

Feb. 16 — Secretary of Education Prudencio Langcaon reports to the President that his Department proposes the transfer of the support of intermediate grade schools to local governments and the levying of a specific school tax to meet the cost. It is also proposed to return to a seven-grade system. From the present six-grades, and to abolish the double single-session program.

S. N. Eisenberg, President of Eisenberg & Co., Inc. with head offices in Tokyo, calls on Vice-President Lopez in the latter's capacity as Chairman of the Government Enterprises Council, in connection with plans to set up a ramie industry here.

Feb. 17 — President Quirino issues Executive Order No. 303 "calling upon every inhabitant of the Philippines and mobilizing all government agencies and instrumentalities for the intensification of the national food production campaign".

Secretary Neri expresses Philippine satisfaction over the decision of the Australian Government permitting Sergeant Lorenzo Gamboa to enter Australia. Gamboa, married to an Australian woman, was last year refused permission to join his family there.

Feb. 18 — Vice-President Lopez, in a speech before a meeting of fishery technicians at the Manila Hotel, scores the rampant use of dynamite in fishing here, declaring that this "illicit practice is a wanton destruction and spoilation" of the country's fishery resources.

Feb. 19 — Secretary of Agriculture Mapa announces that emphasis will be laid on increased production of local coffee and fruit in the present food production campaign.

Feb. 20 — President Quirino signs the instruments of ratification of the International Wheat Agreement which will guarantee the Philippines a fixed quota of flour and entitling the country to the world price estimated to be \$5.50 less per 50-pound bag than the free market price.

Feb. 21 — The Cabinet approves a list of priorities in the allocation of dollar exchange prepared by a special committee composed of Secretary of Commerce and Industry Balmaceda, Secretary of Agriculture and Natural Resources Mapa, Secretary of Public Works and Communications Sanidad, Under-Secretary of Finance Llamado, Budget Commissioner Joven, and Central Bank Governor Cuaderno. It also approves the recommendation of this committee to limit the disbursement of dollars this year to the actual receipt of dollars from exports, from United States payments and expenditures here and from other inward remittances. The list includes items for food, shelter, clothing, medicines and medical supplies, education, for increasing exports, transportation, and for other industries, including industrial chemicals and machinery and materials for paper manufacture, the canning industry, household articles, soft drinks, etc.

President Quirino assures a group of rice producers that the purchase price of *palay* paid by the National Rice and Corn Corporation will remain at ₱1 a cavan. The NARIC desired to suspend further purchases unless the price was lowered to ₱0.90.

The President directs the Department of Public Works to notify all architects designing government buildings to make use of locally-made items whenever possible.

Feb. 22 — Secretary of Commerce and Industry Balmaceda states that a press interpretation that the issuance of the exchange priorities schedule is an "effort to salvage the rapidly deteriorating Philippine economy" is not justified.

"Since the imposition of controls last December, the rapid drain on the country's dollar resources has been checked, and Central Bank officials say that the immediate danger of further drain on these reserves is now comparatively remote as a result of the existing controls. . . . Central Bank economists estimated that during 1950 the expected total receipt of foreign exchange is about \$85,000,000. As of December 31, 1949, Central Bank dollar reserves amounted to \$230,000,000. Not desiring to reduce this level of reserves, the Central Bank felt that in the preparation of the foreign exchange budget, total disbursements should be limited to the estimated receipts of \$85,000,000. This amount is by no means negligible. It represents more than one-third the value of our previous yearly disbursements of foreign exchange. It gives adequate allowance for the financing of government development projects, raw materials imports for existing factories, necessary remittances for invisibles, as well as merchandise import of controlled and uncontrolled articles.

The Department of Public Works announces that the construction of a permanent grandstand on the New Luneta will begin soon. As the whole structure, seating 10,000 people, would cost ₱800,000, only the central portion, costing ₱250,000, will be built at this time.

Feb. 23 — Announced that the Department of National Defense is considering the feasibility of establishing a small-arms and a small-arms ammunition plant.

Feb. 24 — Secretary of Agriculture Mapa informs the Cabinet that tests made in the manufacture of bags from *ateyuf* have been very successful, and that such bags as a substitute for jute bags from India could save the country ₱15,000,000 annually.

The Cabinet directs the Department of Foreign Affairs to lodge strong representations with the International Refugee Organization for the removal of the remaining refugees from Guiuan, Samar, —2,348 people of some 6000, most of them White Russians, sent there from China for temporary refuge. The departments of the Interior and of National Defense are also instructed to exercise more vigilance against the illegal entry of aliens which has increased since the intensification of the civil war in China.

Feb. 25 — President Quirino reported to have issued a proclamation setting aside 549,120 square meters of land owned by the People's Homesite and Housing Corporation along Timog Avenue, Diliman, Quezon City, for the site of the veterans' hospital to be constructed from United States Government funds.

Feb. 28 — President Quirino officially welcomes the foreign Junior Chamber of Commerce delegations which have arrived here to attend the Fifth World Congress of the organization to be held in Manila and Baguio, March 1 to 8. The group is headed by Theo Star, of Brussels, President of the J. C. International.

The President issues Administrative Order No. 109 creating a commission to assist the President in the reorganization of the different executive departments, bureaus, and other entities of the Government, including the corporations owned or controlled by it; the Commission is composed of Ramon Fernandez, Chairman, and Luis P. Torres, Pio Joven, Jose Paez, Teofilo Sison, H. B. Reyes, Pablo Lorenzo, Aurelio Montoliva, and Jose Gil, members.

Vice-President Lopez asks approval of a ₱1,000,000 overdraft for the National Tobacco Corporation to be used for purchase of native leaf tobacco, agricultural and other machinery, and the construction of curing barns and warehouses.

Banking and Finance

By R. E. RUSSELL

Sub-Manager, National City Bank of New York

COMPARATIVE Statements of Conditions of the Central Bank:

	As of Jan. 31, '49	As of June 30	As of Dec. 1	As of Jan. 31, '50
	(In thousands of pesos)			
ASSETS				
International Reserve	₱714,969*	₱641,617*	₱460,689	₱442,432
Contribution to International Monetary Fund	30,000	30,000	30,000	30,000
Account to Secure Coinage	113,106	113,306	113,306	113,306
Loans and Advances	—	—	77,047	83,374
Domestic Securities	—	9,739	92,197	96,774
Due from Treasurer of Philippines	—	7,626	—	—
Other Assets	19,320	22,681	20,390	25,248
	₱877,395	₱824,969	₱793,629	₱791,136
LIABILITIES				
Currency: Notes	₱621,521	₱534,425	₱555,576	₱540,749
Coins	73,035	74,283	74,384	74,723
Demand Deposits: Pesos	169,351	135,438	117,682	128,571
Dollars	—	40,649*	—	—
Securities Stabilization Fund	2,000	2,000	2,000	2,000
Due to International Monetary Fund	—	22,499	22,498	22,497
Due to International Bank for Reconstruction and Development	—	—	2,389	2,389
Other Liabilities	1,488	2,128	2,636	2,942
Capital	10,000	10,000	10,000	10,000
Undivided Profits	—	3,537	6,464	7,161
	₱877,395	₱824,969	₱793,629	₱791,136

CONTINGENT ACCOUNT
Forward Exchange Sold ₱6,460 ₱6,460

*NOTE: The Demand Deposit liabilities in U. S. Dollars are deposits of the Treasurer of the Philippines which temporarily are being kept in foreign currency. These amounts are included on the Asset side as part of the International Reserve.

A COMPARISON of the monthly statements of the Central Bank of the Philippines reveals a further drop in the International Reserve of over ₱18,000,000. It had been hoped that the implementation of the Exchange Control regulations would accomplish a reversal, not merely a slowing of the downward trend which was so abrupt during September, October, and November of 1949. The full impact of the more stringent import control regulations which came into force on December 1 was not reflected in January/February import figures. The back-log of

orders in December was not cleared and paid for until January and February. We look for a lessened demand for dollars in March to pay for imports.

About the middle of February, the Rehabilitation Finance Corporation obtained an additional ₱5,000,000 loan from the Central Bank which brings its total borrowings from this source at present up to ₱25,000,000. These funds are in turn loaned by the R.F.C. for rehabilitation projects which it is hoped will increase the nation's productivity.

Circular No. 21 of the Central Bank of the Philippines offered some relief to the gold producers in that it requires them to sell only 25% of their production to the Central Bank at ₱70 an ounce, leaving them free to sell the remaining 75% in the local market, at prices currently quoted at ₱108-₱116 an ounce. At the end of January little or no gold had been acquired by the Central Bank under the provisions of this Circular, but the February statement should show some increase in the gold holdings.

There was a demand for silver coins during the last week of January and the first weeks of February reminiscent of 1945-46, during which period it seemed that the saturation point would never be reached. The Central Bank has advertised that the value of the silver content in these coins is far below their value as money. The Government is taking steps to prevent hoarding and smuggling with the result that the past two weeks have seen a return to more normal conditions.

Stock Market

By ROY EWING

Swan, Culbertson & Fritz, Inc.

January 28 to February 28

FOR the past month prices on the Manila Stock Exchange have moved in a narrow range with volume of business done down substantially from the preceding months. The high as measured by the mining share average was on February 11 at 85.96 and the low on February 8 at 81.73. The biggest daily volume was also on the 11th, a favorable indication.

With the exception of Surigao Consolidated, the shares of gold mines declined moderately, ignoring the fact that on the free market here gold sold during the period from ₱110 to ₱116 per fine ounce. Surigao responded to favorable news from the property, as did Lepanto, a copper producer as well as gold. The chrome producers were stronger on news of improved demand and a better price for chrome in the United States.

In the commercial and industrial section the sugar shares remained in demand, reflecting both satisfactory world news on the commodity and the favorable position of "dollar earners" here.

In an attempt to clear up some of the confusion which exists in regard to the buying and selling of Philippine securities by non-residents, we list the following regulations contained in Notification to Security Dealer No. 1 which was issued by the Central Bank on January 18, 1950.

1. Authorized security dealers (all active members of the Manila Stock Exchange and all Manila Banks) may license the purchase of Philippine Securities by non-residents provided:

a. immediate payment is received in U.S. dollars which must be sold to authorized agent of the Central Bank,
b. payment in pesos is received from funds already in the non-resident's account with his bank or brokerage firm.

The same license that is issued to cover the above may be used to mail the certificate to the non-resident if done within 30 days of date of purchase.

2. Authorized security dealers may license the sale of Philippine securities for a non-resident provided:

a. the securities have been registered with the Exchange Control Office,
b. the proceeds remain in the seller's account with the broker or are paid to his peso bank account in the Philippines.

All deliveries or receipts of securities or funds other than the above require a special license from the Central Bank.

Credit

By W. J. NICHOLS

Treasurer, General Electric (P.I.) Inc.

AS restrictions on exchange transactions extend into the third month, more changes in the credit situation are developing. In addition to continued tightening of credit-granting in general, delays in the issuance of licenses to buy exchange are resulting in higher investments in accounts receivable.

This is particularly true in cases where indentors formerly selling for dollars have to wait until their customers obtain the necessary exchange. In many instances 30-day accounts are for this reason not being liquidated within the current period and become delinquent through no fault of the customer.

It is no longer a simple matter to determine the probable turnover of receivables, nor to analyze their status. In addition to the usual factors, credit managers must now also consider a customer's ability to obtain exchange within a reasonable length of time.

Sales on the installment basis continue to decline. In view of the probability that import and exchange controls will be widened in scope in the future, it is not likely that for some time to come there will be any substantial change in credit facilities.

Electric Power Production

(Manila Electric Company System)

J. F. COTTON

Treasurer, Manila Electric Company

1941 Average—15,316,000 KWH

	KILOWATT HOURS	
	1950	1949
January.....	37,661,000*	33,745,000
February.....	33,810,000**	31,110,000
March.....		34,776,000
April.....		33,048,000
May.....		34,453,000
June.....		34,486,000
July.....		35,726,000
August.....		35,394,000
September.....		35,763,000
October.....		37,461,000
November.....		38,856,000
December.....		38,673,000
TOTAL.....		420,411,000

* Revised

** Partially estimated

Output in February was 2,700,000 Kwh or 8.7% over the same month last year. The principal reason for decreased output in February was the shortness of the month, but there was also a slight decrease in the average daily output.

Real Estate

By C. M. HOSKINS

(Of C. M. Hoskins & Co., Inc., Realtors)

REAL estate sales in Manila and suburbs continued at a high level during February, 1950, totalling ₱6,705,415, as compared with ₱8,041,306 for January, and slightly above the past 6-month average. Sales in Manila for February amounted to ₱3,002,289, and for the suburbs, ₱3,703,126. The suburbs taken into account are Quezon City, Rizal City, and the municipalities of Caloocan, Malabon, Navotas, San Juan, Mandaluyong, Makati, and Paranaque. The monthly figures are as follows: