

(Sgd.) FERNANDO E. V. SISON  
Acting Secretary



## DEPARTMENT OF FINANCE

MANILA

DEPARTMENT ORDER No. 15-62

April 27, 1962

*Subject: Authorizing Mr. Mamerto B. Endriga, Assistant Secretary of Finance for Fiscal Affairs, to make inspection of the offices of the Provincial and City Treasurers and Assessors enumerated below and designating Mr. Pio Advincula, Provincial Treasurer of Bulacan, as Acting Supervising Treasurer to help Mr. Endriga in the inspection of said offices.*

In order to carry out more effectively a closer supervision over the provincial, city and municipal treasury and assessment personnel, and to find out the cause or causes of the huge overdrafts incurred by local treasurers in preceding fiscal year and the big amounts of unremitted national collections, Mr. Mamerto B. Endriga, Assistant Secretary of Finance for Fiscal Affairs, is hereby instructed with Provincial Treasurer Pio Advincula of Bulacan who is hereby designated Acting Supervising Treasurer, to inspect the offices of said officials in the provinces and cities enumerated hereunder:

*Provinces*

1. Aklan and its municipalities
2. Capiz and its municipalities
3. Iloilo and its municipalities
4. Negros Occidental and its municipalities

*Cities*

1. Bacolod
2. Iloilo
3. Roxas

Reimbursement of actual and necessary expenses for transportation, subsistence and lodging of Messrs. Endriga and Advincula incident to their performance of these newly assigned duties is hereby authorized payable by this Department. In view of the designation of Provincial Treasurer Advincula as Acting Supervising Treasurer, his Assistant is hereby designated "In-Charge of Office" during the time Mr. Advincula is out of the province of Bulacan for said purposes.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



Exhibit No. "14"

DEPARTMENT OF FINANCE  
MANILA

April 25, 1962

DEPARTMENT ORDER No. 17-62

Subject: *Classifying the municipality of Ampatuan, Cotabato, in accordance with the provisions of Republic Act No. 2358.*

Pursuant to the provisions of Section 2171 of the Revised Administrative Code, as amended by Republic Act No. 2363, the municipality of Ampatuan, Cotabato, is hereby initially classified as Fifth Class municipality in accordance with the schedule established in Section 2170 of the said Code, as amended, on the basis of its average annual income of ₱41,499.67 for the fiscal years 1960 and 1961 as certified to by the General Auditing Office.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



DEPARTMENT OF FINANCE  
MANILA

May 14, 1962

DEPARTMENT ORDER No. 18-62

**Subject:** *Creation of a Finance-BIR Mobile Team to investigate and/or reinvestigate cases involving tax fraud or tax evasion.*

By authority contained in Section 79(A), 79(B) and 79(C) of the Revised Administrative Code, as amended, in relation to the pertinent provisions of Commonwealth Act No. 446, otherwise known as the National Internal Revenue Code, there is hereby created a Finance-BIR Mobile Investigation Team, the composition, powers and duties of which shall be as hereinafter specified:

I.—*Composition*

1. The following personnel are designated as members of this Team:
  - (a) All members of the investigation staff, Intelligence Division, Department of Finance.
  - (b) Angeles Barrios—Tobacco and Miscellaneous Tax Division, Bureau of Internal Revenue.
  - (c) Jose Roque—Tobacco and Miscellaneous Tax Division, Bureau of Internal Revenue.
  - (d) Jose Referente, Jr.—Tobacco and Miscellaneous Tax Division, Bureau of Internal Revenue.
  - (e) Felipe Roque—Tobacco and Miscellaneous Tax Division, Bureau of Internal Revenue.
  - (f) Rodolfo Advincula—Investigation Division, Bureau of Internal Revenue.
  - (g) Augusto Manlulu—Investigation Division, Bureau of Internal Revenue.
  - (h) Luis Uychutin—Investigation Division, Bureau of Internal Revenue.
  - (i) Jose Estagle—Alcohol and Tobacco Tax Branch, Regional Office No. 4, BIR
  - (j) Jose Chico—Alcohol Tax Division, BIR
  - (k) Fortunato Aguas—Office of the City Revenue Officer, Regional Office No. 3, BIR
  - (l) Eleocadio Suarez—Investigation Branch, Regional Office No. 4
  - (m) Pedro Manansala—Tax Census Branch, Regional Office No. 2
  - (n) Jose Mendoza—Office of the City Revenue Officer, Regional Office No. 3
  - (o) Reynaldo Suarez—Income Tax Division, Bureau of Internal Revenue



(p) Mariano Uy—Management and Planning Division, Bureau of Internal Revenue.

Pursuant to the provisions of Republic Act No. 251, the aforementioned personnel are hereby designated as internal revenue officers and, as such, they are invested with the authority conferred by law on internal revenue officers. They shall assume the responsibilities and exercise the duties of a regular internal revenue officer in the performance of their assigned work under this Order.

2. The members of this Investigation Team shall be under the immediate supervision and control of the Chief, Intelligence Division who, in turn, shall be directly responsible to the Secretary for the proper performance of the functions set forth in this Order.

3. The Chief, Intelligence Division is authorized as the exigencies of the service may require and through appropriate orders, to create small units for the distribution of the personnel. He is likewise authorized to regroup the same into bigger units whenever he may deem it necessary.

4. For purposes of this Order, the above-named personnel of the Bureau of Internal Revenue are hereby relieved from their present assignments and directed to report to the Chief, Intelligence Division for assignment.

5. All officials and employees of the Bureau of Internal Revenue, particularly those in the Tobacco and Miscellaneous Tax Division, Investigation Division and Alcohol Tax Division, are enjoined to extend their fullest support and cooperation. Chiefs of the afore-mentioned divisions shall furnish this Investigation Team with all the pertinent papers, documents and records required to accomplish its work.

## II.—Powers and Duties

1. It shall be among the powers and duties of the Finance-BIR Mobile Investigation Team:

(a) To determine tax liabilities of firms and individuals engaged in the manufacture, importation and sale of articles and goods subject to specific tax;

(b) To detect, discover and investigate all cases of violation of laws and regulations on specific taxes;

(c) While in the discharge of official functions, to enter any house, building, or place where articles subject to specific tax are produced or kept, or upon reasonable grounds are believed to be produced or kept, so far as may be necessary to examine, discover, or seize the same;

(d) To stop and search any vehicle or other means of transportation when upon reasonable grounds the same is believed to carry any article on which the specific tax has not been paid;

(e) To make arrest and seizures for violations of any law or regulation relative to the payment of specific taxes;

(f) To enforce collection of duties, taxes, penalties and other charges through the Bureau of Internal Revenue on articles subject to specific tax and/or recommend to the Secretary measures to



safeguard the interest of the government and such other action against erring firms or individuals as may be deemed appropriate, for such tax liabilities and violations determined; and finally,

(g) To reinvestigate and/or review, when the circumstances of a particular case so warrants, cases involving tax evasion and/or fraud.

### III.—*Date of Effectivity*

This Order shall take effect immediately.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



Exhibit No. "16"

DEPARTMENT OF FINANCE  
MANILA

May 31, 1962

DEPARTMENT ORDER No. 20-62

Subject: *Appointment of Members of the Board of Marine Inquiry*

Pursuant to the provisions of Section 827 of Republic Act No. 1937, otherwise known as the Tariff and Customs Code of the Philippines, the following are hereby appointed members of the Board of Marine Inquiry, Manila, for a period of three (3) years effective June 1, 1962.

1. Mr. Jose T. Viduya—Acting Chief, Port Operations Service, Chairman ex Officio;
2. Captain Salvador Yenko—Master Mariner, Member;
3. Captain Rogelio C. Morales—Master Mariner, Member;
4. Mr. Vicente H. Roxas—Chief Steam Engineer of the Philippine Merchant Marine, Member; and
5. Mr. Eugenio Y. Obispo—Chief Motor Engineer of the Philippine Merchant Marine, Member.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*

Recommended by:

(Sgd.) CESAR C. CLIMACO  
*Acting Commissioner of Customs*



DEPARTMENT OF FINANCE  
MANILA

DEPARTMENT ORDER No. 22-62

June 26, 1962

Subject: *Appropriation for sundries and should be for twelve months period.*

*To All Provincial and City Treasurers and Provincial and Municipal Boards or City Councils:*

In the analysis of the monthly trial balances of provinces and cities, it has been observed that as early as September of every fiscal year, overdrafts in appropriations for sundries specially for discretionary fund of the governor and city mayor, travel and transportation, consumption of office supplies and materials, postal, telegraph and telephone service, and for other services, have been incurred, contrary to the provisions of Section 614 of the Revised Administrative Code. As the annual budget is presumed to be the fiscal program of the province for the entire fiscal year, every item of expenditure authorized therein, except for statutory and current contractual obligations and for specific projects, should be for one fiscal year or twelve month period.

Because of the failure of provincial and municipal boards or city councils to provide sufficient appropriations for sundries, several supplemental budgets intended to adjust the annual budgets are being submitted to this Department for action. This only shows that the annual budget of the province or city concerned has not been thoroughly prepared as it should be.

To minimize if not to preclude adjustments of the annual budgets of provinces and cities during the fiscal year, the following priorities in appropriations in the adoption of the annual budgets are suggested:

1. Statutory Obligations (see list in Department Order No. 22, dated September 16, 1959 of this Department);

2. Current contractual obligations (see list in the said Department Order No. 22, and records of the Provincial and City Treasurers);

3. Amortization of overdrafts;

4. Salaries and wages of provincial and city officials without increase;

5. Sundries (quarters allowance, travel and transportation, consumption of office supplies and materials, printing and binding, freight, repair of office equipment, rental of building, repairs and maintenance of fixed property, illumination and power service, postal, telegraph and telephone service, adjudications, losses, discretionary, travel expenses of persons not government employees, and other service);



6. Real property;
7. Equipment, and
8. Salary increases.

If the total appropriation covering the eight items of priorities is equal to or less than the total of the annual estimated income certified collectible by the treasurer concerned and the unappropriated balance at the beginning of the fiscal year, then the annual budget as adopted may be considered a balanced fiscal program for the fiscal year except for provinces and cities with existing overdrafts which have been authorized by this Department under the conditions that no creation of position and/or salary increases except implementing the minimum wage law and adjustment of salaries of positions created by law shall be authorized during the period of rehabilitation. However, if the total appropriation far exceeds the amount available for appropriation, then priority No. 8 should be deferred until next fiscal year. If the total appropriation for items 1 to 7 still exceeds the amount available for appropriation, appropriations for items 6 and 7 should be reduced to the barest minimum in order to balance the budget. If in spite of the fact, that items 6 and 7 are entirely disregarded and the total appropriation for items 1 to 5 still exceeds the amount available, the provincial and municipal board or city council concerned should resort to abolition of dispensable positions and if this is not enough, to salary reduction in order to balance the budget, considering that the appropriations for sundries are the minimum for each item which are estimated to last for twelve months period.

Beginning fiscal year 1963, annual budgets submitted to this Department for action will be carefully analyzed along these lines. Provincial and City Treasurers are therefore hereby instructed to include in the budget analysis they are heretofore required to prepare, a certificate to the effect that the authorized appropriations for sundries are sufficient for the entire fiscal year.

In the resolution or ordinance adopting the budget, the purpose for setting aside discretionary funds for the governor and city mayor and for other services, when the amount is extraordinary big, should be itemized for guidance of this Department in passing upon the budgets of provinces and cities.

In order that this Department may know as early as possible which province or city is spending local funds at an extraordinary rate, provincial and city treasurers are hereby instructed also to make proper representations with their respective provincial and municipal boards or city councils to adopt the corresponding annual budgets not later than July 31st of every fiscal year. If no budget has been adopted after July 31st of every fiscal year, provincial and city treasurers are hereby further instructed to take in their books of accounts the preceding fiscal year's annual budgets subject to adjustment as soon as the budgets for the current fiscal year shall have been adopted.

Provincial and City Treasurers are hereby enjoined not to make disbursements of local funds any time of the fiscal year without the



corresponding appropriation set aside for the purpose. Violation of this requirement will be sufficient cause for administrative action against the provincial or city treasurer involved.

Provincial Treasurers are hereby instructed to transmit the contents of this circulars to municipal and municipal district councils and treasurers in their respective jurisdictions for their guidance in the adoption of municipal and municipal district annual budgets.

This amends Provincial Circular No. 22 dated September 16, 1959 of this Department.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
MANILA

June 27, 1962

DEPARTMENT ORDER No. 23-62

Subject: *Procedure in the Selection for Promotion and Recruitment of Personnel*

*To All Officials and Employees under the Department of Finance*

This Order aims to provide a procedure that is fair, impersonal and objective in the selection for promotion of deserving officers and employees and for recruitment of personnel in bureaus and offices in this Department.

I.—*Promotion*

1. Whenever a vacancy occurs in any competitive or classified position in this Department, the officer or employees next in rank who is competent and qualified to hold the position and who possesses an appropriate civil service eligibility shall be promoted thereto.

2. In determining the officer or employee *next in rank*, considerations shall be based on the logical relationship of the position in the organization chart of the bureau or office. The position next in rank is one level lower than the position to be filled. Provided, however, that when other considerations are equal, preference for promotion shall be given to qualified personnel in the Division where the vacancy occurs.

3. Competence and qualification of an officer or employee shall be determined by the extent to which he meets the following requisites:

- (a) *Physical characteristics*.—The condition or health and personality traits of the individual should be at least fair.
- (b) *Comparative performance*.—The performance rating of the officer or employee for the last rating period should be at least satisfactory.
- (c) *Potential*.—The employee's occupation history and experience may be considered to predict his ability to perform duties of the new position and of more difficult and responsible duties to positions further along the line of promotion.
- (d) *Special studies and training*.—These includes, among others, successful completion of approved and relevant in-service training courses, post graduate studies, studies abroad, scholarship and training grants and the like.
- (e) *Outstanding accomplishments*.—These are accomplishments which are relevant to the service and worthy of special commendation and have been performed in the government services.



4. Unless the civil service eligibility is the specific determining factor, the following rating scale should be used to select the successful candidate who obtains the highest number of points credited to him for:

(a) <i>Experience</i> .....	20 points
For every year of service, one (1) point if related to the job and/or one-half ( $\frac{1}{2}$ ) if not related to the job, but in no case exceeding the ceiling of twenty (20) points.	
(b) <i>Education and Training</i> .....	20 points
(1) <i>If related to the job</i>	
Bar or Board Examination .....	20
Baccalaureate degree or higher .....	15
Completed 4-year college but without degree .....	10
Completed 3-year college .....	8
Completed 2-year college .....	7
Completed 1-year college .....	4
High School graduate .....	2
Undergraduate (High School) .....	1
(2) <i>If unrelated to the job</i>	
Bar or Board Examination .....	10
Baccalaureate degree or higher .....	6
Incomplete 4-year college .....	4
Incomplete 3-year college .....	3
Incomplete 2-year college .....	2
Incomplete 1-year college .....	1
(c) <i>Civil Service Eligibility</i> .....	20 points
First Grade .....	20
Between 1st and 2nd Grade .....	10
Second Grade .....	8
Third Grade .....	4
(d) <i>Performance</i> .....	40 points
Efficiency rating from—	
97 per cent to 100 per cent .....	40
95 per cent to 96 per cent .....	39
93 per cent to 94 per cent .....	38
91 per cent to 92 per cent .....	37
89 per cent to 90 per cent .....	35
87 per cent to 88 per cent .....	33
85 per cent to 86 per cent .....	30
84 per cent below .....	None

Total ..... 100 points



*(e) Merit and Demerit*

Any officer or employee who has been recommended by his immediate supervisor with the concurrence of the chief of the primary unit concerned—be it office, service, division or staff—and has been granted a special commendation for outstanding accomplishments which are relevant to the service and have been performed in the government service shall be further credited with five (5) points—provided the same has not been taken into account in a previous promotion. On the other hand, any officer or employee who has formal administrative charge against him shall not be considered for promotion during the pendency of the case against him.

*II.—Recruitment*

In cases where promotion within the organization is not possible for lack of qualified employees in the agency, the filling up of positions shall be (1) for reemployment of those who were laid-off in the organization due to reduction in force; (2) by reinstatement; (3) by transfer from other agencies; and (4) by certification from appropriate register of eligibles in the Civil Service Commission.

The rating scale hereinabove provided shall be used in the selection of successful candidate for employment except that under "Performance" it shall be "Rating in Bar and/or Board" with 60 per cent points for 94 per cent to 100 per cent and 3 points lower for every 1 per cent below 94 per cent.

Furthermore, there shall be a check up on the desirability for and integrity of the applicant and on his character references and he shall be interviewed by a committee of three (3) officials composed of the Personnel Officer, Administrative Officer and a third to be designated by the head of the agency to gauge, among others, the capacity for public relations, personality, ability to communicate ideas, and judgment and comprehension of the applicant.

Only those who are qualified mentally, morally, physically, and by education, experience, and reputation should be recommended for appointment. The bases which may justify rejection of an applicant are dishonesty, immorality, intemperance, bad record or reputation, insufficient education or experience or nonconformity with restrictive laws and regulations governing appointment to the particular position.

5. In submitting promotional appointment to fill an existing vacancy the appointment papers of all the employees involved in one line-up of promotion should be submitted at the same time. If this is not possible, then the appointment of the one who will occupy the highest position in the line-up should be submitted first and so on down the line. This is to avoid a situation where two employees may be occupying one and the same position. Promotion of deserving employees are subject to the applicable provisions of Administrative Order No. 171, dated January 7, 1956, and Executive Order No. 278, dated November 7, 1957, as amended by Executive Order No. 296, dated May 14, 1958 as well as the provisions of Department Order No. 7 dated March 8,



1960, issued by this Office enjoining strict observance of the prohibition against influence and pressure in matters of appointment or promotion of employees.

The effective date of a promotional appointment should not be earlier than the date when such appointment was prepared by the recommending official and shall fall on the first or sixteenth of the month.

6. This Order shall take effect immediately and all orders or instructions inconsistent herewith are revoked.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



DEPARTMENT OF FINANCE  
MANILA

July 5, 1961

MEMORANDUM-CIRCULAR

*To All Heads of Bureaus and Offices under the Department of Finance  
and all Division Chiefs in the Department Proper:*

*Subject: Prohibition against the practice of soliciting advertisements for  
so-called semi-official government periodicals*

Reiterating a previous Finance Memorandum Circular dated June 14, 1960 prohibiting the practice of soliciting advertisements from private companies, your attention is further called to a 1954 Cabinet ruling against such practice, following a news item appearing in one of the metropolitan newspapers recently, quoted as follows:

"Executive Secretary Natalio P. Castillo yesterday reiterated his stern warning to government agencies and officials against assisting or lending their names to publications soliciting advertisements for so-called semi-official government periodicals or souvenir programs.

"In his warning, Secretary Castillo called the attention of the government agencies or officials to a 1954 Cabinet ruling against this practice.

"Secretary Castillo was prompted to issue the warning following complaints reaching Malacañang from commercial and industrial establishments that their offices are swarmed almost daily with people soliciting in the name of government agencies and officials advertisements for so-called semi-official government periodicals or souvenir programs despite a Malacañang ruling prohibiting this practice."

It is desired that this memorandum be circularized immediately to the personnel of the different units under your respective jurisdiction.

(Sgd.) DOMINADOR R. AYTONA  
Secretary



DEPARTMENT OF FINANCE  
MANILA

July 6, 1961

MEMORANDUM-CIRCULAR

*To All Heads of Bureaus and Offices under the Department of Finance:*  
Subject: *1961 Elks Cerebral Palsy Educational and Fund Campaign*

Quoted hereunder in full, for your information and compliance is a letter, dated May 24, 1961, of the Executive Secretary, Chairman, National Government Division, which is self-explanatory:

"The hope for a better future of our cerebral palsied children rests in the increasing support and knowledge of all segments of our community. Their sufferings are lessened by improved care and treatment offered in the two Elks Cerebral Palsy Clinics in this country. These clinics, however, are supported by public contributions and fresh funds must be made available year after year in order that it can pursue a continuing program of scientific research, education campaign, treatment and rehabilitation.

"As in the past years, private individuals and organizations have done their bit to contribute to this humanitarian cause. Certainly, those in the government service cannot do less. The fund that will be realized from this fund drive will be spent for the operation and expansion of present facilities at the two clinics and for the purchase of medicine and specialized equipment for the treatment of those afflicted with it.

"As chairman of Division X, National Government Offices, of this year's fund drive I am, therefore, appealing to all government officials and employees for their generous and unqualified support. Inclosed are two pamphlets showing what the Elks Cerebral Palsy Project is doing for the poor children and what we can do to help.

"Anticipating your generous assistance to the fullest extent that you may find possible to make the campaign a complete success."

In view of the foregoing, it is hoped that all officials and employees of this Department will voluntarily contribute their share to make the fund drive a success. Miss ANGELINA MARQUEZ of the Administrative Division is requested to receive the contributions of the officials and employees of the Department Proper.

(Sgd.) JOSE P. TRINIDAD  
Undersecretary



DEPARTMENT OF FINANCE  
MANILA

August 25, 1961

MEMORANDUM-CIRCULAR

*To All Heads of Bureaus and Offices under the Department of Finance and all Divisions Chiefs in the Department Proper:*

*Subject: Civil Service ruling re payment of salary to an employee re-instated in the service after preventive suspension*

There is quoted hereunder a 3rd Indorsement dated July 6, 1961 of the Commissioner of Civil Service relative to the administrative cases against Mr. Aquilino Muldong et al, all of the Bureau of Internal Revenue, in connection with the above subject matter, for your guidance and observance in future similar cases:

"Respectfully returned, thru the Honorable, the Executive Secretary, Malacañang, to the Honorable, the Auditor General, Manila.

"It appears that Mr. Aquilino Muldong and eight other employees of the Bureau of Internal Revenue were preventively suspended from office due to the pendency of serious administrative charges against them; and that pursuant to the opinion of this Office in a 1st indorsement dated January 10, 1961, citing that of the Secretary of Justice (Op. No. 104, s. 1960) their suspension was lifted after the lapse of sixty days.

"Query is now made as to when said employees may start receiving their salaries-whether immediately after the lapse of their sixty-day preventive suspension or from the respective dates they reported back to duty.

"It is informed that the reinstatement was not effected immediately as consultations thereon had to be made with the proper authorities.

"Parenthetically, it may be stated that, as expressed in the opinion of this Office in a 2nd indorsement dated July 10, 1959 (re Ramon D. Abellera), in the computation of the sixty-day period of suspension, delays, if any, due to the fault, negligence, or petition of the respondent, should be excluded. In the computation therefore of the period of suspension of the employees concerned, this consideration should be taken into account.

"From these papers it may be gathered that the resumption of office by the suspended employees was dependent more on the approval thereof by the Head of office than on the desire or capacity of the employees themselves to return to duty.



DEPARTMENT OF FINANCE  
MANILA

September 27, 1961

MEMORANDUM-CIRCULAR

*To All Heads of Bureaus and Offices under the Department of Finance and all Division Chiefs in the Department Proper:*

*Subject: Display of the National Flag of the Philippines at half-mast on September 29, 1961 on the burial of Dag Hammarskjold, Secretary General of the United Nations.*

Quoted hereunder in full is Proclamation No. 790 dated September 25, 1961 of the President of the Philippines for your information and compliance:

"WHEREAS, the world suffered a distinct loss in the untimely death of Dag Hammarskjold, Secretary General of the United Nations;

"WHEREAS, by his vision, idealism and statesmanship, and his unceasing efforts to advance the interest of small countries, Dag Hammarskjold had earned the respect and esteem of their peoples and buttressed their faith in the efficacy of the United Nations; and  
"WHEREAS, in life, he gave a shining example of a truly dedicated and zealous fighter in the cause of world peace;

"NOW, THEREFORE, I, CARLOS P. GARCIA, President of the Philippines, in tribute to Dag Hammarskjold for his achievements in advancing world understanding and brotherhood, do hereby direct that the national flag of the Philippines be displayed at half-mast on all government buildings and installations throughout the Philippines on September 29, 1961, date of his burial. I also direct that, for the same date, the representatives of the Philippines in foreign countries make arrangements for the display of the flag at half-mast over all embassies, legations and consular offices.

"IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Republic of the Philippines to be affixed.

"Done in the City of Manila, this 25th day of September, in the year of Our Lord, nineteen hundred and sixty-one, and of the Independence of the Philippines, the sixteenth."

DOMINADOR R. AYTONA  
Secretary

By:

(Sgd.) JOSE A. ANTONIO  
Acting Assistant Secretary for  
Administrative Affairs



DEPARTMENT OF FINANCE  
MANILA

November 1, 1961

MEMORANDUM CIRCULAR No. 5

*To The Commissioner of Internal Revenue, BIR Regional Directors, Collection Agents, Collection Clerks, Provincial, City and Municipal Treasurers, Provincial and City Auditors, and Others Concerned:*

*Subject: Amendments to Memorandum Circular No. 3, on Accounting and Reporting Procedures for Internal Revenue Collections—*

Paragraphs III-2 and III-3 of Memorandum Circular No. 3, dated August 15, 1960, are hereby amended to read as follows:

*"2. Safekeeping of Collections*

*"a. The Collection Agent shall, at the end of each day, deposit his collections with the corresponding City or Municipal Treasurer. The Treasurer shall issue an official receipt (Provincial Form No. 19-A) acknowledging each deposit. The Collection Agent shall accumulate the official receipts until the date for remitting his collections to the Treasurer of the Philippines, (Amends III-2-A, Memo.-Cir. No. 3).*

*"b. As an exception to the preceding paragraph, collection Agents in Manila, Quezon and Pasay cities and in the municipalities of Malabon, Navotas, Makati, San Juan, Pasig, Mandaluyong, Caloocan and Parañaque, Rizal, are hereby required to deposit all their collections direct to the Treasurer of the Philippines every day. The checks, warrants and money orders shall be deposited as originally received from the taxpayers. Every deposit shall be accompanied with a remittance advice which shall be prepared in the manner stated in paragraph 3-d, hereunder. (New provision).*

*"3. Remittance of Collections*

*"a. Deposits of Collection Agents with the Municipal Treasurer shall be brought by the latter official to the Provincial Treasurer to be exchanged with PNB check, payable to the Treasurer of the Philippines, twice a month, namely, within five days after the 15th and 25th day of each month. (amends III-2-a(1).*

*"b. Upon the return of the Municipal Treasurer to his municipality, he shall deliver the check to the Collection Agent and the latter shall return to the former the corresponding*



official receipts which shall be duly endorsed at the reverse side thereof. (amends III-2-a(2)).

"c. Collection Agents assigned in cities shall procure the PNB check for remittance to the Treasurer of the Philippines directly from the City Treasurer, also twice a month, i.e., within five days after the 15th and 25th of every month. The check shall be issued in the name of the Treasurer of the Philippines. In exchange for the check the Agent shall return to the City Treasurer all the corresponding official receipts which shall be duly endorsed at the reverse side thereof. (amends III-2-a(2)).

"d. Upon receipt of the PNB check from the local treasurer, the Collection Agent shall immediately prepare the remittance advice (General Form 14-B) which shall be used to accompany every remittance or deposit to the Treasurer of the Philippines. Each fund shall be covered by a separate remittance advice which shall be prepared in quintuplicate. It shall be numbered, beginning with number one at the start of the fiscal year and terminating the series on June 30th. The serial number shall be preceded by the last two digits of the fiscal year. For example, during the fiscal year 1962 (July 1, 1961 to June 30, 1962) the numbering shall be viz: 62-1, 62-2, 62-3, 62-4 etc. Each remittance advice shall be assigned a separate number. On the remittance advice, the blank space after 'Bureau of Agency to be Credited' shall be filled with the name: Bureau of Internal Revenue. Care shall be taken so as to state the correct and complete data required on the remittance advice. (expands III-3-a).

"e. The copies of the remittance advice shall be distributed as follows:

Original	—Treasurer of the Philippines
Duplicate	—Treasurer of the Philippines
Triplicate	—Treasurer of the Philippines
Quadruplicate	—Provincial or City Auditor
Quintuplicate	—Collection Agent's file

(from III-3-a).

"f. The PNB check, together with the original, duplicate and triplicate copies of the remittance advice shall be sent by registered mail, addressed as follows:

The Treasurer of the Philippines  
 P. O. Box 602  
 Attn: Division C  
 Manila  
 (New provision).

"g. Upon receipt of the remittance by the Treasurer of the Philippines, the original and duplicate copies of the remittance advice shall be validated by machine. These



two copies, as well as the triplicate copy shall be countersigned by the representative of the Auditor General. Upon countersigning, such official shall state on the triplicate copy the total amount validated. The remittance advice, once validated and countersigned, is the official receipt acknowledging the remittance. (amends III-3-b).

"h. The validated original copy of the remittance advice shall be retained in the National Treasury for accounting purposes. The duplicate and triplicate copies shall be returned to the Collection Agent. He shall then copy the validation entries, shown on the duplicate copy, on both the triplicate and quintuplicate copies. The duplicate copy shall be forwarded to the Provincial or City Auditor, together with the original copy of the Report of Collections in which such remittance advice is reported as validated. Simultaneously, the triplicate copy shall be forwarded to the Chief Accountant of the Bureau of Internal Revenue together with the duplicate copy of the above stated Report of Collections. (amends III-3-b and c).

"i. Whenever the duplicate and triplicate copies of the remittance advice are not received by the Collection Agent within one month from the date of mailing the remittance to the Treasurer of the Philippines, the former official shall inquire about them and request for certified true copies thereof, addressed to:

The Vault Auditor  
Bureau of the Treasury  
Manila

In his latter of inquiry, the Agent shall attach a true copy of the remittance advice." (amends III-3-b and c).

All orders, regulations, circulars or instructions inconsistent with the provisions of this circular are hereby repealed.

Provincial Treasurers are requested to transmit the contents of this Circular to their Municipal Treasurers, and Regional Directors to their Collection Agents and Collection Clerks.

This circular shall take effect immediately.

(Sgd.) DOMINADOR R. AYTONA  
*Secretary*

Concurred:

(Sgd.) PEDRO A. GIMENEZ  
*Auditor General*

(Sgd.) F. SY-CHANGCO  
*Commissioner of the Budget*



DEPARTMENT OF FINANCE  
MANILA

November 17, 1961

MEMORANDUM-CIRCULAR

*To All Heads of Bureaus and Offices under the Department of Finance and all Division Chiefs in the Department Proper:*

Subject: *Selection of model employees and executives of 1961*

The Philippine Government Employees Association (PGEA) is sponsoring the selection of model employees and executives of 1961 during the forthcoming Government Employees' Week on December 10 to 16, 1961, simultaneously with the 16th anniversary of the founding of the association, so as to give due recognition to the most outstanding among the deserving government employees and executives.

The heads of the bureaus and offices under the Department of Finance are enjoined to actively participate in the above-mentioned tilt by selecting a candidate to represent their respective offices and to submit the name of such candidate direct to Mr. Thomas J. Cabrias of the PGEA on or before December 1, 1961.

Quoted hereunder for your guidance are the rules of the PGEA in the selection of model employees and executives:

"1. Model Employees from each Department shall be selected from among the regular and permanent employees receiving not more than P300 a month on the basis of (a) efficiency, (b) honesty and integrity, (c) length of service, (d) punctuality, (e) resourcefulness, and (f) loyalty to the service;

"2. These Model Employees may be selected by each Department or Independent Office through a committee composed of all Division Chiefs, with a corresponding number of minor employees receiving not more than P300 a month, who shall preferably be PGEA officers, to be chairmanned by the Administrative Officer or his counterpart in the Department or Agency concerned;

"3. Each Bureau or Independent Office with the same or higher rank shall be entitled to make one nomination. A Department with five bureaus can, therefore, nominate five model employees plus one from the Department proper;

"4. The name of each nominee shall be transmitted to Mr. Thomas J. Cabrias, Chairman of the Model Employees and Executives Committee, Department of Agriculture and Natural Resources, Diliman, Quezon City, Tel. No. 7-90-47, Local 46, on or before December 1, 1961. Every nomination shall be accompanied by a short write-up to justify the selection of the nominee and a copy of his or her picture, (size: 2 1/2 x 3");



"5. The selection of the Model Executives will be made by the Model Employees and Executives Committee with the approval of the PGEA National Executive Board; and

"6. The decision of the Model Employees and Executives Committee and the National Executive Board on the matter shall be final."

The winner of this tilt will be awarded certificates of merit during the PGEA 16th anniversary program to be held at 8:00 p.m. on December 13, 1961 at the Winter Garden, Manila Hotel.

DOMINADOR R. AYTONA  
*Secretary*

By:

(Sgd.) JOSE A. ANTONIO  
*Assistant Secretary of Finance  
For Administrative Affairs*



DEPARTMENT OF FINANCE  
MANILA

November 21, 1961

MEMORANDUM-CIRCULAR

*To All Division Chiefs in the Department Proper:*

*Subject: Second Geriatrics Educational and Fund Drive of the Philippine Federation of Private Medical Practitioners, Inc.*

The Philippine Federation of Private Medical Practitioners, Inc. has been authorized under Proclamation No. 784-A by the President of the Philippines to conduct a national educational and fund campaign from October 1 to November 30, 1961 to raise sufficient funds for the establishment and operation of a Geriatrics Center to avail the indigent aged people of the Philippines the care, treatment and rehabilitation they need. The neglect of our aging citizens has brought about the feeling of rejection, loneliness, lack of usefulness and insecurity among them, many of whom have turned to begging. This campaign will afford us a means by which we can meet a civic obligation by supporting the organization's noble effort to check and minimize the mendicancy problems in this country.

The goal set for the Department of Finance and the bureaus and offices under it is P5,000 of which P400 is apportioned to the Department Proper based on the number of its officials and employees.

Mr. LOPE F. CUARESMA, Supply Officer III, is hereby authorized to receive the contributions from the officials and employees of the Department Proper and to turn over said donations to the Chairman, Miscellaneous Division, Philippine Federation of Private Medical Practitioners, Inc., De Ocampo Memorial Medical Center, Nagtahan, Sta. Mesa, Manila.

DOMINADOR R. AYTONA  
*Secretary*

By:

(Sgd.) JOSE A. ANTONIO

*For Administrative Affairs*  
*Assistant Secretary of Finance*



DEPARTMENT OF FINANCE  
MANILA

January 30, 1961

MEMORANDUM-CIRCULAR No. 1-62

Subject: *Lobbying by officials and employees in the Commission on Appointments of the Congress of the Philippines and obtaining recommendations for promotion from politicians.*

It has been noted that several officials and employees of the Department and the bureaus and offices under it invariably employ the services of politicians in securing letters of recommendations for promotions and other benefits, and sometimes they even go to the extent of having politicians accompany them to the office of the undersigned for transfer of assignments and other purposes. It cannot be denied that this practice is an unwarranted interference with the public service because it is understood that this Department will act on promotions and appointment through merit and seniority under the provisions of Republic Act No. 2260, otherwise known as the Civil Service Act of 1959 and such other applicable rules and regulations. Besides being unethical it gives them also an undue advantage over those officials and employees who do not know any politician but rely solely on merit and efficiency.

For this reason, hereunder quoted are the rules and regulations prohibiting the said actuations:

Rule IX—Civil Service Rules and Regulations

"5. No recommendation of any person for promotion, whether verbal or in writing, shall be received or considered unless it be made by the officer or officers under whose supervision he is or has been employed, and the presentation of any other recommendation shall be considered an unwarrantable interference with the public service; and such a recommendation at the solicitation or with the knowledge or consent of the employee shall be sufficient cause for debarring him from the promotion proposed, and a repetition of the offense shall be sufficient cause for removing him from the service."

Republic Act No. 1827

"(4) *Unprofessional conduct.*—A violation of any of the provisions of this Act, or soliciting employment from any principal, or instigating the introduction of legislation for the purpose of obtaining employment in opposition thereto, or attempt to influence the vote of members of Congress on any measure pending or to be proposed or on any appointment submitted for confirmation by the promise of support or opposition at any future election, or by any other means than



a full and fair argument on the merits thereof, or by making public any unsubstantiated charges of improper conduct on the part of any other lobbyist or of any member of Congress, or engaging in practices which reflect discredit on the practice of lobbying or the Congress."

Any violations of the above rules and regulations shall subject the officials and employees concerned to severe disciplinary and/or administrative action.

Please be guided accordingly.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary of Finance*



DEPARTMENT OF FINANCE  
MANILA

February 16, 1962

MEMORANDUM-CIRCULAR No. 2-62

*To: All Heads of Bureaus and Offices under the Department of Finance and all Division Chiefs in the Department Proper:*

*Subject: Prohibiting the handcarrying of official communications by unauthorized parties*

Quoted hereunder in full, for your information and compliance, is Memorandum Circular No. 1 dated February 12, 1962 of the Office of the President:

"1. It has come to the attention of this Office that official records or correspondence are handcarried by unauthorized parties, not only within the units or divisions of the offices concerned, but also from one department, bureau or office of the National Government to another:

"2. Such a practice should not be tolerated as it smacks of infidelity in the custody of official documents and leads to the exercise of improper influence on the part of individuals or parties handcarrying such papers. The practice is also responsible in many cases for the loss of official papers.

"3. It is, therefore, directed that the handcarrying of official records, correspondence or papers by unauthorized parties either within the offices concerned or from one department, bureau or office of the National Government including government-owned or controlled corporations to another office be, as it is hereby prohibited.

"4. Any government official or employee found guilty of violating the provisions of this memorandum circular shall be subject to administrative disciplinary action.

"5. Chiefs or heads of departments, bureaus or other offices and government-owned or controlled corporations are hereby enjoined to invite the attention of their respective personnel to this circular for their information and guidance."

It is desired that the contents of this circular be disseminated to the personnel in your respective offices.

FERNANDO E. V. SISON  
Acting Secretary of Finance

By:

(Sgd.) JOSE A. ANTONIO  
Assistant Secretary of Finance  
for Administrative Affairs



DEPARTMENT OF FINANCE  
MANILA

February 20, 1962

MEMORANDUM -CIRCULAR No. 3-62

*To: All heads of Bureaus and Offices under the Department of Finance and all Division Chiefs in the Department Proper:*

*Subject: Power given to the Presidential Anti-Graft Committee to have direct access to all books, documents, papers or records of all government offices*

Quoted hereunder, for the information and guidance of all concerned, is a pertinent portion of Executive Order No. 4, promulgated on January 18, 1962, empowering the Presidential Anti-Graft Committee to have direct access to all books, documents, papers or records of all government offices subject to the limitations provided by law:

*"The Committee is hereby authorized to call upon any department, bureau, office, agency or instrumentality of the Government, including government-owned or controlled corporations, for such assistance or information as it may need in the performance of its functions, and for this purpose it shall have access to, and the right to examine any books, documents, papers or records thereof subject to the limitations provided by law."* (Underscoring ours)

It is desired that this circular be disseminated to all personnel in your respective offices.

(Sgd.) FERNANDO E. V. SISON  
Acting Secretary of Finance



DEPARTMENT OF FINANCE  
MANILA

February 22, 1962

MEMORANDUM-CIRCULAR No. 4-62

*To All Heads of Bureaus and offices under the Department of Finance,  
and all Division Chiefs in the Department Proper:*

*Subject: Submission of monthly report on importance activities of the  
Department and the bureaus and offices under it*

Quoted hereunder in full, for your information and compliance is a directive dated February 19, 1962 of the Office of the President:

"The President desires that a monthly written report on important activities of the department and offices under it, particularly those bearing on the socio-economic program of the government, be submitted to this Office."

The report may, if possible, be prepared to disclose short run or long run goals and the anticipated process effects on the overall economy of the country.

All heads of bureaus and offices under the Department and all Division Chiefs in the Department Proper are hereby directed to prepare the report requested by Malacañang and to submit the same to reach the Office of the Secretary of Finance (Attn: Mr. Jesus C. Sison) not later than the 15th of the succeeding month. The initial report shall be for January 1962, and submitted on the 28th of this month.

If there are no activities in this regard, a negative report is requested instead.

Strict compliance with this memorandum circular is enjoined.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary of Finance*

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DEPARTMENT OF FINANCE  
MANILA

February 22, 1962

MEMORANDUM-CIRCULAR No. 5-62

Subject: *Re Department letter to Gov. Isidro S. Rodriguez bearing on Rev. Reg. No. V-74, s. of 1961*

*To All Provincial and City Treasurers:*

For the information and guidance of all concerned, there is quoted hereunder the letter of this Department to Governor I. S. Rodriguez, Chairman, League of Provincial Governors and City Mayors, dated January 24, 1962, bearing on Revenue Regulations No. V-74 (Re filing of income tax returns and payment of income taxes), which is self-explanatory, viz:

"this is in attention to your letter of January 8, 1962, urging that Revenue Regulations No. 74, series of 1961, fixing the place of filing of income tax returns and the payment of income tax, be repealed or annulled for being not only inimical to the healthy financial growth of the local governments but also contrary to the spirit of the National Internal Revenue Code, which, it is claimed, grants the taxpayer the privilege of paying his income tax liability in any place he deems convenient.

"At the outset, it is desired to inform that Revenue Regulations No. 74 referred to herein were not promulgated so as to arbitrarily fix, as erroneously believed, the place where an income tax return must be filed and the tax liability thereon paid. The Regulations were issued so as to establish a uniform procedure in the filing of income tax returns and the payment of income tax in accordance with the express provisions of Sections 45(b) and 46(c) of the National Internal Revenue Code in conjunction with the provisions of Section 51(a) (1) of the same Code, as amended by Republic Act No. 2343, which provisions read as follows:

'Sec. 45(b). *Where to file.*—The return (individual) shall be filed with the Collector of Internal Revenue, provincial revenue agent, or treasurer of the province, city, or municipality in which such person has his legal residence or principal place of business, or if there be no legal residence or place of business in the Philippines, then with the Collector of Internal Revenue in Manila.'

'Sec. 46(c). *Where to file.*—The return (corporation) shall be made to the Collector of Internal Revenue, provincial revenue agent, or to the treasurer of the province, city, or municipality in which is located the principal office of the corporation where its books



of account and other data from which the return is prepared are kept, or in the case of a foreign corporation, to the Collector of Internal Revenue, provincial revenue agent, or to the treasurer of the province, city, or municipality in which is located its principal place of business in the Philippines, or if it has no office of any kind or agency in the Philippines, then to the Collector of Internal Revenue in Manila. \* \* \*'

Sec. 51. *Payment and assessment of income Tax.*—(a) *Payment of tax.*—(1) *In general.*—*The total amount of tax imposed by this Title shall be paid at the time the return is filed but not later than the fifteenth day of April following the close of the calendar year, or, if the return is made on the basis of a fiscal year, then not later than the fifteenth day of the fourth month following the close of the fiscal year. \* \* \*'* (Underlining supplied)

"As clearly shown in the above-quoted provisions of the Tax Code, the income tax liability of a tax-payer must be paid at the time his return for the taxable year is filed, which filing of return, in the case of an individual, must be made in his principal place of business or where he legally resides; and in the case of a corporation, the filing must be made in the place in which its principal office is located and where its books of account are kept. To permit or allow a deviation from this procedure in the manner of filing of income tax returns and the paying of the corresponding taxes due thereon would not only prove cumbersome in the accounting of the proceeds of income tax collections but certainly would render naught the 'pay-as-you-file system' envisioned by the provisions of Section 51(a) (1) of the National Internal Revenue Code as amended by Republic Act No. 2343.

"In this connection, it is desired to emphasize that the promulgation of Revenue Regulations No. 74 which is desired to be revoked was not meant to deprive the local governments or diminish their legitimate share of allotments coming from income tax collections (irrespective of the places where such income taxes were collected) in which the provinces, cities and municipalities are supposed to participate in the distribution thereof. As previously stated, the main purpose of Revenue Regulations No. 74, series of 1961, is to establish a uniform procedure in the filing of income tax returns and the payment of income tax in line with the pertinent provisions of the National Internal Revenue Law.

"It may not be necessary, however, it is deemed appropriate to state that while it is true that the establishment of an industry or business in a certain municipality by firms with principal offices somewhere else impose additional burden to the former, yet it cannot be correctly claimed that the arrangement or situation is to the entire financial disadvantage of the locality where such industry or business is established even if the income taxes due from the operation of said industry or business is being paid in another place where its principal office is located. Rather it could be said that the situation is more advantageous to the municipality concerned in the form of imposition of more realty taxes and municipal licenses in addition to



its legitimate share of allotment coming from the income taxes payable by said industry or business notwithstanding the place where such income taxes are paid.

"In view of the foregoing, it is regretted that your request to have Revenue Regulations No. 74, series of 1961, revoked cannot be granted."

It is requested that Provincial Treasurer transmit the contents hereof to all municipal treasurers in their respective jurisdiction, and that each Provincial Board and/or City Council is furnished copy of this Memorandum-Circular.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary of Finance*



DEPARTMENT OF FINANCE  
MANILA

March 12, 1962

MEMORANDUM CIRCULAR No. 7-62

*To All Chiefs of Divisions in the Department of Finance Proper:*  
**Subject: 1962 National Educational, Membership, and Fund Campaign of  
the Children's Museum and Library, Inc.**

The Children's Museum and Library, Inc., a civic organization dedicated to the pursuit of youth welfare projects, has been authorized by the President of the Philippines under Proclamation No. 3, dated January 12, 1962, to conduct a national, educational, membership, and fund campaign from February 1 to March 15, 1962.

The support of the officials and employees of this Department has been solicited by the Chairman of the Government Division of this campaign. Considering that the prime objective of this organization is to develop our youth into good and useful citizens. I appeal to you to respond to it wholeheartedly.

The goal set for the Department of Finance under the Chairmanship of the undersigned is P10,250.00, of which P500 is apportioned to the Department Proper based on the current salaries of its officials and employees.

Mr. LOPE F. GUARESMA, Cashier and Disbursing Officer, is hereby authorized to receive 1-3 of one day's pay donations from each of the officials and employees of the Department Proper and to turn over said donations to Mr. F. Sy-Changco, Chairman, Government Division, Children's Museum and Library, Inc., Philippine National Fair & Exposition Grounds Dakota, Malate, Manila.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary of Finance*



DEPARTMENT OF FINANCE  
MANILA

March 20, 1962

MEMORANDUM-CIRCULAR No. 8-62

*To: All Division Chiefs in the Department Proper:*

*Subject: Fifteenth Annual Fund Campaign of the Philippine National Red Cross*

The President of the Philippines has authorized, under Proclamation No. 4, dated January 12, 1962, the Philippine National Red Cross to conduct its Fifteenth Annual Fund Campaign during the period from February 14 to March 31, 1962 for the purpose of raising the necessary funds to enable it to carry out its duties and responsibilities. As you very well know, the organization has, through unstinted labor, proven itself an indispensable institution in the promotion of public welfare, especially in times of emergency and public calamity.

The support of the officials and employees of this Department has been solicited by the Executive Secretary, Chairman of the National Government Offices and Government Corporations Group of this campaign. Considering this fund drive worthy of assistance, I appeal to you to respond to it wholeheartedly.

Mr. LOPE F. CUARESMA, Supply Officer III, is hereby assigned to receive the voluntary contributions of the officials and employees of the Department Proper.

Your usual cooperation to carry out the success of this campaign is earnestly desired.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary of Finance*



DEPARTMENT OF FINANCE  
MANILA

March 21, 1962

MEMORANDUM CIRCULAR No. 9-62

*To All Heads of Bureaus and Offices under the Department of Finance  
All Division Chiefs in the Department Proper, and all Provincial and  
City Treasurers and Assessors:*

*Subject: Placing of Printing orders with the Bureau of Printing*

Quoted hereunder in full, for your information and guidance, is a letter dated February 22, 1962 from the Secretary of General Services:

"It has been observed lately that many printing orders had to be recommended for rejection by the Director of Printing due to limited time to finish the work and the lack of printing materials. This situation would not have happened if the printing jobs were only anticipated by the different government offices and orders placed with the Bureau of Printing ahead of the time of need.

"In order to avoid rejection or delay in the printing of government forms, publications reports, and so forth, it is requested that printing orders be placed with the Bureau of Printing at least THREE (3) MONTHS IN ADVANCE.

"Earnestly requesting your cooperation. \* \* \*"

It is desired that the contents of this memorandum circular be disseminated to those concerned under your respective jurisdiction.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary of Finance*

By:

(Sgd.) JOSE A ANTONIO  
*Assistant Secretary of Finance  
for Administrative Affairs*



DEPARTMENT OF FINANCE  
MANILA

March 4, 1962

MEMORANDUM CIRCULAR No. 13-62

*To All Heads of Bureaus and Offices under the Department of Finance  
and all Division Chiefs in the Department Proper:*

*Subject: Submission of a program of development for the next five years  
of the Department of Finance*

Quoted hereunder in full, for your information and compliance is a request of Hon. Cornelio Balmaceda, Chairman, National Economic Council, contained in his letter dated April 13, 1962, as follows:

"The National Economic Council, in the formulation of the development program, is faced with the task of determining assistance that may be requested from the United States Government. As you may be aware, there has been a change in the concept of U. S. assistance. Whereas previous U. S. economic assistance is characterized by generous grants, beginning FY 1963 the assistance from the United States will be mostly in loans with very small grants. This Office is further made to understand that economic assistance from the United States would be based on a long-term program of development, say from five to ten years program.

"It is for the purpose of assisting this Office in the formulation of proposals for assistance that it is requested that this Office be furnished with your Department's program of development for the next five years. It will be highly appreciated if your program of development will show the annual foreign exchange requirements broken down into cost of technicians' services, training of participants and equipment and materials. It will also be appreciated if the estimated annual local currency requirements be indicated and the expected or recommended source of financing thereof. To provide uniformity in the submission of data, the attached form is suggested to be used."

All the heads of bureaus and offices under the Department and all the Division chiefs in the Department Proper are hereby directed to prepare their respective reports in the attached form and to submit the same to reach the Office of the undersigned for consolidation not later than the end of this month.

If there are no activities in this regard, a negative report is requested instead.

Your cooperation and immediate action on the matter is enjoined.

FERNANDO E. V. SISON  
*Acting Secretary*

By:

(Sgd.) JOSE A. ANTONIO  
*Assistant Secretary  
for Administrative Affairs*



DEPARTMENT OF FINANCE  
MANILA

MEMORANDUM-CIRCULAR No. 16-62

May 22, 1962

*To All Heads of Bureaus and Offices under the Department of Finance  
and all Division Chiefs in the Department Proper:*

*Subject: Nationwide Information Campaign for the President's Five-Year  
Integrated Socio-Economic Program*

Quoted hereunder in full is the letter dated May 11, 1962 of the Presidential Executive Assistant on the above subject matter, for your Information and guidance:

"The President has decided, upon recommendation of the Council of Administrative Management, that throughout June of this year a government-wide information campaign be undertaken on all aspects of this Five-Year Integrated Socio-Economic Program.

"The drive will be launched in the conviction that the success of the program, which is the cornerstone of this administration's efforts towards a better Philippines, depends mainly on the adequate appreciation of government personnel both about the program and the roles they will play in its implementation.

"Indeed, for a program of this magnitude to succeed, it must gain ready acceptance by all those affected whether in or out of the government, their sympathetic understanding of its objectives and the means for attaining the same, and their willing cooperation in the implementation thereof.

"It is believed that June, being the month immediately preceding the new fiscal year, would be the most propitious month for undertaking this information drive.

"The principal responsibility for carrying out this campaign necessarily resides with the appropriate line officers, i. e., the department heads, the bureau directors, and the managers or administrators of government corporations. The Council, however, will assist these line officers in this regard, through the following means:

- "(1) development of a nationwide program, as it is doing now;
- "(2) development and preparation of information materials appropriate for the executive, professional, scientific technical, supervisory, and rank-and-file levels of government personnel;
- "(3) development of training curriculums;
- "(4) training of instructors or department or agency training officers.

"For your further guidance, we are enclosing a copy of the program time-table as adopted. It may be gathered therefrom that certain



department heads, as yet not chosen, will themselves have to preside over seminars for department undersecretaries, bureau directors and government corporation managers. The seminars will be broken down into four groups based on (1) economic, (2) social, (3) fiscal and (4) security departments.

"Although the information campaign with respect to the lower officials and employees in your department will be undertaken directly by your directors and training officers, you necessarily will retain over-all responsibility. In view of this, the council will appreciate your furnishing it with a report on the effectiveness of the campaign in your department, or its inadequacies, and your suggestions, if any, on further steps which should be taken to accomplish the goals of the information drive.

"The undersigned has been chosen by the Council as over-all coordinator of the information campaign this year.

"We are looking forward to your seeing to the preparations in your department for this information campaign.

"Thank you."

To carry out effectively the objectives of this information drive, and to coordinate and devise effective plans for the implementation of the five-year integrated socio-economic program of the President, a meeting of all heads of bureaus and offices under the Department and all Division Chiefs in the Department Proper is hereby called to be held on Monday, May 28, 1962 at 9:00 a.m. in the Office of the Assistant Secretary for Administrative Affairs.

Strict compliance of this circular is enjoined.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



DEPARTMENT OF FINANCE  
MANILA

May 23, 1962

MEMORANDUM CIRCULAR No. 17-62

Subject: *Submission of Materials for Publication in the Department of Finance Bulletin and designation of personnel to handle such matters in accordance with Department Order No. 12-62.*

Quoted hereunder in full for compliance are the pertinent paragraphs of Department Order No. 12-62 (copy attached), which was already transmitted to that Office:

"All the heads of bureaus and offices under the Department are hereby directed to furnish the Office of the Secretary through the Public Relations Staff of this Office with press releases, circulars, memoranda, and copies of administrative decisions and rulings, and articles about matters of public interest which they issue from time to time for publication in the 'Department of Finance Bulletin'. All such materials should be submitted not later than the 15th of every month, starting April, 1962.

"The heads of bureaus and offices should designate one among their personnel, preferably the press relations or public information officer, who shall take charge of the gathering of the materials in his office or bureau and the submission of such materials to the Department.

"Compliance herewith is enjoined."

Accordingly, all heads of bureaus and offices under the Department are hereby requested to submit the name or names of personnel of that bureau designated to handle the gathering and submission of materials for publication and indicated in the first paragraph quoted above. It is also understood that the personnel so designated has already started the determination and collection of materials from that bureau for submission to this Department for publication.

Immediate action hereon is requested.

FERNANDO E. V. SISON  
*Acting Secretary*

By:

(Sgd.) MAMERTO B. ENDRIGA  
*Assistant Secretary for Fiscal Affairs*



DEPARTMENT OF FINANCE  
MANILA

May 31, 1962

MEMORANDUM ORDER No. 11-62

To Project Director, Back Pay Office  
Thru the Treasurer of the Philippines:

Subject: *Order of Priorities in Redemption of Back Pay Claims.*

Effective June 1, 1962, the redemption of back pay claims and certificates of indebtedness should be made in the following order of priorities:

1. Civilian claims—full payment of the balance still due.
2. Certificates of indebtedness held by government hospitals—full payment of balance still due.
3. Army claims corresponding to the 40 per cent of outstanding balance previously authorized but remaining unpaid to-date.
4. Certificate of indebtedness held by local governments—
  - (a) Provinces, cities, and municipalities which have suffered recent calamities;
  - (b) Provinces, cities, and municipalities which incurred heavy overdrafts; and
  - (c) Other local governments not covered by (a) and (b), 30 per cent of their outstanding total CI holdings.
5. Government institutions—whatever amount may still be available but not exceeding 30 per cent of its outstanding CI holdings.
6. Third party (buyer) claimants.

This order of priorities and percentage allocation are formulated for the reason that the funds for the settlement of back pay claims are not sufficient to meet the outstanding back pay obligations of the government.

This modifies accordingly Department Order dated August 9, 1961, on the same subject matter.

(Sgd.) FERNANDO E. V. SISON  
Acting Secretary



DEPARTMENT OF FINANCE  
MANILA

May 31, 1962

MEMORANDUM-CIRCULAR 23-62

There is quoted hereunder, the circular-letter dated January 26, 1962 of the Director of the Fiscal Agency Department of the Central Bank of the Philippines to this Department, for the information and guidance of all concerned:

"Attention is respectfully invited to the provisions of Par. 4 of Central Bank Circular No. 133, dated January 21, 1962, copy attached, providing (among other things) that 'The free market rate shall not be administratively fixed but shall be determined through transactions in the free market'. Under this policy, the free market rate is a floating rate depending upon the daily purchase and sale of foreign exchange. Accordingly, free market rates covered by Memorandum to All Authorized Agent Banks (FED 19) and quoted in our Circular Letter of July 21, 1961, were therefore superseded.

"In view thereof, we have to advise you that pursuant to said Circular No. 133, any request for fiscal agency service (FAS) from the Bureaus and Offices of the Government will be negotiated on the prevailing free market rate."

"The requirement in our Circular Letter dated July 3, 1961, to the effect that in every Request for Fiscal Agency Service to be submitted to this Bank under CB Circular No. 23, dated December 21, 1950, as amended, the source of fund showing the item number, page number of the General Appropriation Act, the nature of said funds (General, Special, Bond, Sinking, etc.) and the amount obligated covering the FAS application, be specifically indicated, and duly verified by the Auditor of that Office, is hereby reiterated.

"Provinces, Cities, Municipalities, Government agencies, instrumentalities and corporations whose operating expenditures are not covered by appropriation acts approved by the Congress, shall please accompany each FAS application with the corresponding tender of payment of the estimated cost of foreign exchange applied for at the prevailing free market rate."

Provincial treasurers are hereby requested to transmit the contents hereof to all municipal and municipal district treasurers under their respective jurisdictions.

Copies of Central Bank Circular No. 133 and Central Bank Circular No. 139, the latter amending Central Bank Circular No. 133, are enclosed.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary of Finance*



DEPARTMENT OF FINANCE  
MANILA

June 7, 1962

MEMORANDUM CIRCULAR No. 22-62

*To All Heads of Bureaus and Offices under the Department of Finance and all Division Chiefs in the Department Proper;*

*Subject: Enjoining all public officials and employees to cooperate to the fullest extent in the current drive against smuggling and selling of smuggled "blue seal" cigarettes.*

Quoted hereunder in full, in reiteration of the directive of the President in Executive Order No. 7, series of 1962 (circularized under Finance Memorandum Circular No. 18-62 dated May 29, 1962), is the letter dated June 1, 1962 of Executive Secretary Amelito R. Mutuc, for your information and strict compliance:

"Pursuant to the understanding had at the Cabinet meeting last night to the effect that government officials and employees cooperate in the present drive of the Administration against rampant and illicit trading in smuggled products such as "blue seal" cigarettes, in order to help in the collection of revenue and to minimize, if not curtail entirely, losses to Filipino tobacco growers and cigarette manufacturers, the President wishes to reiterate his directive in Executive Order No. 7 dated March 22, 1962, enjoining all public officials and employees to cooperate to the fullest extent in the Government's current drive against rampant smuggling and selling of smuggled "blue seal" cigarettes, and to desist from buying and using these smuggled products.

"It is requested, therefore, that your Office exert more intensive efforts in this regard in order that the Government can succeed in this drive."

Your cooperation towards the success of this drive is earnestly enjoined.

(Sgd.) FERNANDO E. V. SISON  
Acting Secretary



DEPARTMENT OF FINANCE  
MANILA

July 9, 1962

MEMORANDUM CIRCULAR No. 31-62

**Subject:** *Immediate liquidation of unexpended balances of cash advances received from the National Government and submittal of originals or certified true copies of bills covering unsettled accounts receivable by local governments from National Bureaus and Offices instructions on—*

*To All Provincial, City, Municipal and Municipal District Treasurers:*

Quoted hereunder are pertinent portions of the Progress Report as of March 31, 1962, of the National Accounting Committees, which is charged with the duty to examine or review the accounts receivable and accounts payable and unliquidated cash advances of the national bureaus, offices or agencies and to initiate or take immediate steps, to liquidate and adjust these accounts to their proper balances, affecting provinces, cities, municipalities and municipal districts.

*"III-C. Claims of local Governments against the National Government and Vice-versa: Claims of Bureaus and Offices against each other.*

"Claims of local governments against the National Government and vice-versa, and claims of National Bureaus and Offices against each other had accumulated to such an enormous amount that the Committee had to start a program to liquidate those claims. With the assistance of the chief accountants the total claims of local governments liquidated amounted to more than half a million pesos. This could be a lot more because several claims of the local government were liquidated but were not reported to the Committee.

*"IV-A. Non-submission of Reports.*

"In spite of the circulars and repeated follow-ups, several provincial and city treasurers, collecting and disbursing officers, have not submitted the required disbursement reports up to the present.

*"Recommendation—*

"In order to solve the continued non-submission of reports by the provincial and city treasurers, GAO Memorandum Circular No. 300, dated October 4, 1956, and GAO General Circular No. 54, dated March 13, 1958, should be enforced strictly. These circulars require prompt liquidation of cash advances and that



no further cash advance be issued unless the previous cash advance is first settled or an accounting made thereof.

*"IV-C. Non-remittance of reconciled cash advance balances—*

"The liquidation teams had reconciled a considerable amount of cash advance balances still in the hands of city and provincial treasurers. However, these have not been refunded. It was claimed by the provincial and city treasurers that they cannot refund this amount without disrupting their local finances. Furthermore, the National Government Bureaus and Offices are also indebted to the local governments."

Attached are statements I to IV showing balances of cash advances received, unreconciled cash advance accounts and unrefunded cash advances of provincial and city treasurers as of March 31, 1962.

In order that the purposes and objectives of the creation of the National Accounting Committee may be realized the soonest possible, the following instructions are given for immediate compliance of provincial, city, municipal and municipal district treasurers.

1. Provincial and City Treasurers who have not as yet submitted the reports required under GAO Memorandum Circular No. 300, dated October 31, 1956 and GAO General Circular No. 54 dated March 13, 1958, should submit the same through this Department, not later than August 31, 1962. Provincial and City Treasurers who shall not be able to submit the said reports on the date fixed herein are hereby instructed to advise this Department on or before August 20, 1962, of their failure to comply with this requirement giving reasons why the reports in question could not be submitted;

2. Unrefunded cash advances of ₱4,040,520.38 shown in the attached statements, should be remitted to the Treasurer of the Philippines not later than August 31, 1962, with advice to this Department and the Secretary of the National Accounting Committee. Provincial and City Treasurers who shall not be able to remit the unrefunded cash advances in question on the date fixed herein are also hereby instructed to advise this Department on or before August 20, 1962, of their failure to comply with this requirement, giving reasons why the above-mentioned unrefunded cash advances could not be remitted on the date fixed herein. Non-compliance with these instructions will be sufficient cause for ordering the withholding of the regular and special internal revenue allotments accruing to the province or city concerned this and succeeding fiscal years until the unrefunded cash advances in question are fully settled; and

3. Submittal through this Department, of originals or certified true copies of unsettled bills of provinces, cities, municipalities and municipal districts against national bureaus and offices on or before August 31, 1962.

To insure compliance with these instructions, provincial, city, municipal and municipal district treasurers are hereby directed to supervise personally the remittance of the above-mentioned unrefunded cash advances, preparation of the required reports covering said advances, and submittal



of unsettled bills. They are further directed to order the personnel of the accounting division and other competent employees of their respective offices to render overtime service for these purpose.

Unsettled bills of municipalities and municipal districts should be coursed through their respective provincial treasurers.

Any provincial, city, municipal and municipal district treasurers found violating these instructions shall be proceeded against administratively.

Provincial Treasurers are hereby further instructed to transmit the contents of this circular to all municipal and municipal district treasurers in their respective jurisdictions for immediate compliance.

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary*



DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE  
MANILA

October 5, 1961

Subject: *Amendment to Revenue Regulations No. V-62, as amended by  
Revenue Regulations No. V-66*

REVENUE REGULATIONS NO. V-75

*To All Internal revenue officers and others concerned:*

The following regulations, amending Revenue Regulations No. V-62, as amended by Revenue Regulations No. V-66, are hereby promulgated and shall be known as Revenue Regulations No. V-75.

SECTION 1. Section 5 of Revenue Regulations No. V-62, as amended by Revenue Regulations No. V-66, is hereby further amended by adding a new subsection thereto to be known as subsection (e) to read as follows:

"(e) *Exception:* Wholesale establishments of manufacturers of articles covered by these regulations may be excepted from the requirements of this section provided that all sales made therein are duly covered by sales invoices regardless of the quantity and value of the articles sold; and provided further that such sales invoices shall indicate the name, address, and the number of the Class A Residence Certificate of the purchaser. It is also understood that such establishment must keep the books and records required by the Bookkeeping Regulations."

SEC. 2. *Date of effectivity.*—These regulations shall take effect upon its publication in the Official Gazette.

(Sgd.) MELECIO R. DOMINGO  
*Commissioner of Internal Revenue*

APPROVED:

(Sgd.) FERNANDO E. V. SISON  
*Acting Secretary of Finance*  
*January 22, 1962*



DEPARTMENT OF FINANCE  
MANILA

PROVINCIAL CIRCULAR  
(Unnumbered)

August 17, 1961

Subject: *Continuance of the Committee on "Operation Normal Prices" under the Department of Commerce and Industry—*

*To All Provincial and City Treasurers and/or Assessors:*

For the information, guidance and strict compliance of all concerned, there is quoted hereunder the letter dated August 9, 1961 of the Secretary of Commerce and Industry regarding continuance of the Committee on "Operation Normal Prices" under the Department of Commerce and Industry:

"You might have read in the papers regarding the continuance of the Committee on "Operation Normal Prices" under this Department, a temporary unit charged with the enforcement of price controls in calamity areas mentioned in Proclamation Nos. 713 and 716 issued by the President of the Philippines because of the required surveillance in the distribution and sale of the imported rice thru the NAMARCO.

"In this connection, it may be informed that the President has instructed to have this rice sold at cost to the ultimate consumers. To undertake this objective, however, requires the cooperation and vigilance of all civic-minded officials, employees and the public in general. I have the honor to request therefore, your cooperation by circularizing your fieldmen to report any incident of price violations to the nearest PC Commander/Officer, to the nearest Office of the Commercial Agent of the Bureau of Commerce, to the Chief of Police or the Municipal Mayor concerned.

"Thank you for your cooperation in this regard, I am"

In view of the foregoing, Provincial and City Treasurers and/or Assessors and Municipal Treasurers are hereby instructed to report any incident of price violations to the nearest PC Commander/Officer, the Commercial Agent of the Bureau of Commerce, the Chief of Police or the Municipal Mayor concerned.

Provincial Treasurers are hereby requested to transmit the contents hereof to all deputy provincial and municipal district treasurers under their respective jurisdictions.

DOMINADOR R. AYTONA  
*Secretary*

By:

(Sgd.) JOSE P. TRINIDAD  
*Undersecretary*



DEPARTMENT OF FINANCE  
MANILA

PROVINCIAL CIRCULAR  
(Unnumbered)

August 31, 1961

Subject: *Official trips to Manila for the purpose of following up requisitions for urgently needed accountable and other printed forms from the Bureau of Printing.*

*To All Provincial and City Treasurers:*

For your information and guidance, there is quoted hereunder the 2nd indorsement dated August 15, 1961 of the Acting Director of Printing:

"Respectfully returned to the Honorable, the Secretary of Finance, thru the Honorable, the Secretary of General Services, Manila, with the information that as has been the usual practice in this Office, requisitions for accountable and other printed forms of local governments are filled up and the articles shipped to the requisitioning agencies.

"Requisitioning offices need not have to send their representatives to this Bureau, just to follow-up their requisitions. A letter requesting that certain requisitions be expedited would be sufficient. However, there had been a number of representatives of local government offices coming to this Bureau who claimed that their main purpose of going to Manila is not to follow-up requisitions of their offices but that they were on some important official missions; and since they were already in the City, they would just make use of their extra time in following up requisitions in the Bureau."

In order that local funds may not be wasted, official trip to Manila, for the purpose of following up requisitions for accountable forms, cash tickets, and printed forms and for office supplies and materials should not be made. Such trips will not be authorized as official. To obviate shortage of stock of said forms and cash tickets, sufficient quantities to last for six months should be requisitioned at one time.

Provincial Treasurers are hereby instructed to transmit the contents hereof to all deputy provincial and municipal and municipal district treasurers under their respective jurisdictions.

DOMINADOR R. AYTONA  
*Secretary*

By:

(Sgd.) JOSE P. TRINIDAD  
*Undersecretary*



DEPARTMENT OF FINANCE  
MANILA

PROVINCIAL CIRCULAR  
(Unnumbered)

September 8, 1961

Subject: *Submittal of monthly reports to the Civil Registrar General in accordance with Section 12, Act No. 3753, Civil Registry Law.*

To All Provincial Treasurers:

For the information and guidance of all concerned, there is quoted hereunder the letter dated May 5, 1961, of the Director of the Census and Statistics, Manila:

We would like to ask the help of your kind office to urge all municipal treasurers in the Philippines to comply with their duties as Local Civil Registrars. As such, they are required to submit monthly reports to the Civil Registrar General in accordance with Section 12, Act No. 3753, Civil Registry Law, which reads:

"\* \* \* send to the Civil Registrar General, during the first ten days of each month, a copy of the entries made during the preceding month, for filing (copies of birth and death certificate and copies of marriage contract) \* \* \*".

"Vital statistics are tabulated in the Bureau of the Census and Statistics from said monthly reports. If we cannot get them on time, the tabulation will be delayed, and this will result in poor service to the public. It is a fact that statistics are needed by persons who make money claims and pensions, for recommendations and adoption of health measures in rural areas, *subpoena duces tecum* from courts for proving filiation and other legal claims, and other functions of the Civil Registry.

"We shall appreciate it very much if you would give this matter your immediate attention."

Provincial Treasurers are hereby instructed to transmit the contents hereof to all deputy provincial and municipal and municipal district treasurers under their jurisdictions and to enjoin said treasurers to submit, in connection with their duties as local civil registrar, monthly reports to the Civil Registrar General in accordance with Section 12 of Act No. 3753, Civil Registry Law.

DOMINADOR R. AYTONA  
*Secretary*

By:

(Sgd.) JOSE P. TRINIDAD  
*Undersecretary*



DEPARTMENT OF FINANCE  
MANILA  
PROVINCIAL CIRCULAR  
(Unnumbered)

July 18, 1961

Subject: *Preventive suspension under Section 35 of Republic Act No. 2260 of an officer or employee automatically lifted after the expiration of the 60 period—*

To: *All Provincial and City Treasurers:*

There is quoted hereunder the 3rd indorsement dated June 16, 1961 of the Commissioner of Civil Service for the information, guidance and compliance of all concerned:

"Respectfully returned to the Honorable, the Secretary of Finance, Manila.

"Comment is requested on the application for sick leave of Mr. Fidel A. Hidalgo, Jr. Traveling Deputy, Office of the Provincial Treasurer, San Fernando, La Union. It appears that Mr. Hidalgo was suspended from office effective April 16, 1960, pending the determination of an administrative case against him. In accordance with Sec. 35 of Republic Act 2260, he was supposed to be reinstated as of June 16, 1960, but reported for duty only on June 23, 1960, hence, the application for sick leave to cover the period from June 16 to 22, 1960.

"Sec. 35 of Republic Act 2260 reads as follows:

"When the administrative case against the officer or employee under preventive suspension is not finally decided by the Commissioner of Civil Service within the period of sixty (60) days after the date of suspension of the respondent, the respondent shall be reinstated in the service. If the respondent officer or employee is exonerated, he shall be restored to his position with full pay for the period of suspension."

"Under the above-quoted section, the maximum period of preventive suspension is limited to 60 days. It is believed that after the lapse of said period and pending final determination of the case, the suspension is automatically lifted and respondent entitled to reinstatement. In view thereof, Mr. Fidel A. Hidalgo is considered as no longer under suspension as of June 16, 1960 and the period therefrom up to June 23, 1960, the date he actually reported for duty, may be covered by the sick leave applied for."

Provincial Treasurers are hereby instructed to transmit the contents hereof to all deputy provincial and municipal and municipal district treasurers under their respective jurisdictions.

(Sgd.) DOMINADOR R. AYTONA  
Secretary



DEPARTMENT OF FINANCE  
MANILA

PROVINCIAL CIRCULAR  
(Unnumbered)

August 17, 1961

Subject: *Continuance of the Committee on "Operation Normal Prices" under the Department of Commerce and Industry—*

To: *All Provincial and City Treasurers and/or Assessors:*

For the information, guidance and strict compliance of all concerned, there is quoted hereunder the letter dated August 9, 1961 of the Secretary of Commerce and Industry regarding continuance of the Committee on "operation Normal Prices" under the Department of Commerce and Industry:

"You might have read in the papers regarding the continuance of the Committee on "Operation Normal Prices" under this Department, a temporary unit charged with the enforcement of price controls in calamity areas mentioned in Proclamation Nos. 713 and 716 issued by the President of the Philippines because of the required surveillance in the distribution and sale of the imported rice thru the NAMARCO.

"In this connection, it may be informed that the President has instructed to have this rice sold at cost to the ultimate consumers. To undertake this objective, however, requires the cooperation and vigilance of all civic-minded officials, employees and the public in general. I have the honor to request therefore, your cooperation by circularizing your fieldmen to report my incident of price violations to the nearest PC Commander Officer, to the nearest Office of the Commercial Agent of the Bureau of Commerce, to the Chief of Police or the Municipal Mayor concerned.

"Thank you for your cooperation in this regard, I am"

In view of the foregoing, Provincial and City Treasurers and/or Assessors and Municipal Treasurers are hereby instructed to report my incident of price violations to the nearest PC Commander/Officer, the Commercial Agent of the Bureau of Commerce, the Chief of Police or the Municipal Mayor concerned.

Provincial Treasurers are hereby requested to transmit the contents hereof to all deputy provincial and municipal and municipal district treasurers under their respective jurisdictions.

DOMINADOR R. AYTONA  
*Secretary*

By:

(Sgd.) JOSE P. TRINIDAD  
*Undersecretary*



DEPARTMENT OF FINANCE  
MANILA

PROVINCIAL CIRCULAR  
(Unnumbered)

August 31, 1961

Subject: *Official trips to Manila for the purpose of following up requisitions for urgently needed accountable and other printed forms from the Bureau of Printing.*

To All Provincial and City Treasurers:

For your information and guidance, there is quoted hereunder the 2nd indorsement dated August 15, 1961 of the Acting Director of Printing:

"Respectfully returned to the Honorable, the Secretary of Finance, thru the Honorable, the Secretary of General Services, Manila, with the information that as has been the usual practice in this Office, requisitions for accountable and other printed forms of local governments are filled up and the articles shipped to the requisitioning agencies.

"Requisitioning offices need not have to send their representatives to this Bureau, just to follow up their requisitions. A letter requesting that certain requisitions be expedited would be sufficient. However, there had been a number of representatives of local government offices coming to this Bureau who claimed that their main purpose of going to Manila is not to follow-up requisitions of their offices but that they were on some important Official missions; and since they were already in the City, they would just make use of their extra time in following up requisitions in this Bureau."

In order that local funds may not be wasted, official trip to Manila, for the purpose of following up requisitions for accountable forms, cash tickets, and printed forms and for office supplies and materials should not be made. Such trips will not be authorized as official. To obviate shortage of stock of said forms and cash tickets, sufficient quantities to last for six months should be requisitioned at one time.

Provincial Treasurers are hereby instructed to transmit the contents hereof to all deputy provincial and municipal and municipal district treasurers under their respective jurisdictions.

DOMINADOR R. AYTONA  
*Secretary*

By:

JOSE P. TRINIDAD  
*Undersecretary*



DEPARTMENT OF FINANCE  
MANILA

PROVINCIAL CIRCULAR  
(Unnumbered)

September 8, 1961

Subject: *Submittal of monthly reports to the Civil Registrar General in accordance with Section 12, Act No. 3753, Civil Registry Law.*

To: All Provincial Treasurer:

For the information and guidance of all concerned, there is quoted hereunder the letter dated May 5, 1961, of the Director of the Census and Statistics, Manila:

"We would like to ask the help of your kind office to urge all municipal treasurers in the Philippines to comply with their duties as Local Civil Registrars. As such, they are required to submit monthly reports to the Civil Registrar General in accordance with Section 12, Act No. 3753, Civil Registry Law, which reads:

"\* \* \* send to the Civil Registrar General, during the first ten days of each month, a copy of the entries made during the preceding month, for filing (copies of birth and death certificates and copies of marriage contract) \* \* \*".

"Vital statistics are tabulated in the Bureau of the Census and Statistics from said monthly reports. If we cannot get them on time, the tabulation will be delayed, and this will result in poor service to the public. It is a fact that statistics are needed by persons who make money claims and pensions, for recommendations and adoption of health measures in rural areas, subpoena duces tecum from courts for proving filiation and other legal claims, and other functions of the Civil Registry.

"We shall appreciate it very much if you would give this matter your immediate attention."

Provincial Treasurers are hereby instructed to transmit the contents hereof to all deputy provincial and municipal and municipal district treasurers under their jurisdictions and to enjoin said treasurers to submit, in connection with their duties as local civil registrar, monthly reports to the Civil Registrar General in accordance with Section 12 of Act No. 3753, Civil Registry Law.

DOMINADOR R. AYTONA  
*Secretary*

By:

(Sgd.) JOSE P. TRINIDAD  
*Undersecretary*



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**SELECTED SPEECHES OF  
SECRETARY FERNANDO E. V. SISON**

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# THE FISCAL RESPONSIBILITY OF THE GOVERNMENT IN A DECONTROLLED ECONOMY

By FERNANDO E. V. SISON  
*Acting Secretary of Finance*

[Speech before the Manila Lions Club Manila Hotel, February 14, 1962]

LADIES AND GENTLEMEN:

It is a great honor and privilege to speak before the members of the Manila Lions' Club. As leading citizens and businessmen, you are among the few people of our country who are fully aware of our economic situation. You realize that we are now on the threshold of an entirely new age in our economic history because of our desire to give our people a higher level of living conditions.

We all understand that our problems as a young nation are mostly socio-economic in nature. These have been brought about by many causes in the past which weakened our social and economic structures. It is now our great task to introduce reforms for the general prosperity of our people. One of these reforms was the adoption of full decontrol. As you all know, the success of our program of full decontrol depends largely on increased revenue collections and budgetary restraints. It also relies mainly on the proper exercise by the government of its fiscal responsibility. This fiscal responsibility will be the subject of my brief talk.

My friends, the fiscal responsibility of the government has drawn increasing attention and interest from the industrial and business leaders of the private sector. This is not surprising because during the post-war years of reconstruction and economic growth, the government's fiscal operations have proved to be the primary stabilizing influence upon the country's economic environment.

Indeed, the government is the largest corporation in the country. It is the biggest single earner, spender and employer. It is also the biggest single investor, supplying at least one-fourth of the gross domestic investment in this country.

We should realize, however, that the Government provides for the national security and the personal safety of every citizen. Under Constitutional mandate, the Government must also maintain a school system; furnish the health facilities and services essential to the people's bodily welfare; and strive to promote the economic development and social progress of the nation as a whole, so that every Filipino will be afforded an opportunity to earn more and enjoy a higher standard of living.

It is clear therefore, that the most generous slices of government spending go towards economic development and social overhead projects, such as roads, bridges, and others which form the basic physical and service facilities for the functioning of a modern economic system, and without which private commerce and industry would find it extremely difficult to thrive.

In our country, where the economy has been moving from a state of underdevelopment to a higher intermediate stage towards a goal of self-sustaining progress, the government has assumed the key role in the process of capital-formation. This is not to disparage the private sector's



role. We must bear in mind that a tremendous part of the effort and resources expended by the government through its various agencies is directed precisely towards the stimulation of private enterprise. As a matter of fact, with the full lifting of controls accomplished recently, the government has already returned to the private businessman the major share of decision-making and the power to allocate resources. Furthermore, in the Fiscal Program of the new Administration, the reduction of the remainder of direct government participation in business activities stands as one of the six top priority objectives scheduled for implementation. The Administration recognizes the principle that private enterprise, and not the government, should be the prime motivating force in economic growth.

However, the key role of government in the capital formation process of an underdeveloped country is almost a foregone conclusion and an inexorable economic phenomenon. The government has to provide those facilities and services which would be unprofitable and unrewarding for private enterprises to undertake, particularly in a country with limited financial resources. The government must step into those fields which patently lie beyond the capacity of the private businessmen, but yet are basic to the functioning of even a modicum of private investment activity. Otherwise, who will? But in a democracy like ours, the government should remove itself from those fields which can be taken over by private enterprise as our business and industrial community matures in resources, technology, and experience.

Fiscal policy, because of the magnitude of its effects upon employment, prices, and economic activity in the country, is a particularly complex and important instrument for shaping the national destiny. Fiscal operations not only exert a pervasive influence over the quantity of purchasing power made available to the different units of the private sector, but also determine the type of goods and services that will be consumed and produced. Fiscal operations affect private business on both sides of the budget.

As skilled managers, administrators, and directors, I am sure you will agree with me that the magnitude and scope of one's objectives must be matched by commensurate sources of financing to insure success. While a private business relies partly on the capital savings of its owners and partly on loans from outside for its investment and working capital, the government must largely depend upon tax proceeds to finance its program. When this is grossly inadequate, the government then resorts to borrowing through bond issues or advances from the Central Bank.

In all the sixteen years since the war, with the exception of 1952, the government has incurred expenditures which surpassed its total revenues from ordinary sources. The reason for this was basically a desire and a necessity to accelerate the development of the economy even in the face of a dearth in available resources because of the rapidly growing population and the rising expectation of the people for a better life. This is not to say that government borrowing and spending did not overstep the bounds of fiscal prudence. As a matter of fact, it is a matter of record that public expenditures financed by credit creation and bond borrowings have been a major source of inflationary pressures upon the economy. The monetary crisis of 1957 is traceable directly to this cause. Let me hasten



to add, however, that bond financing is not inflationary by itself, provided the bonds are purchased by income that has been saved and diverted from consumption. But when the Central Bank is compelled to support such bonds, and they are acquired largely by financial institutions and used as base for credit creation, they become definitely inflationary.

Each year, the Government prepares a budget which presents expenditures by programs and projects, and revenues by sources. Total prospective income is, of course, estimated first before expenditures are programmed. The income is classified by four sources: (1) The General Fund, which includes all tax revenues not bound by law or contract to be applied to any specific purpose; (2) The Special Fund, which includes revenues from taxes levied for special purposes; (3) The Fiduciary or Trust Fund, which includes funds received by the Government as guarantee for fulfillment of certain obligations; and (4) The Bond Fund, which constitute proceeds from bonds sold by the government and to be used for specific purposes, such as permanent public improvements. In effect, the Budget is a fiscal plan for carrying out government activities and functions within expected revenues.

The deficits we have been incurring, with resultant "unbalancing of the budget simply means that the Government has been actually spending in excess of the ordinary sources of revenues which accrue to it regularly by operation of law. These ordinary revenues are covered by the General Fund, the Special Fund, and the Fiduciary Fund. The Bond Fund represents an extraordinary source which, together with advances from the Central Bank, has been consistently tapped to cover the deficits, which have averaged about P120 million a year. In 1956, revenue receipts fell short of total expenditures by no less than P276 million; last fiscal year's gap amounted to \$154 million. But since 1952, when a moderate surplus of P54 million was recorded, has the government again succeeded in matching revenues with expenditures.

Yet, we cannot place all the blame for this apparent "oversight" squarely upon the shoulders of the public authorities. There is a certain irreducible minimum of economic facilities and social services that must be met each year. And this has a tendency to grow larger, not smaller, because of two factors I previously mentioned; population growth and rising expectations of the people.

In addition, if we are to develop a more efficient public administration and raise the morale of career civil servants in order to eliminate every vestige of corruption in the service, the salaries of government employees still have to be raised to equal those in the private sector.

We therefore see that in the formulation of the fiscal program, the desirability of accelerating development and extending social amelioration even through credit creation and other inflationary means must be constantly balanced against the necessity for maintaining relative monetary stability and the purchasing power of the income of the masses. There were indeed times when the government leaned too far on credit creation to the detriment of monetary stability.

During these times when the country is adjusting itself to the conditions of free economy brought about by decontrol, we shall be particularly sensitive to inflationary stresses. Any imprudence in the carrying



out of fiscal operations may easily depreciate the peso further, exert an upward push on prices, cause undue fluctuation in the exchange rate, and damage our international payments position. Therefore, while following through with our social and development objectives, we should resort as much as possible to non-inflationary means for accumulating the financial resources called for by the program.

The fiscal experts estimate that even if our tax-collection machinery were 100 per cent efficient, which is unlikely; and even if all the existing non-inflationary sources of funds were tapped, the government would fail to cover all of the financial requirements called for. New revenue sources will therefore have to be found, and new savings realized through systematic improvement in the organization and management of the government and the coordination and centralization of policies. Although we are among the lowest-taxed countries in the world, it would not be feasible to raise revenues by levying new taxes on consumers as this would actually be a disincentive to invest.

To solve this problem of increasing our revenue collections, the President has proposed to Congress the following policies for financing the fiscal program:

- (1) Intensified, honest and equitable tax collection and plugging of loopholes for tax evasion;
- (2) Eradication of venalities in the bureaus of internal revenue and customs;
- (3) Amendment of the Basic Industries Act so as to curb unwarranted proportions of tax exemptions;
- (4) A sound remedy for financing public schools;
- (5) Revision of the conditions on the proposal to increase present allotments to local governments from national revenues; and
- (6) Submission, as the need arises, of proposals for tax reform both in tax structure and its administrative machinery.

Aside from all these, the administration has just formulated a Five-Year Fiscal Program, to start in July. Its broad objectives may be boiled down to two ingredients: (1) the attainment of self-sufficiency in our staples of rice and corn; and (2) the creation of conditions which would provide new or expanded real incomes, particularly for those who have none or whose earnings are insufficient for their most basic needs.

In other words, the Fiscal Program has been geared to strengthen the economy particularly at the "grassroots" level, in order to bring the greatest good to the greatest number with every resource that the government can muster. May I point out that sufficiency in staple foods coupled with rising incomes would provide a growing market for the products of business and industry, and incentives for new investment from personal savings.

The new Budget being proposed significantly steps-up support to strategic development sectors, particularly agriculture and natural resources, and transportation and communications. Social development outlays have been given the largest percentage share in the total government expenditures, with education on top priority.

However, and again I must emphasize, this ambitious public expenditure will be crucially premised on the effort to increase tax revenues and secure



new sources of external financing. We hope to achieve this through the passage of an attractive foreign investment law, and a revision of the tax structure, as well as the improvement of the tax collection machinery. The Administration realizes the urgency of amending the Basic Industries Law to reduce the number of industries qualified for tax exemption, and the passage of a separate school-financing bill to shift the burden of financing public education from the budget. While some businessmen may find the revision of the Basic Industries Act objectionable, I must emphasize that we cannot forego necessary public expenditures for social and economic progress for the masses to subsidize a privileged few through underserved tax exemptions.

Public credit is to be reduced. Efforts will be made to induce its absorption, as much as possible, by non-bank investors. I can assure you that the bond issue financing shall be limited to projects most essential to promote economic and social development—projects which cannot be supported from current tax receipts.

My friends, I hope I have succeeded in making clear some of our problem in fiscal operation, and of the broad directions fiscal policy is poised to take in the years ahead. The government will do its part for the promotion of a favorable economic environment. But in the last analysis, it is the private sector that must supply the vital ingredients of enterprise and investment that constitute the building block of progress.

If I have spoken a bit too frankly in certain parts of my speech, it is because I believe that now, more than ever, we have to face up to the realities of competitive enterprise. With the lifting of controls, the businessman has perforce been thrust into a free economy, with all its challenges, its perils, and its promise. Now is the time for the Filipino businessman to prove his mettle. I have every confidence that he will succeed.

The promise of free enterprise is the realization of a permanent social and economic prosperity for our people. All of the programs and efforts of President Macapagal and his administration are aimed towards that goal. We are all sacredly concerned with the task of giving our less fortunate country men a richer level of living standards.

In launching this bold program of socio-economic development, President Macapagal has shown courage and vision. He believes that no Filipino will ever shirk from his responsibilities in the building of an enduring prosperity for all. He envisions that the result of this economic revolution will be the quick attainment of a higher standard of living for our people. While pledging to concentrate the government's attention on attention on a massive social program that shall be the complement of the robust economic growth generated by free enterprise, President Macapagal has appealed to all sectors of our citizenry to cooperate and undertake sacrifices.

We are a nation of study and patriotic citizens. We have suffered in the past only to realize the rewards in the morrow. I am sure that this appeal of the President will not fall on deaf ears. We have the capacity to develop and survive. Now is the time for us to demonstrate our will for survival and permanent prosperity.

I thank you.



## **THE BRIGHT FUTURE OF INDUSTRIALIZATION IN A FREE ECONOMY**

By **FERNANDO E. V. SISON**  
*Acting Secretary of Finance*

[Speech before the Philippine Association of Mechanical and Electrical Engineers (32nd Annual Convention) New Selecta, February 25 1962]

My Friends:

The invitation given me to speak before you today is both a great honor and a compliment. It is a great honor because the Philippine Association of Mechanical and Electrical Engineers is recognized and acknowledged as one of the most patent and active organizations in the field of engineering. I say it is also a compliment because a technical group such as this would always prefer to listen to a specialist or an authority in a field closely allied or linked to your interests. I would like to flatter myself by considering that I am one of you because I, too, and an engineer by profession although circumstances have pushed me into the fields of business, economics and finance.

In deference to the significant role that our profession plays in our progressing economy, I have chosen to speak to you on industrial development in a free economy, the system that highly developed free nations all over the world had adopted so successfully to build up their respective economies.

One of the boldest and most revolutionary economic policies recently instituted by President Macapagal was the removal of trade and exchange restrictions which had dominated the economy for the past 13 years. The principal objection put by the most bitter critics of decontrol was that it has made further industrialization of this country more difficult, if not impossible.

This is ironic because this was precisely the same complaint that was levelled against the retention of controls a few years ago. The new critics rightly aver that industrialization requires plenty of foreign exchange. Because of the lifting of exchange controls, foreign exchange will be much more expensive to procure in the future. From this premise, the critics quickly conclude that many of the manufacturing industries now operating may eventually have to close shop for failure to meet the higher cost of foreign exchange. Hence, they claim, industrial development is handicapped by the implementation of the decontrol program.

This conclusion is not well taken. It not only ignores the economically inevitable but it also displays an utter lack of faith in the initiative and capabilities of the Filipino entrepreneur.

When economic controls were imposed in 1949, our fiscal and economic authorities regarded them as temporary in nature, recuperating from the effects of the war, we had to fall back on the foreign exchange which had been carried over to our account from pre-war days. In 1945, this



amounted to 670 million dollars. However, our needs were so great and our enthusiasm to spend was so high that by the end of 1949 there was barely 260 million dollars left in our international reserves. Unfortunately, a large proportion of the dollars spent were not used for productive purposes, such as the rehabilitation of our industries and the importation of essential consumer goods. A substantial amount was squandered on luxuries, semi-luxuries and non-essential items, instead. Hence, the government was forced to impose controls on foreign exchange transactions in order to preserve and increase what was left of our dwindling supply of precious dollars.

What was the status of our economy when the present administration took over the reins of the government? In brief, our situation was precarious. Out-moded policies had exhausted our potentialities for growth; exchange controls and various tax incentives had failed to attract new and additional investments; there was no hope of increasing our export potential under the exchange and trade policies then in force; our international reserves had dropped to an unprecedented low level; and, the rate of growth of the nation's productive output could no longer keep pace with the rate of increase in our population. These were the outward manifestations of serious economic maladies that had been creeping over the country during the last few years.

After 13 long years of stringent controls, therefore, it had to be admitted that they had failed to achieve the desired ends. Furthermore, they had spawned a greater evil than the one sought to be avoided. Rackets flourished and widespread graft and corruption sapped and vitality of many government offices, reduced efficiency and lowered the morals of the employees.

But the principal reason that made President Macapagal decide to abolish controls was the critical state of our fiscal position. The country was virtually bankrupt as a result of rampant graft and the failure of previous administration's monetary policies aimed at containing the rise of massive inflationary forces. These forces had been built up during the past years and they became evident in the rise of blackmarket exchange rates and in a steep fall in our international reserves. The favorable trend in our balance of trade payments was suddenly reversed, so much so, that in 1961, our expenditures of foreign exchange exceeded our earnings by over 90 million dollars. Even the fiscal position of our government took a turn for the worse with an estimated budgetary deficit of 100 million pesos for the current fiscal year, more than twice that incurred the previous fiscal year. Under those circumstances, our only recourse was to remove controls and return to a free-wheeling economy which would itself allocate foreign exchange and set exchange rates according to the natural law of supply and demand.

Contrary to popular consensus, the decision to lift exchange restrictions was arrived at only after a thorough study of the problems involved had been made, its goals defined and a plan of action agreed upon. You will recall that full decon-per-cent increase in the present capacity of the plywood and veneer industry, the expansion of the pulp and paper production, faster food processing, and the rounding out of the present capacity of the textile and the petroleum refining industries. According to the



Mission, this proposal calls for a total gross investment in fixed capital of almost P3 billion for the five-year period from 1962 to 1966. In relation to the overall investment cost, this constitutes almost one-fifth of the total requirements for all investment sectors which amounts to P14.3 billion.

The five-year integrated socio-economic program of President Macapagal is the first economic program ever implemented in our country. It is true that there were past attempts to formulate various economic programs for this country, but none of the programs presented received presidential approval and/or congressional adoption.

The Socio-Economic program of our President has a three-fold objective, namely, the immediate restoration of economic stability, the alleviation of the common man's lot, the establishment of a dynamic base for future economic and social growth.

While it may be beneficial to discuss with you all the sectoral details of the President's program, especially the steps to be taken for the attainment of the three-fold objective which I have just mentioned, I have decided to limit my discussion to the industrial development phase in consonance with the main theme of my speech.

It is important to mention at this point, that the President has already taken the initial steps for the successful implementation of his program. He has lifted exchange controls that have been in force for over a decade. This was the first major economic change in government policy made by our President. Besides effecting the elimination of a major source of graft and corruption in the government, the lifting of controls transferred to the private sector the responsibility of allocating the countries foreign exchange resources under mechanism of a free market.

The President has likewise advocated and implemented a policy of protection to domestic industries against undue foreign competition by adopting adequate rates of import duty on almost seven hundred articles that are manufactured locally. The president also proposed to make further adjustments in the tariff and to impose countervailing duties whenever it becomes necessary in order to extend greater protection to local producers.

You might be aware of the fact that the President has announced a policy to welcome foreign investments in this country. This announcement is necessary because the restoration of economic stability as envisioned by the program requires the participation of foreign capital. The President, aware of the fact that previous incentives to attract foreign capital into this country did not prove effective, proposed that we give more and better inducements for the substantial inflow of funds from foreign sources. The President's action in lifting exchange controls on January 22, this year, has been a bold major step in attracting the entry of foreign capital in whatever form it desires to take, whether "direct" or "portfolio." This policy of welcome, however, should not be construed or regarded as unnationalistic, for the New Administration believes that the ultimate responsibility for economic development belongs to nobody else except to the Filipino businessmen since they, including the people in general, would be the chief recipients of the benefits derived from economic progress.



I believe it is not desirable at this time to overlook the importance of foreign capital in the solution of our economic problems. Today, one of our most basic needs is adequate resources with which to sustain economic growth. Consequently, we are faced with the serious problem of finding new sources of capital investment with which to augment our scarce resources. Undoubtedly, the voluntary inflow of external capital would be of great help to us in this regard. However, we must first create the proper investment climate which would be attractive to foreign investors. In this connection, foreign participation in joint venture with local capital, instead of purely foreign direct investment, is better for the country. However, this is easier said than done. There may be various business and human reasons why foreign investors may be reluctant to go in partnership with other nationals. Consequently, it would be more practical if we were to delimit the areas where foreign investment would be allowed, and to extend to foreign investors venturing therein adequate guarantees and incentives.

I wish to make mention, at this point, of the stabilization loan amounting to 300 million U. S. dollars to support and stabilize the free market exchange rate at the desired level. I had the privilege of heading the Special Presidential Economic Mission sent by the President to the United States to negotiate this stabilization loan. In addition to this stabilization fund under the final negotiation by Governor Castillo of the Central Bank insofar as the portion corresponding to the U. S. Government, we can count on additional drawings from the International Monetary Fund and on commodity accommodations under U. S. Public Law 480. We might also be able to finalize our negotiations for commodity loans from the Export-Import Bank of Washington as well as project loans from several financial institutions in West Germany, Japan, and other countries.

The second object of the President's program is the promotion of the lot of the common "tao" whose living standard is very low compared to that of peoples in highly industrialized countries like the United States, England, West Germany, Canada, and others. While we might not yet be able, at this stage of our economic development, to give our people the same standard of living their counterparts in the countries I have mentioned to you are enjoying, because it takes sometime to attain a comparatively high peak of national economic development, there is no excuse for this country to "sleep." Certainly, the common people's lot must be improved if only to give them their right to enjoy the blessings of economic contentment and happiness. Therefore, we in the government, and you in the business sector, should pull together in cooperative effort our "know-how" in order to raise the living conditions of the common man. The improvement of his living standard would therefore require, among others, that our present production capacity, especially in food, clothing, and shelter should outpace the present high rate of growth of our population.

The final goal of the President's program is to formulate and enforce policies that will provide a dynamic and more stable basis for future and further economic growth can best be achieved through and with a policy of free enterprise. Of course, you know what this means. It means that



you the businessmen, instead of we in the government, should assume the principal task of developing the national economy. We in the government have a different but a related task. Ours is to create a healthy investment environment which would best promote the interests of business. In short, the program for economic development that this Administration has envisioned does not only give you freedom in performing your task, but also protection and national leadership short of direct interference.

The five-year program of the President requires a total gross fixed investments in all sectors of a little over P12 billion, of which manufacturing shares almost P4 billion or representing around 31 per cent of the total cost of the entire program. It is important to note, however, that the required investment under the program is more than P2 billion lower than that of the programmed cost proposed by the World Bank Economic Mission that made a survey of the domestic economy in 1961. The difference in the individual over-all cost of the two programs lies in the fact that the Mission gave more emphasis to agricultural development to the extent of the cost-difference mentioned. On the other hand, the cost of the industrial development program of the President is greater by 9 per cent than the total cost envisioned in the three-year program adopted by the National Economic Council in 1956.

Despite the huge cost that it may entail, the program clearly reveals the determine efforts of this Administration not only to establish basic industries in the country, but also to create a sufficient source of supply for the raw-material requirements of already existing industries, most of which are mere processors of semi-manufactured products, thereby enabling us to save considerable foreign exchange. The principal basic industries proposed for establishment under the program are those which produce basic metals and products, basic chemicals, pulp and paper, and last but not least, textiles. The textile industry proposed for full development is the integrated type. The expansion of these industries, however, would largely depend on the extent and kind of basic facilities provided, and the government is expected to assume this responsibility.

To effectively discharge its responsibilities under the program, the government will have to spend P3 billion in social overhead projects or approximately P562 million annually. With enough basic facilities ready for use at lower fee rates, the manufacturers and producers would then be able to offset a part of the higher exchange costs resulting from decontrol.

My friends, you might have noticed that I discussed with you the industrial development program in relation to the overall socio-economic program of the President. While I might not have touched some details that you would wish to know, I am pretty sure that you understand the whole economic situation especially the present status of industrial development in this country.

In closing, I wish to thank you again for this opportunity to address you. I have high hopes that with your understanding, cooperation and support, the efforts of this Administration towards the attainment of its economic and social goals for the benefit of all our people shall be achieved.

I thank you.



## **FOREIGN TRADE AS THE FUNDAMENTAL AND INDISPENSABLE PILLARS OF ANY COUNTRY**

[SECRETARY SISON's speech before the CHAMBER of COMMERCE of the  
PHILIPPINES, MARCH 14, 1962, at the MANILA HOTEL.]

Ladies and Gentlemen:

The celebration of "Foreign Trade Week" under the initiative and sponsorship of the Chamber of Commerce of the Philippines is a very significant and most laudable step in the right direction. I am sure that this notable event will draw attention to the importance of and need for the establishment of mutually beneficial trade and commercial relations between the Philippines and other countries of the free world. By focusing the spotlight on the bright future and unlimited prospects of Philippine foreign trade, I earnestly hope that our people will be encouraged to play a more active role in its development and thereby receive a bigger share of its rewards and benefits.

Foreign trade has long been recognized as among the fundamental and indispensable economic pillars of any country. This is so because no nation can be entirely self-sufficient in all her needs. Hence, she has to look to outside sources for raw materials or finished products to fill the requirements of her economy and satisfy the demands of her people.

Such is its basic importance that the earliest records of mankind and civilization show that trade between countries was already being conducted to some extent. The desire to engage in trade and commerce with other countries was also the motivating factor behind the discovery of new lands and strange peoples recorded in our history books. Even our forefathers were already trading with peoples of neighboring Asian countries long before Magellan first set foot on Philippine soil.

Much of the credit for the prosperity and progress achieved by any country is due to the development of its foreign trade potential and the manner in which the fruit have been utilized. Since the end of the Second World War, the Philippines has been suffering from the adverse effects of an unfavorable balance of payments position. In other words, our expenditures of foreign exchange have exceeded the income from our exports. This has resulted in a steady drain upon our international reserves and seriously affected the whole economy.

Of late, general conditions in the Philippines have deteriorated such that it has become absolutely necessary to direct the principal efforts of the government towards the economic and social development of the country. In a bold and decisive move for the realization of this goal, the present administration under the leadership of President Macapagal recently lifted all trade and foreign exchange restrictions which had been in force for more than a decade. Thus, with genuine decontrol a reality, our economy has been returned to a system of free enterprise.

With the immediate implementation of the administration's decontrol program, we can look forward to the expansion of our export trade and the growth of our dollar-earning industries; the curtailment of imports, especially of luxuries and non-essential consumer goods; an over-all increase in our domestic output; and, the elimination of a rich source



of graft and corruption. To put the economic objectives of the program in a better perspective, permit me to give you a brief and simplified account of the system under which we lived for 13 years.

When exchange controls were first imposed in 1949, it was for the purpose of channeling the flow of our foreign exchange resources away from consumer goods and towards the purchase of capital goods such as machinery, equipment and raw materials. The intention was clear: the productive capacity of the economy had to be rehabilitated and strengthened. Throughout the period that controls were in effect, this was the guiding principle followed and carried out by the Central Bank. By implementing a selective policy on imports, the Philippines accelerated its industrialization program and restricted the importation of non-essential items. The preferred rate of two pesos to one dollar also acted as an incentive to local businessmen who wanted to build up the country's productive base.

But like any other form of price control, exchange restrictions could not operate for long without running into trouble, more so, since the pegged rate of the dollar was way below its true value in pesos. The history of exchange controls may very well be described as the struggle between the free or black market and the official market as regulated by the Central Bank.

For one thing, in its very eagerness to expand the manufacturing sector of the economy, the Central Bank allowed a great number of establishments to set up plants. In the process, however, it neglected to provide adequately for the growth of local industries to supply all the raw material requirements of the former. These establishments were thus forced to fall back on foreign suppliers for their raw material needs. By competing with one another, as well as with new applicants, for dollar allocations, they undoubtedly contributed to the undermining of the official market.

At the same time, several events on the supply side were taking place and making their influence felt by the economy. The flow of foreign aid funds into the country was declining; the tariff provisions of the Laurel-Langley Agreement went into effect and removed us from our preferential trade position with regards to the United States market; barter was authorized as an incentive to producers; exporters became increasingly bolder in their dollar-salting activities; and, last but not least, our export products were meeting stiff competition from synthetic substitutes. All in all, these various factors created additional difficulties in an already difficult situation.

The end result was that the gap between the official rate of the dollar and the free or blackmarket rate widened. The wider it got, the more difficult it became for the Central Bank to continue regulating the sale and purchase of dollars at the official rate. In 1959, with the help of Congress, the Central Bank took the first of several steps for the gradual abolition of exchange controls. In effect, it was a tacit admission of its failure to compete with the free market. Even as a margin fee was slapped on the purchases of dollars by importers by operation of a new law, the Central Bank was drawing up a four-year program for gradually relinquishing control over the sale and purchase of dollars and



leaving responsibility for determining the prevailing rate of exchange to the free market.

The implementation of the initial phases of the past administration's program for gradual decontrol, however, was not successful. Speculation and other psychological factors entered the scene and disrupted what had been intended as a smooth transition towards a free exchange market. Because of these factors, exports or reported earnings were not increasing and imports were going up, both contrary to expectations.

Obviously, the situation called for bold decisive action. This need was recognized by the leaders of the new era and immediate steps were taken to put into motion the machinery for complete and immediate decontrol. Shortly after the new administration took over the reins of the government, President Macapagal dispatched a special mission to the United States to negotiate for an economic stabilization loan to support its projected decontrol program. This mission, as is now accepted, was a complete success.

Earlier, the Central Bank had adopted several measures for the restriction of credit in order to prevent a run on the critically low supply of foreign exchange.

In a dramatic move on January 22, 1962, two days after the special economic mission returned from the United States, President Macapagal announced to the Filipino people the full and immediate lifting of trade and exchange controls.

What, you may ask, do we hope to accomplish by allowing the free market to determine the true value of the peso? Essentially, we hope that by making our goods cheaper in terms of the currency of other countries, they will increase their patronage of our export products. This will tend to increase employment both directly, by encouraging the growth and expansion of our export and export-related industries, and indirectly, by allowing the continued operation of those industries dependent upon foreign sources for their raw materials. We also hope that by making foreign goods more expensive in our currency, the importation of non-essential items will diminish while local manufacturers of import substitutes and other domestic articles will be encouraged to step-up production. We hope, finally, that all our industries will be induced to develop local sources of raw materials and thus give rise to further increases in output and production.

A while ago, I mentioned several complementary measures which were adopted as anti-inflationary and anti-speculative safeguards to decontrol. One of these was the imposition of special time deposits against the opening of letters of credit. The theory behind it is that the responsiveness or elasticity, as some economist would prefer it, of the demands for imports is such that increasing the exchange rate may not be sufficient to reduce the value or volume of imports in the amount desired. However, in order not to prejudice the importation of essential consumer goods of mass demand and to keep the prices of these commodities within the reach of our people, the special time deposit requirement on these goods was waived. Similarly, the Central Bank also raised the reserve requirements for demand deposits on the reasoning that it is necessary to forestall an inflationary increase in the volume of money



supply to prevent an unnecessary outflow of excess demand through the medium of imports which would run down our exchange reserves. To look at it from another way, the monetary authorities had to sterilize part of the new income anticipated from increased exports which would otherwise endanger the objectives of the decontrol program and make them more difficult to realize.

Hence, to encourage exports and discourage imports and, at the same time, bring about consequent increases in national production and incomes, it was not sufficient for the government to abolish controls and allow the exchange rate to seek its true level. Other steps were taken and, as stated in President Macapagal's five-year program for the social and economic development of the Philippines, the government will pursue still other steps to achieve our goals. It will, for example, use tariffs and whenever justified impose countervailing duties to encourage or discourage certain types of imports; help local businessmen develop in the Filipino consumer a taste for local brands; and provide agricultural and industrial extension services to our people to add to their knowledge, improve their skills and increase their productive efficiency. The government intends to do all these and more to insure the economic progress and stability of the country and promote the general welfare of the masses.

Before I close, my friends, permit me to express my profound gratitude and sincere appreciation for the opportunity given me to join you in your celebration of "Foreign Trade Week" and to discuss with you some of the problems of our foreign trade as a result of decontrol. I am aware that the honor accorded me by your invitation is not mine alone but belongs also to our beloved President Macapagal who has, time and again, demonstrated his idealism, dedication to service and genuine concern for the welfare of the common tao.

Let me also remind you that even the best policies and well-meant plans of action will come to naught without the full support and wholehearted cooperation of every citizen. In the implementation of the administration's program for decontrol, the assistance of the members of the Philippine Chamber of Commerce for its success will be of great value and most welcome. If any group should be concerned about the outcome of this program, it should be the Philippine Chamber of Commerce. For the decision to abolish controls was primarily an act of faith by the government—faith in you, the Filipino businessmen. Prove now that this faith was not misplaced.



## THE NEED FOR MONETARY AND FISCAL COORDINATION IN THE DECONTROLLED ECONOMY

By FERNANDO E. V. SISON  
*Secretary of Finance*

(Speech delivered by Secretary Fernando E. V. Sison at the Lions' 13th Annual Convention at the D. M. G. Radiowealth Compound on May 5, 1962)

Mr. President,  
Members of the Lions Club,  
Ladies and Gentlemen:

I have been honored with this second invitation to face the Lions again within the short space of three months. I reiterate what I said at that first meeting within the Manila Lions Club last February, that is always a privilege to speak on economic issues before an audience of proven calibre in business and civic work such as this, and therefore fully aware of the economic realities.

The new Administration has been at the helm of government for little more than four months now. Within that brief period, we have seen startling changes come over the Philippine economic scene, which have set the tone for future ventures and operations. With the promulgation of Cir. 133; the commercial banks, businessmen, and industrialists are beginning to learn the ropes of a free market in foreign exchange at first hand. They are growing to realize that as their new privileges are stimulating, so too are their new responsibilities demanding. The groundwork for external assistance in Philippine development has been laid with the securing of an Exchange Stabilization Fund, commitments for credits and other accommodations, and a bustle of Congressional activity on investment legislation. An integrated Five-Year Socio-Economic Development Program has been officially launched, and is now in its initial operational stage.

The guiding philosophy of this program, as enunciated by President Macapagal in his State of the Nation Message, is one of Faith in the Filipino. Underlying this philosophy is the recognition that economic development should be principally the task of private enterprise, and not the government. However, and I emphasize, this in no way removes the responsibility of government to provide "economic leadership", but rather demands that such leadership be exercised with greater equity, subtleness, and skill. To quote the President:

"The government's role is to create a favorable environment that will provide the inducements necessary, in terms of suitable policies and measures needed, to foster economic growth and stability. It must be in a position to devise new and effective methods, democratic in character and spirit, to induce the private sector—properly called the dynamic sector—to risk idle for development purposes."



The Program envisions two requisites for government economic leadership: first, the judicious allocation of public investments, making optimum use of available financing to establish basic facilities like roads, power, communications, and harbor facilities, without which the private sector could not operate under modern standards. And second, the implementation of consistent and coordinate policies to effectively induce the maximum domestic capital formation from savings as well as draw the greatest feasible amount of external assistance for meeting the financing needs of development.

It is clear, my friends, that within the spheres of monetary and fiscal policy lies the key to economic leadership on the part of the government. And if such leadership is to be effective, it is necessary that there should be close coordination between monetary and fiscal policy, so that they act together, each complementing the other in the regulation as well as stimulation of economic activity. Too often in the past, this has not been the case.

However, let me point out that coordination of fiscal policy and monetary policy does not necessarily mean that they should move in unison at all times, that is, simultaneously contractionary or expansionary. We must understand that fiscal policy primarily affects the public sector, while monetary policy exercises its greatest influence on the private sector. Under a situation where the private sector begins to lag, monetary policy would properly take all expansionary turn in order to provide the necessary stimulus. On the other hand, to forestall inflationary tendencies, the public sector may have to be contractionary, thus maintaining the stability of the economic environment. It is the balancing of these factors that is expected in the coordination of fiscal policy and monetary policy.

Monetary policy includes measures which particularly affect the flow of credit and the money supply. In general, it is the function and responsibility of the Central Bank to formulate and implement monetary policies. Before the Central Bank, and the managed currency system, there could have been no monetary policy to speak of, since there was nobody to regulate the volume and flow of money supply to meet the changing needs of the economy. Section 2 of the Central Bank Charter specifically enjoins that institution to maintain monetary stability, both domestically and internationally, while directing the flow of money and credit towards the promotion of a rising level of production, employment, and real income in the country.

The Monetary Board is thus empowered to regulate any expansion or contraction in the money supply which in their estimation would be detrimental to the attainment of rising levels of production, employment, and real income within an environment of internal stability and external balance. For this objective, the monetary authorities have at their disposal not only traditional instruments of Central Banking such as the rediscounting facilities, open market operations, and the imposition of legal reserve requirements, but even relatively novel measures such as portfolio ceilings, selective credit priorities, special deposit requirements and others.

Fiscal policy on the other hand covers the broad taxing, borrowing, and spending powers and operations of the government. Fiscal policy is particularly important in a developing economy like ours, because of the



limited financial resources available in relation to the magnitude of the requirements to be met and tasks to be undertaken. Besides laying out the basic economic facilities and services such as roads, harbors, and power projects, the government may also have to temporarily step into strategic activities properly within the sphere of private enterprise, but which the private capitalists may still be willing to undertake. Since the government is the largest single investor, buyer, employer, borrower, and spender in the economy, its fiscal operations cannot but have far-reaching effects on employment, prices, production, and even the competitive situation within the economy. Indirect as its effect on money supply may be, fiscal policy can nevertheless offset and nullify the best intentions of monetary policy. This is precisely why coordination is called for between the two, specially during these first few months of decontrol, when the economy is still in the process of adjustment and is sensitive to unsettling influences such as speculation and inflation.

The creation of conditions most favorable to the pursuit of economic development should be the underlying objective of fiscal and monetary operations, as President Macapagal has so recently stressed; and this objective should also limit the use of fiscal and monetary measures.

The borrowing of funds by the government for economic projects through the issuance of bonds is an application of both policies, the monetary and the fiscal. The decision to secure funds from commercial banks and the Central Bank is a monetary matter; while fiscal policy covers the decision on how and where to spend the funds so secured. The government has seen fit to secure additional finances for development through this expedience, in the absence of adequate tax revenues. However, this is a potentially inflationary method of footing the development bill in this country. Since we lack an organized securities market, the government securities, which the Central Bank is bound to support, are purchased largely by commercial banks and employed as a base for credit expansion. Since such an expansion does not arise out of savings withheld from consumption, and generally cannot be immediately compensated by increased imports or production outputs, it exerts an inflationary force on price levels as well as pressure on the balance of payments.

Present circumstances call for a strong bid on the part of the monetary and fiscal authorities for the restoration of that stability which is conducive to the acceleration of investments and productive activity.

Only in an environment of internal monetary stability and external balance can we push an increase in resources for development from both domestic savings and net capital inflow. There would be no incentive for the accumulation of savings when the public believes that incomes are eroding in value; that the currency is slipping and prices are on the uptrend. As it is, to be able to amass the estimated required investments for the Five-Year Program, we would have to accelerate our rate of savings from the present 12 per cent to at least 15 per cent of the National Income.

It must be noted further that the resurgence of inflationary pressures arising from excessive government spending and unwarranted credit expansion would dislocate the operations of the newly emerging free market in foreign exchange. And relative stability in the exchange rate is a crucial ingredient in the financing and planning of business and



industrial activity. Instability in the exchange rate creates an element of uncertainty which is detrimental not only to domestic operations but to our efforts to attract the assistance of foreign investments in worthy economic projects.

An appraisal of the last decade tends to confirm the belief that the threats to monetary stability that have arisen and consequently hindered the smooth progress of the economy were the result of an over-eagerness to push development on a scale exceeding real resources. The succession of budgetary deficits as well as the magnitudes of bank-supported bond issues over the period tell the tale. Another characteristic of the era was the lack of proper coordination between monetary and fiscal measures.

With the exception of 1952, when a moderate budgetary surplus was recorded, budgetary deficits have been the rule. Of course it may be argued that the current needs of a developing economy are tremendous, but that in the long run, development will mean greater productivity and capacity to repay any debts incurred. Furthermore, the growing population demands a certain irreducible minimum of economic facilities and social services which is constantly expanding. However, this would not warrant imprudent resort to deficit spending or credit creation while there still remain opportunities for increasing non-inflationary revenues, not necessarily by more taxes, but by more effective implementation of tax laws, more efficient collection, and more judicious use of long-term external assistance. Then too, unnecessary expenditures may yet be curtailed through an improvement in public administration and government operations.

The ideal situation would be for the government to maintain a balanced budget, attempting to raise adequate revenues from non-inflationary sources to meet planned obligations, while simultaneously attempting to reduce its commitments and expenditures to meet expected revenues.

In this connection, decontrol has heightened the possibilities for increased government revenues, since the base for evaluating customs duties has been widened by the adjustment in the peso-dollar parity. In addition, the tariff duties on imports from the United States, which supplies about half of our imports, have just gone up from 50 to 75 percent of full levies in accordance with the terms of the Laurel-Langley Agreement.

On the matter of allocating public expenditures, the Administration's Development Program envisions a coordinated system of programming outlays. We are aware that it simply would not be possible to simultaneously support all the projects recommended by the various departments and agencies of the governments, with the expectation of financing them from bond issues which the Central Bank would be compelled to buy. The continuance of this practice would create inflationary difficulties anew, with the government again enjoying a holiday at the expense of the private sector.

For the monetary aspect, many seem to hold the pet notion that credit creation can be the primary instrument to trigger economic expansion and stimulate business activity. They believe that since enterprises which would exploit resources and provide employment take money to set up, once the money is furnished, an increase in production and jobs would follow. Unfortunately, life is not so uncomplicated. Even should funds become available, production could not be immediately pursued,



because of the limited factors of production at hand in the form of machinery, raw materials, and technological skills. At best, production could be stepped up to the extent that there exists idle equipment and trained manpower; but even then there would ensue some time a lag between the disbursement of funds and the increased output. It is axiomatic to expect that as the new money is injected into the economic stream, effective demand is bolstered relative to supply, a circumstance which in this country rapidly translates itself into rising prices and diminishing international reserves.

The last five years, from 1957 to 1961 inclusive have shown greater flexibility and even some measure of coordination in the use of monetary and fiscal measures by the government towards the solution of economic problems. In 1957, with the country facing a growing inflationary crisis, the government unleashed a complement of monetary and fiscal moves to stem the adverse tide before it reached unmanageable proportions. On the monetary sector, the Central Bank temporarily suspended its rediscounting facilities, and when it resumed, the rediscount rate was raised successively from  $1\frac{1}{2}$  to 2 per cent, and then to  $4\frac{1}{2}$  per cent. A credit priority system was imposed on the banks, which was designed to place limits on non-productive lending and channel credits to productive uses. The maximum permissible interest rate on bank savings deposits was raised to 3 per cent. Marginal deposit requirements ranging from 50 to 200 per cent of the value of imports were also imposed upon the opening of letters of credit, with these deposits to be sterilized in the Central Bank. Going further, the Central Bank for the first time employed moral persuasion on the banks, enjoining them to minimize the volume of overdrafts for low-priority purposes. Simultaneously, austerity characterized fiscal operations. Government bond issues were reduced, and in the second semester of that year, several postponable and non-essential government services and expenses were curtailed.

The stabilizing moves carried well into 1958. Credit restraints were generally maintained during the year with the additional novel measure of withdrawal of Central Bank support from some government securities.

In 1959, new instruments of restraint were introduced in the monetary and fiscal areas. The monetary moves were the following: reserve requirements against demand deposits were raised gradually from 18 to 21 per cent; special reserve requirements amounting to 75 per cent (with a 100 per cent incremental reserve ratio) were prescribed against fiduciary accounts which consist principally of blocked funds deposited with banks; and finally, higher and multiple rediscount rates were imposed, ranging from  $4\frac{1}{2}$  to  $6\frac{1}{2}$  per cent, depending on type of collateral. The fiscal sector saw the implementation of several powerful measures, including a 25 per cent levy on foreign exchange sales and a series of tax laws raising certain specific and corporate taxes while revoking certain tax exemptions.

Thus, the economy moved into 1960 on a fairly strong basis, a consideration which prompted the monetary authorities to initiate the first measures of gradual decontrol. This first year of the sixties was characterized by credit ease coincidental with a contractionary influence on the fiscal side. The controversial circular 79 covering import deposit requirements was relaxed, and later revoked. Rediscount rates were



lowered from the maximum 6½ per cent range, to 6 per cent, then to 5½ per cent, and finally 5 per cent. The rediscount quotas were revoked, and reserve requirements against demand deposits were pulled down in several stages from 21 per cent to 17 per cent during the year.

The contractionary influence of the fiscal sector in Fiscal Year 1960 was possible since the larger portions of margin proceeds sterilized in the Central Bank and the increase in government cash balances more than offset the expansionary impulses arising from budgetary deficits and bond issues. Substantial revenue increases were realized as a result largely of tax measures approved in the previous year, and the fact that the General Fund shared in the General Bank's margin fee collection.

Further relaxations in monetary policy were carried out in 1961, with the rediscount rate reaching its lowest point of a uniform three per cent, and the reserve requirement against demand deposits further going down to 15 per cent. In addition, the selective credit priority system was partly liberalized. In the public sector, fiscal operations continued to exert contractionary influence on the economy even in the face of larger budgetary deficits than in the previous year. Again the sterilization in Central Bank vaults of about P100 million in margin collections was the crucial element.

Early this year, we have experienced a complete reversal of last year's policy in the monetary sector. Last January the rediscount rate was brought back from 3 to 6 per cent, the rediscount quota was reimposed and reserve requirements hiked from 15 to 19 per cent. Furthermore, special time deposits were clamped on the opening of import letters of credits in amounts ranging from 25 to 150 per cent, depending on the type of import. However, these time deposits were reduced last March in a bid to effect some easing of money tightness, so that essential imports were freed from the requirements.

This reversal of credit policy from one of ease to one of restraint was a complementary move to the full decontrol initiated on January 21st. They were intended as safeguards to promote the general welfare as well as induce stability in the business climate. I have already mentioned the necessity for ensuring against wild gyrations in the exchange rates which would prejudice not only domestic industries but the consuming public as well. These moves serve the purposes of dampening excess import demand, curbing the use of credit for speculative purposes, and inducing relative exchange stability. However, they are in no way meant to deny businesses their essential credit requirements for the expansion of productive outputs and the meeting of increasing operational needs. The moment we see that legitimate operations are being hampered more than helped, you may be assured of a responsive reorientation in our policies.

Also as a complement to decontrol, the President, acting under his Executive power, effected a revamp in tariff duties toward the end of bringing them more in line with the requirements of a decontrolled economy. While tariffs were lowered on certain essential consumer goods to benefit the public, they were raised on many other items to protect domestic industry.

The national interest, considering our present circumstances where we find ourselves in the midst of adjustment to a free economy, requires



that the fiscal sector this year, more than ever, should be non-inflationary. Expenditures must be financed from non-inflationary sources. And this will be possible, provided we realize the expected increases in tax revenues and external financing. A crucial element here would be the amendment of the Basic Industries Act to eliminate unwarranted industry tax exemptions, and the passage of a School Financing Bill outside of the budget.

As for the monetary authorities, their tasks in the current year are already cut out for them. As administrators of the monetary system, they must implement the policies necessary for promoting the target increments in domestic savings called for by the Five-Year Program. Among their important responsibilities will be the development of new institutions, monetary instruments and procedures for the marshalling and inducement of savings out of current income. They will also work to effect the coordination of credit activities of the existing public and private financial institutions, including the savings and rural banks.

However, they cannot stop there, but must go on to develop the domestic money market, since an unintegrated interest rate structure, which allows no mobility of funds between the short-term, medium term, and long-term markets would hamper their availability to business and industry in the pursuit of worth-while projects. Last but not least, there is the ever-present task of maintaining the stability of the exchange rate. Let me assure you that we are fully cognizant of the importance of promoting an orderly and equitable foreign exchange market. Let me close my remarks on a note of encouragement, by saying that the Monetary Board is working on the problem; and in any case you can trust the New Administration not to permit things to get out of hand.



## ECONOMIC PHILOSOPHY AND PUBLIC POLICY UNDER THE NEW ADMINISTRATION

(Speech delivered by the Hon. Fernando E. V. Sison at the Second  
Educators-Management Congress—May 15, 1962)

My friends:

It is indeed a privilege and great pleasure for me to be here today among the foremost educators, business executives, and leading economists of this country. This is a singularly impressive congregation of the nation's stock of theoreticians and practitioners who are assembled here for the single purpose of exploring the means to the solution of the major social and economic problems confronted by our nation.

Looking around me, I sense an air of mission and of dedicated purpose in this inquiry. The atmosphere is conducive to serious thought and deliberation on the various aspects of the particular field you have chosen for study: "Socio-Economic Reformation of the Philippines—a study of the Economic tools to strengthen Democracy and speed Economic Development."

Your field of study and the atmosphere that pervades this hall are particularly appropriate and fitting to the "new climate" that has emerged in this country over the last few months. This "climate" is one of economic freedom and independence for private initiative and enterprise.

It is not my task today to sing the praise of private enterprise, but to explore with you in the scholarly atmosphere of this hall, wherein government can come into partnership with private initiative for the single purpose of speeding economic development in this country.

I understand that in his inaugural address to this congress Vice President Emmanuel Pelaez commented that, in contrast to past experience, the recommendations of this congress will be given the closest attention by the present administration of the government. (In fact for the first time in our history we now have an economic program approved by the President and is now being implemented.) If I may be allowed by our Vice President, I wish only to add to this that by virtue of the move to free private initiative from government regimentation, the government now invokes the fundamental thesis of your previous congress: that it must seek the market mechanism as the medium for taking private enterprise into partnership.

I think it may task to explore with you how the government can achieve this.

We are today confronted with two basic economic realities: firstly, the resources that provided the basis for past growth are now fully exhausted, and we must seek new avenues for future growth; secondly, the increased rate of growth of our population demands that we must increase more than ever our own productive resources, in order to provide our increasing population with new sources of livelihood.

There were two basic resources that provided us the source of our past livelihood: first, the increase in domestic production which was stimulated by the expansion both of our export and our domestic market;



and, second, the availability of substantial amount of foreign exchange reserves.

These two resources enabled us to attain both economic growth and stability. The expansion of exports and domestic production resulted in the increase of our national income, while the foreign exchange receipts from our exports and our international reserves enabled us to import substantial amounts of consumer goods and capital goods. There was obviously growth in this, but more significant, there was also monetary stability.

Apart from credit and monetary controls, the other principal instrument we had on hand for fighting the threat of inflation that came with this growth was also our international reserves. Whenever prices threatened to rise due to the increase in income and expenditures, we drew down on our international reserves and imported large amounts of consumer goods. The increase in supply of goods through this means prevented domestic prices from unduly increasing.

All these, I am sure, are not new to you for they are found in the records of your past congress. What may be new and pertinent to this present congress, however, are the changes in Public Policy that are called for under the new climate to private enterprise in order to achieve the same measure of economic growth and monetary stability.

The Socio-Economic Program of our President embodies the fundamental changes in Public Policy that are called for if the economic philosophy of free private enterprise is to become a reality under conditions of stable economic growth.

The first major change in policy is, of course, the decontrol of foreign exchange decontrol is perhaps less fully realized than its political significance. While it is true that decontrol of foreign exchange eliminates a major source of graft and corruption, its real economic significance lies in the fact that the government thereby places in the hands of private initiative and the impersonal allocation of the free market one of the basic resources for growth; the country's foreign exchange resources.

Our reserve for foreign exchange represents savings of this nation. It is wealth because it is purchasing power. Because foreign exchange can command both goods and services that we ourselves do not as yet produce as well as those that we already produce, it is purchasing power *par excellence*. We must use it wisely and rationally.

As exchange control is dismantled, the allocation of foreign exchange is left in the hands of private decisions and initiative, and its real value to the economy is communicated through the price mechanism of the market. Private initiative may use foreign exchange as it sees fit, in relation to what it gauges to be the cost and benefit of foreign exchange. The cost of foreign exchange, on the other hand, is proportional to its abundance or scarcity relative to its use by private initiative. This is the essence of market allocation. It is an efficient, objective and impersonal system.

And yet, in a sense, decontrol involves a loss. Whether justified or not, it involves the loss of a cheap foreign exchange policy and a tacit acceptance of the fact that foreign exchange reserves can no longer be used as an instrument for "exporting" inflation. More than this,



it also means that the policy of free foreign exchange, would somehow tend to release inflationary forces, through increased cost of importation.

The problem is more serious than what many, perhaps, are prepared to admit unless proper safeguards are taken. Between the end of 1950, the year after exchange controls were instituted, and 1959, when serious efforts were undertaken to end the cheap dollar policy of the government, a reasonable amount of monetary stability had been achieved in the face of an accelerated increase in National Income. Consumer prices increased by only 2%, while home consumption wholesale prices increased by 1.5%. But the real cost of maintaining that stability was \$193 million worth of foreign exchange.

Between 1959 and 1961, the serious effort to increase the cost of foreign exchange induced a 5% rise in consumer prices and 10% rise in wholesale prices. This is what economists describe as a "cost-push" inflation: the increased cost of imports increased business costs and consequently increased wholesale and consumer prices. Costs "pushed" prices to inflationary levels.

In the coming years, how then can we achieve stability in economic development? How can we achieve the dual partnership of government and private initiative on the one hand and growth and stability on the other?

With exchange decontrol, we must then seek other areas for government influence to achieve our purpose. More than ever in the past, *we must rely heavily on coordinated monetary and fiscal policy as the two principal government instruments to assist private initiative in attaining a stable basis for growth.*

The monetary policy of the government includes measures which particularly affect the flow of credit and money supply as well as the structure and costs of business finance. In general, it is the function and responsibility of the Central Bank to formulate and implement the policies that affect the costs and availability of finance. The Monetary Board is empowered to regulate any expansion or contraction in the money supply which in its estimation would be detrimental to the attainment of rising levels of production, employment, and real income within an environment of internal stability and external balance.

For this objective, the monetary authorities have at their disposal not only traditional instruments of Central Banking such as the rediscounting facilities, open market operations, and the imposition of legal reserve requirements, but even relatively novel measures such as portfolio ceilings, selective credit priorities, special deposit requirements and others.

All these instruments available to government must be used as tools for growth and stability. In respect of fostering growth the policies of government under the socio-economic program shall have four fundamental objectives:

1. To prevent bottlenecks from developing in production and capital formation which may arise particularly from an inadequacy of financial resources or from the inaccessibility of these resources to worthy economic projects.
2. To develop new institutions, instruments and procedures to provide inducements for increased savings out of current income and



for the channeling of these savings to economic projects of high priority.

3. To provide channels to facilitate the entry of desirable foreign capital; and
4. To enlist the full support of private financial institution for the purpose of achieving common priorities in loan and investment programs and to provide assistance and inducements in order to facilitate the channeling of investible funds into projects considered most important to the economic development program.

These objectives shall be implemented through the instrumentality not only of the Central Bank, but all government financial institutions including the Development Bank of the Philippines, the GSIS and the SSS. In this regard, the government has already initiated a move to channel available investible funds of the GSIS and the SSS to the Development Bank of the Philippines. The logic behind this move, I believe, has not been too clearly understood nor fully appreciated. The practice of the GSIS and the SSS of placing their funds as savings deposits in commercial banks in effect reduces good long-term savings into funds that can only be used for short-term lending by commercial banks. There is strong logic, therefore, in channeling this funds to a long-term lending institution.

The long-term objectives of monetary policy must be implemented without undue prejudice to internal stability and external balance of the economy. At the same time, it is also to be recognized that monetary policy alone will not suffice to combat inflation. Care shall be taken that the burden of the task is not imposed entirely on the banking system, as it is recognized that banks are rarely the prime movers of inflation.

The recent changes in monetary policy aimed at preventing inflation under present circumstances, are the raising of the Central Bank rediscount rates from 3% to 6% and the legal reserve requirements of banks from 15% to 19%. These measures are necessary precautionary stopgaps to decontrol, directed at reducing its inflationary impact arising, aside from "cost-push" inflation, from the temporary imbalance that must be expected in aggregate demand and supply of commodities as a consequence of an expected reduction in the volume of importations. To the extent that importations are reduced by the increased cost of foreign exchange and domestic production is inadequate, an inflationary gap is created unless aggregate demand is curtailed correspondingly. Such measures to restrain demand must be maintained until domestic production can reduce to a reasonable extent the inflationary gap.

The role of fiscal policy is seen most clearly within the context of this same problem. Broadly speaking, fiscal policy, as a tool of economic growth, shall have two objectives:

1. To assist private enterprise—to the fullest extent possible—in expanding at the shortest possible time the potentials for increased domestic production, and
2. To ensure that in its massive effort to provide assistance to private production, the government does not unduly contribute by means of its expenditures, *to an increase in the inflationary gap.*

The demands on fiscal policy by any measure to expand private domestic production are reflected on the various items of direct capital expendi-



tures that must be made by government. Under the President's socio-economic program, the total investment that must be made by government to provide such "basic facilities" as roads, hydro-electric power, irrigation systems, communications network, water supply, etc., will amount to P2.8 billion from Fiscal Year 1963 to Fiscal Year 1967. The World Bank recommends an even more ambitious program of public investments amounting close to P4 billion over the same period. In addition various items of direct financial assistance to private enterprise and other forms of capital transfers are expected to add up to a total of P1.4 billion from fiscal year 1963 to fiscal year 1967.

To finance these expenditures, it is imperative for government to seek non-inflationary sources of financing. It must not add new flame to the threat of inflation that already exists, but must endorse the private sector to place some of the available resources at the government's disposal, so that the two—the government and the private sector—can work hand-in-hand in fostering the expansion of our domestic resources.

The President's socio-economic program realizes that the scope for increased taxation is large in the Philippines. The revenue of the government under existing tax machinery constitutes about 10% of Gross National Income, in contrast to 20% in Burma, Ceylon and Taiwan—countries with lower levels of per capita income. Moreover, the over-all structure of taxation in this country is such that a large proportion of government revenue is derived from import duties and taxes, so that government revenue as a whole is not sufficiently responsive to expansions in aggregate income. The result is that government revenue, particularly for the future, will fail to keep pace with Gross National Income, unless new tax measures are taken.

Some of the required increase in taxes shall be implemented in a manner that will also parallel the effects of exchange rate adjustment in redistributing incomes from foreign trade. As the adjustment in the exchange rate under decontrol transfers windfall incomes from importers to exporters, the tax-structure adjustments shall be directed at the redistribution of the tax burdens. Since the capacity of exporters to bear additional taxes will be enhanced, additional government revenues may be collected by the imposition of a tax on excess profits from exports which will enable government to share in the benefits from the exchange rate adjustment. The export tax is also an anti-inflationary measure, and is particularly effective as such in an export boom. To provide flexibility, the tax on the excess profits from exports may be imposed at an *ad valorem* rate.

Broadly speaking, while the tax policy of the government shall be aimed primarily at raising revenue, they shall be implemented in a manner that will help foster economic growth through the betterment in the pattern of incentives within economy. The Joint-Legislative-Executive Tax Commission is currently studying various proposals to increase revenue by the imposition of new taxes, and the elimination of others that only work to hamper private initiative in fostering economic growth. Its policy is to establish a tax structure that fosters rather than retards an increase in National Income so that with the increase in the size of the pie, the government's shares increase proportionately with it.



Several such tax measures have already been submitted for consideration in Congress. Most worthy of mention here is the investment incentives bill submitted for consideration of Congress by Senator Manglapus. The essential feature of this bill is that it seeks to improve incentives to private capital formation through allowance of accelerated depreciation and the application of previous years' losses to current year's incomes for purposes of reducing tax liabilities. Another such incentive currently under deliberation by Congress is the proposal to suspend temporarily the tax on capital gains.

Congress, at the moment, is also deliberating on the merits of reducing the scope of tax exemptions from the "Basic Industries Law". It is believed that the over-extension of exemptions under existing legislation has proved detrimental to an appropriate allocation of resources. Serious question is raised as to whether the tax exemptions under this law were actually necessary to induce the establishment of industries—basic or otherwise—that are covered under existing legislation. To the extent that tax exemptions were not in fact necessary, the burden of establishment of the industries concerned was placed unduly on those that were not similarly tax exempt. We must remember that an industry solely dependent for its existence on government subsidies, incurs a real cost and burden to the economy.

Another feature of the present "Basic Industries Law" that merits further thought is the manner in which tax exemption is granted. Existing legislation exempts imports of machinery and equipment by industries classified as "basic" from payment of import duties. Although this has merit to the industries concerned in that it cuts capital costs by more than 20 per cent the "external" effect nonetheless is to make investors prefer foreign equipment to domestically produced items, even when the latter are priced at a level less than the import cost including tariffs. Consequently, the legislation in certain cases acts to defeat one of tax policy's major purposes—that is, the stimulation and protection of the domestic capital goods industries.

It will take much more time than you, I am sure, are prepared to allow me on this occasion to explore here the merits and demerits of other proposed measures of fiscal policy under the new administration's socio-economic program. In all its various forms, however, the tax increases shall be imposed in a manner which will affect primarily, if not exclusively, the income groups which can afford a higher tax burden. This is as it should be in a democratic society of free private enterprise.

My friends, I wish to impress upon you that the task of achieving these objectives of government is a task in which we as a nation cannot afford to fail. Inflationary financing of development would defeat its own purpose. It would shift the burden to the lower income groups when the very purpose of economic growth under private initiative should be to lay a foundation for a sustained improvement in their welfare. The existing inequality in income distribution is already a disturbing feature of Philippine democratic society. Inflationary financing would only lead to distortions in the pattern of investments and to further distortions in the distribution of income.



And so, my friends, as in the United States, and in the words of its President, John F. Kennedy, we, too, today "stand at a great divide: We must either go forward or go backward." To achieve economic growth with monetary stability is to progress; to fail is to retrogress. Retrogression is a failure to strengthen democracy and speed economic development. Without economic independence and growth, political independence is without any real significance.



**SPEECH OF SECRETARY SISON BEFORE THE DAET  
KNIGHTS OF COLUMBUS AND CIVIC  
ORGANIZATIONS, JULY 17, 1962**

My friends:

The fiscal year that has just started will see the implementation of President Macapagal's five-year integrated socio-economic program and the beginning of a bright and abundant era for the Philippines. An ambitious and all-embracing plan, it is aimed at restoring economic stability to the country, achieving our economic independence, raising the living standards of our less-privileged masses and bringing to our people the benefits of progress and general prosperity. In the hope that the nation will give its full support and wholehearted cooperation if the people understand the program and its objectives, I shall attempt to give you a brief background of the plan and its outstanding features.

This is not the first plan for the development of the Philippines to be submitted for consideration and possible implementation by the government. A number of other schemes of limited breadth and range had been presented at one time or another during past administrations but not one ever received official sanction and approval or was implemented. Through the years, therefore, the Philippine Ship of State had been sailing dangerous uncharted economic waters bound for nowhere and dependent entirely upon the whim and caprice of the incumbent skipper.

But we could not pursue such a vague and aimless course for long without courting disaster and, perhaps, inviting the total collapse of the national economy. Already, the adverse effects of various economic forces that had accumulated over the years arising from unsound business practices, conflicting and inconsistent government policies and international economic development were beginning to be felt all over the country. This was realized by President Macapagal and, shortly after he assumed responsibility for the conduct of the nation's affairs for the next four years, one of his first acts was to adopt the five-year integrated socio-economic program as the cornerstone of his administration and lay the groundwork for its implementation.

The priority objectives of this plan for the social and economic development of the country are the following:

1. To give utmost budgetary support and preferential attention to the rice and corn production program;
2. To provide increased essential public services, such as health, education and welfare activities, to cope with our fast-growing population;
3. To establish necessary social overhead facilities, including transportation and communications systems, irrigation, waterworks and flood-control systems, and power development;
4. To support programs and projects intended to raise the income levels of the masses and to generate increased income improve-



ment opportunities as well as provide low-cost housing for the poor and homeless;

5. To stabilize the prices of essential commodities; and

6. To reduce direct government participation in business activities.

During the five-year period that it will be in effect, the plan envisions a total outlay of P12.7 billion in investments, of which P2.8 billion will be the government's share and P9.9 billion will come from the private sector. The public investment program calls for the construction of water supply and irrigation systems, roads and bridges, power development projects and the expansion of existing railroad lines and of telecommunications. The emphasis for investments in the private sector will be on the establishment of basic industries which will supply existing light industries with raw materials now being imported from abroad. As a matter of fact, under study and consideration at this very moment for inclusion in the five-year program are several huge industrial projects with an aggregate investment value of P306.9 million. The establishment and operation of these basic and highly essential industries will save countless of dollars for the country, provide thousands of new jobs for our people and help relieve our chronic unemployment problem. That most of these plants will be located near the sources of cheap power and abundant raw materials will mean also the birth of many new communities and the opening of hitherto remote and isolated areas to development and exploitation.

Since the requirements of the private sector would necessarily entail larger average investments than in the past, we will have to rely more on external sources, such as foreign aid, institutional loans and foreign investments. Without surrendering our responsibility for the development of the country, we will welcome all foreign assistance that does not seek to wrest from us our supremacy over our own economic affairs and treat all such assistance with fairness and justice. Thus, while it is necessary to promulgate measures to protect Philippine and Filipino industry and agriculture in their "infant" stages from undue foreign competition, we will also have to draw up a set of policies and measures to provide guarantees to foreign investors together with an official declaration of preference for joint international business ventures with substantial Filipino capital and management participation. It is just too bad that the program is handicapped by the lack of several important legislative measures deemed vital to its smooth and efficient operation, among them, the Foreign Investments bill, the Excess Profits bill and the repeal of the Barter Law. Congress failed to act on them in spite of the strong recommendation of President Macapagal for favorable action and his certification as to their urgency. We hope that in its next regular session the members of Congress will make up for the lapse by acting swiftly and decisively on these top-priority measures. They should not jeopardize the success of the program by deferring action on those bills if they are really sincere in their pledge to serve the people and promote the best interests of the country.

However, the biggest responsibility for bringing the plan to fruition rests with us, the people. The government can only lead, guide and



direct us, but it remains for each one of us to prove that we deserve to partake of the benefits of a sound and progressive economy.

Many factors of ancient and recent vintage have conspired to make up the mysterious and complicated character of the Filipino. The different cultures and influences made to bear upon our people as a consequence of major historical events long past and the pressures exerted by modern civilization acting together have become evident in certain deplorable traits, practices and prejudices of our people. The time is now ripe for a re-examination of those traits, practices and prejudices in order that we may discard those which set back rather than promote the country's progress. For the economic program to succeed, we are asked to undergo a general moral renaissance by burning our backs upon the materialism and practical metes of the present and returning to the time-honored virtues, principles and moral standards of old. We need to have the discipline and the will to make the necessary sacrifices to build a stronger and better Philippines, we have to think less of ourselves and more of the advantages that a healthy and prosperous economy will bring to all the people. We must convince the world of our sincerity in desiring the country's economic independence and do all that is necessary to ensure the success of the five-year plan, no matter what it will cost us. This we must show by deeds and not by words alone. Unless our people realize this soon enough and give the program their full support and cooperation, all our efforts will be futile and in vain.

How can we, for instance, eradicate or minimize the rampant smuggling of blue-seal cigarettes if we keep on buying and smoking them? We consider them as status symbols, a mark of distinction and a sign of having arrived. But we forget, or are unmindful of the fact that the enormous losses annually in taxes, customs duties and other revenues due the government arising from the smuggling into the country of blue-seal cigarettes and other highly dutiable articles could very well have gone to finance the construction of many important and very essential development projects and would have brought us that much closer to the realization of our goals. Ponder on that awhile and please think twice before you buy your next pack of cigarettes.

I am sure you are all eager to know what steps the government has taken to arrest the spiralling prices of essential imported food items and other goods of general consumption such as milk, corned beef, sardines, etc. It is not true, however, that the prices of all articles have gone up. A number of you, probably, blame the administration for instituting total decontrol so soon and point it out as the villain behind the sweeping rise in prices. My friends, with your kind permission, may I enlighten you on this score? You are all aware that simultaneous with the announcement of full and immediate decontrol, President Macapagal used the power vested in him by the revised Tariff and Customs Code to amend existing tariff schedules. In his concern for the welfare of the great mass of our people, and to cushion the impact of decontrol upon the, the President lowered the duties on prime commodities and raised them on luxuries and semi-luxuries. In the case of milk, for example, the tariffs were brought down from 15% to 10%, and then to 8% for powdered milk and 5% for evaporated and condensed milk. Decontrol, therefore, is not a valid reason for the hike in the prices of many imported goods.



There are other economic factors at play, however, including a world-wide trend to increase prices in general due to inflationary conditions prevailing in the major producer-nations. We, being a small country, cannot dictate what should be the price of their products nor can we influence those conditions one way or the other. On the home front, the price hike can be blamed partly on the provisions of the Laurel-Langley Agreement which raised tariffs on American goods entering the Philippines, and vice-versa, from 50 per cent to 75 per cent effective January, 1962. Naturally, the increased cost of bringing these goods into the country is passed on to the consumer. Another factor which cannot be ignored or disregarded is the nefarious activities of unscrupulous businessmen, aliens and Filipinos alike, who create situation or take advantage of circumstances in or to pack up their prices and increase their profits regardless of the hardships and sufferings they cause to our people. Congress is now considering the passage of new bills that would put more teeth into the present anti-profiteering and anti-hoarding laws.

The government has not been blind to the plight of our people and has acted to curb the undue and unwarranted rise in the prices of many commodities. Shortly before he left the Philippines to go on a state visit to Spain, Italy and Pakistan, President Macapagal called for a conference with business leaders of the country and convinced them that it was to their advantage to keep prices within reasonable levels. Executives of different gasoline and oil companies, which had been contemplating to increase the prices of their products, took the hint. Thus, a situation was aborted which would have set off a chain reaction of higher prices and seriously disrupted the economy of the country. Meanwhile, representatives of different government offices engaged in the drive to bring down the prices of prime commodities are putting their heads together to find means to keep prices within reach of the masses. The government is determined to stabilize prices and it can be done. But only if everybody would pitch in and help.

We cannot leave the task of working out the success of the five-year economic plan to the government or to the next man as if it did not concern us at all. On the contrary, every man, woman, and child in the country has a specific role to play in the campaign and it is to everybody's benefit and interest that we do what is expected of us. Alone and single-handed, we cannot succeed; working together for a common objective, we cannot fail.

I therefore charge you, the members of the Camarines Norte Council of the Knights of Columbus, civic leaders of the community, and national, provincial and municipal government officials and employees with the duty and obligation of spearheading the nationwide movement for moral regeneration in this province. Show by your personal example for the people to emulate and follow the desirable qualities of moral uprightness, patriotism and selflessness, simplicity and humility, respect for the law and authority and a firm and unshakeable faith in God. Other peoples triumphed against the same difficulties that now threaten to engulf and overcome us. Let us prove to them that we, too, are equal to the challenge that lies before us. With full confidence in the Filipino and by the grace of God, we will succeed.



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## TABLES

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TABLE I.—Statement of Income and Expenditures of the National Government

(F. Y. 1958—F. Y. 1962)

(General Fund)

	Fiscal Year 1958	Fiscal Year 1959	Fiscal Year 1960	Fiscal Year 1961	Fiscal Year 1962
<b>INCOME:</b>					
Revenue from Taxation—					
Excise Taxes.....	P130,383,006.87	P161,288,867.06	P150,854,152.79	P151,451,591.71	P153,950,423.32
On Imports.....	(7,684,117.98)	(2,295,976.61)	(3,102,453.95)	(7,200,159.51)	(11,653,786.67)
On Domestic products.....	138,067,124.85	155,584,843.67	153,956,606.74	158,652,233.22	165,532,963.62
On foreign exchange.....		8,000,000.00			
On exports.....				(482.00)	
Fines and penalties.....					5,806.41
Miscellaneous.....					65,439.96
License and Business Taxes.....	153,207,534.08	147,597,575.46	182,919,291.90	220,424,185.39	271,750,163.12
On business.....	153,182,541.65	147,575,480.96	182,871,924.56	220,371,619.79	268,614,943.29
On other than business.....	20,431.65	17,613.00	43,130.15	48,042.05	2,489,239.14
Fines and penalties.....	4,560.78	4,481.50	4,237.19	4,523.55	645,980.69
Income Taxes.....	156,493,272.04	177,672,116.15	208,860,734.57	234,188,833.35	249,813,412.02
On business.....	138,045,252.56	160,293,649.88	187,890,696.86	211,609,693.24	194,566,823.81
On other than business.....	18,442,495.23	17,377,822.75	20,967,104.53	22,585,459.45	54,276,632.90
Miscellaneous.....	5,524.25	643.52	2,964.00		
Fines and penalties.....			(30.82)	(6,319.34)	969,955.31
Import Duties.....	167,361,840.70	163,242,187.62	239,594,274.49	249,127,802.88	300,289,904.19
On imports.....	167,152,075.38	162,967,444.44	239,264,473.20	248,652,231.77	297,986,345.43
Fines and penalties.....	209,765.32	274,743.18	329,801.29	475,571.11	2,303,558.76
Other Taxes and Duties.....	26,114,790.55	26,534,687.17	24,974,536.43	30,672,129.23	37,418,161.36
Documentary stamp tax.....	13,603,964.60	12,110,832.65	12,349,317.06	13,167,749.90	13,870,429.41
Charges on forest products.....	5,607,074.27	5,995,066.53	6,968,589.05	6,848,589.69	9,379,114.68
Estate, gift and inheritance tax.....	6,024,158.09	6,205,636.34	4,538,442.04	5,034,873.14	5,780,524.34
Residence tax.....	2,787,064.65	3,156,012.42	3,221,965.61	3,225,042.14	3,562,385.54
Franchise tax.....	842,234.65	1,043,539.02	2,121,371.60	1,649,974.60	2,217,373.22
Immigration tax.....	3,640,996.50	4,061,618.69	254,325.02	417,140.00	455,673.90
Fines and penalties.....	3,033.41	3,629.64	258.16	(15.00)	534,330.24
Miscellaneous.....	(6,393,735.62)	(6,041,048.12)	(4,479,732.11)	329,075.76	1,618,330.03
Total Revenue from Taxation.....	633,560,444.24	676,335,433.46	807,202,990.18	885,864,542.56	1,013,222,064.01



TABLE I.—Statement of Income and Expenditures of the National Government, FY 1958–FY 1962—(Continued)

(General Fund)

	Fiscal Year 1958	Fiscal Year 1959	Fiscal Year 1960	Fiscal Year 1961	Fiscal Year 1962
<b>Earnings and Other Credits—</b>					
Operating and Service Income .....	42,206,181.32	44,035,739.53	53,467,927.55	53,350,857.81	58,763,766.28
Government services .....	33,481,815.82	35,321,416.07	44,401,513.13	46,059,422.07	56,554,859.74
Government business operations .....	8,420,422.85	8,087,989.67	8,379,812.66	6,488,990.82	1,160,731.26
Interest .....	5,717.16	17,772.63	17,773.28	64,673.06	39,304.42
Fines and penalties .....	114,402.29	80,810.99	225,514.68	212,483.45	321,011.63
Miscellaneous .....	183,823.20	527,750.17	443,313.80	525,288.41	687,859.23
Miscellaneous Income .....	48,292,787.93	47,582,134.21	15,332,175.17	14,179,590.23	25,485,469.69
Reparations .....	782.51		252.57		
Prior year credits .....	43,664,842.12	45,195,512.14	9,754,546.78	9,103,942.47	19,197,283.10
Prior year charges (Offset to Income) .....	(3,403,571.60)	(1,806,477.87)	(2,718.91)		
Contributions .....	698,188.74	1,985,603.74	1,089,795.15	1,163,399.10	1,425,702.15
Inventory adjustments .....	1,063.64	599.81	716.53	922.47	748.48
Sweepstakes .....	197,939.81	232,620.95	385,787.81	852,550.49	384,975.46
Fines and penalties .....	234,525.79	250,835.74	291,324.04	341,046.42	233,184.21
Miscellaneous .....	6,899,016.92	1,723,439.70	3,812,471.20	2,717,729.28	4,243,576.29
Sales of Assets .....	222,394.85	297,015.46	902,195.67	5,910,205.68	2,031,790.39
Public domain .....	109,817.92	263.38	857,273.83	187,827.60	318,578.80
Fixed assets .....	94,004.15	296,297.51	44,430.35	129,696.48	35,760.52
Gains on sales .....	18,572.78	454.57	491.49	5,592,681.60	1,677,451.07
Income from Public Enterprises .....		32,255.70		420.63	247.73
<b>Total Earnings and Other Credits .....</b>	<b>90,721,364.10</b>	<b>91,947,144.90</b>	<b>69,702,298.39</b>	<b>73,441,074.35</b>	<b>86,281,274.09</b>
<b>Borrowings and Other Extraordinary Income—</b>					
Public—Proceeds from sales of treasury notes				40,000,000.00	
Loan (overdraft line) from the Central Bank	75,000,000.00				
Share in the undivided profits of the Central Bank .....					4,515,670.19
Receipts from the net profits of the Central Bank for the Rural Bank Trust Fund .....		10,000,000.00	5,000,000.00	7,000,000.00	7,000,000.00
Distributive share of the government from the collection of the 25 per cent margin on the sale of foreign exchange .....			65,000,000.00	16,047,315.58	89,380,619.50
Peso proceeds of the claim of the Philippine Government against the U. S. Government .....					
noaccount of the devaluation of the dollar in 1934 .....				47,725,502.00	
<b>Total Borrowings and Other Extraordinary Income .....</b>	<b>75,000,000.00</b>	<b>10,000,000.00</b>	<b>70,000,000.00</b>	<b>110,772,817.58</b>	<b>100,896,289.69</b>
<b>Repayment of Advances—</b>					
Government corporations .....	633,939.58	216,549.67	542,633.72	6,779,532.33	2,429,363.04
Local government .....	490,528.32	315,087.70	253,813.72	319,338.67	294,654.24
Miscellaneous .....	4,450,048.64	7,682,340.96	10,056,899.02	5,589,123.75	9,312,842.82
<b>Total Repayment of Advances .....</b>	<b>5,574,516.54</b>	<b>8,213,978.33</b>	<b>10,853,346.46</b>	<b>12,687,994.75</b>	<b>12,036,860.10</b>
<b>TOTAL INCOME .....</b>	<b>804,856,324.88</b>	<b>786,496,556.69</b>	<b>957,758,635.03</b>	<b>1,082,766,429.24</b>	<b>1,212,436,487.89</b>
<b>Transfers and Reversions from the Special and Other Funds—</b>					
From the Special Fund .....	1,516,684.13	2,063,802.31	2,965,143.33	1,214,679.42	
From the Fiduciary Fund .....	1,988.52	859,491.91	427.12	762.48	1,427,995.71
From the Bond Fund .....	117,813.28	45,274.42	14,226.98	21,978.83	
<b>Total Transfers and Reversions .....</b>	<b>1,636,485.93</b>	<b>2,968,568.64</b>	<b>2,979,797.43</b>	<b>1,237,420.73</b>	<b>1,427,995.71</b>
<b>Total Income and Transfers and Reversions .....</b>	<b>806,492,810.81</b>	<b>789,465,125.33</b>	<b>960,738,432.46</b>	<b>1,084,003,849.97</b>	<b>1,213,864,483.60</b>
<b>EXPENDITURES:</b>					
Personal services .....	429,556,866.61	445,314,804.16	479,902,663.70	559,902,469.86	644,553,205.01
Maintenance and other operating expenses .....	242,800,577.44	233,558,942.23	327,196,246.93	336,275,471.33	387,334,116.72
Land, land improvements and structure outlay .....	41,397,326.42	49,524,253.62	47,405,995.86	70,044,893.20	61,743,670.80
Equipment outlay .....	11,954,921.25	12,317,934.54	14,901,145.49	16,564,666.09	20,190,134.89
Investment outlay .....	35,147,292.85	6,935,779.68	30,929,072.10	49,507,116.44	21,010,246.88
Life and retirement insurance premiums (government share) .....	20,076,573.76	22,756,759.17	24,317,687.13	29,339,171.15	36,027,242.03
Salary standardization .....	9,279,799.12	9,687,298.63	22,054,876.69		
Transfer to the special and other funds .....	15,615,202.42	8,706,749.08	13,069,981.21	15,767,502.82	37,802,256.00
<b>Total Expenditures and Transfers .....</b>	<b>805,828,559.87</b>	<b>788,802,521.11</b>	<b>959,777,669.11</b>	<b>1,077,401,291.39</b>	<b>1,208,660,872.33</b>
<b>CURRENT SURPLUS—</b>					
Operational Surplus (Deficit) .....	664,250.94	662,604.22	960,763.35	6,602,558.58	5,203,611.27
Surplus Adjustments .....	(88,541.74)	203,103.72	6,646,709.14	(5,289,208.29)	3,795,911.27
Surplus (Deficit), Beginning .....	(163,960,891.66)	(163,385,182.46)	(162,519,474.52)	(154,912,002.03)	(153,598,651.74)
<b>Surplus (Deficit), End .....</b>	<b>(P163,385,182.46)</b>	<b>(P162,519,474.52)</b>	<b>(P154,912,002.03)</b>	<b>(P153,598,651.74)</b>	<b>(P144,599,129.20)</b>



TABLE II.—Comparative Statement of Income of the Bureaus and Offices Under the Department of Finance,  
F. Y. 1961–F. Y. 1962

Fund and Source of Income	Fiscal Year 1961 Actual	Fiscal Year 1962			Increase (Decrease)
		Revised Estimates	Actual	Excess (Deficiency)	
(1)	(2)	(3)	(4)	(5) (4)–(3)	(6) (4)–(2)
<b>GENERAL FUND</b>					
<b>OFFICE OF THE SECRETARY—</b>					
Operating and service income:					
Government services	P11,337	P5,000	P8,336	P8,336	P(3,001)
Fines and penalties	25		53	53	28
Miscellaneous income—Prior year credits	84,192		951,871	951,871	867,679
Transfer from Assessment Advance Fund (Special Fund)	362,437	250,000	231,813	31,813	80,624
Total for the OFFICE OF THE SECRETARY	457,991	255,000	1,242,073	987,073	784,082
<b>BUREAU OF CUSTOMS—</b>					
Part I—(Customs Proper):					
Import Duties—					
Ordinary import duties, R. A. 1937	79,852,286	92,400,000	108,744,391	16,344,391	28,892,105
Special: 50 per cent of the ordinary duty on U. S. goods up to Dec. 31, 1961 and 75 per cent, beginning Jan. 1, 1962 (Laurel–Langley Agreement R. A. No. 1355)	50,677,669	72,800,000	67,635,925	(5,164,075)	16,958,256
Special import tax (SIT) under the Laurel–Langley Agreement, R. A. 1394 8.5 per cent up to Dec. 31, 1961; 6.8 per cent up to Dec. 31, 1962 on U. S. goods	56,849,716	54,600,000	60,063,601	5,463,601	3,213,885
do on non-U. S. goods	61,748,131	58,100,000	63,845,986	5,745,986	2,097,855
Other taxes and duties—Documentary stamp tax	3,132,936	3,000,000	3,126,588	126,588	(6,348)
Operating and service income—Government services	266,471	140,000	222,459	82,459	(44,012)
Miscellaneous income—					
Prior year credits			32,108	32,108	32,108
Fines and penalties	40,205		61,534	61,534	21,329
Miscellaneous (Tonnage dues)			(16,623)	(16,623)	(16,623)
Miscellaneous	424,825	200,000	912,343	712,343	487,518
Arrastre service (Rec. Auto. Approp.):					
Operating and service income					
Government business operations	241,618	225,000	211,660	(13,340)	(29,958)
Total Part I	253,233,857	281,465,000	304,839,972	23,374,972	51,606,115
Part II—(Internal Revenue):					
Excise taxes—On imports	6,792,109	7,500,000	6,714,347	(785,653)	(77,762)
License and business taxes—On business	115,158,669	144,100,000	144,181,504	81,504	29,022,835
Other taxes and duties—Documentary stamp tax	7,295		6,355	6,355	(940)
Apportionment of Internal Revenue to provinces, cities and municipalities	(13,878,928)	(13,000,000)	(18,294,612)	(5,294,612)	(4,415,684)
Total Part II	108,079,145	138,600,000	132,607,594	(5,992,406)	24,528,449
Total for the BUREAU OF CUSTOMS	361,313,002	420,065,000	437,447,566	17,382,566	76,134,564
<b>BUREAU OF INTERNAL REVENUE—</b>					
Excise taxes—On domestic products	186,112,835	190,856,500	191,034,941	178,441	4,922,106
License and business taxes—On business	126,976,011	157,526,000	143,540,739	(13,979,261)	16,564,728
Income taxes	278,238,512	322,000,000	310,082,076	(11,917,924)	31,843,564
On business (Individuals and Corporations)	255,653,053	299,000,000	279,121,895	(19,878,105)	23,468,842
On other than business (withholding income tax from wages)	22,585,459	23,000,000	30,960,181	7,960,181	8,374,722
Other taxes and duties—					
Documentary stamp tax	10,027,647	12,000,000	12,296,349	296,349	2,269,302
Charges on forest products	6,764,122	7,500,000	9,437,608	1,937,608	2,673,486
Estate, inheritance and gift taxes	5,299,867	5,000,000	5,933,169	933,169	633,302
Residence tax	7,606,255	7,600,000	8,806,168	1,206,168	1,199,913
Franchise tax	5,200,412	5,800,000	6,282,024	482,024	1,081,612
War profit tax			14,692	14,692	14,692
Fines and penalties	(4,396)	2,000,000	2,342,503	342,503	2,346,899
Miscellaneous	390,527				(390,527)
Operating and service income—Government service	436,473	320,000	438,678	118,678	2,205
Miscellaneous income	33,667	620,000	108,758	(511,242)	75,091
Sales of assets—Fixed assets			58	58	58
Apportionment of internal revenue to provinces, municipalities and cities	(102,486,277)	(105,000,000)	(114,110,729)	(9,110,729)	(11,624,452)
Total for the BUREAU OF INTERNAL REVENUE	524,595,055	606,216,500	576,207,034	(30,009,466)	15,611,979
<b>BUREAU OF THE TREASURY—</b>					
Excise taxes			P66,170	P66,170	P66,170
Other taxes and duties—Miscellaneous	P267,042		77,672	77,672	(189,370)
Operating and service income—Government service	28,657	750	21,393	20,643	(7,264)
Repayment of Advances—					
Government Corporations	6,779,532	4,785,460	2,429,363	(2,356,097)	(4,350,169)
Local government	319,338	300,420	294,654	(5,766)	(24,684)
Miscellaneous	5,589,124	13,800,950	9,312,843	(4,488,107)	3,723,719
Share in the undivided profits of the Central Bank			4,515,670	4,515,670	4,515,670
Share of the General Fund on the proceeds of the Dollar Margin Law	16,047,316	77,000,000	99,620,635	22,620,635	83,573,319
Peso proceeds of the claim of the Philippine Government against the U. S. Government on account of the devaluation of the dollar in 1934	47,725,502				(47,725,502)
Receipts from the net profits of the Central Bank for the Rural Bank Trust Fund	7,000,000	7,000,000	7,000,000		
Transfer of balance of emergency gold assistance Trust Fund			49,293	49,293	49,293
Borrowings—Proceeds from sale of Treasury notes	40,000,000				(40,000,000)
Miscellaneous	1,004,715	25,720	821,002	795,282	(183,713)
Total for the BUREAU OF THE TREASURY	124,761,226	102,913,300	124,208,695	21,295,395	(552,631)



TABLE II.—Comparative Statement of Income of the Bureaus and Offices Under the  
Department of Finance, FY 1961-FY 1962—(Continued)

Fund and Source of Income	Fiscal Year 1961 Actual	Fiscal Year 1962			Increase (Decrease)
		Revised Estimates	Actual	Excess (Deficiency)	
(1)	(2)	(3)	(4)	(5) (4)-(3)	(6) (4)-(2)
OFFICE OF THE INSURANCE COMMISSIONER—					
License and Business taxes—On business.....	224,970	280,000	207,524	(72,476)	(17,716)
Operating and service income—Government services and miscella- neous.....	389,272	637,380	579,050	(58,330)	180,778
Miscellaneous income.....	2,777		267	267	(2,510)
Income from public enterprises—Dividends.....	278				(278)
Total for the OFFICE OF THE INSURANCE COMMISSIONER.....	617,297	917,380	786,571	(130,809)	169,274
TOTAL FOR GENERAL FUND.....	P1,011,744,571	P1,130,367,180	P1,139,891,939	P9,524,759	P128,147,368
SPECIAL FUND					
OFFICE OF THE SECRETARY—					
Assessment Advance Fund:					
Repayment of advances—Local government.....	P362,437	P230,000	P281,813	P51,813	P(80,624)
BUREAU OF INTERNAL REVENUE—					
Tobacco Inspection Fund, Act No. 2613:					
Operating and service income—Government services.....	614,797	500,000	542,190	42,190	(72,607)
Miscellaneous income.....	34				(34)
Total for the BUREAU OF INTERNAL REVENUE.....	614,831	500,000	542,190	42,190	(72,641)
BUREAU OF THE TREASURY—					
Fidelity Fund, Sec. 325, Act No. 2711:					
Operating and service income—Government services.....	593,845	548,790	625,575	76,785	31,730
Miscellaneous income.....	8,022		45,958	45,958	37,936
	601,867	548,790	671,533	122,743	69,666
SPECIAL FUNDS COLLECTED THRU:					
BUREAU OF CUSTOMS—					
Portworks Fund:					
Other taxes and duties—					
Wharfage fees on imports.....	7,849,327	6,425,000	7,705,488	1,280,488	(143,839)
Wharfage fees on exports.....	7,479,949	6,655,000	10,262,213	3,607,213	2,782,264
Operating service income—Government services.....	2,549,835	2,545,000	2,661,016	116,016	111,181
Miscellaneous income—Tonnage dues.....	2,418,519	2,285,000	2,431,674	146,764	13,245
Arrastre service (R. A. A.)—Net income from government share	1,511,093	1,519,000	1,086,697	(432,303)	(424,396)
	21,808,723	19,429,000	24,147,178	4,718,178	2,338,455
Highways Special Fund:					
Excise taxes—On imports—					
Lubricating oils.....	6,011,751	2,978,412	4,469,935	1,491,523	(1,541,816)
Naptha, gasoline, etc.....	26,054,112	8,675,000	8,707,581	32,581	(17,346,532)
	32,065,861	11,653,412	13,177,516	1,524,104	(18,888,348)
BUREAU OF INTERNAL REVENUE—					
Highways Special Fund:					
Excise taxes—On domestic products—					
Lubricating oils.....	414,853	370,000	2,888	(367,112)	(411,965)
Naptha, gasoline, etc.....	48,634,924	50,000,000	70,043,254	20,043,254	21,408,330
Denatured alcohol used for motive power.....	121,891	130,000	6,535	(123,465)	(115,356)
Proceeds of increased taxes as a result of the amendment of Secs. 142 and 143, NIRC.....	8,271,224	8,200,000	11,611,401	3,411,401	3,340,177
	57,442,892	58,700,000	81,664,078	22,964,078	24,221,186
TOTAL FOR SPECIAL FUNDS.....	P112,896,614	P91,061,202	P120,484,308	P29,423,106	P7,587,694



TABLE IV.—*Special Fund Receipts of the Bureaus and Offices Under the Department of Finance*  
(F. Y. 1958—F. Y. 1962)

	Fiscal Year 1958	Fiscal Year 1959	Fiscal Year 1960	Fiscal Year 1961	Fiscal Year 1962
OFFICE OF THE SECRETARY— Assessment Advance Fund .....	P116,002.34	P440,442.15	P85,025.08	P360,687.09	P281,818
BUREAU OF CUSTOMS— Portworks Fund .....	13,354,077.76	14,073,326.49	15,782,282.29	21,808,723.36	24,147,178
Highways Special Fund .....	39,418,987.83	36,782,915.66	42,281,184.70	32,065,863.94	13,177,516
	52,773,065.59	50,856,242.15	58,063,466.99	53,874,587.30	37,324,694
BUREAU OF INTERNAL REVENUE— Tobacco Inspection Fund .....	129,395.90	186,588.90	1,278,622.89	614,831.00	542,199
National Radio Broadcasting Fund .....	13,703.93	33.00	25.64		
Highways Special Fund .....	32,276,867.11	38,194,408.28	39,203,095.41	57,442,890.48	81,664,078
	32,419,966.94	38,301,030.18	40,481,653.94	58,057,721.48	82,206,268
BUREAU OF THE TREASURY— Fidelity Fund .....	663,286.80	535,595.70	601,553.88	601,866.63	671,538
TOTAL .....	P85,972,321.67	P90,133,310.18	P99,231,699.89	P112,894,862.50	P120,484,308



**TABLE V.—Statement of Annual Per Capita Tax Burden**  
(For Fiscal Year 1957-1962)

	Fiscal Year 1957	Fiscal Year 1958	Fiscal Year 1959	Fiscal Year 1960	Fiscal Year 1961	Fiscal Year 1962
1. National Revenue from Taxation (Gross) <sup>1</sup> -----	P820,487,437.00	P811,070,063.00	P821,409,212.00	P996,173,446.00	P1,094,265,415.00	P1,234,929,503.97
2. Real Property Tax <sup>2</sup> -----	51,135,380.61	53,470,859.57	56,689,991.79	57,131,041.51	62,565,555.99	68,071,358.10
Provinces -----	13,843,299.21	14,263,067.42	15,350,983.91	14,778,315.43	15,547,422.39	17,092,462.44
Cities -----	22,682,068.03	24,165,870.16	25,161,631.55	26,700,000.61	30,622,241.84	33,262,614.21
Municipalities -----	14,610,013.37	15,041,921.99	16,177,376.33	15,652,725.47	16,395,891.76	17,716,281.45
3. Total Tax Burden -----	P871,622,817.61	P364,540,922.57	P878,099,203.79	P1,053,304,487.51	P1,156,830,970.99	P1,303,000,862.07
4. Estimated Population <sup>3</sup> -----	24,922,000.00	25,717,000.00	26,537,000.00	27,384,000.00	28,258,000.00	29,159,000.00
5. Per Capita Tax Burden -----	P34.97	P33.62	P33.09	P38.46	P40.00	P44.69

NOTE:

<sup>1</sup> All funds combined. Data taken from Budget Documents and Annual reports of the GAO.

<sup>2</sup> Data taken from Annual Reports of the G. A. O. and Reports of Provincial Treasurers.

<sup>3</sup> Estimated mid-year population based on an annual rate of increase of 3.179%.



TABLE VI.—*Cost of Collection Per Peso of Tax Collected—Bureau of Customs and Bureau of Internal Revenue*

Bureau	Year	Appropriation	Actual Expenditures	Tax Revenue (Gross)	Cost of Collection Per Peso
Customs -----	1953	P2,849,160.57	P2,831,500.56	P176,295,454.09	P0.016
Internal Revenue ---	1953	4,110,512.64	4,099,700.48	295,386,801.67	0.014
		6,953,673.21	6,931,201.04	471,682,255.76	0.015
Customs -----	1954	3,076,728.01	3,070,418.09	203,494,728.51	0.015
Internal Revenue ---	1954	4,385,889.55	4,376,969.11	305,400,909.72	0.014
		7,462,617.56	7,447,387.20	508,895,638.23	0.015
Customs -----	1955	3,408,515.98	3,359,502.45	198,637,048.65	0.017
Internal Revenue ---	1955	4,757,743.53	4,749,862.31	346,466,619.61	0.014
		8,166,259.51	8,109,364.76	545,503,668.26	0.015
Customs -----	1956	3,726,028.37	3,725,964.78	256,000,249.25	0.015
Internal Revenue ---	1956	5,514,173.86	5,506,606.11	406,075,913.89	0.014
		9,240,202.23	9,232,570.89	662,076,163.14	0.014
Customs -----	1957	4,017,642.69	4,009,831.06	366,477,939.23	0.011
Internal Revenue ---	1957	6,771,541.13	6,764,507.77	462,128,035.86	0.015
		10,789,183.82	10,774,338.83	828,605,975.09	0.013
Customs -----	1958	4,314,992.08	4,279,902.59	311,429,884.47	0.014
Internal Revenue ---	1958	8,104,719.60	8,097,778.50	475,335,780.82	0.017
		12,419,711.68	12,377,681.09	786,765,665.29	0.016
Customs -----	1959	4,522,721.70	4,414,976.49	291,725,934.42	0.015
Internal Revenue ---	1959	10,104,245.36	10,097,304.26	526,729,888.04	0.019
		14,626,967.06	14,512,280.75	818,455,822.46	0.018
Customs -----	1960	4,963,305.03	4,919,595.05	396,441,083.85	0.012
Internal Revenue ---	1960	10,442,256.91	10,435,315.81	597,730,116.57	0.017
		15,405,561.94	15,354,910.86	994,171,200.42	0.015
Customs -----	1961	5,147,859.00	5,137,603.61	423,971,840.62	0.012
Internal Revenue ---	1961	16,673,324.00	16,098,811.50	682,150,620.19	0.024
		21,821,183.00	21,236,415.11	1,106,122,460.81	0.019
Customs -----	1962	6,646,833.00	6,190,471.64	487,879,055.47	0.013
Internal Revenue ---	1962	19,357,379.00	19,352,379.00	769,091,847.45	0.025
		P26,004,212.00	P25,542,850.64	P1,256,970,902.92	P0.020



TABLE VII—Detail of Growth of Public Debt, June 30, 1961 to June 30, 1962

	Outstanding as of June 30, 1961	From July 1, 1961 to June 30, 1962			Outstanding as of June 30, 1962
		Additional Borrowings	Redemptions	Net Increase (Decrease) In Debt	
<b>BONDED DEBT—</b>					
<i>National Bonds:</i>					
Metropolitan Water District Bonds (Act No. 3255 and C. A. No. 528)	P3,000,000.00				P3,000,000.00
National Public Improvement Bonds (C. A. No. 618)	2,500,000.00				2,500,000.00
Public Works and Economic Development Bonds (R. A. No. 1000)	672,503,045.00	70,052,500.00		P70,052,500.00	742,555,545.00
<i>Provincial and Direct Issue Bonds:</i>					
City Government Bonds (Act Nos. 3456 and 4205; C. A. Nos. 337, 389 and 428)	4,170,000.00				4,170,000.00
Provincial Government Bonds (Act Nos. 3471 and 3987)	722,300.00				722,300.00
<i>Other Bonded Debt:</i>					
National Power Corporation Bonds (C. A. No. 120, R. A. Nos. 358 and 1397)	138,339,120.00	9,042,880.00		9,042,880.00	147,382,000.00
Development Bank of the Philippines (RFC) Bonds (R. A. No. 85, as amended by R. A. No. 2081)	274,412,600.00	92,500,000.00	P252,000.00	92,248,000.00	366,660,600.00
National Waterworks and Sewerage Authority Bonds (R. A. No. 1383)	23,200,000.00				23,200,000.00
Total Bonded Debt	1,118,847,065.00	171,595,380.00	252,000.00	171,343,380.00	1,290,190,445.00
<b>NON-BONDED DEBT—</b>					
<i>Budgetary Loan:</i>					
<i>Foreign—</i>					
International Monetary Fund (R. A. Nos. 16 and 213)	22,000,000.00				22,000,000.00
U. S. General Services Administration Loan (R. A. Nos. 16 and 213)	328,290.96		164,145.22	(164,145.22)	164,145.74
Sub-Total	22,328,290.96		164,145.22	(164,145.22)	22,164,145.74
<i>Domestic—</i>					
Certificates of Indebtedness Issued to Holders of Emergency Currency Notes (R. A. No. 369)	2,801,328.64	128,636.50		128,636.50	2,929,965.14
Emergency Currency Notes Registered under R. A. No. 369:					
(a) Cash Redemption Value of Pre- and Post-surrender issues		13,365,561.39		13,365,561.39	13,365,561.39
(b) Post-surrender issues due 1969		47,405,464.35		47,405,464.35	47,405,464.35



TABLE VII.—Detail of Growth of Public Debt, June 30, 1961 to June 30, 1962—(Continued)

	Outstanding as of June 30, 1961	From July 1, 1961 to June 30, 1962			Outstanding as of June 30, 1962
		Additional Borrowings	Redemptions	Net Income (Decrease) in Debt	
Pre-war Obligations of the National Government		10,000,000.00		10,000,000.00	10,000,000.00
Central Bank Loan to National Government (R. A. No. 265)		100,000,000.00	100,000,000.00		
Central Bank Loans to Local Governments (R. A. No. 265)	3,476,400.00	3,677,772.00	3,491,400.00	186,372.00	3,662,772.09
Backpay of Government Employees (R. A. No. 304)	232,175,849.49		43,404,505.47	(43,404,505.47)	188,771,344.02
(a) National Government	188,944,857.11		33,478,284.37	(33,478,284.37)	155,466,572.74
(b) Provincial Government	13,786,127.58		3,163,990.06	(3,163,990.06)	10,622,137.52
(c) Municipal Government	6,630,293.18		1,513,215.02	(1,513,215.02)	5,117,078.05
(d) City Government	9,576,621.33		2,201,024.38	(2,201,024.38)	7,375,596.95
(e) Government Corporations	13,237,950.29		3,047,991.64	(3,047,991.64)	10,189,958.65
Veterans' Backpay (R. A. No. 897) <sup>2</sup>	250,000,000.00				250,000,000.00
Loans to Local Government assumed by the National Government (R. A. No. 839)		895,097.19		895,097.19	895,097.19
Sub-Total	488,453,578.13	175,472,531.43	146,895,905.47	28,576,625.96	517,030,204.09
Total Budgetary Loan	510,781,869.09	175,472,531.43	147,060,050.69	28,412,480.74	539,194,349.83
<b>Other Loans:</b>					
<i>Foreign</i>					
NPC Export-Import Bank Loan (Ambuklao Project, C. A. No. 120; R. A. Nos. 358 and 1397)	28,452,998.58		2,032,631.56	(2,032,631.56)	26,420,367.02
NPC Loan from International Bank for Reconstruc- tion and Development (Biñga Project, R. A. No. 357)	33,562,318.20	2,075,078.78	1,016,000.00	1,059,078.78	34,621,396.98
NPC Loan from International Bank for Reconstruc- tion and Development (Angat Project, R. A. No. 357)		1,942,530.08		1,942,530.08	1,942,530.08
Export-Import Bank Loan (FY 1956) ICA-NEC (R. A. Nos. 16 and 213)	18,878,112.94	529,660.64	15,310.86	514,349.78	19,392,462.72
Export-Import Bank Loan (FY 1957) ICA-NEC (R. A. Nos. 16 and 213)	18,151,543.32	1,841,203.62	114,505.20	1,726,698.62	19,878,241.74
Export-Import Bank Loan (FY 1958) ICA-NEC Agricultural Commodity Loan, PL 480 (R. A. Nos. 16 and 213)	9,934,428.00				9,934,428.00
MRR Co., Loan from GE and other Japanese firms for the purchase of diesel-electric locomotives, spare parts and passenger coaches (R. A. No. 470)	6,285,792.34		1,260,070.60	(1,260,070.60)	5,025,721.74
MRRCo. Loan from Mitsui Bussan Kaisha, Ltd., for the purchase of 10 sets Shinko Diesel Engines (R. A. No. 470)		137,296.00		137,296.00	137,296.00
DPWC Loan from Industriale Handela Combinatie (IHC) Holland for the purchase of dredging equip- ment, auxiliary units and spare parts (R. A. No. 3101 in relation to Act No. 3592, as amended)	8,985,650.00		8,985,650.00	(8,985,650.00)	
DPWC Loan from International Bank for Recon- struction and Development for financing dredging project (R. A. 3101 in relation to Act No. 3592, as amended)		4,905,660.00		4,905,660.00	4,905,660.00
Development Loan Fund (Highways) DPWC (R. A. Nos. 16 and 213)	1,411,552.14	6,520,457.78	100,000.00	6,420,457.78	7,832,009.92
Export-Import Bank Loan of DPWC for the devel- opment and improvement of the international port facilities of the Manila Harbor (R. A. No. 2701 in relation to Act No. 3592, as amended)		1,438,157.34		1,438,157.34	1,438,157.34
Export-Import Bank Loan of DPWC (CAA) for the enlargement and improvement of the Manila In- ternational Airport (R. A. No. 3101 in relation to Act No. 3592, as amended)		1,403,490.66		1,403,490.64	1,403,490.61
DPWC - Loan from Union Metal Co., USA, on deferred payment plan, for the Bureau of Public Highways		916,137.62	366,455.06	549,682.56	549,682.56
NPC Loan for the acquisition of 12 ocean-going ves- sels from Japan (R. A. No. 1407)	69,507,000.00		10,488,000.00	(10,488,000.00)	59,019,000.00
Sub-Total	195,169,395.52	21,709,672.52	24,378,623.28	(2,668,950.76)	192,500,444.76
<i>Domestic</i>					
LTA Negotiable Land Certificates (R. A. No. 1400)	10,994,000.00	769,000.00		769,000.00	11,763,000.00
Treasury Notes (R. A. No. 345)	396,338,949.90	71,791,655.00	81,800,000.00	(10,008,315.00)	386,330,634.90
Non-Negotiable and Non-Interest Bearing Promis- sory Notes (R. A. Nos. 2052, 2686 and 2687)	99,181,005.90	126,510.30		126,510.30	99,307,516.20
ACCFA 5-Year Notes (R. A. No. 821)	32,000,000.00				32,000,000.00
ACCFA 3-Year Notes (R. A. No. 821)	15,800,000.00	3,940,000.00		3,940,000.00	19,740,000.00
ACCFA 2-Year Notes (R. A. No. 1194)	144,500,000.00		2,000,000.00	(2,000,000.00)	142,500,000.00
ACCFA 1-Year Notes (R. A. No. 821)	2,000,000.00	1,000,000.00	2,000,000.00	(1,000,000.00)	1,000,000.00
Sub-total	700,813,955.80	77,627,195.30	85,800,000.00	(8,172,804.70)	692,641,151.10
Total Other Loans	895,983,351.32	99,336,867.82	110,178,7623.28	(10,841,755.46)	885,141,595.86
Total Non-Bonded Debt	1,406,765,220.41	274,809,399.25	257,238,673.97	17,570,725.28	1,424,335,945.69
GRAND TOTAL	P2,525,612,285.41	P446,404,779.25	P257,490,673.97	P188,914,105.28	P2,714,526,390.69

<sup>1</sup>Includes P2,500.00 covering subscription payment on the PW & ED bonds previously authorized by the Monetary Board for financing the NASSCO Integrated Steel Project under R. A. No. 1396 which is outside of the bond ceiling of P100 million.

<sup>2</sup>Net amount acknowledged—P56,031,903.71.



TABLE VIII.—Details of Growth of Public Debt, June 30, 1961 to June 30 1962

(F. Y. 1958—F. Y. 1962)

Public Debt and Sinking Fund (In Million Pesos)	Actual Fiscal Year 1958	Actual Fiscal Year 1959	Actual Fiscal Year 1960	Actual Fiscal Year 1961	Actual Fiscal Year 1962
1. Debt Outstanding at the beginning of the year .....	P1,579.7	P1,926.8	P2,200.7	P2,314.1	P2,525.6
2. Gross additional borrowings .....	489.2	546.4	268.8	512.6	446.4
3. Gross repayments .....	142.1	272.6	148.2	301.1	257.5
4. Net borrowings .....	347.1	273.8	120.6	211.5	188.9
5. Debt outstanding at the end of the year .....	1,926.8	2,200.6	2,321.3	2,525.6	2,714.5
6. Less—Amounts accumulated in the sinking fund .....	226.4	198.4	203.4	183.2	246.6
7. Net debt at the end of the year .....	P1,700.4	P2,002.2	P2,117.9	P2,342.4	P2,467.9
<i>Population and Debt Burden</i>					
Estimated Mid-Year Population .....	25,717,000	26,537,000	27,384,000	28,258,000	29,159,000
Per Capita Debt Burden .....	P66.12	P75.45	P77.34	P82.89	P84.64

\* The amount of P2,321.3 million previously reported as the total public debt as of June 30, 1960 has been subsequently adjusted to only P2,314.1 million brought about by the following:

- (1) The loan identified in previous public debt statements as "C and F Export-Import Bank Loan (R. A. No. 16 and 213)" in the outstanding amount of P39,253,877.34 as of June 30, 1960 has been adjusted to only P32,034,659.26 to conform with Central Bank figures.
- (2) The Agricultural Commodity Loan from EXIMBANK (PL 480) previously reported as amounting to P14,934,428.00 as of June 30, 1960 has been also adjusted to only P9,934,428.00 to conform with Central Bank figures.

TABLE IX.—Comparative Statistical Data for Calendar Years 1960 and 1961 on Tax Exempt Industries Under R. A. No. 901 as Amended

(Consolidated from the reports of 559 firms which submitted reports for the two calendar years, 1960 &amp; 1961)

	1960	1961	Increase (Decrease)
1. Number of Firms—			
a. Which Submitted Reports .....	537	537	0
b. Which reported with losses .....	81	94	13
c. Which reported with gains .....	456	443	(13)
2. Assets—			
a. Current assets .....	P566,680,035.62	P739,720,261.57	P173,040,225.95
b. Fixed assets .....	600,712,317.72	713,809,089.57	113,096,771.85
(1) Land .....	53,757,855.59	65,094,097.04	11,336,241.45
(2) Building .....	144,526,263.15	179,365,611.23	34,839,348.08
(3) Machineries .....	310,452,930.14	408,653,295.06	98,200,364.92
(4) Other Fixed Assets .....	91,975,268.84	60,696,086.24	(31,279,182.60)
c. Other assets .....	101,231,441.16	112,041,413.26	10,809,972.10
Total assets .....	P1,268,623,794.50	P1,565,570,764.40	P296,946,969.90
3. Liabilities—			
a. Current .....	P376,286,204.28	P496,435,069.68	P129,148,865.40
b. Fixed .....	160,080,167.31	226,617,497.74	66,537,330.43
c. Others .....	74,778,475.92	107,558,807.17	32,780,331.25
Total liabilities .....	P602,144,847.51	P830,611,374.59	P228,466,527.08
4. Networth .....	P666,478,946.99	P734,959,389.81	P68,480,442.82
5. Paid-In Capital (By Nationality)—			
a. Filipino .....	P428,396,709.98	P517,151,337.96	P88,754,627.98
b. American .....	75,618,594.69	78,673,672.21	3,055,077.52
c. Chinese .....	48,075,954.78	48,121,788.03	45,833.25
d. Others .....	25,146,128.95	35,485,612.30	10,339,483.35
Total paid-in capital .....	P577,237,388.40	P679,432,410.50	P102,195,022.10
6. Importations—			
a. Raw materials .....	P269,504,638.95	P435,328,509.51	P165,823,870.56
b. Machineries .....	106,921,582.39	75,917,641.01	(31,003,941.38)
Total importations .....	P376,426,221.34	P511,246,150.52	P134,819,929.18



TABLE IX.—Comparative Statistical Data for Calendar Years 1960 and 1961 on Tax Exempt Industries Under R. A. No. 901, as Amended—(Continued)

	1960	1961	Increase (Decrease)
7. Raw materials used—			
a. Directly imported .....	P312,733,496.08	P399,011,262.35	P86,227,766.27)
b. Imported origin locally purchased .....	53,933,401.13	43,261,781.00	(10,671,620.13
c. Local growth or produce .....	233,160,919.07	262,645,254.11	29,484,335.04
Total raw materials used .....	P599,877,816.28	P704,918,297.46	P105,040,481.18
8. Gross sales .....	P990,915,132.74	P1,217,073,896.14	P226,158,763.40
9. Net sales .....	P977,355,218.16	P1,105,359,472.40	P128,004,254.24
10. Cost of goods manufactured .....	P735,652,552.45	P892,754,717.48	P157,102,165.03
11. Gross profit .....	P247,110,268.74	P250,922,124.03	P3,811,855.29
(Loss) .....	3,140,473.43	3,365,955.70	225,482.27
12. Selling and administrative expenses .....	P132,530,818.72	P151,084,003.03	P18,553,184.31
13. Net profit .....	P120,144,886.19	89,830,014.40	(30,314,871.79)
(Loss) .....	12,757,532.19	12,803,925.98	46,393.79
14. Labor—			
a. Direct .....	P59,912,652.80	P60,759,004.22	P846,351.42
b. Indirect .....	15,723,599.89	18,007,886.70	2,279,286.81
Total labor .....	P75,641,252.69	P78,766,890.92	P3,125,638.23
15. Men employed—			
a. Skilled .....	22,065	24,535	2,470
b. Semi-skilled .....	18,353	17,062	(1,291)
c. Non-skilled .....	19,784	18,422	(1,362)
d. Office personnel .....	9,164	9,193	29
Total men employed .....	69,366	69,212	(154)



TABLE XVI.—Comparative Statement Showing the Real Property Tax Collection of Cities for Fiscal Years 1961 and 1960

Cities	Rate of Tax	Real Property Tax Collection		Increase (Decrease)	Percentage
		1961	1960		
1. Bacolod	1	P562,839.29	P545,899.71	P16,939.58	03.10
2. Baguio	1	687,693.30	720,860.26	(33,166.96)	(04.60)
3. Basilan	1	185,450.16	178,514.63	6,935.53	03.89
4. Butuan	1	123,886.23	113,462.30	10,423.93	09.19
5. Cabanatuan	1	175,658.64	202,139.87	(26,481.23)	(13.10)
6. Cagayan de Oro	1	187,490.28	188,879.03	(1,388.75)	(00.74)
7. Calbayog	1	28,341.66	38,099.03	(9,757.37)	(25.61)
8. Cavite	1	197,729.52	178,474.09	19,255.43	10.79
9. Cebu	7/8	1,270,834.66	1,230,147.45	40,687.21	03.31
10. Cotabato	1	111,599.45	116,032.14	(4,432.69)	(03.82)
11. Dagupan	1	174,945.51	158,164.73	16,780.78	10.61
12. Davao	1 1/8	1,071,429.63	916,202.84	155,226.79	16.94
13. Dumaguete	1	95,955.89	103,026.62	(7,070.73)	(06.86)
14. Gingoog	1	91,181.53	91,181.53		
15. Iligan	1 1/4	319,463.31	340,184.70	(20,721.39)	(06.09)
16. Iloilo	1	667,161.02	608,117.29	59,043.73	09.71
17. Legaspi	1	78,269.22	73,843.89	4,425.33	05.99
18. Lipa	1	121,733.69	121,300.19	433.50	00.36
19. Manila	1 1/2	17,185,752.72	14,337,552.98	2,848,199.74	19.87
20. Marawi	1	3,207.33	4,904.39	(1,697.06)	(34.60)
21. Naga	1	103,117.30	96,362.35	6,754.95	07.01
22. Ormoc	1	72,642.74	81,692.43	(9,049.69)	(11.08)
23. Ozamiz	1	141,730.48	115,705.16	26,025.32	22.49
24. Pasay	1 1/4	1,538,544.49	1,295,692.22	242,852.27	18.74
25. Quezon	1 1/4	4,066,255.46	3,893,932.17	172,323.29	04.43
26. Roxas	1	78,119.44	62,652.10	15,467.34	24.69
27. San Carlos	1	124,051.24	124,051.24		
28. San Pablo	1	242,385.60	260,816.79	(18,431.19)	(07.07)
29. Silay	1	251,630.44	187,861.49	63,768.95	33.94
30. Tacloban	1	130,522.52	126,559.97	3,962.55	03.13
31. Tagaytay	1	108,502.25	92,286.95	16,215.30	17.57
32. Toledo	1	91,246.53	91,246.53		
33. Trece Martires	1	5,069.91	5,227.34	(157.43)	(03.01)
34. Zamboanga	1	327,800.40	305,405.50	22,394.90	07.33
Total		P30,622,241.84	P26,700,000.61	P3,922,241.23	14.69



TABLE XVII.—Comparative Statement of General Fund Income of Province and Cities for Fiscal Years 1962 and 1961

Provinces	Fiscal Year—1961	Fiscal Year—1962	Increase (Decrease)
<i>First Class</i>			
1. Batangas	P1,531,300.76	P1,932,518.62	P401,217.86
2. Bohol	1,187,893.35	1,229,215.94	41,322.59
3. Bulacan	1,095,432.63	1,304,577.05	209,144.42
4. Cebu	2,241,597.09	1,797,233.42	(444,363.67)
5. Iloilo	2,293,484.68	1,550,728.68	(742,756.00)
6. Leyte	1,515,945.81	1,574,651.93	58,706.12
7. Negros Occidental	2,444,563.10	1,724,048.44	279,485.34
8. Nueva Ecija	1,092,778.01	2,159,774.52	66,996.51
9. Pampanga	1,475,641.44	1,768,626.46	292,985.02
10. Pangasinan	1,699,146.43	1,613,750.03	(85,396.40)
11. Quezon	1,233,790.11	1,259,915.55	26,125.44
12. Rizal	3,744,929.87	6,383,669.60	2,638,739.73
13. Samar	1,288,910.56	1,249,220.60	(39,689.96)
<i>Second Class</i>			
1. Albay	946,761.64	714,855.96	(231,905.68)
2. Cagayan	733,072.13	909,204.31	186,132.18
3. Camarines Sur	1,129,189.15	1,178,813.83	49,624.68
4. Capiz	490,689.50	485,729.76	(4,959.74)
5. Cotabato	1,103,235.72	1,654,382.22	551,146.50
6. Davao	1,194,874.00	1,550,915.43	356,041.43
7. Ilocos Norte	624,866.04	563,206.09	61,659.95
8. Isabela	624,561.99	709,258.84	84,696.85
9. Laguna	974,157.79	1,021,783.87	47,626.08
10. La Union	624,254.32	658,690.03	34,435.71
11. Misamis Oriental	613,650.32	582,447.82	(31,202.50)
12. Negros Oriental	830,688.57	992,385.36	161,696.79
13. Tarlac	895,110.94	975,298.18	80,187.24
<i>Third Class</i>			
1. Antique	556,868.86	388,729.77	(168,139.09)
2. Cavite	882,147.74	777,328.41	(104,819.33)
3. Ilocos	1,136,351.82	562,655.86	(573,697.96)
4. Masbate	631,278.93	669,957.12	38,678.19
5. Sorsogon	707,769.06	589,782.07	(117,986.99)
<i>Fourth Class</i>			
1. Camarines Norte	361,196.17	428,303.52	67,107.35
2. Southern Leyte	536,886.72	658,505.23	121,618.51
3. Misamis Occidental	455,885.93	602,807.46	146,921.53
4. Mountain Province	706,426.44	936,342.32	229,915.88
5. Sulu	412,447.71	466,523.28	54,075.57
6. Surigao del Norte	462,880.99	676,686.48	193,805.49
7. Zambales	820,017.47	1,160,201.60	340,184.13
8. Zamboanga del Norte	468,687.35	522,617.77	53,930.44
<i>Fifth Class</i>			
1. Agusan	337,557.34	503,420.85	165,863.50
2. Aklan	415,896.59	669,926.13	254,029.54
3. Bataan	401,727.14	793,086.04	391,358.90
4. Catanduanes	1,339,227.92	1,273,391.32	(65,836.60)
5. Lanao del Norte	471,719.00	538,837.37	67,118.37
6. Lanao del Sur	363,529.83	1,168,65.43	805,120.60
7. Marinduque	1,230,432.48	239,180.06	8,747.58
8. Nueva Vizcaya	274,553.55	294,395.57	19,842.02
9. Oriental Mindoro	528,028.15	395,555.02	(132,473.13)
10. Palawan	296,713.08	310,101.42	13,388.34
11. Romblon	185,466.63	211,045.96	25,579.33
12. Surigao del Sur	284,779.83	353,420.82	68,648.99
13. Zamboanga del Sur	670,758.55	983,388.10	312,629.55
<i>Sixth Class</i>			
1. Abra	371,076.37	293,188.37	(77,888.00)
2. Bukidnon	245,242.85	429,677.12	184,434.27
<i>Seventh Class</i>			
1. Batanes	144,906.48	130,256.80	(14,649.68)
2. Occidental Mindoro	155,728.47	201,920.34	46,191.87
Total	48,496,715.40	54,774,793.15	6,278,077.75



## (General Fund)

Cities	Fiscal Year—1961	Fiscal Year—1962	Increase (Decrease)
<i>Special</i>			
1. Baguio	P3,505,506.33	P3,655,833.48	P150,327.15
2. Manila	58,674,937.11	58,612,968.72	(61,968.39)
2. Quezon	10,741,741.78	12,772,511.34	2,030,769.56
<i>First Class</i>			
1. Bacolod	1,600,628.90	1,687,485.29	86,856.39
2. Cagayan de Oro	1,130,965.15	1,447,096.04	316,130.89
3. Cebu	6,624,912.21	6,540,243.92	(84,668.29)
4. Davao	3,069,033.38	3,880,982.90	811,949.52
5. Iloilo	3,507,123.95	3,446,801.81	(60,322.14)
6. Pasay	7,253,320.43	4,563,459.02	(2,689,861.41)
7. Zamboanga	1,412,825.86	1,536,432.57	123,606.71
8. Caloocan		1,372,861.30	1,372,861.30
<i>Second Class</i>			
1. Basilan	1,061,094.89	1,149,295.63	88,200.74
2. Butuan	1,181,076.39	1,420,226.57	239,150.18
3. Cabanatuan	549,048.60	604,569.41	(55,520.81)
4. Cavite	872,030.94	825,550.64	(46,480.30)
5. Cotabato	532,813.54	793,691.94	260,878.40
6. Dagupan	876,568.51	963,926.67	77,358.16
7. Naga	954,314.08	862,103.43	(92,210.65)
8. San Pablo	1,088,281.16	1,187,105.23	98,824.07
<i>Third Class</i>			
1. Dumaguete	586,900.58	697,079.59	110,179.11
2. Iligan	788,890.13	956,460.22	167,570.09
3. Legaspi	946,129.66	654,163.80	(291,965.86)
4. Lipa	610,953.89	778,410.32	167,456.43
5. Lucena		556,596.91	556,596.91
6. Ormoc	448,140.89	506,044.81	57,903.92
7. Ozamis	1,147,808.28	892,051.70	(255,756.58)
8. Silay	470,510.86	503,467.59	32,956.73
9. Tacloban	933,357.75	1,287,029.43	353,671.68
<i>Fourth Class</i>			
1. Calbayog	383,834.79	394,241.02	10,406.23
2. Lapu-Lapu		296,399.13	276,399.13
3. Roxas	561,969.78	599,568.41	37,598.63
<i>Fifth Class</i>			
1. Danao		255,670.67	255,670.67
2. Gingoog	439,107.57	383,748.80	(55,358.77)
3. Marawi	215,438.43	277,531.36	62,092.93
4. San Carlos	602,391.20	773,952.30	171,561.10
5. Tagaytay	215,185.60	358,210.36	143,024.76
6. Toledo	347,217.83	495,547.78	148,329.95
7. Trece Martires	23,519.94	28,807.39	5,287.45
Total	113,357,580.39	118,008,127.50	4,650,547.11
GRAND TOTAL	P161,854,295.79	P172,782,920.65	P10,928,624.86



TABLE XVIII.—Comparative Statement of Internal Revenue Allotments

Nature of Allotment	Fiscal Year 1958	Fiscal Year 1959	Fiscal Year 1960	Fiscal Year 1961	Fiscal Year 1962
<b>Regular Allotment (Sec. 363)</b>					
Provinces .....	P35,683,884.26	P28,013,765.38	P30,614,134.65	P36,932,821.78	P41,242,118.76
Chartered cities .....	11,354,156.74	8,926,913.52	10,001,620.99	12,065,220.90	15,475,005.24
Municipalities .....	8,268,361.19	6,495,444.42	7,122,574.06	8,592,510.54	9,786,232.07
Total .....	55,306,402.19	43,436,123.32	47,738,329.70	57,590,553.22	66,503,356.07
<b>Special Allotments—</b>					
Estate, inheritance and gift taxes (R. A. No. 2343)					
Provinces .....	147,978.45	140,862.46	101,354.07	114,292.49	130,130.51
Chartered cities .....	47,155.05	44,887.48	32,288.54	36,410.36	49,352.38
Municipalities .....	147,978.45	140,862.46	101,354.07	114,292.49	130,130.51
Total .....	343,111.95	326,612.40	234,996.68	264,995.34	309,613.40
Residence tax (C. A. No. 465)					
Provinces .....	1,393,849.71	1,578,266.95	1,622,296.87	1,647,727.89	1,889,686.32
Chartered cities .....	888,332.93	1,005,866.51	1,061,809.61	1,078,655.96	1,447,269.09
Municipalities .....	1,393,849.70	1,578,266.95	1,622,296.87	1,647,727.89	1,889,686.32
Total .....	3,676,032.34	4,162,400.41	4,305,403.35	4,374,111.74	5,226,641.73
Percentage tax on agricultural products (Sec. 358)					
Provinces .....	3,118,100.74	3,183,968.08	2,824,935.66	3,231,106.99	1,175,191.04
Chartered cities .....	1,159,222.39	1,183,710.21	1,077,812.56	1,232,531.26	517,462.36
Municipalities .....	1,204,970.11	1,230,424.13	1,095,618.49	1,253,111.55	465,653.47
Total .....	5,482,293.24	5,598,102.42	4,998,366.71	5,716,749.80	2,158,306.87
Income tax (R. A. 2343)					
Provinces .....	2,795,386.59	3,166,763.96	5,080,312.69	5,999,986.32	6,537,143.77
Chartered cities .....	1,006,392.00	1,172,377.28	1,618,444.15	1,911,426.20	2,479,230.82
Municipalities .....	1,620,388.92	1,835,663.56	5,080,312.69	5,999,986.32	6,537,143.77
30 per cent additional (Appropriated) .....			15,000,000.00	30,131,500.00	37,500,000.00
Total .....	5,422,167.51	6,174,804.80	26,779,069.53	44,042,898.84	53,053,518.36
Franchise tax (Sec. 359)					
Provinces .....	254,462.73	310,936.29	257,557.79	365,169.89	387,761.25
Chartered Cities .....	2,222,740.11	2,716,038.45	2,249,775.47	2,089,557.70	2,578,880.76
Municipalities .....	764,360.68	933,997.18	773,657.66	1,095,709.65	1,162,870.81
Total .....	3,241,563.52	3,960,971.92	3,280,990.92	3,550,437.24	4,129,512.82
<b>Other Allotments</b>					
Rental and occupation fees on mining claims—					
Provinces .....	77,886.76	37,055.11	34,978.60	10,243.75	23,999.48
Municipalities .....	77,886.77	37,055.11	34,978.60	10,243.75	23,999.47
Total .....	155,773.53	74,110.22	69,957.20	20,487.50	47,998.95
Forestry surcharges (R. A. 371)					
Municipalities .....	53,839.04	51,300.91	57,683.35	69,186.80	57,735.79
Advalorem taxes and royalties on mineral products (R. A. 1510)					
Provinces .....	288,077.29	312,553.41	331,415.59	366,714.73	459,328.73
Municipalities .....	288,077.29	312,553.41	331,415.59	366,714.73	459,328.73
Total .....	576,154.58	625,106.82	662,831.18	733,429.46	918,657.46
<b>TOTAL ALLOTMENTS</b> .....	<b>P74,257,337.90</b>	<b>P64,409,533.22</b>	<b>P88,128,628.62</b>	<b>P116,362,849.94</b>	<b>P132,405,341.45</b>

NOTE: Includes allotments from customs collection (Internal Revenue)



TABLE XXIII.—Daily Cash Statement, June 30, 1962

#	Code	Beginning Balances	Ending Balances	Increases (Decreases)
<b>CASH:</b>				
Treasury Vault .....	70-1	P8,812,053.31	P9,928,210.45	P1,116,157.14
Central Bank:				
Demand Deposit .....	-2	171,833,526.17	164,101,179.49	(7,732,346.58)
Special and Other				
Trust Funds .....	-2-1	2,779,823.50	2,779,823.50	
Sinking Fund .....	-2-2	384,512.73	367,032.69	(17,489.04)
Highways				
Special Fund .....	-2-4	2,151,276.07	2,151,276.07	
Philippine National Bank:				
"Account A" .....	-3	21,887,061.61	21,887,061.61	
Cash in Other Banks				
(Time Deposit) .....	-3	204,035,801.36	204,195,801.36	160,000.00
Cash in Other Banks				
(Savings Deposit) .....		13,228,512.56	16,385,062.96	3,156,550.40
Total Cash .....		P425,112,576.31	P421,795,443.13	P(3,317,128.18)
<b>ACCOUNTS CURRENT:</b>	70-7)			
General Fund .....	-01			
Special Fund .....	-10	P63,495,132.49	P60,110,036.99	P(3,385,035.50)
Bond Fund (Common) .....	-30	86,277,216.24	86,936,189.02	658,972.78
Fiduciary Fund .....	-40	192,947.59	195,851.39	2,903.80
Money Order Fund .....	-50	71,418,370.17	71,411,046.00	(7,324.17)
Depository Fund .....	-51	(23,615,772.77)	(28,885,436.49)	(269,663.71)
Redemption Fund .....	-60	(208,415.67)	(252,308.22)	(460,723.89)
Sinking Fund (Bond) .....	-70	(4,670.00)	(4,725.00)	(55.00)
Sinking Fund		384,521.73	367,032.69	(17,489.04)
(Backpay Rights) .....	-70	22,699,664.82	(x) 22,700,841.88	1,177.06
Unclassified Accounts .....	-80	20,0949.01.51	21,058.51	109.50
Corporate Bond Funds .....	-30			
Special Fund			100,149,283.36	30,410.96
(Time Deposit) .....	-10	100,118,872.40		129,589.04
Bond Fund				
(Time Deposit) .....	-30	73,916,928.96	74,046,518.00	
Backpay Sinking Fund				
(Savings Deposit) .....		5,000,000.00	5,000,000.00	
Backpay Sinking Fund				
(Time Deposit) .....		30,000,000.00	30,000,000.00	
Total Accounts Current .....		P425,112,576.31	P421,795,443.13	P(3,317,128.18)



TABLE XXVIII.—*List of Insurance Adjusters Licensed as of  
June 30, 1962*

*Independent*

1. Consolidated Marine Service Inc. Suite 309 DBP Building, No. 2 Port Area, Manila .....	62/I-1
2. Henry Hunter Byne & Co., Inc. 490 San Luis, Manila .....	62/I-2
3. National Rating Bureau Manila .....	62/I-3
4. Antonio A. Nieva under the Style International Adjustment Bureau, 324 Natividad Building, Escolta, Manila .....	62/I-4
5. R. J. del Pan & Co., Inc 404-405 El Hogar Filipino Building, Manila .....	62/I-8
6. Fabian P. Magpile, 206 Dancel St., Pasay City, 324 Nativi- dad Building, Escolta, Manila .....	62/I-8
7. The Allied Adjuster Co., Inc. Suite 421 Bank of P. I. Build- ing, Plaza Cervantes, Manila .....	62/I-13
8. The First Philippine Adjustment Corp., 5th floor, J. M. Tuazon Building, Manila .....	62/I-15
9. Pacific Adjustment Company, R-206 Marvel Building, Juan Luna, Manila .....	62/I-17
10. Far East Adjustment Co., Inc. Manila .....	62/I-20



TABLE III.—Comparative Actual Collections by Semester of the Bureaus and Offices Under the Department of Finance  
(F. Y. 1961 and F. Y. 1962)

	Fiscal Year 1961 Actual			Fiscal Year 1962 Actual			Increase (Decrease)		
	1st Semester	2nd Semester	Total	1st Semester	2nd Semester	Total	1st Semester	2nd Semester	Total
OFFICE OF THE SECRETARY—									
General Fund.....	P84,905	P373,086	P457,991	P295,144	P946,939	P1,242,073	P210,239	P573,843	P784,082
BUREAU OF CUSTOMS—									
General Fund.....	178,790,613	182,522,389	361,313,002	235,828,239	201,619,887	437,447,566	57,037,626	19,096,938	76,134,564
Special Funds:									
Portworks Fund.....	11,106,262	10,702,461	21,808,723	11,740,782	12,406,896	24,147,178	634,520	1,703,935	2,338,455
Highways Special Fund.....	20,580,466	11,485,398	32,065,864	7,479,158	5,698,888	13,177,516	(13,101,308)	(5,787,040)	(18,888,348)
	210,477,341	204,710,248	415,187,589	255,048,179	219,724,081	474,772,260	44,570,838	15,013,833	59,584,671
BUREAU OF THE INTERNAL REVENUE—									
General Fund.....	239,436,669	285,158,386	524,595,055	248,780,826	327,426,208	576,207,034	9,344,157	42,267,822	51,611,979
Special Funds:									
Highways Special Fund.....	22,412,547	35,030,345	57,442,892	36,817,563	44,846,515	81,664,078	14,405,016	9,816,170	24,221,186
Tobacco Inspection Fund.....	65,410	549,421	614,831	420,321	121,869	542,190	354,911	(427,552)	(72,641)
	261,914,626	320,738,152	582,652,778	286,018,710	372,394,592	658,413,302	24,104,084	51,656,440	75,760,524
BUREAU OF THE TREASURY—									
General Fund.....	51,307,136	73,454,090	124,761,276	42,101,236	82,107,459	124,208,695	(9,205,900)	8,653,369	(552,531)
Special Funds:									
Fidelity Fund.....	282,863	319,004	601,867	293,968	377,565	671,533	11,105	58,561	69,666
	51,589,999	73,773,094	125,363,093	42,395,204	82,485,024	124,880,128	(9,194,795)	8,711,930	(482,865)
OFFICE OF THE INSURANCE COMMISSIONER—									
General Fund.....	267,817	349,480	617,297	360,767	425,804	786,571	92,950	76,324	169,274
TOTAL FOR THE DEPARTMENT OF FINANCE—									
General Fund.....	469,887,140	541,857,431	1,011,744,571	527,366,212	612,525,727	1,139,891,939	57,479,072	70,668,296	128,147,368
Special Funds.....	54,447,548	58,086,629	112,534,177	56,751,792	63,450,709	120,202,495	2,304,244	5,364,074	7,668,318
	P524,334,688	P599,944,060	P1,124,278,748	P584,118,004	P675,976,436	P1,260,094,434	P59,783,316	P76,032,370	P135,815,686

NOTE:

<sup>1</sup> Includes extraordinary income from:

- (1) Share of the General Fund on the proceeds of the Dollar Margin Law ..... P16,047,316
- (2) Proceeds from gold devaluation ..... 47,725,502
- (3) Receipts from net profits of the Central Bank to finance the revolving fund for Rural Banks ..... 7,000,000
- (4) Proceeds from sale of Treasury Notes ..... 40,000,000

<sup>2</sup> Includes extraordinary income from:

- (1) Share in the undivided profits of the Central Bank ..... 4,515,670
- (2) Share from the 25 and margin fee collections ..... 99,620,635
- (3) Receipts from the net profits of the Central Bank for the Rural Bank Trust Fund ..... 7,000,000

<sup>3</sup> Does not include Assessment Advance Fund of P362,487 and P281,813 for F. Y. 1961 and 1962, respectively, which were transferred to the General Fund.



TABLE X.—Statistical Data on Tax-Exempt Industries Under Repu

Industry Group	Food Manufacturing	Tobacco Leaf Flue-Curing and Redrying	Textile	Wood Preserving Treatment and Wood Products	Paper and Paper products Printing and Lithography	Leather and Leather Products	Rubber Products
1. Number of Firms—							
a. Which Reported	92	3	75	26	35	12	15
b. Which Reported with losses	13	0	20	12	9	3	1
c. Which Reported with gains	79	3	55	14	26	9	14
2. Assets—							
a. Current Assets	P101,742,468.16	P4,853,951.53	P203,907,028.34	P17,266,869.03	P41,915,606.91	P6,741,638.86	P45,405,514.14
b. Fixed Assets	92,867,170.37	4,656,391.45	327,072,195.52	32,196,876.86	49,884,032.38	4,860,570.78	45,220,132.65
(1) Land	12,158,222.99	886,840.91	14,949,785.73	2,546,519.84	6,112,373.73	865,648.26	4,114,279.90
(2) Buildings	26,652,851.09	2,377,656.73	67,297,645.05	6,590,584.56	13,009,403.24	1,620,050.16	10,977,985.36
(3) Machinery and Spare Parts	43,510,484.09	1,173,632.15	223,883,907.78	20,902,857.78	27,151,885.16	1,888,231.74	28,058,991.77
(4) Transportation Equipment	5,393,658.25	38,812.30	1,474,406.10	503,143.98	798,943.97	131,148.16	323,521.05
(5) Other fixed Assets	5,151,953.95	179,449.36	19,466,450.86	1,653,770.70	2,811,426.28	355,492.46	1,745,354.57
c. All other assets	16,183,385.72	561,917.67	21,218,812.20	2,500,512.13	7,212,208.16	567,586.36	18,686,430.41
Total Assets	P210,793,024.25	P10,072,260.65	P552,198,036.06	P51,964,258.02	P99,011,847.45	P12,169,796.00	P109,312,077.20
3. Liabilities—							
a. Current Liabilities	P80,848,095.25	P3,443,812.81	P160,993,904.91	P11,472,594.58	P34,788,045.91	P3,197,010.18	P23,825,417.38
b. Fixed Liabilities	20,481,327.78	126,871,012.61	126,871,012.61	9,607,005.46	11,790,174.90	2,541,911.71	91,119,405.43
c. Other Liabilities	17,124,693.37	431,100.00	34,253,699.68	3,210,073.62	11,104,032.29	821,031.80	14,991,293.38
Total Liabilities	P118,454,116.40	P3,874,912.81	P322,118,617.20	P24,289,673.66	P57,682,253.10	P6,559,953.69	P57,936,116.19
4. Net worth	P92,338,907.85	P6,197,347.84	P230,079,418.86	P27,674,584.36	P41,329,594.35	P5,609,842.31	P51,375,961.01
5. Paid-in capital (By Nationality)—							
a. Filipino	P59,240,249.26	P3,787,645.50	P162,062,530.66	P26,975,687.42	P24,839,038.29	P4,239,755.57	P25,558,439.06
b. American	10,865,269.93	474,460.00	7,871,917.82	5,516,440.00	3,075,390.00	2,400.00	16,445,600.00
c. Chinese	7,989,348.11	628,101.90	18,566,172.32	844,500.00	4,449,295.68	25,000.00	2,044,844.45
d. Others	3,803,313.69	6,300.00	5,323,312.78	150,400.00	40,000.00	6,000.00	100.00
Total Paid-In Capital	P81,898,180.99	P4,896,507.40	P193,823,933.58	P33,487,027.42	P32,403,723.97	P4,273,155.57	P44,048,983.51
6. Importations—							
a. Machinery and parts	P9,832,019.95	P20,442.16	P48,982,428.98	P1,322,299.26	P3,975,941.02	P278,968.37	P1,420,174.46
b. Raw materials	105,108,954.62	117,778,722.57	117,778,722.57	3,156,071.45	25,651,495.60	2,353,578.09	33,917,552.82
Total importations	P114,940,974.57	P20,442.16	P166,761,151.55	P4,478,370.71	P29,627,436.62	P2,632,546.46	P35,337,727.28
7. Raw materials used—							
a. Directly imported	P99,525,009.54	114,909,655.41	P114,909,655.41	P2,915,370.73	P18,513,739.81	P2,454,473.80	P28,259,016.19
b. Imported Origin-Locally Purchased	2,725,496.21	1,855,476.21	1,855,476.21	420,700.10	2,838,216.79	375,904.71	8,670,246.81
c. Local Growth or Produce	74,174,615.16	842,722.91	87,990,172.95	13,244,374.59	11,183,103.16	3,354,914.44	4,846,760.51
Total Raw Materials Used	P174,425,120.91	P342,722.91	P204,755,304.57	P16,580,445.42	P32,535,059.76	P6,185,292.95	P41,776,023.51
8. Gross sales	P248,743,929.98	P930,023.14	P247,348,419.24	P35,184,171.84	P59,471,723.48	P9,994,011.06	P93,403,559.22
9. Net Sales	P247,430,664.06	P390,023.14	P244,778,020.23	P34,006,987.74	P59,316,364.42	P9,734,726.99	P92,060,569.53
10. Cost of Goods Manufactured	P197,473,770.04	P642,144.28	P222,188,817.82	P30,051,077.27	P46,718,728.26	P7,936,146.19	P64,231,985.26
11. Gross Profit	P51,058,463.22	P631,291.32	P116,373,991.99	P6,414,823.34	P11,061,650.32	P1,922,042.43	P34,225,432.99
	(11,489.70)		(131,043.91)	(2,834,664.76)	(268,181.07)		
12. Selling and Administrative Expenses	P30,071,253.73	P324,562.31	P27,071,488.76	P6,907,158.41	P6,174,798.84	P1,592,500.50	P8,792,783.71
13. Net Profit	P13,073,468.81	P430,995.94	P9,108,243.32	P1,272,371.21	P2,443,862.81	P378,342.02	P17,697,584.77
	(1,600,604.81)		(3,078,938.75)	(4,416,277.50)	(653,247.72)	(37,819.98)	(112,413.94)
14. Labor—							
a. Direct	P4,144,876.49	P476,399.09	P22,327,851.23	P2,861,967.84	P3,029,688.58	P805,867.58	P2,577,597.50
b. Indirect	1,533,772.52	4,708.13	6,986,216.98	531,901.94	369,829.51	28,526.00	2,166,232.73
Total Labor	P5,678,649.01	P481,107.22	P29,314,068.26	P3,393,869.08	P3,399,518.09	P834,393.58	P4,743,830.23
15. Men employed—							
a. Skilled	1,153	19	11,908	778	623	272	1,250
b. Semi-skilled	1,156	66	8,401	601	750	220	793
c. Non-skilled	2,323	373	5,714	1,693	668	169	198
d. Office personnel	1,011	53	2,116	504	564	141	567
Total Men Employed	5,648	511	28,139	3,576	2,605	802	2,808



Chemical and Chemical Products	Non-Metallic Mineral Products	Basic Metal and Metal Products	Machinery and Parts	Electrical Machinery and Appliances	Miscellaneous Industries	Total
70 9 61	28 5 23	122 13 109	16 2 14	31 6 25	69 21 48	594 114 480
P87,733,934.14 50,449,591.19	P19,264,090.91 46,332,599.27	P142,015,947.02 73,023,545.27	P9,413,244.26 9,221,388.57	P81,783,944.95 30,994,592.93	P35,307,029.25 21,998,457.94	P797,351,267.50 788,777,545.18
8,808,557.32 17,627,401.54 18,567,927.56 2,328,775.12 3,116,929.65 8,371,581.41	2,683,007.62 12,262,350.53 28,010,351.26 348,455.91 3,028,433.95 4,187,406.85	11,402,534.75 19,802,624.49 32,948,517.25 1,524,362.79 7,345,505.99 24,743,885.48	2,149,033.27 1,878,269.37 4,353,055.66 130,425.09 710,605.18 642,191.25	3,646,379.47 10,589,471.90 9,463,904.36 1,001,057.63 6,293,779.57 7,139,406.17	3,336,697.80 5,931,948.57 9,338,027.57 805,226.26 2,586,557.74 11,209,320.17	73,659,881.59 196,618,242.59 449,251,774.13 14,801,936.61 54,445,710.26 123,226,643.98
P146,555,106.74	P69,784,097.03	P239,783,377.77	P19,276,824.08	P119,917,944.05	P68,514,807.36	P1,709,353,456.66
P49,140,476.56 12,864,319.65 3,463,874.99	P14,305,402.46 9,209,087.81 1,845,327.12	P105,576,298.66 14,437,539.28 9,907,452.29	P6,769,745.52 2,440,001.10 1,451,374.49	P39,629,020.57 17,469,519.22 11,176,100.24	P16,110,830.46 6,360,048.15 7,727,083.69	P550,100,655.25 253,191,353.10 117,507,176.96
P65,468,671.20	P25,359,817.39	P129,921,290.23	P10,661,121.11	P68,274,680.83	P30,197,962.30	P920,799,185.31
P81,086,435.54	P44,424,279.64	P109,862,087.54	P8,615,702.97	P51,643,264.02	P38,316,845.06	P788,554,271.35
P35,370,430.18 17,042,111.10 1,296,399.02 2,056,499.00	P64,164,518.02 6,623,356.67 3,223,813.09 17,107,130.92	P81,392,531.35 5,960,730.75 8,387,635.28 168,750.00	P6,861,569.31 584,184.00 176,308.89 -----	P42,224,751.94 6,070,166.00 634,819.87 2,394,210.52	P21,809,911.61 2,106,905.40 2,472,323.60 5,140,845.19	P588,527,058.17 82,638,931.67 50,729,562.21 36,196,862.10
P55,765,439.30	P91,118,818.70	P95,900,647.38	P7,622,062.20	P51,323,948.33	P31,529,985.80	P728,092,414.15
P1,510,019.48 36,814,944.03	P6,250,388.44 15,975,586.60	P6,396,104.73 99,822,654.93	P50,728.13 1,801,160.07	P3,269,024.57 27,162,420.53	P1,159,189.34 8,335,530.54	P84,467,728.89 477,878,671.95
P38,324,963.51	P22,225,975.04	P106,218,759.66	P1,851,888.20	P30,431,445.10	P9,494,719.98	P562,346,400.84
P32,489,617.86 3,009,299.21 17,365,012.93	P11,612,912.03 5,115,529.68 9,689,332.11	P90,271,686.80 15,124,440.53 30,943,960.26	P1,775,096.12 637,878.88 1,261,705.55	P21,299,545.08 3,369,406.08 16,524,179.75	P7,618,375.80 2,134,501.20 5,521,714.94	P431,644,499.17 46,277,096.41 276,441,674.26
P52,863,930.00	P26,417,773.82	P136,339,192.59	P3,674,680.55	P41,193,130.91	P15,274,591.94	P754,363,269.84
P101,821,537.53 P100,392,103.88 P68,870,881.92 P39,783,260.54 (262,631.26) P24,239,028.55 P8,048,610.74 (652,589.18)	P69,976,341.04 P69,813,885.23 P55,240,906.29 P23,165,369.77 (84,395.10) P6,563,560.31 P16,538,478.67 (1,050,012.29)	P196,888,436.16 P195,738,959.58 P172,823,333.22 P38,171,675.89 (103,461.56) P21,031,525.79 P14,172,587.45 (533,330.54)	P7,230,823.47 P7,125,851.12 P5,397,388.34 P1,987,194.10  P1,609,793.73 P357,130.41 (110,145.54)	P75,268,702.14 P74,273,283.93 P52,776,538.38 P28,032,319.43 (369,547.45) P16,499,072.81 P6,970,159.33 (66,295.21)	P43,460,429.86 P41,666,530.03 P27,895,703.25 P13,480,555.24 (28,797.39) P10,098,579.67 P3,896,405.46 (781,637.19)	P1,189,722,108.16 P1,177,267,969.94 P952,406,420.62 P366,328,070.58 (4,094,212.20) P160,976,102.12 P94,388,240.91 (13,093,312.65)
P3,047,158.21 1,310,004.47	P6,277,782.81 2,072,752.96	P111,183,870.84 2,320,809.12	P621,817.13 107,249.75	P2,770,117.01 892,417.72	P3,649,167.84 497,895.32	P63,724,162.20 18,822,377.15
P4,357,162.68	P8,300,535.77	P13,504,679.96	P729,066.88	P3,662,534.73	P4,147,063.16	P82,546,539.35
2,036 1,088 1,274 1,213	672 1,118 1,879 309	3,770 2,574 2,749 1,957	266 86 148 167	1,813 1,531 1,887 713	1,419 878 769 767	25,979 19,262 19,847 10,082
5,611	3,978	11,050	667	5,944	3,831	75,170



TABLE XI.—*Taxes Waived on New and Necessary Industries—Calendar Year 1961 Under R. A. Nos. 35 and 901, as Amended by R. A. Nos. 2351 and 2352*

Industries	Residence Tax	Privilege Tax	Real Estate Tax	Advances Sales Tax on Imported Raw Materials	Percentage Tax on Manufactured Articles	Ordinary Imported Tax	Special Imported Tax	Compensating Tax	Income Tax	Total
1. Food manufacturing .....	P115,022.00	P1,840.00	P485,138.43	P9,978,781.38	P7,772,634.77	P11,494,097.46	P9,769,982.84	P746,741.92	P3,837,559.87	P44,201,798.67
2. Tobacco leaf flue—Curing and redrying .....	1,776.00	60.00	40,806.22	-----	65,101.62	2,044.22	1,737.58	1,552.58	122,292.18	235,370.40
3. Textiles .....	131,836.00	1,500.00	1,028,067.88	11,181,617.48	6,275,284.60	16,676,115.15	14,174,697.88	3,720,215.48	2,643,295.67	55,832,630.14
4. Wood preserving—treatment furniture and fixtures .....	17,728.00	520.00	114,213.80	299,629.53	2,156,665.01	447,837.07	380,661.51	100,428.63	369,433.91	3,887,117.46
5. Paper and paper products printing and lithography .....	30,236.00	700.00	239,022.21	2,435,288.86	2,206,697.21	2,962,743.66	2,518,332.11	301,372.72	705,053.93	11,400,046.70
6. Leather and leather products .....	4,990.00	240.00	31,071.23	223,442.82	440,245.84	263,254.65	223,766.45	21,187.65	95,193.86	1,303,392.50
7. Rubber products .....	43,398.00	300.00	188,653.32	3,220,047.67	3,248,491.53	3,533,772.73	3,003,706.82	107,862.25	5,289,151.77	18,635,384.09
8. Chemical and chemical products .....	51,302.00	1,400.00	330,449.49	3,495,118.75	3,832,373.59	3,832,496.35	3,257,621.90	114,685.98	2,341,519.57	17,256,967.63
9. Non-metallic mineral products .....	33,968.00	560.00	186,816.98	1,516,682.25	3,437,755.96	2,222,597.50	1,889,207.88	474,717.00	4,932,108.70	14,694,414.27
10. Basic metal and metal products .....	91,238.00	2,440.00	390,064.49	9,476,913.30	4,153,311.43	10,621,875.97	9,028,594.57	485,784.15	4,097,381.14	38,347,603.05
11. Machinery and parts, transportation equipment .....	4,502.00	320.00	50,341.28	170,997.63	292,982.88	185,188.82	157,410.50	3,852.80	78,568.69	944,164.60
12. Electrical machinery and appliances .....	35,800.00	620.00	177,948.14	2,578,732.30	3,010,825.16	3,043,144.51	2,586,672.83	248,282.42	2,071,197.27	13,753,222.63
13. Miscellaneous industries .....	21,090.00	1,380.00	115,853.08	791,354.44	2,169,545.45	949,472.00	807,051.20	88,040.43	1,113,652.47	6,057,444.07
Total estimated taxes .....	582,886.00	11,880.00	3,378,451.55	45,368,606.41	39,061,915.05	56,234,640.09	47,799,444.07	6,415,324.01	27,696,409.03	226,549,556.21
Total estimated tax collected .....	291,443.00	5,940.00	1,689,225.78	22,684,303.21	19,530,957.53	28,117,320.04	47,799,444.07	3,207,662.01	27,696,409.03	151,022,704.66
Total estimated taxes waived .....	P291,443.00	P5,940.00	P1,689,225.77	P22,684,303.21	P19,530,957.53	P28,117,320.05	P-----	P1,207,662.00	P-----	P75,526,851.55



TABLE XII.—Comparative Statement of Assessed Valuation (Taxable and Exempt) of Real Properties in Provinces and Cities for Calendar Years 1960 and 1961

Provinces	Assessed Valuation on Real Property for Calendar Year Ended December 31, 1961			Assessed Valuation on Real Property for Calendar Year Ended December 31, 1960			Increase (Decrease)			Per cent		
	Taxable	Exempt	Total	Taxable	Exempt	Total	Taxable	Exempt	Total	Taxable	Exempt	Total
1. Abra	P18,904,620	P2,714,030	P21,618,650	P18,779,890	P2,708,520	P21,488,410	P124,730	P5,510	P130,240	Percent	Percent	Percent
2. Agusan	43,969,570	11,645,610	55,615,180	40,646,180	11,008,960	51,655,140	3,323,390	636,650	3,960,040	00.66	00.20	00.61
3. Aklan	33,364,710	3,299,810	36,664,520	32,864,440	3,315,030	36,179,470	500,270	(15,220)	485,050	01.18	05.78	07.67
4. Albay	53,322,100	13,967,910	67,290,010	51,239,950	13,393,420	64,633,370	2,082,150	574,490	2,657,640	01.52	(00.46)	01.34
5. Antique	18,019,400	3,438,870	21,458,270	17,927,770	3,366,670	21,294,440	91,630	72,200	163,830	04.07	04.29	04.11
6. Bataan	61,502,910	87,375,810	148,878,720	58,900,820	6,582,420	65,483,240	2,602,090	80,813,390	83,415,480	00.51	02.14	00.77
7. Batanes	2,588,250	840,190	3,428,440	2,527,530	838,220	3,365,750	60,720	1,970	62,690	04.42	1,231.46	127.42
8. Batangas	175,395,190	18,720,220	194,115,410	167,907,240	17,790,000	185,697,240	7,487,950	930,220	8,418,170	02.40	00.24	01.66
9. Bohol	92,818,930	26,272,850	119,091,780	87,979,210	24,307,210	112,286,420	4,839,720	1,965,640	6,805,360	04.45	05.23	04.53
10. Bukidnon	43,618,140	5,993,580	49,611,720	41,952,480	5,904,240	47,856,720	1,665,660	89,340	1,755,000	05.50	08.09	06.06
11. Bulacan	163,648,200	20,424,820	184,073,020	154,642,100	17,311,690	171,953,790	9,006,100	3,113,130	12,119,230	03.97	01.51	03.68
12. Cavite	104,954,740	16,865,140	121,819,880	102,369,950	16,677,150	119,047,100	2,584,790	187,990	2,772,780	05.82	17.98	07.05
13. Camarines Norte	51,054,340	1,915,850	52,970,190	46,713,090	2,749,430	49,462,520	4,341,250	(833,580)	3,507,670	02.52	01.13	02.33
14. Camarines Sur	116,722,221	6,157,780	122,880,001	111,522,030	6,113,270	117,635,300	5,200,191	44,510	5,244,701	09.29	(30.32)	07.09
15. Capiz	51,265,770	3,046,110	54,311,880	50,932,950	3,053,930	53,986,880	332,820	(7,820)	325,000	04.66	00.73	04.46
16. Catanduanes	14,652,320	2,944,020	17,596,340	14,448,410	2,940,000	17,388,410	203,910	4,020	207,930	00.65	(00.26)	00.60
17. Cavite	89,619,890	8,939,010	98,558,900	89,942,230	9,798,210	99,740,440	(322,340)	(859,200)	(1,181,540)	01.41	00.14	01.20
18. Cebu	105,909,880	18,843,770	124,753,650	111,800,310	22,683,210	134,483,520	5,890,430	(3,839,440)	9,729,870	(00.36)	(08.77)	(01.18)
19. Cotabato	177,426,080	6,444,340	183,870,420	171,886,960	5,641,030	177,527,990	5,539,120	803,310	6,342,430	05.27	16.93	07.23
20. Davao	188,889,700	12,039,400	200,929,100	165,451,300	6,883,490	171,534,890	23,434,400	5,955,810	29,389,210	03.22	14.24	03.57
21. Ilocos Norte	53,526,130	6,676,020	60,202,150	52,374,860	6,676,510	59,051,370	1,151,270	(490)	1,150,780	14.17	97.90	17.14
22. Ilocos Sur	69,112,600	8,988,590	78,101,190	68,035,130	8,884,090	76,919,220	1,077,470	104,500	1,181,970	02.20	(00.01)	01.95
23. Iloilo	106,252,830	15,466,900	121,719,730	105,891,980	15,304,660	121,196,640	360,850	162,240	523,090	01.58	01.18	01.54
24. Isabela	88,265,250	5,883,620	94,148,870	86,886,540	5,411,080	92,297,620	1,378,710	472,540	1,851,250	00.34	01.06	00.43
25. Laguna	111,170,390	17,008,110	128,178,500	107,519,100	12,152,250	119,671,350	3,651,290	4,855,860	8,507,150	01.59	08.73	02.01
26. Lanao del Norte	52,919,880	3,207,310	56,127,190	51,250,970	3,082,870	54,333,840	1,668,910	124,440	1,793,350	03.40	39.96	07.11
27. Lanao del Sur	31,249,560	1,260,030	32,509,590	30,340,540	988,480	31,329,020	909,020	271,550	1,180,570	03.26	04.04	03.30
28. La Union	66,909,080	18,295,120	85,204,200	64,557,450	14,819,910	79,377,360	2,351,630	3,475,210	5,826,840	03.00	27.47	03.77
29. Leyte	104,499,200	13,702,870	118,202,070	102,253,380	13,650,130	115,903,510	2,245,820	52,740	2,298,560	03.64	23.45	07.34
30. Southern Leyte	30,171,160	3,466,370	33,637,530	28,629,860	3,453,570	32,083,430	1,554,100	12,800	1,566,900	06.20	00.39	01.98
31. Marinduque	25,332,020	2,831,240	28,163,260	24,876,680	2,952,610	27,829,290	455,340	(121,370)	333,970	05.38	00.37	04.84
32. Masbate	58,241,160	2,562,540	60,803,700	55,535,420	2,225,650	57,761,070	2,705,740	336,890	3,042,630	01.83	(04.11)	01.20
33. Misamis Occidental	107,463,030	7,115,610	114,578,640	102,874,250	5,754,620	108,628,870	4,588,780	1,360,990	5,949,770	04.87	15.14	05.27
34. Misamis Oriental	56,082,820	3,246,370	59,329,190	53,718,500	3,046,800	56,765,300	2,364,320	199,570	2,563,890	04.46	23.65	05.48
35. Mountain Province	69,449,635	4,931,450	74,381,085	63,571,750	4,695,520	68,267,270	5,877,885	235,930	6,113,815	04.40	06.55	04.52
36. Negros Occidental	251,910,010	20,951,990	272,862,000	239,295,420	23,302,420	262,597,840	12,614,590	(2,350,430)	10,264,160	09.25	05.02	08.96
37. Negros Oriental	37,531,940	12,714,860	50,246,800	34,439,990	12,589,610	47,029,600	3,091,950	125,250	3,217,200	05.27	(10.09)	03.86
38. Nueva Ecija	147,885,540	21,101,870	168,987,410	145,046,080	11,924,870	156,970,950	2,839,460	9,177,000	12,016,460	03.66	00.99	03.32
39. Nueva Vizcaya	33,799,820	705,742	34,505,562	32,570,837	706,472	33,277,309	1,228,983	(730)	1,228,253	01.96	76.96	07.66
40. Occidental Mindoro	21,425,603	511,732	21,937,335	20,672,058	494,177	21,166,235	753,545	17,555	771,100	03.77	(00.10)	03.69
41. Oriental Mindoro	47,847,400	1,654,470	49,501,870	46,734,250	1,406,520	48,140,770	1,113,150	247,950	1,361,100	03.65	03.55	03.64
42. Palawan	19,411,690	2,606,880	22,018,570	17,575,500	2,426,420	20,001,920	1,836,190	180,460	2,016,650	02.38	17.63	02.83
43. Pampanga	237,534,090	37,252,420	274,786,510	217,157,760	34,197,560	251,355,320	20,376,330	3,054,860	23,431,190	10.45	07.44	10.08
44. Pangasinan	126,470,840	15,970,750	142,441,590	124,156,750	15,838,810	139,995,560	2,314,090	131,940	2,446,030	03.88	08.93	09.32
45. Quezon	203,881,820	20,117,700	223,999,520	220,155,060	30,565,890	250,720,950	(16,278,240)	(10,448,190)	(26,721,430)	01.86	00.83	01.75
46. Rizal	880,978,980	290,496,810	1,171,475,790	832,138,610	291,714,170	1,123,852,780	248,840,370	(617,360)	248,223,010	(07.39)	(34.18)	(10.66)
47. Romblon	19,059,070	3,070,690	22,129,760	18,793,520	3,007,050	21,800,570	258,550	63,640	322,190	39.36	(00.21)	26.89
48. Samar	72,950,240	16,882,090	89,832,330	69,967,110	16,865,010	86,832,120	2,983,130	17,080	3,000,210	01.41	02.12	01.51
49. Sorsogon	40,007,270	4,568,310	44,575,580	38,980,620	4,500,480	43,481,100	1,026,650	67,830	1,094,480	04.26	00.10	03.46
50. Sulu	29,209,190	3,931,690	33,140,880	26,816,710	3,049,670	29,866,380	2,392,480	882,020	3,274,500	02.63	01.51	12.52
51. Surigao del Norte	33,263,650	4,349,200	37,612,850	30,315,660	4,258,750	34,574,410	2,947,990	90,450	3,038,440	08.92	28.92	10.96
52. Surigao del Sur	25,829,140	2,683,550	28,512,690	22,781,790	2,398,590	25,180,380	3,342,550	284,960	3,627,510	09.72	02.12	08.79
53. Tarlac	121,183,370	20,965,150	142,148,520	119,007,498	21,013,270	140,020,768	2,175,872	(48,120)	2,127,752	13.38	11.88	13.23
54. Zambales	52,634,800	7,161,480	59,796,280	48,966,810	7,003,770	55,970,580	3,667,990	157,710	3,825,700	01.83	(00.23)	01.52
55. Zamboanga del Norte	62,151,370	2,446,070	64,597,440	48,587,010	3,234,370	51,821,380	13,564,360	(788,300)	12,776,060	07.49	02.25	06.84
56. Zamboanga del Sur	78,339,620	3,355,180	81,694,800	74,195,070	3,666,260	77,861,330	4,144,550	(311,080)	3,833,470	27.92	(24.36)	24.65
Total	5,231,597,159	880,029,904	6,111,627,063	4,817,104,363	778,909,089	5,596,013,452	414,492,796	101,120,815	515,613,611	02.60	12.98	09.21
Cities												
1. Bacolod	84,501,520	18,655,210	103,156,730	82,346,210	18,588,960	100,935,170	2,155,310	66,250	2,221,560	02.62	00.36	02.20
2. Baguio	62,785,410	13,007,530	75,792,940	68,914,180	15,558,760	84,472,940	(6,128,770)	(2,551,230)	(8,689,000)	(08.89)	(16.40)	(10.28)
3. Basilan	27,367,483	1,218,700	28,586,183	27,542,403	1,150,820	28,693,223	67,880	(107,040)	(40,160)	(00.64)	05.90	(00.37)
4. Butuan	27,119,749	6,915,980	34,035,729	24,710,842	5,553,440	30,277,782	2,400,407	1,357,540	3,757,947	09.71	24.72	12.41
5. Cabanatuan	21,212,560	12,861,960	34,074,520	20,057,410	12,827,830	32,885,240	1,155,150	34,130	1,189,280	05.76	00.27	03.62
6. Cagayan de Oro	26,370,280	6,646,020	33,016,300	25,026,640	5,999,850	31,026,490	1,343,640	646,170	1,989,810	05.37	10.77	06.41
7. Calbayog	6,813,890	1,500,100	8,313,990	6,288,120	1,511,950	7,800,070	1,525,770	(11,850)	1,513,920	08.36	(00.78)	06.59
8. Cavite	23,359,270	7,066,930	30,426,200	21,732,040	7,023,710	28,755,750	1,627,230	49,220	1,676,450	07.49	00.62	05.01
9. Cebu	174,302,240	44,981,930	219,284,170	168,606,440	43,337,060	211,943,500	5,695,800	1,644,870	7,340,670	03.38	03.80	03.47
10. Cotabato	17,462,510	5,199,210	22,661,720	16,722,980	8,217,140	24,940,120	739,530	(3,017,930)	(2,278,400)	04.42	(36.73)	(09.14)
11. Dagupan	25,106,610	4,809,620	29,916,230	24,153,420	4,235,340	28,388,760	1,527,850	574,280	2,102,130	03.95	13.	



22. Naga	26,558,440	1,474,910	27,833,350	25,989,470	1,434,490	27,423,960	368,910	11,790	951,440	05.82	00.69	05.33
23. Ormoc	17,079,890	1,726,820	18,806,710	16,140,240	1,715,030	17,855,270	939,650	17,690	737,655	04.17	00.56	03.61
24. Ozamiz	17,995,710	3,185,920	12,181,630	17,275,745	3,168,230	20,443,975	719,965	(129,500)	1,061,360	01.34	(00.93)	01.13
25. Pasay	135,501,770	13,824,050	149,325,820	133,710,910	13,953,550	147,664,460	1,790,860	(35,753,360)	52,480,670	19.62	(50.57)	10.08
26. Quezon	538,056,860	34,944,720	573,001,580	449,822,830	70,698,080	520,520,910	88,234,030	139,660	333,560	01.93	05.94	03.18
27. Roxas	7,359,940	3,459,980	10,819,920	7,220,280	3,266,080	10,486,360	1	1	1			
28. San Carlos	14,860,734	1,658,586	16,519,320	14,860,734	1,658,585	16,519,319	1,626,180	121,150	1,747,330	05.80	02.84	05.41
29. San Pablo	29,670,770	4,387,140	34,057,910	28,044,590	4,265,990	32,310,580	(213,770)	66,420	(147,350)	(00.76)	02.15	66.47
30. Silay	28,001,450	3,157,940	31,159,390	28,215,220	3,091,520	31,306,740	511,600	1,186,510	1,698,110	03.03	39.55	03.54
31. Tacloban	17,396,920	4,186,440	21,583,360	16,885,320	2,999,930	19,818,250	940,460	12,950	953,410	11.04	01.09	00.82
32. Tagaytay	9,457,750	1,203,150	10,660,900	8,517,290	1,190,200	9,707,490	3,621,200	(294,590)	3,326,610	47.16	(02.98)	18.93
33. Toledo	11,300,430	9,596,000	20,896,430	7,679,230	9,890,590	17,569,820	37,013	8,690	45,703	01.76	00.26	00.84
34. Trece Martires	2,135,000	3,358,570	5,493,570	2,057,987	3,349,880	5,447,867	1,507,760	1,220,580	2,728,340	04.00	09.96	05.46
35. Zamboanga	39,240,200	19,486,550	52,726,750	37,732,440	12,265,970	49,998,410						
Total	2,980,886,571	580,075,195	3,560,961,776	2,765,156,443	647,576,674	3,412,733,117	215,730,128	(67,501,479)	148,228,649	07.80	(10.42)	04.34
Grand Total	P8,212,483,030	P1,460,105,099	P9,672,588,829	P7,582,260,806	P1,426,485,763	P9,008,746,569	P630,222,924	P33,619,336	P663,842,260	08.31	02.35	07.37



TABLE XIII.—Assessment Advance Fund

REPUBLIC ACT NO. 78

AS OF JUNE 30, 1962

Province/City	Loan Granted			Total repaid up to June 30, 1962	Balance as of June 30, 1962	Date of last remittance	Date of last assessment completed	Date of first instalment due	Annual amortization	Total amortization due June 15, 1962	Excess ** (Deficiency) in repayments
	T. W. No.	Date	Amount								
1. Abra	159401	4-24-47	P150,000.00	P105,742.90	P44,257.10	9-30-58	June, 1948	6-15-49	P7,500.00	P105,000.00	P742.90
2. Agusan	159418	4-28-47	42,000.00	42,000.00		12- 3-59	April, 1950 *	6-15-51	2,100.00	25,200.00	16,800.00
3. Albay	159417	4-28-47	100,000.00	55,000.00	45,000.00	8- 2-60	April, 1950 *	6-15-51	5,000.00	60,000.00	(5,000.00)
4. Antique	159409	4-25-47	33,000.00	6,600.00	26,400.00	12-12-61	April, 1950 *	6-15-51	1,650.00	19,800.00	(13,200.00)
5. Bataan	159404	4-24-47	49,000.00	28,554.45	20,445.55	12-12-61	Dec., 1950	6-15-51	2,450.00	29,400.00	(845.55)
6. Batanes	159407	4-25-47	20,000.00		20,000.00		April, 1950 *	6-15-51	1,000.00	12,000.00	(12,000.00)
7. Bohol	159405	4-25-47	250,000.00	119,396.12	130,603.88	12-12-61	April, 1951 *	6-15-51	12,500.00	137,500.00	(18,103.88)
8. Bukidnon	159420	4-28-47	34,000.00	30,508.92	3,491.08	8-31-61	April, 1950 *	6-15-51	1,700.00	20,400.00	10,108.92
9. Bulacan	159406	4-25-47	150,000.00	4,808.93	145,191.07	1- 5-57	1948	6-15-49	7,500.00	105,000.00	40,191.07
10. Cagayan	159409	4-25-47	157,000.00	125,600.00	31,400.00	7-28-58	1948	6-15-49	7,850.00	109,900.00	15,700.00
11. Camarines Norte	159419	4-28-47	40,000.00	25,392.94	14,607.06	5- 5-61	1948	6-15-49	2,000.00	28,000.00	(2,607.06)
12. Camarines Sur	159412	4-25-47	170,000.00	81,638.98	88,361.02	12-12-61	April, 1950 *	6-15-51	8,500.00	102,000.00	(20,361.02)
13. Capiz	159424	4-28-47	150,000.00	150,000.00			1950	6-15-51	7,500.00	90,000.00	60,000.00
14. Catanduanes	159453	4- 9-47	20,000.00	4,500.00	15,500.00	11- 7-61	May, 1950 *	6-15-51	1,000.00	12,000.00	(7,500.00)
15. Cavite	159452	5- 9-47	80,000.00	43,911.61	36,088.39	2-28-62	May, 1950 *	6-15-51	4,000.00	48,000.00	(4,088.39)
16. Cebu	159422	4-28-47	250,000.00	37,500.00	212,500.00	8-10-59	1949	6-15-50	12,500.00	162,500.00	(125,000.00)
17. Cotabato	159421	4-28-47	90,000.00	62,147.50	27,852.50	10-31-60	April, 1950 *	6-15-51	4,500.00	54,000.00	8,147.50
18. Davao	159423	4-28-47	67,000.00	57,200.00	9,800.00	10-31-57	June, 1949	6-15-50	3,350.00	43,550.00	13,650.00
19. Ilocos Norte	159408	4-25-47	170,000.00	85,000.00	85,000.00	6-20-61	April, 1950 *	6-15-51	8,500.00	102,000.00	(17,000.00)
20. Ilocos Sur	159448	5- 8-47	180,000.00	125,674.47	54,325.53	8- 4-61	1949	6-15-50	9,000.00	117,000.00	8,674.47
21. Iloilo	159427	4-28-47	160,000.00	122,822.03	37,177.97	3-28-61	April, 1950 *	6-15-51	8,000.00	96,000.00	26,822.03
22. Isabela	159457	5-28-47	80,000.00	62,000.00	18,000.00	8-31-61	May, 1950 *	6-15-51	4,000.00	48,000.00	14,000.00
23. Laguna	159450	5- 9-47	260,000.00	110,000.08	89,999.92	1-31-61	May, 1950 *	6-15-51	10,000.00	120,000.00	(9,999.92)
24. Lanao	159429	4-28-47	40,000.00	20,003.90	19,996.10	12-20-61	April, 1950 *	6-15-51	2,000.00	24,000.00	(3,996.10)
25. La Union	159428	4-28-47	186,000.00	106,588.14	79,411.86	8-28-58	April, 1950 *	6-15-51	9,300.00	111,600.00	(5,011.86)
26. Leyte	159454	5- 9-47	120,000.00	68,350.80	51,650.00	10-19-61	May, 1950 *	6-15-51	6,000.00	72,000.00	(3,650.00)
27. Marinduque	159415	4-26-47	38,000.00	38,000.00		7-1 -58	April, 1950 *	6-15-51	1,900.00	22,800.00	15,200.00
28. Masbate	159403	4-24-47	48,000.00	19,557.62	28,442.38	8-31-61	1949	6-15-50	2,400.00	31,200.00	(11,642.38)
29. Mindoro	159402	4-24-47	40,000.00	22,000.00	18,000.00	4-25-61	1948	6-15-49	2,000.00	28,000.00	(6,000.00)
30. Misamis Occidental	159430	4-28-47	11,000.00	6,600.00	4,400.00	11- 6-61	April, 1950 *	6-15-51	550.00	6,600.00	
31. Misamis Oriental	159432	4-28-47	82,000.00	49,200.00	32,800.00	7-27-57	April, 1950 *	6-15-51	4,100.00	49,200.00	
32. Mountain Province	159433	4-28-47	126,000.00	68,000.00	58,000.00	5-12-61	April, 1950 *	6-15-51	6,300.00	75,600.00	(7,600.00)
33. Nueva Ecija	159456	5-12-47	70,000.00	70,000.00			May, 1950 *	6-15-51	3,500.00	42,000.00	28,000.00
34. Nueva Vizcaya	159434	4-28-47	40,000.00	20,026.18	19,973.82	9-12-58	April, 1950 *	6-15-51	2,000.00	24,000.00	(3,973.82)
35. Negros Occidental	159431	4-28-47	70,000.00	35,000.00	35,000.00	11- 7-61	April, 1950 *	6-15-51	3,500.00	42,000.00	(7,000.00)
36. Negros Oriental	159451	5- 9-47	150,000.00	89,500.00	60,500.00	5-24-61	May, 1950 *	6-15-51	7,500.00	90,000.00	(500.00)
37. Palawan	159436	4-28-47	80,000.00	55,183.36	24,816.64	11- 7-61	1950	6-15-51	4,000.00	48,000.00	7,183.36
38. Pampanga	159435	4-28-47	100,000.00	62,500.00	37,500.00	12-12-51	April, 1950 *	6-15-51	5,000.00	60,000.00	2,500.00
39. Pangasinan	159449	5- 8-47	250,000.00	87,500.00	162,500.00	6-30-61	May, 1950 *	6-15-51	12,500.00	150,000.00	(62,500.00)
40. Quezon	159438	4-28-47	80,000.00	55,000.00	25,000.00	9- 3-61	April, 1950 *	6-15-51	4,000.00	48,000.00	7,000.00
41. Rizal	159437	4-28-47	150,000.00	135,000.00	15,000.00	8-28-58	April, 1950 *	6-15-51	7,500.00	90,000.00	45,000.00
42. Romblon	159460	8- 1-47	35,000.00	17,500.00	17,500.00	8-14-61	Aug., 1950 *	6-15-51	1,750.00	21,000.00	(3,500.00)
43. Samar	159455	5- 9-47	210,000.00	105,000.00	105,000.00	11- 3-61	May, 1950 *	6-15-51	10,500.00	126,000.00	(21,000.00)
44. Sorsogon	159439	4-28-47	100,000.00	94,476.26	5,523.74	10-31-60	Dec., 1950	6-15-51	5,000.00	60,000.00	34,476.26
45. Sulu	159442	4-28-47	40,000.00	40,000.00		2-29-52	1948	6-15-49	2,000.00	28,000.00	12,000.00
46. Surigao	159445	4-28-47	90,000.00	45,000.00	45,000.00	5-31-62	1948	6-15-49	4,500.00	63,000.00	(18,000.00)
47. Zamboanga	159444	4-28-47	52,000.00		52,000.00		April, 1950 *	6-15-51	2,600.00	31,200.00	(31,200.00)
48. Cebu City	159425	4-28-47	33,000.00	18,150.00	14,850.00	8-14-61	April, 1950 *	6-15-51	1,650.00	19,800.00	(1,650.00)
49. Iloilo City	159426	4-28-47	23,000.00	3,332.88	19,667.12	2-29-52	April, 1950 *	6-15-51	1,150.00	13,800.00	(10,467.12)
50. Quezon City	159413	4-25-47	35,000.00	17,500.00	7,500.00	4-30-62	April, 1950 *	6-15-51	1,750.00	21,000.00	(3,500.00)
51. San Pablo City	159447	4-28-47	29,000.00	17,890.50	11,109.50	12-12-61	April, 1950 *	6-15-51	1,450.00	17,400.00	490.50
52. Tagaytay City	159446	4-28-47	20,000.00	P20,967.47	(967.42)	8-28-61	April, 1950 *	6-15-51	1,000.00	12,000.00	8,967.42
Total			P4,990,000.00	P3,014,207.33	P1,975,792.67				P249,500.00	P3,075,450.00	P(61,242.67)

## NOTE:

\* The date the assessment was completed has been presumed to be three years after the loan was granted following the requirement in Section 2 of R. A. No. 78.

\*\* Total repayment up to June 30, 1962 less total amount of amortization due June 15, 1962.



**TABLE XIV.—Comparative Statement Showing the Real Property Tax Collections of  
Provinces and Cities for the Calendar Years 1961 and 1960**

Provinces	Rate of Tax	Assessed Valuation	Amount Collectible	Actual Collection	Balance Collectible	Percent- age of Collection	Current Year 1960 Collection	Increase (Decrease)
	<i>Per cent</i>					<i>Per cent</i>		
1. Abra	1	P187,779.89	P187,798.50	P80,297.44	P107,501.46	42.76	P83,392.43	(P3,094.99)
2. Agusan	1	40,646.18	406,461.80	152,627.46	253,834.34	37.55	155,247.89	(2,620.43)
3. Aklan	1	32,864.40	328,644.40	114,940.27	213,704.13	34.97	119,371.56	(4,431.28)
4. Albay	1	51,238.95	512,389.50	165,177.85	347,211.65	32.24	185,366.02	(20,188.17)
5. Antique	1	17,927.77	179,277.70	71,606.58	107,671.12	39.94	76,286.72	(4,680.14)
6. Bataan	1	58,900.82	589,008.20	366,077.07	222,931.13	62.15	250,456.05	115,621.02
7. Batanes	1	2,527.53	25,275.30	19,567.25	5,708.05	77.42	18,620.24	947.01
8. Batangas	1	167,907.24	1,469,188.35	1,209,476.81	265,711.54	81.92	993,959.18	209,517.63
9. Bohol	1	87,979.21	769,818.09	378,446.69	391,371.40	49.16	376,612.17	1,834.52
10. Bukidnon	1	41,952.48	419,524.80	144,964.86	274,559.94	34.55	259,051.77	(114,086.91)
11. Bulacan	1	154,642.10	1,546,421.00	896,122.24	650,298.76	57.95	808,623.35	87,498.89
12. Cagayan	1	102,369.95	895,737.96	473,097.33	422,639.73	52.82	463,126.89	9,970.44
13. Camarines Norte	1	46,713.09	467,130.90	193,813.96	273,316.94	41.49	184,228.79	9,585.17
14. Camarines Sur	1	111,522.03	1,115,220.30	257,174.88	858,045.42	23.06	229,036.00	28,138.88
15. Capiz	1	50,932.95	509,329.50	179,769.51	329,559.99	35.30	199,022.83	(19,253.32)
16. Catanduanes	1	14,448.41	144,484.10	24,352.89	120,131.21	16.86	21,673.51	2,679.38
17. Cavite	1	89,942.23	899,422.30	323,451.45	575,970.85	35.96	238,479.19	84,972.26
18. Cebu	1	(a) 111,800.31	1,118,003.10	704,422.53	413,580.57	63.01	(a) 752,441.31	(98,018.78)
19. Cotabato	1	171,869.60	1,718,696.00	567,953.64	1,150,742.36	33.04	490,387.18	77,566.46
20. Davao	1	165,451.30	1,654,513.00	970,189.94	684,323.06	58.64	859,008.53	111,181.41
21. Ilocos Norte	1	52,374.86	523,748.60	303,404.93	220,342.67	57.93	309,427.61	(6,021.68)
22. Ilocos Sur	1	68,035.13	680,351.30	371,664.23	308,687.07	54.63	360,115.70	11,548.53
23. Iloilo	1	105,891.90	1,058,919.80	469,868.47	589,051.33	44.37	471,280.81	(1,412.34)
24. Isabela	1	86,886.54	868,865.40	347,079.22	521,786.18	39.95	341,020.48	6,058.74
25. Laguna	1	107,519.10	1,075,191.00	764,225.52	310,965.48	71.08	739,114.89	25,110.63
26. Lanao del Norte	1	51,250.97	512,509.70	170,581.74	341,927.96	33.28	164,478.41	(5,272.29)
27. Lanao del Sur	1	30,340.54	303,405.40	53,218.12	250,187.28	17.54	58,490.41	13,714.48
28. La Union	1	64,557.45	645,574.50	463,456.28	182,118.22	71.79	449,741.80	48,846.00
29. Leyte	1	102,253.80	1,022,538.00	404,210.91	618,327.09	39.53	355,364.91	(31,671.26)
30. Marinduque	1	24,876.68	248,766.80	111,284.99	137,481.81	44.73	142,956.25	(7,446.89)
31. Masbate	1	55,535.42	555,354.20	256,234.77	299,119.43	46.14	263,681.66	72,439.16
32. Misamis Occidental	1	102,874.25	1,028,742.50	393,464.43	635,278.07	38.25	321,025.27	4,969.24
33. Misamis Oriental	1	53,718.50	537,185.00	396,152.00	141,033.00	73.75	391,182.76	(29,808.67)
34. Mountain Province	1	63,571.75	635,717.50	303,300.24	332,417.26	47.71	333,108.91	26,302.07
35. Negros Occidental	1	239,295.42	2,392,954.20	1,748,506.86	644,447.34	73.07	1,722,204.79	(2,209.20)
36. Negros Oriental	1	84,439.99	844,399.90	441,628.55	402,771.35	52.30	443,837.75	33,764.55
37. Nueva Ecija	1	145,046.08	1,450,460.80	712,999.02	737,461.78	49.16	679,234.47	38,765.33
38. Nueva Vizcaya	1	32,570.87	325,708.37	193,638.75	132,069.62	59.45	154,837.42	(3,344.13)
39. Occidental Mindoro	1	20,672.03	206,720.30	81,065.32	125,655.26	39.21	77,721.19	(25,325.23)
40. Oriental Mindoro	1	46,734.25	467,342.50	208,572.19	258,770.31	44.63	233,897.42	7,819.42
41. Palawan	1	17,575.00	175,750.00	98,194.90	77,555.10	55.87	90,375.48	377,854.43
42. Pampanga	1	217,157.76	2,171,577.60	1,295,325.84	876,251.76	59.65	917,471.41	20,958.66
43. Pangasinan	1	124,156.75	1,241,567.50	596,905.97	644,661.53	48.08	575,947.31	(3,008.52)
44. Quezon	1	(b) 220,155.06	2,201,550.60	1,022,241.97	1,179,308.63	46.43	(b) 1,025,250.49	734,952.27
45. Rizal	1	632,138.61	6,321,386.10	4,785,409.92	1,535,976.18	75.70	4,050,457.65	(18,381.13)
46. Romblon	1	18,793.52	187,935.20	80,768.90	107,166.30	42.98	99,150.03	15,992.37
47. Samar	1	69,967.10	699,671.10	198,360.82	501,310.28	28.35	182,368.45	(21,094.35)
48. Sorsogon	1	38,980.62	389,806.20	107,654.37	282,151.83	27.62	128,748.72	(3,282.43)
49. Southern Leyte	1	28,629.80	286,298.60	143,394.59	142,904.01	50.09	146,677.02	(16,434.84)
50. Sulu	1	26,816.71	268,167.10	126,340.25	141,826.85	47.11	142,775.09	4,757.17
51. Surigao del Norte	1	30,315.60	303,156.60	201,225.58	101,931.02	66.38	196,468.41	29,710.25
52. Surigao del Sur	1	22,781.79	227,817.90	188,070.50	39,747.40	82.55	158,360.25	14,104.68
53. Tarlac	1	119,074.98	1,190,074.98	721,450.42	468,624.56	60.62	707,345.74	20,199.23
54. Zambales	1	48,966.81	489,668.10	330,591.14	159,076.96	67.51	310,391.91	16,734.23
55. Zamboanga del Norte	1	48,587.01	485,870.10	217,072.74	268,797.36	44.68	200,338.51	31,038.79
56. Zamboanga del Sur	1	74,195.07	741,950.70	298,246.02	443,704.68	40.20	267,207.23	
<b>Total</b>		<b>P4,817,104,363.00</b>	<b>P47,723,223.13</b>	<b>P25,893,342.12</b>	<b>P21,829,881.01</b>	<b>54.26</b>	<b>P23,976,484.22</b>	<b>P1,916,857.90</b>
<b>Cities</b>	<i>Per cent</i>					<i>Per cent</i>		
1. Bacolod	1	P82,346.21	P823,462.10	P538,281.77	P285,180.33	65.37	P515,870.18	P22,411.59
2. Baguio	1	68,914.18	686,095.10	649,319.07	36,776.03	94.64	671,377.53	(22,058.46)
3. Basilan	1	27,542.40	275,424.03	133,545.16	141,878.87	48.49	136,877.42	(3,332.26)
4. Butuan	1	24,719.34	247,193.42	100,976.95	146,216.47	40.85	89,539.74	11,437.21
5. Cabanatuan	1	20,057.41	200,574.10	130,749.51	69,824.59	65.19	113,322.61	17,426.90
6. Cagayan de Oro	1	25,026.64	250,266.40	168,944.65	81,321.75	67.51	162,132.21	6,812.44
7. Calbayog	1	6,288.12	62,881.20	21,538.17	41,343.03	34.25	25,435.06	(3,896.89)
8. Cavite	1	21,732.04	217,320.40	145,057.95	72,262.45	66.75	148,680.74	(3,622.79)
9. Cebu	1	168,606.44	1,475,306.35	997,986.19	477,320.16	67.65	962,872.89	35,113.30
10. Cotabato	1	16,722.98	167,229.80	93,814.80	73,415.00	56.10	82,090.73	11,724.07
11. Dagupan	1	24,153.42	241,534.20	151,555.46	89,978.74	62.75	151,156.40	399.06
12. Danao	1	(a) 61,554.50	615,545.00	53,700.47	7,854.03	87.24	(a) 664,582.48	53,700.47
13. Davao	1	119,054.02	1,190,540.20	684,022.16	506,518.04	57.47	79,741.17	19,439.68
14. Dumaguete	1	12,911.00	129,110.00	78,811.51	50,298.49	61.04	79,741.17	(929.66)
15. Gingoog	1	10,187.70	100,987.00	82,344.39	18,642.61	81.54	65,774.47	16,569.92
16. Iligan	1	40,936.01	511,700.13	317,525.00	194,175.13	62.05	290,243.81	27,281.19
17. Iloilo	1	71,311.56	713,115.61	475,797.40	237,318.21	66.72	455,984.93	19,812.47
18. Lapu-lapu	1	(a) 344,524.55	3,445,245.50	43,627.51	300,897.04	12.66	(a) 59,728.77	43,627.51
19. Legaspi	1	13,146.55	131,465.50	61,009.72	70,454.63	46.41	59,728.77	1,280.95
20. Lipa	1	25,069.74	250,697.40	112,276.26	138,421.14	44.79	92,543.70	19,732.56
21. Lucena	1	(b) 1,160,189.64	11,601,896.40	88,219.82	1,795,051.97	46.84	(b) 1,139,044.14	88,219.82
22. Manila	1	4,083.18	40,831.85	4,379.50	36,452.35	10.73	3,469.00	1,684,394.24
23. Marawi	1	25,989.47	259,894.70	73,198.13	186,696.57	28.16	76,525.47	(3,327.34)
24. Naga	1	16,140.40	161,402.40	80,430.18	80,972.22	49.83	68,761.83	11,668.35
25. Ormoc	1	17,275.74	172,757.45	125,049.15	47,708.30	72.38	95,689.74	29,359.41
26. Ozamiz	1	133,710.00	1,337,100.00	1,251,494.00	419,892.38	74.88	1,248,945.98	2,548.02
27. Pasay	1	449,822.83	4,498,228.30	5,622,785.38	5,031,766.03	89.49	3,465,428.70	1,566,337.33
28. Quezon	1	72,220.28	722,202.80	46,336.70	25,886.10	64.18	45,842.42	494.28
29. Roxas	1	14,860.73	148,607.30	117,984.40	24,419.80	82.85	111,175.79	6,808.61
30. San Carlos	1	28,044.59	280,445.90	192,023.28	88,422.62	68.47	182,159.05	9,864.23
31. San Pablo	1	28,215.22	282,152.20	254,554.17	27,598.03	90.22	188,927.65	65,626.52
32. Silay	1	16,885.32	168,853.20	80,091.00	88,762.20	47.43	70,078.72	10,012.28
33. Tacloban	1	8,517.29	85,172.90	77,334.66	7,838.24	90.80	72,599.14	4,735.52
34. Tagaytay	1	7,679.23	76,792.30	108,587.80	91,004.07	83.81	61,026.15	29,777.92
35. Toledo	1	2,097.98	20,979.87	2,564.04	18,415.83	12.22	3,297.78	(733.74)
36. Trece Martires	1	37,732.44	377,324.40	229,922.38	147,402.02	60.93	227,711.57	2,210.81
37. Zamboanga	1							
<b>Total</b>		<b>P2,737,190,768.00</b>	<b>P36,983,096.28</b>	<b>P28,610,673.99</b>	<b>P8,372,422.29</b>	<b>77.36</b>	<b>P24,828,637.97</b>	<b>P3,782,036.02</b>
<b>Grand Total</b>		<b>P7,554,295,131.00</b>	<b>P84,706,319.41</b>	<b>P54,404,016.11</b>	<b>P30,202,303.30</b>	<b>64.34</b>	<b>P48,805,122.19</b>	<b>P5,698,893.92</b>

**NOTES:**

(a) The "Assessed Valuation" and "CY 1960 Collection" for the province of Cebu include those of the cities of Danao and Lapu-Lapu.

(b) The "Assessed Valuation" and "CY 1960 Collection" for the province of Quezon include those of the city of Lucena.



TABLE XV.—Comparative Statement on Real Property Tax Collection of Provinces and Municipalities for Fiscal Year Ended June 30, 1960 and June 30, 1961

Provinces	Rate of Tax	Real Property Tax Collection for FY Ended June 30, 1961			Real Property Tax Collection for FY Ended June 30, 1960			Increase (Decrease)			Percentage		
		Provincial	Municipal	Total	Provincial	Municipal	Total	Provincial	Municipal	Total	Provincial	Municipal	Total
	Per cent										Per cent	Per cent	Per cent
1. Abra	1	P52,150.09	P52,176.22	P104,326.31	P50,629.61	P50,644.61	P101,274.22	P1,520.48	P1,531.61	P3,052.09	P03.00	P03.02	P03.01
2. Agusan	1	104,482.80	104,573.79	209,056.59	103,767.14	103,529.11	207,296.25	715.66	1,044.68	1,760.34	00.69	01.01	00.85
3. Aklan	1	98,176.61	98,179.42	196,356.03	87,015.00	87,058.01	174,073.01	11,161.61	11,121.41	22,283.02	12.83	12.77	12.80
4. Albay	1	101,447.94	102,084.97	203,532.91	145,635.85	145,786.63	290,426.48	(44,187.91)	(42,705.66)	(86,293.57)	(30.34)	(29.49)	(29.92)
5. Antique	1	50,006.14	50,708.12	100,714.26	49,342.05	49,709.90	99,051.95	664.09	998.22	1,662.31	01.35	02.01	01.68
6. Bataan	1	189,951.45	191,218.28	381,169.73	147,799.84	148,529.20	296,329.04	42,151.63	42,689.08	84,840.69	28.52	28.74	28.63
7. Batanes	1	10,024.56	10,011.73	20,036.29	10,348.27	10,357.13	20,705.40	(323.71)	(345.40)	(669.11)	(03.33)	(03.32)	(03.23)
8. Batangas	7/s	477,938.96	650,281.38	1,128,220.34	479,238.63	671,199.04	1,150,437.67	(2,099.58)	(20,917.66)	(22,212.33)	(00.27)	(03.12)	(01.93)
9. Bohol	7/s	212,390.23	284,225.88	496,616.11	214,489.81	287,698.12	502,187.93	(2,099.58)	(3,472.24)	(5,571.82)	(00.98)	(01.21)	(01.11)
10. Bukidnon	1	122,534.81	122,127.85	244,662.66	116,090.81	116,078.11	232,168.92	6,444.00	6,049.74	12,493.74	05.55	05.21	05.38
11. Bulacan	1	490,708.11	492,215.90	982,924.01	513,837.50	512,539.11	1,026,376.61	(23,129.39)	(20,223.21)	(43,452.60)	(04.50)	(03.97)	(04.23)
12. Cagayan	7/s	264,446.69	364,733.35	629,180.04	214,853.72	341,265.76	556,119.48	49,592.97	23,467.59	73,060.56	23.08	06.88	13.14
13. Camarines Norte	1	128,663.55	124,699.95	253,363.50	114,769.86	117,719.38	232,489.24	13,893.69	6,980.57	20,874.26	12.11	05.93	08.98
14. Camarines Sur	1	216,077.24	217,639.54	433,716.74	196,785.54	199,042.96	395,828.50	19,291.70	18,596.54	37,888.24	09.34	09.34	09.57
15. Capiz	1	182,119.77	187,100.17	369,219.94	138,273.27	144,699.83	282,973.10	43,846.50	42,400.34	86,246.84	31.71	29.30	30.48
16. Catanduanes	1	18,556.93	18,623.43	37,180.36	25,500.42	25,424.17	50,924.59	(6,943.49)	(6,570.79)	(13,744.28)	(27.23)	(26.94)	(26.99)
17. Cavite	1	197,924.52	200,591.86	398,516.38	163,503.40	165,321.07	328,824.47	34,412.12	35,270.79	69,691.91	21.05	21.33	21.19
18. Cebu	1	425,306.77	425,750.72	851,057.49	472,949.61	472,994.48	945,944.09	(47,642.84)	(47,243.76)	(94,886.60)	(10.07)	(09.99)	(10.03)
19. Cotabato	1	507,979.34	633,011.96	1,140,991.30	371,113.54	462,709.99	833,823.53	136,865.80	170,301.97	307,167.77	36.88	36.81	36.84
20. Davao	1	575,903.21	640,903.93	1,216,807.14	593,998.81	681,771.21	1,275,770.02	(18,995.60)	(40,867.28)	(58,962.88)	(03.05)	(05.99)	(04.62)
21. Ilocos Norte	1	215,992.13	211,655.69	427,647.82	233,924.53	233,725.49	467,650.02	(2,917.07)	(22,069.80)	(40,002.20)	(07.67)	(09.44)	(08.55)
22. Ilocos Sur	1	210,453.67	213,903.23	424,356.90	164,936.60	177,288.86	342,225.46	45,517.07	36,014.37	81,531.44	27.60	20.31	23.82
23. Iloilo	1	386,843.71	399,293.60	786,137.31	362,065.32	356,175.63	718,240.95	24,778.39	43,117.97	67,896.36	06.84	12.11	09.45
24. Isabela	1	235,745.36	235,965.72	471,711.08	217,305.29	219,132.56	436,437.85	18,440.07	16,833.16	35,273.23	08.49	07.68	08.08
25. Laguna	1	441,639.45	459,990.71	901,630.16	556,604.60	484,465.37	1,041,069.97	(114,965.15)	(24,474.66)	(139,439.81)	(20.65)	(05.05)	(13.39)
26. Lanao del Norte	1	108,858.67	109,798.97	218,657.64	100,595.10	101,693.50	202,288.60	8,263.57	8,105.47	16,369.04	08.21	07.97	08.09
27. Lanao del Sur	1	31,401.72	32,987.73	64,389.45	28,829.80	29,127.76	57,957.56	2,571.92	3,859.97	6,431.89	00.89	12.25	11.10
28. La Union	1	267,261.33	251,910.91	519,172.24	214,013.68	214,160.86	428,174.54	53,247.65	37,750.05	90,997.70	24.88	17.63	21.25
29. Leyte	1	310,476.24	332,364.99	642,841.23	416,560.90	439,090.33	855,651.23	(14,918.87)	(8,671.05)	(23,589.92)	(03.58)	(01.97)	(02.76)
30. Southern Leyte	1	91,165.79	98,054.29	189,220.08	159,391.08	98,654.90	197,279.64	(18,927.94)	(18,960.62)	(37,888.56)	(19.19)	(19.23)	(19.21)
31. Marinduque	1	79,726.96	79,664.12	159,391.08	159,540.63	98,624.74	197,279.64	(18,927.94)	(18,960.62)	(37,888.56)	(19.19)	(19.23)	(19.21)
32. Masbate	1	164,993.61	171,118.16	336,111.77	226,210.20	168,219.61	327,760.24	5,452.98	2,898.55	8,351.53	03.42	01.72	02.55
33. Misamis Occidental	1	211,690.38	216,404.31	428,094.69	228,367.34	454,577.54	878,944.88	(114,519.82)	(11,963.03)	(26,482.85)	(06.42)	(05.24)	(05.83)
34. Misamis Oriental	1	170,318.18	209,294.19	379,612.37	202,870.10	243,906.06	446,776.16	(32,551.92)	(34,611.87)	(67,163.79)	(16.05)	(14.19)	(15.03)
35. Mountain Province	1	131,217.45	259,276.15	390,493.60	121,534.89	253,398.39	374,933.28	9,682.56	5,877.76	15,560.32	07.97	02.32	04.15
36. Negros Occidental	1	988,311.37	957,994.08	1,946,305.45	1,003,245.80	976,774.16	1,980,019.96	(14,934.43)	(18,780.08)	(33,714.51)	(01.49)	(01.92)	(01.70)
37. Negros Oriental	1	266,128.37	278,305.41	544,433.78	282,550.02	296,187.25	578,737.27	(16,421.65)	(17,881.84)	(34,303.49)	(05.81)	(06.04)	(05.93)
38. Nueva Ecija	1	544,940.16	543,849.22	1,088,789.38	534,767.95	541,461.04	1,076,228.99	10,172.21	2,388.18	12,560.39	01.90	00.44	01.17
39. Nueva Vizcaya	1	116,230.57	116,156.82	232,387.39	113,898.24	113,929.51	227,827.75	2,332.33	2,227.31	4,559.64	02.05	01.95	02.00
40. Occidental Mindoro	1	57,783.48	60,695.76	118,479.24	53,804.63	57,051.71	110,856.34	3,978.85	3,644.05	7,622.90	07.39	00.64	06.88
41. Oriental Mindoro	1	120,406.31	120,891.86	241,298.17	145,263.46	155,889.39	291,152.85	(24,857.15)	(24,997.53)	(49,854.68)	(17.11)	(17.13)	(17.12)
42. Palawan	1	56,651.38	57,805.41	114,456.79	62,258.93	56,967.93	119,226.86	(5,607.55)	837.48	830.93	(00.90)	01.47	(04.00)
43. Pampanga	1	673,014.14	684,159.48	1,357,173.62	550,776.63	570,100.90	1,120,877.53	122,237.51	114,058.58	236,296.09	22.19	20.01	21.08
44. Pangasinan	1	413,859.97	415,515.73	829,375.70	355,695.67	357,957.79	713,653.46	58,164.30	57,557.94	115,722.24	16.35	16.08	16.22
45. Quezon	1	737,848.50	775,001.41	1,512,849.91	761,027.42	766,981.12	1,528,008.54	(23,178.92)	8,020.29	(15,158.63)	(03.05)	01.05	(00.90)
46. Rizal	1	2,504,878.97	2,505,130.68	5,010,009.65	2,061,358.20	2,137,012.48	4,198,370.68	443,520.77	368,118.20	811,638.97	21.52	17.23	19.33
47. Romblon	1	51,136.72	53,887.59	105,024.31	66,032.03	70,935.20	136,967.23	(14,895.31)	(17,047.61)	(31,942.92)	(22.56)	(24.03)	(23.32)
48. Samar	1	186,734.02	197,394.23	384,128.25	153,920.50	163,276.94	317,197.44	32,813.52	34,117.29	66,930.81	21.32	20.90	21.10
49. Sorsogon	1	81,126.35	83,144.55	164,270.90	119,407.95	121,862.64	241,270.59	(38,281.60)	(38,718.09)	(76,999.69)	(32.06)	(31.77)	(31.91)
50. Sulu	1	84,806.87	106,102.24	190,909.11	90,940.48	113,680.87	204,621.35	(6,133.61)	(7,578.63)	(13,712.24)	(06.67)	(06.67)	(06.70)
51. Surigao del Norte	1	105,939.86	100,603.48	206,543.34	185,367.64	188,157.36	373,525.00	(2,820.19)	(3,024.19)	(5,844.38)	(01.52)	(01.61)	(01.56)
52. Surigao del Sur	1	76,607.59	84,529.69	161,137.28	874,279.74	422,236.72	852,140.62	12,065.45	10,073.67	22,139.12	02.86	02.34	02.60
53. Tarlac	1	434,302.17	439,977.57	874,279.74	178,125.16	178,274.20	356,399.36	10,626.63	10,493.71	21,120.34	05.97	05.89	05.93
54. Zambales	1	188,751.79	188,767.91	377,519.70	178,125.16	178,274.20	356,399.36	10,626.63	10,493.71	21,120.34	05.97	05.89	05.93
55. Zamboanga del Norte	1	158,228.77	158,966.05	317,194.82	158,035.65	158,006.37	316,042.02	2,193.12	959.68	3,152.80	01.41	00.61	01.00
56. Zamboanga del Sur	1	215,160.66	215,071.41	430,232.07	168,018.13	167,856.39	335,874.52	47,142.53	47,215.02	94,357.55	28.06	28.13	28.09
Total		P15,547,422.39	P16,395,891.76	P31,943,314.15	P14,778,315.43	P15,652,725.47	P30,431,040.90	P769,106.96	P743,166.29	P1,512,273.25	05.20	04.75	04.97



TABLE XIX.—Budget Operations Statement of Province and Sub-province for the Fiscal Year Ended June 30, 1961

Provinces	SUMMARY					INCOME							
	Gross fund balance at the beginning of the F. Y.	Total income	Total actual funds available for expenditure	Total expenditure	Gross fund balance at the end of the F. Y.	Internal Revenue allotment	Real property tax current year	Real property tax previous years	Residence tax	Taxes on agricultural products	Franchise tax	Special license tax	Weights and measures
1. Abra	P131,015.79	P371,076.37	P502,092.16	P324,614.00	P177,478.16	P96,129.40	P36,415.73	P2,695.80	P14,104.39	P9,324.05			P80.68
2. Agusan	(50,496.51)	337,557.34	287,060.83	334,536.95	(47,476.12)	105,253.92	17,414.47	60,946.13	7,123.77	8,491.49	P9.58		322.92
3. Aklan		415,896.59	415,896.59	658,536.44	(242,639.85)	198,783.80	41,931.61	31,141.53	3,785.68	15,703.24	703.06		216.57
4. Albay	(79,747.67)	946,761.64	867,013.97	810,328.40	56,685.57	385,764.12	61,632.33	14,451.73	33,175.38	32,667.94	1,405.83		652.95
5. Antique	252,430.74	556,868.86	809,299.60	679,787.51	129,512.09	259,200.76	30,879.01	6,299.51	22,291.05	21,882.90	257.34		304.00
6. Bataan	(33,973.60)	401,727.14	367,753.54	269,610.08	98,143.46	103,123.76	109,029.18	33,422.95	8,868.55	8,706.17	1,223.44		99.12
7. Batanes	3,264.86	144,906.48	148,171.34	142,835.51	5,335.83	10,802.92	6,275.94	1,236.18	102.88	426.70			14.45
8. Batangas	62,907.60	1,531,323.30	1,594,230.90	1,526,290.50	67,940.40	510,995.44	264,664.16	54,409.11	55,809.75	57,521.97	10,352.73	P453.12	
9. Bohol	2,465.86	1,187,893.35	1,190,359.21	1,165,270.20	25,089.01	614,303.40	78,228.53	63,516.37	52,829.56	51,862.25	439.30		1,228.20
10. Bukidnon	3,918.01	245,242.85	249,160.86	237,044.10	12,116.76	70,454.20	50,700.46	40,564.50	4,393.78	10.82			395.27
11. Bulacan	26,866.31	1,095,432.63	1,122,298.94	1,079,815.17	42,483.77	456,650.12	285,475.08	82,271.41	43,271.51	34,552.46	15,435.10		513.81
12. Cagayan	(316.46)	723,072.13	722,755.67	798,384.95	(75,629.28)	345,319.84	131,257.62	48,116.33	20,017.90	20,017.90	1,512.04		1,171.24
13. Camarines Norte	(56,110.18)	361,196.17	305,085.99	343,194.41	(38,108.42)	104,650.56	78,529.05	23,005.01	10,018.95	9,718.39	1,352.60		367.60
14. Camarines Sur	2,583.12	1,129,198.15	1,131,772.27	1,188,964.12	(57,191.85)	552,192.28	108,146.45	53,905.98	58,175.15	46,033.17	2,103.66		701.70
15. Capiz	6,874.14	490,689.50	497,563.64	484,492.78	13,070.86	235,923.28	66,427.40	69,715.34	20,289.20	19,917.69			95.62
16. Catanduanes	42,594.74	1,339,227.92	1,381,822.66	1,316,382.89	65,439.77	124,458.68	6,668.97	9,908.91	10,832.35	9,908.91	503.81		283.15
17. Cavite	168,383.83	2,241,597.09	2,267,836.09	2,260,887.83	6,948.26	1,019,429.24	105,528.29	41,136.16	2,119.06	8,790.01	2,792.70		288.39
18. Cebu	26,239.00	1,103,266.29	1,117,524.76	1,054,505.46	63,019.30	478,978.28	345,319.84	131,257.62	48,116.33	20,017.90	1,512.04		1,171.24
19. Cotabato	14,258.47	1,194,875.00	1,195,343.91	1,187,461.41	7,882.50	281,495.92	315,372.79	124,114.43	39,896.30	1,271.04			1,350.83
20. Davao	(53,601.52)	624,866.04	571,264.52	629,572.32	(58,307.80)	279,124.92	109,151.36	52,871.82	24,004.49	23,564.95	1,501.96		441.26
21. Ilocos Norte	101,369.01	1,136,351.82	1,237,720.83	1,149,886.94	90,83.89	71,916.26	176,538.09	36,765.14	26,692.02	19,033.07	3,862.44		513.74
22. Ilocos Sur	220,465.01	2,293,484.68	2,513,949.69	2,418,936.20	95,013.49	783,976.28	164,264.95	126,982.18	60,251.25	60,251.25	586.55		646.83
23. Iloilo	14.50	624,561.99	624,576.49	611,371.46	13,205.03	293,599.80	136,407.72	40,597.20	22,949.33	18,287.02	1,104.67		924.91
24. Isabela	106,787.32	974,138.13	1,080,925.45	960,281.26	120,644.19	300,611.88	251,558.35	78,273.87	31,580.23	31,003.63	9,213.20		508.81
25. Laguna		471,719.00	471,719.00	471,719.00		105,043.12	58,467.38	23,001.92	1,000.23	4,149.01	45.88		301.49
26. Lanao del Norte	(55,897.88)	363,529.83	307,631.95	629,049.96	(221,418.01)	204,135.90	20,331.35	2,810.39	18,391.30	18,054.55			26.28
27. Lanao del Sur	589.21	624,254.32	624,843.53	647,182.55	(22,389.02)	263,456.68	180,095.10	19,906.76	22,930.10	20,975.40	588.00		519.04
28. La Union	9.43	1,515,945.81	1,515,945.81	1,515,905.74	49.50	765,820.22	183,201.11	51,080.25	87,965.44	58,492.40	1,278.15		1,392.79
29. Leyte	(47,936.36)	230,432.48	182,496.12	203,037.45	(20,541.33)	95,272.44	38,928.98	20,752.38	10,135.93	7,484.23	509.73		310.70
30. Marinduque	8,719.40	631,278.93	639,998.33	621,472.12	18,526.21	234,343.68	89,762.76	35,164.94	32,106.84	24,857.17	876.83		419.80
31. Masbate	479.68	455,882.93	456,365.61	456,093.39	272.22	191,278.70	125,197.49	36,662.73	16,449.42	16,148.23	592.84		552.25
32. Misamis Occidental	3,456.35	613,650.32	617,106.67	616,105.09	141.58	263,916.22	109,648.26	18,036.75	15,069.83	16,029.80	221.29		663.98
33. Misamis Oriental	149,041.88	706,426.44	855,468.32	748,805.57	106,662.75	276,242.12	74,249.96	56,967.49	28,896.14	23,954.51	243.62		301.72
34. Mountain Province	(91,104.86)	2,441,563.04	2,350,458.18	2,130,358.64	220,099.54	907,338.68	592,338.68	155,739.49	80,038.16	78,121.51	1,635.16		883.47
35. Negros Occidental	37,192.28	830,688.57	867,880.85	804,759.25	63,121.60	420,196.88	145,927.98	51,195.86	36,572.09	33,454.44	489.32		842.05
36. Negros Oriental		1,092,778.01	1,092,778.01	1,092,778.01		465,351.68	211,369.01	197,426.07	40,019.85	39,287.03	2,137.24		595.51
37. Nueva Ecija		274,553.55	275,932.09	274,877.07	1,055.02	91,820.24	68,458.26	18,780.77	7,991.62	7,310.21			251.22
38. Nueva Viscaya	10,594.85	155,728.47	166,323.32	159,372.90	6,950.42	43,543.68	39,966.62	3,480.91	414.63	1,719.91	146.15		154.30
39. Occidental Mindoro	(77,216.56)	528,028.15	450,811.59	449,272.12	1,539.47	123,947.11	51,681.02	38,626.55	8,106.10	8,622.53	736.86		240.84
40. Oriental Mindoro	2,447.10	296,713.08	299,160.18	297,971.72	1,188.46	117,967.16	36,713.68	5,799.78	1,021.16	4,235.85	337.98		253.91
41. Palawan	(186,937.15)	1,474,421.68	1,287,484.53	1,440,886.96	(153,402.43)	462,423.44	411,929.71	93,804.31	52,424.81	49,241.31	25,088.33		507.54
42. Pangasinan	(353,691.82)	1,699,146.43	1,345,454.61	1,699,112.18	(353,657.57)	928,899.83	207,851.04	103,548.09	70,724.54	94,018.18	5,332.90		759.00
43. Pangasinan	28,224.94	1,233,790.11	1,262,015.05	1,229,435.73	32,579.32	444,838.76	353,766.32	199,775.87	35,850.80	33,973.40	8,447.01		1,325.03
44. Quezon	887,205.37	3,744,929.87	4,632,135.24	3,204,257.26	1,427,877.98	528,772.68	1,812,168.42	66,422.80	45,473.99	44,641.37	230,043.30		1,454.10
45. Rizal	1,694.96	185,466.63	187,161.59	233,822.49	(46,660.90)	120,791.16	19,809.61	19,577.26	1,045.64	4,337.40	176.40		289.81
46. Romblon	(220,483.00)	1,288,910.55	1,068,427.55	1,372,741.41	(304,313.86)	752,283.48	100,160.37	42,495.06	79,255.36	62,713.67	19.35		1,019.39
47. Samar	3,168.41	707,969.06	711,137.47	695,422.56	15,714.51	323,174.60	37,133.29	23,710.53	27,792.74	27,233.84	829.02		554.85
48. Sorsogon		536,886.72	496,395.94	496,395.94	40,409.78	208,222.24	11,538.17	59,591.09	12,207.76	12,985.50	280.71		518.70
49. Southern Leyte		465,894.08	509,026.81	474,829.92	34,196.89	267,326.28	48,468.04	18,315.57	22,989.84	22,568.88	1,837.00		377.65
50. Sulu	43,132.73	563,327.58	564,300.13	561,150.01	3,150.12	200,021.80	74,160.01	6,042.77	20,464.90	13,687.05	206.57		298.45
51. Surigao del Norte	972.55	284,779.83	284,779.83	284,779.83		122,047.76	52,915.34	4,523.50	8,025.48	10,558.33	63.53		444.32
52. Surigao del Sur		895,110.94	939,890.20	1,015,254.69	(75,364.49)	363,002.76	239,426.69	86,181.42	31,594.16	28,900.87	5,528.03		587.29
53. Tarlac	44,779.26	820,017.47	935,646.37	868,309.17	67,337.20	153,780.36	110,366.23	31,197.60	5,540.28	8,914.52	1,116.41		237.83
54. Zambales	115,628.90	468,687.35	487,316.65	469,581.69	17,734.96	202,846.90	66,030.18	66,292.10	19,804.17	16,378.88	345.97		537.75
55. Zamboanga del Norte	18,629.30	670,758.55	673,992.09	669,409.98	4,582.11	183,309.45	108,359.15	52,961.55	14,941.23	11,761.93	1,461.93		797.20
56. Zamboanga del Sur	3,233.54												
Total	1,225,972.33	48,626,622.98	49,852,595.31	48,363,894.85	1,488,700.46	17,759,892.91	8,696,470.49	3,020,320.37	1,632,018.83	1,529,636.70	351,400.17	453.12	31,786.24
Sub-provinces													
1. Aurora	428.91	49,906.41	50,335.32	49,258.15	1,077.17	17,735.64	13,810.80	7,493.43	1,453.53	1,336.86			55.48
2. Biliran	8,730.37	96,994.07	105,724.44	104,095.95	1,628.49	52,574.44	17,335.78	2,411.31	6,014.83	5,345.62			102.20
3. Camiguin	288.76	131,162.64	131,451.40	124,863.82	6,587.58	54,080.36	24,971.99	3,273.76	3,170.65	3,372.64			201.15
4. Siquijor	23,276.97	86,361.56	109,638.53	86,369.22	23,269.31	44,491.04	15,226.12	9,077.77	3,872.30	3,542.20			136.55
Total	32,725.01	364,424.68	397,149.69	364,587.14	32,562.55	168,881.48	71,344.73	22,256.27	14,511.31	13,597.32			495.38
GRAND TOTAL	P1,258,697.34	P48,991,047.66	P50,249,745.00	P48,728,481.99	P1,521,263.01	P17,928,774.39	P8,767,815.22	P3,042,577.14	P1,646,530.14	P1,543,234.02	P351,400.17	P453.12	P32,281.62



TABLE XIX.—Budget Operations Statement of Provinces and Sub-provinces for the Fiscal Year Ended June 30, 1961 — (Continued)

Provinces	I N C O M E													
	Taxes on Estate legacies, inheritance and gifts	Aliens registration fees	Other revenues	Penalties	Interest on deposits and investment	Tuition fees	Mining claim fees and rentals	Secretary's fees	Rents	Other incidental revenues	Receipts from public utilities	Receipts from markets and slaughter houses	Receipts from toll roads, bridges and ferries	Receipts from transportation
1. Abra	P20,640.91	P174.50		P1,361.20			P271.50							
2. Agusan	24,764.15			2,825.44			5,016.90	P596.90	P1,345.20	P1,103.67				
3. Aklan	30,054.80	327.40	P.40	4,092.69			1,301.97						P4,034.80	
4. Albay	64,838.43			2,950.06	P10,500.00			1,255.50	727.88	1,761.86				
5. Antique	41,425.81	270.70		1,498.61	2,101.00		1,348.50	316.90						
6. Bataan	36,035.95	99.40		2,814.44					152.40	98.89				
7. Batanes	816.17			163.24	236.25									
8. Batangas	297,733.48	1,546.40		7,169.03	49,923.75		792.60		75.00					P8,291.00
9. Bohol	138,178.78	1,080.65		6,189.00			404.07	2,712.55		2,633.85				
10. Bukidnon	6,449.47	484.90		4,400.30	13,976.68		634.50	353.26	3,318.25					2,095.04
11. Bulacan	116,271.14	810.30	1,445.98	11,443.98	22,079.75		4,984.41	1,642.90	395.20	1,043.15				
12. Cagayan	53,508.40		18.50	6,757.66	31,136.30		1,443.00	1,153.10						
13. Camarines Norte	36,397.56	1,051.70	30,506.19	2,828.32			5,046.00	1,134.20	3,786.78	3,822.60				
14. Camarines Sur	113,959.28	1,323.49	184.07	9,070.78	3,478.50		4,643.72	2,177.96	2,600.00					
15. Capiz	39,245.12		111.00	8,689.36	2,648.25	P250.50			130.00		14,961.12			
16. Catanduanes	19,771.09	232.30		894.05			1,047.73	238.40						
17. Cavite	16,823.36		3,684.76	5,436.04										
18. Cebu	261,056.99		1,668.05	9,236.80	28,510.75		1,260.00	1,464.01	45,078.22	26,320.61				
19. Cotabato	75,414.33	3,817.98		20,550.14			414.88	3,291.50	2,144.19	166.96				
20. Davao	41,836.17	5,198.58	540.64	19,441.87	50,701.04		30,025.29	3,003.42	1,043.85	112.70				
21. Ilocos Norte	44,746.56			7,229.71			3,702.00	578.15	1,737.10	1,226.15				
22. Ilocos Sur	97,584.11	812.10	106,029.53	6,406.25			225.00	3,009.65	3,666.10	147,111.20	P382,969.70			
23. Iloilo	110,279.27	11,625.55		15,584.80	6,648.75		1,506.65		1,865.00					
24. Isabela	60,629.90	2,281.30		6,685.58	24,500.00		373.72		175.00	6,614.91				
25. Laguna	81,846.53	2,021.00	85.54	12,135.34	17,500.00		329.00	764.45	900.66					10,928.66
26. Lanao del Norte	22,759.91	1,158.15		3,370.21				121.30						
27. Lanao del Sur	34,178.52	261.80		483.52				156.45						
28. La Union	41,831.54		2,209.23	4,252.25			325.50			12,222.42				
29. Leyte	171,825.28	979.78		12,083.30	3,528.00		1,127.25		882.41	75.23				
30. Marinduque	18,039.76	528.80	27.93	3,028.62	1,750.00		808.50	1,512.40	48.00					
31. Masbate	41,889.71	845.75		4,162.49	7,705.38		989.50	493.50						
32. Misamis Occidental	30,569.70	553.85	1,205.56	5,342.36	1,876.50		20.00							
33. Misamis Oriental	25,421.12	1,839.60		3,268.54	12,964.38		1,256.00							
34. Mountain Province	36,595.42	2,596.00	151,000.00	4,490.66	4,718.25		7,025.28	56.70	1,602.51	1,481.51				
35. Negros Occidental	150,895.72	24,931.62		20,113.07	6,578.40		3,366.00		5,175.82	1,521.03				
36. Negros Oriental	66,718.65	1,986.32		6,208.90	26,747.41		1,029.00	487.90	1,659.00					
37. Nueva Ecija	74,373.12	662.75		16,847.62			1,467.15	5,050.10	304.00					
38. Nueva Vizcaya	14,579.18	327.30		3,853.90			208.50	139.00		40,763.42				
39. Occidental Mindoro	3,291.76	148.02		1,944.92			1,390.22							
40. Oriental Mindoro	13,065.65	998.10		2,765.11			523.00	539.85		49,458.36				
41. Palawan	8,107.06	511.12	5,456.89	1,039.42	1,383.75	113.68	2,823.30	18.50	1,686.00	8.33				
42. Pampanga	159,850.88	1,567.80		12,221.33			750.80	1,410.50	1,440.39	289.60				
43. Pangasinan	124,565.02	1,270.30		12,495.21		3,300.25	1,663.45		1,248.85	2,569.01	43,481.26			
44. Quezon	66,571.83	3,904.20	955.45	23,479.01	4,937.81		1,913.65		1,063.95	2,927.35				
45. Rizal			92,611.31	41,961.32	37,250.00		5,086.97	3,448.85	500.00	3,186.62				
46. Romblon	8,327.38	236.30		1,611.56			778.01			3,120.00				
47. Samar	140,800.98	487.30	4,976.33	8,356.07	7,978.11		6,683.93	4,514.26	13.20	1,885.07				
48. Sorsogon	51,650.18			3,312.71			306.00	765.70		1,364.92				
49. Southern Leyte	18,469.20	631.30		2,420.26										
50. Sulu	42,724.45	1,773.20	14,929.74	2,821.04	9,918.25			601.46	4,791.93					
51. Surigao del Norte	33,343.01	912.70	1,846.33	1,609.38			3,658.90	835.45	142.04	14,029.87				6,490.00
52. Surigao del Sur	17,663.57	604.50	2,570.85	1,105.17			979.50	32.00						
53. Tarlac	65,848.29	1,716.15		10,319.82	10,500.00		1,257.08	1,628.01	1,671.96					
54. Zambales	237,796.07	1,252.52	26,869.42	4,621.49	3,500.00		12,426.04	831.30						
55. Zamboanga del Norte	28,918.71	969.10		5,980.84	3,370.50		1,620.75		218.40					
56. Zamboanga del Sur	58,486.65	898.90		5,727.53	2,828.25		5,497.80	1,152.50		3,593.74				514.30
Total	3,639,466.58	59,803.49	476,841.69	407,152.32	411,476.01	3,664.43	129,753.52	47,706.98	90,870.89	330,513.03	58,442.38	382,969.70	4,034.80	37,318.90
1. Aurora	2,718.89	109.00		830.60			3,596.50			162.00				
2. Biliran	12,086.94	129.20		699.58			15.00							
3. Camiguin	226.20		4,796.89	549.44										
4. Siquijor	7,064.27			1,223.96			6.00							
Total	22,096.30	238.20	4,796.89	3,303.58			3,617.50			162.00				
GRAND TOTAL	P3,661,562.88	P60,041.69	P481,638.58	P410,455.90	P411,476.01	P3,664.43	P133,371.02	P47,706.98	P90,870.89	P330,675.03	P58,442.38	P382,969.70	P4,034.80	P37,318.90



TABLE XIX.—Budget Operations Statement of Provinces and Sub-provinces for the Fiscal Year Ended June 30, 1961—(Continued)

Provinces	I N C O M E													
	Receipts from from other operations	Aid from National Government	Aid from Municipal Government	Municipal shares general revision fund	Loans from National Government	Repayment of loans	Return of advances to economic enterprises	Transfer between funds	Transfer of funds from old entity or sub-provinces	Sales of fixed assets	Income from sale of real property	Prior year adjustment	Inventory adjustment	Other receipts
1. Abra		P170,000.00		P2,944.15								P7,109.96		P9,824.10
2. Agusan		4,690.00			P68,000.00							7,571.65		22,081.15
3. Aklan		4,975.00				P13,480.00						62,343.40		3,020.64
4. Albay		331,710.00	P2,534.84							P8.00		93.96		370.83
5. Antique	P6,911.32	152,832.56										415.62		8,633.27
6. Bataan		1,770.00	1,153.10		75,000.00					722.00	P13,560.80	5,493.09		397.90
7. Batanes		114,888.00										8,539.52		1,403.73
8. Batangas		(17,000.00)										9,540.60		219,045.61
9. Bohol		116,688.82					P10,000.00					(602.69)		48,200.71
10. Bukidnon										8,48.97		42,319.51		552.80
11. Bulacan										222.97		7,135.86		9,787.50
12. Cagayan	1,711.05	30,000.00								41.00		29,960.99		7,506.35
13. Camarines Norte				1,772.22				P11,528.89		100.00		21,369.90		14,209.65
14. Camarines Sur		89,200.00						10,000.00				2,056.69		69,236.27
15. Capiz						1,400.00						12.44		10,873.18
16. Catanduanes		1,074,790.00						59,300.00				6,267.28		17,135.73
17. Cavite		273,000.00				168,000.00				500.00		9,208.69		
18. Cebu						3,100.00		50,000.00		289.25		142,418.60		22,108.05
19. Cotabato										274.70		50,636.03		2,729.89
20. Davao			12,000.00	30.10						668.02		231,664.26		4,537.16
21. Ilocos Norte		55,000.00										11,500.12	77.01	8,408.47
22. Ilocos Sur								37,251.78		35.45		7,938.67	56.00	7,935.59
23. Iloilo		300,000.00			532,800.00	5,062.54				37.60	4,090.04	74,113.48		24,376.37
24. Isabela				2,000.00						2,986.60		2,524.10		1,920.23
25. Laguna			5,481.41							671.41		42,795.91		86,928.25
26. Lanao del Norte		237,000.00										14,948.05		352.33
27. Lanao del Sur		50,000.00										14,699.57		19
28. La Union		5,042.03					25,589.72					16,120.58		8,189.97
29. Leyte		24,880.45	540.00		130,000.00	200.00				93.15		71.40		20,429.20
30. Marinduque		30,000.00										592.43		701.60
31. Masbate		116,000.00	26,119.80					2,000.00				1,127.76		12,412.97
32. Misamis Occidental			630.00	9,951.01				10,000.00		11.00		8,527.41		316.88
33. Misamis Oriental		50,000.00										183.20	9,185.00	85,914.62
34. Mountain Province		12,800.00				2,733.22						4,548.28		15,923.05
35. Negros Occidental		31,200.00			300,000.00					403.00		56,179.76		24,509.51
36. Negros Oriental		15,000.00			6,943.35			3,700.00		101.34		252.92		11,975.16
37. Nueva Ecija						15,000.00				2,602.90		10,893.92		9,390.01
38. Nueva Vizcaya			1,000.00							220.00		18,849.93		
39. Occidental Mindoro									28,629.85	523.00		29,612.66		761.84
40. Oriental Mindoro		30,000.00			75,000.00					77.50		116,874.19		6,265.28
41. Palawan		91,120.00	4,516.83									13,278.24		134.84
42. Pampanga		50,000.00	2,500.00							1,012.00		49,645.14	96,180.48	12,45.31
43. Pangasinan												96,374.43		21,00.07
44. Quezon		4,500.00								49.00		33,738.83		11,720.84
45. Rizal										1,028.87		13,252.24		817,536.03
46. Romblon												5,168.61		197.93
47. Samar					75,000.00							(376.08)		644.74
48. Sorsogon	2,153.93	162,000.00		1,678.83						24.30		34,066.94		10,166.60
49. Sulu		2,000.00								70.00		224.45		4,156.38
50. Southern Leyte		205,672.59												4,349.20
51. Surigao del Norte		42,140.00			50,000.00	2,815.98						60,206.14		30,416.23
52. Surigao del Sur		50,000.00												13,245.92
53. Tarlac		20,000.00						3,000.00				18,328.84		5,619.51
54. Zambales								865.00		662.40		890.24	217,021.03	2,128.73
55. Zamboanga del Norte		4,925.75										40,728.22		9,719.13
56. Zamboanga del Sur		77,500.00						3,064.10		6,913.08		2,689.64		128,299.51
Total	P10,776.30	P4,014,325.20	P56,475.98	P18,376.31	P1,312,743.35	P211,791.74	P35,589.72	P190,709.77	P28,629.85	P20,798.02	P17,606.84	P1,444,125.61	P322,519.52	P1,840,160.72
Sub-provinces														
1. Aurora												603.68		
2. Biliran												219.43		59.74
3. Camiguin		30,000.00												6,519.66
4. Siquijor						1,632.51						8.05		80.75
Total		30,000.00				1,632.51						831.16		6,660.05
GRAND TOTAL	P10,776.30	P4,044,325.20	P56,475.98	P18,376.31	P1,312,743.35	P213,424.25	P35,589.72	P190,709.77	P28,629.85	P20,798.02	P17,606.84	P1,444,956.77	P322,519.52	P1,846,820.77



TABLE XIX.—Budget Operations Statement of Provinces and Sub-provinces for the Fiscal Year Ended June 30, 1961—(Continued)

Provinces	EXPENDITURES										
	General Administration of Government	Government finance	Adjudication	Protective service	Social improvement	Economic development	Operation of economic enterprises	Inter-Government aids	Loans advances and transfers	Real property	Equipment
1. Abra	P66,993.90	P56,269.07	P21,207.52	P2,392.00	P13,482.73	P4,051.47		P4,452.20	P29,143.98	P125,885.93	P735.20
2. Agusan	132,162.63	113,053.76	21,787.90	6,536.13	32,425.53			10,300.00	12,500.00		5,771.00
3. Aklan	248,633.20	205,736.69	62,219.19		32,762.46			32,804.26	19,402.13	385.00	5,893.51
4. Albay	234,540.61	219,235.76	51,016.70	6,099.23	69,799.43	23,091.06	P700.00	30,584.20	92,078.22	68,495.53	15,387.66
5. Antique	137,658.85	141,278.53	23,498.21	5,104.54	52,373.22	5,656.76	9,511.28	48,071.62	53,574.81	194,988.17	8,071.55
6. Bataan	91,931.87	75,505.45	20,237.63	7,404.15	22,230.73			15,183.73	33,676.96		3,439.56
7. Batanes	44,521.84	55,950.50	11,808.40		9,845.00				15,951.37		4,758.40
8. Batangas	296,994.27	375,197.25	77,501.54	1,443.00	86,314.95	10,785.20	7,959.85	210,065.98	401,010.72	32,560.62	26,457.12
9. Bohol	326,451.47	332,018.54	43,903.97	17,093.33	106,580.45	48,640.28	5,074.15	100,847.70	169,061.05	5,920.99	9,678.21
10. Bukidnon	72,445.50	92,479.18	19,532.27	3,346.30	20,273.55	4,224.07		12,001.08	12,200.65		541.50
11. Bulacan	221,588.43	337,617.03	73,524.82	15,949.13	145,916.12	19,368.30		86,263.00	155,499.37		24,088.97
12. Cagayan	303,408.78	230,764.16	57,818.90	7,132.56	71,491.74	6,767.24		56,911.99	38,328.19		25,761.39
13. Camarines Norte	119,402.37	89,391.87	23,215.70		34,455.40			15,427.44	34,434.82	24,608.53	349.68
14. Camarines Sur	395,216.31	307,485.90	71,085.80	26,412.62	153,263.01	10,221.19		155,563.46		30,440.91	39,274.92
15. Capiz	130,047.58	116,019.09	42,464.18	7,946.40	79,823.07		19,482.16	50,244.28	32,618.50	246.00	5,601.52
16. Catanduanes	293,998.88	118,322.45	20,923.98	1,331.65	114,350.34		1,980.44	449,297.64	281,974.89	11,304.92	22,897.70
17. Cavite	231,078.61	176,711.69	47,683.52	11,320.10	44,181.10	11,699.81		300.00	106,342.28	368,591.05	985.00
18. Cebu	725,325.69	680,701.97	108,985.32	29,949.38	193,693.41	47,252.55		175,034.05	249,186.72	30,000.00	20,758.74
19. Cotabato	259,849.55	333,660.61	78,308.15	13,375.74	151,282.26			97,454.28	79,776.00	4,822.00	35,976.87
20. Davao	289,415.72	345,913.70	65,536.30	14,333.42	144,480.96	2,706.73		22,027.50	274,088.86	2,014.24	26,943.98
21. Ilocos Norte	214,721.26	189,287.65	40,569.99	2,998.73	60,770.78	9,139.76		27,931.52	72,907.03	4,494.27	6,751.33
22. Ilocos Sur	256,683.73	232,340.58	6,298.76	310,655.52	7,322.26	10,997.92	69,127.47	111,889.13	95,537.49	45,934.08	100.00
23. Iloilo	566,030.54	316,237.06	98,057.80	17,099.89	196,951.79			215,207.91	616,105.48	364,681.64	28,564.09
24. Isabela	202,531.68	172,006.66	41,415.76	9,702.34	76,658.56	2,980.90		49,210.48	50,756.55		6,108.53
25. Laguna	263,694.30	238,115.84	54,494.39		115,690.13	26,930.91	23,565.31	78,316.90	116,388.56	24,165.54	18,919.38
26. Lanao del Norte	180,717.22	135,381.94	31,946.68	30,610.75	46,396.65				26,544.76	250.00	19,871.00
27. Lanao del Sur	209,434.55	135,176.31	32,725.80	2,560.00	38,055.71				34,342.30		76,775.29
28. La Union	210,992.03	189,067.97	46,602.84		46,258.18	4,406.89		49,153.71	96,477.24		4,223.69
29. Leyte	295,461.19	368,149.77	94,880.22	27,517.62	232,166.92	5,324.20		138,421.16	327,755.66	23,084.93	3,144.07
30. Marinduque	58,229.95	76,816.60	14,797.52	17,307.22				9,956.92	25,913.84		15.40
31. Masbate	185,198.26	158,371.70	30,726.57	6,380.86	59,788.07	3,456.71		48,851.55	32,787.81	68,929.22	26,981.37
32. Misamis Occidental	185,383.31	106,196.12	26,232.84	4,309.83	42,189.26	3,856.00		20,185.06	56,175.65		11,565.32
33. Misamis Oriental	200,768.79	159,729.50	42,290.21	4,979.05	60,707.91	7,339.98		39,112.97	46,936.53	49,952.65	5,147.50
34. Mountain Province	156,289.17	178,303.10	30,138.17	20,867.54	82,113.11	2,265.63		26,816.87	219,442.18	3,383.51	29,186.39
35. Negros Occidental	449,795.75	507,026.81	118,804.76	39,886.48	265,079.42	25,434.63		224,003.84	492,748.71	7,246.24	332.00
36. Negros Oriental	212,470.10	180,566.79	48,381.27	16,489.84	94,275.09	40.00		104,502.24	112,374.60	19,507.93	16,151.09
37. Nueva Ecija	327,142.97	227,802.59	98,515.68		155,166.94	2,880.00	6,857.40	119,768.69	150,933.69		3,710.05
38. Nueva Vizcaya	143,609.72	64,613.31	20,955.75	1,539.60	34,300.65			6,000.00	3,000.00	549.04	309.00
39. Occidental Mindoro	64,364.03	47,956.51	17,591.27	1,831.63	14,575.86			4,819.99	7,711.48		522.13
40. Oriental Mindoro	163,366.86	86,959.61	24,559.56	2,307.70	43,541.25	3,049.80		15,265.63	108,925.04	650.00	736.46
41. Palawan	104,760.93	106,637.15	22,903.24		26,253.32			15,146.86	18,778.82		3,491.54
42. Pampanga	482,865.87	346,018.56	93,448.47	11,800.72	93,695.82	25,508.98		205,516.53	55,214.65		126,817.32
43. Pangasinan	461,092.92	389,121.84	139,642.55	1,469.00	115,381.34			205,685.95	354,860.86	2,074.08	29,783.61
44. Quezon	282,833.11	319,071.20	89,359.40	14,020.86	199,433.63	31,167.77		97,602.90	188,096.24		7,850.67
45. Rizal	668,454.16	559,999.02	133,304.92	16,713.73	275,036.28	354,698.82		257,949.02	650,080.81	201,608.25	86,412.20
46. Romblon	84,899.32	80,805.17	18,576.45	2,869.80	18,866.81			9,005.01	17,958.02		841.95
47. Samar	281,844.19	276,634.79	85,355.50		291,882.23	29,911.60	5,509.76	120,438.98	212,589.28	51,391.91	17,183.18
48. Sorsogon	240,428.90	173,259.53	32,893.80	9,521.54	111,988.99	4,463.97		46,990.25	65,887.66	1,397.12	8,591.25
49. Southern Leyte	178,426.72	96,647.57	17,909.44	7,232.89	42,026.27			30,794.17	21,204.13		102,154.71
50. Sulu	159,490.08	165,144.23	37,577.86	7,137.08	41,981.67			59,727.62	38,308.36	3,532.68	3,771.32
51. Surigao del Norte	187,620.91	176,174.94	28,720.57	6,063.24	59,117.42	8,294.50	11,445.87	39,662.17	18,620.50		2,209.37
52. Surigao del Sur	87,062.10	65,239.79	5,562.68	1,835.01	19,552.79	2,408.14		68,032.21	124,207.04	2,414.65	59,791.09
53. Tarlac	301,640.36	266,118.26	62,462.56	24,019.10	110,755.63	15,716.66		161,627.08	166,203.88	16.00	30,888.20
54. Zambales	242,841.93	174,740.27	33,762.41	5,008.00	40,252.53	2,493.00		25,965.93	84,220.15	2,135.19	41,364.09
55. Zamboanga del Norte	164,499.81	106,557.50	30,688.45	6,872.88	46,403.79			29,624.22	36,183.38		2,237.92
56. Zamboanga del Sur	285,650.63	204,375.11	38,506.31	5,120.38	44,869.05					11,238.11	13,842.77
Total	P13,391,963.38	P11,679,964.55	P2,732,920.45	P813,898.57	P4,838,531.57	P779,140.03	P161,213.69	P4,194,910.76	P6,902,842.83	P1,788,810.93	P1,079,698.09
Sub-provinces											
1. Aurora	16,888.64	6,537.58			8,460.09			4,004.01	12,321.83		1,046.00
2. Biliran	52,622.16	26,800.19			9,671.48			6,035.74	8,966.38		8,966.38
3. Camiguin	54,278.86	18,595.60		1,149.20	3,563.85	712.25		20,408.56	11,365.07		14,789.83
4. Siquijor	39,928.60	10,451.34			4,192.26			17,757.45	13,861.25		178.32
Total	P163,718.26	P62,384.71	P	P1,149.20	P16,216.20	P712.25		P51,841.50	P43,584.49	P	P24,980.53
GRAND TOTAL	P13,555,681.64	P11,742,349.26	P2,732,920.45	P815,047.77	P4,854,747.77	P779,852.28	P161,213.69	P4,246,752.26	P6,946,427.32	P1,788,810.93	P1,104,678.62



TABLE XX.--Budget Operations Statement of Cities for the Fiscal Year Ended June 30, 1961

## GENERAL FUND

Cities	SUMMARY					INCOME									
	Gross Fund balance at the beginning of the Fiscal Year	Total income	Total actual funds available for expenditures	Total expenditures	Gross fund balance at the end of the Fiscal Year	Internal revenue allotment	Real property tax current year	Real property tax previous year	Special assessment	Residence tax	Taxes on agricultural products	Franchise tax	Weights and measures	Municipal licenses	Taxes on estate legacies, inheritance and gifts
Bacolod	(P134,397.91)	P1,600,628.90	P1,406,280.99	P1,404,325.65	P61,905.34	P225,187.00	P274,227.17	P51,436.00		P19,365.88	P22,178.98	P22,456.04	P1,409.79	P409,902.51	P35,989.67
Baguio	51,522.68	3,505,506.33	3,507,029.01	3,394,169.89	162,859.12	930,298.00	544,649.89	141,983.51		1,714.34	3,785.76		557.10	266,165.15	9,561.52
Basilan	29,534.41	1,061,094.89	1,030,629.30	1,075,964.54	14,664.76	222,611.76	119,217.56	43,052.83		21,058.42	24,117.39	959.01	570.20	158,249.15	39,135.12
Butuan	54,464.11	1,181,076.39	1,235,540.50	1,110,872.51	124,667.99	63,834.60	83,123.72	24,814.59		2,529.72	4,748.52	1,871.11	632.70	588,007.54	10,751.89
Cabanatuan	12,032.89	549,048.60	561,081.49	573,821.75	(12,740.26)	107,780.36	62,985.70	24,697.63		9,269.02	10,615.42	24,924.35	173.55	59,933.92	17,225.61
Cagayan de Oro	136.68	1,130,965.15	1,131,101.83	1,130,926.10	175.73	209,812.58	130,882.67	56,607.61		6,246.64	7,751.63	13,047.26	571.20	143,016.33	9,450.58
Cubayog	(78,227.77)	333,834.79	365,607.02	429,985.12	(124,378.10)	176,502.88	19,695.13	8,646.53		15,362.08	16,393.87	1,076.00	196.85	38,178.84	24,405.79
Cavite	4,278.12	872,030.94	816,309.06	852,654.92	23,654.14	77,818.20	150,313.60	47,415.92		6,692.28	6,655.00	13,306.70	210.05	98,099.70	22,010.18
Cebu	53,022.98	6,624,912.21	6,667,935.19	6,363,335.54	314,599.65	371,869.76	840,116.71	114,818.22		35,978.92	30,602.12	83,501.00	1,750.70	3,410,111.36	225,094.87
Cotabato	11,778.98	532,813.54	534,592.52	659,818.11	(115,225.59)	32,366.52	46,671.81	64,858.10		1,897.60	2,354.78	6,586.45	643.92	115,369.35	2,870.89
Dagupan	1,701.44	876,568.51	878,269.95	871,729.94	6,540.01	97,323.80	122,778.37	31,321.09		8,369.76	9,585.57	26,512.76	218.90	121,796.98	15,554.42
Davao	84,546.00	3,069,033.38	3,116,579.38	3,07,420.82	83,158.56	202,110.28	451,820.74	153,148.69		20,105.40	19,341.22	27,262.72	2,494.72	1,471,629.87	73,453.74
Dumaguete	100,236.65	586,900.58	687,137.23	606,421.12	80,71.11	50,130.40	73,551.04	22,404.85		477.34	2,309.85	2,511.15	391.50	173,591.00	15,752.38
Gingoog		434,407.57	469,407.57	294,378.38	140,029.19	79,978.08	84,338.58	6,842.95		9,981.86	9,523.92	522.65	220.70	32,392.52	9,988.53
Iligan	9,090.87	788,890.13	387,981.00	740,654.33	57,326.67	61,085.44	250,802.70	22,444.04		4,500.00	5,500.00	3,000.00	260.40	293,42.97	5,500.00
Iloilo	343,284.39	5,495,334.79	5,878,619.18	5,064,160.51	774,458.67	288,672.30	466,420.20	200,740.82		42,556.76	45,415.28	36,904.10	969.70	1,999,187.94	162,742.27
Legaspi	(40,375.87)	946,129.66	915,753.79	879,452.13	26,301.66	95,204.92	64,380.11	13,889.11		8,500.00	9,200.00	7,329.43	199.10	111,661.75	9,300.00
Lipa	41,487.38	610,953.89	613,441.27	554,245.74	98,195.53	110,746.36	96,737.59	24,996.10		9,638.98	10,286.30	8,772.65	205.45	54,477.78	18,948.71
Manila	13,319,746.16	58,674,937.11	71,958,683.27	47,246,588.84	24,746,094.43	2,184,348.36	10,669,211.73	3,110,140.08		190,116.05	202,885.80	1,357,170.38	9,418.30	23,392,011.85	6,193,966.90
Marawi	4,273.35	215,438.43	219,711.78	214,244.15	5,467.63	43,640.08	1,730.41	848.11		377.78	1,828.04	498.37	64.90	27,862.96	3,161.17
Naga	202,195.25	954,314.08	1,136,509.33	972,496.70	184,012.63	113,504.80	56,104.77	22,340.58		5,080.80	10,229.98	10,455.55	196.60	221,910.89	16,580.59
Ormoc	12,790.87	448,140.89	460,931.76	450,999.99	9,931.77	130,773.72	72,642.74	19,367.02		10,080.00	15,400.00	7,350.00	206.00	54,812.92	22,100.00
Ozamiz	47,620.00	1,147,808.28	1,196,428.28	1,060,492.30	184,935.98	78,284.40	112,419.93	29,310.55		8,875.08	9,725.21	4,599.39	234.80	224,693.68	18,079.25
Pasay	115,573.11	7,253,320.43	7,366,893.54	7,334,759.09	34,134.45	196,983.04	1,344,351.27	194,193.22		16,940.38	19,401.12	128,904.14	700.75	577,008.88	1,602,244.05
Quezon	661,198.35	10,741,741.78	11,402,940.13	8,177,009.75	3,225,930.38	289,717.44	4,062,008.91	552,735.93	P688.75	20,863.96	22,265.33	500,542150	1,069.05	918,033.63	3,256,867.98
Roxas	340,078.41	561,969.78	901,048.19	726,651.10	175,397.09	71,826.20	47,831182	28,958.91		5,711.76	7,038.75	3,876.74	137.30	155,573.68	11,386.30
San Carlos	20.56	602,391.20	603,411.76	547,572.87	54,838.89	190,519.84	115,204.37	8,846.87		14,810.04	16,652.65	928.23	290.70	56,903.25	39,783.88
San Pablo	148,882.29	1,088,281.16	1,237,163.45	1,081,187.52	155,975.93	111,969.64	189,212.67	72,631.98		9,629.30	11,028.04	10,021.22	183.40	105,201.15	93,178.48
Silay	77,049.85	470,510.86	547,530.71	488,529.76	59,030.95	78,968.20	142,970.38	9,707.98		10,848.70	8,053.37	1,771.30	171.70	42,096.65	7,987.55
Tacloban	18,870.94	938,357.75	952,228.69	949,665.55	2,563.14	100,838.16	60,864.62	34,422.92		6,000.00	16,000.00	11,694.30	486.20	300,393.14	35,282.41
Tagaytay	109.15	215,185.60	216,294.75	184,947.52	30,347.23	11,617.64	50,849.89	57,652.36		109.58	486.68		2.75	1,942.25	798.44
Toledo	9,115.65	347,217.83	313,333.48	339,443.43	16,890.05	84,580.48	86,802.04	4,444.49		8,743.28	8,091.22	474.97	164.35	13,273.33	18,211.10
Trece Martires	3,933.24	23,519.94	27,153.18	22,764.33	4,688.85	3,865.50	2,647.95	2,421.96		419.76	400.50			420.04	420.04
Zamboanga	36,454.00	1,412,825.86	1,449,279.86	1,348,344.36	100,935.50	229,371.84	138,019.39	24,227.66		25,043.70	15,702.47		078.40	433,008.73	108,122.37
Total	P15,542,027.21	P115,341,091.23	P130,883,118.44	P100,225,034.36	P30,658,084.08	P7,454,142.28	P21,151,586.18	P4,226,369.21	P688.75	P557,886.03	P605,554.77	P2,318,830.47	P25,021.73	P36,369,539.65	P12,136,906.68



I N C O M E

Cities	Aliens registration fees	Other revenues	Penalties	Interest on deposits and investment	Fines violation of Forest Laws and registration	Tuition fees	Mining claim fees and rentals	Building permit fees	Secretary's fees	Cattle registration fees	Electrician's fees	Boiler inspection fees	Gas inspection fees	Milk and meat inspection fees	Marriage license and solemnization fees	Fisheries	Rents
1. Bacolod	P2,282.60	P24.24	P19,042.85		P175.02				P3,183.55	P3,150.00	P9,021.57	P6,063.72		P12,417.10			
2. Baguio	1,881.60	56,049.94	18,867.88	P17,000.00	792.63		P58.50	P14,472.37		7,622.00	5,996.15				P670.00		P56,591.82
3. Basilan	993.00	28,822.90	5,888.51		570.46			3,871.66	5,966.89	4,703.00		439.00		6,137.49	1,166.81	P2,702.50	22,093.68
4. Butuan	770.05	51,771.29	9,963.59		1,481.16			981.00	17,793.75	2,236.00					1,098.00	134.19	9,697.11
5. Cabanatuan	576.10		5,946.41		169.04			4,488.90	3,945.90	3,945.00							3,471.21
6. Cagayan de Oro		22.20	16,323.22			576.00		2,635.00	3,174.20	6,255.00	2,713.30	3,314.36		4,211.30	1,182.00	191.00	2,795.00
7. Calbayog	386.40		2,107.46		48.97	18.00		2,349.00		639.00					744.00	1,489.15	1,489.90
8. Cavite	725.80		11,706.76					9,435.90		18.00						995.00	144.80
9. Cebu	4,968.77		50,713.29		3.15	125.52		83,024.09	2,223.75	28,110.00	41,336.00						4,046.43
10. Cotabato	2,152.75		5,564.43		18.38	85.30		3,989.00	981.28	1,117.00	2,787.22				364.00	6,361.20	
11. Dagupan	776.80		9,371.08					5,768.13	3,643.00	187.00	4,447.40	976.40			664.00	6,222.33	
12. Davao	7,576.80		37,906.94				1,941.60	40,066.73	2,179.30	6,160.00	8,035.75		P7,263.70			162.50	860.00
13. Dumaguete	1,760.40	3,186.76	7,189.32					2,299.10	3,171.40	1,081.00	484.50				410.00	185.00	97.00
14. Gingoog	336.80		2,157.62					570.61	1,572.12	299.00					498.00	111.40	
15. Iligan	774.00	295.15	9,137.74		245.93	444.31		3,535.14	2,411.45	992.00	1,601.60				739.00	150.00	717.36
16. Iloilo	3,135.80		25,158.29	21,000.00	764.41	P108,546.07		16,612.62	8,815.15	1,319.00	26,149.71				1,666.00	1,497.40	1,085.30
17. Legaspi	486.40		5,570.22					7,441.89	273.00	2,531.00				1,416.55	532.00	2,545.82	220.16
18. Lipa		225.40	8,189.21		19.32	34.90		661.37	393.50	7,214.00				4,146.12	870.00		
19. Manila			271,498.37		3,596.63			636,928.89	219,532.05	106,731.00	441,452.74	355,925.03	820.00				462,984.66
20. Marawi	93.20		158.46		3.88			315.93	199.00	1,692.00					87.00		5,717.15
21. Naga	1,156.40		9,469.49			1,313.57		6,140.31	3,293.50	3,293.50	3,325.10				504.50		412.00
22. Ormoc		925.95	4,625.71					690.42	3,693.20	2,232.00					638.00	20.00	
23. Ozamis	824.70		8,796.51					2,513.00	209.80	1,594.00	564.10			6,682.50	671.00	446.50	20.00
24. Pampanga	3,185.10		65,515.14	831.05				19,787.30	5,117.10	3,720.00	23,546.64		9,799.20		4,974.00		79,125.81
25. Quezon	2,236.40		131,530.57	17,465.00				383,149.40	6,233.16	410.00	124,142.34						
26. Roxas	247.86	53,950.05	6,618.82					1,396.37	291.50	900.00					576.00	328.50	4,862.84
27. San Carlos	450.20		1,705.07		1.50	36.00		721.82	615.45	1,674.00	2.00				1,002.00	399.00	182.91
28. San Pablo	679.80	55,314.46	19,247.43					8,615.50	1,598.50	898.00					796.00		3,912.50
29. Silay	216.70		2,935.93					1,229.41	543.50	1,330.00	550.00				345.00	110.00	770.85
30. Tacloban			9,399.99		8.80			2,848.14		3,563.00	1,022.20				566.00		6,693.57
31. Tagaytay			6,579.77	1,305.63				867.04	39.00	115.00					116.00		1,633.00
32. Toledo	244.80	75,525.97	1,040.89			1,538.25		74.47	170.50	2,243.00				384.30	662.00		28.23
33. Trece Martires		18.00	195.26						98.00	104.00					116.00		
34. Zamboanga	6,620.74		13,785.81			1,032.00		6,661.64	11,634.30	4,975.00						1,213.50	21,370.50
Total	P45,539.97	P326,132.31	P803,968.04	P57,601.68	P7,829.89	P108,546.07	P7,536.51	P1,274,144.15	P310,191.30	P213,052.50	P697,178.32	P366,718.51	P17,882.90	P35,395.36	P21,657.31	P25,264.99	P691,023.79

I N C O M E

Cities	Impounding and sales of stray animals	Court collections	Sheriff's fees	Berthing fees (P.T.M. 52)	Other incidental revenues	Receipts from public utilities	Receipts from markets and slaughterhouses	Receipts from transportation	Receipts from cemetaries	Receipts from other operations	Aid from National Government	Aid from Provincial Government	Loans from National Government	Transfer between funds	Sales of fixed assets	Income from sales of real property
1. Bacolod		P10,293.58			P61,764.06		P259,578.63			P3,635.12	P11,397.00	P50,000.00			P14,860.76	
2. Baguio	P334.60	10,755.21					522,287.76			45,164.56	334,248.50		P100,000.00	P170,950.00		P227,644.54
3. Basilan	132.80	4,012.90	P431.65	P14,044.14		P65,193.60	88,197.30				30,321.01		70,000.00	10,264.00		
4. Butuan	3,643.05						141,964.27			3,281.00			6,582.25		191.64	
5. Cabanatuan	1,759.65	4,006.50			999.95		174,929.04									
6. Cagayan de Oro	1,511.25	4,979.93					162,649.16									
7. Calbayog		2,183.35	1,061.65	480.10			57,000.40								500.00	
8. Cavite	5.00	2,566.04					958,966.98				40,000.00				30,313.00	
9. Cebu		36,573.82			26,082.61		124,009.01	P3,029.70	P276.50	158,984.50					90.00	
10. Cotabato		2,589.05					185,034.73	32,696.40	497.80							
11. Dagupan	252.00	4,867.14	336.41		5,422.71		347,346.17								191.80	
12. Davao	530.50	10,949.94			40,686.81		422,765.49		4,735.50		4,966.70	500.00			61.88	
13. Dumaguete	206.00	2,156.90			1,613.71		167,858.79				2,800.00				58.92	
14. Gingoog	402.50			1,089.00	1,834.58		20,850.84				140,154.00			29,258.80		
15. Iligan	139.05	1,090.50			3,722.48		47,271.75								473.90	15,000.00
16. Iloilo	60.00	19,169.79	1,708.60		16,522.43		394,962.44	47,794.55	3,769.50		394,185.00	13,500.00	217,959.47	607,499.92	1,804.69	
17. Legaspi	145.00	1,972.87	72.00	1,214.64			96,458.26				416,949.79				279.41	
18. Lipa		2,593.16			4,672.00		223,353.47									
19. Manila	11,694.45	873,713.85	86,203.45		243,662.00		5,378,808.03		206,318.43	104,699.20				14,705.75	85,661.69	
20. Marawi		4,146.40			379.39		90,366.80				5,500.00				10.70	
21. Naga	152.50	4,566.25	1,169.71		3,543.30		272,212.59				90,000.00		216.80		1,264.00	
22. Ormoc	45.00	431.00		3,580.30	4,149.39		89,397.15							500.00		
23. Ozamis		2,051.95	175.50		9,957.58		55,918.75		9,050.00		46,297.00		520,000.00		101.95	
24. Pampanga		30,780.32	2,197.90		7,245.14	41,841.07	640,789.64						2,100,000.00			
25. Quezon	1,989.26	68,383.75	15,419.49		83,047.89		311,545.15								16.00	
26. Roxas	181.00	1,808.00			14,266.02		82,353.14									
27. San Carlos		345.50	28.90		586.30		76,447.90		1,102.00		42,081.00	300.00				
28. San Pablo		5,565.18					221,143.96				53,799.00	3,202.50		15,116.45		
29. Silay		1,224.70	165.25				70,421.84		1,420.00		6,500.00		80,000.00		16.00	
30. Tacloban	639.95	897.50					212,023.37									
31. Tagaytay		96.50					20,191.35				19,197.67		60,000.00			48,504.00
32. Toledo	11.50				186.00		12,231.14									
33. Trece Martires							16.60					12,000.00				
34. Zamboanga	2,256.74	7,577.05			49,684.57		336,777.65		610.00		15,297.00			18,600.00		
Total	P26,091.80	P1,122,348.63	P109,059.01	P29,594.18	P599,892.42	P107,034.67	P12,266,129.55	P89,620.65	P227,773.73	P315,764.38	P1,774,113.95	P79,502.50	P3,154,758.53	P866,894.93	P85,896.24	P291,148.54



TABLE XX.—Budget Operations Statement of Cities for the Fiscal Year Ended June 30, 1961—(Continued)

Cities	I N C O M E				E X P E N D I T U R E S										
	Prior year adjustment	Inventory adjustment	Other receipts	Rec. (Pre-war Dep. PNB) Gen. Fund	General Administration of Government	Government finance	Adjudication	Protective service	Social improvement	Economic development	Operation of economic enterprises	Inter-Government aids	Loans advances and transfers	Real property	Equipment
1. Bacolod	P10,006.58	P13.87	P61,565.61		P177,870.62	P186,756.50	P61,895.27	P662,978.55	P37,587.27	P36,168.29	P111,180.04	P59,640.00	P35,530.86	P23,848.90	P10,869.35
2. Baguio	3,256.14		12,147.15		335,005.68	311,406.24	121,064.49	674,267.56	155,435.09	103,513.94	299,585.54	179,273.50	1,050,092.36	18,596.18	145,929.31
3. Basilan	27,005.85		39,164.30		206,777.40	114,331.37	51,800.60	292,846.07	48,551.76	35,422.54	195,651.51	500.00	195,513.16	1,969.17	21,600.96
4. Butuan	47,829.84		8,745.81		191,537.61	130,857.53	41,598.77	317,790.36	23,570.46	88,324.98	37,798.19	11,473.73	153,000.00	87,325.49	27,595.39
5. Calanatuan	1,111.06		12,671.28		105,621.42	79,434.72	36,718.95	225,069.38	30,118.37	14,944.44	38,438.81	12,000.00	8,725.57	21,657.82	1,092.27
6. Cagayan de Oro			520.11	P27,795.25	152,924.58	117,499.61	40,634.68	336,140.32	36,967.05	57,272.07	53,911.74	68,273.95	246,972.40	7,524.58	12,805.12
7. Calbayog	9,546.23		791.35		108,060.14	106,790.35	20,098.74	127,294.36	23,977.13	5,263.89	2,976.21	15,000.00		2,207.00	18,317.30
8. Cavite	43.56			139,408.41	103,766.50	88,797.21	43,256.64	251,659.30	44,721.64	12,779.43	95,799.30	45,000.00	153,434.50	12,710.00	730.40
9. Cebu	(2,505.52)	58,940.91	52,272.66		2,508,838.24	669,562.78	142,218.25	1,868,033.66	86,856.53	146,355.87	187,571.19	113,673.05	341,406.65	207,801.59	91,017.73
10. Cotabato	88,913.62		14,839.17		112,907.58	134,905.32	32,951.39	205,221.26	25,182.09	15,614.75	45,683.75	20,805.50	35,347.18	26,510.01	4,689.28
11. Dagupan	607.93		53,068.64		93,244.79	111,408.38	31,878.63	272,041.58	57,702.63	13,498.08	91,115.90	19,626.81	180,692.24	387.45	133.45
12. Davao	27,178.51		23,137.35		372,599.19	387,774.18	128,970.88	958,288.05	101,956.62	138,164.47	193,762.76	13,876.48	715,516.05	44,636.61	14,875.53
13. Dumaguete	23,591.89		27,630.38		107,070.65	73,226.38	29,824.27	164,995.91	31,617.92	32,930.29	46,521.51	41,480.99	29,866.20	38,984.43	9,902.75
14. Gingoog	1,075.91		406.60		81,840.45	43,997.01	16,212.49	63,986.00	5,146.82	3,702.55	12,896.85	4,000.00	14,374.89	34,998.25	13,273.07
15. Iigan	3,524.28	18,060.84	26,427.10		110,564.73	122,495.24	33,666.50	236,528.37	36,511.01	31,071.13	13,630.74		126,300.68	24,395.17	5,490.76
16. Iloilo	347.37		136,527.35		574,923.07	256,537.31	109,303.36	1,054,060.66	1,197,799.79	357,223.95	283,817.61	71,254.77	630,519.00	404,970.00	123,750.99
17. Legaspi	66,111.33		22,076.90		132,356.38	86,752.09	40,153.16	115,324.99	170,142.58	211,609.26	64,643.51	5,179.89	12,105.52	27,761.15	13,423.60
18. Lipa	7,796.41		15,975.20		80,756.55	116,118.74	18,638.98	117,620.88	15,166.38	34,437.03	58,466.97	15,600.00	77,556.64	2,607.07	17,276.50
19. Manila	2,546,440.54		254,291.00		3,753,394.19	1,738,257.25	1,584,820.67	17,006,713.44	3,030,081.69	621,719.74	2,489,291.46		14,819,383.38	857,532.21	1,329,394.81
20. Marawi	18,885.00		7,931.70		48,923.53	32,354.84	23,902.93	61,428.08	3,644.34	818.89	13,653.90	10,212.44	6,453.72	5,761.92	7,089.56
21. Naga	35,394.25		63,775.25		197,139.22	101,409.98	44,431.12	249,694.11	48,310.43	39,280.42	91,155.59	23,600.00		161,761.41	15,759.42
22. Ormoc	5,322.68		83.64		92,930.38	61,325.05	21,809.75	169,035.20	20,450.79	12,858.60	22,809.87		23,453.22	19,408.46	6,872.67
23. Osmis			3,835.20		134,820.82	72,324.38	29,813.23	161,819.82	22,095.10	12,012.13	32,450.89		88,504.98	495,879.00	10,771.95
24. Panay	94,941.59	28,311.08	1,837.50		1,738,973.56	605,510.36	152,678.82	796,443.25	373,366.24	83,870.23	228,326.28		674,077.04	2,560,486.62	121,026.69
25. Quezon	20,510.76		869.13		603,800.78	500,787.62	340,750.54	2,861,920.29	477,908.27	100,749.63	125,091.82		2,796,231.76	115,230.66	254,538.38
26. Roxas	4,755.22		14,732.00		99,146.68	65,467.23	27,275.37	156,454.38	24,729.73	17,471.39	26,604.44	3,000.00	76,500.39	224,105.56	5,895.93
27. San Carlos	497.14		535.83		110,825.94	99,589.99	18,664.40	113,522.22	37,257.35	6,281.49	59,746.43	3,000.00	6,320.72	38,844.65	53,519.68
28. San Pablo	17,807.18		57,130.77		145,262.58	161,009.91	36,963.27	181,945.36	22,333.18	2,400.00	48,079.78	70,902.52	376,381.70	17,181.16	18,728.06
29. Silay	81,294.11		4,175.47		71,207.27	56,167.83	20,529.49	120,288.46	20,363.50	8,055.95	34,789.65	30,761.46	108,036.73		18,329.42
30. Tacloban	13,494.43		23,107.95		126,830.31	110,937.62	42,407.00	318,111.49	1,992.02	62,069.98	45,129.28	58,661.76	143,198.68	3,540.85	36,786.56
31. Tagaytay	1,717.02		10,522.17		35,014.16	36,203.13	10,247.89	29,672.32	12,226.70	600.00	14,284.66		39,128.99	7,115.25	454.42
32. Toledo	14,554.27		12,972.61		105,454.22	41,294.00	13,766.61	58,473.35	9,896.92	4,853.75	10,791.58	12,000.00	3,000.00	31,422.93	48,410.07
33. Trece Martires	794.67				155.16	171.11	467.84	21,970.22							
34. Zamboanga	(54,745.20)				188,721.52	177,300.17	46,008.60	500,386.93	72,600.27	60,483.32	64,607.87		196,475.61	26,512.48	15,247.59
-Total-	P3,117,104.65	P105,326.70	P963,767.18	P167,203.66	P13,009,265.90	P6,998,761.43	P3,415,423.58	P30,751,976.18	P6,306,267.67	P2,371,822.48	P5,051,265.63	P908,796.85	P23,364,146.82	P5,571,629.03	P2,475,678.79



TABLE XXI.—Budget Operations Statement of Municipalities (Consolidated by Province and Sub-province) for the Fiscal Year Ended June 30, 1961

(General Fund)

Provinces	S U M M A R Y					I N C O M E								
	Gross fund balance at the beginning of the Fiscal Year	Total income	Total actual funds available for expenditures	Total expenditures	Gross fund balance at the end of the Fiscal Year	Internal revenue allotment	Real property tax current year	Real property tax previous year	Residence tax	Taxes on agricultural products	Franchise tax	Weights and measures	Municipal licenses	Taxes on estate legacies, inheritance and gifts
1. Abra	P6,564.99	P269,569.10	P276,134.09	P264,811.75	P11,322.34	P22,576.32	P39,767.94	P12,351.36	P8,224.44	P5,946.73	P1,198.39	P97.20	P22,118.10	P29,919.19
2. Agusan	(2,532.15)	509,587.73	507,055.58	502,815.56	4,240.02	32,890.95	85,813.60	18,760.19	2,323.10	4,961.68		322.92	131,695.10	64,138.83
3. Aklan	26,847.24	637,160.57	664,007.81	618,883.93	45,123.88	47,883.29	56,908.13	41,619.44	3,795.68	12,312.24	2,082.15	216.58	64,315.00	59,824.49
4. Albay	(65,625.62)	889,739.19	824,113.57	878,990.21	(54,876.64)	83,384.95	80,827.49	21,257.48	18,413.57	5,525.16		663.60	121,536.48	90,426.53
5. Antique	35,989.31	656,314.05	692,303.36	637,024.73	55,278.63	60,873.75	36,669.86	14,038.26	22,291.05	17,110.08		304.00	33,327.97	82,943.05
6. Bataan	50,012.87	668,543.14	718,556.01	617,992.34	100,565.67	24,218.78	167,468.95	23,492.43	6,979.59	6,477.95	3,516.07	99.23	50,042.70	72,273.24
7. Batanes	(27,931.47)	47,409.84	19,478.37	45,569.00	(26,090.63)	5,078.52	8,729.34	1,269.39	102.88	334.56		14.45	3,871.61	1,633.36
8. Batangas	118,920.97	3,139,255.22	3,258,176.19	3,112,922.34	145,253.85	120,008.20	540,957.67	109,150.08	18,409.75	23,131.95	10,410.92	450.37	142,543.78	868,163.53
9. Bohol	109,877.45	2,014,016.93	2,123,894.38	1,927,179.45	196,714.93	144,270.39	213,724.23	70,501.65	52,829.56	40,550.73	1,168.30	1,228.20	316,060.59	202,096.72
10. Bukidnon	17,720.41	355,392.42	373,112.83	349,363.98	23,748.85	33,092.52	70,505.02	50,823.41	4,109.24	3,466.36	32.45	395.28	92,038.18	13,299.36
11. Bulacan	71,441.70	2,437,442.81	2,508,884.51	2,402,346.80	106,537.71	107,244.94	388,238.73	100,860.04	39,271.51	30,143.89	44,944.93	513.82	344,719.24	233,071.40
12. Cagayan	161,794.68	1,639,764.52	1,801,559.20	1,560,354.41	241,204.79	81,098.93	271,423.99	93,301.16	12,440.91	15,632.09	4,536.12	1,171.26	221,794.32	107,401.16
13. Camarines Norte	(50,486.80)	727,568.81	677,082.01	692,437.81	(15,355.80)	24,599.53	69,465.54	55,235.71	10,018.95	7,142.12	4,057.79	367.60	121,095.25	72,675.19
14. Camarines Sur	11,229.89	1,320,426.97	1,331,656.86	1,290,939.28	40,717.58	129,683.16	119,033.79	97,734.66	58,175.15	36,033.45	6,252.99	702.30	139,169.14	248,085.45
15. Capiz	59,852.69	584,975.96	644,828.65	555,783.35	89,045.30	55,406.92	95,153.53	92,924.58	20,289.20	15,573.50		97.23	30,067.65	78,561.88
16. Catanduanes	12,403.88	371,771.72	384,175.60	379,457.17	4,718.43	29,229.35	10,750.01	7,794.36	12,135.13	6,519.08	854.48	283.15	53,609.25	54,359.46
17. Cavite	63,019.26	895,910.57	958,929.83	858,378.30	100,551.53	94,142.75	151,978.32	47,449.01	11,393.44	13,996.61	14,849.70	288.42	64,838.48	54,931.70
18. Cebu	202,565.88	2,501,213.19	2,703,779.07	2,251,587.50	452,191.57	238,444.41	371,672.01	54,078.71	167,095.60	101,544.70	19,471.87	1,924.50	436,504.01	516,496.54
19. Cotabato	(114,534.47)	2,457,272.42	2,342,737.95	2,159,315.39	183,422.56	100,837.05	207,484.36	425,527.60	40,580.10	31,148.33	6,580.66	1,243.63	564,951.59	150,828.65
20. Davao	55,018.00	2,395,773.39	2,450,791.39	2,390,332.65	60,458.74	65,078.58	406,672.07	223,943.47	8,117.11	16,148.54	3,366.45	1,338.08	731,727.13	72,206.04
21. Ilocos Norte	77,227.69	1,022,930.84	1,100,158.53	1,014,618.77	85,539.76	65,279.63	151,825.33	73,091.11	21,850.47	17,485.24	4,505.90	445.54	108,053.27	70,589.94
22. Ilocos Sur	110,658.88	1,046,317.37	1,156,976.25	1,055,602.64	101,373.61	59,512.99	155,242.25	21,805.74	24,135.83	19,950.84	820.47	534.49	89,234.05	50,847.91
23. Iloilo	119,853.79	2,438,680.93	2,558,534.72	2,395,789.78	162,744.94	184,118.15	232,040.31	167,253.29	46,189.99	38,897.50	1,904.25	643.72	203,028.83	256,541.85
24. Isabela	30,330.35	1,221,889.74	1,252,220.09	1,222,078.06	30,142.03	68,952.48	71,356.91	64,608.81	25,553.64	18,221.27	3,297.98	924.91	253,971.07	101,413.20
25. Laguna	71,289.52	1,785,244.74	1,856,534.26	1,733,115.47	123,418.79	69,824.04	360,132.90	95,743.38	18,462.90	18,090.80	24,432.62	533.81	247,214.64	323,548.47
26. Lanao del Norte	(86,607.78)	525,002.31	483,394.53	483,067.18	(44,672.65)	47,819.91	79,490.20	30,093.44	4,385.50	6,342.70	316.69	316.69	97,538.62	59,290.91
27. Lanao del Sur	(10,596.12)	175,984.73	165,388.61	179,112.85	(13,724.24)	21,971.41	21,973.08	3,663.80	4,333.32	2,666.22	30.93	30.93	21,756.56	12,879.41
28. La Union	(24,475.61)	1,305,832.52	1,281,356.91	1,303,289.31	(21,932.40)	61,873.16	211,446.12	40,464.79	22,930.10	16,350.53	1,763.99	519.04	237,460.59	83,663.06
29. Leyte	72,188.36	1,762,839.59	1,835,027.95	1,687,225.85	147,802.10	167,461.01	199,715.96	104,195.29	69,521.06	39,644.68	3,306.28	1,340.00	265,526.96	314,223.61
30. Southern Leyte	11,728.02	612,014.91	623,742.93	608,481.89	15,261.04	48,901.33	60,773.74	33,953.99	12,207.76	10,181.37	170.94	518.70	125,649.56	36,938.39
31. Marinduque	(23,025.30)	355,775.58	332,750.28	349,680.11	(16,929.83)	22,374.93	52,136.74	27,441.53	9,751.23	5,770.89	1,529.22	311.20	71,602.63	39,935.98
32. Masbate	6,990.53	861,524.63	868,515.16	833,234.48	35,280.68	55,036.06	132,961.11	36,227.74	32,106.84	19,404.61	2,630.63	419.80	158,285.49	83,788.96
33. Misamis Occidental	21,333.90	628,530.12	649,864.02	582,479.93	67,384.09	45,953.76	170,899.90	45,504.41	16,027.99	11,626.95	1,756.49	552.25	113,482.10	59,719.91
34. Misamis Oriental	9,525.94	792,350.49	774,520.88	774,520.88	17,829.61	55,429.06	144,642.68	25,332.09	20,112.23	15,488.05	240.30	656.50	129,225.51	76,897.05
35. Mountain Province	253,827.51	1,016,418.10	1,270,245.61	938,797.03	331,448.58	64,875.86	195,306.97	63,958.90	21,594.17	18,010.85	924.81	302.18	61,242.92	65,340.05
36. Negros Occidental	27,959.17	3,665,572.38	3,693,531.55	3,517,106.96	176,424.59	212,108.86	751,727.98	206,266.10	101,872.12	74,694.86	5,059.71	883.48	483,316.38	571,712.91
37. Negros Oriental	67,438.27	1,139,649.15	1,207,087.42	1,131,347.63	75,739.79	94,205.99	218,015.92	58,531.35	34,912.53	24,894.70	1,467.96	856.50	222,011.80	136,069.41
38. Nueva Ecija	50,272.23	1,807,915.81	1,858,188.04	1,795,343.43	62,844.61	109,288.55	362,475.05	181,374.17	40,019.85	30,718.28	6,339.68	695.74	212,575.32	150,481.82
39. Nueva Vizcaya	(5,355.90)	475,465.38	470,109.48	466,895.05	3,214.43	35,531.12	84,551.84	31,604.98	5,477.32	6,227.54		251.23	56,496.11	23,785.70
40. Occidental Mindoro	42,036.62	279,518.95	321,555.57	284,799.50	36,756.07	10,456.28	37,688.16	20,239.44	4,168.75	2,972.57	729.83	138.15	30,803.15	15,210.16
41. Oriental Mindoro	34,262.35	587,529.08	621,791.43	599,847.09	21,944.34	32,471.05	96,825.89	24,065.97	11,890.41	9,126.80	3,008.77	241.64	101,696.86	47,591.68
42. Palawan	(4,097.32)	414,886.12	410,788.80	413,967.76	(3,178.96)	28,759.57	46,109.15	11,696.26	3,134.83	5,312.88	1,184.83	257.51	128,651.68	21,029.47
43. Pampanga	21,161.81	2,453,913.05	2,475,074.86	2,377,546.94	97,527.92	109,239.91	545,234.13	136,449.61	40,970.22	31,166.01	61,418.66	518.26	411,166.94	268,141.42
44. Pangasinan	71,288.79	2,872,278.49	2,943,567.28	2,777,184.50	166,382.78	228,538.44	289,937.46	124,191.10	88,639.44	62,030.61	17,365.39	759.00	222,338.75	327,407.74
45. Quezon	26,941.60	2,607,898.23	2,634,839.83	2,592,309.93	42,529.90	108,636.23	503,109.83	268,121.60	40,260.44	28,708.09	35,770.76	1,370.75	643,805.85	180,907.99
46. Rizal	336,923.41	10,751,441.11	11,088,364.52	10,569,959.77	518,404.75	123,261.39	2,123,415.76	378,131.03	46,572.82	35,418.28	693,619.23	1,538.21	2,254,305.69	170,902.77
47. Romblon	13,307.23	331,250.89	344,558.12	335,932.29	8,625.83	28,368.01	34,530.78	17,812.08	10,370.14	7,141.14	878.70	289.81	51,552.69	38,920.69
48. Samar	(145,658.84)	1,605,771.15	1,460,112.31	1,606,627.40	(146,515.09)	176,674.86	91,498.16	104,041.76	79,136.96	47,945.27	58.05	960.25	241,857.41	306,691.58
49. Sorsogon	38,702.18	887,645.54	926,347.72	915,940.18	10,407.54	75,988.12	52,891.35	30,253.20	27,792.74	21,333.04	1,667.75	554.85	152,755.20	103,000.97
50. Surigao	118,822.46	908,261.08	1,027,083.54	924,666.44	102,417.10	125,563.88	75,722.60	30,379.64	22,989.84	17,646.43	5,510.98	377.65	155,804.84	85,448.88
51. Surigao del Norte	12,726.01	665,624.58	678,350.59	686,213.47	(7,862.88)	40,408.58	83,840.43	15,903.24	18,277.49	11,962.38	42.12	268.05	182,381.80	58,900.69
52. Surigao del Sur	9,927.98	519,061.41	528,989.39	533,262.52	(4,273.13)	28,714.76	77,657.68	6,872.01	9,737.57	7,953.48	346.31	471.73	176,150.49	103,009.31
53. Tarlac	76,163.06	1,664,872.52	1,741,035.58	1,627,016.34	114,019.24	85,251.88	330,304.31	109,673.26	31,594.16	22,528.52	16,584.27	587.90	154,198.67	90,195.20
54. Zambales	85,801.62	1,580,459.02	1,666,260.64	1,572,096.18	94,164.46	36,115.55	147,166.37	41,601.54	5,540.28	6,961.40	3,349.27	241.93	174,759.45	475,034.77
55. Zamboanga del Norte	5,424.30	778,835.56	784,259.86	773,791.71	10,468.15	43,071.97	91,178.61	80,195.15	16,942.90	13,095.73	4,716.28	509.75	179,196.15	69,746.87
56. Zamboanga del Sur	(51,320.28)	1,165,455.13	1,114,134.85	1,291,593.02	(177,458.17)	36,660.66	147,09							



TABLE XXI.—Budget Operations Statement of Municipalities (Consolidated by Province)

(General Fund)

Provinces	Aliens registration fees	Other revenues	Penalties	Interest on deposit and investment	Fines for violation of Forest Laws and regulations	Mining claim fees and rentals	Building permit fees	Secretary's fees
1. Abra	P174.50	P6,970.55	P1,952.18		P558.35	P271.50	P154.70	P87.40
2. Agusan		358.50	6,137.64		10.40	81.48	1,376.40	4,108.85
3. Aklan	321.80	3,903.93	6,188.63		9.22		1,402.55	1,209.10
4. Albay	1,128.55	2,258.30	4,902.33		291.30	427.74	3,352.53	4,036.10
5. Antique	270.70	630.33	2,170.40			1,348.50	644.62	931.90
6. Bataan	68.40	1,932.20	11,241.50		2,118.62	29.50	2,116.57	748.85
7. Batanes		293.82	660.88				6.46	64.50
8. Batangas	330.10	914.14	16,277.83			1,405.58	4,068.75	7,143.70
9. Bohol	964.55	14,020.40	16,152.48		195.36	189.94	6,246.52	6,370.70
10. Bukidnon	437.50	20,140.23	6,220.25		135.36	565.50	1,390.50	1,932.70
11. Bulacan	712.20	41,812.24	19,992.12			3,372.50	14,143.45	5,459.50
12. Cagayan	492.30	19,495.94	12,474.09		5,999.61	1,376.00	1,229.85	7,857.15
13. Camarines Norte		33,598.54	5,967.85		2,561.13	8,675.33	1,321.50	3,821.35
14. Camarines Sur	518.60	24,006.98	13,727.97	P1.40	393.12	4,112.60	781.85	6,145.00
15. Capiz	111.00	97.00	12,030.56	3.01	37.61	250.50	389.75	1,888.30
16. Catanduanes	246.45		2,271.08		201.45	1,060.32	9.00	2,773.20
17. Cavite		3,676.23	8,869.52				3,643.97	3,983.00
18. Cebu	1,691.95	12,357.13	12,953.98		2.42	3,265.90	8,445.54	7,355.68
19. Cotabato	2,239.92	13,459.38	42,719.34		283.61	524.00	12,022.83	34,636.94
20. Davao	4,476.30	56,792.19	36,696.80		839.29	6,001.10	8,061.01	49,685.85
21. Ilocos Norte	1,071.05	16,569.10	11,724.88		132.89	999.00	2,573.55	6,466.05
22. Ilocos Sur	872.20	10.00	4,260.77			145.50	614.83	2,088.75
23. Iloilo	332.75	1,272.97	24,411.38	10.76	182.96	2,508.51	6,859.42	3,658.23
24. Isabela	2,308.20	1,843.60	11,897.21		321.95	373.50	1,537.51	3,095.85
25. Laguna	1,345.40	23,213.15	17,187.31		677.18	614.75	8,484.80	6,887.87
26. Lanao del Norte	384.15	1,387.50	4,182.94				1,323.50	858.78
27. Lanao del Sur	77.10	725.65	953.26		35.14		427.00	725.50
28. La Union	1,278.82	19,333.07	8,188.94			133.50	7,386.75	4,546.00
29. Leyte	957.10	6,223.70	16,725.99		1,459.78	584.76	3,327.91	9,274.80
30. Southern Leyte	631.50	5,523.00	3,949.94				420.50	2,452.40
31. Marinduque	427.80	27.93	4,326.67		91.21	796.50	822.52	1,191.50
32. Masbate	798.85	2,208.46	6,916.19		522.94	1,559.80	1,045.29	744.20
33. Misamis Occidental	407.00	3,976.64	8,327.07		122.38	212.80	962.15	1,172.50
34. Misamis Oriental	440.40	1,342.82	5,056.78		1.50	54.00	1,196.80	2,851.92
35. Mountain Province	700.30	273,532.18	9,931.62		1,623.68	6,196.31	1,571.81	6,254.65
36. Negros Occidental	1,502.00	120,844.29	31,753.63		2,918.15	3,202.61	6,871.30	5,577.45
37. Negros Oriental	702.43	455.87	8,727.75	5.86	819.04	762.34	1,108.58	4,037.69
38. Nueva Ecija	636.50	1,071.90	27,296.26		2,300.40	1,497.49	3,694.38	14,660.66
39. Nueva Vizcaya	249.80	3,040.20	5,787.26		319.42	145.50	1,328.00	920.50
40. Occidental Mindoro	81.85	4,356.16	3,607.61		175.67	1,288.02	1,206.58	443.00
41. Oriental Mindoro	994.30	923.40	6,564.15		577.08	444.50	795.26	2,717.00
42. Palawan	428.80	14,027.44	1,382.31	1,214.69	961.90	6,193.15	1,153.70	5,157.80
43. Pampanga	1,602.00	7,874.60	21,224.00				11,095.28	5,337.05
44. Pangasinan	1,437.60	498.30	23,501.70			1,663.45	6,859.67	8,236.85
45. Quezon	3,887.52	38,543.93	38,358.98		2,175.54	5,241.10	8,859.46	13,388.15
46. Rizal	7,636.42	355,764.02	79,488.95			35,700.42	354,252.95	20,446.50
47. Romblon	243.50	2,611.68	3,029.51		178.76	751.75	483.00	589.00
48. Samar	1,875.50	6,247.35	14,456.06		647.25	7,243.37	2,722.77	3,034.90
49. Sorsogon	1,354.32	16.42	5,566.77		282.15	63.00	650.80	2,850.55
50. Sulu	1,772.10	42,407.19	441.88		441.88		6,095.43	7,028.29
51. Surigao del Norte	893.70	2,918.29	2,457.10	1,912.34	404.42	2,740.37	1,754.36	7,014.20
52. Surigao del Sur	646.05	7,515.08	3,093.09		44.34	1,966.88	958.06	2,600.75
53. Tarlac	1,593.40	245.50	16,575.80		213.76	1,385.85	5,342.06	3,846.90
54. Zambales	1,259.35	28,128.14	8,904.88		1,820.22	6,592.35	4,001.12	2,227.40
55. Zamboanga del Norte	969.10	1,500.01	9,896.39		800.45	1,944.90	1,018.02	8,260.15
56. Zamboanga del Sur	910.90	4,793.35	10,810.88		873.43	5,284.00	3,599.70	10,494.35
Total	56,894.38	1,257,690.92	700,130.86	3,148.06	34,762.32	131,247.97	533,119.15	330,287.73
Sub-provinces								
1. Biliran	129.20		1,141.05		31.42	87.50	166.75	534.30
2. Camiguin	310.99	69.60	1,090.11				474.00	905.67
3. Siquijor	81.20		1,843.63		88.29	3.00	117.00	797.15
Total	521.39	69.60	4,074.79		119.71	90.50	757.75	2,237.12
GRAND TOTAL	P57,415.77	P1,257,760.52	P704,205.65	P3,148.06	P34,882.03	P131,338.47	P533,876.90	P332,524.85



and Sub-province for the Fiscal Year Ended June 30, 1961—(Continued)

C O M E

Cattle registration fees	Milk and meat inspection fees	Marriage license and solemnization fees	Fisheries	Rents	Impounding and sales of astray animals	Berthing fees (P.T.M. 52)	Other incidental revenues	Receipts from public utilities
P19,106.00	P22.00	P1,148.00	P1,758.81	P5,864.60	P825.00		P4,604.73	
3,270.00		2,686.00	4,480.55	10,638.45	565.30		16,673.97	
6,450.00	1,062.35	2,361.00	13,656.34	23,643.28	846.00		2,593.99	
17,382.00		4,357.00	6,536.48	7,211.75	461.34		53,215.11	
20,681.00		2,931.00	174,910.54	1,874.20	692.80		1,173.01	
5,498.00		2,056.00	12,553.44	2,056.95	1,920.75			
2,181.57		68.00	161.06		1,579.40			
119,167.00	9,643.50	8,373.50	111,464.62	4,528.19	409.00		21,077.16	
20,083.00	178.80	9,392.00	44,705.44	15,833.48	559.15	P27,366.69	72,570.12	
17,005.00		2,193.00		886.40	793.20			
22,048.00		9,083.80	208,037.16	10,619.48	152.80			
51,540.00	5,529.45	64,550.50	18,207.73	40,953.75	4,478.87			
9,670.00	984.00	2,300.00	2,982.25	32,183.76	439.00		62,070.28	
33,197.90	4,298.36	6,481.60	23,026.20	4,501.04	2,864.68			
13,536.00		3,177.00	5,908.50	5,107.27	341.90		3,045.74	
2,315.00		1,162.00	1,397.80	440.80	337.70		12,463.69	P5.70
13,884.00		4,841.00	894.35	8,050.50	408.00			
36,987.00	5,204.70	14,751.00	32,398.14	8,989.61	320.80		27,081.03	
54,991.00	2,497.40	8,980.00	7,574.27	40,981.18	2,917.60		76,285.27	
17,672.50		8,894.50	5,283.88	13,922.96	631.00		22,961.75	
34,335.00	1,152.40	5,228.30	31,905.81	5,041.60	3,748.65		50,326.34	
36,191.50	6,901.05	4,726.00	99,450.77	3,493.06	2,300.20		7,231.90	
85,443.00	338.80	10,192.00	71,890.56	34,753.50	2,731.00		63,591.63	
52,883.00	4,918.85	6,259.00	844.80	28,057.03	6,575.55		20,964.06	
9,426.00	345.80	6,946.00	1,598.80	15,856.56	1,616.42		1,071.45	
7,233.90		2,258.00	5,921.95		298.50			
2,438.00		341.00	600.45	1,346.65	127.00	916.80		
14,825.00	1,422.00	3,490.00	21,720.15	4,050.55	688.60			
22,538.00		9,119.00	13,063.37	24,567.62	1,649.55		13,944.35	
4,680.00		3,368.00	8,750.40	5,080.60	362.25			
11,166.00		1,400.00	9,943.55	8,033.89	1,171.80		5,538.93	
45,580.00		4,870.00	19,823.40	4,178.19	210.50		41,392.12	
7,463.00	1,834.40	3,117.00	9,689.45	2,617.60	990.40		30,008.76	
13,284.00	362.50	3,340.00	20,531.42	666.40	2,014.90		3,752.88	
18,348.00		2,834.50	502.75	8,231.56	802.30		7,751.59	70.20
49,169.00		11,187.00	35,509.90	38,089.68	1,484.22		9,291.21	50,271.69
20,385.72		5,612.25	21,339.32	1,825.20	1,421.20		7,579.85	
38,244.00	513.35	9,100.55	12,166.46	7,451.28	14,392.65		22,259.38	
20,078.00	6,551.41	1,872.00	1,286.00	5,105.52	2,991.70		9,185.18	
15,642.00	43.00	924.00	57,793.61	118.50	201.80		6,539.40	
19,099.00	1,442.50	3,010.00	25,625.93	1,056.62	529.10		18,621.63	
11,881.00		1,836.50	16,668.94	1,296.95	628.35		10,627.97	
14,239.00		9,122.00	50,464.96	6,181.10	2,334.25			
167,489.00	13,528.15	14,662.00	80,158.10	20,586.21	7,443.04			
32,734.20	5,403.12	10,236.50	23,558.47	17,642.87	5,128.65	2,120.72		
12,897.50		22,958.00	38,525.36	232.00	3,363.75		207,248.50	41,431.70
8,984.00		1,770.00	9,163.52	7,559.15	903.75		2,953.60	
15,788.50	317.00	7,616.00	17,810.55	34,197.24	3,954.22	649.00	37,225.23	962.53
18,046.00		3,310.00	6,510.33	2,357.72	1,020.00		5,903.57	
6,966.00		309.00	31,542.75	2,056.50	17.90		3,069.95	
2,676.50		5,887.00	8,889.85	1,258.36	1,250.60		9,087.88	86.00
3,216.00		4,436.50	13,291.70	2,010.27	711.50		7,463.17	
37,032.00	9,374.96	6,541.00	35,131.65	6,614.73	5,281.35		125,689.49	
19,632.00	60,496.20	2,951.00	14,458.62	22,753.30	3,448.19		30,490.56	
14,610.00	15.00	3,818.00	21,799.55	230.77	1,422.85		15,989.11	
20,342.00	324.75	6,295.00	13,155.00	3,142.77	1,490.60		49,391.56	
1,401,649.89	144,706.30	360,730.00	1,527,025.76	566,029.20	109,251.68	31,053.21	1,205,627.15	92,827.82
2,420.00		1,038.00	3,608.30	709.10	59.50		5,821.90	
907.00		660.00	405.50	1,456.90	729.80		1,958.06	
2,503.00		1,022.00	2,970.00	317.50	78.75		8,984.01	
5,830.00		2,720.00	6,983.80	2,483.50	868.05		16,763.97	
P1,407,479.89	P144,706.30	P363,450.00	P1,534,009.56	P568,512.70	P110,119.73	P31,053.21	P1,222,391.12	P92,827.82



TABLE XXI.—Budget Operations Statement of Municipalities (Consolidated by Province and Sub-province) for the Fiscal Year Ended June 30, 1961—(Continued)

GENERAL FUND

Provinces	I N C O M E																
	Receipts from markets and slaughterhouses	Receipts from other operations	Aid from National Government	Aid from Provincial Government	Loans from National Government	Loans from Provincial Government	Return of advances to economic enterprises	Transfer between funds	Transfer of fund from old entity or sub-provinces	Transfer loan account	Sales of fixed assets	Income from sale of real property	Prior year adjustment	Inventory adjustment	Other receipts	Receipts (Pre-war deposit PNB) general fund	Discount on backpay certificates
1. Abra	P44,529.21							P34,920.88					P30.80			P4,389.72	
2. Agusan	71,565.58	P10,636.90			P28,000.00			(24,261.96)					13,856.10			18,470.24	P26.96
3. Aklan	190,708.17	4,353.81	P18,840.00		3,000.00			9,113.22		P914.23	P23.66		38,808.41			19,694.48	
4. Albay	241,784.92		23,999.00					(24,590.61)			496.50		90,297.15			9,251.62	
5. Antique	112,735.34		20,000.00				P5,500.00	37,002.06					3,223.99			752.17	
6. Bataan	237,629.65								P511.47				11,428.28			14,385.42	
7. Batanes	1,233.09		14,719.00						7,991.07		199.00		5,375.85			32.10	
8. Batangas	706,642.02		39,750.00		35,000.00	P20,000.00		167,229.84			8,250.00		1,212.46			23,141.58	
9. Bohol	594,931.80		5,000.00	P11,963.19				72,126.92			147.61		19,208.09			33,380.32	
10. Bukidnon	21,705.58	112.60						4,690.00					9,512.78				
11. Bulacan	641,248.36							134,807.33			5,675.75		31,269.62				
12. Cagayan	232,150.50		231,984.70	850.00	19,975.00			95,019.84					8,481.24			5,318.06	
13. Camarines Norte	99,950.07	2,496.31						68,673.88			325.80		20,534.75			4,355.33	
14. Camarines Sur	180,446.33	1,629.05	29,000.00	773.30	50,000.00			31,376.70					6,752.13	P4,658.32		56,864.65	
15. Capiz	142,705.45							1,980.00					4,565.36			2,776.52	
16. Catanduanes	21,514.46			114,627.64				31,145.14					3,958.92			347.10	
17. Cavite	254,995.64		50,000.00					12,284.43					45,203.50			31,308.00	
18. Cebu	410,956.60	9,142.11	73,505.61	1,000.00				(117,714.60)			16.95	P229.20	23,917.94			21,079.62	42.53
19. Cotabato	531,832.11		121,000.00	1,000.00				(119,821.54)			109.00		85,035.99			8,822.15	
20. Davao	254,847.84	234.00	63,400.00					131,456.81	25,167.51	7,000.00	1,939.57		107,137.21			44,523.85	
21. Ilocos Norte	246,749.26	966.49						62,809.86			190.00		8,843.24			18,970.94	
22. Ilocos Sur	343,177.54	1,004.06	50,000.00					44,872.60			2,700.00		5,876.40			8,315.67	
23. Iloilo	633,137.55		80,000.00	29,073.42		46,200.00		155,083.50	1,798.73			1,884.75	44,151.91	8,555.66			
24. Isabela	263,381.15	19,399.40						67,763.83					14,188.36			6,976.62	
25. Laguna	394,647.25	9,934.27						110,775.60	2,286.17		586.73	1,896.92	3,482.57			8,880.30	
26. Lanao del Norte	64,729.29	17,671.00	37,119.00										42,593.82			13,443.84	
27. Lanao del Sur	39,330.40	20.50	28,150.00										2,000.14			8,495.41	
28. La Union	438,259.17		2,785.00					61,440.00			1,630.00		34,145.45			4,038.14	
29. Leyte	328,876.94		200.00					111,330.77			1,369.40		17,958.24			14,733.46	
30. Southern Leyte	66,991.82	997.37			119,859.18			45,579.38			830.00		6,175.42			7,067.47	
31. Marinduque	39,527.12	4,151.52	18,300.00					17,196.04					495.97			312.28	
32. Masbate	69,738.97	289.50	61,300.00					65,464.81					5,437.31			8,582.86	
33. Misamis Occidental	79,676.11												10,577.44			1,834.68	16.98
34. Misamis Oriental	53,233.41	161.05	37,000.00		77,500.00			63,494.34					13,247.16	1,085.45		8,558.87	4.48
35. Mountain Province	24,521.75		68,014.40	300.00				44,211.38	2,972.50				44,103.61			2,255.00	
36. Negros Occidental	658,849.89		10,000.00	3,500.00				150,925.11			300.00		16,790.67			49,892.18	
37. Negros Oriental	198,472.27	4,993.40		140.00				59,340.34			34.50		3,600.04			7,131.43	P200.00
38. Nueva Ecija	371,753.77			10,740.00				137,286.76					18,772.56	869.20		19,339.80	
39. Nueva Vizcaya	108,129.53		4,695.00					9,334.88					32,204.62			18,367.02	
40. Occidental Mindoro	27,025.10	352.00						21,033.87					14,266.30			2,014.01	
41. Oriental Mindoro	85,338.49							43,132.75			500.00		36,710.77			12,527.53	
42. Palawan	34,190.59	8.10	5,087.68					20,210.61				888.80	33,681.89			623.77	
43. Pampanga	542,914.58		50,000.00	1,000.00				81,417.69			1,625.90		5,160.02			35,422.83	2,592.63
44. Pangasinan	786,973.37	2,362.88	3,799.00					225,203.04			2,491.38		29,691.37			114,485.45	
45. Quezon	435,907.65							88,898.90			533.50		9,740.30			54,847.13	
46. Rizal	1,380,492.13	69,587.87	499.00			4,600.00		45,816.23			5,551.60		23,261.44			2,211,471.59	
47. Romblon	51,031.54	1,034.50	18,000.00					26,510.00			72.90	(1,032.62)	4,424.32			2,125.15	
48. Samar	157,550.78	2,991.66						172,421.11					66,162.65	7.50		2,965.65	
49. Sorsogon	162,707.79		100,000.00	6,900.00				45,019.67					41,893.98			15,966.85	
50. Sulu	120,202.92	2,851.00	37,220.00		100,000.00			13,771.97					12,939.16			124.80	
51. Surigao del Norte	132,474.52	3,200.20						50,838.26			459.76		5,960.16			12,110.50	
52. Surigao del Sur	62,949.48							(40,674.78)			265.25		2,309.31			6,045.52	
53. Tarlac	392,059.81							19,115.74			250.00		12,270.59			5,467.00	53.36
54. Zambales	376,631.45	32,000.00						2,950.00			43,278.99		3,850.89			23,223.78	
55. Zamboanga del Norte	116,257.96				10,000.00		5,500.00	49,957.38					12,636.62			20,570.39	
56. Zamboanga del Sur	255,678.24	548.00		4,879.20				35,456.79					4,218.71			29,029.21	1.53
Total	14,537,682.31	204,039.85	1,303,367.39	186,746.75	443,334.18	70,800.00	11,000.00	2,653,476.77	40,727.45	7,914.23	80,413.75	3,867.05	1,178,531.71	15,176.13	3,049,712.33	200.00	2,738.47
Sub-provinces																	
1. Biliran	9,744.73							21,239.46					3,657.13			47.29	
2. Camiguin	15,162.20		30,000.00	1,000.00				15,743.10					1,423.09			4,962.67	
3. Siquijor	9,946.20			50.00				16,380.42					395.52			1,220.04	
Total	34,853.13		30,000.00	1,050.00				53,362.98					5,475.74			6,230.00	
GRAND TOTAL	P14,572,535.44	P204,039.85	P1,333,367.39	P187,796.75	P443,334.18	P70,800.00	P11,000.00	P2,706,839.75	P40,727.45	P7,914.23	P80,413.75	P3,867.05	P1,194,584.89	P15,176.13	P3,055,942.33	P200.00	P2,738.47



TABLE XXI.—Budget Operations Statement of Municipalities (Consolidated by Province and sub-province) for the Fiscal Year Ended June 30, 1961—(Continued)

Provinces	EXPENDITURES										
	General Administration of Government	Government finance	Adjudication	Protective service	Social improvement	Economic development	Operation of economic enterprises	Inter-Government aid	Loans, advances and transfers	Real property	Equipment
1. Abra	P51,526.72	P80,727.35	P2,023.12	P66,811.60	P296.50		P13,931.30	P26,180.13	P20,793.85	P1,442.06	P1,079.12
2. Agusan	100,036.02	133,190.73	9,106.34	144,899.82	3,678.01		24,814.94	40,902.31	18,093.88	7,445.17	20,648.29
3. Aklan	157,898.60	131,327.52	2,225.06	151,303.20	2,247.49	P34,688.04	70,360.05	60,392.71	8,441.26		
4. Albay	223,090.98	208,275.52	9,413.00	201,506.51	64,315.95		64,934.67	78,209.42	18,487.24		10,756.92
5. Antique	121,248.94	154,995.82	6,256.51	159,084.27	2,997.38		480.00	21,770.25	76,216.29		9,928.45
6. Bataan	122,743.97	105,371.40	5,504.71	162,443.76	994.75		130.50	67,824.03	75,665.80		22,712.51
7. Batanes	17,855.53	14,779.85	34.91	7,262.72					3,039.46		
8. Batangas	413,315.01	561,645.31	28,072.79	617,644.26	33,471.97	1,106.00	311,907.19	348,478.13	690,697.42	41,113.93	65,470.33
9. Bohol	419,031.98	426,604.35	1,933.53	379,598.62	39,904.63	9,316.00	173,390.28	157,166.05	277,163.71	7,810.38	35,259.92
10. Bukidnon	64,556.46	111,688.33	6,043.90	74,114.04	9,000.52		8,464.48	38,558.89	27,950.04		8,987.32
11. Bujacan	356,858.80	439,341.72	21,376.07	672,556.27	50,910.90	1,044.17	234,736.78	267,544.12	331,102.64	1,975.02	24,900.31
12. Cagayan	337,358.40	331,192.09	23,879.23	335,401.18	49,410.35	2,115.55	60,798.62	143,998.04	123,245.54	124,176.86	28,778.55
13. Camarines Norte	158,774.21	133,323.67	7,200.09	168,017.32	28,286.43	1,695.04	30,638.47	85,396.97	72,364.39		6,741.22
14. Camarines Sur	266,234.88	318,649.97	10,267.38	247,094.59	24,373.96	12,251.25	64,508.19	140,930.82	168,034.83	25,677.62	12,915.79
15. Capiz	104,243.65	118,336.34	3,340.62	126,717.42	9,934.81	1,622.44	43,395.14	77,284.74	63,068.17		7,840.02
16. Catanduanes	91,095.37	90,114.53	4,777.43	57,473.67	38,306.77	1,030.00	5,862.48	27,286.53	17,615.76		45,894.63
17. Cavite	159,981.36	170,811.90	5,978.01	222,152.65	8,392.63	1,477.70	72,396.95	89,054.36	118,905.11		9,227.63
18. Cebu	523,740.16	646,402.06	17,180.34	520,199.76	19,921.73		137,120.83	219,035.70	122,592.09	3,339.20	42,055.63
19. Cotabato	409,669.91	528,480.35	30,327.74	571,138.44	35,110.62		171,575.35	279,392.87	94,283.39		39,336.72
20. Davao	444,679.51	647,275.31	32,964.49	579,422.27	34,726.65	6,134.25	77,819.88	203,679.61	255,470.06	62,696.06	45,464.56
21. Ilocos Norte	207,158.74	247,481.40	18,894.68	225,065.83	15,169.35	431.60	49,893.79	132,613.68	104,150.04		13,759.66
22. Ilocos Sur	247,474.75	203,307.58	5,923.07	308,313.92	6,763.86	11,586.90	68,958.58	101,141.62	95,494.32		6,633.04
23. Iloilo	442,102.77	505,905.50	20,969.99	594,891.15	17,270.09	1,037.53	98,627.56	297,021.24	401,374.78	129.10	16,460.07
24. Isabela	242,835.84	270,466.69	19,257.94	290,425.82	23,541.83	11,834.42	64,698.86	139,314.02	142,622.63		17,080.01
25. Laguna	321,917.55	305,520.07	9,399.04	423,694.08	38,195.67	9,068.44	128,319.16	192,302.00	222,170.76	30,989.63	45,539.07
26. Lanao del Norte	110,551.09	129,704.49	13,322.97	119,946.06	4,340.35	6,267.97	28,669.64	33,498.79	24,119.15	6,837.13	5,809.54
27. Lanao del Sur	44,391.93	40,706.90	1,595.73	43,825.25	499.75	142.50	17,588.22	14,660.37	6,911.75	2,000.00	6,790.45
28. La Union	244,539.43	261,171.39	20,815.25	317,709.80	6,092.35	6,790.62	108,734.72	154,831.64	155,372.47		27,331.64
29. Leyte	378,473.15	401,342.03	9,407.54	375,876.41	28,257.79	14,455.25	35,064.32	226,661.12	178,562.16	1,776.35	37,349.73
30. Southern Leyte	119,021.98	138,886.68	2,394.44	101,298.30	5,132.95	1,855.68	16,141.29	54,863.65	160,119.08		8,767.84
31. Marinduque	66,387.20	86,701.40	7,994.39	87,118.06	5,502.35	147.00	18,690.39	39,860.18	31,599.53	428.60	5,251.01
32. Masbate	185,641.00	207,187.45	14,247.40	191,654.84	7,679.05	4,144.38	31,349.31	104,566.94	63,752.12	280.00	22,731.99
33. Misamis Occidental	131,481.34	143,259.06	7,678.04	161,176.94	5,635.04	130.00	25,686.77	82,985.90	11,142.99		13,303.85
34. Misamis Oriental	166,450.92	198,092.73	6,859.57	147,870.51	6,144.32		21,300.73	72,240.98	140,207.55		15,353.57
35. Mountain Province	158,690.37	205,821.21	4,402.34	223,181.59	8,983.10	989.65	6,945.89	99,297.27	121,558.47	89,450.79	14,476.34
36. Negros Occidental	496,919.64	627,479.99	51,530.67	888,461.07	65,884.08	962.00	376,204.98	508,925.64	435,824.97	16,132.72	48,781.20
37. Negros Oriental	233,905.67	223,150.12	11,022.93	259,847.87	11,590.62	1,638.71	73,917.14	185,799.53	109,198.29		21,276.75
38. Nueva Ecija	302,249.72	373,376.80	35,797.12	533,525.84	30,914.09	11,549.56	95,782.48	199,126.05	183,163.73	964.77	28,893.27
39. Nueva Vizcaya	105,792.09	95,458.70	8,516.52	109,119.44	7,972.85		37,741.35	53,353.20	43,420.31		5,520.59
40. Occidental Mindoro	63,667.25	80,644.43	2,410.08	63,228.74	4,627.95	851.90	1,269.50	28,600.42	21,323.21	6,033.12	12,142.95
41. Oriental Mindoro	114,448.44	154,151.10	13,518.20	157,083.05	9,697.35		29,496.89	56,460.05	58,654.96		6,337.05
42. Palawan	93,213.16	108,170.33	6,609.16	104,774.52	3,247.03		11,690.57	46,094.92	30,024.59		10,143.48
43. Pampanga	355,299.91	444,927.38	24,137.66	652,679.75	94,747.01		191,366.52	302,312.79	273,785.87	3,156.80	35,133.25
44. Pangasinan	593,921.79	595,159.18	35,942.25	671,496.70	51,639.94	23,781.49	242,029.87	238,365.53	276,000.53	5,666.89	43,180.33
45. Quezon	537,601.91	542,995.35	25,051.89	616,300.27	84,723.51	22,294.79	114,624.81	305,397.63	305,736.26	120.00	37,463.51
46. Rizal	1,340,121.98	776,124.95	54,798.48	2,622,996.92	564,863.31		474,576.48	1,020,098.84	3,848,042.33	17,510.03	350,826.45
47. Romblon	86,809.79	89,045.91	5,932.96	74,763.98	2,822.46		12,233.92	35,621.77	25,341.20		3,369.30
48. Samar	424,987.95	407,912.15	12,118.26	365,825.02	24,755.28	7,715.19	61,652.27	138,884.65	87,179.99		75,596.64
49. Sorsogon	193,510.67	234,066.74	11,339.98	202,826.36	10,685.51	3,759.12	44,534.23	89,530.37	73,226.16		52,411.04
50. Sulu	133,757.05	197,514.76	8,439.00	223,404.60	21,813.67		29,798.94	90,530.30	197,395.85	6,069.20	10,943.07
51. Surigao del Norte	157,633.76	166,418.13	7,683.71	132,298.49	3,215.60	3,742.07	43,603.30	70,101.85	68,227.97	500.00	32,788.59
52. Surigao del Sur	137,252.10	146,387.31	5,182.43	117,046.26	6,405.23	90.00	23,540.72	61,868.07	3,002.75		32,487.65
53. Tarlac	287,916.11	284,998.50	13,771.20	374,997.82	114,340.16	2,437.20	108,821.67	217,649.21	229,159.13		12,925.34
54. Zambales	203,693.52	243,763.95	8,161.09	371,830.56	32,326.21		89,470.23	183,986.43	382,189.35	7,728.15	48,946.69
55. Zamboanga del Norte	155,391.91	184,678.70	10,449.72	182,084.71	14,731.07		36,881.57	93,087.51	86,968.60		9,517.92
56. Zamboanga del Sur	273,729.88	328,402.59	10,762.15	292,579.41	12,336.78	3,506.28	69,105.67	126,933.50	129,718.09	3,617.65	40,901.02
Total	13,882,873.82	15,003,915.82	754,248.07	18,110,062.31	1,808,829.61	224,301.19	4,545,262.22	8,237,050.62	10,795,295.58	475,067.23	1,614,121.82
Sub-provinces											
1. Biliran	38,706.69	46,486.99	220.38	30,886.70	1,194.36			15,345.06	15,260.37		2,531.95
2. Camiguin	68,405.93	62,398.98	281.35	26,543.82	2,936.33			25,454.81	19,593.87		6,324.74
3. Siquijor	41,731.59	35,056.13	1,052.28	29,053.33	299.20	736.58	3,426.90	32,026.35	12,021.07		4,103.15
Total	148,844.21	143,942.10	1,554.01	86,483.85	4,429.89	736.58	11,411.87	72,826.22	46,875.31		12,959.84
GRAND TOTAL	P14,031,718.03	P15,147,857.92	P755,802.08	P18,196,546.16	P1,813,259.50	P225,037.77	P4,556,674.09	P8,309,876.84	P10,842,170.89	P475,067.23	P1,627,081.66



TABLE XXII.—Income (Principal Funds) and Expenditures for certain Items (General Fund) of Provinces and Cities as of June 30, 1962.

Provinces	INCOME OF THE PRINCIPAL FUNDS				EXPENSES INCURRED IN CERTAIN ITEMS OF THE GENERAL FUND							
	School fund	Health fund	Road and bridges	General fund	Salaries and wages		Travel and transportation		Supplies and materials		Discretionary fund	
					Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent
<i>First Class:</i>												
1. Batangas	P260,474.91	P361,124.16	P1,410,807.25	P1,932,518.62	P702,240.55	36	P8,643.75	4	P5,791.44	.3	P37,223.02	2
2. Bohol	82,102.98	152,304.95	700,393.00	1,229,215.94	522,898.38	42	30,720.58	3	5,390.58	.4		
3. Bulacan	329,240.31	199,063.93	982,024.22	1,304,577.05	505,068.72	39	12,715.94	1	6,283.12	.5	19,998.00	1
4. Cebu	278,389.87	160,377.05	1,444,919.45	1,797,223.42	802,738.75	45	25,048.13	1	8,072.66	.4	35,435.41	2
5. Iloilo	222,290.89	167,216.80	1,710,482.15	1,550,728.68	728,832.69	47	30,522.88	2	5,218.51	.5	148,747.34	9
6. Leyte	101,442.40	145,886.78	914,493.39	1,576,328.42	663,284.96	42	17,933.64	1	4,473.62	.3	7,548.99	5
7. Negros Occidental	949,186.34	374,481.56	1,860,889.26	2,724,048.44	1,016,639.90	37	11,799.70	4	23,403.12	.1	11,781.72	4
8. Nueva Ecija	518,953.50	174,839.58	775,184.19	1,159,774.52	474,247.98	41	7,687.20	1	14,749.14	.1	50,794.09	4
9. Pampanga	309,342.70	192,513.45	864,840.20	1,768,626.46	650,555.60	37	134,095.75	8	50,778.59	.3	160,384.71	9
10. Pangasinan	756,227.68	164,966.07	1,283,372.87	1,613,750.03	653,069.45	40	17,104.85	1	27,948.42	.2	85,142.95	5
11. Quezon	141,917.90	238,686.53	840,712.25	1,259,915.55	573,821.56	45	11,619.26	1	3,270.20	.2	13,637.10	1
12. Rizal	512,806.10	1,113,421.99	2,004,806.93	6,383,669.60	931,504.56	14	56,737.86	1	15,514.68	.2	103,775.00	2
13. Samar	132,976.83	145,484.16	951,559.32	1,249,220.60	468,509.98	37	13,340.29	1	10,153.30	.1	56,786.44	4
<i>Second Class:</i>												
1. Albay	197,275.66	81,159.29	746,652.29	714,855.96	367,667.53	51	6,577.30	1	8,740.47	.1	39,757.25	6
2. Cagayan	122,681.19	102,707.87	628,258.83	909,204.31	338,205.50	37	41,974.14	5	4,309.84	.5	65,140.00	7
3. Camarines Sur	178,542.47	114,210.87	895,159.57	1,178,813.83	493,677.84	42	8,034.15	0.7	5,195.57	.4	16,135.70	1
4. Capiz	79,116.27	46,945.69	335,501.45	485,729.76	252,467.65	52	7,150.27	1	1,731.28	.5	15,000.00	3
5. Cotabato	115,376.00	208,090.16	1,339,832.54	1,654,382.22	534,585.92	32	13,974.30	1	16,031.93	.1	157,088.51	9
6. Davao	295,647.39	142,271.95	771,196.61	1,550,915.43	543,843.73	35	32,263.18	2	9,173.39	.6	67,867.87	4
7. Ilocos Norte	225,739.75	72,607.85	360,629.49	563,206.09	309,031.19	55	14,539.53	3	902.05	.1	33,748.40	6
8. Isabela	130,857.61	92,942.48	571,068.06	709,258.84	424,179.31	48	6,921.11	1	4,273.56	.6	21,566.24	3
9. Laguna	159,101.43	126,638.49	911,792.91	1,021,783.87	446,081.43	47	23,699.47	2	7,185.44	.7	21,345.80	2
10. La Union	199,915.15	85,707.65	467,661.75	658,690.03	321,284.22	49	11,576.08	2	20,880.47	.3	25,237.09	4
11. Misamis Oriental	140,480.81	49,098.24	526,805.63	582,447.82	329,356.51	56	4,221.50	1	5,542.20	.1	41,586.07	7
12. Negros Oriental	109,881.09	98,515.00	1,003,351.68	992,385.36	366,968.84	37	27,783.26	3	3,833.04	.4	17,128.39	2
13. Tarlac	195,569.99	154,201.58	727,083.80	975,298.18	2,153.11	44	27,378.85	3	4,300.52	.2	17,856.34	2
<i>Third Class:</i>												
1. Antique	76,952.52	45,048.27	455,788.45	388,729.77	235,541.10	61	16,252.53	4	2,042.70	.5	26,812.90	7
2. Cavite	415,853.95	82,348.74	938,375.78	777,328.41	289,058.17	37	974.05	0.1	47,703.73	.6	24,171.00	3
3. Ilocos Sur	257,396.68	80,213.62	670,578.33	562,655.86	267,293.57	47	11,164.31	2	2,724.19	.9	3,301.21	5
4. Masbate	187,897.70	70,905.95	831,531.43	669,957.12	256,139.18	38	12,093.76	2	6,245.38	.1	38,186.09	6
5. Sorsogon	207,375.32	65,733.85	448,796.13	589,782.07	292,081.66	50	14,368.56	3	1,742.70	.3	31,902.64	5
<i>Fourth Class:</i>												
1. Camarines Norte	195,283.11	54,067.35	231,910.30	428,303.52	195,100.93	46	4,019.26	1	1,963.33	.4	300.00	1
2. Southern Leyte	20,330.55	39,887.74	416,106.68	658,505.23	209,206.89	32	4,714.64	1	995.04	0.1	45,909.37	7
3. Misamis Occidental	46,869.70	56,352.74	243,378.49	602,807.46	270,443.33	45	14,835.32	2	4,282.12	.1	55,346.64	9
4. Mountain Province	127,190.47	146,900.58	479,520.13	936,342.32	354,105.05	38	4,651.19	0.5	1,805.32	.2	1,498.13	1
5. Sulu	78,124.40	64,089.03	362,124.38	466,523.28	272,131.50	50	14,124.29	3	1,261.09	.3	14,994.99	3
6. Surigao del Norte	80,665.00	43,838.65	253,562.30	676,686.48	266,566.83	34	4,335.10	0.6	4,913.99	.1	87,954.70	13
7. Zambales	65,101.05	243,097.25	289,217.65	1,160,201.60	336,468.05	29	12,339.09	1	4,524.58	.4	43,167.09	4
8. Zamboanga del Norte	68,568.99	60,721.56	373,616.95	522,617.77	279,633.57	54	10,916.08	2	11,107.47	.2	22,159.90	4
<i>Fifth Class:</i>												
1. Agusan		36,909.68	251,992.44	503,420.85	236,360.47	47	16,256.93	3	2,201.99	.4	14,037.50	3
2. Aklan		43,066.36	420,886.82	669,926.13	238,956.69	36	9,465.14	1	2,900.05	.4	102,589.44	15
3. Bataan	87,149.54	151,218.87	638,487.61	793,086.04	176,477.38	22	3,476.15	4	6,576.28	.1	15,000.00	2
4. Catanduanes	53,670.18	33,874.99	204,718.93	1,273,391.32	220,488.33	17	12,693.43	1	5,888.16	.5	356,400.00	28
5. Lanao del Norte	58,731.00	35,455.16	251,291.23	538,837.37	238,704.04	45	24,913.08	5	1,912.74	.3	41,819.13	8
6. Lanao del Sur		90,319.53	582,352.65	1,168,650.43	191,172.69	16	17,299.01	1.5	41,230.86	3.5	194,984.81	17
7. Marinduque	41,282.88	24,751.94	151,744.88	239,180.06	143,315.22	60	5,907.75	2	307.31	1.0	3,891.00	2
8. Nueva Vizcaya	32,909.50	23,075.47	186,718.30	294,395.57	129,108.67	44	16,316.04	5	16,972.51	6.0	40,579.00	14
9. Oriental Mindoro	88,194.43	50,697.50	278,689.85	395,555.02	191,904.20	48.5	5,216.58	1	2,262.75	.5	237.31	0.05
10. Palawan	84,973.26	31,050.52	184,944.00	310,101.42	181,109.50	58	6,897.50	2	1,265.56	.4	5,864.55	2
11. Romblon	79,995.92	26,677.87	281,446.19	211,045.96	127,059.43	60	6,030.95	3	6,677.89	3.0	7,067.20	3
12. Surigao del Sur	52,846.95	48,147.01	257,656.10	353,428.82	159,642.83	45	4,436.70	1	7,151.86	2.0	14,935.40	4
13. Zamboanga del Sur		101,439.26	629,202.81	983,388.10	323,845.42	33	19,172.02	2	4,224.73	.4	63,482.24	6
<i>Sixth Class:</i>												
1. Abra		22,196.27	437,454.59	293,188.37	110,783.97	38	3,111.40	1	9,219.80	3	5,885.81	2
2. Bukidnon	45,967.22	48,994.80	509,708.77	429,677.12	175,621.38	41	4,569.05	1	3,852.54	1	1,528.05	3
<i>Seventh Class:</i>												
1. Batanes	36,196.20	26,487.13	13,954.72	130,256.80	82,014.82	63	2,048.40	0.155	67.83	0.05	4,855.50	4
2. Occidental Mindoro		19,465.05	103,952.39	201,920.34	95,047.88	47	6,071.95	3	927.18	.4	12,658.60	6
	P9,235,063.78	P6,832,546.87	P36,408,987.37	P54,576,459.64	P20,298,046.02		P892,673.18		P469,937.41		P2,552,262.63	



TABLE XXII.—Income (Principal Funds) and Expenditures for certain Items (General Fund) of Provinces and Cities as of June 30, 1962.—(Continued)

Cities	INCOME OF THE PRINCIPAL FUNDS				EXPENSES INCURRED IN THE GENERAL FUND FOR										Amount	Per cent
					Salaries and wages		Travel and transportation		Supplies and materials		Discretionary fund		Other services			
	School fund	Health fund	Road and bridges	General fund	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent		
Special Cities:																
1. Baguio	P655,813.93		P336,260.00	P3,655,833.48	P1,366,328.39	37	P7,491.20	.2	P1,972.77	.5	P6,436.00	.2	P53,800.98	1.4	P1,436,029.34	39
2. Manila	17,676,854.48		4,941,091.27	58,612,968.72	22,631,532.74	39	4,614.23	.007	16,746.64	.03	15,930.71	.03	67,965.76	.1	22,736,790.08	39
3. Quezon	3,515,227.20	P376,998.86	1,575,392.63	12,772,511.34	4,362,549.52	34	5,372.42	.04	12,327.31	.09	16,164.40	.1	150,223.87	1.2	4,546,637.52	35
First Class:																
1. Bacolod	798,176.99	13,097.00	729,141.93	1,687,485.29	988,344.04	58	3,769.05	.2	12,326.04	.7	P6,475.34	.4	P1,041.19	.1	1,011,955.66	60
2. Cagayan de Oro	308,772.15		132,572.83	1,447,096.04	650,570.67	45	1,029.00	.1	3,846.35	.3	4,615.01	.3	1,578.24	.1	661,639.27	46
3. Cebu	926,859.47		434,346.50	6,540,243.92	4,007,745.96	61	7,138.93	.1	2,613.54	.03	76,793.16	1.2	10,336.39	.1	4,104,627.98	63
4. Davao	1,284,811.16	25,158.90	798,776.24	3,880,982.90	1,985,130.18	51	24,110.72	.4	4,726.59	.1	16,884.12	.4	26,572.65	.7	2,057,426.26	53
5. Iloilo	1,075,849.82	47,687.79	413,102.22	3,446,801.81	1,733,653.38	50	11,077.10	.3	8,982.73	.3	4,640.00	.1	8,822.48	.2	1,767,175.69	51
6. Pasay	886,328.66		549,405.80	4,563,459.02	2,466,469.51	54	35,576.54	.8	19,217.54	.4	521,872.54	11.0	174,815.61	.4	3,217,951.74	70
7. Zamboanga	549,657.01	4,587.30	210,856.15	1,536,432.57	854,694.56	55	9,673.35	.6	2,630.08	.2	8,261.67	.5	2,071.29	.1	877,333.95	57
8. Caloocan	191,063.46		283,559.61	1,372,861.30	549,606.13	40	88.17	.01	7,213.83	.5			8,864.50	.6	565,772.63	41
Second Class:																
1. Basilan	276,702.61		422,813.94	1,149,295.63	620,353.04	54	4,733.36	.4	3,193.17	.3	32,763.10	3.0	14.65	.001	661,057.32	58
2. Butuan	117,267.49	46,806.56	404,243.39	1,420,226.57	625,829.29	44	2,498.54	.2	3,654.22	.2	23,617.95	2.0	7,557.95	.5	663,157.95	47
3. Cabanatuan	245,681.62		130,436.12	604,569.41	410,560.56	68	2,794.75	.5	1,146.84	.2	4,365.48	.7	396.00	.05	419,263.63	69
4. Cavite	179,632.04		153,943.62	825,550.64	440,414.42	53	5,306.77	.6	1,295.67	.1	2,970.00	.3	5,796.11	.7	455,782.97	55
5. Cotabato	115,973.39	25,388.94	125,311.00	793,691.94	420,200.39	53	7,166.00	.9	5,066.23	.06	2,487.74	.3	5,017.41	.6	435,377.77	59
6. Dagupan	321,190.79		102,475.10	953,926.67	500,601.02	52	3,706.65	.4	2,892.13	.3	2,672.90	.3	1,014.73	.1	510,977.13	54
7. Naga	177,362.25		91,723.36	862,103.43	530,544.52	61.5	9,155.15	1.0	4,042.46	.5	7,550.68	1.0	5,192.56	.6	556,485.27	65
8. San Pablo				1,187,105.23	444,555.59	37	6,163.18	.5	1,748.66	.1	499.85	.04	612.18	.05	453,579.46	38
Third Class:																
1. Dumaguete	156,662.50		34,310.00	697,079.59	419,952.90	60	1,614.65	.2	5,886.89	1.0	8,904.06	1.2			436,358.50	62
2. Iligan	164,712.97		133,960.83	956,460.22	468,174.76	49	5,736.55	.6	1,150.99	.1	3,986.75	.4	3,008.92	.3	482,057.97	50
3. Legaspi	90,255.70		91,216.72	654,163.80	264,225.86	40	4,893.20	.7	1,000.00	.1	9,805.76	1.5	13,272.60	2.0	293,197.42	45
4. Lipa	221,096.64	14,412.05	104,083.46	778,410.32	468,452.55	60	6,239.01	.8	2,641.07	.3	11,754.00	1.5	743.19	.1	489,829.82	63
5. Lucena				557,596.91	265,422.69	48	1,074.20	.2	474.31	.1			16,285.64	3.0	283,256.84	51
6. Ormoc	28,490.82	11,124.97	79,747.00	506,044.81	311,829.12	67	1,170.90	.2	3,647.37	.7	3,838.60	.7	2,268.08	.4	322,754.07	64
7. Ozamiz	210,425.54			892,051.70	344,342.62	39	2,848.85	.3	2,345.55	.3	5,863.23	.6	424.00	.04	355,821.25	40
8. Silay	150,108.81		103,765.57	503,467.59	260,414.23	52	1,336.25	.3	2,639.88	.5	1,022.60	.3	289.00	.08	265,701.96	53
9. Tacloban	266,832.82		150,283.64	1,287,029.43	608,528.42	47	1,870.60	.1	2,738.63	.2	14,598.77	1.0	1,643.14	.2	629,379.56	44
Fourth Class:																
1. Calbayog	106,789.68	2,727.50	144,314.29	394,241.02	292,706.37		3,547.25		2,182.80		5,082.49		845.72		304,364.63	
2. Lapu-Lapu	43,910.45	15,607.24	55,058.73	296,399.13	184,278.28	62	1,529.15	.5	523.56	.2	739.75	.2	628.85	.2	187,699.59	63
3. Roxas	108,508.25	9,380.80	58,080.97	599,568.41	356,249.27	59	3,166.24	.5	630.45	.1	34,184.00	6.0	2,485.50	.4	396,715.46	66
Fifth Class:																
1. Danao	32,576.06	5,785.56	31,320.21	255,670.67	143,348.19	56			363.00	.1			1,112.54	.5	144,823.73	57
2. Gingoog	51,521.17	10,124.27	93,793.99	383,748.80	195,079.90	51	1,865.35	.5	672.96	.2	1,323.35	.3	300.26	.1	199,241.82	52
3. Marawi	60,557.14	2,985.00	51,040.85	277,531.36	140,859.14	51	2,947.45	1.0	3,318.26	1.0	1,000.00	.4	27,527.49	10.0	175,652.34	63
4. San Carlos	155,045.11	3,123.32	186,535.61	773,952.30	329,825.10	43	3,080.25	.11	4,978.96	.6	4,326.20	.5	10,455.86	1.0	352,666.37	45
5. Tagaytay	54,104.50	4,837.28	46,108.27	358,210.36	134,970.62	38	1,440.00	.4	524.74	.1	2,569.00	1.0	138.63	.03	139,642.99	39
6. Toledo	76,590.99	5,384.00	173,461.18	495,547.78	237,283.09	48	3,876.00	1.0	2,813.49	.5	13,880.00	3.0	50,428.01	10.0	308,280.59	62
7. Trece Martires	4,245.81	145,846.34	6,118.36	28,807.39	27,344.00										27,344.00	
Total	P31,237,659.38	P771,093.68	P13,378,651.39	P118,008,127.50	P51,042,971.02		P199,801.01		P149,615.71		P877,879.11		P663,544.98		P52,933,811.83	



TABLE XXIV.—Cash Management Statement of the Treasurer of the Philippines

ACTUAL FOR THE WEEK: JUNE 26-30, 1962

PREPARED: JULY 5, 1962

	Week of June 26-30, 1962				Current Fiscal Year to Date—July 1, 1961 to June 30, 1962			
	General fund	Bond fund	Other funds	Total	General fund	Bond fund	Other funds	Total
CASH BALANCE AT BEGINNING OF PERIOD, JUNE 22, 1962	P61,471,113.01	P74,630,143.16	P289,407,818.31	P425,509,074.48	P82,114,772.85	P80,595,456.71	P243,215,852.88	P405,926,082.44
Transactions during the period								
Operating Receipts (Disbursements):								
Collections Deposited	35,467,147.10	1,961.36	9,658,737.97	45,127,846.43	1,463,432,067.76	842,545.11	544,661,460.49	2,008,936,073.36
Warrants Paid	(26,059,179.33)	(519,324.17)	(11,223,623.83)	(37,802,127.33)	(1,469,107,024.52)	(117,730,504.22)	(509,064,440.47)	(2,095,901,969.21)
Other Operating Receipts (Disbursements)	(3,859,204.90)	129,589.04	(3,874,891.43)	(7,604,507.29)	79,242,891.80	692,426.86	(40,031,443.88)	39,903,874.78
NET OPERATING RECEIPTS	5,548,762.87	(387,773.77)	(5,439,777.29)	(278,788.19)	73,567,935.04	(116,195,532.25)	(4,434,423.86)	(47,062,021.07)
Increase (Decrease) in Debt:								
Bills and Notes Payable					(10,000,000.00)			(10,000,000.00)
Bonds Payable						109,797,407.58	(6,765,525.52)	103,031,882.06
Sinking Fund Payments	(3,149,380.32)		3,149,380.32		(28,911,311.62)		24,782,999.69	(4,128,311.93)
NET CHANGE IN DEBT	(3,149,380.32)		3,149,380.32		(38,911,311.62)	109,797,407.58	18,017,474.17	88,903,570.13
Other Charges:								
Interest Earned (Payments)	(3,687,763.76)		252,925.60	(3,434,838.16)	(43,237,145.80)		4,127,151.69	(39,109,994.11)
Transfers					415,649.98	5,578,887.64	7,143,273.12	13,137,810.74
Adjustments	(72,634.81)		72,634.81		(13,839,803.46)	(5,533,850.29)	19,373,653.75	
NET OTHER CHANGES	(3,760,398.57)		(325,560.41)	(3,434,838.16)	(56,661,299.28)	45,037.35	30,644,078.56	(25,972,183.37)
NET TRANSACTIONS DURING PERIOD	(1,361,016.02)	(387,773.77)	(1,964,836.56)	(3,713,626.35)	(22,004,675.86)	(6,353,087.32)	44,227,128.87	15,869,365.69
CASH BALANCE, JUNE 29, 1962	P60,110,096.99	P74,242,369.39	P287,442,981.75	P421,795,448.13	P60,110,096.99	P74,242,369.39	P287,442,981.75	P421,795,448.13

## STATUS OF TREASURY CASH BALANCES

LOCATION OF CASH		FUND	Balance July 1, 1961	1st Transactions for Current Fiscal Year to Date	Balance June 30, 1962
Treasury Vault	P9,928,210.45	General Fund	P82,114,772.85	(P22,004,675.86)	P60,110,096.99
Central Bank	169,399,311.75	Special Fund	175,539,096.36	(88,602,907.34)	86,936,189.02
Philippine National Bank	21,887,061.61	Bond Fund	80,095,336.71	(79,899,485.32)	195,851.39
Cash in Other Banks (Time Deposit)	204,195,801.36	Fiduciary Fund	61,301,165.28	10,109,880.72	71,411,046.00
Cash in Other Banks (Savings Deposit)	16,385,062.96	Money Order Fund	(24,568,576.32)	(4,316,860.17)	(28,885,436.49)
		Depository Fund	(654,576.86)	402,268.64	(252,308.22)
		Sinking Fund (Bond)	205,390.47	161,642.22	367,032.69
		Sinking Fund (Backpay Rights)	31,363,161.68	(8,662,319.80)	22,700,841.88
		Unclassified Accounts	30,192.27	(9,133.76)	21,058.57
		Redemption Fund		(4,725.00)	(4,725.00)
		Special Fund (Time Deposits)		100,149,283.36	100,149,283.36
		Bond Fund (Time Deposits)		74,046,518.00	74,046,518.00
		Corporate Bond Fund	500,120.00	(500,120.00)	
		Backpay Sinking Fund (Savings and		35,000,000.00	35,000,000.00
		Time Deposits)			
TOTAL TREASURY CASH	P421,795,448.13		P405,926,082.44	P15,869,365.69	P421,795,448.13



TABLE XXV.—Cash Management Statement of the Treasurer of the Philippines  
ANALYSIS OF CHANGES IN TREASURY CASH BALANCES

ACTUAL FOR THE MONTH, JUNE 1962

	Month of June, 1962				Current Fiscal Year to Date: July 1 to June 30, 1962			
	General Fund	Bond Fund	Other Funds	Total	General Fund	Bond Fund	Other Funds	Total
CASH BALANCE AT BEGINNING OF PERIOD-----	P105,834,239.49	P75,862,216.95	P293,686,330.01	P475,382,876.45	P82,114,772.85	P80,595,456.71	P243,215,852.88	P405,926,082.44
Transactions During Period—								
Operating Receipts (Disbursements):								
Collections Deposited-----	141,328,915.23	2,941.24	34,220,825.79	175,552,682.26	1,463,432,067.76	842,545.11	544,661,460.49	2,008,936,073.36
Warrants Paid-----	(99,029,697.77)	(1,742,222.81)	(40,007,337.28)	(140,779,257.86)	(1,469,107,024.52)	(117,730,504.22)	(509,064,440.47)	(2,095,901,969.21)
Other Operating Receipts (Disbursements)-----	(7,185,493.83)	129,589.04	(6,419,263.21)	(13,475,168.00)	79,242,891.80	692,426.86	(40,031,443.88)	39,903,874.78
NET OPERATING RECEIPTS (Disbursements)	35,113,723.63	(1,609,692.53)	(12,205,774.70)	21,298,256.40	73,567,935.04	(116,195,532.25)	(4,434,423.86)	47,062,021.07
Increase (Decrease) In Debt:								
Bills and Notes Payable-----					(10,000,000.00)			(10,000,000.00)
Bonds Payable-----						109,797,407.58	(6,765,525.52)	103,031,882.06
Sinking Fund Payments-----	(3,869,979.08)		3,759,606.62	(110,372.46)	(28,911,311.62)		24,782,999.69	(4,128,311.93)
Loans Payable, Central Bank-----	(70,000,000.00)			(70,000,000.00)				
NET CHANGES IN DEBT-----	(73,869,979.08)		3,759,606.62	(70,110,372.46)	(38,911,311.62)	109,797,407.58	18,017,474.17	88,903,570.13
Other Changes:								
Interest Earned (Payments)-----	(5,128,793.46)		353,481.20	(4,775,312.26)	(43,237,145.80)		4,127,151.69	(39,109,994.11)
Transfers-----		3,000,000.00	31,000,000.00	34,000,000.00	415,649.98	5,578,887.64	7,143,273.12	13,137,810.74
Transfers-----		(3,000,000.00)	(31,000,000.00)	(34,000,000.00)				
Adjustments-----	1,839,183.59	(10,155.03)	1,849,338.62		(13,839,893.46)	(5,533,850.29)	19,373,653.75	
NET OTHER CHANGES-----	(6,967,977.05)	(10,155.03)	2,202,819.82	(4,775,312.26)	(56,661,299.28)	45,037.35	30,644,078.56	(25,972,183.37)
NET TRANSACTIONS DURING THE MONTH-----	(45,724,232.50)	(1,619,847.56)	(6,243,348.26)	(53,587,428.32)	(22,004,675.86)	(6,353,087.32)	44,227,128.87	15,869,365.69
CASH BALANCE, JUNE 29, 1962-----	P60,110,096.99	P74,242,369.39	P287,442,981.75	P421,795,448.13	P60,110,096.99	P74,242,369.39	P287,442,981.75	P421,795,448.13

STATUS OF TREASURY CASH BALANCES

LOCATION OF CASH	FUND		Balance July 1, 1961	Net Transactions for Current Fiscal Year to Date	Balance June 30, 1962
Treasury Vault-----	P9,928,210.45	General Fund-----	P82,114,772.85	(P22,004,675.86)	P60,110,096.99
Central Bank-----	169,399,311.75	Special Fund-----	175,539,096.36	(88,602,907.34)	86,936,189.02
Philippine National Bank-----	21,887,061.61	Bond Fund-----	80,095,336.71	(79,899,485.32)	(195,851.39)
Cash in Other Banks (Time Deposit)-----	204,195,801.36	Fiduciary Fund-----	61,301,165.23	10,109,880.72	71,411,046.00
Cash in Other Banks (Savings Deposit)-----	16,385,062.96	Money Order Fund-----	(24,568,576.32)	(4,316,860.17)	(28,885,436.49)
		Depository Fund-----	(654,576.86)	402,268.64	(252,308.22)
		Sinking Fund (Bond)-----	205,390.47	161,642.22	367,032.69
		Sinking Fund (Backpay Rights)-----	31,363,161.68	(8,662,319.80)	22,700,841.88
		Unclassified Accounts-----	30,192.27	(9,133.76)	21,058.57
		Redemption Fund-----		(4,725.00)	(4,725.00)
		Special Fund (Time Deposit)-----		100,149,283.36	100,149,283.36
		Bond Fund (Time Deposit)-----		74,046,518.00	74,046,518.00
		Corporate Bond Fund-----	500,120.00	(500,120.00)	
		Backpay Sinking Fund (Savings and Time Deposit)-----		35,000,000.00	35,000,000.00
TOTAL TREASURY CASH-----	P421,795,448.13		P405,926,082.44	P15,869,365.69	P421,795,448.13



## DOMESTIC

Non-life—									
1. Agricultural Fire Insurance and Surety Co., Inc.	12-31-61	P849,862.62	P618,270.65	P1,779,977.74	P1,119,006.98	P500,000.00	P160,970.76	P660,970.76	
2. Alpha Insurance and Surety Company, Inc.	12-31-61	1,827,838.69	1,478,293.94	1,919,514.07	1,753,972.94	500,000.00	(334,458.87)	165,641.18	
3. Asian Surety and Insurance Company, Inc.	12-31-61	2,915,570.56	1,382,271.23	2,659,604.75	2,356,126.22	600,000.00	(296,521.47)	303,478.53	
4. Associated Insurance and Surety Co., Inc.	12-31-61	672,238.97	669,451.68	1,129,340.64	1,516,267.10	500,000.00	(886,926.46)	(386,926.46)	
5. Bankers and Manufacturers Assurance Corp.	12-31-61	1,375,364.37	1,203,665.59	1,915,365.01	1,402,347.45	500,000.00	13,017.56	513,017.56	
6. Belfast Surety and Insurance Co., Inc.	12-31-61	263,619.06	161,089.53	527,523.43	118,771.06	425,000.00	(16,241.53)	408,758.47	
7. Capital Insurance and Surety Co., Inc.	12-31-61	14,334,931.63	6,599,300.34	7,591,439.47	6,508,606.39	1,000,000.00	82,827.08	1,082,827.08	
8. Cathay Insurance Company, Inc.	12-31-61	288,112.73	125,759.79	692,014.58	179,640.49	500,000.00	12,374.09	512,374.09	
9. CCC Insurance Corporation	12-31-61	1,280,900.24	487,579.28	2,128,192.20	1,613,925.03	500,000.00	14,267.17	514,267.17	
10. Central Surety and Insurance Co., Inc.	12-31-61	766,140.51	760,376.71	1,041,750.72	414,335.62	500,254.30	127,160.80	627,415.10	
11. Century Insurance Company, Inc.	6-30-61	625,907.45	620,882.84	666,266.34	610,715.10	347,412.00	(291,860.76)	55,551.24	
12. Citadel Insurance and Surety Co., Inc.	12-31-61	525,393.09	433,159.37	1,044,761.06	371,223.83	500,000.00	152,937.23	652,937.23	
13. Citizen's Surety and Insurance Co., Inc.	12-31-61	(29,394.22)	431,550.11	1,198,999.39	452,081.37	501,000.00	245,918.02	746,98.02	
14. Commercial Insurance and Surety Co., Inc.	4-30-61	404,491.78	221,649.86	808,331.00	300,925.40	500,000.00	7,405.60	507,405.60	
15. Commonwealth Insurance Company	12-31-61	2,119,161.87	2,860,926.05	4,250,527.64	1,654,011.65	1,000,000.00	1,596,515.99	2,596,515.99	
16. Communications Insurance Company, Inc.	12-31-61	1,380,375.01	735,214.69	1,522,324.93	1,092,249.48	500,000.00	(69,924.55)	430,075.45	
17. Consolacion Insurance and Surety Co., Inc.	12-31-61	47,720.26	65,782.30	661,260.20	165,364.51	500,000.00	(4,104.31)	495,895.69	
18. Cosmopolitan Insurance Company, Inc.	12-31-61	1,404,958.37	1,266,578.72	1,540,958.74	967,930.91	500,000.00	73,027.83	573,027.83	
19. Country Bankers Insurance and Surety Co., Inc.	12-31-61	266,669.04	139,307.90	683,080.45	125,615.74	524,704.16	32,760.55	557,464.71	
20. Domestic Insurance Co., of the Philippines	12-31-61	1,736,414.91	2,713,010.04	4,337,560.82	1,489,598.32	750,400.00	2,097,562.50	2,847,962.50	
21. Eastern General Reinsurance Corporation	12-31-61	108,607.59	129,199.15	447,945.50	152,924.25	250,000.00	45,021.25	295,021.25	
22. Empire Insurance Company	12-31-61	946,758.54	736,394.84	1,388,744.09	706,950.60	250,000.00	431,793.49	681,793.49	
23. Equitable Insurance and Casualty Co., Inc.	6-30-61	685,727.56	492,900.58	762,446.12	337,038.17	400,000.00	25,408.05	425,408.05	
24. Far Eastern Surety and Insurance Co., Inc.	12-31-61	266,063.04	238,318.42	322,010.47	208,319.28	273,400.00	(159,708.81)	113,691.19	
25. Federal Insurance Company	12-31-61	1,033,055.27	600,302.13	1,710,011.19	1,174,352.08	500,000.00	36,519.11	1,034,782.62	
26. Fidelity and Surety Co., of the Philippines	12-31-61	454,765.62	230,398.11	1,856,577.00	321,794.38	500,000.00	90,942.36	490,942.36	
27. Fieldmen's Guaranty Company, Inc.	12-31-61	9,698.57	3,085.87	496,882.64	6,048.28	400,000.00	93,806.19	343,806.19	
28. Fieldmen's Indemnity Company, Inc.	12-31-61	5,747,708.24	4,454,133.27	1,624,959.19	1,281,193.00	250,000.00	(53,425.72)	446,574.28	
29. Fieldmen's Insurance Company, Inc.	12-31-61	7,263,031.45	5,503,224.98	4,639,821.69	4,153,247.41	500,000.00	8,736,511.51	11,736,511.51	
30. Filipinas Compania de Seguros	12-31-61	10,435,595.44	7,613,464.38	22,237,089.85	10,500,588.34	3,000,000.00	17,507.52	517,907.52	
31. Filipino Merchants Insurance Co., Inc.	12-31-61	243,079.74	123,555.47	650,666.75	132,759.23	500,000.00	64,346.50	664,346.50	
32. First Continental Assurance Co., Inc.	9-30-61	128,080.02	88,716.26	1,175,915.44	511,568.94	600,000.00	16,441.15	500,482.01	
33. First National Surety Assurance Co., Inc.	9-30-61	964,712.01	811,266.13	894,248.51	577,807.36	300,000.00	(36,532.49)	213,467.51	
34. First Quezon City Insurance Co., Inc.	12-31-61	1,366,252.55	243,079.03	1,044,416.67	543,924.66	500,000.00	6,630.87	256,630.87	
35. Fortune Insurance and Surety Co., Inc.	2-23-61	190,028.46	217,438.59	270,384.14	56,916.63	250,000.00	134,952.93	634,952.93	
36. General Indemnity Company, Inc.	12-31-61	255,310.56	77,783.20	278,849.05	22,218.18	250,000.00	71,420.14	322,920.14	
37. General Insurance and Surety Corporation	12-31-61	275,718.12	218,770.04	879,674.38	244,721.45	500,000.00	7,247.82	507,247.82	
38. Goodyear Insurance Company, Inc.	12-31-61	123,232.51	26,923.08	335,762.50	12,842.36	251,500.00	65,770.86	615,770.86	
39. Imperial Insurance Company, Inc.	3-31-61	837,719.39	436,439.58	1,459,766.50	952,518.67	500,000.00	52,174.17	752,174.17	
40. Industrial Insurance Company, Inc.	12-31-61	288,708.77	224,925.53	769,541.48	153,770.62	550,000.00	168,745.34	668,745.34	
41. Insurance Company of Commerce and Industry	12-31-61	835,073.18	576,663.90	1,095,200.89	343,026.72	700,000.00	1,252,323.58	1,752,323.58	
42. Liberty Insurance Corporation	12-31-61	657,109.65	555,848.03	1,504,231.40	835,486.06	500,000.00	(7,182.50)	492,817.50	
43. Luzon Surety Company, Inc.	12-31-61	657,077.76	529,563.44	2,168,903.16	416,579.58	500,000.00	46,734.66	846,734.66	
44. Mabuhay Insurance and Guaranty Co., Inc.	3-31-61	111,523.68	63,261.81	562,580.54	69,763.04	500,000.00	597,831.20	597,831.20	
45. Malayan Insurance Company, Inc.	12-31-61	6,617,673.08	4,433,152.81	8,807,634.66	7,960,900.00	800,000.00	220,796.58	600,796.58	
46. Manila Insurance Company, Inc.	12-31-61	711,099.72	648,820.32	1,214,522.87	616,691.67	500,000.00	(22,604.45)	277,395.55	
47. Manila Surety and Fidelity Company, Inc.	12-31-61	693,357.44	723,738.68	1,376,632.69	775,836.11	380,000.00	471.28	500,471.28	
48. Manila Underwriters Insurance Co., Inc.	9-30-61	354,830.01	428,135.21	550,798.17	273,402.62	300,000.00	3,222,724.57	5,324,924.57	
49. Meridian Assurance Corporation	12-31-61	292,580.04	116,643.64	778,396.13	277,924.85	500,000.00	32,604.64	532,604.64	
50. Metropolitan Insurance Company	12-31-61	1,889,138.86	1,729,177.30	6,729,080.72	1,450,876.15	2,102,200.00	119,150.43	619,150.43	
51. Mutual Security Insurance Corporation	12-31-61	820,507.05	723,629.17	1,095,286.80	562,682.16	500,000.00	(3,370.88)	496,629.12	
52. Northwest Insurance and Surety Co., Inc.	3-31-61	618,599.62	310,077.23	1,027,004.02	407,853.59	500,000.00	6,895.75	506,895.75	
53. Oceanic Insurance Company, Inc.	9-30-61	316,808.72	268,967.10	662,069.34	165,440.22	500,000.00	4,397.44	504,397.44	
54. Overseas Insurance Corporation	9-30-61	299,773.61	133,572.95	710,376.71	230,480.96	500,000.00	70,637.96	570,637.96	
55. Pacific Union Insurance Company	6-30-61	829,601.78	681,168.26	1,224,311.11	719,913.67	500,000.00	79,566.69	537,766.69	
56. Paramount Surety and Insurance Co., Inc.	12-31-61	890,285.76	819,251.03	1,069,204.73	668,566.77	330,000.00	95,427.12	595,427.12	
57. People's Surety and Insurance Co., Inc.	6-30-61	651,955.69	596,504.53	1,061,118.34	523,351.65	458,200.00	11,234.14	511,234.14	
58. Philippine American Accident Ins. Co., Inc.	12-31-61	197,036.69	103,468.93	696,173.94	100,746.82	500,000.00	818,250.09	2,118,250.09	
59. Philippine American Assurance Co., Inc.	12-31-61	576,838.85	425,253.64	908,315.25	397,081.11	500,000.00	5,786,583.00	8,036,583.00	
60. Philippine American Gen. Insurance Co., Inc.	12-31-61	3,912,263.36	2,357,066.07	4,875,130.82	2,756,880.73	1,300,000.00	88,076.47	588,076.47	
61. Philippine Guaranty Company, Inc.	12-31-61	6,807,778.51	5,587,836.78	14,063,907.33	6,027,324.33	2,250,000.00	(268,409.19)	734,295.81	
62. Philippine Home Assurance Corporation	12-31-61	754,980.41	475,226.32	868,359.38	280,282.91	500,000.00	79,686.72	1,084,836.82	
63. Philippine Phoenix Surety and Insurance Inc.	12-31-61	893,090.93	684,395.34	3,037,752.09	2,303,456.28	1,002,705.00	(60,856.67)	189,143.33	
64. Philippine Reinsurance Corporation	12-31-61	1,769,977.88	1,385,987.96	3,057,734.63	1,972,897.81	1,005,150.00	357,421.91	845,821.91	
65. Philippine Surety and Insurance Company	12-31-61	229,071.19	228,547.73	427,876.26	238,732.93	205,000.00	(845,802.86)	(345,802.86)	
66. Philippines First Insurance Company, Inc.	12-31-61	271,593.70	289,547.48	1,180,049.08	334,227.17	488,400.00	436,800.00	1,314,800.00	
67. Philippines International Surety Co., Inc.	12-31-61	124,607.22	167,306.83	1,138,856.38	1,484,659.24	500,000.00	69,021.34	356,721.34	
68. Pioneer Insurance and Surety Corporation	12-31-61	4,321,325.50	1,944,625.92	4,825,927.34	3,511,127.34	878,000.00	(82,991.03)	618,008.97	
69. Plaridel Surety and Insurance Co., Inc.	12-31-61	307,751.40	360,066.40	507,229.24	150,507.90	287,700.00	38,158.24	461,841.76	
70. Progress Insurance and Surety Company, Inc.	12-31-61	323,071.96	155,677.01	759,913.47	141,904.50	701,000.00	68,351.69	568,351.69	
71. Property and Liability Insurance Corporation	12-31-61	878,020.48	194,610.69	643,134.78	181,293.02	500,000.00	226,505.71	2,895,823.66	
72. Provident Insurance Co., of the Philippines	12-31-61	321,615.12	440,181.94	700,795.94	132,444.25	2,669,317.85	47,074.32	597,074.32	
73. Reinsurance Company of the Orient, Inc.	12-31-61	1,724,969.55	1,631,627.84	4,454,148.98	1,558,325.42	550,000.00	(267,920.37)	232,079.63	
74. R and B Surety and Insurance Company, Inc.	12-31-61	695,194.34	308,933.66	1,162,611.58	565,587.26	500,000.00	178,295.81	1,178,295.81	
75. Reliance Surety and Insurance Company, Inc.	9-30-61	833,183.78	1,428,943.70	1,082,743.92	850,664.29	500,000.00	610,550.00	860,550.00	
76. Republic Surety and Insurance Company, Inc.	12-31-61	224,707.08	238,555.03	1,232,291.92	53,996.11	1,000,000.00	1,491.10	501,491.10	
77. Rizal Surety and Insurance Company	12-31-61	1,190,787.99	948,844.84	1,816,752.59	956,202.59	250,000.00	108.69	500,108.69	
78. Sentinel Insurance Company, Inc.	12-31-61	385,411.46	428,516.12	662,045.75	160,554.65	500,000.00	(364,651.50)	160,348.50	
79. Sincere Insurance Company, Inc.	12-31-61	532,700.45	291,537.97	771,361.08	271,252.39	500,000.00	252,498.68	502,498.68	
80. Southeast Insurance Company, Inc.	9-30-61	863,531.77	592,223.61	964,226.37	803,877.87	525,000.00	(288,500.93)	380,454.33	
81. South Sea Surety and Insurance Co., Inc.	3-31-61	2,770,536.18	1,605,277.52	3,312,391.02	2,809,892.34	250,000.00	366,580.79	1,150,580.79	
82. Standard Insurance Company, Inc.	12-31-61	863,531.77	592,223.61	1,362,074.38	981,620.05	668,955.26	1,603,583.37	3,103,583.37	
83. State Bonding and Insurance Company, Inc.	12-31-61	1,299,847.75	1,074,082.64	1,979,947.11	829,366.32	784,000.00	(68,507.36)	531,492.64	
84. Tabacalera Insurance Company	9-30-61	1,982,438.59	1,694,704.41	3,916,526.25	812,942.88	1,500,000.00	22,626.12	402,026.12	
85. Times Surety and Insurance Company, Inc.	12-31-61								



Life—								
1. Alpha Mutual Life Insurance Co., Inc. ....	12-31-61	P495,769.51	P738,023.11	P857,923.74	P441,105.17	P1,022,335.03	(P605,516.46)	P416,818.57
2. Beneficial (FMF) Life Insurance Co., Inc. ....	12-31-61	192,318.96	415,658.70	688,705.83	46,718.20	573,553.00	68,434.63	641,987.63
3. Builders Life Assurance Company, Inc. ....	12-31-61	15,196.69	111,228.32	490,764.11	54,012.11	500,000.00	(63,248.00)	436,752.00
4. Capital Life Assurance Corporation .....	12-31-61	497,224.48	650,934.67	485,734.10	456,810.21	614,000.00	(585,076.11)	28,923.89
5. Fieldmen's Life Assurance Corporation .....	12-31-61	1,061,429.01	1,522,512.78	1,167,050.37	662,592.17	553,050.00	(48,591.80)	504,458.20
6. Filipinas Life Assurance Company .....	12-31-61	282,290.83	171,698.37	2,335,793.49	151,213.14	250,000.00	1,934,580.35	2,184,580.35
7. Great Pacific Life Assurance Corporation .....	12-31-61	4,896,612.25	4,762,008.97	7,121,299.11	6,272,129.60	566,370.00	282,799.51	849,169.51
8. Insular Life Assurance Company, Inc. ....	12-31-61	28,951,310.15	26,922,138.53	109,659,987.69	90,122,547.15	1,750,000.00	17,787,440.54	19,537,440.54
9. National Life Ins. Company of the Philippines .....	12-31-61	5,970,864.15	5,973,251.72	14,202,267.76	13,590,354.52	788,400.00	(176,486.76)	611,913.24
10. Philippine American Life Insurance Company .....	12-31-61	45,622,028.86	43,613,572.15	161,630,732.76	148,630,824.70	2,500,000.00	10,499,908.06	12,999,908.06
11. Philippine International Life Ins. Co., Inc. ....	12-31-61	1,965,071.80	1,919,373.08	2,082,038.47	1,551,855.77	500,000.00	30,182.70	530,182.70
12. Star Life Insurance Corporation .....	12-31-61	884,240.83	1,277,386.41	1,564,088.18	867,701.99	500,000.00	196,386.19	696,386.19
13. Travellers Life Assurance of the Philippines .....	3-31-61	199,635.47	396,320.40	747,710.02	348,420.91	460,021.50	(60,732.39)	399,289.11
14. United Life Assurance Corporation .....	12-31-61	616,192.58	670,505.29	922,870.03	375,210.32	500,000.00	47,659.71	547,659.71
15. G. S. I. S. (Life Insurance Fund) .....	6-30-61	54,903,260.45	21,738,136.17	209,855,731.18	4,950,339.29	-----	204,905,391.89	204,905,391.89
Total .....	-----	P146,553,446.02	P110,882,748.67	P513,812,696.84	P268,521,835.25	P11,077,729.53	P234,213,132.06	P245,290,861.59



Name of Company	As of	Income	Disbursements	Admitted Assets	Liabilities	Paid-up Capital	Surplus	Net Worth
<b>I. Foreign (American)</b>								
<b>A. Non-life</b>								
1. Aetna Insurance Company	12-31-61	P358,838,804.96	P335,511,014.38	690,412,376.98	P442,400,477.02	P20,000,000.00	P228,011,800.96	P248,011,800.96
2. American Home Insurance Co.	12-31-61	42,358,464.18	44,191,570.58	108,062,218.96	59,837,663.86	3,754,320.00	44,470,235.10	48,224,555.10
3. American Insurance Company	12-31-61	242,416,260.20	249,974,331.02	522,838,495.00	257,729,200.58	20,769,799.00	244,339,505.32	265,109,295.32
4. Fireman's Fund Insurance Co.	12-31-61	421,096,793.84	387,227,259.12	1,072,406,803.28	599,740,627.94	18,966,980.00	453,699,195.34	472,666,175.34
5. Fireman's Insurance Company	12-31-61	189,130,126.32	226,063,947.06	522,452,270.52	313,368,369.28	30,000,000.00	179,083,901.24	209,083,901.24
6. Fulton Insurance Company	12-31-61	704,808.24	42,642.26	5,134,012.14	573,945.06	2,000,000.00	2,560,067.08	4,560,067.08
7. Granite State Insurance Co.	12-31-61	385,089.32	34,480.72	11,979,204.94	nil	2,500,000.00	9,479,204.94	11,979,204.94
8. Great American Insurance Company of New York	12-31-61	359,795,776.64	323,218,175.98	884,653,883.90	385,363,852.38	28,955,110.00	470,334,921.52	499,290,031.52
9. Hanover Insurance Company	12-31-61	183,320,621.18	190,645,979.26	326,428,051.20	220,077,512.52	20,085,400.00	86,205,138.68	106,350,538.68
10. Hartford Fire Insurance Co.	12-31-61	464,075,110.86	443,793,898.70	1,486,095,661.40	444,370,694.52	106,942,360.00	934,782,696.88	1,041,725,056.88
11. Home Insurance Company	12-31-61	561,405,073.10	527,176,872.54	1,353,003,669.76	674,796,758.62	44,400,160.00	634,706,751.14	879,186,911.14
12. Insurance Company of North America	12-31-61	1,217,053,968.00	498,474,176.00	2,592,654,268.00	1,272,196,164.00	109,570,790.00	1,210,887,314.00	1,320,458,104.00
13. Milwaukee Insurance Company of Milwaukee, Wisconsin	12-31-61	49,037,120.66	55,696,219.00		73,821,490.14	6,000,000.00	44,985,653.88	50,985,653.88
14. National Union Fire Insurance Co.	12-31-61	111,008,877.66	102,492,084.02	194,280,696.76	108,657,037.60	8,000,000.00	77,632,619.16	85,632,619.16
15. New Hampshire Insurance Co.	12-31-61			208,960,412.78	129,917,829.64	10,281,280.00	69,161,303.14	79,442,583.14
16. Security Insurance Company of New Haven	12-31-61	95,030,990.00	28,502,724.66	148,601,731.88	36,425,558.54	23,065,187.40	89,110,985.94	112,176,173.34
17. St. Paul Fire and Marine Insurance Company	12-31-61	335,312,957.04	315,477,319.48	826,625,176.12	412,151,875.14	51,190,462.50	363,282,838.48	414,473,300.98
Sub-total		4,726,187,623.60	3,823,064,962.76	11,080,305,038.54	5,431,028,966.84	506,481,639.90	5,142,794,231.80	5,649,276,871.70
<b>B. Life</b>								
2. American Life Insurance (Servicing)	12-31-61	21,199,668.24	11,089,546.70	46,232,873.54	38,053,057.54	2,000,000.50	6,179,186.00	8,179,816.00
2. Lincoln National Life Insurance Company, The	12-31-61	660,337,209.70	505,413,641.20	3,187,471,933.64	2,760,199,346.88	50,000,000.00	377,272,586.76	427,272,586.76
3. Occidental Life Insurance Company of California	12-31-61	609,471,612.74	469,918,913.76	1,797,027,641.10	1,590,203,082.20	50,000,000.00	156,824,558.90	206,824,558.90
4. United States Life Insurance Company in the City of New York	12-31-61	94,469,858.46	77,837,848.50	251,189,590.88	220,743,663.40	6,614,920.00	23,830,987.48	30,445,907.48
Sub-total		1,385,478,349.14	1,064,259,950.16	5,281,922,039.16	4,609,199,170.02	108,614,920.00	564,107,909.14	672,722,869.14
Total		6,111,665,972.74	4,887,324,912.92	16,362,027,077.70	10,040,228,136.86	615,096,759.90	5,706,902,180.94	6,321,998,940.84
<b>II. Foreign (Other than American)</b>								
<b>A. Non-life</b>								
1. American International Insurance Company, Ltd.	12-31-61	34,491,831.90	19,121,950.80	90,666,078.40	70,331,283.70	6,000,000.00	14,334,794.70	20,334,794.70
2. Atlas Insurance Company, Ltd.	12-31-61	129,238,524.08	125,823,028.72	400,418,781.84	359,502,831.46	15,455,000.00	25,460,950.38	40,915,950.38
3. British Traders Insurance Company, Ltd.	12-31-61	31,573,047.30	35,555,803.09	45,392,360.89	36,799,966.19	2,538,000.00	6,054,394.70	8,592,394.70
4. Caledonian Insurance Co., Ltd.	12-31-61	87,089,796.00	67,376,140.00	241,772,986.00	200,926,164.00	5,600,000.00	35,246,822.00	40,846,822.00
5. Chungkuo Insurance Co., Ltd.	12-31-61	7,842,281.55	7,013,032.99	9,174,641.80	7,394,562.70	1,137,656.43	642,422.67	1,780,079.10
6. Commercial Union Assurance Co.	12-31-61	897,892,156.00	795,623,348.00	2,070,453,320.00	1,688,180,352.00	88,378,500.00	293,894,468.00	382,272,968.00
7. Employer's Liability Assurance Co.	12-31-61	292,907,696.54	242,153,605.18	435,491,719.90	334,899,280.56	11,200,000.00	89,392,439.34	(a) 100,592,439.34
8. General Insurance Company, Helvetia, Ltd.	12-31-61	27,866,099.86	26,775,940.98	42,512,571.24	34,116,859.14	4,651,162.80	3,744,549.30	8,395,712.10
9. Guardian Assurance Co., Ltd.	12-31-61	490,667,895.20	332,763,586.64	1,181,747,476.00	982,137,413.60	95,700,757.60	103,909,304.80	199,610,062.40
10. Law Union and Rock Insurance Company, Ltd.	12-31-61	44,441,983.76	33,793,672.72	175,276,139.76	166,287,418.88	924,000.00	8,064,720.88	8,988,720.88
11. Liverpool and London and Globe Insurance Company, Ltd.	12-31-61	358,329,972.00	322,075,562.00	756,527,056.00	601,860,394.00	5,947,760.00	148,718,902.00	154,666,662.00
12. London Assurance	12-31-61	265,259,299.36	235,106,308.64	601,436,373.56	494,404,848.42	28,389,440.62	78,842,084.52	107,031,525.14
13. Netherlands Insurance Company, est. 1845, Ltd.	12-31-61	137,019,402.00	79,581,932.00	622,373,432.00	562,562,004.00	11,160,000.00	48,651,428.00	59,811,428.00
14. New India Assurance Co., Ltd.	12-31-61	58,102,540.00	46,248,819.00	80,137,875.00	62,445,939.00	5,996,684.00	11,691,252.00	17,691,936.00
15. New Zealand Insurance Co., Ltd.	5-31-61	61,388,532.00	56,830,496.00	119,577,070.00	53,484,218.00	22,848,000.00	43,244,852.00	66,092,852.00
16. North British and Mercantile Assurance Company, Ltd.	12-31-61	285,832,090.00	235,668,108.00	899,715,294.00	707,617,932.00	25,200,000.00	86,897,362.00	112,097,362.00
17. Northern Assurance Co., Ltd.	12-31-61	449,663,618.00	349,802,403.00	1,041,653,333.00	873,346,464.00	51,673,524.00	116,633,345.00	168,306,869.00
18. Phoenix Assurance Co., Ltd.	12-31-61	335,518,271.20	266,762,804.00	684,713,444.80	588,579,684.00	7,278,336.80	88,855,424.00	96,133,760.80
19. Royal Insurance Company, Ltd.	12-31-61	1,859,948,034.00	1,216,265,700.00	2,788,061,534.00	2,154,284,060.00	164,568,298.00	469,209,176.00	633,777,474.00
20. Sea Insurance Company, Ltd.	12-31-61	30,937,768.94	29,977,569.66	71,245,425.52	70,745,425.52	4,213,125.00	36,286,791.76	40,499,916.76
21. South British Insurance Co., Ltd.	8-31-61	60,011,087.80	52,548,748.00	137,919,900.00	80,694,804.00	29,098,056.00	28,127,040.00	57,225,096.00
22. Sun Insurance Office, Ltd.	12-31-61	139,802,532.12	136,354,520.34	214,025,075.32	147,078,450.12	13,440,000.00	53,566,625.20	66,946,625.20
23. Switzerland General Insurance Company, Ltd.	12-31-61	89,949,093.76	85,359,401.87	111,906,102.28	94,268,872.13	10,714,285.71	6,922,944.44	17,637,230.15
24. Union Insurance Society of Canton	12-31-61	117,024,691.73	121,781,740.71	173,577,841.67	136,333,715.25	12,600,000.00	24,554,126.62	37,244,226.62
Sub-total		6,292,798,245.10	4,921,265,322.34	12,915,775,749.98	10,468,282,942.71	642,802,586.96	1,822,690,220.31	2,447,492,807.27
<b>B. Life</b>								
1. Crown Life Insurance Co., The (Servicing)	12-31-61	157,062,664.00	149,408,580.00	724,117,780.00	651,799,038.00	4,000,000.00	68,318,742.00	72,318,742.00
2. Manufacturers Life Insurance Co.	12-31-61	490,600,172.00	358,681,746.00	2,107,864,074.00	1,986,032,214.00	3,000,000.00	118,831,860.00	121,831,860.00
3. Sun Life Insurance Company of Canada	12-31-61	697,826,138.00	655,031,486.00	4,950,914,318.00	4,565,718,954.00	4,000,000.00	381,195,364.00	385,195,364.00
Sub-total		1,345,488,974.00	1,163,121,812.00	7,782,896,172.00	7,203,550,206.00	11,000,000.00	568,345,966.00	579,345,966.00
Total		7,638,287,219.10	6,084,387,134.34	20,698,671,921.98	17,671,834,148.71	635,802,586.96	2,391,036,186.31	3,026,888,778.37
GRAND TOTAL		P13,749,953,191.84	P10,971,712,047.25	P37,060,898,999.68	P27,712,061,285.57	P1,250,899,346.86	P8,097,938,967.35	P9,348,887,714.11

NOTE: (a) Annual statement submitted for approval by this office.