sion here unless a special treaty were entered into between the American and Philippine Governments. The matter was called to the attention of the President, and he vetoed the bill. It was immediately reintroduced in the Special Session of Congress and was again passed by both Houses. Then it was vetoed a second time by the President.

I was in New York at the time, endeavoring to enlist additional American capital for Philippine mining ventures, and was with the head of the copper corporation when word was received from Manila of the passage of the Licensing Law a second time. He immediately told me that he was "so shocked" at the action of Congress in passing, over the Philippine President's veto, adverse legislation which would not permit him to employ his own experts in the large mining undertaking he was contemplating, that he would cancel his option, as he felt that this was merely an indication of what he might expect in the future. He added that he would make his investments in countries that are more friendly to American capital.

Thus, an investment of ₱50,000,000, American money, was lost to the Philippines. This was not salvage or reconstruction money, but new capital; Its investment would have given a tremendous impetus to the entire mining industry, and would, unquestionably, have done much to bring additional capital here.

Lumber

By E. C. Von Kauffmann
President, Philippine Lumber Producers' Association

THERE is a slight improvement in the local market but not enough to satisfy producers as this is the time of the year when constructions should be in full swing.

Exporters are somewhat alarmed at the stiff competition encountered in the United States which has compelled them to reduce their prices considerably during the past months. In view of this, they are now trying to secure a reduction of freight rates from the Associated Steamship Lines, to somewhat compensate for the drop in prices and to assure them of continued exports. They feel that shipowners would be more than compensated by the increase in export thereafter.

The minimum quantity established for loading at outports has been 150,000 board feet instead of the pre-war 200,000 and was to have been increased to the latter figure, effective February 28. This has now been postponed to May 31. Exporters feel that the 150,000 board feet minimum should not be increased as this quantity can be loaded usually within 18 to 24 hours without entailing heavy overtime wages for the stevedores.

Copra and Coconut Oil

By Manuel Igual
General Manager, El Dorado Trading Company, Inc.
and Kenneth B. Day
President, Philippine Refining Company, Inc.
January 16, 1949, to February 15, 1949

FROM the viewpoint of Philippine copra producers and traders, the period under review was a discouraging one. In spite of the certainty of light copra production in the Philippines and rumors of a substantially oversold position, copra prices were forced to yield to the downward pull of large cottonseed, soya, and tallow surpluses pressing on the United States market, and gradually drifted downward until near the close of the period.

So strong was this influence that at one time a radical break was imminent, but the United States Government, faced by too rapid a contraction of oils and fats values and the consequent need of far greater price subsidies to farmers, took two steps. On February 2, it de-controlled the export of indigenous inedible oils and fats (which proved relatively ineffective), and on February 10 it removed all oils and fats from IEFC control. These steps were taken with the hope that increased shipments of excess oils and fats to Europe would relieve pressure on the domestic markets and thus curb the decline, domestic prices having sunk to levels considerably below what Europe considered fair values.

The catch in this action, however, was the plain fact that most European buying is predicated entirely on ECA dollars, and these dollars are available only in such quantities and for purchase at such prices as Uncle Sam may dictate. For a few days the markets hesitated on the theory that the de-control had already been discounted, but at the close of the period prices steadied, and the decline was, temporarily at least, checked.

During this entire period the weak factors were cottonseed oil, soya bean oil, and tallow, which sank in price to as low as 13-1/4¢, 12¢, and 8¢ per lb., respectively, thus dragging coconut oil down to 13¢ c.i.f. N.Y. with large buyers sitting on the sidelines and rooting for an 11¢ market. At 13¢, coconut oil is still comparatively overpriced, but it is in relatively short supply and for edible purposes becoming more attractive, although soapers, with the large differential favoring tallow, are still using minimum quantities. Incidentally, soap sales are reported very slow, and the use of soapless detergents is on a sharp upswing.

TO get back to the Philippines, copra opened the period with a steady market, sales at $190 c.i.f. P.C., and shorts indicating willingness to buy at $180 f.o.b. During the entire month comparatively little business was done, for sellers held back because of the light production and their conviction that copra was worth more. Buying was, therefore, largely confined to short coverings and sales were reported from as high as $195 c.i.f. and $200 f.o.b. to as low as $175 c.i.f. and $167.50 f.o.b. France bought some copra on f.o.b. terms, landed weights, which terms are unsatisfactory to most sellers. Canada bought 1500 tons at $195 c.i.f., one of the largest sales of the month. As the period ended, markets looked better and offers were being solicited at $185 c.i.f. and $175 f.o.b., with sellers entirely uninterested and holding their small stocks for considerably higher figures.

Of course, copra prices reflected oil prices and coconut oil dropped from 14-1/2 cents f.o.b. P.C. to 13 cents, at which figure some oil was sold for forward shipment. Sales of bulk oil were reported at from 14¢ down to 13¢ c.i.f. N.Y., but at closing, 14-1/2 c.i.f. N.Y. was indicated for reasonably prompt shipments. One sale of oil was reported to Italy at between 15 and 15-1/2¢ c.i.f and Germany was in the market for oil as the period ended. Oil offerings were sparse, as copra replacement costs were prohibitive and supplies were very scarce.

Local copra prices, although generally reflecting outside markets, were influenced by spot conditions for local needs. Thus copra varied in Manila and Cebu between ₱37.50 and ₱30, both prices being high when quoted. Supplies were unusually small, and what copra there was, was largely held for outport shipments as such. Desiccated consumption was also a telling factor particularly in the Manila district.

Copra shipments for the month were relatively small, totalling 23,778 tons as against 57,960 tons in January, 1948. The breakdown follows:

Pacific Coast	10,337
Atlantic	4,087
Gulf	5,723
France	1,457
Venezuela	1,133
South Africa	512
Panama	529

Two January loadings for Europe have been delayed until February.

Oil shipments were negligible, totalling 1,633 tons, all of which was consigned to the U. S. Atlantic Coast.

Copra cake and meal markets were nominal, there being very little business available or desired. European f.o.b. indications ranged from $45 to $48 per long ton and meal could be sold on the Coast at from $65 to possibly $70 c.i.f. per short ton.

As the period closed, two things were evident. First, the American value of coconut oil for industrial purposes was lower than the European edible value. Second, coconut oil is still high-priced as contrasted with other oils and fats in the United States. The value for copra to Europe exceeded its value for oil to the United States. Consequently, Philippine crushers were shutting down and waiting for better times, and American crushers were largely doing the same thing or turning to other seeds. Thus there is comparatively little coconut oil available anywhere, which may have a steadying effect on the small demand. The local markets do not seem to be heavily oversold but very few dealers are long and future sales must depend on production which is and is likely to continue to be very light, even for this time of the year.

Although as we write the immediate situation is a tight one, nobody seems to have much confidence in the market, and while a temporary hardness is anticipated, it would not be surprising if thereafter prices might drift lower once more, although perhaps very gradually and not so emphatically as last month. Any intelligent appraisal is, however, hazardous, for the normal laws of supply and demand cannot function properly at a time when unusual circumstances and simple government actions can so easily completely upset the picture one way or the other.

Desiccated Coconut

By Howard R. Hick

President and General Manager,
Peter Paul Philippine Corporation

This report covers the period from January 15 to February 15. As a result of the sudden and great drop in copra prices in early January, due to foreign influences, the copra and nut markets have fluctuated more or less normally.

However, sellers can not reconcile themselves to the fact that lower copra prices are here to stay, and when influencing factors indicate higher prices, diehards hold the copra and in the case of nuts refuse to harvest, expecting to get better prices, this indirectly making supplies difficult to get in a rising market. But as foreign factors are so great, the local influence has had very little effect, and this substantiates the belief among copra and nut men that a healthier market is here and will likely stay.

Nut prices remain very close to the copra equivalent, but supplies are a little tight at the closing of the period. Labor seems to be more or less settled at present, with one other company now paying bonuses for night work.

The shipping statistics for the month of January are as follows:

Shippers	*Pounds*
Franklin Baker Co. of the Philippines	3,136,470
Blue Bar Coconut Company	131,130
Peter Paul Philippine Corporation	2,660,000
Red V Coconut Products, Ltd.	1,736,500
Sun-Ripe Coconut Products, Inc.	415,600
Standard Coconut Corporation	365,000
Isabelo S. Hilario	0
Coöperative Coconut Products, Inc.	0
Tabacalera	324,900
Luzon Desiccated Coconut Corporation	253,620
GRAND TOTAL	9,023,220

Sugar

By S. Jamieson

Alternate Secretary-Treasurer,
Philippine Sugar Association

This review covers the period from January 29 to February 26, 1949.

New York Market. The period opened with spot at 5.65¢ and buyers indicating interest at that price for suitable positions. Some sales of Cuban and Puerto Rican sugar were made on that basis. Thereafter the market became dull and listless and prices fell, no doubt attributable in part to the falling prices of other commodities. Spot fell to 5.60¢, and there were sales of Cubas, Puerto Ricos, and Philippine sugar at the same price. Toward the end of February, however, the market became steader, and exchange quotations moved upward, followed by a sharp improvement in prices for actual sugar available for prompt arrival and shipment. The market at the close was firm, sellers asking 5.75¢ for prompt shipment and buyers indicating 5.70¢. Spot advanced to 5.70¢. This recovery, coming during the production pressure-period and in face of the general weakness of other commodity markets, is regarded as encouraging. The following sales of Philippine sugar were reported:

1949				
January	28 —	2,500 tons	February/March	5.66¢
		2,000 "	"	5.64¢
February	8 —	9,000 "	March/April	5.60¢
	10 —	1,000 "	February/March	5.62¢
	18 —	3,000 "	March arrival	5.65¢
	23 —	19,000 "	February/March/Apr.	5.65¢
	24 —	2,000 "	March/April	5.70¢
	25 —	2,000 "	April/May	5.71¢
		3,000 "	"	5.70¢
		2,500 "	February/March	5.72½¢
		46,000 tons		