

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)				
ASSETS				
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
	₱793,629	₱906,888	₱894,515	₱877,538
LIABILITIES				
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
	₱793,629	₱906,888	₱894,515	₱877,538

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
	\$308,848,942.63

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-