

Feb. 23 — The President has instructed Ambassador J. M. Elizalde to "explore the possibility of reverting the excise tax on coconut oil, estimated at around P120,000,000, to the Philippine Government.

The President has also approved Secretary Balaceda's recommendation that the issuance of export permits for copra be continued although the International Emergency Food Council has discontinued the allocation of fats and oils because there is now a sufficient supply to meet essential demands.

The President directs that all security guards of the Surplus Property Commission be placed under military control and supervision. It is reported that sales amount to some P27,000 a day as against expenses of P20,000, and the President has urged the Commission to hasten the liquidation of the various depots in order to complete this before the June 30 time-limit set by the United States Government.

Feb. 24—The President, in ceremonies at Malacañan and on recommendation of the Women's International League headed by Mrs. Beatriz P. Ronquillo, in connection with its 10th anniversary, bestows gold medals and certificates of merit upon 5 foreign nationals who have distinguished themselves in service to the people of the Philippines. Mrs. T. H. Lockett delivers to them also impromptu rewards of P1000 each from private donors. The five are Mary E. Polley, of the Bureau of Education; H. Otley Beyer, of the University of the Philippines; Irving Hart, social worker; Mother Damien, Sister of Mercy, at the Culion Leprosy Colony; and Father Leon Quintelier, pioneer missionary in the Mountain Province.

Feb. 26—The President signs the Sotto Bill providing for the inclusion of the teaching of Spanish in Philippine high schools.

Secretary of Finance Pedrosa has issued a memorandum prohibiting finance officials and employees from gambling and going to gambling places, including horse races, jai-alai, and cockpits.

Feb. 27—The President addressing a delegation from the Catholic Women's League, urges the women of the Philippines to use their influence in helping their menfolk in the Government to raise the standard of morality in the conduct of public affairs.

Feb. 28—The National Economic Council discusses in general terms the proposed P200,000,000 development program of government corporations and tentatively considers at list of priorities. It also considers a PRATRA request that it be exempted from paying taxes.

The Department of Foreign Affairs announces that the U. S. Economic Cooperation Administration has authorized France to procure \$605,000 worth of abaca and \$100,000 worth of sisal or hequen maguey from Manila, to be delivered during the 2nd quarter of 1949.

The President, to promote freedom of speech, instructs Mayor Manuel de la Fuente of Manila to reserve the part of the Sunken Garden northwest of the City Hall as "Freedom Park" for all public meetings and demonstrations.

## Banking and Finance

BY F. C. BAILEY  
National City Bank of New York

THE usual financial summary of the reports of Manila banks compiled from reports of the Bureau of Banking is not available for this issue.

The Central Bank issued its first statement as of

January 31, 1949. Monetary circulation totalled P694,556,476, made up of all notes and coins outside the Central Bank and including P21,500,000 estimated to have been lost or destroyed as a result of the war. The latter figure was not included in the circulation statements regularly issued by the National Treasurer prior to the establishment of the Central Bank. The last statement so issued showed circulation on December 31, 1948, at P813,501,310. The net decrease results from a change in the compilation of the figures and is accounted for principally by the delivery to the Central Bank of the legal reserves, amounting to P169,351,029, of the various commercial banks. Against the January 31st circulation the Central Bank reported a total of P714,969,280 in international reserves, of which P712,200,164 was held in U.S. dollars and the balance in gold and other foreign currencies.

The Central Bank continues to supply dollar exchange at the following rates:

Selling T.T. ....	P201.00
Selling O/D .....	200.95

The Central Bank has authorized the following rates within which commercial banks may quote to their clients:

	<u>Selling</u>	<u>Buying</u>
U.S. Dollars T.T., over \$500.00 ...	P201.50	P200.50
U.S. Dollars Demand over \$500.00	201.375	200.375
U.S. Dollars T.T. and Demand under \$500.00 .....	202.00	200.00

At this writing, banks are quoting generally, for prime business, T.T. P201.50 selling, and P200.75 buying.

## American Stock and Commodity Markets

BY ROY EWING  
Swan, Culbertson & Fritz

January 28, 1949 to February 28, 1949

SINCE our last review in this column, the New York stock market has been in a steady decline.

The high for the period, as measured by the Dow Jones Industrial Average, was 180.39 on February 1 and the low 171.10 on February 25. The sharp drop in commodities in early February (see below), rising unemployment, and other indications that a broad adjustment in the American economy is underway, were responsible for the bearish sentiment.

Some earnings figures such as the 1948 total of \$184,500,000 of U. S. Steel caused short-lived rallies but could not offset such items as declining carloadings, a fourth cut in fuel-oil prices, and General Motors' announcement of price cuts for automobiles. Majority opinion is that while the "recession" will spread further, it will be controlled and orderly and in the long run the economy will be sounder with lower prices and a check to inflation.

In the first week of February the Rail Average broke into new low ground since July of 1947 thereby providing half of a signal, according to the Dow Theory that an extension of the bear market which began in July of last year is to be expected. The second half was provided on February 25 when the In-

dustrial Average broke through the previous minor low of last November. There is considerable opinion that the market already has discounted fully any recession in business that is likely to happen this year, but chartists believe that the averages will retreat to lower levels, from where developments will be appraised.

**A**LL commodities broke sharply in the early part of the period under review, but most recovered substantially in the latter weeks. New York Spot Cotton sold down to 32.64 on February 8 but has recovered to 33.58, practically unchanged from a month ago. Exports remained at high level; government loans now total approximately 4,500,000 bales. The May Contract of Chicago Wheat sold as low as 196½ on February 8 but is 218 ¾th today, unchanged from a month ago. Improved world production in addition to heavy supplies and lack of storage more than offset heavy government buying and the latter's announced intention to continue tremendous exports. May Chicago Corn broke to 116 ¾ asked on February 8, but has recovered to 132¾ down from 140¾ on January 23. The huge crop appears to have found a level at about \$0.30 below the loan. The carryover is expected to be a record high.

Sugar prices are up substantially from a month ago, the March Contract of No. 5 being 5.43 as compared to 5.26 on January 28, reflecting a strong statistical position and rumors of possible strikes in Puerto Rico.

## Manila Stock Market

BY A. C. HALL  
A. C. Hall & Company

January 16 to February 18, 1949

### Mining Shares

**F**URTHER strength in active trading carried the market forward into new high ground by the beginning of February. Since then, profit taking has caused a moderate decline, with trading volume showing a decided tendency to dry up.

The market action was about as expected. The sharp advance since the year-end has weakened the market's internal position, and a period of consolidation appears necessary before sufficient strength can be generated to resume the forward movement.

Atok-Big Wedge and Mindanao Mother Lode made further gains, but base-metal issues were easier, particularly Lepanto. The decline in the latter stock was possibly influenced to some extent by the fear that recent weakness in United States commodity markets might overflow into the metal group. While the copper price has remained firm up to the present, scrap prices, much more sensitive

than primary prices, are showing a slightly easier tendency.

In addition to the foregoing, over-the-counter business during the month included 54,000 shares of Benguet Consolidated, P3 high, P2.90 low, closing at P2.95; Philippine Iron Mines traded at P31; and 200,000 shares Taysan "A" which changed hands between 15 and 13 centavos, closing at 14.

### Commercial and Industrial Shares

Leading Sugar shares continue in demand at improved prices. Carlota, on an ex-cash and stock-dividend basis, closed equivalent to a further advance of P7 per share. San Miguel's were easier on some liquidation in an empty market.

#### 1948-49 Range

High	Low		High	Low	Close	Change	Total Sales
770.00	755.00	Bank of the Philippine Is.	770.00	764.00	764.00	Unchanged	65
620.00	600.00	Central Azucarera de Bais	620.00	609.00	620.00	Up	770.00 52
171.00	98.00	Central Azucarera de la Cabaleta	171.00	115.00	115.00	Off	P 1.00 425
107.00	70.00	Central Azucarera del Pilar	107.00	100.00	101.00	Off	P 4.00 649
70.00	30.00	Central Azucarera de Sara	70.00	70.00	70.00	Up	P10.00 20
60.00	40.00	Ajay	60.00	70.00	70.00	Up	18.00b
185.00	173.00	China Banking Corporation	185.00	180.00	180.00	Unchanged	—
22.50	22.00	Filipinas Cia. de Seguros	22.50	22.00	22.00	Unchanged	—
1.00	4.00	Manila Wine Merchants, Inc.	4.00	4.00	4.00	Off	.20 1,410
143.00	140.00	Metropolitan Insurance Co.	143.00	140.00	140.00	Off	2,000
1.16	.80	Pampanga Bus Company	.82	.82	.82	Up	.02 2,410
.305	.15	Philippine Oil Development Co.	.165	.15	.15	Off.	.005 997,311
1.42	1.24	Philippine Racing Club	1.28	1.28	1.28	Unchanged	1,000
74.00	53.00	San Miguel Brewery	60.00	51.00	51.00	Off	P 1.00 1,993
100.00	71.00	William Equipment Co. Pld.	75.00	71.00	71.00	Off	P10.00 30
10.90	8.10	William Equipment Co.	7.75	7.75	7.75	Off	—
		Com.				7.10b	—

Over-the-counter Commercial transactions included 100 shares Jai-Alai at P8; 8,000 shares Manila Broadcasting at P1.27; 200 shares Manila Jockey Club at P2; and 296 shares Victorias Milling between P160 and P155, but mostly at the latter figure.

## Credit

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

**A**FEW months ago we mentioned that the granting of discounts for payments made before the due dates of invoices, was a device little used in the Philippines to speed up collections. While the practice might be successful in a few instances, we seriously question its effectiveness for Manila business houses in general. We are afraid that the only customers to take legitimate advantage of the discount would be those who would pay their bills on time in any event, in which case of course there would be no particular point in granting the discount. On the other hand, we suspect that any premium for paying bills before they are due would be considered as a regular trade discount by some customers and would be deducted whether earned or not.

Membership in the Association of Credit Men, Inc. (P.I.) totaled 67 at the end of last month and the applications of additional firms which desire to join are being considered from time to time. Besides its regular function of acting as a clearing house for credit information, the Association offers special services of benefit to its members, including warnings against the new methods of defrauding business houses that crop up now and again.

#### 1948-49 Range

High	Low		High	Low	Close	Change	Total Sales
122.48	65.18	Manila Stock Exchange Ave.	94.40	81.27	86.21	Off	.67 396,000
P 1.375	P .24	Atok Mining Company	P .375	P .14	P .343	Off	.02 130,000
.028	.01	Antamok Goldfields	.013	.013	.013	Up	.003 100,000
.43	.43	Atok-Big Wedge Mining Co.	.67	.59	.62	Up	.01 799,400
.071	.035	Baguio Gold Mining Co.	.045	.041	.041	Up	.006 10,150
.0072	.0025	Batong Buhay Gold Mines	.0014	.0027	.0034	Up	.0006 3,270,000
.034	.025	Coco Grove, Inc.	—	—	.018b	—	—
.015	.01	Consolidated Mines, Inc.	.014	.0115	.014	Unchanged	35,971,607
.085	.081	Irogon Mining Company	.038	.038	.038	Unchanged	231,680
.34	.30	Lepanto Consolidated	.81	.67	.67	Off	.09 600,000
.0579	.01	Mabate Consolidated	—	—	.001b	—	—
1.26	.11	Mindanao Mother Lode Mines	.67	.59	.59	Up	.01 876,000
.275	.11	Misamis Chromite, Inc.	.19	.15	.15	Unchanged	225,000
.04	.02	Suroc Consolidated	.025	.02	.02	Unchanged	110,000
.26	.12	San Maurice Mining Co.	.14	.12	.12	Off	41,000
.43	.215	Surigao Consolidated	.30	.27	.27	Unchanged	281,000
.095	.04	United Paracale Mining Co.	.041	.041	.041	Up	.005 10,000