presented their versions of an amendment to the Ad Valorem Tax, main target of the gold producers, while the gold producers additionally presented amendments to the 17% Excise Tax and 7% Compensating Tax designed to relieve them of these import levees, at least during the duration of the current emergency. The Allas Ways and Means Committee, in an executive session, thereupon agreed to completely eliminate the Ad Valorem Tax on gold producers but denied their further petitions, at least for the present. This is where matters stand today.

Meanwhile, as more and more information is received from mining associations abroad, the surprising magnitude of the consideration being offered to the gold mines in each country is revealed. Canada, for instance, in a single year, paid in direct subsidy to its gold mines the total sum of $9,250,000, notwithstanding the fact that its gold mines were operating profitably as a whole, and then decided to increase its subsidy during the current year. In fact, in a single year, Canada's gold producers earned almost 30% on its working capital, with government subsidies cotributing 35% of that profit.

On the other hand, preliminary figures for 1952 submitted by Philippine gold mines show that the entire industry ended its operation in the red to the tune of close to a million pesos. It will be interesting, therefore, to see how the gold producers' campaign develops in the light of the 1952 record of the industry. The idea of aiding mining companies, as developed principally abroad, has always been to encourage the development of new mines. It is an idea that has always paid off. For the time being, at least, the Philippines has failed to support its mines in the same manner, with the result that new mining ventures are being neglected. The question of the hour remains: Will our Government take the highroad leading to new development and new encouragement, or will it continue to expect, as in 1952, to reap ₱9,500,000 in taxes while forcing the industry to operate at a loss? If it chooses this path, mining in the Philippines is destined for an early death and the vast mineral resources in this fair land will be left undeveloped and the corresponding income taxes unearned.

Fortunately, there are evidences of a belated, but real, awakening to the plight of the gold producers. Some sort of aid is assured, but the question of the type and amount will be decided during the present Congressional session.

Copra and Coconut Oil

By Douglas C. Keller

Manager, Philippine Refining Company, Inc., Cebu

January 16—February 15

THE general theme of the period now under review was one of dullness and inactivity as buyers withdrew from a market generally considered as artificially high. Trading throughout the period was confined mostly to spot purchases by buyers operating on a "hand-to-mouth" basis. This was particularly true of coconut oil which rose to a level completely out of line with the prices and easy availability of other oils and fats and therefore caused consumers to reduce their usage to a minimum and allow their inventories to become dangerously low.

Philippine crushers and copra exporters appreciated the fact that the market was top-heavy and endeavored to either keep a balance position or sell for forward shipment. This latter course proved practically impossible since the only buying interest was for spot parcels or unsold copra and oil already afloat. It would appear, then, that the only factor which prevented the market falling to more reasonable levels was the disappointingly low production of copra. Low production was not confined to any one area but appears to be general throughout the Philippines and is blamed largely on a crop of nuts which recently have proved to be unusually small and to contain a very thin meat content. The reason for this is impossible to determine and we can only lay the blame on one of those unaccountable cycles of poor production plus the fact that we are now getting the effects of the bad period of drought experienced in the Visayas and Mindanao some months ago. There is the usual conflict of opinions about the extent of the falling-off of supplies but our own estimate is that in comparison with 1952 the total copra and coconut-oil equivalent exports will be reduced for the first 6 months of 1953 by anything from 20 to 25% and for the last half of the year by a maximum 5%.

Copra. Copra, for spot shipment, was traded at the beginning of this period at $220 per ton c.i.f. Pacific Coast, while the next sale which came a week later was traded at $215. Further sales, all for spot or prompt shipment, were reported at this level and after a small parcel changed hands at $220 during the first part of February. The market settled back to $215 around the middle of February. In Europe the market for Philippine copra was practically nominal all through the period and, as far as we know, only one parcel of first-hand copra was traded and that at $230 c.i.f. usual continental ports, for February March shipment. At the close, sellers were generally asking $240 per ton c.i.f. for February/March without arousing much interest as European buyers remained withdrawn.

Near the end of this period, the steamer *Anthony* went aground off the coast of Palawan with approximately 6,500 tons of copra aboard, some of which was damaged by sea-water. The condition of the cargo is presently unknown, but initial reports indicate that a substantial portion of the copra can be salvaged. The immediate effects of this news were bullish and the market at the close of the period was firm.

Local prices for copra, which at the opening of the period were quoted at ₱41 per 100 kilos, climbed to ₱42 around the third week of January and then dropped back to ₱41, which, give or take 50 centavos, remained constant until the middle of February. As usual, however, some very fancy prices, i.e., ₱43 and ₱43.50, were reported paid for reasonably-sized parcels available for spot shipment.

Coconut Oil. As previously mentioned, the main demand for coconut oil during this period was confined to spot parcels in New York and on the Pacific Coast or bulk oil afloat and already nearing destination. Crushers in the Philippines found it impossible to sell forward oil except at a suicidal discount. This latter fact, plus low arrivals of copra in Manila, resulted in a considerable reduction of local crushing activities.

At the beginning of this current period, coconut oil in tank-cars was traded at 16-1/4 cents f.o.b. Pacific Coast and with only slight variations remained constant throughout. Bulk oil was traded at 15-3/4 cents c.i.f. New York at the beginning, but before the end of January afloat oil sold first at 16-1/4 and the following day another afloat parcel was traded at 16 cents. The end of the first week of February saw oil, again afloat, sold at 16-1/4 cents. Buyers were generally uninterested in forward oil except at a discount of around 1¢ per pound.

In Europe demand for coconut oil was completely non-existent as quotations from the Philippines persistently ruled much higher than offers of the better grade oil from Ceylon and Singapore. A purely nominal price of $350 per ton c.i.f. Continental ports was quoted without change at intervals during the period.

During the first half of February, European buyers purchased some 140,000 tons of Norwegian whale oil, part of which came from unsold stocks of the 1952 catch while the rest was derived from the 1953 catch. Sold at an average equivalent price of $200 per ton, this whale oil proved a very attractive buy in comparison with the generally overpriced coconut oil.

Copra Cake and Meal. Trading in copra meal was not very excited and on the low side during the period; reduced supplies due to curtailed copra-crushing resulted in sellers not being over-anxious to dispose of their small stocks, while West Coast buyers appeared, on the surface, unaffected by low supplies. Around the middle of January, meal was at $80 per ton c.i.f. Pacific Coast, and by the end of the month the price had crept slowly to $81.50, at which level a small parcel changed hands. Thereafter sellers were asking $83 and declining bids of $82, but by the middle of February both ideas had been reduced by one dollar, i.e., sellers—$82, buyers—$81.

Copra exports during the month of January, 1953, are reported as follows:

To United States Pacific Coast	10,394 long tons
United States Gulf Ports	6,811 " "
Europe	12,850 " "
Israel	1,500 " "
Venezuela, South America	1,000 " "
West Indies	2,995 " "
Total	35,550 long tons

This compares with 53,625 tons of copra exported during December, 1952, and 66,683 tons shipped during January, 1952.

With regard to shipments of coconut oil, total exports during January, 1953, were as follows:

To United States Atlantic Coast	2,460 long tons
West Indies	582 " "
Total	3,042 long tons

By way of comparison, the December, 1952 exports of coconut oil amounted to 4,012 long tons, while during January, 1952, the total was 6,586 tons.

Desiccated Coconut

By Howard R. Hick
President and General Manager
Peter Paul Philippine Corporation

THE following are the first shipments of desiccated coconut manufactures for January, 1953.

Franklin Baker Company	2,059,100 lbs.
Blue Bar Coconut Co.	519,280 "
Peter Paul Philippine Corp.	1,000,000 "
Red V Coconut Products	2,534,000 "
Sun Ripe Coconut Products, Ltd.	243,700 "
Cooperative Coconut Products, Inc.	—
Standard Coconut Products, Inc.	—
Tabacalera	—
Coconut Products (Phil.) Inc.	—
	6,256,080 lbs.

Sugar

By J. H. d'Authreau
Theo. H. Davies & Co., Far East, Ltd.

THIS review covers the period February 1 to February 28, 1953.

New York Market. The disagreement between Cuban mills and planters has been resolved by a temporary compromise and the appointment by the President of a technical commission to study mills' and growers' costs. Final settlement will be on the basis of the Commission's findings. Grinding got off to a poor start, but by the end of the month 157 (all but four) mills had begun operations against 161 at the same date in 1952. Production to February 14, 1953, was reported at 300,000 Spanish tons, against 1,375,000 Spanish tons on the same date in 1952. In Porto Rico milling was also reported to be in full swing.