

It is expected, however, that after January 1, the situation may be a little clearer. Meanwhile it was expected that buyers, especially those in the United States, will mark time. Whether the New Year will bring better prices or lower prices or whether the market will stabilize itself at any reasonable level, was anybody's guess. Opinions differ radically. One thing appears certain, however, and that is that Philippine copra exports for 1947 have hit a high-point which will not be duplicated in 1948 and perhaps for several years thereafter.

Desiccated Coconut

By HOWARD R. HICK

President and General Manager

Peter Paul Philippine Corporation

THIS report covers the calendar month of November 1947. During this period, copra prices and equivalent nut prices reached the highest point in history, and toward the end of the period, nuts could not be purchased for equivalent copra prices; sellers were holding, requesting premiums over copra values. This was the first time since the war that sellers took such a stand and is a mark of the degree of competition existing today in the raw-material market.

This month has shown a marked increase competitively, as all present producers worked near the 100% capacity and new producers broke ground or hastened the erection of new factories. Red V Coconut Products, Inc., a British-controlled firm, broke ground in Mindanao for the purpose of erecting a second factory. Their plans include the use of the most modern and most efficient equipment available and their future production capacity will be larger than their pre-war production.

Mr. W. H. Stoford, formerly Provincial Manager for Franklin Baker Company and now General Manager for Red V Coconut Company, recently returned from London to take over his new duties.

It is reported that several newcomers are entering the field. A company is being formed and some machinery is being installed at Pagsanjan, Laguna. Also, another factory is being erected in Lopez, Quezon province, and a second one in Gumaca, Quezon. This marks the development of a new producing area and a trend to minimize the concentration of factories in one large district.

SHIPPING STATISTICS OF MANUFACTURERS OF DESICCATED COCONUT FOR THE MONTH OF NOVEMBER, 1947

Blue Bar Coconut Products Co.	1,632,800
Canlubang Sugar Estate	Shipped by Franklin Baker Co.
Cooperative Coconut Products	205,000
Franklin Baker Company	3,514,780*
Marsman and Company, Inc.	155,100
Peter Paul Philippine Corp.	1,680,000
Philippine Desiccated Co.	Shipped by Blue Bar Co.
Red V Coconut Products	1,212,500
Sun-Ripe Coconut Products	935,000
United Coconut Products, Inc.	235,200

*See Pablo production..... 28,582 bags 2,673,780 lbs.
Canlubang production..... 8,410 " 841,000 lbs.

Sugar

By G. G. GORDON

Secretary-Treasurer, Philippine Sugar Association

At a recent conference between sugar shippers and representatives of the Associated Steamship Lines, it was agreed that the sugar freight rate to Atlantic Ports be established for a period of six months at \$18 per long ton, net weight delivered.

Following a public hearing held on October 20, 1947, the War Damage Commission has issued the following ruling:

1. Claims for milled sugar should be filed by the owner of the sugar whether it be the central, planter, or a third party.

2. Claims for sugarcane, whether standing or cut, will be recognized only when filed by the planter who held the sugar marketing allotment in connection with that cane.

3. The value of milled sugar for the purpose of payment of war damage claims shall be fixed at the average of the 1939-1940 ex-bodega Manila prices.

4. The value of sugarcane at the time of loss shall be established in each case on the basis of evidence submitted by the claimant or otherwise obtained by the Commission.

The members of the Executive Committee of the Philippine Sugar Association were the luncheon guests of Mr. Jose G. Sanvictores at the Canlubang Sugar Estate on Sunday, December 14, 1947. Advantage was taken of the opportunity to observe the various experiments being conducted at Canlubang.

On the invitation of President Roxas, a delegation of sugar planter and millers conferred with him in Baguio on December 5, 1947. Among matters discussed were the means by which the Government could assist in the rehabilitation of the sugar industry, the Government's desire to keep the price of domestic sugar at a reasonable level, and the possibility of selling export sugar from the 1947-48 crop to the U. S. Army.

Following this conference, Philippine Sugar Order No. 4 was issued, raising the quota for local-consumption sugar to 150,000 short tons and ordering the release of 50% of all sugar milled to the local market as from December 1, 1947. This has resulted in a drastic decline in the wholesale price of local-consumption sugar, and sugar is now being sold much nearer pre-war value than any other food-commodity locally produced.

Following the conference in Baguio, Philippine sugar producers negotiated with a representative of the U. S. Army for the sale of a large proportion of the 1947-48 export sugar on the basis that all sugar covered by this transaction would be recognized by the United States Government as having been delivered against the Philippine export quota, and that such a transaction would in no way prejudice the quota rights in the United States market of Philippine sugar. These negotiations are still in abeyance, pending further advices from U. S. Army authorities.

Quotations on the New York Sugar Exchange for the period from the second half of November to the first half of December ranged as follows:

	High	Low	Close	Sales
May, 1948	5.46	5.20	5.45	57,300 tons
July, 1948	5.49	5.20	5.47	28,950 "
September, 1948	5.50	5.21	5.48	12,100 "
December, 1948	5.38	5.18	5.49	6,300 "
March, 1949	5.20	5.00	5.20	4,300 "
TOTAL SALES				103,250 tons

Manila Hemp

By MURRAY COOK

International Harvester Company of the Philippines

November, 1947

STARTING with a firm opening, the market for Manila hemp during the first week of November remained steady. Davao opened at P51 per picul for "J1", with exporters content to purchase at this price any hemp offered by dealers.

Offerings in the New York market on the basis of DA/F at 25-1/4¢, DA/I at 24¢, DA/J1 at 23-1/2¢ were ignored by United States buyers. During the middle of the second week, buyers appeared at these prices, and New York sellers quickly raised their ideas of price. This was promptly reflected in Davao and exporters advanced their price of DA/J1 to P52. Buyers in the United States continued to follow the market, creating a firm situation in Davao. By November 25, sales were made in New York,

basis DA/I at 26-1/4¢, DA/J1 at 25-1/4¢, and DA/G at 23-3/8¢. The local market continued to advance due to keen competition among exporters, and prices advanced rapidly to DA/J1 at P56 per picul, establishing a record price for Davao hemp. The rest of the period witnessed a firm market, which closed at the following prices in Davao: F—P62, G—P54, H—P41, I—P61, J1—P58, S2—P58, S3—P50, J2—P50. Sellers in New York were offering at the same time on the basis of Davao: F—26-7/8¢, G—24¢, I—26-1/2¢, J1—25-1/2¢, S2—25-1/2¢, and S3—22-1/2¢.

The market closed on a very firm note.

In the non-Davao areas, the better grades of hemp continued in small supply; low grades dominated the area. These continued in poor demand; and contrary to Davao grades, the non-Davao grades were extremely quiet as a result. Starting out nominally at P40 per picul for J1 loose, the market moved slowly upward to a price of P41.50, where it closed on a quiet note. Sellers at the close were offering J1 at 20-1/2¢ in New York, and J2 at 15-1/4¢, K at 14-3/4¢, but met with little success.

The firmness of the market during November was somewhat justified by statistics of the Fiber Inspection Service. Production for the entire Philippines was only 52,741 bales—a slump of about 20,000 bales from the October production. This brought the pressings for 1947 to 731,501 bales. Not much improvement is expected during December, and it now appears that the total will not exceed 800,000 bales.

Davao accounted for only 21,966 bales of the November production—the lowest of any month this year. The Bicol region of the non-Davao area showed also a drop of about 10,000 bales from October production. Three rather bad typhoons swept through these provinces during November, which greatly handicapped the stripping of fiber. The end of November still found the planters salvaging fallen coconuts and a badly flattened rice-crop, which makes the production prospects of hemp in this region for December rather discouraging.

Chemical Products

By PAUL F. ARNAULT

Philippine American Drug Company

IN the field of chemicals, a rapid backward glance to the business conditions which have prevailed here since the war permits the following summary:

By the end of 1945, at the time when United States price-control was still strict, production was maintained in high gear, and the world-demand for chemicals was not yet so evident, importers in the Philippines knew a brief fortunate period when things were obtainable and at prices which resembled those of 1941.

In the course of 1946, first due to strikes, then to the lifting of price-control, a number of shortages became more acute and prices began to rise.

During 1947, prices advanced further, and by the middle of the year a tendency was observed for the removal of a number of the remaining price-controls. At the same time, increase of production brought in an improvement in deliveries. However, during the latter part of the year, due to the world political situation, a greater number of shortages developed.

It would be wrong to conclude from the general impression that the situation in the Philippine market in chemicals, is a simple one: a situation where demand is invariably in excess of supply!

Considered from the viewpoint of experienced importers and dealers in chemicals, the local market situation is often paradoxical. For example, instances have been numerous in the course of 1947 when the market has given signs of over-supply or has registered deteriorating local

quotations on commodities considered as short in other markets of the world.

Several reasons may be given in explanation of this. In the first place, it must be remembered that the Philippine market is still a small market, especially for industrial chemicals, hence it is extremely susceptible to any over-abundance, even momentary. Also, in the field of chemicals, as in that of consumer-goods, the fact appears that in this post-war era many people in the Philippines have eagerly striven to become importers, thus introducing an element of speculation and poorly considered ordering.

Another factor making for a sluggish market in a number of industrial chemicals, is that the recovery of local manufacturing industries has unfortunately been delayed in some cases or even defeated. To name only a few of the untoward conditions, one may mention the difficulty of obtaining machinery and certain key-materials; the delay in war-damage compensation; the high cost of skilled labor. One must recognize, too, that the establishment of a sound economy is a slow process in all countries which, in this war, have suffered both invasion and inflation.

It would be much beyond the scope of this brief article to make any kind of technical analysis of the import, consumption, and price of chemicals in the Philippines. A summary of the local trends, in connection with the main categories of chemicals must suffice:

Pharmaceutical chemicals. The supply on the Philippine market is generally adequate and prices present, on the whole, a satisfactory steadiness.

Laboratory chemicals, organic chemicals, dyes. No improvement has been registered in 1947 as regards deliveries from the United States, and prices are definitely on the up-trend.

Fertilizers. Hardly any progress has been made toward a sufficient supply for this market due to world-shortages and restrictions on exports by the manufacturing countries.

Chemicals used in the food industry. Restricted exports characterize the sale of chemicals obtainable from America. However, these restrictions will not be too severely felt in the Philippines as long as, against the imports of finished products, a larger Philippine production of manufactured foodstuffs does not start. The sugar industry is fortunately not hampered by any particular shortage in chemicals, except, of course, in fertilizers. The vegetable-tard industry is, on the contrary, placed in a difficult situation due to the shortage of other vegetable fats than coconut oil which are necessary in the manufacture.

Industrial chemicals. Many shortages persist in supplies from abroad, but the picture of local stocks and conditions is extremely changeable, as we have already mentioned, due to some inconsidered imports and the rather sporadic consumption, directly bound to the state of local industry, whether in mining, textile, rubber, and soap manufacture, canneries, or any other.

If chemicals are imported in reasonable quantities, and if the rehabilitation and development of Philippine industry improves in the near future, then business here, as far as chemicals are concerned, should rest on a sounder foundation.

Textiles

By JAMES TRAYNOR

THE arrivals of textiles from the United States during the month of November were estimated to be about 30% higher than the arrivals during October. The arrivals from Shanghai during November were about the same as October. There were no arrivals reported from Japan during the month of November.