

and a drop of 50% from a year ago, in the export prices of copra), the value of exports for the first 6 months of this year decreased by P66,000,000 compared with the same period in 1948. This figure compared with the drop in value of imports of only P33,500,000.

The other principal contributing factor to the continued decline in the International Reserve during July, was the comparatively limited amount of dollars received from the U.S. Treasury, which funds cushion the effect of the adverse trade volume.

On August 12, the Central Bank notified the banking community that the Secretary of Finance had issued a directive to the Treasurer of the Philippines that henceforth the obtaining of a license from the Foreign Funds Control Office was no longer required for remittances abroad. Previously, such licenses were required for remittances in excess of \$2,500 monthly for other than payments of imports.

The Central Bank has recently released the following comparative figures for the period January through May, 1949.

Year and Month	MONEY SUPPLY*			Deposits, National Treasurer	Savings Deposits	Time Deposits
	Currency Net	Deposit Money	Total			
1948						
Dec.	526	607	1,133	22	227	22
1949						
Jan.	572	617	1,189	16	235	23
Feb.	571	589	1,160	16	236	24
Mar.	571	586	1,127	17	237	27
Apr.	588	569	1,157	17	236	28
May	552	549	1,101	16	237	28

* Money supply consists of currency issued, minus cash in banks; plus the peso checking-deposit liabilities of banks, excluding the national government deposits and interbank deposits but including unused overdraft lines.

During the past month there has not been any alteration in the rates at which the Central Bank buys and sells to commercial banks, nor in the rates between which the banks are permitted to quote to clients. For prime business, banks generally are quoting Telegraphic Transfers 201.25 selling, and 200.625 buying.

Stock and Commodity Markets

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

New York Stocks.—The advance, which began on June 13, has continued to make headway during the past month, with chemicals, foods (including sugars), and oils amongst the best-acting issues. Leading automobile stocks showed little response to record-breaking first-half 1949 earnings. Steels marked time as Wall Street tends to await the report of the Presidential fact-finding board on the steel wage situation.

As noted last month, monetary influences have continued to exert pressure toward lower yields for medium and long-term high grade bonds. This tendency is likely also to have a firming effect on the best quality common stocks.

Market fluctuations during the period, as measured by the Dow Jones Averages were as follows:—

	July 21	High	Low	August 19
Industrials	174.59	182.02	174.53	181.16
Rails	44.87	47.72	44.84	46.84

However, the movement of the averages is not too reliable a guide at the moment, as the market is a very mixed affair with numerous stocks moving against the trend of the averages, both on declines and advances.

Recent business news indicates that with consumption in many lines continuing to run ahead of output, inventories have been reduced to the stage that some shortages have appeared. This has resulted in satisfactory new buying and an increased rate of production in a number of industries. Other strong spots in the economy include the continuing high rate of automobile production and building construction. Offsetting these favorable factors in the business picture, are renewed wage demands in the steel and automobile industries. It is generally felt that further wage increases or any prolonged strikes in major industries at this time would seriously disrupt the progress already made toward a healthy peace-time economy.

In the face of many uncertainties, it is not surprising that financial opinion is very divided on the market outlook. According to Dow Theory, the current advance is a secondary reaction in a primary bear market. A leading statistical service feels that the November-July business recession has only accomplished part of the readjustments which are needed. On the other hand, another equally prominent stock review has held and continues to hold the view that the recession would be relatively mild and brief, although admitting the possibility that some jolts lie ahead before the economy gets out of the woods.

It is the writer's opinion, based on a study of the market action of a large number of individual stocks since 1946, that share prices, for the most part, have already completed their post-war adjustment, and, as usual, ahead of the business picture. However, having advanced uninterruptedly for nine consecutive weeks, the market must be considered vulnerable to any unfavorable new developments in the near future.

COMMODITIES.—The Government report as of August 1, estimated a further reduction of 57,000,000 bushels to 1,130,000,000 bushels as total wheat production. It is anticipated that larger amounts will enter the loan than last year, thereby creating a tightening of supplies later on in the year. September Chicago Wheat was quoted at \$1.98½ against \$2.02½ last month. There was a small increase in estimated total production of Corn as of August 1. Cash demand continues good but abundant supply is a depressing factor on Futures. September Chicago Corn was \$1.21½ against \$1.29½ the previous month. Cotton futures were slightly higher on good domestic and foreign demand with New York October closing at 29.85 as compared with 29.71 a month ago. The present sugar quota is causing a tighter statistical situation; September New York #5 Contract improved to 5.44 from 5.38 last month.

MANILA Market.—There was a good follow-through to last month's advance in well placed mining issues, but the sharpness of the advance carried the market into an overbought position, and vulnerable to profit-taking latterly. An unfavorable development during the past few days has been the slower demand for gold in the local market as a result of the deteriorating position in South China.

This is of major importance to the local gold industry in view of continuing high costs. It remains to be seen whether this is a temporary or permanent state of affairs. If the latter, then profit estimates of local gold mining companies in future will be subject to downward revision.

In the Commercial and Industrial section, selective demand for Sugar issues has been a feature.

impersonal expression of pesos and centavos cannot accurately gauge the human suffering involved nor the overall loss to the Philippine economy.

This staggering fire loss and burden to the Philippines should be of concern to all the people, for in one way or another they affect all the people be they *taos* or captains of industry.

Mining Shares

1948-49 Range	High	Low	Close	Change	Total Sales
122.44 60.32	M. S. E. Mining Average	73.04	68.31	71.41	Up 1.63
P 375 P .12	Acoje Mining Company	P 145	P .12	P 141	Off
.028 .01	Anamok Goldfields Mining	.011	.011	.011	Up .001
.91 .43	Atok-Big Wedge Mining Co.	1.00	.44	.84	Off .03
.075 .015	Baguio Gold Mining Co.	—	—	.015a	—
3.75 2.00	Balaton Mining Co.	3.60	3.40	3.40	Off .35
.0022 .002	Bathuy Gold Mines	.005	.0038	.0046	Up .0014
.031 .016	Coco Grove, Inc.	.016	.016	.016	Off .002
.011 .011	Consolidated Mines, Inc.	.015	.011	.011	Off .001
.081 .038	Ilogon Mining Company	.055	.055	.055	Off .005
.075 .025	J & L Mining Company	.025	.025	.025	Unchanged
.84 .42	Lepanto Consolidated	.59	.53	.56	Up .03
1.26 .35	Mindanao Mother Lode	.67	.16	.63	Up .04
.26 .105	San Mateo Mining Co.	.11	.11	.11	Off .005
.43 .21	Surigao Consolidated	.295	.27	.281	Up .011
.04 .015	Suyoc Consolidated	.017	.017	.017	Up .002
.095 .034	United Paracale Mining	.03	.045	.045	Off .002

Commercial Shares

1948-49 Range	High	Low	Close	Change	Total Sales
620.00 P10.00	Bank of the Phil. Is.	P73.00	P70.00	P71.00	Up P 3.00
168.00 P1.00	Central Azucarera de Bais	—	—	491.00b	—
60.00 40.00	Central Azucarera de Tarlac	52.00	52.00	52.00	UP P13.00
107.00 70.00	Central Azucarera del Pinar	100.00	100.00	100.00	UP P10.00
23.00 22.00	Finanzas Cía. de Seguros	—	—	22.10b	—
8.00 7.00	Insular Life Assurance Co.	7.00	7.00	7.00	Off P 1.00
5.00 3.10	Manila Wine Merchants	3.10	3.10	3.10	Off .15
110.00 140.00	Metropolitan Insurance Co.	—	—	140.00b	—
1.16 .45	Pampanga Bus Co.	.50	.45	.45	Off .01
.101 .065	Philippine Oil Development Co.	.095	.075	.0825	—
1.42 1.00	Philippine Racing Club	1.00	1.00	1.00	—
35.10 26.00	San Miguel Brewery	27.00	26.00	26.00	Off P 1.00
10.00 75.00	Williams Equipment Co. Pfd.	90.00	90.00	90.00	—
10.00 7.00	Williams Equipment Co. Com.	7.10	7.10	7.10	—

Over-the-counter business in mining stocks was again principally confined to Benguet Consolidated, with about 22,000 shares traded between high P4.75, low P4.35, close P4.45. Other business included 10,000 shares Taysan "A" at 12 centavos. In Commercial issues, 100 shares Kabankalan Sugar were reported at P85, also 4,300 shares Manila Broadcasting at 1.80 and 340 shares Victorias Milling at P155 and P160, with almost all business at the latter price.

Insurance

VICTOR H. BELLO

Supervisor, American Foreign Insurance Association

RECENT investigations by Government entities into alleged arson anomalies should be applauded by all concerned.

All concerned in this instance means not only those bodies appointed to uphold law and order or fire insurance companies but the entire citizenry of the Republic of the Philippines.

Arson is a despicable crime. Perhaps more despicable and onerous than premeditated murder, injuring as it does in most instances the innocent stranger. The magnitude of such a crime is recognized throughout the world and is prosecuted by law-enforcing bodies with such vigor that the crime of arson in most countries is rare in comparison to other major crimes.

The Philippine economy today is burdened with a fire-loss ratio that it can ill afford. Manila alone, for the fiscal period ending June 30, 1949, suffered fire losses in excess of P10,000,000, or a per capita loss of P7.25 based on a population of 1,500,000. This

Electric Power Production

Manila Electric Company System

BY R. J. BAKER

Manila Electric Company

	1949	1948
January	33 745 000	27 301 000
February	31 110 000	26 021 000
March	34 776 000	26 951 000
April	33 048 000	26 871 000
May	34 453 000	28 294 000
June	34 486 337	29 216 000
July	35 726 123*	31 143 000
August	35 381 500**	31 993 000
September	—	32 012 000
October	—	33 943 000
November	—	32 661 000
December	—	35 104 000
TOTAL	361 510 000	—

* Revised
** Partially estimated

The Caliraya Hydro Plant was shut-down for the period August 14-20, and we estimate a 1,200,000 KWH was not used during that period due to our inability to carry the load with the remaining generating equipment. The increase over August, 1948, was 3,388,500 KWH, or 16%.

Real Estate

BY C. M. HOSKINS

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

REAL estate transfers in Manila during August totalled P2,228,597, compared with P3,019,784 for the month of July. Mortgages recorded amounted to P4,924,841 for August, against P12,446,530 for July.

Cumulative totals of sales for the first 8 months from 1946 to 1949 were as follows:

	January-July
1946	P27,926,910
1947	47,358,765
1948	39,277,629
1949	25,306,764

City of Manila real estate statistics seem to be losing some of their value as an index to metropolitan real estate activity, due to the steadily increasing volume of sales in other portions of the Greater Manila area, such as Santa Mesa Heights, New Manila, Diliman, and Mandaluyong. These sections are capturing a substantial share of the residential purchasing power of the metropolitan community.