10:30 PM

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Feb. 9, 1941 Tuesday

MALACAÑAN PALACE
MANILA

The UP radicals lifted the barricades in the UP but military intelligence reports that the radicals reconditioned two training machine guns and emplaced them atop the Engineering Bldg. and the Arts and Science Bldg.

I expect that this is but a lull in the effort of the communists to create a revolutionary situation. There may be quiet now, as was seen in the demonstration of 5,000 KM and striking drivers this afternoon at Plaza Bustillos — but the plans are there to create disorder.

Early this morning (3:00 AM) the engineering building behind the capitol of Ilocos Norte was blown up by dynamite. And fire consumed the commercial center of Vigan, Ilocos Sur.

Intelligence reports are to the effect that the communists and subversives will now go into sabotage with explosives.

Feb. 9th (Cont'd)

MALACAÑAN PALACE
MANILA

PCPD has started to file criminal cases against the UP radicals from murder to coercion.

We are encouraging our loggers to desist from cutting our forests but to turn to mining instead especially of marble.

If they must continue to log, we are asking them to transfer their operations to Indonesia where they can still get good logging concessions.

I have ordered Greg Licaros to do away with the technicalities of opening an L/C for exports of cement (which sells for $2 a bag while it sells at P4.80 here or less than one dollar) plywood, G.I sheets and structural steel. Exports will be through the National Export Trading Corporation and since the rupiah is now freely convertible to dollars, the PNB could supervise this.