

## The Government

From Official Sources

**JULY 1**—President Elpidio Quirino signs Executive Order No. 512 establishing a rat-proof building zone in the Manila Port Area and prohibiting the maintenance of homes, kitchens, and restaurants there as well as banning domestic animals from the area. The Order supersedes Executive Order No. 292, of August 5, 1940.

The President signs Executive Order No. 514 increasing the ceiling price of packaged sugar (in cellophane, cotton, or other bags) by 5 centavos a kilo.

**July 2**—The President, following an inspection of Manila flood-control projects, authorizes the release of ₱450,000 to enable the Department of Public Works to resume the work begun late in 1948 and suspended early in 1950 because of lack of funds.

The President signs Executive Order No. 515 raising the ceiling prices on galvanized-iron pipe.

The President signs Executive Order No. 516 fixing the ceiling prices on pneumatic tires, the prices including the 17% special excise tax on foreign exchange, the 7% sales tax, and the 1% municipal tax.

**July 3**—President Harry S. Truman sends President Quirino felicitations and best wishes in connection with the 4th of July observance, as do also the Governments of Denmark, Israel, Canada, Korea, Indonesia, Norway, etc.

The President pays high tribute to the Armed Forces in the traditional yearly parade and review given in his honor at Camp Murphy.

The President recommends to Congress the inclusion of an item of ₱250,000 in the Public Works Bill for the construction of a river-wall along the north bank of the Pasig from the National Development Company compound westward. Malacañan also releases a list of 9 more bills submitted by the President for consideration during the present special session.

The annual Civic Assembly of the Women of the Philippines is held in the Malacañan Park recreation hall and President Quirino presents the Presidential Reward of Merit for this year to the family of Amado V. Aldaba, for family solidarity; Miss Fe Horillano, for social service; Justice Delfin Jaranilla, for public service; Mr. and Mrs. Victorino Santiago, for leadership in cottage industries; Elvessa S. Stewart, for education; Miss Felicing Tirona (post-humous) for advancement in teaching of music; and E. S. Turner for service to youth (Y.M.C.A.).

**July 4**—Impressive ceremonies are held on the Luneta in celebration of the 6th anniversary of the establishment of the Republic of the Philippines. The President departs from his prepared speech to apologize for the appearance of a float in the parade of the "Filipino National Patriotic League", which carried an unauthorized banner stating, "We demand mass deportation of the Chinese". He also orders an immediate investigation of the matter.

**July 5**—The President issues Proclamation No. 328 further extending up to July 12, the period of the special session of Congress "to consider and finish urgent legislative measures."

**July 8**—The President at a Cabinet meeting orders immediate land, air, and sea investigation of the areas devastated by the recent typhoon "Emma" and directs the Department of Agriculture to prepare a report on the crop damage in northern Mindanao and the eastern Visayas.

Secretary of National Defense Ramon Magsaysay interposing no objection, the President authorizes the use of Camp Overton, at Iligan, Lanao, for the site of the NASSCO steel mills which will manufacture steel products from scrap metals and will eventually process iron ores from Surigao and Samar.

The President at the formal inauguration of the Philippine Air Lines new plane, the *Magellan's Cross*, states that "every new unit

we acquire in order to expand the facilities of PAL is one ambassador more in friendship and goodwill." The plane is a 4-engine Douglas DC-6B, with accommodations for 54 passengers, a speed of 350 m.p.h., and a service ceiling of 30,000 feet; it cost ₱2,400,000. It will be placed on the Manila-Madrid run but the President will first use the plane on his projected tour to London.

**July 9**—The President designates Division Superintendent of Schools Fernando Fuentes as Acting Provincial Governor of Negros Occidental, succeeding Provincial Treasurer Leon Miraflores who has acted in the capacity since the suspension of Governor Rafael Lacson; Miraflores asked for leave of absence because of illness.

Vice-President Fernando Lopez, concurrently Secretary of Agriculture and Natural Resources, issues a statement allaying fears of a rice-shortage, although the expected 1951-52 production of 2,830,700 metric tons has been reduced by more than 1,000,000 cavans because of some six different typhoons which swept the Philippines.

**July 10**—The President issues a statement expressing grief over the death of Dr. Angel S. Arguelles, Director of the Institute of Science and Technology and former Director of the defunct Bureau of Science.

**July 11**—At ceremonies held in the Department of Foreign Affairs, a Treaty of Friendship between the Republic of the Philippines and the Republic of India is signed.

The President instructs Under-Secretary Felino Neri of the Department of Foreign Affairs to look into the feasibility of eliminating the \$12.50 visa fee charged by Philippine diplomatic offices abroad, said to be the "most excessive visa fee" charged by any country.

Acting Executive Secretary Marciano Roque states that nearly 20 foreign countries have already expressed their intention to send exhibits to the first Philippine International Fair scheduled to be held in Manila from February 1 to April 30, 1953, and urges all Philippine provinces and cities to participate.

**July 12**—The President issues Executive Order No. 519 providing instructions to be followed in the conduct of public affairs during his absence from the Philippines, the Vice-President being authorized to exercise supervision over the executive departments for and in the name of the President. The President confers with former Senate President Mariano J. Cuenco and Governor Sergio Osmeña, Jr. of Cebu, during which Osmeña supports the President's intention to appoint Cuenco Administrator of Economic Coordination and Cuenco, in turn, supports the proposed appointment of former Representative Jose V. Rodriguez as Mayor of Cebu City.

Secretary of Public Works Pablo Lorenzon recommends to the President a ₱20,000,000 loan from the Central Bank for the construction of the Agno river irrigation project in Pangasinan which would bring water to some 40,000 hectares of agricultural lands; use would be made of the tail-water from the reservoir of the hydro-electric plant now under construction at Ambuklao.

**July 13**—The President sends a letter to Senate President Eulogio Rodriguez, Sr., urging action on the Japanese Peace Treaty, saying, in part:

"We can not keep the 20,000,000 people of our country in suspense or place them in the dark as to our future relations with Japan. It is necessary to provide on time the basic policy upon which to guide our future action in connection not only with our trade or political relations with Japan, but the issue of peace in the Orient. For more than a year, our people have been studying as to what would be the stand of the Government on the matter. The 15-member committee which I appointed, representing all the vital elements of the country and our two major parties, unanimously endorsed this Treaty. It has now become a matter of conscience on the part of our leaders responsible for the final action to be taken on this Treaty to define their stand in unmistakable terms for the future guidance of our Government. Before confusion increases in our midst, our people, who have a great stake—material, political, and military—in the final outcome of this Treaty, are entitled to know what should be the guiding thought and foreign policy of the Philippine Government in which our present university students in San Francisco."

**July 14**—Secretary of Foreign Affairs J. M. Elizalde releases a statement declaring:

This was done not to make money from the loans, but to get produce for export.

**Early Filipino Business Pioneers.**—Shortly after the arrival of the foreign traders, two Filipino financial houses were opened, one by Damaso Gorricho did a small business as a simple money-lending concern, and the other by Francisco Rodriguez was under the protection of the British consul at Manila, as Rodriguez had become a British subject when he had escaped to England after his arrest for political activities. About the time of the closing of this bank, at the death of Rodriguez, Mariano Tuason, another Filipino, opened a bank of his own.

(To be continued in the September Journal)

**The Foreign Houses Begin to Loan the Filipinos Money.**—The Filipinos had never been able to obtain money to develop their lands. Originally to protect the natives, the Madrid authorities had early decreed that no native could be held liable for the repayment of any loan above 25 dollars. In practice this system had become tyrannous, but all Filipino pleas to have the law repealed remained of no avail. The only way they could get money to develop their lands was to associate themselves with the religious corporations under disadvantageous conditions. The foreigners, not wishing to accept land mortgages, as did the friars, evaded the 25 dollar loan law by estimating the value of a forthcoming crop and buying it in ad-

"I am and have been in full agreement with Governor Cuaderno as to the necessity of amending the Trade Act with the United States to conform with nature requirements to stabilize and secure our dollar reserves. The way to arrive and the price to be paid for the change I do not think have yet been finally decided. My personal view is that the study will have to be done by a Joint Committee of Filipino and American experts at the earliest possible time. A system more or less along the lines of the economic provisions of the Tydings-McCaffery Act which also after a time required revision.

July 15 — The President signs the General Appropriations Bill authorizing a P417,151,580 national budget for the 1952-53 fiscal year; this is P30,000,000, more than the appropriation for 1951-52.

The President, with the concurrence of the Council of State, approves a peso financing program of aid to sound industrial, agricultural, mining and other enterprises prepared by Jose Yulo of the Philippine Council for United States Aid which has been endorsed by the Mutual Security Agency. The fund initially will amount to P10,000,000 to be drawn from the Counterpart Fund Special Account, transferred to a separate account in the Central Bank, and is to be administered by the Bank on behalf of PHILCUSA and the MSA in accordance with the terms of a master agreement.

July 16 — The President, leaving Manila at 10:22 a.m. aboard the plane *Magellan's Cross* with an entourage of 43 persons including his daughter, Mrs. Victoria Quirino-Gonzalez and her husband, reaches Jakarta at 4:50 p.m. escorted by Indonesian planes during the last lap of the journey. The party is met at the airport by President Sukarno and Vice President Hatta and their wives and many other officials.

July 17 — President Quirino addresses the Indonesian Parliament, his address being very well received.

Malacañan announces that the President, before leaving for Indonesia, referred to the Secretary of Agriculture and Natural Resources for study the plans prepared by Mr. Per Klem, a Norwegian specialist, for the establishment of a large pulp and paper industry in the Philippines which envisage mills in the Cagayan Valley, Ilocos Sur, Pangasinan, Davao, Agusan, and Manila capable of producing paper for local needs and for exports estimated at around P163,000,000 a year; a capital expenditure of \$155,000,000 would be required. Presently, imports of paper approximate 70,000 tons a year at a value of around P50,000,000. Mr. Klem was sent here at the request of the Government to assist the Cebu Portland Cement Company in its paper project, but also made studies for the larger project.

July 18 — The Department of Foreign Affairs releases a statement to the effect that, according to a report from the Philippine Legation in London, the temporary suspension of the Philippine flour quota of 196,000 metric tons under the International Wheat Agreement "will be lifted momentarily". The International Wheat Council recently suspended the quota "pending receipt of clarification from the Philippine Government of the import procedures being followed locally to control the purchase of IWA flour."

July 19 — The Department of Foreign Affairs issues a statement declaring in part:

"If, as speculation seems to indicate, the Japanese will gradually endeavor to come across with larger reparations, then the plan of 'wait-and-see' may be desirable. However, let us not lose sight of the possibility that with such a 'wait-and-see' policy, we may only be postponing the day when, as time goes by, we shall get, not more reparations but less than what we would have obtained if negotiations had been terminated in time. This is no doubt the basis for President Quirino's insistence on an early signing of the terms of the Treaty, which in his 'fundamental' view, to bring about, without any further delay, normal diplomatic, commercial, and cultural relations and to better coordinate the efforts of the democracies in trying to prevent a world war arising from the danger of the atomic bomb."

July 21 — Secretary of Foreign Affairs Miguel Elizalde receives John Paul Clarkin, head of the Pepsi-Cola Bottling Company of the Philippines, Inc., who was recently appointed Honorary Consul of the Republic of Ireland.

July 23 — Announced at Malacañan that President Quirino has authorized Ambassador Carlos P. Romulo to sign the \$20,000,000 power loan contract with the Export-Import Bank for the purchase of the clause which the Philippines originally wanted reserving the right to purchase machinery and supplies for the Ambuklao projects from countries other than the United States if they can not be supplied by American manufacturers. Bank officials stated that under their charter they could not accept such a provision, but that if a specific case of this nature arose, the facts could be submitted and would be considered on their merit. The loan is for a period of 20 years, payable in installments after July, 1955, and bears 4% interest.

July 24 — The Department of Foreign Affairs announces that the UNICEF (United Nations International Children's Emergency Fund) has expressed its gratitude to the Philippines for a contribution in-kind in 1951-52 of 184 long tons of coconut oil and 1,380 lbs of margarine, valued at around P100,000.

July 25 — The Cabinet approves the release of funds to combat a serious locust infestation in Cotabato, Samar, and Sorsogon provinces and the islands of Burias and Ticao. It is estimated some P150,000 will be needed.

July 26 — President Quirino, at the one and only press conference he held, states in Jakarta that communists in the Philippines are being prosecuted not because they are communists but because they seek to overthrow the government. He expressed his approval of the "tremendous spirit of nationalism" in Indonesia and expressed the belief that under this spirit, "Indonesia will be solidified in due time". He states that the neighboring countries of the East should cooperate in the development of their rich potentialities as untapped resources are a temptation to scheming and more powerful countries. He reiterates that his visit was not political or military, but was an economic and cultural mission, explaining that he brought along Secretary of Finance

Aurelio Montinola and Central Bank Governor Miguel Cuaderno to look into the possibility of arriving at a common understanding on a basis of economic cooperation.

July 27 — The President arrives in Manila on the PAL plane "Bataan" about 5 p.m. from his 10-day visit to Indonesia and is warmly welcomed by a large crowd. He states in a short speech at the airport that he returns "with a message of goodwill, friendship, and cooperation... from the people of Indonesia."

"We are only 20,000,000. They are 75,000,000. Our land is only about 114,000 square miles and there is 735,000 square miles, and with their vast resources, all most inexhaustible compared to ours, we are just like Corregidor in the middle of the Philippine Sea... Our duty is to cultivate their friendship and see if it will bear fruit in our permanent existence as a sovereign nation, cementing the lasting friendship of our two peoples..."

July 29 — The President, at a Cabinet meeting, orders the Philippine Airforce to provide all the planes needed to fight the swarms of locusts in the infested areas, which now include Masbate, also. Due to lack of time the Cabinet fails to consider the reports of Secretary of Finance Montinola and former Economic Coordination Administrator Pablo Lorenzo on the recommendation of the Import Control Commission to ban the importation of some 23 commodities, totally or in part, including slide-fasteners and zippers, rice hullers, plastic combs and tooth-brushes, cotton weaving yarns, pianos and pedal organs, athletic goods like baseballs, baseball gloves, volley-ball nets, etc., incandescent lamps of 115 and 220 v, fluorescent lamps of 14 to 40 watts, grey cloth, upper leather, pure tomato juice, etc.

July 31 — The President receives Justice William O. Douglas on his 11th official tour of Southeast Asia. The Justice was accompanied by Ambassador Raymond A. Spruance. The Justice is Chairman of the International Mass Education Movement and the President invites him to breakfast the following morning to meet a number of Filipino officials and educators concerned with mass education.

## Banking and Finance

By W. M. SIMMONS

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COMPARATIVE statement of condition of the Central Bank:

	As of Dec. 31 1949	As of Apr. 30 1952	As of May 30 1952	As of June 30 1952
<b>ASSETS</b> (In thousand of pesos)				
International Reserve.....	P460,689	P492,703	P487,370	P491,328
Contribution to International Monetary Fund.....	30,000	30,000	30,000	30,000
Account to Secure Coinage..	113,306	107,570	107,570	107,570
Loans and Advances.....	77,047	29,364	24,365	21,365
Domestic Securities.....	92,197	234,730	234,716	234,680
Trust Account—Securities Stabilization Fund.....	—	12,233	12,233	12,233
Other Assets.....	20,390	33,062	33,790	37,343
	<u>P793,629</u>	<u>P939,662</u>	<u>P930,044</u>	<u>P934,519</u>

### LIABILITIES

Currency—Notes.....	P555,576	P556,115	P545,411	P539,281
Coins.....	74,384	92,501	91,963	91,787
Demand Deposits—Pesos.....	117,682	251,180	249,026	252,855
Securities Stabilization Fund. Due to International Monetary Fund	2,000	12,233	12,233	12,233
Due to International Bank for Reconstruction and Development.....	2,289	2,383	2,383	2,383
Other Liabilities.....	2,636	5,467	8,734	11,593
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	6,464	2,155	2,666	3,129
Surplus.....	—	7,132	7,132	7,132
	<u>P793,629</u>	<u>P939,662</u>	<u>P930,044</u>	<u>P934,519</u>

At the end of June, 1952, the Central Bank's international reserve was approximately P4,000,000 higher than the previous month-end balance. This upward tendency may not continue in view of the weakness in the commodity markets especially in copra and hemp, notwithstanding anticipated lower imports this year than in 1951.

Loans and advances decreased by P3,000,000 and stood at P21,365,000 as of June 30. Money in circulation dropped from P637,374,000 in May to P631,068,000 in June, but there was an increase in demand deposits from P249,026,000 to P252,855,000 during the same period.