

# The Business View

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

## The Government

From Official Sources

**AUGUST 1**—President Ramon Magsaysay sends flowers to the tomb of the late President Manuel L. Quezon in the Cementerio del Norte and orders the mounting of a presidential guard there in commemoration of the tenth anniversary of his death at Saranac Lake, New York, August 1, 1944. The only surviving members of the family are his son, Manuel Quezon, Jr., and his daughter Mrs. Nini Quezon-Avanceña.

**Aug. 2**—The President creates a committee to take charge of the observance of Philippine-American Day on August 13, 1954, composed of the Presidents of the Chamber of Commerce of the Philippines and the American Chamber of Commerce as co-chairmen, the President of the Philippine Association, the President of the Philippine Association of Colleges and Universities, the President of the USAFEE Veterans, the President of the American Association of the Philippines, the Commander of the Philippine Department, American Legion, and the President of the American Historical Association (the Chairman of the Historical Committee of the American Association of the Philippines is meant), as members, and the President of the Philippine Tourist and Travel Association as coordinator.

The President presides over a conference with the Highway Programming and Planning Board, Secretary of Public Works Vicente Orosa, Chairman, and being informed that specifications for 10 initial bridge and road projects, costing some ₱20,000,000, have been prepared and are ready for bidding, instructs the Board to proceed immediately. Col. Harry A. Brenn, FOA head in the Philippines, who is a member of the Board, states that 70 medium and 70 heavy motor graders, approved under the 1954 fiscal year FOA program, have already begun to arrive and that 20 tractor shovels, 120 dump trucks, 50 pick-up trucks, and 40 tractor loaders are among the \$2,615,000 worth of highway construction equipment approved for purchase this year; additional equipment for Mindanao roads, worth \$103,000, steel for bridges, worth \$800,000, and training equipment for engineers and mechanics, worth \$30,000, are also budgeted for by the FOA.

The President receives a delegation from Sulu composed of Governor Leon Fernandez, Representative Ombra Amilbangsa, and others who request the release of the province's pre-war deposits in the Philippine National Bank for public works construction.

**Aug. 3**—Malacañang announces that the Prime Minister Mohammed Ali of Pakistan and Prime Minister Dr. John Kotelawala of

Ceylon have accepted invitations to visit the Philippines, the former on his return from Indonesia, which he plans to visit in November, and the latter on his return from the United States which he will visit in December.

The President pins a third star on Maj. Gen. Jesus Vargas who thus becomes the first Filipino to hold the rank of lieutenant general. He also inducts Sixto de la Costa, legal counsel of the Rehabilitation Finance Corporation, as member of the Board of Governors of the same Corporation, replacing Ludovico Hidrosollo, resigned, and also Jesus A. Avanceña as RFC legal counsel, replacing De la Costa. He also inducts Angel M. Tesoro as member of the Board of the National Power Corporation.

The President directs Lt. Gen. Vargas to order the Philippine Constabulary to go after rice profiteers and hoarders in view of the rising rice prices; he also instructs him to assign two Armed Forces legal officers to study ways and means of enforcing lower rice prices.

The President receives Mayor Arsenio Lacson of Manila, the President during the conference approving an extension of the proposed slaughterhouse area in Tondo from 12,000 to 32,000 square meters to make room for a stockyard; he also approves the release of Manila's pre-war deposits in the Philippine National Bank, amounting to ₱400,000, to be used for reclamation projects in the city.

**Aug. 4**—The President receives American Ambassador Raymond A. Spruance who presents him with a gift transmitted by President Dwight D. Eisenhower of a gavel made from wood taken from the door in the cell in Fort Santiago in which the martyr-hero, Dr. Jose Rizal, spent his last day; the gavel was in possession of Col. James H. Tierney, U.S. Army (retired), who asked the United States Government to present it to the Philippine people.

With the President presiding, the Cabinet approves a recommendation of Juan O. Chioco, General Manager and Chairman of the Board of the NARIC (National Rice and Corn Corporation), who is present, to permit an unlimited importation of rice by private importers to increase the supply and lower the price; the Cabinet also approves his recommendation that he be authorized to study the possible rescinding of the contract entered into by NARIC with FIMCO (Farm Implements and Machinery Company) for the sale of the so-called "rotten" rice, of which some 7,000 metric tons have already been delivered and much of the remainder having been found still fit for human consumption. The Cabinet approves a recommendation of Secretary of Agriculture Salvador Araneta and Secretary of Commerce Oscar Ledesma to lift temporarily the import ban on potatoes, onions, and garlic in order to relieve the current scarcity, the importation to be handled

Economic Development Corps, EDCOR (organized, 1951, under the Armed Forces of the Philippines)  
Export Control Committee (established, 1951, under the Department of Agriculture and Natural Resources, superseding Inter-Departmental Committee)  
Import Control Commission (established, 1951, superseding the Import Control Administration and taking over the licensing functions previously transferred to PRISCO; passed out of existence with lapse of Act which created it, June 30, 1953; functions in effect taken over by Central Bank thereafter through continued foreign exchange control)  
Sugar Quota Administration (established, 1951, superseding the Sugar Quota Office)  
National Rice and Corn Corporation, NARIC (reactivated as a separate and independent government corporation, 1951)  
Philippine Sugar Institute (established, 1951, taking over the assets of the Insular Sugar Refining Corporation, NDC)  
Manila Gas Corporation (established, 1912; Government, through NDC, acquired majority control, 1951)  
Agricultural Credit and Cooperative Financing Administration, ACCFA, (established, 1952, taking over the functions of the

Cooperative Administration Office in the Department of Commerce and Industry)  
Rural Credit Banking System (established, 1952, under the Department of Loans and Credit, Central Bank)  
National Resettlement and Rehabilitation Administration, NARRA (established, 1954, superseding LASEDECO)  
Philippine Coconut Administration (established, 1954)  
Philippine Tobacco Administration (established, 1954)

### Companies in which the Government, through NDC, holds an Interest

De la Rama Steamship Company, Inc. (NDC preferred shares of stock redeemed, 1954; management contract over 3 "Doña" vessels to be terminated, effective 1955)  
Cia. de Celulosa de Filipinas, Inc.  
Philippine Electrical Manufacturing Company  
Philippine International Fair, Inc.  
Apart from the foregoing enterprises, the Government holds a stock interest and exercises a substantial measure of control in various private corporations through loans granted by the Rehabilitation Finance Corporation.

## CHRISTMAS COCOHONEY

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exclusively by an association of local growers of these products "who would be in the best position to limit the importation only to the extent necessary to supplement their own output in view of their natural desire to protect their own crops"; the Cabinet decides to entrust the task of organizing the association to the ACCFA (Agricultural Credit and Cooperative Financing Administration).

The Cabinet approves a recommendation of Economic Coordinator Alfredo Montelibano for the purchase by NARRA (National Resettlement and Rehabilitation Administration) of 850 hectares of the 2,300 hectares San Pedro Tunasan estate owned by the Colegio de San Jose and offered for P200,000, or approximately P235 a hectare, the land to be re-sold to the tenants on a 10-year plan; the Court of Industrial Relations recently ordered the ejection of the tenants and the President asked Mr. Montelibano to look into the matter. The Cabinet also confirms the stand taken by Secretary Araneta recognizing the validity of payments made to the Government in Japanese military notes during the enemy occupation by the tenants on the Dinalupihan Estate, Bataan.

The President, during the Cabinet meeting, signs an authorization for the Central Bank to begin the sale of P20,000,000 worth of the P1,000,000,000 bond issue recently authorized by Congress for the Administration's development program, the initial P20,000,000 to be used for highway improvement.

Announced that the House of Representatives before adjourning the Special Session last night agreed to form a committee to investigate the President's committee, of which Executive Secretary Fred Ruiz Castro is Chairman, which is investigating the hazing in Greek-letter fraternities in the University of the Philippines which recently allegedly resulted in the death of a student; Castro denied, as claimed on the floor of the House, that the civil liberties of the students had been violated in the hearings held by his committee.

Aug. 5 — The President visits several NARIC warehouses to inspect the "rotten" rice imported three years ago and as about half of it is found still edible, he orders that the good be separated from the bad as quickly as possible.

The President instructs Secretary of Public Works Orosa to suspend until further orders the authorized extension for one year of the contract between the Bureau of Supply and the Pacific Exchange Corporation for the purchase of asphalt and to make a further study of the product, the price, etc.

Aug. 6 — The President administers the oath of office to Benigno Aldana as Assistant Director of Public Schools, vice Pedro Guiang.

The President receives members of the Peace and Amelioration Fund Commission, Manuel Elizalde, Chairman, who report that during the first phase of the campaign, the set quota of P500,000 was over-subscribed within one month.

Aug. 7 — The President confers with the committee appointed to investigate the NARIC, Fortunato de Leon, Chairman, which reports that the excess importation of rice in 1952 was in accordance with a top-level decision during the Quirino Administration although the NARIC statistician had reported there was no need to import the rice that year and that the NARIC made the purchase of 42,000 metric tons of rice from Thai and 30,000 metric tons from Burma, through Filipino intermediaries instead of direct from the Thai and Burma Governments, losing some P3,693,500 thereby; that uncollected receivables of the NARIC books are correct, totalled some P4,585,670 as of March 31, of this year; and that the "rotten" rice sale was authorized in March, 1954, by the NARIC Board after consultation with the Philippine National Bank in order to enable the Corporation to pay its debt to the Bank, but that a better offer from the L. M. Enterprises was ignored.

Aug. 8 — The President holds a long conference with the General Staff of the Armed Forces on the world situation, with particular reference to the Far East; the President is also informed of the latest developments of the peace and order campaign in the country.

Aug. 9 — The President receives a report from a Bureau of Internal Revenue and National Bureau of Investigation group on the initial results of a campaign to intensify tax-collection efforts and he is given a list of some 19 persons and companies whose tax payments are in arrears, including a former Senator, whose assessment of some P333,400, including surcharges and penalties, is, however, under investigation. The total due from the persons and entities on the list runs to over P2,301,000.

Aug. 10 — The President receives Vice-President Carlos P. Garcia who informs him that there has been an "encouraging response" to the Philippine invitation to hold the SEATO (Southeast Asia Treaty Organization); Garcia tells the President the likely opening date of the conference is September 6.

The President receives an initial report from the Armed Forces on the anti-rice-hoarding campaign in Manila and Quezon City and later issues an executive order amending the ceiling prices of various varieties of rice fixed by former President Quirino, the President acting under the powers granted him by Republic Act No. 1168 enacted at the last regular session of Congress. The new lower ceiling prices are: for imported rice (Macan equivalent NARIC old stock, remilled, wholesalers, 70 centavos a ganta, retailers, 75 centavos; for native rice, Macan second class, wholesalers, 80 centavos, retailers, 75 centavos.

Aug. 11 — The President, in a letter to Senator Claro M. Recto, states that "for reasons of national security" and in view of the "recent explosive developments in the international scene, particularly in the

Far Eastern theater," he has directed Brig. Gen. Alfonso Arellano to discontinue his investigation of the letter written by Maj. Gen. Robert M. Cannon, JUSMAG Chief, re an article written by Lt. Col. Lorenzo Camins, and suggests that the Senate also drop its investigation of the matter; the President states also that it was he who was "responsible for the relief of Lt. Col. Conrado Rigor and three other officers and for the withdrawal from circulation of the publication in which the article of Lt. Col. Camins appeared."

Announced that the President has called a 3-day conference of provincial governors and city mayors, beginning August 19, to discuss various vital matters, especially civil defense.

With the President presiding, the Cabinet decides to refer to the Bureau of Civil Service all requests for reconsideration of the latest government board examinations; the President states he is prepared to adopt whatever recommendations the Bureau may make.

The President creates the Jose Rizal National Centennial Commission and charges it with the preparation of the general program of the centenary to be celebrated on June 19, 1961; the Commission is headed by the Secretary of Education.

The President receives Col. Andres Soriano, President of the Philippine Air Lines, who reports that the proceeds of all the Company's four-engine planes amount to P12,700,000 and that the management will propose to the stockholders authorization of a decrease of the capital stock of the Corporation from 1,250,000 shares to 800,000 shares at P10 par value, distributing to the stockholders an amount of P4,143,240 on a pro-rata basis. Col. Soriano also requests the President's aid in expediting the developmental work in the Cagayan Valley of the Philippine Oil Development Company, which he heads.

Aug. 12 — The President sends a radio message to President Eisenhower in connection with Philippine-American Day to be observed tomorrow, stating in part:

"... may I on behalf of my people and my own, extend hearty greetings to you and through you to the American people and make acknowledgement of our deep appreciation and gratitude for all that American has done during the last half century to help us attain the high state of progress and security we enjoy today? I wish to reiterate our abiding faith in the altruism and spirit of justice of your people and our assurances of loyal friendship and utmost cooperation in your every endeavor to insure freedom and peaceful progress for all peoples. We are proud to have been identified with you all these years and it is our hope that we may be able to continue for a long time to come this pleasant and fruitful relationship in a manner that assures both our peoples a maximum of economic strength, security, and happiness. It may interest you to know that on this occasion I am opening Corregidor and Bataan to the public and dedicating them as shrines to all free men by way of tribute to the memory of the Philippine-American heroes who fell or served there and whose spirit of sacrifice inspired Philippine-American Day."

The President in a proclamation designates Bataan and Corregidor national shrines and as "open and freely accessible to the public, including all peoples of the free world".

The President gives a luncheon in honor of Gen. John W. Sessums, outgoing commander of the U. S. Air Force in the Philippines.

The President administers the oaths of office to the officers of the newly organized Association of Government Executives composed of heads of government bureaus and offices; Director Andres O. Hizon, of the Bureau of Coast and Geodetic Survey, is the President.

Aug. 13 — President Magsaysay receives messages from President Eisenhower and other American dignitaries, including Vice-President Richard Nixon, Speaker Joseph W. Martin, former Ambassador Myron M. Cowen, etc. President Eisenhower's message states:

"Thank you for your kind message informing me of your designation of August 13 as Philippine-American Day. The American people look back with pride on the long and friendly association which, in a spirit of mutual cooperation, has forged the strong ties now existing between us. I welcome your decision to open Bataan and Corregidor to the public as a symbol of the great sacrifices made by Filipino and American soldiers in their struggle for a better world. Based on the firm foundation of the past, Philippine-American friendship will surely continue to contribute to the strength of the free world."

Philippine-American Day is observed with special ceremonies on the Luneta, with Speaker Jose B. Laurel, Jr. delivering the main address. At a popular dinner given in the Manila Hotel in the evening, Speaker pro tempore Daniel Romualdez reads a message from the President in which he congratulates the joint committee in charge for the success achieved on short notice and states in part:

"The general response, not only here in the Philippines but also in the United States, fully justifies my faith that the peoples of both countries, apart from their respective governments, firmly believe in the policy of close collaboration between the two nations as a means of assuring themselves peace, progress, and security."

Aug. 14 — The President holds a breakfast conference with Maj. Gen. Arthur Trudeau, head of the U.S. Army Intelligence, who is visiting the Philippines and will leave today for Hongkong; General Trudeau is quoted as saying that the Philippines is "the focal center of Democracy in Asia."

The President issues a proclamation declaring Thursday, August 19, 1954, which marks the 76th anniversary of the birth of the late President Manuel L. Quezon, as a special public holiday.

Aug. 16 — The President receives a report from the Monetary Board, the policy-making body of the Central Bank, on what it is doing "to remove the inequities in the system of dollar allocations for imports", the Board recently having received instructions from the President, through the Secretary of Finance, to "change its system in order that reported favoritism and irregular transactions might be avoided." The report states that "the operation of the import control laws before the Central Bank took over this work had been admittedly unjust to many old importers," but that the new system of controls followed by the Bank "has met with the approval of the business community."

Luis Taruk, Huk leader who surrendered to the Government some 4 months ago, appears for arraignment before the court on charges of rebellion, murder, arson, kidnapping, and other crimes in a 30-point indictment, but arraignment is postponed pending the court's decision on the question raised by the defense whether he can be charged with such complex crimes.

Aug. 17 — The President by Executive Order No. 57 creates the Community Development Planning Council to "expedite giving the rural population fair and full opportunities in the pursuit of a dignified and abundant life"; the Council will coordinate and integrate the activities of various agencies of the Government engaged in rural development projects; named to the Council are the Chairman of the National Economic Council as Chairman, and the Executive Secretary, the Secretary of Agriculture and Natural Resources, the Secretary of Health, the Secretary of Education, the Secretary of Public Works and Communications, the Secretary of National Defense, the Social Welfare Administrator, and three private citizens to be appointed by the President as members.

The President makes a surprise visit at the Bureau of Customs at around 8 o'clock and expresses displeasure over finding a number of officials not yet at their desks.

Aug. 20 — The President holds an all-party breakfast conference with members of Congress at which a draft text of the Philippine proposal for a declaration of principles to be submitted for consideration of the participating nations in the forthcoming SEATO (Southeast Asia Treaty Organization) conference is approved. At the conference a 14-member Congressional Consultative Committee is appointed which will advise the Philippine representation at the SEATO talks, seven representatives of the Senate and seven of the House being named by Senate President Eulogio B. Rodriguez and Speaker Laurel respectively; designated co-chairmen are Sen. Francisco Delgado and Rep. Miguel Cuenco; members are Senators Manuel Briones, Claro M. Recto, Emmanuel Pelaez, Lorenzo Tañada, Tomas Cabili, and Quintin Paredes, and Representatives Numeriano Babao, Lorenzo Teves, Erasmo Cruz, Jose Aldeguer, Cornelio Villareal, and Diosdado Macapagal; Minister Felino Neri is named adviser to the committee.

Aug. 21 — The President designates former Under-Secretary of Foreign Affairs Felino Neri as acting deputy to Vice-President and concurrently Secretary of Foreign Affairs Carlos P. Garcia for the Philippines-United States continuing Defense Council meeting scheduled for September 4 and at the SEATO conference opening September 6.

The President gives a luncheon in honor of the League of Provincial Governors and City Mayors; earlier in the day he complimented the officials on their implementation of his rural improvement program and, among other things, promised that he would "personally order the revocation of the franchises of power companies which do not reduce their rates to reasonable levels." Among the resolutions approved during the 3-day convention is one proposing that the Minimum Wage Law be amended to authorize provincial boards, and municipal boards in the case of the cities, to determine and fix the minimum wage in their respective jurisdictions in consideration of local conditions and circumstances.

Aug. 22 — The President directs Secretary of Defense Sotero Cabahug to determine the whereabouts of some 6,000 Indonesians in the Davao area who have entered the country illegally, this having been one of the matters called to his attention during his conference with provincial and city executives.

The President receives a further report from the committee headed by Commodore Jose M. Francisco on the alleged violations of the law by the Villanueva Steamship Co., Inc., in connection with the loans and dollar allocations it received from the Rehabilitation Finance Corporation and the Central Bank for the purchase of a number of highly overvalued ships.

Aug. 23 — The President issues the following letter of instructions to Senator Laurel who, with Governor Miguel M. Cuaderno, of the Central Bank, will leave for the United States tomorrow. Four other members of the Mission, Senators Gil Puyat and Francisco Delgado, and Representatives Eulogio Rodriguez, Jr., and Diosdado Macapagal, will leave on September 2, and a technical group, composed of Antonio de las Alas, Montano Tejam, Cesar Lanuza, and Manuel Felizardo, will leave with them.

"Dear Senator Laurel:

"In order to secure a reexamination of the Philippines-United States trade relations, particularly in relation to the Executive Agreement under the terms of the Philippine Trade Act of 1946, I hereby authorize you to proceed to the United States as Chairman of the Philippine Delegation to meet with the delegation which has been appointed by the President of the United States. I also authorize you to work for the settlement of all the financial claims of the Republic of the Philippines on the Government of the United States, which was recommended in the Report of the U. S. Economic Mission to the Philippines in 1950. I authorize you further to take up with the American Delegation such other related matters as may have bearing on the economy of our country, in general.

"You will be accompanied by Senator Gil J. Puyat and Governor Miguel M. Cuaderno, Sr. as members of the Philippine Delegation. You may take along such other members of the Delegation and the Technical Panel as may be needed.

"With my best wishes,

"Very sincerely yours,  
"(Sgd.) RAMON MAGSAYSAY."

The President instructs Public Works officials to utilize as much as possible the services of private contractors in the installation of artesian wells so that the program may proceed at a faster rate and more economically.

Aug. 21 — Rafael Lacson, suspended Governor of Occidental Negros, and 21 members of his former political machine which terrorized

the province for several years, are sentenced to death for the murder of Moises Padilla on November 16, 1951, by Judge Eduardo Enriquez, the decision bringing to an end a 2-1/2 year trial; five others charged were acquitted for insufficiency of evidence.

Aug. 24 — The President directs Budget Commissioner Dominador Aytona to release P800,000 needed to start the prefabricated school house building project, pending the approval of the Public Works Bill which appropriates P5,000,000 for the program.

The President receives a delegation from the Home Industries Association of the Philippines, headed by Hilarion G. Henares, and projects a plan to award those municipalities in which the school children utilize locally-produced clothing, awards to consist of national aid in the construction of puericulture centers, water-works, etc., ordering the release of P10,000 for setting up a puericulture center in Miag-ao, Iloilo, where most of the people wear wholly native-made clothing; under the plan, the National Development Company will assist home industry by advancing supplies of cotton weaving yarns of which some P2,000,000 worth is stored unsold in the NDC textile mill in Narvacan, Ilocos Sur, for lack of buyers.

The Philippine Marine Officers Guild calls strike on 10 local shipping firms.

Aug. 25 — The President signs H.B. 2165, new Rep. Act 1194, amending Rep. Act 698 limiting the importation of leaf tobacco; H.B. 2512, now Rep. Act 1193, allowing the expenditure during the first half of 1954 of the income accruing in the general, special, trust, and other funds in the Treasury; and H.B. 2569, now Rep. Act 1195, appropriating P500,000 to defray the expenses in the negotiation of the revision of the United States-Philippine Trade Agreement.

The President at a meeting of the Cabinet directs Juan O. Chiocho, general manager and board chairman of NARIC to sell immediately to the consuming public 2,600 tons of the imported rice in its warehouses deemed still to be in good condition at P.60 a ganta retail or P.55 a ganta (P13.75 a cavan) wholesale, ex-warehouse Manila; he directs Secretary of Commerce Oscar Ledesma, who is acting chairman of the PRISCO board of directors, to use the distribution facilities of PRISCO in the sale of this rice, and Under-Secretary of National Defense Jose Crisol to make the Armed Forces transportation facilities available for the purpose. He also instructs NARIC to implement immediately the previously-approved policy to permit the importation of rice by private capitalists; the NARIC Board will meet with interested importers on August 30 to discuss arrangements.

The President instructs Secretary of Commerce Ledesma to turn over to ACCFA the 20,000 bags of fertilizer currently stored in PRISCO warehouses and Col. Osmundo Mondoñedo, ACCFA Administrator, to dispose of it to Luzon farmers at easy prices, if necessary on an instalment basis.

The President receives a delegation from the Chamber of Commerce of the Philippines, the Chamber of Industries, the Chamber of Agriculture, and the Chamber of Mines which presents a resolution embodying the suggestions of these entities on the proposed revision of the Philippine-American Trade Agreement.

The President inducts the new officers of the Consultative Council of Students and also issues certificates of merit to the students of the Mapua Institute of Technology who served in the rat-eradication campaign in Cotabato a few months ago.

Malacañang press secretary J. V. Cruz states there is no basis to the report that the Administration was considering the deportation of 3,000 temporary Chinese visitors to Communist China in view of the refusal of the Chinese Nationalist Government of Formosa to receive them. "It is unthinkable that the Philippine Government would countenance any move that would condemn anyone to the slavery of the Communist state. The solution to the problem of the Chinese visitors will be found elsewhere, not in this direction."

Senator Laurel and Central Bank Governor Cuaderno enplane for the United States; the Senator is accompanied by his wife, his daughter Alicia, and 4 private secretaries.

Aug. 26 — The President signs H.B. 2060, now Rep. Act 1192, creating the Bureau of Public Highways; H.B. 2580, now Rep. Act 1196, amending Rep. Act 911 by authorizing the President to decrease by not more than 60% or to increase by not more than 10 times the rate of import duties, the authority expiring on December 31, 1955; and S.B. 1, now Rep. Act 1191, demonetizing treasury certificates and Central Bank notes in denominations over P100.

The President and leaders of Congress approve the complete list of members of the Philippine delegation to the SEATO Conference: Chief Delegate, Vice-President Garcia; plenipotentiary delegates, Sen. Francisco Delgado and Rep. Miguel Cuenco; and a representative each of the Democrat, Liberal, and Citizens parties whose names will be announced later. Seven special advisers are named: Dean Vicente G. Sinco, Lt. Gen. Jesus B. Vargas, Minister Felino Neri, Filemon Rodriguez, Dr. Gaudencio Garcia, Prof. Enrique M. Fernando, and Prof. Sotero H. Laurel. A 14-member congressional consultative council is headed by Senator Delgado and Representative Cuenco as co-chairmen, was appointed a few days ago. Counselor Juan M. Arreglado, chief of the special treaties division, Department of Foreign Affairs, will serve as secretary to the delegation.

The President and leaders of Congress agree on setting up a new Philippine panel for reparations negotiations with Japan, with Minister Neri as head of the panel. In view of the departure of Senator Laurel, the President asked Senator Recto to head the group, but Recto excused himself, "pointing out that the position he had taken

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 31, 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-