

that raised no great expectations. Other producers, also during July, including base metals mines, kept their operations close to their recent monthly rates. The only noteworthy news of the month came from the Surigao Consolidated Mining Company, which announced it had resumed operation. This company will almost certainly be producing at full capacity before this article is published.

Actual gold sales, meanwhile, continued to fluctuate within the narrowest limits since the beginning of the Manila free market. July high and low prices were ₱110.30 and ₱109.10 respectively, while August high and low prices were ₱110.40 and ₱109.30 respectively (all prices are in pesos *per ounce, bullion*). While the steadiness of gold is generally attributed to the influence of the prospective subsidy, other factors are always at work, principally our national dollar balance, the balance-of-trade outlook, local business conditions, and import-licensing policies.

However, it is a fact that gold is presently selling at from ₱4 to ₱5 higher than in early May, or just before Republic Act No. 1164 was passed by the last Congress during its regular session, hence this gain can be directly attributed to the aforementioned Gold Emergency Act. And, while worry was previously widespread that the price would weaken if the subsidy were not immediately enacted, the fact is that such delay has by now been discounted because it is already common knowledge that the subsidy will be financed entirely by taxes paid by gold producers; taxes which have been piling up with each passing week. Under the circumstances, a firm gold price is generally assured with much less sensitivity to disturbing factors than heretofore. This is a blessing of no small proportion to gold producers.

BASE metal producers, on the other hand, with the exception of our copper mines, while enjoying a much higher rate of advance over pre-war prices than gold producers, are understood to be considerably worried over the condition of the chrome market and future competition from iron-ore producers in Malaya.

The gold subsidy, after several delays, appears about ready to get under way. Recently President Magsaysay named the five members of the Agency created by Republic Act No. 1164 to supervise the actual purchase of gold, namely (and none need an introduction to our readers) the Honorable Salvador Araneta as Chairman, and Secretaries Hernandez and Adevos, Governor Cuaderno, and Mr. Servillano Aquino as members. Mr. Benjamin M. Gozon,

Director of the Bureau of Mines, will serve as Executive Secretary to this Board.

It is understood that statisticians from the Central Bank as well as the Department of Finance have already completed their studies of the total taxes expected to be paid by gold producers and have already rendered their estimates and that the National Treasury is ready to advance the funds required to begin operations. Presumably, only a few rules and regulations remain to be ironed out. It will be interesting to see how the Manila free market reacts once the subsidy is actually under way.

Copra and Coconut Oil

By WILLIAM S. RICE, JR.

Copra Buyer, Philippine Manufacturing Company

THE market was easy throughout August and the month closed with prices at a new low for the year to date, following the widest price movement we have seen since May.

The availability of cheap palm kernels and palm-kernel oil, placed in the market by the British Ministry of Foods in liquidation of their inventories, was probably the most important factor in this decline because a portion of European copra demand was filled by this substitute source and there was consequently less European support for the copra market.

Other factors contributing to lower August prices were: (1) heavy copra production, (2) large quantities of unsold copra and coconut oil en route to American ports, (3) good Philippine selling-interest for immediate shipment to relieve the pressure of heavy warehouse stocks and continually increasing copra arrivals, and (4) announcement by the U.S. Department of Agriculture that it was soliciting export bids for 30,000 tons of surplus cottonseed oil.

Copra and Coconut Oil Prices

Copra:	High	Low	Close
West Coast, c.i.f. per short ton	\$167.50	\$153.00	\$153.00
Europe, c.i.f. per long ton,			
August-September.....	187.00	178.00	
September-October.....	183.00	173.00	173.00
Manila, fresh, 30-day delivery,			
rescada basis, per 100 kilos,			
at bodegas.....	₱30.25	₱27.00	₱27.00

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Coconut Oil:

West Coast, c.i.f. per pound, 60-days.....	12-1/4¢	11-3/8¢	11-3/8¢
East Coast, c.i.f. per pound, 60 days.....	13	12-1/8	12-1/8

Copra Cake and Meal Prices. European buying interest has continued active at levels above the American market, and good quantities were sold to Europe for September and October shipment. American consumers have displayed a lack of buying-interest in recent weeks, but the market is expected to improve as a result of an anticipated shortage following the Philippine exports to Europe.

Copra Statistics

Copra Exports	June	July	August
United States.....	25,481	26,887	35,117
Europe.....	33,100	33,150	35,200
Other countries.....	9,372	11,934	11,000
Total.....	67,953	71,971	81,317

Coconut Oil Exports	June	July
United States.....	4,157	5,823
Other countries.....	145	—
Total.....	4,302	5,823

	Manila		Cebu		Manila and Cebu		Percentage 1954/53
	1954	1953	1954	1953	1954	1953	
January...	13,038	8,448	15,490	12,682	28,528	21,130	135.0%
February...	11,674	7,741	14,218	13,029	25,892	20,770	124.7%
March.....	10,356	6,897	14,170	17,991	24,526	24,888	98.5%
April.....	10,300	8,305	13,926	13,880	24,226	21,685	111.7%
May.....	14,529	9,202	19,307	10,164	33,836	19,366	174.7%
June.....	13,601	10,541	19,464	14,462	33,065	25,003	132.2%
July.....	17,578	13,620	23,889	18,182	41,467	31,802	130.4%
August...	19,025	14,641	26,845	20,413	45,870	35,054	130.9%
Total...	110,101	79,395	147,309	120,303	257,410	199,698	128.9%

PHILIPPINE AND INDOONESIAN COPRA EXPORTS
(In metric tons)

	Philippine Copra Exports*			Indonesian Copra Exports	
	1954	1953	1954/53	1954	1953
January.....	53,992	41,025	131.6%	15,116	14,230
February.....	58,879	38,672	152.3%	17,644	18,084
March.....	60,919	50,168	121.4%	23,210	19,559
April.....	55,951	48,745	114.8%	20,673	17,258
May.....	65,249	36,536	178.6%	36,726	5,854
June.....	75,978	48,144	157.8%	21,465	17,266
July.....	82,513	64,359	128.2%	—	29,586
August.....	93,093	71,010	131.1%	—	—

Totals.... 546,574 398,659 137.1%
*Includes coconut oil exports converted to copra.

Production and Future Prospects. Production continues good, but, with heavy loading schedules for September, there seems to be no reason to foresee excessive selling-pressure in the market. Also, the U.S. Department of Agriculture has reassuringly announced that it will avoid depressing world commodity markets through sales of its heavy surplus stocks. Therefore, further price declines are not expected.

Desiccated Coconut

By HOWARD R. HICK
President and General Manager
Peter Paul Philippine Corporation

THIS report covers the period from July 15 to August 15, 1954. During this time we enjoyed levelly low nut prices. The continued low level is quite unprecedented in the last few years and by all signs may continue for at least 6 to 8 weeks.

This fact plus general production increases in most factories to meet the seasonal fall buying of desiccated coconut in the American market, has led to slightly better



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