

## Mining

By HENRY A. BRIMO  
President

*Philippine Gold Producers Association, Inc.*

**D**URING the past year we made some dire statements in these columns concerning the plight of Philippine gold producers, but three failures during the year justified our pessimism. These failures came notwithstanding the *promise* of tax relief, as in the case of United Paracale, and *after* tax relief was received, as in the cases of Atok Big Wedge Mining Company and Mindanao Mother Lode.

What caused these 1953 failures are well-known, but at the risk of being repetitious, two principal factors mainly responsible may be mentioned, namely, the higher minimum wage and the lower price of gold in the free market.

What does 1954 hold for our gold producers? As matters now stand, to be frank, the outlook is so serious that one might almost predict the total collapse of the industry, with possibly the exception of one or two companies, unless something is done to improve the price for gold (currently at P102.50 per ounce for bullion).

Fortunately, 1954 brings a new Administration and the promise of bold and vigorous action by an Executive whose indomitable spirit has inspired us all. The appointment may reasonably be expected of a new group of experienced men well grounded in financial matters, as well as the retention of experienced individuals from the previous Administration. It appears certain, for instance, that Governor Miguel Cuaderno of the Central Bank will choose to remain, with the blessings of President Magsaysay, at the helm of this important institution, and there is no one better versed in the difficulties facing the mining in-

dustry, and with the necessary background to make recommendations, than Governor Cuaderno.

It is hardly necessary to repeat that the only solution possible for the difficulties facing gold producers is a higher price for their product. Any further clinging to the official world price of \$35 per ounce, or to a price which is dependent on or connected with the official price, will only hasten the final collapse unless active and realistic measures are taken to compensate the producers. Fortunately, there is now every indication that this fact is receiving due recognition, just as there appears to be a new consciousness of the importance of using gold to help solve the dollar-shortage problem.

It should not be amiss, therefore, to expect that 1954 will finally bring our gold producers needed relief in the form of government measures designed to stabilize the gold price at a level necessary not only to keep operating mines in production, but also to encourage those mines now developed but standing by, awaiting better days, to actually begin operations. Indeed, there is no alternative but prostration for the industry.

As to the type of relief expected or already proposed, the gold producers subscribe to the general belief that the most feasible help is the direct subsidy plan. This plan is by far the simplest and most effective remedy possible.

From the viewpoint of the industry itself, however, we believe that a direct subsidy plan, guaranteeing a minimum price for gold that would cover all costs plus a reasonable profit, *allied* to the gold-certificate plan which has been freely mentioned throughout 1953 and which the undersigned propounded in a speech he made before the Baguio Rotary Club last August 29 (portions of which were printed in these columns in the September issue), is the best possible solution. Our support of this combined measure is due to our hope that the use of the gold-certificate



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plan will bring the price of gold to a satisfactory level without actual monetary cost to our Government. Since, however, the gold-certificate plan is not certain to effectively achieve its aim, the direct subsidy plan should necessarily be allied to it to provide the necessary support upon which long-term planning can be based.

It is up to the Philippine Gold Producers Association to convince our government authorities that relief is immediately needed, and this we intend to do with all the reserves at our command, and with every hope of success.

## Copra and Coconut Oil

By ROBERT J. McCOMBE

Manager, Copra Buying Department, Philippine Manufacturing Company

THE price-advance started last August finally slowed to a stop in December. Trading was very light and price unusually static. Surprisingly heavy arrivals were a feature.

**Copra Prices.** During December prices fluctuated narrowly between \$212.50 and \$220.00 per short ton c.i.f. West Coast, ending at \$215.00, off \$2.50 for the month. European prices remained unchanged at about \$240.00 per long ton c.i.f. Europe.

In Manila the local price for fresh copra, rescada basis, 30-day delivery, was steady at ₱40.00-₱40.50 per 100 kilos, off slightly from the November 30 level.

**Coconut Oil Prices.** United States coconut-oil buyers continued to buy very cautiously. Throughout the month large tonnages of unsold afloat oil kept pressure on this market. At the month-end oil was freely offered at 16¢ per pound f.o.b. tank cars, Pacific Coast, for January shipment.

**Copra Cake and Meal Prices.** Increased demand for protein meals generally, brought about the first real change in prices for this commodity since last August. Trading for January and February shipment took place at \$65-\$69 per short ton c.i.f. West Coast, up about \$3 for the month.

### Copra Statistics

#### PHILIPPINE COPRA AND COCONUT OIL EXPORTS (In Long Tons)

Copra	October		November	
	1953	1952	1953	1952
United States	24,975	24,975	30,511	30,511
Europe	41,825	41,825	24,600	24,600
Other countries	5,420	5,420	4,012	4,012
<b>Total</b>	<b>72,220</b>	<b>72,220</b>	<b>59,123</b>	<b>59,123</b>

#### Coconut Oil

Coconut Oil	October		November	
	1953	1952	1953	1952
United States	6,346	6,346	8,335	8,335
Other countries	—	—	—	—
<b>Total</b>	<b>6,346</b>	<b>6,346</b>	<b>8,335</b>	<b>8,335</b>

#### MANILA AND CEBU COPRA ARRIVALS (In Metric Tons)

	Manila		Cebu		Manila and Cebu		Per-centage
	1953	1952	1953	1952	1953	1952	
January	8,448	14,775	12,682	16,303	21,130	31,078	68.0%
February	7,741	16,570	13,029	11,705	20,770	28,275	73.5%
March	6,897	14,233	17,981	10,092	24,868	24,325	102.3%
April	8,305	12,411	13,380	9,587	21,685	21,998	98.6%
May	9,202	15,523	10,164	14,018	19,366	29,541	65.6%
June	10,541	14,808	14,462	15,581	25,003	30,389	82.0%
July	13,620	18,441	18,182	16,914	31,802	35,355	90.0%
August	14,641	15,933	20,413	19,411	35,054	35,344	99.2%
September	17,027	17,232	19,779	19,210	36,806	36,442	101.0%
October	18,148	12,224	19,123	16,917	37,271	29,141	127.9%
November	14,878	13,157	15,709	16,693	30,584	29,850	102.5%
December	15,182	9,947	16,838	11,798	32,020	21,745	147.3%
<b>Totals</b>	<b>144,630</b>	<b>175,254</b>	<b>191,752</b>	<b>178,279</b>	<b>336,382</b>	<b>353,483</b>	<b>95.2%</b>

#### PHILIPPINE AND INDONESIA COPRA EXPORTS (In Metric Tons)

	Philippine Copra Exports*		Indonesia: Copra Exports			
	1953	1952	1953	1952		
Percentage	1953/52	1953/52	1953	1952		
January	41,025	77,050	53.2%	14,230	32,657	43.6%
February	38,672	84,884	45.6%	18,884	24,931	75.5%

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