

on the reparations issue made it difficult for him to accept the assignment. Recto, instead, proposed the constitution of an entirely new Philippine panel to face the Japanese upon resumption of the talks. This group will not include any members of Congress." The suggestion that Vice-President Garcia head the group was dropped in view of the fact that he is of higher rank than the chief Japanese negotiator.

The Government Survey and Reorganization Commission meets and decides to invite the general public, including government employees, to submit suggestions on the proposed reorganization of the government. Most of the meeting is devoted to listening to a report of Louis J. Kroeger on the work he and his staff have accomplished regarding the classification of positions and standardization of salaries.

Aug. 27 — The President and congressional leaders reach agreement on the Government's comments on the United States draft treaty for the Manila (SEATO) Conference of 1954.

The President orders the Central Bank to file criminal charges and suspend dollar allocations to some 432 importers found to have falsified their import and supporting papers with the defunct Import Control Commission, following his receiving the list of names of the "fake importers" from the Central Bank and the National Bureau of Investigation team which he had instructed to investigate the matter.

The President visits the NARIC offices and is informed that the old imported rice priced at 60 centavos a ganta is selling briskly in Manila and neighboring towns; he instructs the officials to send the rice also to such provinces as Sorsogon from which complaints have been received of a shortage.

The President administers oaths of office to the 28 members of UNESCO's National Commission of the Philippines who represent various private and public educational, scientific, and cultural organizations in the country.

Aug. 28 — The President signs House Bill 2576, now Rep. Act 1197, amending Rep. Act 601 as amended by Rep. Act 1175, regarding the excise tax on foreign exchange; the latest amendment provides for exemptions from the payment of the exchange tax on (1) remittances in payment of wheat flour, cattle, and cocoa beans; (2) remittances by airlines of American registry operating between the Philippines and the United States of income in the Philippines to their head offices, provided the airlines were granted an operating permit prior to the enactment of Rep. Act 601; (3) remittances for payment of living and some other expenses of students abroad, not to exceed \$250 a month; (4) dollar allocations for one trip a year and not exceeding \$300 for each Moro pilgrim traveling abroad under permit of the Government. The President also signs House Bill No. 2577, now Rep. Act 1198, creating the Office of State Attorneys in the Department of Justice.

The President designates the following as members of the Philippine panel in the forthcoming Defense Council talks with U. S. Secretary of State John Foster Dulles: Vice-President Garcia, Minister Neri, Lt. Gen. Vargas, Brig. Gen. Balao, Brig. Gen. Arellano, Brig. Gen. Cruz, and Commodore Francisco; as there are no members of Congress on the United States panel, no members of the Philippine Congress will be named to the Philippine panel.

Malacañang announces that the congressional representatives in the Philippine delegation for the revision of the Bell Trade Act will leave for the United States shortly; the members, besides Senator Laurel, the Chairman, are Senators Puyat, Delgado, Sumulong, Paredes, and Tañada, and Representatives Godofredo P. Ramos, Daniel Romualdez, Eulogio Rodriguez, Jr., Diosdado Macapagal, and Jose J. Roy. Miguel Cuaderno, Sr., Caesar Z. Lanuza, Montano A. Tejam, Antonio de las Alas, and Miguel Felizardo represent the Executive Department. Members of the Philippine technical panel of experts who will remain in Manila "to service the Philippine delegation at this end", are Filemon Rodriguez, Chairman, and Leonides Virata, Daniel Aguinaldo, Toribio Teodoro, Ramon del Rosario, Bernardino Bantegui, Mamerto Endriga, and Anselmo Trinidad.

The President makes another surprise visit to the NARIC offices; army trucks are assisting in the distribution of rice in Manila and suburbs.

Former Ambassador M. M. Cowen and Maj. Gen. Leland S. Hobbs, former JUSMAG chief, state in a telegram to Malacañang that the U. S. Committee on Philippine Aid, Development, and Rehabilitation (COMPADRE) has been very successful in the initial stage of the drive aimed at providing additional funds for the artesian well program; included are a number of pumps donated by the Worthington Corporation, the Peerless Pump Company, and the Gouids Pump Corporation.

Aug. 29 — The President again visits the NARIC offices to check on the rice distribution; he states he is "not fighting rice producers and retailers... but is giving a lesson to rice hoarders and profiteers."

Aug. 30 — Malacañang issues a press release stating that the President was "shocked" by the light sentence imposed on Huk leader Taruc, calling it a "mockery of justice", and that he has instructed the legal officers of the Government and of the Armed Forces to institute new charges against him in other untried cases, including the ambush and killing of Mrs. Quezon and members of her party. Judge Gregorio Narvasa today convicted the Huk leader of the crime of rebellion alone and not of the complex crime of rebellion with murders, arsons, kidnappings, and robberies preferred against him by the State, and, waving aside the prosecution's demand for life imprisonment, sentenced him to 12 years imprisonment and a fine of ₱20,000.

The President motors to San Pedro Tunasan, Laguna, on the occasion of the turn-over of the Colegio de San Jose land there purchased by the Government for ₱200,000.

Aug. 31 — Hundreds of messages are received at Malacañang congratulating the President on his 47th birthday anniversary. He grants pardons and commutations of sentence to 13 prisoners and spends most of the day at Camp Olivas, Pampanga, also visiting the Armed Forces hospital in San Fernando.

## Banking and Finance

By M. D. ARNOLD  
Sub-Manager

The National City Bank of New York

### COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31, 1949	As of May 31, 1954	As of June 30, 1954	As of July 30, 1954
(In thousands of pesos)				
<b>ASSETS</b>				
International Reserve...	₱460,689	₱462,242	₱465,943	₱457,288
Contribution to the International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage.....	113,306	106,940	106,940	106,940
Loans and Advances....	77,047	3,574	1,584	714
Trust Account-Securities Stabilization Fund....	—	—	—	—
Domestic Securities.....	92,197	248,449	240,066	227,970
Other Assets.....	20,390	55,683	49,982	54,626
	<b>₱793,629</b>	<b>₱906,888</b>	<b>₱894,515</b>	<b>₱877,538</b>
<b>LIABILITIES</b>				
Currency — Notes.....	₱555,576	₱603,572	₱587,486	₱584,708
Coins.....	74,384	84,654	84,700	84,802
Demand Deposits— Pesos.....	117,682	167,783	170,775	154,484
Securities Stabilization Fund.....	2,000	14,625	14,667	14,864
Due to International Monetary Fund.....	22,498	496	496	496
Due to International Bank for Reconstruction and Development.	2,389	2,377	2,377	2,377
Other Liabilities.....	2,636	4,654	5,060	6,136
Deferred Credits.....	—	3,207	478	894
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	2,252	5,208	5,509
Surplus.....	—	13,268	13,268	13,268
	<b>₱793,629</b>	<b>₱906,888</b>	<b>₱894,515</b>	<b>₱877,538</b>

The international reserves as of July 31, 1954, were as follows:

Central Bank International Reserves.....	\$228,643,804.02
Japan Open Account (due from).....	15,491,574.19
Net FX Holdings other Banks.....	64,713,564.42
	<b>\$308,848,942.63</b>

This is an increase of approximately \$10,833,000 as compared to June 30, 1954.

Currency and coins issued totalled ₱669,509,890.03.

Money continues tight in Manila and up-country. It is reported small retailers, many of whom are Chinese, have been forced to curtail credit in view of the Nationalization of the Retail Trade Law, as wholesalers are in turn restricting their terms to these retailers. The July-August period is normally dull, which is now further depressed by the factor mentioned above. Unemployment is becoming a matter of increasing concern.

## Manila Stock Market

By J. J. ORTIGAS  
Picornell, Ortigas & Co.

July 24 to August 20

WITH the exception of Mindanao Mother Lode Mining Company which advanced sharply on reports that the Company is exploring a copper prospect in Zam-

bales, the price movements of the rest of the mining issues have been very narrow.

The free gold market has ruled unchanged during the past month with the price of gold closing at approximately ₱110.20 per fine ounce.

Activity in the commercial and industrial group was confined to Philippine Long Distance Telephone Company common shares which were well bought in sympathy with a rise in this stock in the San Francisco market. Sugar shares were steadier, with some activity noted in La Carlota, Tarlac, and Bais which closed higher. San Miguel Brewery was in somewhat better demand.

#### MINING SHARES

1953-54 Range High Low	Company	High	Low	Close	Change	Total Sales
107.42 82.78	M. S. E. Mining Share Average	94.93	89.08	94.52	Up 5.38	6,038,508
0.255 0.125	Acoje Mining Company	.145	.14	.14	Off .005	167,135
0.0875 0.037	Atlas Cons. Mng & Dev. Co.	.08	.07	.0775	Up .0025	430,000
2.75 0.80	Atok Big Wedge Mining Co.	1.20	1.20	1.16a	Up .04	1,000
0.0975 0.06	Baguio Gold Mining Co.	.08	.08	.0825b	Up .0125	15,000
2.10 0.60	Balatoc Mining Co.	.90	.80	.90	Up .30	3,965
0.0026 0.0011	Batong Buhay Gold	.0017	.0017	.0017	—	100,000
4.60 2.60	Benguet Cons.	3.20	3.15	3.15	Off .10	14,500
0.031 0.015	Coco Grove, Inc.	—	—	.03a	—	—
0.046 0.034	Consolidated Mines, Inc.	.042	.039	.041	Up .001	1,471,500
0.305 0.115	General Base Metals	—	—	.13a	—	—
0.22 0.10	Hixbar Gold Mining Co.	.10	.10	.10	Off .02	6,000
0.105 0.036	Itegon Mining Co.	—	—	.03b	—	—
0.46 0.325	Lepanto Cons.	.45	.43	.44	Up .01	447,500
0.1475 0.05	Mindanao Mother Lode	.135	.07	.135	Up .065	155,000
0.23 0.06	Paracale Gumaus Cons.	.23	.23	.23	—	65,000
2.29 1.42	Philippine Iron Mines, Inc.	1.70	1.62	1.62	Off .04	77,050
0.31 0.15	San Mauricio Mining Co.	—	—	.155a	—	—
0.27 0.17	Surigao Cons.	.185	.175	.18	Up .005	243,000
0.015 0.008	Suyoc Cons.	—	—	.015a	—	—

#### COMMERCIAL SHARES

1953-54 Range High Low	Company	High	Low	Close	Change	Total Sales
196.00 135.00	Bank of the Philippine Islands	196.00	195.00	196.00	Up 11.00	69
20.00 11.00	Bogo-Medellin Milling	14.00	14.00	14.00	—	661
72.50 60.00	Central Azucarera de Bais	66.00	64.00	66.00	Up 4.00	63
130.00 100.00	Central Azucarera de la Carlota	130.00	130.00	130.00	Up 5.00	74
105.00 100.00	Central Azucarera de Pilar	—	—	85.00b	—	—
45.00 26.00	Central Azucarera de Tarlac	42.00	42.00	42.00	Up 1.00	65
370.00 360.00	China Banking Corp.	—	—	350.00b	—	—
12.00 10.00	Cia. de Celulosa de Filipinas	12.00	11.25	12.00	Up .50	850
24.00 22.00	Filipinas Cia. de Seguros	22.50	22.50	22.50	Off .50	625
10.00 3.00	Industrial Textiles Mfg. Co. P.I.	3.50	3.00	3.50	Off .20	2,000
7.50 7.00	Insular Life Ass. Co.	—	—	7.00b	—	—
0.40 0.27	Manila Broadcasting Co.	—	—	.45a	—	—
3.60 2.80	Manila Wine Merchants	3.60	3.60	3.60	Up .30	700
— —	Marsman & Co., pref.	—	—	.30a	—	—
0.06 0.06	Mayon Metal, class "B"	—	—	.05b	—	—
104.00 101.00	Meralco, 6-1/2%	103.00	103.00	103.00	— T	360
153.00 153.00	Metropolitan Ins. Co.	153.00	153.00	153.00	—	69
34.00 20.50	Pasudeco	—	—	26.50b	—	—
10.00 5.00	Philippine Air Lines, Inc.	10.00	10.00	10.00	—	200
15.25 11.50	Philippine Long Dist. Tel. Co.—com.	15.25	14.00	15.25	Up 1.25	21,750
0.0525 0.014	Philippine Oil Dev. Co. Inc.	.039	.033	.039	Up .007	2,795,000
0.98 0.86	Philippine Racing Club, Inc.	—	—	1.00b	—	—
100.00 99.50	R & D 4% Bonds, 1959	100.00	100.00	100.00	— T	60
33.50 29.00	San Miguel Brewery, com.	35.00	34.00	34.50	Up .50	19,183
103.00 94.00	San Miguel Brewery, 7% pref.	103.00	102.00	102.00	Up 1.00	91
107.50 102.00	San Miguel Brewery, 8% pref.	106.50	106.50	106.50	Off .50	38
10.00 8.00	Williams Equipment, com.	—	—	10.00b	—	—

T—Bond sales reported in units of ₱100

#### OVER THE COUNTER

Company	High	Low	Close	Total Sales
Eastern Development Co.	₱0.0035	0.0035	.0035	85,000
Far Eastern University	130.00	130.00	130.00	22
Philippine Education Co.	65.00	65.00	65.00	66
Tabacalera, 6% Bonds (1962)	100.00	100.00	100.00	3,000
Victorias Milling Co., Inc.	100.00	95.00	95.00	360

## Credit

BY PAUL W. HANNAFORD  
Vice-President  
Atkins, Kroll & Co., Inc.

COLLECTIONS continue to be difficult and there is a growing tendency to offer discounts for cash sales. Many firms are turning to their sales departments for assistance in collecting slow accounts.

Many executives take the attitude that a sale is not complete until payment has been banked and cleared. There are several advantages to having sales and credit departments working in close cooperation.

A salesman, besides having the thought of future business in mind, is usually on a friendlier footing with a customer than is the collector. A collection letter will usually go directly to the accounting department, whereas the salesman can solicit the cooperation of the purchasing agent.

Payment is often withheld for a justifiable reason and the salesman is best equipped to iron out customers' complaints.

The call on the customer can also be used as an opportunity for the salesman to obtain additional orders.

An account curtailed by the credit department is an account lost for the sales department.

The credit manager can also cooperate by writing "thank you" letters to those customers who pay on time. This not only creates good will, but gives the customer an incentive to establish and maintain a credit reputation.

The situation created by passage of the Retail Nationalization Law reported last month, has abated somewhat, but credit executives are still watching for developments.

Money in circulation continues to be short, especially in the provinces. Bankers are hopeful that this situation will be alleviated somewhat by the passage of the bill demonetizing Central Bank notes of over ₱100 denominations. It is difficult to determine the effect of the law at this early date.

## Electric Power Production

(Manila Electric Company System)

By J. F. COTTON

Vice-President, Manila Electric Company

1941 Average—16,316,000 KWH

	Kilowatt Hours	
	1954	1953
January	57,301,000	50,107,000
February	52,447,000	45,501,000
March	57,779,000	50,789,000
April	54,408,000	49,159,000
May	57,773,000	52,042,000
June	58,525,000	51,304,000
July	60,205,000*	53,877,000
August	60,386,000**	54,275,000
September	—	53,636,000
October	—	55,943,000
November	—	53,756,000
December	—	57,968,000
Total	628,357,000	—

\*Revised

\*\*Partially estimated

AUGUST output established a new monthly record. A new daily record of 2,165,800 KWH was also recorded on August 20. There was an increase of 6,111,000 KWH, or 11.2%, over August, 1953.

Rockwell Station output for the month was the highest ever made. In August this station produced 61.3% of the total net output of the system.