

Acting Secretary of Foreign Affairs Felino Neri conveys condolences to the families of Professors Conklin and Pittman.

Jan. 18 — President Quirino is reported to have indicated "deep concern" when informed of the killing of Col. Valentin Salgado, senior aide to Maj. Gen. Mariano N. Castañeda, head of the Armed Forces of the Philippines, in an attempt on the latter's life yesterday afternoon. The General's small party, out riding, was ambushed near Camp Murphy, just outside of Manila.

The Vice-President, Ambassador Cowen, and a number of public works and American Embassy officials meet at Malacañan to discuss various public works projects of this year and the turnover of the activities of United States federal agencies in 1951.

Jan. 22 — Secretary of Finance Pedrosa leaves for the United States to join President Quirino.

Jan. 20 — U. S. Ambassador-at-large Philip C. Jessup, on a fact-finding tour of the Far East, arrives in Manila from Hongkong for a four-day stay after which he will proceed to Saigon. Later he will preside at the conference of American diplomatic officials to be held in Bangkok. [Despite his crowded official schedule, a luncheon was given in his honor by the American Chamber of Commerce on the 23rd to which representatives of the other chambers of commerce and the Rotary Club were invited.]

Jan. 21 — According to a report submitted to the President by Secretary of Education Prudencio Langacon, the enrolment in the public school system is now around 4,500,000, over 1,000,000 more than the previous school year.

Jan. 23 — The First Session (100 days) of the Second Congress of the Republic of the Philippines opens. President Quirino's "State-of-the-Nation" address, recorded in his hospital room in Baltimore, is broadcast from San Francisco.

Jan. 24 — The Vice-President, in a speech before the 34th annual communication of the Grand Lodge of F. & A. M. of the Philippines, attended by some 500 delegates from different parts of the Philippines and from Japan, Guam, and Saipan, issues an appeal for national unity "during these times of confusion" and praises the masons for having "stood firm in your principles — liberty, equality, justice, truth, and fraternity".

According to a report submitted by Under-Secretary of Finance Crispin Llamado, government revenues during the 6 months from July 1 to the end of the year declined by 14%, compared with the same period last year, ₱111,078,361 as against ₱130,494,330. Largest decreases were registered in revenue from licenses and business and occupation taxes (drop of ₱14,238,141), and from excise taxes on imported goods (drop of ₱7,496,812).

The Cabinet rules that a government entity which takes over the assets of a defunct government enterprise must also assume the latter's liabilities. The decision was taken in connection with the Government Marine, Railway, and Repair Shops on Engineer Island which was transferred to the National Development Company.

Jan. 25 — The President and Acting Secretary of Foreign Affairs Felino Neri send telegrams of congratulation to the President and the Foreign Minister of the Republic of India on the occasion of the inauguration of the Republic.

The President in Baltimore receives as a souvenir the first cakes of Camay soap manufactured in the Philippines by the Philippine Manufacturing Company, and on the occasion "renews his assurances to American investors that they will receive fair returns for their participation in production activities in the Philippines."

Secretary of Education Langacon announces that a 135-page report of the UNESCO Consultative Educational Mission, which conducted a comprehensive survey of the Philippine educational system, is now in the press and will shortly be released. The Mission was headed by Floyd W. Reeves, Professor of School Administration, University of Chicago. The survey cost ₱120,000 and represents the biggest UNESCO gift to the Philippines.

Jan. 26 — President Quirino felicitates Premier Nehru in a message from Baltimore.

Vice-President Lopez receives the second case of "Camay" soap manufactured in the Philippines. F. N. Berry, general manager of the Philippine Manufacturing Company, tells the Vice-President that the soap represents the first "important American brand of toilet soap to be manufactured entirely in the Philippines", as well as a capital investment of around ₱1,500,000.

Jan. 27 — Announced that President Quirino has decided against further suspending the enforcement of the pre-war ban on amusement and gaming places in prohibited zones, —not within 1,000 lineal meters from any city hall or municipal building, provincial building, public plaza, public school, church, hospital, athletic stadium, public park, or any institution of learning or of charity, and 200 lineal meters in the case of bars, bowling alleys, and pool halls.

Acting Foreign Secretary Neri discloses that the Philippine draft of a proposed bilateral barter trade pact with SCAP has been completed and will be sent to Japan for negotiation. A similar treaty with Thailand is under negotiation at the present time.

Secretary of Finance P. Lopez refers to the Cabinet the text of a statement he made recently before the House Committee on Import Control in order to clarify his position in view of charges from some quarters that his statement ran counter to the Administration's established policy. He states that he holds that import control is "absolutely essential. . . if we are to salvage our economy", but that he pointed out

the effects of the control on employment, wages, and prices so that the "harsh effects" upon the workers could be minimized as much as possible.

Jan. 28 — Mayor D'Alessandro of Baltimore presents President Quirino with the "keys of the city".

Dr. Charles Tambu, former Indonesian Consul General in the Philippines, presents his credentials as Charge d'affaires of the Embassy of the United States of Indonesia here. Ambassador Alexander Maramis, first diplomatic envoy from Indonesia, is expected in Manila shortly.

The Department of Foreign Affairs has received from the Israeli Government the nomination of Ernest Simke, a Philippine citizen residing in Manila, as Honorary Consul for Israel in the Philippines.

Jan. 31 — The Cabinet concurs in the decision of the Import Control Board to waive technicalities in order to solve the congestion at the piers. Secretary of Commerce and Industry notified the Cabinet that the Board had already taken certain steps, including the issuance of release papers for the goods held up at the piers provided that the importers concerned post bonds to guarantee that the goods fall within their respective authorized quotas, and the cessation of the investigation of alleged anomalies by Hilario Bernonilla which was interfering with the release of the goods. The Secretary pointed out that "a large percentage of the goods are perishables rotting at the piers".

Vice-President Lopez, as Chairman of the Government Enterprises Council, issues rules restricting the exclusive use of government vehicles by officials of government corporations. Under the new order, only the chiefs of the corporations are allowed the exclusive use of motor vehicles and only on official business; no official or employee may be paid any allowance for the use of his own automobile.

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	As of June 30 (In thousands of pesos)	As of Nov. 30	As of Dec. 31
ASSETS				
International Reserve.....	₱714,969*	₱641,617*	₱469,137*	₱460,689
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.....	—	—	109,178	77,047
Domestic Securities.....	—	9,739	46,784	92,197
Due from Treasurer of Philippines.....	—	7,626	—	—
Other Assets.....	19,320	22,681	20,797	20,390
	<u>₱877,395</u>	<u>₱824,969</u>	<u>₱789,202</u>	<u>₱793,629</u>
LIABILITIES				
Currency: Notes.....	₱621,512	₱534,425	₱573,614	₱555,576
Coins.....	73,035	74,293	73,880	74,384
Demand Deposits: Pesos.....	169,351	135,438	96,591	117,682
Dollars.....	—	40,649*	286*	—
Securities Stabilization Fund.....	2,000	2,000	2,000	2,000
Due to International Monetary Fund.....	—	22,499	22,499	22,498
Due to International Bank for Reconstruction and Development.....	—	—	2,392	2,389
Other Liabilities.....	1,488	2,128	1,777	2,636
Capital.....	10,000	10,000	10,000	10,000
Undivided Profits.....	—	3,537	6,163	6,464
	<u>₱877,395</u>	<u>₱824,969</u>	<u>₱789,202</u>	<u>₱793,629</u>
CONTINGENT ACCOUNT				
Forward Exchange Sold.....	—	—	—	₱ 6,460

The closing statement for 1949 reveals the reduction in the International Reserve of over ₱250,000,000 during

*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.

the year, which brought on the Exchange Control on December 9, 1949. However, the drop in this Reserve for December was only P8,045,000 as against P58,500,000 in November. Governor Cuaderno of the Central Bank has pointed out that this actually represents an increase in the reserve from the lowest point reached early in December and he indicated his confidence that this reserve would increase as Exchange Control became more effective.

Money in circulation was less than in November but still greater than any other month since April.

The total of Loans and Advances (advances to the Government and the Philippine National Bank) and Domestic Securities (representing advances to the Philippine Treasury secured by Government bonds to supply funds for government projects) has reached the highest point for the year, showing net increase of P13,000,000.

The Exchange Control Board has issued several notifications and memoranda during the past month which have enabled importers and the banks to prepare applications for exchange and reports to the Control authorities more satisfactorily. The banks have been given general licenses to sell foreign exchange for travel and for education purposes provided certain conditions are fulfilled. This should help to relieve the congestion at the Exchange Control leaving it free to act on the doubtful cases.

Stock and Commodity Markets

By A. C. HALL
A. C. Hall Company

December 24, 1949, to January 27, 1950

NEW YORK STOCKS.—For the seventh consecutive month, the market moved forward into new high ground, but during the early part of January it appeared to have encountered a formidable barrier around the 202 mark of the Dow Jones Industrial Average. At this level, at the present time, there appears more stock for sale than can be absorbed. It seems likely, in fact, that, before the hurdle can be cleared, technical strength will have to be gained by the usual process of a temporary move in the opposite direction. Over the period of this review, the range of the Dow Jones daily closing averages was as follows:

	Dec. 23	High	Low	Jan. 27	Change
Industrials.....	198.88	201.98	196.81	199.08	Up 2.20
Rails.....	51.55	55.80	51.23	54.82	Up 3.27
Utilities.....	41.02	41.87	40.86	41.87	Up .85

Of the various market groups, rails improved, motors and chemicals were mixed, steels and coppers firmer, while oils were heavy. As has occurred in recent months, there was pronounced strength in some individual issues, in particular American Can which has advanced 15 points on talk of a split-up.

Industrial activity on the whole is likely to continue at a high rate during the first half of the year, but prospects for the remainder of 1950 are less clear at this stage. Until more is known about the latter, it is unlikely that the market can make further progress on the upside.

Commodities.—Wheat and flour buyers are following a hand-to-mouth policy, but there has been no important increase in offerings: Chicago March Wheat closed at \$2.17-1/8, compared to \$2.18-1/2 last month. In Corn, the loan is still the most important factor; Chicago March Corn closed at \$1.28-7/8, against \$1.31-7/8 last month. Good domestic and export demand continues in Cotton, with New York March Cotton closing at 31.30, compared to 30.66 in December. In Sugar, the United States domestic quota is realistic and the Cuban production-peak is at hand, but aggressive world demand is a firming factor; New York March #6 Contract advanced from 5.16 to 5.22 during the month.

Manila Market.—Modification of the Central Bank's gold policy caused great strength following the holidays, but other factors have since appeared and have caused the market to give up almost all its gains. At the moment inflationary and deflationary forces appear pretty much in balance, and most investors have retired to the sidelines until they can assess the consequences to mining companies of recent changes in the country's financial and economic policies.

In the Commercial and Industrial Section of the market, Sugar shares have been in excellent demand at advancing prices. Bank shares have also been firm.

MINING SHARES

1949-50 Range	High	Low	Close	Change	Total Sale
94.40 60.32	M.S.E. Mining Share Average	93.42	81.55	82.29	Up 1.42
P. 375 P. 12	Coje Mining Company.....	P. 18	P. 16	P. 17	—
.024 .011	Antemok Goldfields Mining	.024	.02	.024	Up .004
.68 .42	Atok-Big Wedge Mining Co.	.68	.52	.55	Up .02
.07 .041	Baguio Gold Mining Co.	.05	.04	.04	Off .01
3.75 2.00	Balaitos Mining Company.....	3.50	2.50	3.50	Up .70
.0052 .0025	Batong Buhay Gold Mines	.0041	.004	.0041	Up .0001
5.30 2.65	Benguet Consolidated Mining Co.	4.40	4.00	4.20	Up .65
.05 .016	Coco Grove, Inc.	.034	.034	.034	Up .002
.014 .008	Consolidated Mines, Inc.	.013	.01	.01	Off .002
.115 .038	Itoyan Mining Company.....	.11	.09	.10	Up .015
.08 .025	I.T.L. Mining Company.....	.08	.07	.08	Up .02
.64 .28	Lepanto Consolidated Mining Co.	.64	.41	.60	—
.70 .42	Minaoza Mother Lode Mines.....	.70	.56	.60	Up .03
.02 .02	Maabta Consolidated Mining Co.	—	—	.028	—
.21 .10	Misamis Chromite, Inc.	.21	.15	.15	Off .035
.08 .03	Paracale Gumaus Cons.	.08	.08	.08	—
.22 .105	San Mauricio Mining Co.	—	—	.148	—
.31 .08	Surigao Consolidated Mining Co.	.29	.18	.22	Up .04
.043 .015	Suyoc Consolidated Mining Co.	.025	.025	.025	Up .005
.11 .04	United Paracale Mining Co.	.10	.09	.09	Up .02

COMMERCIAL SHARES

1949-50 Range	High	Low	Close	Change	Total Sale
P87.00 P59.00	Bank of the Philippine	P87.00	P75.00	P87.00	Up P11. 2.80
200.00 185.00	Chinca Banking Corp.	189.00	189.00	189.00	Up P 4. 1.0
750.00 510.00	Central Azucarera de Bani	750.00	675.00	680.00	Up P55. 14.
220.00 145.00	Central Azucarera de Carlota	220.00	200.00	220.00	Up P38. 21.
135.00 100.00	Central Azucarera del Pilar	135.00	135.00	135.00	Up P15. 2.
95.00 70.00	Central Azucarera de Sare Ajuy	95.00	85.00	85.00	Up P 2. 27.
70.00 50.00	Central Azucarera de Talaric	70.00	70.00	70.00	Up P15. 20.
25.00 23.00	Filipinas Cia. de Seguros	—	—	23.50b	—
1.30 .75	Manila Broadcasting Co.	1.00	.75	.75	Off .17
4.00 2.00	Manila Wine Merchants, Inc.	2.00	2.00	2.10b	—
115.00 95.00	Metropolitan Insurance Co.	—	—	120.00b	—
.83 .40	Pampanga Bus Company	.40	.40	.40	—
1.65 .065	Philippine Oil Development Co.	.1075	.085	.095	Up .0025
1.28 1.00	Philippine Racing Club	1.22	1.20	1.22b	Up .02
120.00 24.50	San Miguel Brewery, Inc.	38.00	29.00	29.00	Off 3.50
90.00 75.00	Williams Equipment Co.	80.00	80.00	80.00	—
9.00 7.25	Williams Equipment Co. Com.	8.50	8.00	8.50	Off .50

Over-the-counter business reported during the month included Bacolod Murcia, 5,000 shares at P17; Manila Jockey Club, 1,100 shares at P165; Philippine Education Co. 120 shares at P100; Philippine Iron Mines, 100 shares at P35; San Miguel Brewery 4 preferred, 255 shares at P100; and Victoria Milling Co., 750 shares between P250 and P270

Credit

By W. J. NICHOLS
Treasurer, General Electric (P.I.) Inc.

A great many importers handle merchandise on an indent basis in which the time of delivery extends over several months. Due to time limitations which the Central Bank of the Philippines has imposed on the opening of letters of credit, such indentors are at present unable to insure that the goods they import will be paid for when they arrive. As a result, some importing firms