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Washington, D.C.

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**Archives**  
 Travel briefs, Philippines 01



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vol. 1

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REPUBLIC OF THE PHILIPPINES

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*read to senators, marked  
 portions of CPP -  
 would not be fulfilling  
 my mission to you if I  
 did not speak frankly;  
 a) have but 1/2 of accord  
 b) but several quotes from CTS*

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**PROGRAM**

VISIT

TO

**THE PHILIPPINES**

OF

**The Honorable ROBERT S. McNAMARA**  
President, International Bank  
for Reconstruction and Development

MANILA, NOVEMBER 12-15, 1971



**HONORABLE ROBERT S. MCNAMARA**  
**President, International Bank for**  
**Reconstruction and Development**

Mr. ROBERT S. McNAMARA  
President, International  
Bank for Reconstruction  
and Development (IBRD)

MEMBERS OF THE PARTY

Mrs. ROBERT S. McNAMARA

Mr. RAYMOND JOHN GOODMAN  
Director East Asia and  
Pacific Department, IBRD

Mr. WILLIAM D. CLARK  
Director of Information  
and Public Affairs, IBRD

Mr. IAN CHRISTOPHERSON  
Special Assistant to the President, IBRD

Mr. MICHAEL A. GOULD  
Joint Officer East Asia  
and Pacific Department, IBRD

ROBERT S. McNAMARA

Robert S. McNamara became President of the International Bank for Reconstruction and Development (World Bank), the International Finance Corporation (IFC) and the International Development Association (IDA) on April 1, 1968.

Born on June 9, 1916 in San Francisco, Mr. McNamara attended public schools in Piedmont, California, and graduated from the University of California in 1937, where he was elected to Phi Beta Kappa at the end of his sophomore year. In 1939 he received an MBA degree from the Harvard Graduate School of Business Administration.

In 1939 Mr. McNamara joined the San Francisco office of the accounting firm of Price, Waterhouse and Company. A year later he returned to Harvard to become Assistant Professor of Business Administration. While there he also served as a consultant to the War Department on the establishment of a statistical control system for the Air Force. In 1943 he took leave of absence from Harvard and went to the United Kingdom as a civilian consultant for the War Department, where his job was to set up a statistical control system over the flow of material, money and personnel. He was commissioned a Captain in the Air Force while stationed in the U.K. and subsequently served in India, China and the Pacific. He was awarded the Legion of Merit and promoted to Lieutenant Colonel before going on inactive duty in April 1946.

Upon his discharge from the Air Force, Mr. McNamara joined the Ford Motor Company to manage the planning and financial analysis offices. In 1949 he was promoted to Comptroller, and in subsequent promotions became Assistant General Manager of the Ford Division, Vice President and

General Manager of the Division, and Vice President and Group Executive of the Car and Truck Divisions. In 1957 was elected a Director of the Company and was appointed to the executive committee and the administration committee. On November 9, 1960 he was elected President of the Ford Motor Company.

Mr. McNamara agreed to serve as Secretary of Defense of the United States at the request of President-elect John F. Kennedy on December 13, 1960 and took the oath of office on January 21, 1961. He served as Secretary of Defense until March 1968.

Mr. McNamara has received honorary degrees from Harvard, California, Michigan, Columbia, Ohio, Princeton, New York, Notre Dame and George Washington Universities, as well as Williams College, Chatham College and Amherst College. He is a Trustee of the Ford Foundation, Brookings Institution and the Urban Institute. Mr. McNamara is the recipient of the Presidential Medal of Freedom With Distinction and Distinguished Service Medal from each of the Departments of the Army, Navy and Air Force. He is the author of "The Essence of Security", published in 1968.

Mr. McNamara married the former Margaret Craig on August 13, 1940. They have three children—Margaret Elizabeth (Mrs. Barry Carter), Kathleen and Robert Craig. He is a member of the Presbyterian Church and currently resides at 2412 Tracy Place, N. W., Washington, D.C. 20008, U.S.A.

Mr. ROBERT S. McNAMARA  
*President, International  
Bank for Reconstruction  
and Development (IBRD)*

#### MEMBERS OF THE PARTY

Mrs. ROBERT S. McNAMARA

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*Director, East Asia and  
Pacific Department, IBRD*

Mr. WILLIAM D. CLARK  
*Director of Information  
and Public Affairs, IBRD*

Mr. LEIF CHRISTOPHERSON  
*Special Assistant to the President, IBRD*

Mr. MICHAEL A. GOULD  
*Loan Officer, East Asia  
and Pacific Department, IBRD*

5:00—Business meeting with the President, Board of Directors and other Officials of the Asian Development Bank (ADB) at the residence of ADB President, Ambassador Takeshi Watanabe, 1266 Acacia Road, Dasmariñas Village, Makati, Rizal.

**Evening:**

7:30—Dinner-Cruise at Manila Bay on board the Presidential Yacht to be hosted by His Excellency the President of the Philippines and Mrs. Ferdinand E. Marcos for Honorable and Mrs. Robert S. McNamara. (Boarding time 7:00 p.m.)

**MONDAY, 15 NOVEMBER 1971**

**Morning:**

6:45—Leave Savoy Philippines Hotel for the Manila International Airport.

7:50—Departure for Singapore (PR 501).

9:00—Meeting among His Excellency the President of the Philippines Ferdinand E. Marcos, Honorable Robert S. McNamara, and Government Officials headed by Honorable Cesar Virata, Secretary of Finance and Economic Development, and four other development plan, and briefings on selected social and economic development state dining Room, Malacañang

**PROGRAM**

**FRIDAY, 12 NOVEMBER 1971**

**Afternoon:**

3:30—Arrival of the plane (KLM 863) from Bangkok bearing the Honorable the President of the International Bank for Reconstruction and Development and Mrs. Robert S. McNamara and Members of the Party.

—The distinguished guests will be greeted at plane-side by the Honorable Secretary of Finance and Mrs. Cesar Virata and the Honorable Executive Secretary and Mrs. Alejandro Melchor and escorted to the Savoy Philippines Hotel.

4:00—Check-in at the Savoy Philippines Hotel.

5:00—Private meeting with Honorable Alejandro Melchor, Executive Secretary, at the Presidential Suite, Savoy Philippines Hotel.

**Evening:**

7:00—Dinner given by the Honorable Secretary of Finance and Mrs. Cesar Virata, in honor of Honorable and Mrs. Robert S. McNamara at the Executive Lounge, Development Bank of the Philippines, Makati.

**SATURDAY, 13 NOVEMBER 1971**

**Morning:**

8:30—His Excellency the President of the Philippines and Mrs. Ferdinand E. Marcos receive Honorable and Mrs. Robert S. McNamara and the Members of the Party at Malacañang.



9:00—Meeting among His Excellency the President of the Philippines Ferdinand E. Marcos, Honorable Robert S. McNamara, and Government Officials headed by Honorable Cesar Virata, Secretary of Finance, to discuss general economic situation and Four-Year Development Plan, and hear briefings on Selected Social and Economic Development Programs at the State Dining Room, Malacañang.

FOR: MRS. ROBERT S. McNAMARA

9:00—Visit Fort Santiago and Rizal Park.

*Afternoon:*

12:00—Luncheon given by His Excellency the President of the Philippines and Mrs. Ferdinand E. Marcos for Honorable and Mrs. Robert S. McNamara at Malacañang.

3:00—Private meeting with Congressional Leaders at the Sampaguita Room, Savoy Philippines Hotel.

FOR: MRS. ROBERT S. McNAMARA

3:00—Visit Nayong Pilipino.

4:30—Private meeting with Philippine Business Leaders at the Waling-Waling Room, Savoy Philippines Hotel.

6:00—Private meeting with Ford Foundation Officials at the Presidential Suite, Savoy Philippines Hotel.

*Evening:*

FREE.

SUNDAY, 14 NOVEMBER 1971

*Morning:*

8:00—Motor to Los Baños, Laguna.

9:30—Visit the International Rice Research Institute (IRRI)

10:45—Visit the College of Agriculture, University of the Philippines (UPCA).

11:45—Luncheon in honor of Honorable Robert S. McNamara given by Honorable Arturo Tanco, Jr., Secretary of Agriculture and Natural Resources, at the Student Union Building, College of Agriculture, University of the Philippines.

FOR: MRS. ROBERT S. McNAMARA

11:45—Luncheon in Los Baños in honor of Mrs. Robert S. McNamara given by Mrs. Robert Chandler.

*Afternoon:*

1:00—Visit Bay, Laguna.

2:00—Motor back to Manila.

FOR: MRS. ROBERT S. McNAMARA

2:00—Motor to Sta. Rosa, Laguna.

2:30—Visit the Sta. Rosa excavations.

3:30—Motor back to Manila.

4:30—Visit the Cultural Center.

4:00—Private meeting with United Nations Development Programme (UNDP) Officials at the Presidential Suite, Savoy Philippines Hotel.



Outline for Mr. McNamara's  
Visit to the Philippines  
(As of October 28, 1971)

Friday, November 12, 1971

- 1530 Arrive Manila (KL863).
- 1600 Check in at Savoy Hotel.
- X OK 1630 - 1730 Meeting at Savoy Hotel with Mr. Alex Melchor, Executive Secretary, and Mr. Cesar Virata, Secretary of Finance for general background discussions.
- X 1945  
1900 *leave hotel*  
20.00 Dinner for Mr. and Mrs. McNamara at the Development Bank of the Philippines hosted by Mr. and Mrs. Cesar Virata. Also present will be heads of financial institutions and their wives: Mr. Gilberto Teodoro, Administrator, Social Security System; Mr. Roman Cruz, President, Government Service Insurance System; Mr. Leonides Virata, Chairman of the Development Bank of the Philippines; Mr. Eusebio P. Villatuya, President, Philippine National Bank; Mr. Jose B. Fernandez, President, Bankers Association of the Philippines; Mr. Carlos P. Romulo, Secretary of Foreign Affairs; and Mr. Placido Mapa, Jr., Alternate Executive Director, IBRD; and Mr. Raymond J. Goodman.

Saturday, November 13, 1971

- X 0830 - 0900 *DRID* Call on the President. *20.00*
- X 0930 - 1200 Meeting at Malacanang on general economic situation, the Four-Year Development Plan and Social Development Programs. In addition to Messrs. Melchor, Virata and Licaros, those present at the meeting will be Mr. David Consunji, Secretary of Public Works and Communications, Mr. Conrado Estrella, Secretary for Agrarian Reforms; Mrs. Estefania Aldaba-Lim, Secretary of Social Welfare; Mr. Gerardo Sicat, Chairman, National Economic Council; Mr. Vicente Paterno, Chairman, Board of Investments; Mr. Apolinario Orosa, Director-General, Presidential Economic Staff; and Mr. Armand Fabella, Chairman, Commission on Reorganization.
- X 1200 Luncheon at Malacanang hosted by President and Mrs. Marcos. Those present will be President and Mrs. Marcos; Mr. and Mrs. Melchor; Mr. and Mrs. Cesar Virata; Mr. and Mrs. McNamara and Mr. Raymond J. Goodman.
- X 1500 - 1630 Meeting at Savoy with Congressional Leaders. Those present will be Gil J. Puyat, President, Philippine Senate; Cornelio Villareal, Speaker, House of Representatives; Jose Roy, Senate President Pro-Tempore; Arturo Tolentino, Senate Majority Floor Leader;

Gerardo Roxas, Senate Minority Floor Leader; Ramon Mitra, House Minority Floor Leader; Emmanuel Pelaez, Chairman, Major Senate Committees; Jose W. Diokno, Chairman, Senate Committee on Economic Affairs; Lorenzo Teves, Chairman, Senate Advisory Committee; Benigno Aquino, Jr., Senior Senate Minority Member, Major Committees; Natalio Castillo, Chairman, House Committee on Ways and Means; Lorenzo Sarmiento, Chairman, House Committee on Economic Affairs; and Fernando Veloso, Chairman, House Committee on Banks, Currency and Corporations. (Mr. Virata will introduce Mr. McNamara and then leave).

X 1630 - 1800 Meeting at Savoy Hotel with Prominent Business Leaders. Those present will be Messrs. Julio Francia, Sr., President, Philippine Chamber of Industries; Alfredo Alfredo Montelibano, Sr., Chairman, Philippine Commercial and Industrial Bank; Sixto K. Roxas, President, Bancom Development Corporation; Antonio Roxas-Chua, Chairman, Pacific Banking Corporation; Jose Soriano, Chairman, A. Soriano and Cia; Washington Sycip, Chairman, The SGV Group; Roberto T. Villanueva, President, Private Development Corporation of the Philippines; and Enrique J. Zobel, President, Ayala Corporation. (Mr. Melchor will introduce Mr. McNamara and then leave).

X 1800 - 1830 Meeting at Savoy Hotel with Messrs. Hill and Quin, Ford Foundation representatives.

- EVENING FREE -

Sunday, November 14, 1971

X 0800 - 0930 Leave for Los Banos by car - accompanied by Mr. Arturo Tanco, Secretary of Agriculture and Natural Resources and Mr. Jose Drilon, Undersecretary - Discussion Agricultural priorities and policies.

X 0930 - 1045 Visit International Rice Research Institute - Discussions with scientists and agricultural researchers on technical agricultural aspects.

X <sup>10.45</sup>  
(1100) - 1200 Visit to College of Agriculture, University of the Philippines.

X <sup>11.45</sup>  
~~1200~~ → 1300 Informal lunch at the Student Union hosted by Secretary Tanco. Also present will be members of the academic community.

X ~~1330 - 1400~~ Informal meeting with small group of students.

X <sup>1300</sup>  
1400 - 1530 Visit Bay, Laguna  
Drive by car to Manila.

- X 1600 - 1630 Meeting at Savoy Hotel with Mr. William Harding, UNDP Resident Representative.
- X 1700 - 1830 Meeting at Mr. Watanabe's residence for discussions with ADB officials.
- X 1930 Dinner hosted by <sup>President Marcos</sup> ~~Mr. Melchor~~ at the Nayong Pilipino ~~on~~ Presidential Yacht. Also present would be Mr. Cesar Virata and Bank party. General wrap-up discussions.

Monday, November 15, 1971

6.45  
0750

leave hotel

Departure Manila for Singapore.

East Asia and Pacific Department  
October 28, 1971

OUTLINE FOR MR. ROBERT S. MCNAMARA'S  
VISIT TO THE PHILIPPINES

Friday, November 12, 1971

- 1530 Arrive Manila (KL 863).
- 1600 Check in at Savoy Hotel.
- 1700-1730 Meeting at the Presidential Suite, Savoy Hotel with Mr. Alex Melchor, Executive Secretary, and Mr. Cesar Virata, Secretary of Finance for general background discussions.
- 1900 Dinner for Mr. and Mrs. McNamara at the Development Bank of the Philippines hosted by Mr. and Mrs. Cesar Virata. Also present will be heads of financial institutions and their wives: Mr. Gilberto Teodoro, Administrator, Social Security System; Mr. Roman Cruz, President, Government Service Insurance System; Mr. Leonides Virata, Chairman of the Development Bank of the Philippines; Mr. Eusebio P. Villatuya, President, Philippine National Bank; Mr. Jose B. Fernandez, President, Bankers Association of the Philippines; Mr. Carlos P. Romulo, Secretary of Foreign Affairs; and Mr. Placido Mapa, Jr., Alternate Executive Director, IBRD; and IBRD Party.

Saturday, November 13, 1971

- 0830-0900 Call on the President and Mrs. Marcos by Mr. and Mrs. McNamara and Party.
- 0900-1200 Meeting at the State Dining Room, Malacañang on general economic situation, the Four-Year Development Plan and Social Development Programs. In addition to Messrs. Melchor, Virata and Licaros, those present at the

meeting will be Mr. David Consunji, Secretary of Public Works and Communications; Mr. Juan Manuel, Secretary of Education; Mrs. Estefania Aldaba-Lim, Secretary of Social Welfare; Mr. Gerardo Sicat, Chairman, National Economic Council; Mr. Vicente Paterno, Chairman, Board of Investments; Mr. Apolinario Orosa, Director-General, Presidential Economic Staff; and Mr. Armand Fabella, Chairman, Commission on Reorganization; and Mr. Mapa.

1200

Luncheon at Malacañang hosted by President and Mrs. Marcos. Those present will be President and Mrs. Marcos; Mr. and Mrs. Melchor; Mr. and Mrs. Cesar Virata; Mr. and Mrs. McNamara; Mr. Raymond J. Goodman and Mr. Mapa.

1500-1630

Meeting at the Sampaguita Room, Savoy-Hotel with Congressional Leaders. Invited are Gil J. Puyat, President, Philippine Senate; Cornelio Villareal, Speaker, House of Representatives; Jose Roy, Senate President Pro-Tempore; Gerardo Roxas, Senate Minority Floor Leader; Ramon Mitra, House Minority Floor Leader; Helena Benitez, Chairman, Senate Committee on Housing, Urban Development and Resettlement; Jose W. Diokno, Chairman, Senate Committee on Economic Affairs; Lorenzo Teves, Chairman, Senate Advisory Committee; Benigno Aquino, Jr., Senior Senate Minority Member, Major Committees; Natalio Castillo, Chairman, House Committee on Ways and Means; Lorenzo Sarmiento, Chairman, House Committee on Economic Affairs; and Fernando Veloso, Chairman, House Committee on Banks, Currency and Corporations.

1630-1800

Meeting at the Waling-Waling Room, Savoy Hotel with Philippine Business Leaders. Invited are Messrs. Manuel Elizalde, Sr., President, Elizalde & Co., Inc.; Julio Francia, Sr., President, Philippine Chamber of Industries; Alfredo Montelibano, Sr., Chairman, Philippine Commercial and Industrial Bank; Sixto K. Roxas, President, Bancom Development Corporation; Antonio Roxas-Chua, Chairman, Pacific Banking Corporation; Pablo Sarmiento, President, Sarmiento Enterprises, Inc.; Jose Soriano, Chairman, A. Soriano and Cia; Washington Sycip, Chairman, The SGV Group; Roberto T. Villanueva, President, Private Development Corporation of the Philippines; and Enrique J. Zobel, President, Ayala Corporation.

1800-1830

Meeting at the Presidential Suite, Savoy Hotel with Messrs. Hill and Quinn, Ford Foundation representatives.

- EVENING FREE -

Sunday, November 14, 1971

0800-0930

Leave for Los Baños by car - accompanied by Mr. Cesar Virata and Mr. Arturo Tanco, Secretary of Agriculture and Natural Resources - Discussion Agricultural Priorities and Policies.

0930-1045

Visit International Rice Research Institute - Discussions with scientists and agricultural researchers on technical agricultural aspects. Among those present will be Robert Chandler, Director; Dilbagh Athwal, Assistant Director; Gurder Khush, Rice Breeder; and Vernon Ross, Rice Production Specialist.

1045-1145

Visit to College of Agriculture, University of the Philippines.

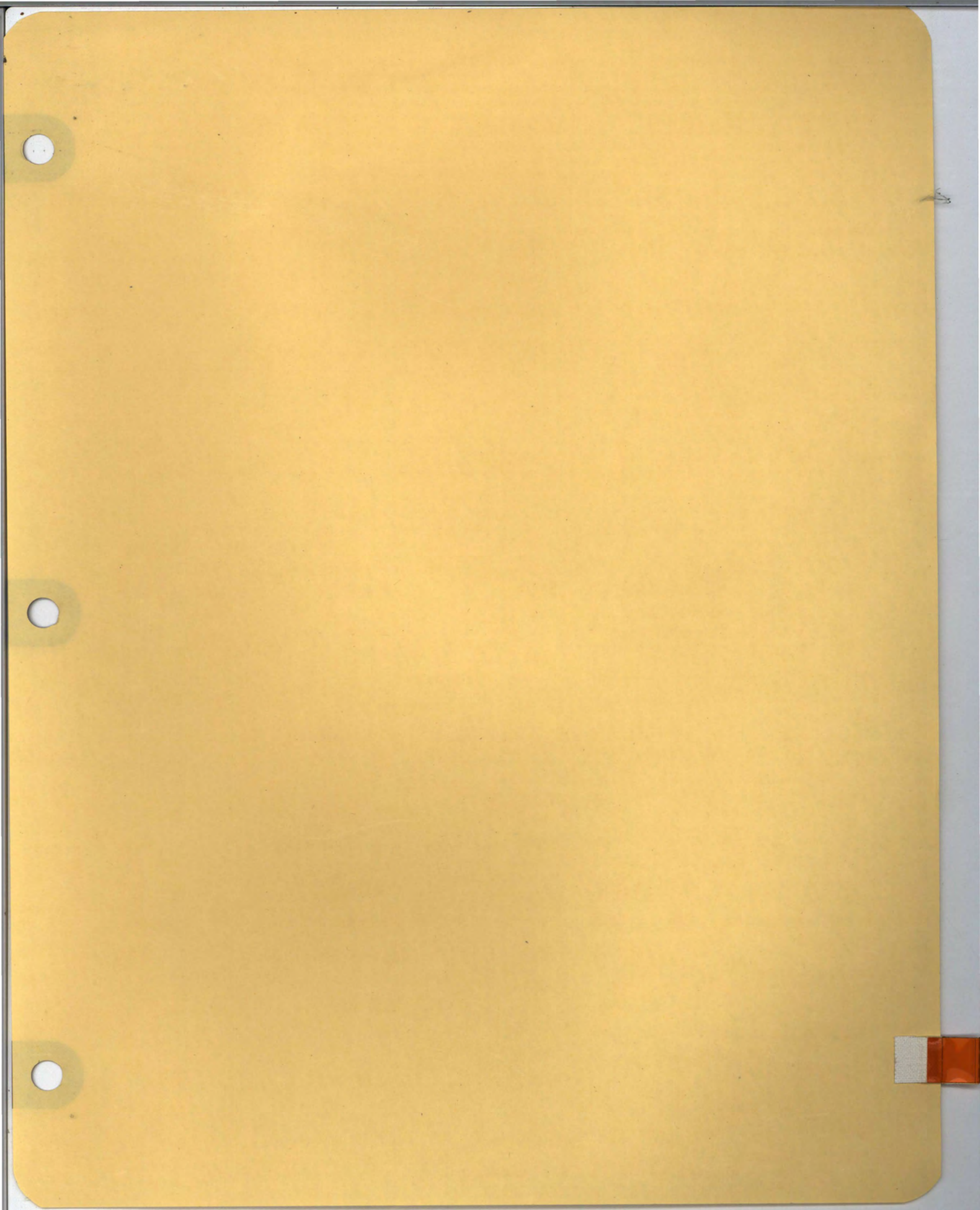


- 1145 Informal lunch at the Student Union hosted by Secretary Tanco. Present will be Secretary Virata; Jose Drilon, Jr., Undersecretary, Department of Agriculture and Natural Resources; Robert Chandler, Director, International Rice Research Institute; Florentino Herrera, Dean, University of the Philippines, College of Medicine; Dean Lantican, Officer-in-Charge, University of the Philippines, College of Agriculture; and Faustino Orillo, Dean, University of the Philippines, College of Agriculture.
- 1300-1400 Visit to the Community Health Center, Bay Laguna, and brief meeting with farmers. Dr. Paulo Campos, Project Director of the Comprehensive Community Health Program, will be on hand to meet the party.
- 1400-1530 Drive back to Manila with Sec. Virata.
- 1600-1630 Meeting at the Presidential Suite, Savoy Hotel with Mr. William Harding, UNDP Resident Representative.
- 1700-1830 Business meeting at Mr. Watanabe's residence at 1266 Acacia Road, Dasmariñas Village, Makati, Rizal for discussion with ADB officials.
- 1930 Dinner-Cruise at Manila Bay hosted by President and Mrs. Marcos on board the Presidential Yacht. Also present would be Messrs. and Mrs. Virata and Melchor and Bank party. General wrap-up discussions. (Boarding time at 1900 o'clock, tentatively at Pier 15.)

Monday, November 15, 1971

0750

Departure Manila for Singapore.



PHILIPPINESBASIC DATA

<u>Area</u>	297,000 square kilometers		
<u>Population</u>			
Total (adjusted May 1970 Census)	36.6 million		
Rate of Growth	3.1%		
Density	123 per square kilometer		
<u>Gross National Product</u>			
Total 1970 (current market prices)	P37,549 million		
Real Growth rate 1970	4.4%		
Per capita GNP 1970	US\$160 <sup>1/</sup>		
<u>Gross Domestic Expenditure</u>	1968	1969	1970 <sup>2/</sup>
(current prices; in percent of GDP)			
<u>Consumption</u>	82.8	84.3	81.6
Private	73.8	74.8	73.2
Public	9.0	9.5	8.4
Gross Domestic Capital Formation	21.1	19.5	20.5
Gross Domestic Saving	17.2	15.7	18.4
Resource Gap	3.9	3.0	2.1
<u>Central Government Operations (in million pesos)</u>	FY 1969	FY 1970	
Revenue from domestic sources	2,862	3,111	
Current expenditures	2,873	3,327	
Capital expenditures <sup>3/</sup>	844	973	
Net cash operating deficit <sup>4/</sup>	640	1,050	
<u>Money and Credit</u>	1968	1969	1970 <sup>2/</sup>
(annual rate of change in percent)			
Money Supply	5	19	6
Time and Savings Deposits	10	19	7
Total Bank Credit Outstanding	7	25	6
<u>Price Indices (percent increase)</u>	1968	1969	1970 <sup>2/</sup>
Consumer price index for the Philippines	0.7	1.7	15.3
General wholesale price index for Manila	2.9	0.7	19.5
<u>Balance of Payments (US\$ million)</u>	1969	1970 <sup>2/</sup>	
Merchandise exports	875	1,064	
Merchandise imports	-1,132	-1,090	
Net services	-133	-142	
Net transfer payments (public and private)	155	120	
Current account balance	-234	-48	
<u>Net Inflow of Foreign Capital (in million US\$)</u>	1968	1969	1970 <sup>2/</sup>
Grants and Reparations	45	50	28
Net Loan Availments	n.a.	n.a.	247
Net Direct Investment	-3	+8	-

<sup>1/</sup> 1969: US\$207, prior to the de facto devaluation of February 1970.<sup>2/</sup> Preliminary.<sup>3/</sup> Including foreign financed outlays.<sup>4/</sup> Including public corporations.

<u>Major Exports (percent)</u>	<u>1969</u>	<u>1970</u>	
Coconut products	19	22	
Sugar products	18	18	
Forest products	33	25	
Mineral products	19	20	
Others	11	15	
	<u>100</u>	<u>100</u>	
<u>Foreign Exchange Reserves (US\$ million)</u>	<u>Dec. 1969</u>	<u>June 1970</u>	<u>Dec. 1970</u>
International Reserves <u>1/</u>	126	211	237
<u>External Public and Private Debt (US\$ million)</u>	<u>Dec. 1969</u>	<u>Dec. 1970</u>	
Short term	196	63	
Medium term	420	417	
Long term	710	1,093	
Total (excluding IMF and revolving trade credits)	1,326	1,573	
<u>Debt Service on debt outstanding as of December 31, 1970</u>	<u>CY 1970</u>	<u>CY 1971 <sup>2/</sup></u>	
Amortization	373	362	
Interest	95	125	
Total	<u>468</u>	<u>487</u>	
Debt service ratio <u>3/</u> (Total debt, public and private)	36%	35%	
<u>Bank Operations</u> (Dec. 31, 1970)			
Bank loans outstanding	US\$ 119 million		
Undisbursed amount	US\$ 73 million		
<u>IMF Position</u>			
Quota	US\$ 155 million		
Drawings outstanding (Dec. 31, 1970) <u>4/</u>	US\$ 107.50 million		
Par Value - up to Feb. 21, 1970	£3.90 per US\$		
Floating since Feb. 21, 1970			

- 
- 1/ Net reserves of commercial banks plus gross reserves of Central Bank.  
2/ Preliminary.  
3/ Basis: exports of goods and services.  
4/ Additional Standby of \$45 million was approved in March 1971.

March 19, 1971

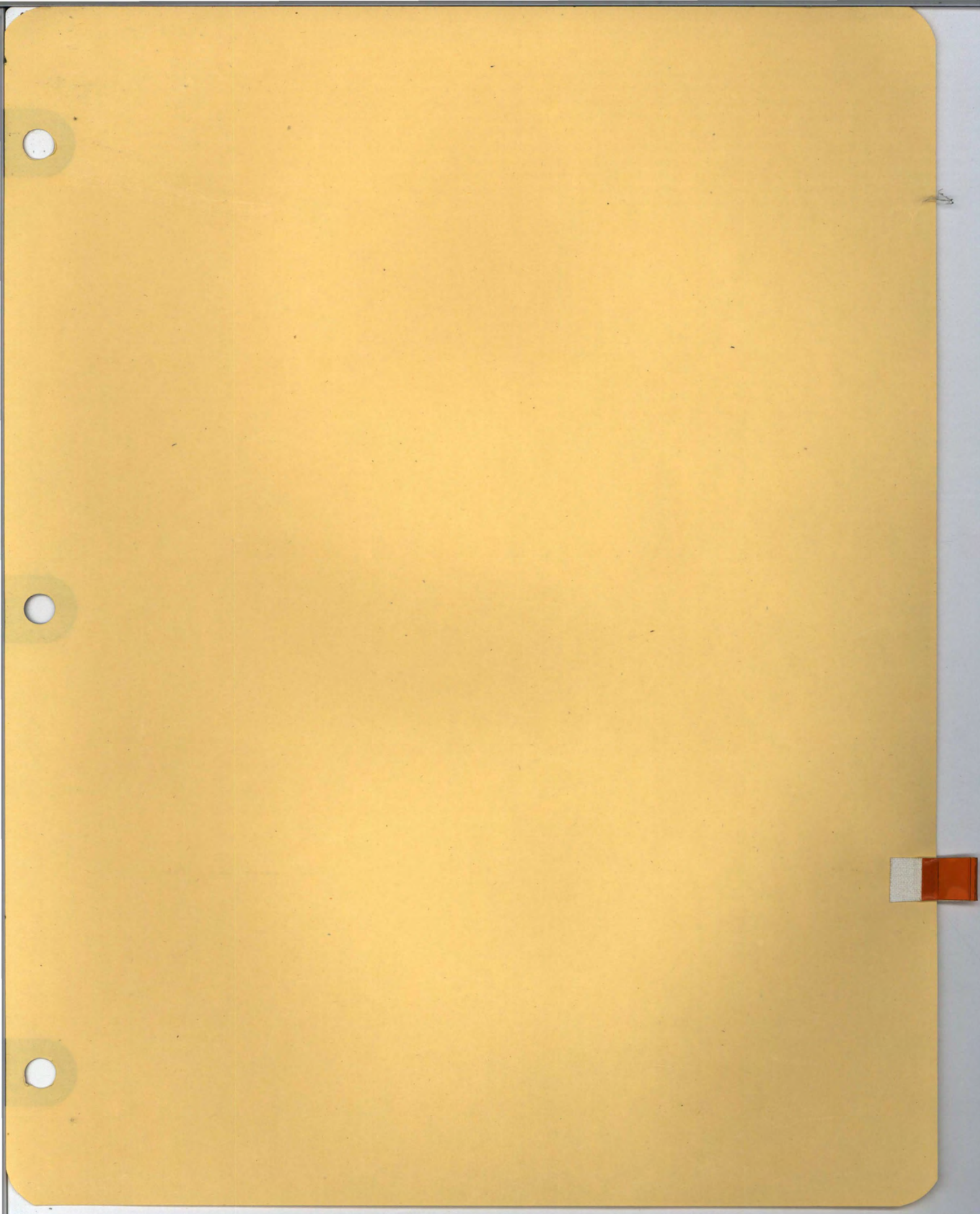


REPUBLIC OF THE PHILIPPINES

Cabinet Members

1. Alejandro Melchor Executive Secretary
2. Carlos P. Romulo Secretary, Department of Foreign Affairs
3. Vicente Abad Santos Secretary, Department of Justice
4. Juan Ponce Enrile Secretary, Department of National Defense
5. Juan L. Manuel Secretary, Department of Education
6. David Consunji Secretary, Department of Public Works and Communications
7. Amadeo Cruz Secretary, Department of Health
8. Cesar Virata Secretary, Department of Finance
9. Troadio Quiazon, Jr. Secretary, Department of Commerce and Industry
10. Constancio Castañeda Secretary, Department of General Services
11. Arturo R. Tanco Secretary, Department of Agriculture and Natural Resources
12. Estefania Aldaba-Lim Secretary, Department of Social Welfare
13. Adrian Cristobal Secretary, Department of Labor
14. Gerardo P. Sicat Chairman, National Economic Council

East Asia and Pacific Department  
October 20, 1971



REPUBLIC OF THE PHILIPPINES

Biography

Mrs. Estefania Aldaba-Lim, Secretary of Social Welfare

Born in 1917 in Bulacan, she received a Ph.D. from the University of Michigan in 1942. She is founder of the Institute for Human Relations, Philippine Women's University and co-founder and President of the Philippine Mental Health Association and the Philippine Association of Psychologists. In addition to her present post, she is also Project Director, Population Education Center and Vice President, Philippine Women's University.

East Asia and Pacific Department  
October 28, 1971



REPUBLIC OF THE PHILIPPINES

Biography

Benigno S. Aquino - Senator

Secretary General of the Liberal Party, Mr. Aquino is the prime rival of President Marcos. He has recently been accused by the President of having radical leftist leanings, though his past record would indicate a more pragmatic political approach.

Intelligent and articulate, Mr. Aquino, born in 1932, graduated from Ateneo de Manila College in 1950 and received a law degree from the University of the Philippines in 1955. He was a newspaper reporter during the early 1950's and in 1967 became the youngest man ever elected to the Senate.

His recent voting record has been largely determined by this opposition to Marcos and he has voted against most legislation certified by the President, including some legislation requested by the Bank.

East Asia and Pacific Department  
October 28, 1971

DILBAGH S. ATHWAL

Assistant Director, The International  
Rice Research Institute

Date of Birth: 12 October 1928

Present Position:

Assistant Director, The International Rice Research  
Institute, August 1967 to present

Past Positions:

Visiting Professor, Ohio State University, July 1966-  
February 1967  
Professor and Head, Department of Plant Breeding,  
Punjab Agricultural University, 1964-1967  
Economic Botanist (Millets), 1958-1964  
Assistant Botanist (Wheat), 1955-1958  
Research Officer, University of Sydney, 1953-1955

REPUBLIC OF THE PHILIPPINES

Biography

Dominador R. Aytona - Senator

Born in Libon, Albay in 1918, he studied at University of Manila in 1938. His government service include: Budget Examiner, 1943; Field Auditor, 1946; Adviser to Senate Finance Committee, 1950. He earned his law degree from the University of Manila in 1951. He became Budget Commissioner in 1954, Secretary of Finance in 1960, Governor of the Central Bank in 1961. He has been Senator since 1965. He is identified with business, and particularly steel, interests. He has however, been reasonably sympathetic to tax legislation.

East Asia and Pacific Department  
October 28, 1971

HELENA BENITEZ

Chairman, Senate Committee on Housing, Urban  
Development and Resettlement

Present Positions:

Member, Philippine Senate  
Chairman

Committee on Housing, Urban Development and  
Resettlement

Committee on Natural Resources

Committee on Provincial and Municipal Governments  
and Cities

Vice-Chairman

Committee on Agriculture

Committee on Education

Committee on Scientific Advancement

Senate Representative to the National Economic Council

Other Positions:

Housing President and Trustee, Philippine Women's  
University

Director, Association of Southeast Asian Institutions  
of Higher Learning

Director, Nutrition Foundation of the Philippines

Conferences Attended:

Philippine Representative, UN Conference on World Housing  
Bank, New York, 1968

Philippine Representative, UN International Human Rights  
Conference, Teheran, Iran, 1968

Representative of the United Nations Commission on the  
Status of Women to the United Nations Special Seminar  
on Discrimination Against Minorities, New York,  
January, 1966

Representative of the Association of Southeast Asian  
Institutions of Higher Learning to the Executive  
Board Meeting of the International Association of  
Universities, Paris, February 1966

PAULO C. CAMPOS

Project Director, Comprehensive Community  
Health Program

Date of Birth : 27 July 1921

Place of Birth: Dasmariñas, Cavite

Present Positions:

Project Director, Comprehensive Community Health  
Program of the University of the Philippines,  
centered in Bay, Laguna  
Head, Department of Medicine, College of Medicine,  
University of the Philippines  
Head, Department of Medicine, Philippine General  
Hospital  
President, Medical Center Manila

Past Positions:

Professorial Lecturer, School of Allied Medical  
Professions  
Consultant in Medicine, Rizal Provincial Hospital  
Principal Investigators of numerous NSDB Projects

Achievements:

Topped the First Medical Board Examinations after  
World War II  
Established the first Radioisotope Laboratory in  
the country  
Organized the Community Medicine Program of the  
University of the Philippines in Bay, Laguna

REPUBLIC OF THE PHILIPPINES

Biography

Natalio Castillo - Chairman, House Ways and Means Committee

He was born in 1909 in Bohol province. He served as Chairman or Vice Chairman of the House Committees on Civil Service and Public Works and presently is a member of the Committee on Economic Affairs, Urban Housing Development and Government Reorganization. He has been particularly helpful in supporting Bank legislation.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Robert F. Chandler, Jr. - Director, International Rice Research Institute

Mr. Chandler is also Associate Director for Agricultural Sciences of the Rockefeller Foundation. Formerly he was professor of Forest Soils, Cornell University and President, University of New Hampshire.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

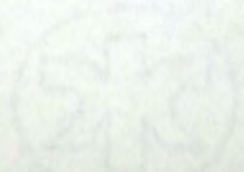
Antonio Roxas Chu - Chairman, Pacific Banking Corporation

He was born in China in 1913. Mr. Chu has many interests in printing, real estate and industry. He is Chairman of the Pacific Banking Corporation and the Pacific Land and Building Corporation, and is President and General Manager of a number of smaller business firms.

His wife is also from a well known Chinese business family in the Philippines.

East Asia and Pacific Department  
October 28, 1971

CONFERENCE BOND





ANTONIO ROXAS CHUA

Chairman of the Board, Pacific Banking Corporation

Date of Birth : 13 November 1913

Place of Birth: Amoy, China

Present Business Positions:

Chairman of the Executive Committee & Chairman of  
the Board,  
Pacific Banking Corporation  
Chairman of the Board,  
Pacific Land and Building Corporation  
President & General Manger,  
ARCA & Company, Inc.  
Elite Shirt Factory, Inc.  
Pacific Enamel & Glass Manufacturing Corporation  
Pacific Multi-Commercial Corporation  
Kim Kee, Chua Yu & Company, Inc.

Other Positions:

President  
Federation of Filipino-Chinese Chamber of Commerce,  
Inc.  
Sugar Club of the Philippines  
Vice-President  
Philippine Anti-Communist Movement  
Chairman, Advance Gifts Division,  
Philippine National Red Cross.  
Member, Board of Trustees,  
Ramon Magsaysay Memorial Hospital

REPUBLIC OF THE PHILIPPINES

Biography

David M. Consunji - Secretary of Public Works and Communications

Born at Bataan in 1921, he graduated from the College of Engineering, University of the Philippines. Before he took his present government position in 1971, he was a successful private contractor. He is now concurrently Chairman of the National Irrigation Administration which is the executing agency for the Bank-financed Upper Pampanga Irrigation Project. He is considered to be highly capable and to exercise strong leadership over the Department of Public Works.

East Asia and Pacific Department  
October 28, 1971

DAVID M. CONSUNJI

Acting Secretary, Department of Public Works  
and Communications

Date of Birth : 2 November 1921

Place of Birth: Hermosa, Bataan

Present Government Positions:

Acting Secretary, Department of Public Works and  
Communications  
Member, Presidential Committee on Housing and Urban  
Resettlement  
Member, Presidential Committee on Rice Distribution  
Chairman of the Board (ex officio), National Irrigation  
Administration

Awards, Citations:

Certificate of Appreciation from the Society of  
American Military Engineers, 1964  
Certificate of Appreciation from the New York  
World's Fair, 1964  
Certificate of Achievement in the Field of Industrial  
Building Productivity Team from the Agency for  
International Development, 1961  
"Contractor of the Year 1958" from the Business  
Writers Association of the Philippines

REPUBLIC OF THE PHILIPPINES

Biography

Mr. Onofre D. Corpuz - President, Fund for Assistance to Private Education (FAPE)

Mr. Corpuz received his Ph.D. from Harvard in political science and has had a distinguished academic career having written several books on Philippine politics and culture including one listed in the bibliography which was prepared for your visit to the Philippines. He was a professor at UP and eventually became a Vice President in Charge of Academic Affairs. He then became Undersecretary for Education and subsequently Secretary, holding positions concurrently as Chairman of FAPE and of the Population Commission. He resigned from the Cabinet about six months ago to devote more time to his private affairs.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Roman Cruz - Chairman and General Manager, Government Service Insurance System

He studied at Ateneo de Manila and Cornell and obtained a M.A. degree in Public Administration from Harvard. He worked as Special Assistant to the Director of Program Implementation Agency and later as Special Assistant to the National Economic Council. He joined a commercial bank in Manila and later served as Undersecretary of Finance before being appointed to the present post. He is in his middle 30's and is considered to be one of the promising young technocrats.

East Asia and Pacific Department  
October 21, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Jose W. Diokno - Senator

He was born at Taal, Batangas in 1922 and graduated from De La Salle College (B.A. in Commercial Science) in 1939. While formally taking courses in Commercial Science, he studied law privately and finished first in the 1944 bar examination. He was Secretary of Justice in 1961-62 and was elected to the Senate in 1963. He has recently resigned from the Nacionalista Party as a protest against President Marcos' suspension of habeas corpus following the bomb explosion at a political rally last August. His political view is strongly nationalistic - he is critical of foreign investment and of Bank loan conditions, particularly requirements for using foreign consultants. He has been sympathetic to tax legislation and supported the continuation of existing rates under the export tax.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Jose D. Drilon, Jr. - Undersecretary of Agriculture

Born in Iloilo in 1928. In addition to the present post of Undersecretary of Agriculture, he is concurrently Vice Chairman, National Food and Agriculture Council and Acting Chairman, Rice and Corn Administration. Formerly Lecturer at the College of Business Administration, University of the Philippines, he was Executive Officer of the International Rice Research Institute from 1960 to 1971. In 1970 he was a consultant to a Bank Mission to Indonesia.

East Asia and Pacific Department  
October 28, 1971

MANUEL ELIZALDE, SR.

President, Elizalde & Co., Inc.

Date of Birth : 23 November 1904

Place of Birth: Manila

Present Positions:

President

Elizalde & Co., Inc.  
Elizalde International (Phil.) Inc.  
Elizalde Paint and Oil Factory, Inc.  
Elizalde Rope Factory, Inc.  
Elizalde Iron & Steel Corp.  
El Salvador Timber Co., Inc.  
La Carlota Sugar Central  
Tanduay Distillery, Inc.  
Metropolitan Insurance Co.  
Metropolitan Broadcasting Co.  
Samar Mining Co.

Chairman, Philippine Overseas Telecommunication Corp.  
Publisher, Evening News

Awards:

- "Medal of Freedom" for services rendered to American prisoners of war during the Japanese occupation of the Philippines. Awarded by the United States Army on 2 June 1948.
- "Legion of Honor" in the degree of officer, awarded by President Ramon Magsaysay in 1954.
- "Businessman of the Year," awarded by the Business Writers Association of the Philippines, 1954.
- "One of the 25 Outstanding Industrialists of the Philippines," chosen at the Third National Convention of Manufacturers and Industrialists, 1955.



REPUBLIC OF THE PHILIPPINES

Biography

Conrado F. Estrella - Secretary of Agrarian Reforms

Born in Pangasinan Province, in 1917. He is concurrently Chairman, National Land Reform Council and Chairman, Presidential Coordinating Committee for Social Justice and Agrarian Reforms. We are uncertain whether Mr. Estrella will have the commitment necessary to make land reform a success in the Philippines.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Armand Fabella - Chairman, Government Reorganization Commission.

Mr. Fabella, born in 1930, received his B.A. degree from Harvard in 1951 and subsequently undertook post-graduate studies at the London School of Economics. In 1957 he became executive secretary of Jose Rizal College, which was founded by his father, and also a professor of economics. In 1962 he was appointed a Director of the National Marketing Corporation and in 1963 he became the Director-General of the Program Implementation Agency and concurrently Assistant Secretary for Economic Affairs. He was appointed to the present post in 1969.

The Reorganization Commission Report, which recommends fundamental reforms in the structure of Government administration, will be submitted to Congress in early 1972.

East Asia and Pacific Department  
October 19, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Jose B. Fernandez - President, Bankers Association of the Philippines

Mr. Fernandez is Chairman of the Board and President of the Far East Bank and Trust Company and is active in a wide range of banking and business activities. He is chairman of the Board of Eastern Textile Mills, Vice Chairman of the Beneficial Life Insurance Company and the Filipinas Mutual Finance Company and Director for a number of corporations including PDCP.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

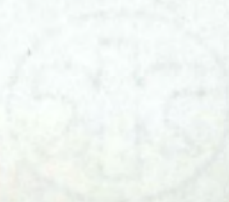
Biography

Julio B. Franca, Jr. - President, Philippine Chamber of Industries

A prominent businessman, he is Chairman and President of Specialty Materials, Inc. and Vice President and General Manager of American Machinery and Parts Manufacturing, Inc. He is also Director, National Citizens Constitutional Convention Movement and active in civic affairs.

East Asia and Pacific Department  
October 28, 1971

CONFERENCE BOND



WILLIAM M. HARDING

UNDP Resident Representative

Date of Birth : 9 July 1911

Nationality : Canadian

Present Position:

Resident Representative, United Nations Development Programme, Philippines, 1970 to the present

Past Positions:

Resident Representative, United Nations Development Programme, Somalia, 1968-1970

Resident Representative, United Nations Development Programme, Guyana, 1966-1967

Resettlement Coordinator, United Nations Bureau of Technical Assistance Operations, British Guiana, 1964-1966

Director of Education and Organization, Co-operative Commonwealth Federation, Canada, 1963-1964

President and Executive Director, Community Health Services Association, Ltd., Canada, 1962

Community Development Adviser, United Nations Bureau of Technical Assistance Operations, Liberia, 1961-1962

REPUBLIC OF THE PHILIPPINES

Biography

Arthur H. Hill - Assistant Representative, Ford Foundation (Phil.)

Mr. Hill was born in Australia in 1932. Before joining the Ford Foundation, he was Lecturer, Department of Psychology, University of Melbourne, Australia, 1961-63, Assistant Professor of Psychology, University of Texas, 1964-66, Consultant to the Department of Education, Monrovia, Liberia, 1966; and Chief, Development Program on Psychological Aptitude Tests for the Thai Ministry of Education, 1966-68.

East Asia and Pacific Department  
October 28, 1971

GURDEV S. KHUSH

Plant Breeder, International  
Rice Research Institute

Date of Birth : 22 August 1935

Place of Birth: Rurkee, Punjab, India

Present Positions:

Plant Breeder, International Rice Research Institute  
Member,  
Genetic Society of America  
Botanical Society of America  
American Society of Naturalistic  
Crop Science Society of the Philippines

Past Positions:

Graduate, Junior and then Assistant Research Geneticist,  
University of California, Davis, September 1960  
to August 1967

C. S. KRISNAMOORTHY

Vice-President, Asian Development Bank

Date of Birth : 11 September 1921

Place of Birth: India

Present Position:

Vice-President, Asian Development Bank

Past Positions:

Executive Director, Representing India, World Bank  
Economic Minister, Embassy of India, Washington D.C.  
Joint Secretary, Department of Economic Affairs,  
Ministry of Finance, India



DOMINGO M. LANTICAN

Dean, College of Forestry,  
University of the Philippines

Date of Birth : 4 August 1925

Place of Birth: Los Baños, Laguna

Present Positions:

Dean, College of Forestry, University of the Philippines  
Professor of Wood Technology, University of the  
Philippines  
Member, Forest Products Research and Industries Develop-  
ment Commission (FORPRIDECOM) Council (Ex-Officio)

Past Positions:

Associate Professor, University of the Philippines,  
1 March 1964 to 31 December 1965  
Assistant Professor, University of the Philippines,  
1 March 1959 to 1 March 1964  
Ranger, Bureau of Forestry, 16 September 1951 to  
31 October 1951

REPUBLIC OF THE PHILIPPINES

Biography

Gregorio Licaros - Governor of the Central Bank

Mr. Licaros, born in 1909 received his undergraduate and law degree from Far Eastern University. His entire professional career has been spent in the Government. He joined the Budget Commission in 1936 where he worked throughout the Japanese occupation. Subsequently, he has worked as financial assistant in the Office of the President; Auditor of the Development Bank of the Philippines; Undersecretary of the Department of Economic Coordination; General Manager of the Government Service Insurance System; and Chairman of the Development Bank of the Philippines. He was appointed Governor of the Central Bank in the spring of 1969 and has since exercised strong control over the current austerity program.

East Asia and Pacific Department  
October 19, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Salvador P. Lopez - President, University of the Philippines

Born in Ilocos Province in 1911, he was an officer of the Philippine Army in Bataan and Corregidor during 1941-46. He was Ambassador to France in the late 1950's till 1962; Permanent Representative to UNESCO from 1958 to 1962; Chairman, UN Commission on Human Rights in 1965; Chairman of the Philippine delegation to the UN from 17th through 23rd Sessions; and Vice President of the General Assembly of the UN in 1968.

East Asia and Pacific Department  
October 28, 1971

JUAN L. MANUEL

Secretary of Education

Date of Birth : 21 August 1905

Place of Birth: Sta. Barbara, Pangasinan

Present Government Positions:

Secretary of Education  
Member, Board on Textbooks  
Member, Board on National Education  
Member, Board of Regents, University of the Philippines  
Board Member, Philippine American Educational  
Foundation

Past Government Positions:

Undersecretary of Education  
Director, Bureau of Public Schools, July 1967-May 1970  
Acting Director, Bureau of Public Schools, March 1967-  
July 1967  
Special Assistant to the Director of Public Schools,  
and Coordinator of Foreign Aid Program, November 1965-  
March 1967  
UNESCO Specialist on Community Schools in Liberia, West  
Africa, October 1959-October 1960

REPUBLIC OF THE PHILIPPINES

Biography

Ferdinand E. Marcos, President of the Philippines

President Marcos, born in 1922, was the son of a Congressman from Ilocos Norte. His grandparents on both sides were prominent in the Philippine Revolution and were people of means and education.

An excellent student, the President received awards for excellence in scholarship, oratory, debating and forensics. He received his LL.B. (cum laude) from the University of the Philippines in 1939 and was awarded a prize for the best law thesis. He passed the Bar examination with one of the highest grades in history, sitting for the examination in jail, charged with the murder of a political opponent of his father. He personally argued his case before the Supreme Court and was acquitted.

Marcos is his country's most highly decorated soldier of any war, having received 27 medals from the U.S. and the Philippines, including the U.S. Distinguished Service Cross and Silver Star for conspicuous gallantry. He was wounded in action five times, and as late as 1961 underwent surgery for the removal of a bullet.

In 1949, at the age of 32, Marcos was elected to the Congress from the same district once represented by his father. He served three terms in the House, and was elected Minority Floor Leader. In 1959, he was elected to the Senate, polling the largest number of votes of any candidate. In 1963, he was elected President of the Senate, having served previously as Minority Floor Leader. From 1961 to 1964, he was President of the Liberal Party, but subsequently joined the Nationalistas after a conflict with President Macapagal. In 1965, he was elected President of the Philippines and in 1969 became the first President in the Philippine history to be elected to a second term.

In 1955, he married the former Imelda Romualdez and they have two girls and a boy. Mrs. Marcos is an active election campaigner and it has been suggested by the President that under certain circumstances she might seek the Presidency in the next elections in 1973. President Marcos is not eligible for a third term.

East Asia and Pacific Department  
October 19, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Alejandro Melchor, Jr., - Executive Secretary, Office of the President

Born in Manila in 1930, "Alex" completed most of his formal schooling in the U.S., including grade school, high school and college. He studied engineering at U.P. and later graduated from the U.S. Naval Academy in Annapolis in 1952. His government service includes work at the Program Implementation Agency and the Presidential Economic Staff. While at PES, he helped establish a system of information reporting, review and control of foreign funded projects. Prior to his appointment as Executive Secretary to the President in February 1970, he was concurrently Undersecretary of National Defense, Deputy Director General of PES for Operations, and Presidential Action Officer for Foreign Funded Projects. He is presently Chairman, Power Development Council; Governor, Development Bank of the Philippines; and Alternate Governor, IBRD.

An exceedingly able administrator, Mr. Melchor is a long time friend of the Bank and was instrumental in persuading Congress to pass in September 1971 legislation which should lead to a substantial improvement in the financial position of one of our primary borrowers, the National Power Corporation.

East Asia and Pacific Department  
October 21, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Ramon V. Mitra - Minority Floor Leader, House of Representatives

He was born in Palawan in 1928. He was Special Assistant to the President of the Philippines from 1958 to 1961, and Executive Assistant to the Central Bank in 1961. He served as the Philippine Representative to the United Nations in 1966 and 1968. He is now member of the House and serves as the Minority Floor Leader. He is strongly anti-Marcos and has opposed most of the Administration's legislation including bills requested by the Bank.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Alfredo Montelibano - Chairman of the Board, Meralco Securities Corporation

Mr. Montelibano is a self made man who has been influential in agriculture, business, politics and Government. Born in Negros in 1905, Mr. Montelibano is leader of the sugar interests which are presently aligned about mid-way between Marcos and Lopez factions of the Nationalist Party. Very outspoken on political and economic matters, particularly as they relate to agricultural policy, Mr. Montelibano has been known to criticize the Bank for being insufficiently sensitive to Philippine conditions.

He became Mayor of Bacolod City in 1939 and military Governor of the Free Government of Negros 1942-45. He was also President of the National Federation of Sugarcane Planters 1940-46.

He has since held a number of important Government positions including Secretary of Defense 1945-46; Chairman Import Control Commission 1951; Chairman National Economic Council 1955-56; and Chairman and General Manager, Rice and Corn Administration 1969-70.

His business interests are many and varied and he serves as Chairman of the Board of Meralco Securities Corporation, ABS/CBN Broadcasting Corporation, Hotel Enterprises of the Philippines, National Export Trading Corporation, Pacific Woodworks International, Philippine Commercial and Industrial Bank and Philippine President Lines.

East Asia and Pacific Department  
October 28, 1971



REPUBLIC OF THE PHILIPPINES

Biography

C. S. Krishna Moorthi - Vice President, Asian Development Bank

Mr. Krishna Moorthi has been Counsellor and later Minister (Economic) of the Embassy of India in Washington and Executive Director for the Bank 1958-63. Prior to joining ADB in December 1966, he was Joint Secretary of Finance of the Indian Government and a member of the Preparatory Committee that established ADB. He has recently been appointed for a further five-year term as Vice President commencing from December 19, 1971.

East Asia and Pacific Department  
October 28, 1971

FAUSTINO T. ORILLO

Dean, U.P. College of Agriculture

Date of Birth : 16 February 1921

Place of Birth : Los Baños, Laguna, Philippines

Present Positions:

Dean, U.P. College of Agriculture and Central  
Experiment Station  
Research Professor of Plant Pathology

Past Positions:

Director, Philippine Coconut Research Institute,  
1965-1966

Research Associate Professor of Plant Pathology  
and Head of the Department, U.P. College of  
Agriculture, 1957-1960

Research Assistant Professor of Plant Pathology  
and Acting Head of the Department, U.P. College  
of Agriculture, 1954-1956

Instructor in Plant Pathology, U.P. College of  
Agriculture, 1950-51

REPUBLIC OF THE PHILIPPINES

Biography

Apolinario Orosa - Director-General, Presidential Economic Staff

Born in Batangas Province, he received a M.A. degree in economics from Oxford. He first worked at the Development Bank of the Philippines and later at the National Economic Council in the later 1950's and early 1960's. He was appointed as Deputy Director-General of PES in 1965 and Director-General of PES in 1970. We are not yet certain whether Mr. Orosa will be able to provide the same quality of leadership at PES as existed under his predecessor, Dr. Mapa.

East Asia and Pacific Department  
October 22, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Sergio Osmena, Jr. - Senator

Born in Cebu City in 1916, he is son of the former President of the Commonwealth of the Philippines. He graduated from New York University (B.A. in Commerce) in 1938. He taught as professor of Business Administration at the University of the Philippines from 1938 to 1941. He was elected as Governor of Cebu Province in 1951, as Congressman in 1957 and as Senator in 1966. Internationally minded, he is considered to be an authority on economic matters. Despite his defeat as a Liberal Party candidate for the Presidency in 1969, he still voted for the export tax bill submitted by the Marcos Administration shortly after the election. He was critically wounded at the political rally last August, but is expected to survive.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Vicente T. Paterno - Chairman, Board of Investments

Paterno has a degree in Mechanical Engineering from the University of the Philippines and a Master's Degree in Business Administration with distinction from Harvard. He was Chief Industrial Consultant of the Industrial Development Center in 1956 and 1957 and from 1957 to 1959 headed the Industrial Engineering Department of the Philippine Investment-Management Consultants, Inc., (PHINMA) a firm which he helped found. He became PHINMA general manager in July 1959. Later he was a Vice President of the Manila Electric Company, a large privately-owned utilities company, in which IFC has made an investment. He was appointed Chairman of the Board of Investments in early 1970.

In his present position, he has been responsible for preparation of Investment Priorities Plans and under his able leadership BOI has continued to pursue an export-oriented industrial policy.

East Asia and Pacific Department  
October 19, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Emmanuel Pelaez - Senator

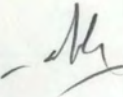
Born in 1915, in Cagayan de Oro, he is the son of a rich coconut planter. Educated at the University of the Philippines and University of Manila (B.A. in Laws), he served as special prosecutor at the People's Court during 1944-46. He was elected as Senator in 1953 and has been re-elected several times since then. He was Vice President of the Republic from 1961 to 1965 and Secretary of Foreign Affairs from 1961 to 1963. He was elected to the Senate in 1967.

He has been a very strong supporter of rural electrification and pushed legislation required for USAID-financed rural electrification projects (one of which is in his district) and the more recent legislation strengthening NPC. Mr. Pelaez is also interested in agriculture serving as the Chairman of the Senate Committee on Agriculture.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Gil J. Puyat - President of the Senate 

Born in Central Luzon in 1907, he graduated from the College of Business Administration at the University of the Philippines in 1929. He later taught there and became the youngest Dean of that College. He also worked in his father's firms in fields such as furniture, steel and real estate. He was elected as Senator in 1951 and re-elected several times since then. He has been President of the Nationalista Party since 1965 and President of the Senate since 1967. Independent-minded, he has not always supported the President's legislative initiative and he has tended to favor an autonomous and independently powerful Congress. Knowledgeable in financial matters, Mr. Puyat has frequently supported Bank legislation including tax bills.

Mr. Puyat has recently visited the Soviet Union and advocated closer trade relationships with that country.

East Asia and Pacific Department  
October 28, 1971

CONFERENCE ROOM

JOHN ANTHONY QUINN

Program Advisor in Education, Asia & Pacific,  
International Division, Ford Foundation

Date of Birth: 27 March 1914

Present Position:

Program Advisor, Education, Asia and Pacific  
International Division, Ford Foundation

Past Positions:

Program Officer, Asia and Pacific, International  
Division, Ford Foundation, 1968-1971

Program Officer, South and Southeast Asia,  
International Division, Ford Foundation,  
1967-1968

Staff Associate, Division of Overseas Activities,  
Ford Foundation, 1952

Continental Agent, Ernest Benn, Ltd., Publishers,  
1950-51

Senior Administrative Officer, United States-  
British-German Mission to the Organization of  
European Economic Cooperation, Paris, 1948-50



REPUBLIC OF THE PHILIPPINES

Biography

Brig. Gen. Carlos P. Romulo - Secretary of Foreign Affairs

Born in Manila in 1899, Gen. Romulo graduated from the University of the Philippines (UP) in 1918 and Columbia University (M.A.) in 1921. He taught at UP as Professor of English in the 1920's and became a newspaperman in the 1930's (editor, Manila Tribune, etc.). He won the American Pulitzer Prize in Journalism in 1941 for his articles on the Southeast Asian political situation. After the war broke out in the Pacific, he served in the U.S. Army with rank of major as press relations officer on the staff of General MacArthur in Bataan, Corregidor and Australia during 1941-44. He was promoted to Colonel in 1943 and Brigadier General in 1944. He was appointed as Secretary of Information and Public Relations in President Quezon's war cabinet in Washington during 1944-46 and headed the Philippine delegation to the United Nations Conference in San Francisco in 1945. He was Chief of the Philippine delegation to the UN in the late 1940's and served as the President of the Fourth Session of the UN General Assembly. After serving as Secretary of Foreign Affairs in 1950-51, he was Ambassador to the U.S. and Head of the Philippine delegation to the UN in the 1950's. He returned to Manila to serve as President of UP in 1962 and became Secretary of Education in 1966. He was appointed as Secretary of Foreign Affairs again in early 1970.

He is one of the most respected elder statesmen in the Philippines today.

East Asia and Pacific Department  
October 21, 1971

VERNON E. ROSS

Rice Production Specialist,  
International Rice Research Institute

Date of Birth: 21 June 1917

Present Position:

Rice Production Specialist, International Rice  
Research Institute

Past Positions:

Team Leader and Extension Training Advisor, University  
of Tennessee, located at Coimbatore, India, 1967-1969

Extension Advisor, University of Tennessee, located at  
Bangalore, India, 1961-1967

Associate Professor, Agricultural Economics, University  
of Tennessee, 1958-1960

Extension Economist, University of Tennessee, 1956-1958

REPUBLIC OF THE PHILIPPINES

Biography

Gerry Roxas - Senator, Minority Floor Leader, Senate

His father was the last President of the Philippine Commonwealth and the first President of the Philippine Republic. He was born in 1924 and after receiving his law degree in 1949, he worked as law clerk at the Department of Justice from 1950 to 1951. He was elected to the House of Representatives in 1957 and to the Senate in 1963 and has been President of the Liberal Party since 1968. He is well versed in social and economic matters, but has opposed recent Bank legislation due to his strong anti-Marcos position.

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East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Sixto Kalaw Roxas - President Bancom Development Corporation

Able and brilliant, Mr. Roxas is well known to Bank staff members. Born in Los Banos, Laguna in 1927, he was educated in the U.S. Formerly, Executive Vice President, Filoil Refinery Corporation, he became Director General, Program Implementation Agency, Office of the President in 1962-63 and Chairman, National Economic Council and concurrently Presidential Economic Adviser in 1963-64. At present he is also Chairman and President of Utilities Development Finance Corporation and Chairman of Land and Housing Development Corporation.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Jose J. Roy - President, Pro-Tempore The Senate

He was Congressman from 1946 to 1961 and Senator from 1961 to present. He is Acting President of the Nationalista Party and is a loyal party man supporting most legislation endorsed by the President.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Lorenzo S. Sarminento - Chairman, House Committee on Economic Affairs

He was born in Bulacan in 1910 and worked as civil engineer in the Bureau of Public Works from 1938 to 1941. Subsequently, he was active in the private sector serving as President and Director of a number of firms in the fields of banking, motor vehicles and lumber. He has been Chairman of the above mentioned House Committee since 1963. He is well versed in economic matters and has been reasonably helpful in supporting Bank legislation.

East Asia and Pacific Department  
October 28, 1971

PABLO S. SARMIENTO

President, Sarmiento Enterprises, Inc.

Date of Birth : 29 June 1915

Place of Birth : San Jose del Monte, Bulacan

Present Positions:

President, Sarmiento Enterprises, Inc.

Sarmiento Industries, Inc.

Sarmiento Realty Development Corporation

Vice President, L. S. Sarmiento & Company, Inc.

Sarbro & Company, Inc.

Vice President and General Manager, Sarmiento Agricultural Development Corporation

Treasurer-Director, Vicmar Corporation, Inc.

Director, Philippine Commercial and Industrial Bank

Far East Motor Corporation

Rizal Exploration Corporation

Builders Realty Corporation

Filipinas Cement Company

REPUBLIC OF THE PHILIPPINES

Biography

Gerardo P. Sicat - Chairman, National Economic Council (NEC)

He was born in San Fernando, Pampanga in October 1935. He graduated from the University of the Philippines in 1957 and continued his studies at the College of Business Administration. He then studied Economics at MIT in 1959 and obtained his doctorate degree there in 1963. He taught Economics at U.P. from 1963 to 1969 and is the author of a number of books and articles on the Philippine economy and industrial policy. He was consultant to the Presidential Economic Staff during 1966-67 and to the National Export Coordination Center from 1967 until recently. He was appointed to the present post in early 1970. Though his career has to date been primarily academic, Mr. Sicat should be included in the growing number of capable young technocrats occupying positions of influence in the Government.

East Asia and Pacific Department  
October 22, 1971



REPUBLIC OF THE PHILIPPINES

Biography

Jose M. Soriano - Chairman, A. Soriano and Company

Born in Manila in 1925, he is head of one of the most prominent business families. As Chairman of A. Soriano and Company he is also Chairman of the Board and President of the following firms: Atlas Consolidated Mining and Development Corporation, Atlas Fertilizer Corporation and Philippine Oil Development Corporation. He is also President and Director of a number of other companies including Paper Products Corporation of the Philippines (in which IFC has made an investment) and San Miguel Corporation (with a world-wide distribution of its well known San Miguel beer). He also has interests in a major Philippine newspaper, Philippine Herald. Politically neutral, Soriano contributes to both political parties.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Washington Sycip - Chairman, the Sycip, Gorres and Velayo (SGV) Group *reynolds*

Born in 1921, he is of Chinese parentage, but is a citizen of the United States. The SGV Group is a firm of certified public accountants and management consultants, the largest in Asia, with offices in Indonesia, Malaysia, Singapore, Taiwan, Thailand and Vietnam. It has provided consulting services for several Bank projects - such as power, irrigation and water supply. His father is a leading banker in the Philippines. One of his two brothers heads the largest and most prestigious law firm in the country, and the other brother owns the only General Motor dealership in the country. Able and brilliant, he is well known to Bank staff members.

CONFERENCE ROOM

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Arturo Tanco - Secretary of Agriculture and Natural Resources

He studied at the School of Business Administration at Harvard and subsequently worked in the private sector serving with a local management consulting firm for a number of years before he became the President of the Agricultural Machinery Dealers Association. He was appointed as Undersecretary of Agriculture in 1969 and became Secretary of Agriculture in 1970. Intelligent and articulate, Mr. Tanco has been the moving force behind the Government's agricultural diversification program.

East Asia and Pacific Department  
October 21, 1971

GILBERTO TEODORO

Administrator, Social Security System

Date of Birth : 7 May 1927

Place of Birth: Manila

Name of Spouse: Mercedes Cojuangco

Present Government Positions:

Administrator, Social Security System  
Member, Presidential Council of Financial Advisers  
Member, Advisory Labor-Management Council

Past Government Positions:

Special Assistant to the Presiding Officer, Monetary  
Board, Central Bank of the Philippines, 1960-  
January 1962  
Officer-in-Charge, Foreign Loans and Investments  
Department, Central Bank, 1961  
Member, Import-Export Committee

Past International Positions:

Economist and Officer-in-Charge (Philippine desk)  
Far East Division, Asian Department, International  
Monetary Fund, 1960  
Economic Researcher, Far East Division, IMF, 1952  
Statistical Clerk, Far East Division, IMF, 1951-1952

REPUBLIC OF THE PHILIPPINES

Biography

Senator Lorenzo G. Teves

He was born in 1918 and studied at the University of the Philippines. He was elected to the House of Representatives in 1946, 1953 and 1965 and to the Senate in 1968. A leader of the West Visayan region, he is identified with sugar interests. He has taken a generally sympathetic attitude towards tax legislation and even voted for the export-tax passed in 1970 despite the fact that the legislation had an adverse effect on the export-oriented sugar industry. He also supported the Bank legislation sponsoring RA 6142, the General Borrowing Authority Act passed in 1970, and voted for the legislation amending NPC's charter passed in 1971.

East Asia and Pacific Department  
October 21, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Arturo M. Tolentino Senator, Majority Floor Leader

Born in Manila in 1910, he graduated from U.P. (Bachelor of Laws) in 1934 and Santo Tomas University (Masters of Laws) in 1938. He practiced law and taught in several law schools. He was Congressman from 1950 to 1957 and has been a Senator since 1957, and the Majority Floor Leader of the Senate since 1964. His orientation is political and legal and he is not terribly well versed in economic matters. He has not been enthusiastic about tax legislation, but is said to be open to logical persuasion in some circumstances.

East Asia and Pacific Department  
October 28, 1971

CONFERENCE-BOND

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THOMAS M. UNWIN

UNDP Deputy Resident Representative

Year of Birth : 1923

Nationality : British

Present Position :

Deputy Resident Representative, United Nations  
Development Programme, Philippines, since  
November 1970

Past Positions :

United Nations Development Programme, Service in  
Malawi and Turkey, 1964-1970  
District Officer, District Commissioner and  
Acting Permanent Secretary, Ministry of  
External Affairs, H.M. Colonial Service,  
Tanganyika, 1951-1964

REPUBLIC OF THE PHILIPPINES

Biography

Fernando R. Veloso - Chairman, House Committee on Banks, Currency and Corporations

Born in Western Samar in 1918, he was Governor of that province from 1955 to 1959. He has been Congressman since 1961.

East Asia and Pacific Department  
October 28, 1971



REPUBLIC OF THE PHILIPPINES

Biography

Roberto T. Villaneuva - Chairman, Private Development Corporation of the  
Philippines (PDCP)

As the personable Chairman of PDCP (see brief on IFC), "Burt" Villaneuva is well known to Bank staff members. He was a member of the Monetary Board of the Central Bank from 1958 to 1961. A prominent businessman, he has extensive interests in sugar, shipping, oil and investment banking.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Cornelio T. Villareal - Speaker, House of Representatives

He was born in Mambusso, Capiz in 1904. He was elected as Congressman in 1941 and became Governor of Capiz during wartime resistance movement. He is co-founder of the Liberal Party and has served as a Congressman since 1946. He became President of the Liberal Party in 1957 and previously served as Speaker from 1962 to 1967.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Eusebio D. Villatuya - President, Philippine National Bank (PNB)

Mr. Villatuya's whole career has been at PNB where he began as a Clerk-Stenographer in 1940. He moved gradually upward in the organization serving as Chief Accountant 1953-59, Vice President 1962-66 and Executive Vice President 1966-70. He is not expected to provide the strong leadership required for an institution of PNB's importance.

East Asia and Pacific Department  
October 28, 1971

REPUBLIC OF THE PHILIPPINES

Biography

Cesar Virata - Secretary of Finance

Mr. Virata has been the Secretary of Finance since the spring of 1970. He had earned widespread respect in his previous assignment as Chairman of the Board of Investments for his effective administration of the Industrial Incentives Act and this reputation has been enhanced by his efficient and honest management of the economy in very difficult times. He is considered to be one of the most capable young technocrats in Government today.

He has an M.A. degree in industrial management from the University of Pennsylvania and has served as head of the Management Services Division of Sycip, Gorres, Velayo & Co., the largest management and accounting consulting firm in the Philippines, and as Dean of Business Administration at the University of the Philippines. He has held a number of important official positions in the field of public finance and industrial policy including Director of the Philippine National Bank; Director, Industrial Investment and Development Corporation; Chairman, Preparatory Committee on the Laurel-Langley Agreement; Action Officer, Coordinating Council for Business Industry; Deputy Director-General, Presidential Economic Staff; and Chairman of the Board of Investments.

Mr. Virata is 41 years old.

East Asia and Pacific Department  
October 19, 1971

REPUBLIC OF PHILIPPINES

Biography

Mr. Leonides Virata - Chairman, Development Bank of the Philippines (DBP)

He was born in Medicion, Cavite in 1918 and was educated at the University of the Philippines (UP), Harvard and the University of Chicago. He was an instructor in accounting at UP 1940-41 and an Assistant Auditor General Accounting Office, 1940-45. Mr. Virata was with the Department of Research, Central Bank of the Philippines 1949-52 and was Deputy Governor of the Central Bank 1951-52 and member of the Monetary Board 1954-56. During the 1950's and 1960's, he was active in the private sector serving as Director of a number of important Filipino firms. He was appointed Secretary of Commerce in 1969 and Chairman of DBP in 1970.

Under Mr. Virata's Chairmanship, significant steps have been taken to improve the financial position of DBP including the introduction of the system of "watch listing" whereby firms with substantial arrears with DBP were denied facilities by the Central Bank for opening of letters of credit. The subject of a recent political attack on DBP, Mr. Virata recently submitted his resignation but at President Marcos request the resignation was withdrawn.

East Asia and Pacific Department  
October 20, 1971

CONFERENCE BOARD



REPUBLIC OF THE PHILIPPINES

Biography

Mr. Takeshi Watanabe - President, Asian Development Bank

Born in 1906, Mr. Watanabe has had a distinguished financial career. Having served in the Japanese Ministry of Finance for a number of years, he became Financial Commissioner in 1949. He became Financial Counselor in the Japanese Embassy in Washington in 1951 and was Executive Director to the Bank 1956-60. He was Special Advisor to the Minister of Finance before becoming President of the Asian Development Bank. He was elected to a second five-year term as President this year.

East Asia and Pacific Department  
October 28, 1971

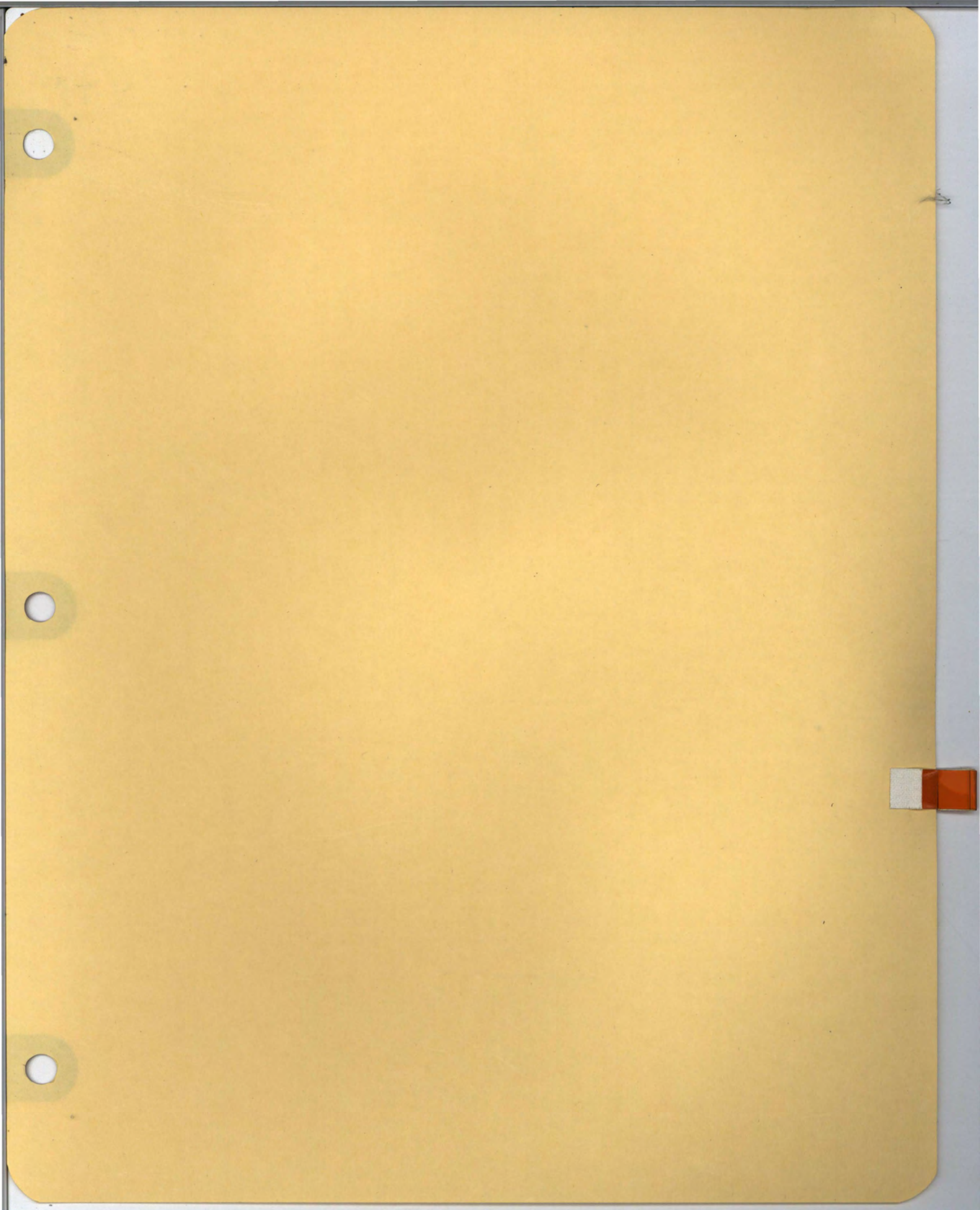
REPUBLIC OF THE PHILIPPINES

Biography

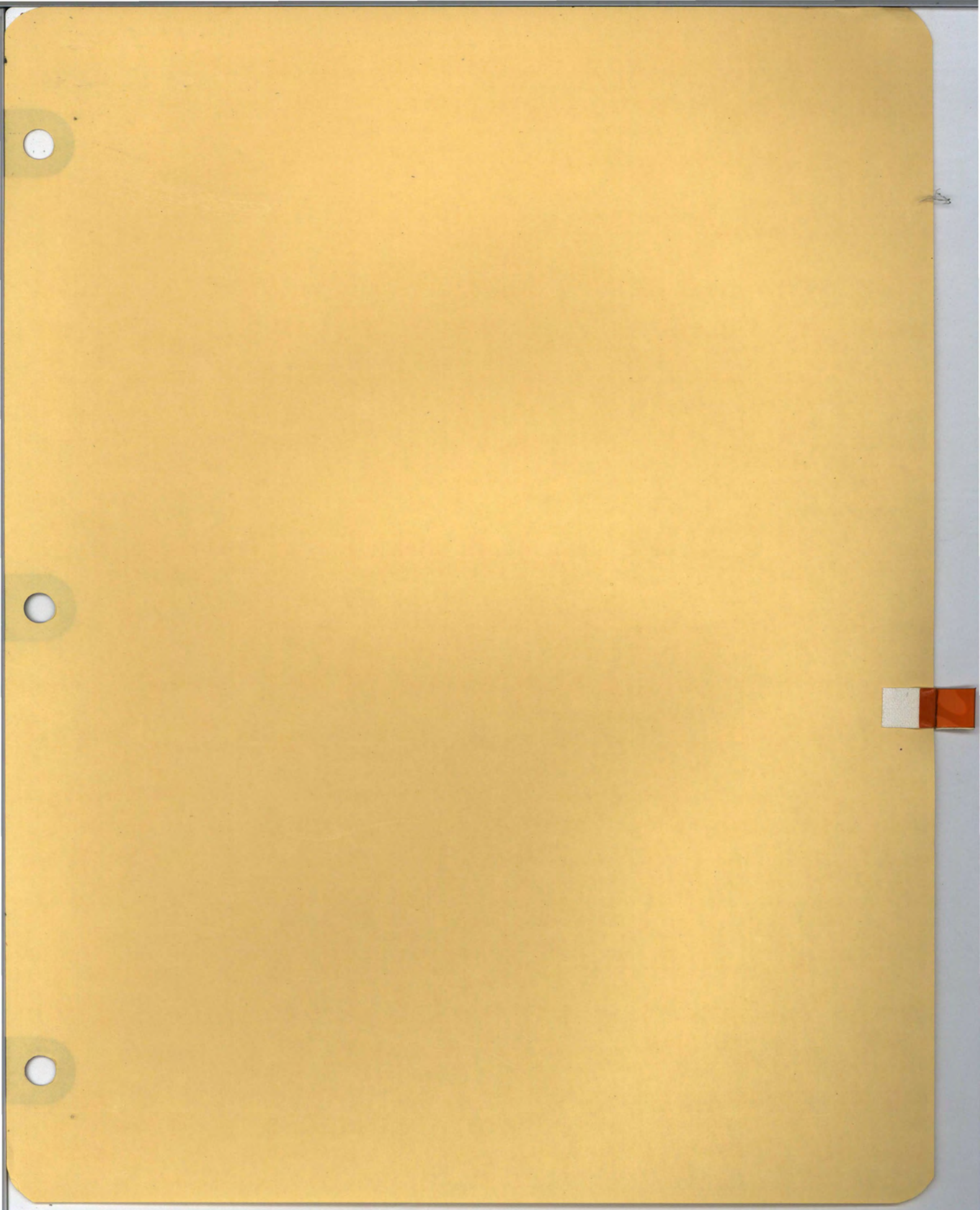
Enrique J. Zobel - President, Ayala Corporation

Born in 1927, Mr. Zobel is a member of an old aristocratic Philippine family which became very wealthy from land ownership in Makati and elsewhere in the Philippines. The family is presently active in real estate, insurance and investment activities and Mr. Zobel is President of the Ayala Corporation, the Filipinas Foundation and the Davao Insular Hotel Company and Chairman of the Board of the Filipinas Life Assurance Company, the FGU Insurance Corporation and Philsac Investment Corporation. An avid sportsman and excellent polo player, Mr. Zobel spends much of his time in Europe.

East Asia and Pacific Department  
October 28, 1971







REPUBLIC OF THE PHILIPPINES

University of the Philippines  
College of Agriculture (UPCA)

UPCA was founded in 1909 and is the second oldest College in the University. The College offers a five-year curriculum in agriculture, agricultural engineering, agricultural chemistry, agricultural education, sugar technology, home technology and agri-business. In addition 2-year M.Sc. and 3-year Ph.D. programs are offered.

UPCA has a present enrollment of 2,700 students (400 post graduate students). About 800 students are admitted each year without examination, but as the number of annual applicants for admission is now almost as great as the number of available places the College is considering introducing selective procedures.

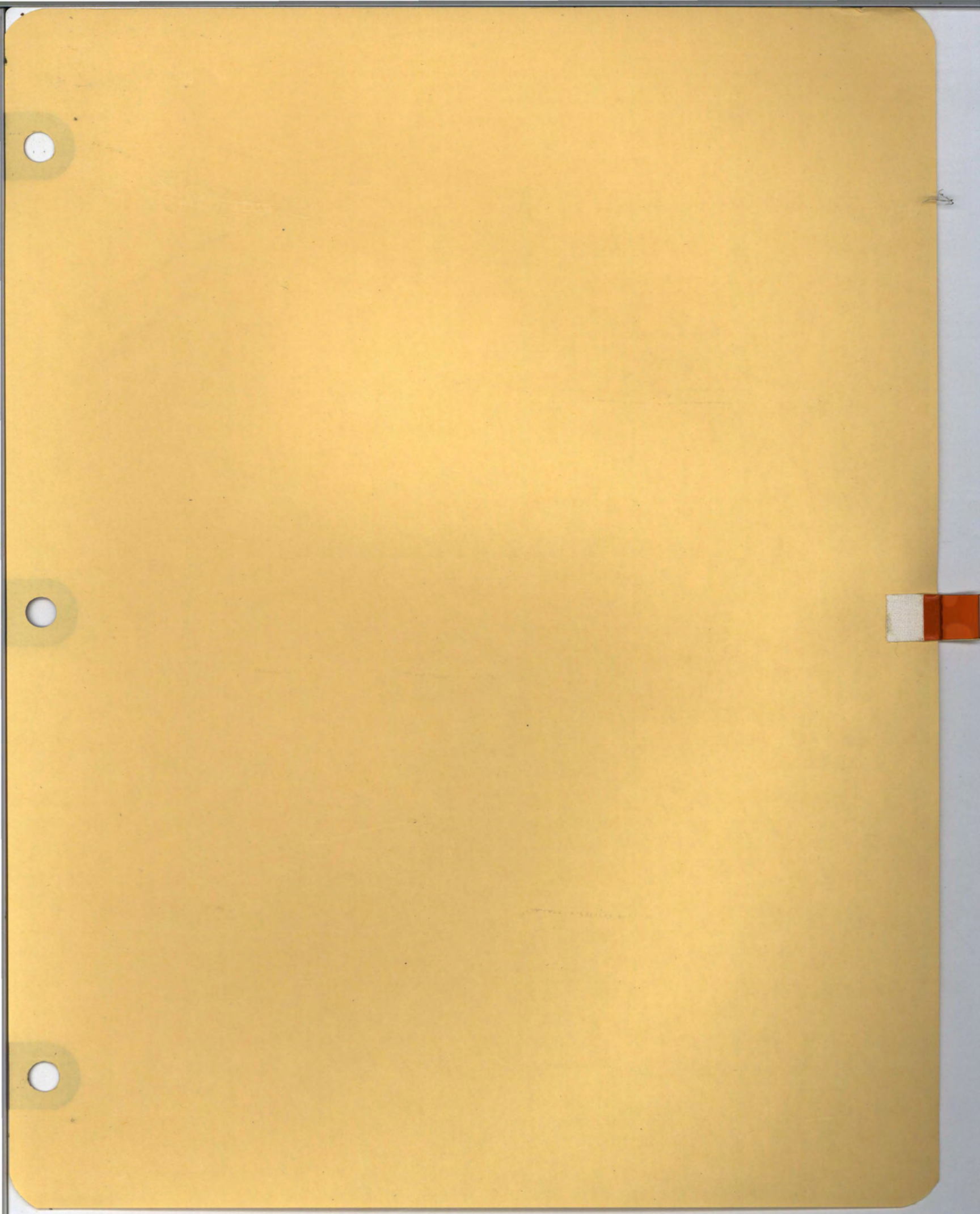
UPCA's well organized research program has expanded in recent years with particular emphasis on applied research related to the production of food-stuffs. Over 400 research projects are under way on rice, corn, sorghum, vegetables, sugarcane, swine, poultry and mushrooms. UPCA has also produced a considerable number of textbook materials and other materials specifically adapted to the needs of the Philippines.

In 1964, we made a loan of \$6.0 million to the Government of the Philippines to help finance the construction and equipment for UPCA's five-year development program. Last year the Bank agreed to postpone the original Closing Date of June 30, 1970 to September 30, 1971 to give the University time to use project savings to finance additional site development work (Stage IV). As of September 30, 1971, about \$5.5 million under the loan had been disbursed leaving an undisbursed balance of \$500,000.

The implementation of the project has been generally satisfactory despite occasional delays resulting from shortages of peso funds. However, Stage IV site development work has proceeded somewhat more slowly than expected due partly to delays in delivery of electrical equipment and the College now estimates that an additional two months will be required to complete construction and submit final reimbursement requests.

In September 1970, the College requested the Bank to finance additional construction and equipment included in their five-year development program and has accordingly asked that the Bank postpone the Closing Date until June 30, 1972. We were inclined to consider the request sympathetically, but decided that a Bank supervision mission should first have an opportunity to review the College's request in the Philippines. Accordingly we agreed to postpone the Closing Date until December 31, 1971. The supervision mission visited the College in early November and we will review the mission's recommendations soon and inform the College of the Bank's decision regarding the above requests.

East Asia and Pacific Department  
October 20, 1971



REPUBLIC OF THE PHILIPPINES

International Rice Research Institute (IRRI)

IRRI was founded at Los Banos, near Manila, by the Ford and Rockefeller Foundations in 1962. The two Foundations not only financed its annual operations and capital expenditures, but also provided a number of grants to support its various research projects. In 1970 USAID decided to join in providing support for IRRI matching the \$750,000 provided by each of the Foundations during that year. IRRI is governed by a Board of Trustees with members from Asian countries and the U.S.

Located adjacent to the University of the Philippines' College of Agriculture and its experiment station, IRRI is the most complete center in the world for research on rice. It has an international scientific staff, about 70% of whom are Asians, and attracts about 70 scholars from all over the world per year for research work. It has excellent laboratories, greenhouses, experimental rice fields and an unequalled collection of technical literature on rice. Training activities have been closely integrated with research programs, and scientists from nearly every important rice research center in Asia have received their training at IRRI.

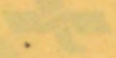
Essentially, IRRI has concentrated on genetic research for breeding superior fertilizer-responsive, non-photo sensitive, high yielding rice varieties with a short stalk and a shorter maturing period. It also continues research in developing cultural techniques to achieve maximum rice production under controlled conditions. IRRI has developed a number of fertilizer-responsive dwarf varieties, which under good management and water control produce exceptionally high yields. The new rice varieties have outyielded the traditional ones by an average ratio of 2 to 1 on normal rice fields and are capable of outyielding traditional varieties by a ratio of 3 - 4 to 1 under controlled conditions. This success has made possible for the first time in history the prospect of self-sufficiency in food grains for many parts of Asia.

In 1970 IRRI announced two new rice varieties, IR20 and IR22, with increased grain quality and resistance to diseases and insects. IRRI has also developed a simple seeder that enables a man to sow a hectare in five hours, a rate of 20-25 times faster than planting by hand.

East Asia and Pacific Department  
October 18, 1971

10-000

WELLS



RECORDS SECTION  
U.S. DEPARTMENT OF THE INTERIOR



## ASIAN DEVELOPMENT BANK

### 1971 Lending Operations

ADB's 1971 loan commitments are projected to reach \$245-250 million, compared to the \$245.2 million committed in 1970 (Annex I). As of September 30, ADB had approved loans amounting to \$94.2 million; \$70.5 million from ordinary resources and \$23.7 million from Special Fund resources. While any conclusions about the 1970 lending program must at the present time be considered tentative, several trends are discernable. In the first place, it would appear that President Watanabe will realize his commitment, made at the Fourth Annual Meeting in April, to increase the proportion of ADB's lending financed from Special Fund Resources as concessional lending may be almost twice the 1970 level, reaching about \$55 million and representing nearly one-quarter of total lending in 1971. Secondly, the ADB's 1971 lending is directed even more heavily toward public infrastructure projects than during the previous year with the power and transportation sectors alone accounting for two-thirds of total loan commitments. Industrial sector lending, one of ADB's most active areas in previous years, will amount to only \$3.5 million, 2 percent of total lending in 1971. Agricultural and education loans will remain at last year's levels of 16 and 1 percent of total lending respectively. Thirdly, ADB's 1971 lending will be concentrated in China, Korea and Indonesia as these countries will account for almost one-half of loan commitments.

With the exception of Indonesia where lending is expected to be about three times last year's level of \$12.7 million, lending has tended to be mainly for less socially oriented projects in less difficult countries. This is partly due to the fact the ADB in its efforts to expand its lending operations has not had sufficient staff and time to become actively involved in long term project preparation activities. The revision of its present policy to allow for some local currency financing might also assist ADB in becoming more active in social sectors.

ADB has made special efforts to increase the rate of loan disbursements and a Deputy Director of Operations has been appointed with specific responsibility for project supervision. Loan disbursements have begun to pick up sharply reaching a cumulative total of \$49.7 million as of August 31 compared to \$25.5 million at the end of calendar 1970.

### 1971 Regional Activities

The study, "Southeast Asia's Economy in the 1970's", will be published soon, the Regional Transport Survey is nearing completion and the Asian Industrial Survey is expected to get underway soon. The Bank is planning to assist in the Joint Regional External Debt Seminar which ADB will host in Manila in November. We have agreed to provide the travel cost of participants from ADB countries and to make available Bank staff to participate in this seminar.

### Longer-Term Lending Projections

ADB presently projects that its annual loan commitments will reach \$600 million in 1975, about one-half of the total coming from Special Fund Resources. On the basis of ADB's and the Bank's projections, ADB's lending as a percentage of Bank/IDA lending in countries where ADB is active (excludes India and Iran) would increase from about 50 percent in 1970 to about 100 percent in 1975. If countries where the Bank/IDA is active and to which ADB does not lend are taken into account the corresponding percentages are 26 percent and 50 percent, respectively. Even if the lending projections of ADB and the Bank are on the optimistic side, it is clear that the expanding operations of the two institutions will create a need for even closer co-operation in the future.

### Ordinary Fund Resources

ADB's total borrowing to date amounts to about \$117 million (Annex II).<sup>1/</sup> With the projected growth in ADB's lending operations, loan commitments from ordinary resources will exceed ADB's paid-in capital in 1971 and exceed ADB's borrowing limit, its callable capital in convertible resources, before the end of 1973 (see Annex III for an analysis of this situation). The study of ADB's resource position authorized by the Board of Governors at the last annual meeting has been completed and is now being reviewed by the Executive Directors. The study reportedly recommends a 150 percent increase in ADB's authorized capital from \$1.1 billion to \$2.75 billion; 20 percent of the increase would be paid in and 80 percent would be callable.

### Special Fund Resources

Special Funds which have either been contributed or pledged total about \$175 million for project lending and about \$5.0 million for technical assistance. (Annex IV). In addition, legislation is presently pending before the United States Congress which would provide another \$100 million over a three-year period. Cumulative commitments from Special Fund resources are expected to total about \$115 million by the end of 1971 and are projected to reach \$985 million by the end of 1975. ADB presently plans to secure funds sufficient to cover the level of its loan commitments. If the target for concessional lending is to be met, ADB will therefore have the very formidable task of finding during the next four years Special Fund Resources amounting to almost \$700 million over and above the contributions mentioned above.

### Bank-ADB Relations

President Watanabe confirmed our own impression during discussions at the Annual Meeting by indicating that he considered Bank-ADB relations to be cooperative and cordial. At the President's request, we are presently discussing with ADB the means of expanding the materials exchanged between the two institutions to include policy papers presented to our respective Boards of Directors as well as the economic reports, appraisal reports and legal documents which are already being exchanged.

### Attachments

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<sup>1/</sup> We have learned from a recent press release that ADB expects to sign on October 28 an agreement with Japan for a second bond issue of about \$18 million equivalent.

ASIAN DEVELOPMENT BANK  
ADB Lending Program 1968-71  
(US million)

ANNEX I

COUNTRIES	Calendar Year				COUNTRIES	Calendar Year				COUNTRIES	Calendar Year			
	1968	1969	1970	1971		1968	1969	1970	1971		1968	1969	1970	1971
<u>Afghanistan</u>					<u>Malaysia</u>					<u>Western Samoa</u>				
Agriculture	-	-	5.1 <sup>1/</sup>	-	Agriculture	-	-	4.2 <sup>3/</sup>	-	Agriculture	-	-	- 1/ 0.3	
Total	-	-	5.1	-	Dev.Fin.Cos.	-	-	-	10.0	Transport	-	-	2.5	
					Industry	-	2.8	-	-	Total	-	-	2.5	
<u>Cambodia</u>					Power	-	3.1	-	-					
Agriculture	-	-	1.7 <sup>1/</sup>	-	Transport	-	5.0	3.5	18.5	Ordinary	41.6	76.1	211.5	
Total	-	-	1.7	-	Water Supply	7.2	-	5.0	-	Concessional	-	22.0	33.7	
					Total	7.2	10.9	12.7	28.5	Total Lending	41.6	98.1	245.2	
<u>Ceylon</u>														
Agriculture	-	8.6 <sup>2/</sup>	-	-	<u>Nepal</u>									
Industry	2.0	-	3.5	3.5 <sup>1/</sup>	Agriculture	-	-	6.4 <sup>4/</sup>	3.0 <sup>1/</sup>					
Telecomm.	-	-	-	3.6 <sup>2/</sup>	Power	-	-	1/	1.5 <sup>2/</sup>					
Transport	-	-	2.6	-	Transport	-	6.0	-	-					
Total	2.0	8.6	6.1	7.1	Total	-	6.0	6.4	4.5					
<u>China, Republic of</u>					<u>Pakistan</u>									
Agriculture	-	10.0	-	-	Agriculture	-	-	6.7	-					
Dev.Fin.Cos.	-	-	-	7.5	Dev.Fin.Cos.	10.0	-	15.0	-					
Industry	10.2	3.8	-	-	Industry	-	-	15.1	-					
Power	-	-	12.9	25.0	Total	10.0	-	36.8	-					
Transport	0.4	1.0	17.6	13.6										
Total	10.6	14.8	30.5	46.1	<u>Papua</u>									
					Dev.Fin.Cos.	-	-	-	4.5					
<u>Fiji</u>					Total	-	-	-	4.5					
Power	-	-	-	4.7										
Total	-	-	-	4.7	<u>Philippines</u>									
					Agriculture	-	1/	-	5.5 <sup>5/</sup>					
<u>Indonesia</u>					Dev.Fin.Cos.	-	2.5	-	15.0					
Agriculture	-	3.4 <sup>1/</sup>	2.7 <sup>1/</sup>	18.3 <sup>1/</sup>	Power	-	-	-	23.4					
Dev.Fin.Cos.	-	-	-	3.4 <sup>1/</sup>	Transport	-	-	10.6	-					
Industry	-	-	10.9 <sup>1/</sup>	-	Total	-	7.5	25.6	28.9					
Power	-	-	-	4.6 <sup>1/</sup>										
Transmission	-	-	-	8.0 <sup>1/</sup>	<u>Singapore</u>									
Total	-	3.4	12.7	34.3	Dev.Fin.Cos.	-	10.0	-	1/					
					Education	-	-	3.0	-					
<u>Korea</u>					Power	-	-	-	15.5					
Agriculture	-	-	0.5	-	Transport	-	-	28.8	8.1					
Dev.Fin.Cos.	-	10.0	10.0	15.0 <sup>1/</sup>	Water Supply	-	-	8.3	-					
Education	-	-	-	5.0	Total	-	10.0	40.1	23.6					
Industry	-	7.0	25.0	-										
Power	-	-	9.5	10.6	<u>Thailand</u>									
Transport	6.8	7.5	-	-	Dev.Fin.Cos.	5.0	10.0	-	-					
Water Auth.	-	-	-	8.8	Power	-	-	19.0	18.7					
Total	6.8	24.5	45.0	39.4	Total	5.0	10.0	19.0	18.7					
<u>Laos</u>					<u>Viet Nam</u>									
Agriculture	-	-	1.0 <sup>1/</sup>	1/	Agriculture	-	-	2.5 <sup>1/</sup>	3.9 <sup>1/</sup>					
Power	-	-	-	3.4	Total	-	-	2.5	3.9					
Total	-	-	1.0	3.4										

SECTORS:	1968		1969		1970		1971	
	% of Total	Total	% of Total	Total	% of Total	Total	% of Total	Total
Agriculture	-	-	24.5	25	30.8	13	31.0	13
Dev.Fin.Cos.	15.0	36	35.0	35	40.0	16	40.4	16
Education	-	-	-	-	3.0	1	5.0	2
Industry	12.2	29	13.6	14	53.6	22	3.5	2
Power	-	-	3.1	3	41.4	17	107.4	43
Telecom.	-	-	-	-	-	-	3.6	1
Transport	7.2	17	21.9	22	63.1	26	48.2	19
Water Supply	7.2	17	-	-	13.3	5	8.8	4
Total	41.6	99	98.1	99	245.2	100	247.9	100

1/ Concessional  
2/ Includes \$0.9 million on concessional terms.  
3/ Includes \$3.3 million on concessional terms.  
4/ Includes \$4.4 million on concessional terms.  
5/ Includes \$1.0 million on concessional terms.

East Asia and Pacific Department  
October 12, 1971



ANNEX II

## ASIAN DEVELOPMENT BANK

## Bond Issues

<u>Country</u>	<u>Signature Date</u>	<u>Amount (US \$ million)</u>	<u>Interest Rate (%)</u>	<u>Issue Price (%)</u>	<u>Maturity (years)</u>
Germany	9/ 1/69	16.4	7.00	97½	15
Austria	4/ 1/70	5.0	7.00	98½	12
Japan	11/27/70	16.7	7.40	99	7
Asian Central Banks and Government Agencies	3/19/71	20.0	5.50	100	2
United States	4/13/71	<u>50.0</u>			
		25.0	7.75	98	25
		25.0	6.50	100	5
Switzerland	4/14/71	<u>9.2</u>	7.00	99	16
Total		<u>117.3</u>			

East Asia and Pacific Department  
October 12, 1971

ASIAN DEVELOPMENT BANK

Ordinary Resources Position

ADB's loan commitments from ordinary resources are expected to be slightly less than \$200 million in 1971 and are projected to increase at an annual rate of about \$25 million per year until 1975. Under these assumptions, ADB's cumulative ordinary loan commitments will have reached about \$515 million, or more than \$100 million above the level of its paid-in capital in convertible currencies and ordinary reserves, before the end of 1971. ADB's total paid-in capital is about \$500 million, but only about \$415 of this will be paid in convertible currencies.

ADB presently plans to secure funds sufficient to cover the level of its loan commitments. ADB's total borrowing authority is limited to the level of its capital callable in convertible resources, or about \$345 million.

Given the projected increase in loan commitments, ADB's cumulative lending from ordinary resources by the end of 1973 will have reached almost \$1 billion, or about \$135 million above the total of its convertible paid-in and callable capital, ordinary reserves and cumulative net profits. Taking into account the time likely to be required for the Board of Governors to reach a decision on the most appropriate means of replenishing ADB's capital stock and for the passage of required legislation by member Governments, ADB's ordinary capital resource problem must be considered to be a matter of some urgency.

ASIAN DEVELOPMENT BANK

Projection of Ordinary Loan Resources and Commitments  
(Cumulative \$ million)

<u>Resources:</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
Paid-in capital <sup>1/</sup>	386.6	388.8	391.0	393.0
Borrowing	38.1	117.1 <sup>2/</sup>	305.0 <sup>3/</sup>	345.0 <sup>3/</sup>
Net profits <sup>4/</sup>	22.3	37.3	57.3	82.3
	—	—	—	—
Total funds available for operations	447.0	543.2	753.3	820.3
	—	—	—	—
<u>Ordinary Loan Commitments:</u>	324.2	514.0	724.0	954.0
	—	—	—	—
Excess of available funds over commitments	<u>122.8</u>	<u>29.2</u>	<u>29.3</u>	<u>(133.7)</u>

<sup>1/</sup> Paid-in capital in convertible currencies, excluding paid-in capital set aside for Special Funds.

<sup>2/</sup> Existing borrowing.

<sup>3/</sup> Projection of future borrowing which reaches the authorized limit of about \$330.0 million in 1973.

<sup>4/</sup> Assumed profits of \$15 million in 1971; \$20 million in 1972 and \$25 million in 1973.

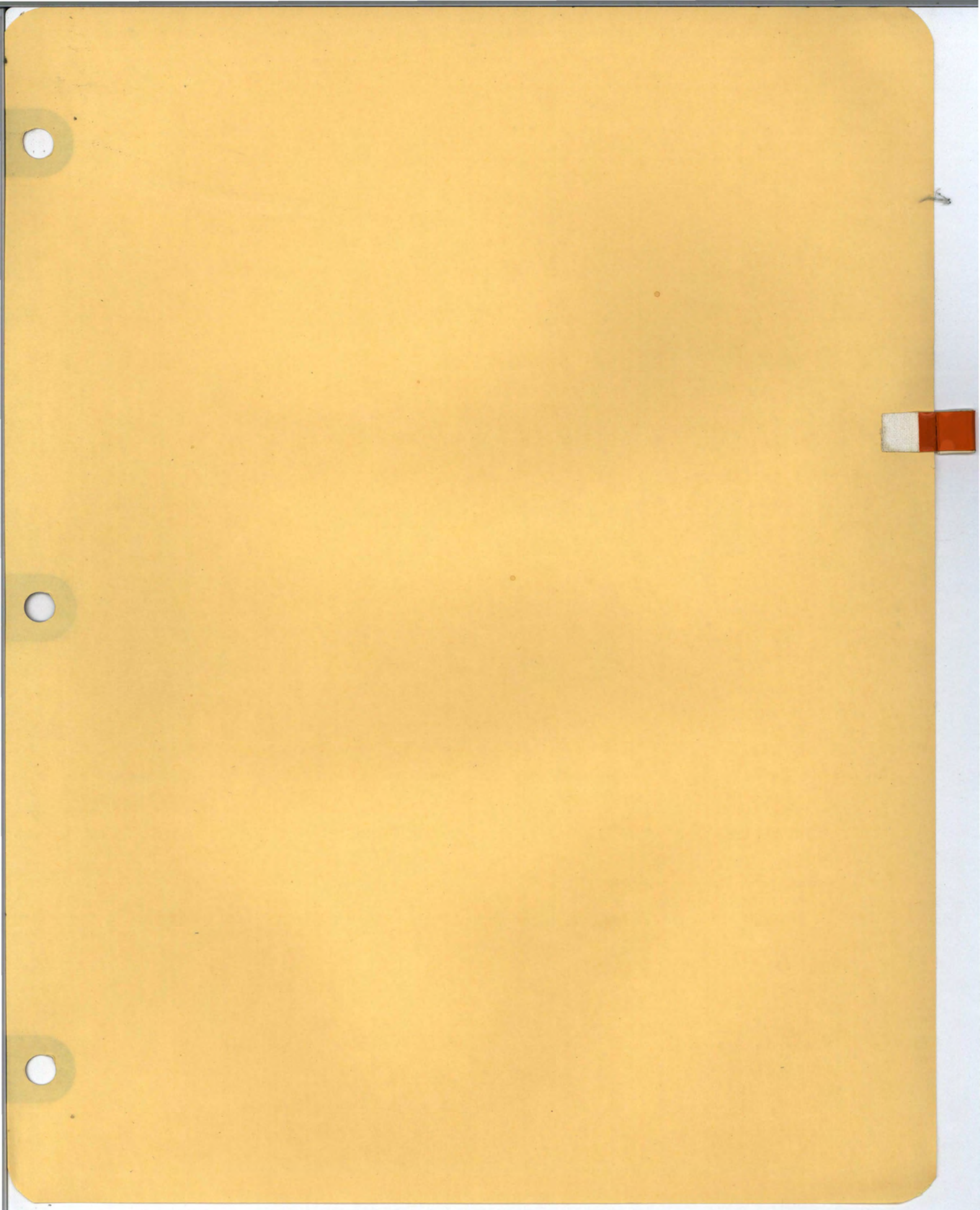
E.A.&P

October 12, 1971

ASIAN DEVELOPMENT BANK  
CONTRIBUTIONS TO ADB'S SPECIAL FUNDS

Contributor:	Contributions as of December 31, 1970:				Contributions pledged at Fourth Annual Meeting:			TOTAL CONTRIBUTIONS AND PLEDGES
	Technical Assistance Special Fund	Agricultural Special Fund	Multi-purpose Special Fund	TOTAL	Technical Assistance Special Fund	Multi-purpose Special Fund	TOTAL	
	Australia	250,000	-	9,750,000	10,000,000	-	-	
Belgium	-	-	-	-	706,000	1,800,000	2,506,000	2,506,000
Canada	200,000	-	25,000,000	25,200,000	-	-	-	25,200,000
Ceylon	-	-	-	-	1,740	-	1,740	1,740
China	-	-	-	-	200,000	-	200,000	200,000
Denmark	300,000	2,000,000	-	2,300,000	300,000	-	300,000	2,600,000
Finland	108,173	-	-	108,173	100,000	-	100,000	208,173
Germany	86,137	-	-	86,137	-	17,800,000	17,800,000	17,886,137
India	26,667	-	-	26,667	40,000	-	40,000	66,667
Italy	-	-	-	-	-	1,900,000	1,900,000	1,900,000
Japan	1,313,982	20,000,000	50,000,000	71,313,982	-	30,000,000	30,000,000	101,313,982
Korea	-	-	-	-	30,000	-	30,000	30,000
Netherlands	27,624	1,104,972	1,104,972	2,237,568	-	-	-	2,237,568
New Zealand	168,000	-	-	168,000	-	-	-	168,000
Pakistan	42,000	-	-	42,000	-	-	-	42,000
Switzerland	200,000	-	-	200,000	-	-	-	200,000
United Kingdom	118,434	-	14,400,000	14,518,434	-	-	-	14,518,434
United States	1,250,000	-	-	1,250,000	-	-	-	1,250,000
<b>TOTAL</b>	<b>4,091,017</b>	<b>23,104,972</b>	<b>100,354,972</b>	<b>127,450,961</b>	<b>1,377,740</b>	<b>51,000,000</b>	<b>52,877,740</b>	<b>180,328,701</b>

E.A.&P.  
May 6, 1971



REPUBLIC OF THE PHILIPPINES

BANK/IDA Operations

I. Existing Operations

No IDA credits have been made to the Philippines. The Bank has made 15 loans, as follows:

<u>Loan No.</u>	<u>Year</u>	<u>Purpose</u>	(\$ million)	
			<u>Amount</u>	<u>Undisbursed (Sept.30,1971)</u>
183	1957	Binga hydro power	21.0	-
290	1961	Port dredging	8.5	-
297	1961	Angat hydro power	34.0	-
325	1962	Maria Cristina hydro power	3.7	-
331	1963	DFC's	15.0	-
386	1964	Manila water supply	20.2	-
393	1964	Education	6.0	.5
432	1965	Agricultural credit	5.0	-
467	1966	DFC's	25.0	.2
491	1967	Bataan thermal power	12.0	1.5
607	1969	Agricultural credit	12.5	11.1
630	1969	DFC's	25.0	14.9
637	1969	Irrigation	34.0	25.4
720	1971	Rice Processing	14.3	14.3
731	1971	Highway	8.0	7.3
		Total	244.2	<u>75.2</u>
		Less cancellations	5.4	
		Total (net of cancellations)	<u>238.8</u>	
		Less repayments to Bank and others	31.6	
		Total now outstanding	<u>207.2</u>	
		Amount sold	12.2	
		Less repayment	<u>11.2</u>	
		Total now held by Bank	<u>206.2</u>	

Public Utilities

2. Power. Four loans totalling \$71.2 million have been made to the National Power Corporation (NPC). The first three (Binga, Angat and Maria Cristina) projects were for hydro power development and were completed after considerable delays, which were partly due to contractors' poor performance. The fourth project for the construction of a 75 MW thermal plant on Bataan peninsula is progressing well and is expected to be completed later this year. NPC is a government-owned corporation which sells power to local utilities and industrial users in Luzon and Northern Mindanao and to a large private power company, Manila Electric Co., which has a more profitable operation in supplying the Manila metropolitan area. NPC has had

chronic financial problems arising from the nature of market it serves, its dependence on the Government for financial assistance and administrative and operating weakness. The latter has been studied by a management consulting firm and its recommendations for improvement are being implemented. NPC has also had difficulties in securing adequate rate increases. Legislation recently enacted by Congress has improved the procedures for NPC to implement rate increases and also exempted NPC from all taxes including income tax and franchise tax.

3. Water. The loan was made to the National Waterworks and Sewerage Authority (NWSA) to help finance the expansion and improvement of a water supply system serving the Manila metropolitan area. The project has been considerably delayed for a variety of reasons - contractors' poor performance, NWSA staff's incompetence and a series of court injunctions issued on local suppliers' complaints. An undisbursed balance of about \$600,000 was cancelled on June 30, 1970. The project is now essentially complete except for some parts of the distribution system which are expected to be completed by the end of this year. Under a law enacted in June 1971 NWSA has been dissolved and a new organization, Metropolitan Waterworks and Sewerage System (MWSS), established to take over NWSA's operations for the metropolitan area. The Bank has recently signed a loan assumption agreement with MWSS. A mission is scheduled for early next year to review the progress of this project under the new management. An IDA credit of \$20 million for a second water supply project is included in our operations program for FY 1974, but this will be contingent on the ability of MWSS to improve its operations.

#### Transport

4. Port Dredging. The loan was to help finance purchase of equipment for the dredging of public ports. Operation and maintenance of dredging fleet under this project by the Bureau of Public Works were inefficient and inadequate, but improved after the Naval authorities assumed responsibility for part of the dredging fleet in mid-1966. An undisbursed balance of \$1.1 million was cancelled on Sept 1, 1966.

5. Highway. The first highway loan is for the construction and improvement of the Cotabato-Digos road (160 km) in Mindanao. The project also includes two components financed by UNDP - technical assistance to the Bureau of Public Highways (BPH) for operational improvements and feasibility studies of about 1,200 km of priority roads as a basis for Bank consideration of a second highway project, planned for FY 1973. The project is progressing well, and contracts for road construction are expected to be awarded later this year.

#### Agriculture

6. Rural Credit. Two loans for rural credit have been made to the Central Bank of the Philippines (CBP) to help finance a program of medium and long term credit to farmers through the rural banking system. Implementation of the First Project was satisfactory, but disbursements under the loan made in 1969 for the Second Project have been slow and only \$1.4 million of the \$12.5 million loan had been disbursed as of September 30, 1971. A supervision/reappraisal mission recently visited the Philippines and recommended a reduction in the required contribution of the rural Banks and farmers to the cost of each subject; a broadening of the range of crops and types of equipment to be financed from the

from the Bank loan; and an easing of repayment terms of certain kinds of sub-loans. Having received the approval of Bank's management, we have informed the Central Bank that, subject to completion of the decentralization of their loan processing procedures which is presently underway, the Bank is prepared to agree to the above modifications and to amend the loan documents accordingly.

7. Irrigation. The loan for the Upper Pampanga River Irrigation Project made in 1969 is to help finance the construction of a dam on the Upper Pampanga River in Central Luzon and the construction and rehabilitation of irrigation facilities serving about 77,000 hectares. The National Irrigation Administration is responsible for the implementation of the project which is progressing well. The contract for the dam construction was awarded to a consortium of local contractors last February after international competitive bidding.

8. Rice Processing. The project will provide long-term credit to the private sector for setting up modern integrated rice processing and storage units in major producing centers. It will increase processing capacity by 480,000 tons of paddy rice per year or 320,000 tons of milled rice per year. The loan was made to the Government which will onlend the proceeds to the Development Bank of the Philippines (DBP) for relending to qualified grain millers and traders in the private sector. The Bank's first supervision mission has just returned from the Philippines and has reported that project implementation is progressing satisfactorily.

#### Education

9. The education loan is to help finance the construction of a number of academic buildings and facilities and the procurement of equipment needed for the 5-year expansion program of the College of Agriculture of the University of the Philippines. The project implementation is generally satisfactory, although it occasionally encountered delays because of shortage of peso funds. The project was essentially complete by mid-1970, but the College requested to use project savings to finance additional site development work. The Bank has agreed to this and the Closing Date of the loan has been postponed to December 31, 1971 to allow the College time to complete this work. A Bank supervision mission has recently visited the Philippines to review a new request for the Bank to finance additional items from the undisbursed balance of \$500,000 and to postpone the Closing Date until June 30, 1972. (See brief on Los Banos).

#### Industry

10. Three loans totalling \$65 million have been made to the Philippine National Bank for relending to the Private Development Corporation of the Philippines (PDCP). The proceeds of the loans are relent by PDGP to private investors for various productive projects. The first two loans have been fully disbursed (except for some \$200,000 for the second loan). The Third loan, made in July 1969, is expected to be fully committed by the middle of 1972. The Bank has not been able to lend directly to the private sector because under the law the Government is unable to guarantee Bank loans to private corporations.



## II. Future Operations

11. Attached is a copy of the most recent operations program prepared by the Programming and Budgeting Department. Four loans are included in our FY 1972 Operations Program:

(a) Livestock Project (Bank: \$5 million). This loan to finance beef, pork and poultry production and related marketing facilities will be made to the Government for relending to the private sector through DBP. Negotiations are scheduled for December and if existing legal questions are satisfactorily resolved, prospects are good for presenting this loan in March-April 1972.

(b) Fifth Power Project (Bank/IDA: \$32 million). The project is for the construction of a second thermal power unit (150 MW) at Bataan and of transmission lines in Luzon. It will be our fifth lending operation for NPC. It is tentatively planned to include an IDA credit of \$10 million which would be made to the Government for relending to NPC on the same terms as the Bank loan. But the credit is still subject to IDA replenishment and to our review of findings of a Bank economic mission, now in the field, on fiscal performance. The project was appraised in June/July. We are planning to open negotiations in January 1972.

(c) Second Education Project (IDB: \$10 million). A UNESCO Preparation Mission visited the Philippines in August and assisted the Government in the preparation of a project request for Bank financing of a number of public high schools, agricultural colleges, technical institutes, regional science teaching centers and manpower training centers. The Appraisal mission will arrive in Manila on November 4.

(d) Fourth PDCP Project (Bank: \$20 million). Appraisal mission is tentatively scheduled for late November.

12. Three loans are now included in our FY 1973 Operations Program:

(a) Fisheries (Bank: \$5.0 million). The FAO/IBRD Cooperative Program Mission identified a project including both a deep-sea and local fisheries component. A Cooperative Program Preparation Mission will visit the Philippines in December 1971.

(b) Second Highway Project (Bank: \$35 million). On the basis of the road feasibility studies (see para. 5) some 700 km of high priority roads will be selected for detailed engineering by next March. The detailed engineering will begin immediately thereafter and should be substantially completed by next fall. Appraisal is planned for October 1972 and Board action on this loan for May 1973.

(c) Second Port Project (IDA: \$10 million). Port feasibility studies began in October 1971 (see brief on UNDP/IBRD Projects) and will be completed in about 12 months. Appraisal is planned for November 1972 and Board action June 1973.

POPULATION: 35.9M

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GNP PER CAP: \$ 180

IVA PHILIPPINES - 5 YEAR OPERATIONS AND LENDING PROGRAMS  
(BY FISCAL YEAR - AMOUNTS IN \$ MILLIONS)

OPERATIONS PROGRAM		1972	1973	1974	1975	1976
-----		----	----	----	----	----
6-PHL-AC-03 AGRICULTURAL CREDIT III	IBRD		15.0*			
6-PHL-AC-04 AGRIC. CREDIT IV	IDA					15.0
6-PHL-AF-01 FISHERIES	IBRD		5.0			
6-PHL-AF-02 FISHERIES II	IBRD					10.0
6-PHL-AI-02 IRRIG. II (NUEVA ECIJA)	IBRD			10.0		
6-PHL-AI-03 IRRIGATION III MAGAT	IBRD					35.0
6-PHL-AL-01 LIVESTOCK	IBRD	5.0				
6-PHL-AL-02 LIVESTOCK II	IBRD				10.0	
6-PHL-AN-02 RICE PROCESSING II	IBRD				20.0	
6-PHL-AP-01 COCONUT REHABILITATION	IBRD			5.0		
6-PHL-AX-01 AGRIC. UNIDENTIFIED I	IDA				5.0	
6-PHL-AX-02 AGRIC. UNIDENTIFIED II	IDA					10.0
6-PHL-CX-01 TELECOMM. UNIDENTIFIED	IBRD			10.0		
6-PHL-DD-04 PDCP IV (DFC)	IBRD	20.0				
6-PHL-DD-05 PDCP V (DFC)	IBRD			20.0		
6-PHL-DD-06 PDCP VI (DFC)	IBRD					20.0
6-PHL-EE-02 EDUCATION II	IDA	10.0				
6-PHL-EE-03 EDUCATION III	IBRD				10.0	
6-PHL-NN-01 POPULATION	IDA			4.0		
6-PHL-PP-02 POWER VI	IBRD			20.0		
6-PHL-PT-01 POWER V	IBRD/I	32.0				
6-PHL-QQ-01 TOURISM	IBRD				10.0	
6-PHL-TH-02 HIGHWAYS II	IBRD		35.0			
6-PHL-TH-03 HIGHWAYS III	IDA				25.0	
6-PHL-TP-02 PORTS II	IDA		10.0			
6-PHL-TP-03 PORTS III	IDA				10.0	
6-PHL-UX-01 URBANIZATION-UNIDENT.	IDA					5.0
6-PHL-WU-02 WATER SUPPLY II	IDA			20.0		

\* Due to the slow disbursements under Agricultural Credit II, it has now been decided that this operation should be postponed to FY 1974. EA&P 10/21/71

POPULATION: 35.9M

PAGE 50

GNP PER CAP: \$ 180  
IVA

PHILIPPINES - 5 YEAR OPERATIONS AND LENDING PROGRAMS  
(BY FISCAL YEAR - AMOUNTS IN \$ MILLIONS)

OPERATIONS PROGRAM  
-----

1972 1973 1974 1975 1976  
-----

	1964-68	1969-73	1972-76
IBRD	68.2	195.8	282.0
IDA		30.0	124.0
TOTAL	68.2	225.8	406.0
NO	5	13	28

	1972	1973	1974	1975	1976
IBRD	47.0	55.0	65.0	50.0	65.0
IDA	20.0	10.0	24.0	40.0	30.0
TOTAL	67.0	65.0	89.0	90.0	95.0
NO	4	4	7	7	6

LENDING PROGRAM ( 8/16/71 )  
-----

IBRD	68.2	180.8	217.0
IDA		30.0	10.9
TOTAL	68.2	210.8	227.9
NO	5	12	22

IBRD	47.0	40.0	60.0	40.0	30.0
IDA	10.0	20.0	20.0	29.0	30.0
TOTAL	57.0	60.0	80.0	69.0	60.0
NO	3	4	5	5	5

P & B 09/15/71



REPUBLIC OF THE PHILIPPINES

IFC Brief - November 1971

(Ps 6.45=US\$1)

I. Membership

The Republic of the Philippines became a member of IFC on August 12, 1957. Its subscription to IFC capital stock is \$166,000 (0.16% of the total) and its number of votes is 416 (0.32% of the total).

II. Existing Investments

A summary of IFC's seven commitments totalling \$47 million, is presented in the Annex. The Philippines is IFC's seventh most active country in terms of number of operations. In terms of amounts committed the Philippines occupies the second place among IFC member countries, accounting for about 8% of total commitments.

The projects IFC has been associated with range from a DFC, to utilities, pulp and paper, ceramic tiles, oil refinery and nickel. A brief description of their most important features and their present status is as follows:

Private Development Corporation of the Philippines (PDCP) - Equity Investment of P800,000 (\$205,216.69 equivalent) and a Stand-by Commitment of P16,200,000 (about \$4,154,000 equivalent) approved December 20, 1962.

The Bank group helped establish PDCP in 1962. The Bank made a loan of \$15 million and IFC entered into a firm subscription and stand-by commitment, covering the placement of 68% of the initial capital stock. Investors' response was favorable and IFC did not have to take up any shares under the stand-by agreement. In 1967 IFC sold the shares it had acquired under the firm commitment at a profit. The Bank, the USAID and the ADB have extended aggregate loans of about \$112 million to PDCP. A 40% capital increase in 1971 was 25% oversubscribed. As of March 31, 1971, about 46% of PDCP's financing had gone into manufacturing, 45% into power, transportation and communications projects and the balance to agriculture and mining. The Bank has encouraged PDCP to support more actively small entrepreneurs and new businesses. PDCP is working closely with the Board of Investments (BOI) in identifying new investment opportunities.

Manila Electric Company (Meralco) - Loan of \$8 million and Equity Investment of \$4 million approved September 15, 1966. Exchange of the Equity in Meralco for shares in Meralco Securities Corporation (MSC) approved November 25, 1969.

Meralco is the largest electric utility in the Philippines, serving Manila and adjacent areas. It was acquired from the General Public Utilities Corp. of the US by MSC, a holding company controlled by the Lopez family. MSC is diversifying its interests into other industries, such as oil refinery (see PPC below), electrical equipment, pipelines and, more recently, services. MSC also plans to open up Meralco ownership to the public. Besides raising much needed capital, this would help off-set some of the criticism against Meralco as a closely held center of power, a reflection of the present struggle between the Lopez family and President Marcos.

Philippine Long Distance Telephone Company (PLDT) - Loan Investment of \$4.5 million debentures with detachable warrants to purchase common shares approved September 9, 1969.

PLDT, formerly a subsidiary of General Telephone and Electronics of the U.S., was acquired by a group of Philippine businessmen led by Messrs. R. Cojuangco and A. Yuchengco. The Company accounts for about 75% of the telephones installed in the country and handles most of the long distance service. In 1969 PLDT arranged for a private placement of \$11 million of debentures with detachable warrants. IFC purchased \$4.5 million of the debentures pursuant to a firm subscription and a stand-by agreement. This completed the financing required for a 5-year investment program which would more than double telephone installations. Still more telephones are needed and PLDT continues to require capital to expand. However, the relatively short maturity of available debt financing, and sharp increases of both costs and debt service resulting from the de facto devaluation of the peso have put severe financial strain on the Company. IFC, in coordination with the Bank, is taking an active role in assisting the Company in identifying solutions.

Mariwasa Manufacturing Inc. - Loan of \$769,000 and Stand-by Equity Commitment of P2 million (\$326,450 equivalent) approved September 9, 1969.

The investment, aggregating about \$1.1 million, was for a \$4.1 million project to expand Mariwasa's output of ceramic tiles by 75%. The expansion was completed in 1970. Currently more than half of the production is exported to the US and South East Asia, and the Company is planning further expansion.

Paper Industries Corporation of the Philippines (PICOP) - Equity Investment of P5 million (\$320,000 equivalent) and Stand-by Commitment of P8.5 million (\$1.39 million equivalent) approved December 23, 1969.

PICOP's 150,000 metric tons pulp and paper project, some lines of which have already started production, completes its large lumber and wood products operation, making it South East Asia's first fully integrated forest products complex. The project creates 1,200 new jobs in the southern island of Mindanao, and its output will cover more than half of the Philippines' need for newsprint, linerboard and corrugating medium. The project was sponsored by the Soriano group (controlling

among others the San Miguel Corporation and the Atlas Consolidated Mining Co.), and by the International Paper Co. of the U.S. IFC gave a firm purchase commitment and a substantial stand-by commitment, totalling P13.5 million, to a Philippine underwriting syndicate headed by Bancom Development Corporation for a share offering. The offering, the largest ever made in the Philippines, was substantially over-subscribed, so much so that IFC agreed to reduce its firm purchase commitment to accommodate small Philippine investors.

Philippine Petroleum Corporation (PPC) - Loan of \$6.2 million and Equity Investment of \$1.8 million equivalent approved January 5, 1971.

The project is sponsored by Meralco Securities Corporation, and consists of a refinery to produce lubricating oil base stocks currently imported. PPC's facility is ultimately expected to supply the entire domestic demand of the grades it will produce through 1980, with net foreign exchange savings of over \$11 million a year. Fulfillment of IFC's conditions of effectiveness were delayed, primarily because IFC could not agree on a satisfactory solution with the Philippine Government concerning repatriation rights for IFC's proposed equity investment. (See below, "Repatriation"). An acceptable compromise has now been worked out for this particular case, and IFC expects to make the first disbursement in the next few weeks. As preparatory work and procurement have proceeded according to schedule, the project completion date should not be materially affected.

Marinduque Mining and Industrial Corporation (MMIC) - Investment of \$15 million in subordinated debentures with detachable warrants to purchase shares, approved July 6, 1971.

The project consists of a laterite nickel ore mining and refining operation utilizing a new process by Sherritt Gordon Mines. Design capacity is 75 million lbs. of refined nickel and 3.3 million lbs. of cobalt. Total financial requirements are estimated at about \$245 million. About \$20 million has been spent to date, mostly on site preparation and a pilot plant. IFC Board approved on July 6, 1971 an investment of \$15 million in debentures with warrants. The project is of major importance to the Philippines, as it is expected to bring in over \$50 million net foreign exchange per year at full capacity. A number of problems are discussed under "Outstanding Issues".

III. Active Applications

Maria Cristina Chemical Industries (MCCI)

The project for which MCCI is seeking IFC financing consists of a 40,000 metric tons per year ferrosilicon facility, costing about US\$6 million. All the inputs would be domestic and practically all the output is for export; the project is included in the BOI priority list and is expected to generate some US\$8 million of gross foreign exchange receipts per year. The Company, owned by the Guevara family, currently

produces calcium carbide. The sponsors are presently discussing firm purchase commitments with Japanese, Australian and U.S. buyers, upon which the project is dependent.

#### IV. Preliminary Projects

These are:

- (i) an aluminum smelter, of 20,000 metric tons per year initial capacity, to supply the domestic aluminum fabrication industry (about \$26 million);
- (ii) two textile projects (both of about \$8 million);
- (iii) an expansion of Mariwasa Manufacturing Inc. into chinaware (about \$4 million);
- (iv) a pulp project (60% for export; about \$16 million).

IFC is also likely to be invited to participate in the financing of a copper smelter, presently under BOI study.

#### V. Outstanding Issues

##### (i) Repatriation

As part of the tightening of foreign exchange controls which accompanied the floating of the Philippine peso (Feb. 21, 1970), certain restrictions were put on the sale in the Philippines' of foreign owned equity and the repatriation of the proceeds thereof. In brief:

- (a) For "export oriented" industries: investments may be repatriated starting one year from the start of export operations, in annual installments not exceeding net foreign exchange earnings of the project (defined as gross foreign exchange earnings minus imported component and debt service);
- (b) For non "export oriented" industries: investments may be repatriated starting two years after start of operations, in five equal annual installments;
- (c) In any case the Central Bank holds discretionary powers to refuse a non-resident's request to sell shares to a resident.

IFC's position is that the restrictions under (b) and (c) above are not conducive to attracting foreign investment and are unacceptable for IFC's operations. On the



other hand, IFC considers that the treatment afforded export oriented industries may be acceptable for projects generating sufficient net foreign exchange earnings to permit IFC to repatriate the investment soon after start-up. On this basis, IFC agreed with the Government to make the Marinduque investment substantially under the general Philippine regulations.

Negotiations with the Philippine authorities seeking to reach a compromise regarding non export-oriented projects were initiated in 1970 and continued through the 1971 Annual Meeting. No solution has been arrived at so far, but the door was left open for further discussions. In the circumstances, IFC would not be prepared to consider any new equity investments in such projects. However, an acceptable ad hoc solution has been worked out by Philippine Petroleum Corporation (PPC), the Government and IFC, whereby IFC will be willing to disburse in accordance with the investment agreement. Under this arrangement, the peso proceeds from any sale of PPC shares in the Philippines will be immediately converted into US dollars by the Central Bank and deposited in an interest-earning dollar account with the Manila branch of First National City Bank of New York (FNCB). Repatriation will be permitted according to existing regulations. Pending repatriation FNCB will, upon IFC's request, advance to IFC in the U.S. an amount in dollars equal to the amount on deposit in its Manila branch. The transaction has been designed so as to result in no cost for IFC.

(ii) Marinduque Mining & Industrial Corporation

- (a) During recent months the stock price fell sharply. Main reasons for this have been a decline in copper prices and the announcement by the Company that no cash dividends will be paid until 1975 to conserve cash for the project. The drop in stock prices has led to the cancellation of a public offering which was expected to raise \$20 million of new equity for the project. The Company's difficulties in this respect have been further aggravated by a recent US Eximbank requirement that the new equity be \$28 million instead of \$20 million. The Company is trying to raise the equity privately, but so far no success has been reported. It is very likely that Government assistance will be needed, and the Government has indicated that it would be willing to help;

- (b) IFC's \$15 million commitment expires on October 31, 1971. Because of the difficulties outlined above, the Company has requested an extension. IFC is considering it subject to renegotiation of the warrant exercise price to take account of the drop in stock prices;
- (c) The complexity and size of the operation and the number of institutions participating in the financing increase the likelihood that any additional delays will result in more problems. It is of paramount importance that all commitments become effective before the end of 1971.

IFC - Asia  
October 22, 1971

PHILIPPINES

Summary of Investments, as of September 30, 1971

(in US \$x1,000)

	<u>Type of Business</u>	<u>FY</u>	<u>Original Commit- ments</u>	<u>Cancelled Sold or Repaid</u>	<u>Investments Held by IFC</u>			<u>Undisbursed Balance</u>
					<u>Loan</u>	<u>Equity</u>	<u>Total</u>	
Private Development Corp. of the Philippines	Development financing	1963	4,359	4,359	-	-	-	-
Manila Electric Co.	Electric Power	1967	8,000	2,883	5,117	-	5,117	-
Meralco Securities Corp.	Diversified holding	1967	4,000	361	-	3,639	3,639	-
Philippine Long Distance Telephone Co.	Telecommuni- cations	1970	4,500	-	4,500	-	4,500	-
Mariwasa Manufacturing Inc.	Ceramic tiles	1970	1,095	554	385	156	541	-
Paper Industries Corp. of the Philippines	Wood products, pulp & paper	1970	2,210	1,807	-	403	403	61
Philippine Petroleum Corp. *	Lube oil re- finery	1971	8,000	-	6,200	1,800	8,000	8,000
Marinduque Mining and Industrial Corp. *	Nickel mining and refinery	1972	15,000	-	15,000	-	15,000	15,000
		<u>Total</u>	<u>47,164</u>	<u>9,964</u>	<u>31,202</u>	<u>5,998</u>	<u>37,200</u>	<u>23,061</u>

\* Commitment has been signed but does not become effective until certain conditions have been fulfilled.