

## GLEANINGS FROM THE PRESS

### 'AMERICAN THREATS TO CEYLON'S COPRA TRADE' SPOTLIGHTED

At a meeting of the Chilaw-Negombo Planters' Association held at the Chilaw Resthouse presided over by Mr. S.C. Shirley Corea, Chairman, Mr. Emmanuel Muttukumar who represented Ceylon in several trade talks abroad, made some observations regarding 'threats from several countries like America which were at one time the biggest importers of Ceylon's copra and coconuts, to Ceylon's copra trade'.

He said that, 'the exports of the surpluses of oil (soya and cotton) and lard and tallow have caused grave problems to poorer countries which produce fats and oils'.

In the words of a representative of the IASC at the 1959 CCP Sessions Mr. Muttukumar said that 'these exports from America are a direct threat to the living standards of the tropical producers of all oils and fats, but particularly so to copra producers'.

He cautioned to say, 'the world recognises the untainted generosity of the American people in all quarters of the globe and their warm-hearted endeavours to reduce the poverty of the masses of mankind, to improve their educational and cultural levels. Yet, our American friends may inadvertently do more harm to the living standards of those very people by economic activities which they may well be quite unable to control'.

Speaking as a producer Mr. Muttukumar said: 'I would take this opportunity to appeal to the United States Government to re-examine its policies from the point of view of the tragic consequences they will obviously have on the under-developed areas they seek to assist'.

He added 'I am sure most producers will agree with me that there would be no purpose in the U.S. giving aid to countries where the economy has been affected by its activities. The best we can do is to set our own houses in order'.

In conclusion he said that 'the joint result of all these factors will be reduced prices. With the present trends in improving standards of living, there can be no reduction in our costs of production. The only alternative is increased production'.

#### **Not only Ceylon**

Dr. M.L.M. Salgado, Director of the C.R.I. said that 'these were problems which were to be very seriously viewed because it concerned the

coconut industry as a whole, not say that of Ceylon alone but that of all coconut producing countries in the whole world'.

Elaborating further Dr. Salgado said that 'if the manipulation of such a stockpile of oil and its release when coconut oil (or any other edible oil) reaches high prices, in order to make the law of supply and demand operate and bring down the price, this manoeuvre if done as alleged, would be the greatest dis-service that U.S.A. could do to the primary producers in S.E. Asia'.

'Indeed' said Dr. Salgado, 'such a measure, as a tool of economic strategy will certainly nullify the effect of all direct and indirect aid that American funds generously granted intend to produce on the under-developed producers of S.E. Asia'.

Dr. Salgado added that 'in these matters, the Government of S.E. Asia should raise this matter at the highest diplomatic level and bring up the question in such bodies as UNO or FAO'.

### **Price stabilisation**

He said that 'a price stabilisation scheme he has in mind, such as the one that was successfully worked in the Gold Coast (Ghana) for cocoa should even now though we may have missed the bus, be considered for copra in Ceylon.

As in the Ghana cocoa scheme, the Government should work out a scheme (even though this should have been done earlier) to offer a stable economic price realised in booms above the floor price (guaranteed price) to a Consolidated Fund, from which the producers could be subsidised when prices are depressed. Booms are dangerously bad, as producers imagine bonus lasts forever. A case in point is seen in the tragedy of Jamaica in sugar'.

Mr. Muttukumar, replying said he was not quite aware of the operation of the alleged stock pile by U.S.A. but referring to the price stabilisation scheme he said that when prices were at boom levels he and Mr. R.H. de Mel had suggested such a scheme; but a leading producer had categorically protested against such a suggestion.

Speaking on the economics of coconut manure, Dr. Salgado said 'high farming was no remedy for low prices'.

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