

BASE METAL PRODUCTION IN THE PHILIPPINES

Chamber of Mines of the Philippines

NAME	APRIL		MAY	
	Quantity M.T.	Value in Pesos	Quantity M.T.	Value in Pesos
Consolidated Mines, Inc.....	20,000	P484,800	17,800	P427,200
Lepanto Consolidated Mining Co.....	969	926,248	903	851,776
Mindanao Mother Lode Mines, Inc.....	26	23,845	24	20,913
Philippine Iron Mines, Inc.....	43,703	546,288	54,495	874,171
Samar Mining Co., Inc.....	20,223	370,099	28,239	516,774
Marinduque Iron Mines.....	3,853	73,207	3,354	63,726
Acocje Mining Company.....	None	None	5,000	194,650
Misamis Chromite Mining Co.....	None	None	1,209	72,540
Luzon Stevedoring (Chromite) Co.....	None	None	1,800	72,000
Surigao Consolidated Mining Co.....	34	25,327	38	34,865
Luzon Stevedoring (Manga- nese).....	None	None	3,200	128,000
General Base Metals.....	None	None	4,368	218,400
Palawan Manganese Mines.....	None	None	1,100	88,943
Amalgamated Minerals, Inc.....	None	None	1,418	81,677
Badillo Mining Co.....	None	None	None	None

Copra and Coconut Oil

By K. B. DAY AND D. C. KELLER
Philippine Refining Company, Inc.

May 16—June 15

BOTH the copra and coconut oil markets continued to fall sharply during the period under review and comparatively little business, apart from German purchases, has been reported.

On the Pacific Coast, copra prices fell from \$205 per ton c.i.f. to \$175 without attracting any real buying in-

terest. A similar indifference to the market was displayed by Europe where the price also fell by \$30, i.e., from \$250 per ton c.i.f. at the beginning of the period to \$220 c.i.f. on June 15. The one bright spot during the period was the purchase by Germany of some 6,300 tons of Philippine copra at a price equivalent to around \$227.50 c.i.f. Hamburg. The local market kept in line with the general decline; prices were quoted on May 16 of P38 per 100 kilos and had fallen to P33 on June 15. Local dealers were very uneasy and over-cautious in their trading, feeling that with every new decline the market had at last reached "bottom"; indications, however, are that prices may continue to fall.

Oil prices in the United States experienced similar downward trends; opening offers of 16 cents f.o.b. Pacific Coast which went unaccepted had fallen to 13-1/4 cents f.o.b. at the end of the period and apart from a few small resales of tank-cars we have heard of no other trading having taken place. There was no interest in bulk oil. In Europe, Germany once again stepped into the picture with purchases of 4,500 tons of oil at a price equivalent to \$324.50 per ton c.i.f. Hamburg, this time partly from Philippine sources and partly from Coast mills which sold at 13-1/2 cents f.o.b. Pacific Coast.

Aside from this business, however, there was a complete lack of interest and the market continued weak, and sellers who were holding for \$375 per ton c.i.f. Europe on May 15, were offering freely at \$330 on June 15 without eliciting interest.

There is little doubt that one of the chief causes of the weak market, both in America and Europe, can be attributed to the new "peace in Korea" possibilities which have grown steadily stronger during recent weeks and have led to a general slow-down in business and a reduction in inventories.

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Once again the copra-meal market brings a happy note to a dismal report, and we are pleased to say that prices continued to rise with an increasing demand from buyers on the Pacific Coast. Prices quoted May 16 were \$61 per short ton c.i.f. and rose to \$64 on June 15, and although this is probably due to a seasonal demand we feel that the market can still rise a little further because supplies are limited. We learn also that Denmark is expecting an allocation of E.C.A. dollars for Philippine copra meal and will soon be interested in buying.

The situation regarding shipping space remains the same, i.e., no difficulty in obtaining space to the United States, but a shortage of both copra space and deep tanks to Europe. With the present lack of buying interest, however, this is not as serious as in previous months.

Figures submitted for May shipments are as follows:

Copra		Coconut Oil	
Pacific.....	16,349 long tons	Atlantic.....	3,092 long tons
Atlantic.....	5,164 " "	Belgium.....	412 " "
Canada.....	2,900 " "	Union of South	
Belgium.....	4,450 " "	Africa.....	613 " "
Holland.....	7,750 " "		
France.....	954 " "	Total.....	4,117 long tons
Italy.....	1,700 " "		
Denmark.....	1,500 " "		
Sweden.....	1,000 " "		
Germany.....	500 " "		
Morocco.....	631 " "	Honolulu.....	495 long tons
Columbia.....	5,380 " "	Pacific Coast..	3,536 " "
		Europe.....	750 " "
Total.....	48,278 long tons	Total.....	4,781 long tons

ON May 11, Republic Act 613 came into effect. This Act, known as the Export Control Law, is designed to control exports in the interests of national security and

economic rehabilitation. Under its provisions, as implemented by Executive Order, all exports are carefully considered, classified, and if necessary screened. While coconut products to friendly destinations are not generally questioned, the mechanics of clearing exports through the Export Committee results in additional red tape for exporters. We believe, however, that as the Committee gathers experience, such difficulties will be minimized, for there is every evidence of desire to cooperate insofar as the law permits.

The decline in copra and coconut oil prices has been paralleled in competing products, notably cottonseed oil, soya bean oil, and tallow. The new lower levels should point to better business later in the year, for coconut oil is becoming very reasonably priced. But the Philippine economy is being hurt, because the Government has been counting on higher prices than those now pertaining.

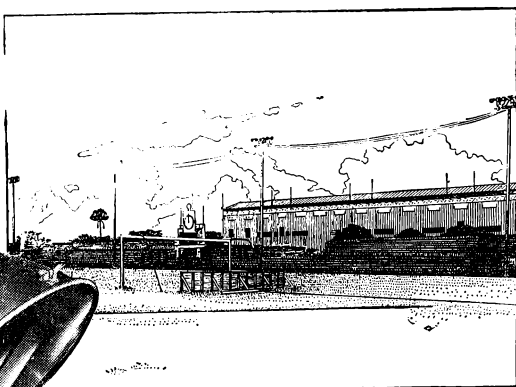
It is interesting to compare the price of 13-1/4 cents f.o.b. Pacific Coast which was offered unsuccessfully on June 15 with the price of 14 cents which was ruling just before the Korean crisis a year ago. We believe that this is the only oil which is back to pre-Korean levels.

With copra production normal, and with another year of bumper crops in prospect in the United States, with consumption and supplies of fats for European requirements nearly in balance, there is no economic justification for expecting sharp price increases, although our markets will undoubtedly continue to fluctuate. The big question marks are political and military developments, and it would require a brave man to take much of a trading position with everything so uncertain. It is a distressing paradox that while the "threat of war" results in our Export prosperity, the "fear of peace" has exactly the opposite effect. These are trying times indeed, through which we are passing.

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