

The reason for this is that very few prospectors have the means to penetrate this area and finance one expedition after another, until they discover something worth while. On the other hand, the two corporations will each spend \$50,000 the first year, and \$75,000 during each of the two succeeding years, on detailed prospecting. Claims may be staked during the period of the concessions, but one-half the area must be relinquished after the second year.

A long-range program is being planned by the respective companies, including magnetic surveys with helicopter planes. This is something new, which, so far, has not been tried in the Philippines. It is an expensive method of prospecting and can only be used by a corporation. It requires a specially designed magnetometer, which is a very sensitive and fairly large magnet, capable of being properly leveled up and set into the helicopter plane. Back and forth flights of about 50-miles are undertaken, and a 50-mile square is covered. Observations are made by trained observers, engineers, of any unusual areas on the ground which affect the instrument. These are known as "anomalies". When so-called "anomalies" are located, the plane is kept stationary and brought down very low, near the ground. Notes are made, photographs taken, and, later, trails are cut through the jungle or forest to this point and a geological party put to work to ascertain what mineral has caused these anomalies.

In order to be effective, this method should only be used where there is believed to be mineral which has certain magnetic properties.

At the moment, the method is being tried out in Norway to locate magnetic iron ore-bodies. It was used in Canada on titanium ores, which also have strong magnetic properties. Attempts have been made to locate lead,

zinc, nickel, and copper ores. However, these are much more difficult to locate because of the very weak magnetic field surrounding these deposits. Experiments are being carried out constantly, and it is hoped that, ultimately, these other metals may be located more readily.

The method has also been used to trace magnetic rocks and fault lines in oil fields. In fact, it is being used quite extensively at the moment to trace out underground rock structures, so that stratigraphic maps can be made before locating new oil wells.

Presence of lead-zinc mineralization in the areas contained within the two Canadian concessions, has been known for many years, and some work was done in 1929. At that time half a million tons of ore were indicated, averaging about 7% lead and 9% zinc.

It is hoped that during this present era when there is a world shortage of lead and zinc, and increasing demands are constantly being made on the copper, aluminum, chrome, manganese, and nickel reserves, that the new methods will be perfected shortly, so as to make essential metals available in quantities sufficient to meet the needs of mankind.

Lumber

By E. C. VON KAUFFMANN

President, Philippine Lumber Producers' Association

THE local market situation remains unchanged with prices too low for producers to operate at a profit. With prices of Red Lauan at P180, Apitong P160 to P170, and White Lauan P150 to P160 delivered at buyers' yard, it means that the producer still has to deduct his expenses for delivery from steamer to yard, freight,

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commission, and sales tax, the whole averaging around ₱44 per 1,000 board feet, to get at his net f.o.b. price at the mill.

On a production of a fair percentage of Red Lauan, Apitong, and White Lauan of say 40%, 25%, and 35% respectively, producers get about ₱110 net f.o.b. steamer at their mill, and their cost ranges between ₱120 to ₱140 per 1,000 board feet.

A few exporters may be able to improve on their overall average f.o.b. price, but the great majority of producers are practically entirely dependent on the local market and should not hope for any improvement until the rainy season is over.

Copra and Coconut Oil

June 16 to July 15

By MANUEL IGUAL

General Manager, El Dorado Trading Company, Inc.

AND KENNETH B. DAY

President, Philippine Refining Company

FROM the viewpoint of the Philippine copra producer and the average copra dealer, the period under review was a most dissipating one. Export prices declined steadily throughout the month, and registered an overall drop of approximately \$50 a ton. Large operators, however, both in the Philippines and in the United States, profited greatly by this trend, for they sold heavily for future shipments as the market went down, which they were in a position to cover in very profitably later on.

The weak spot was Europe, which had been expected to be a strong consumer of copra and to bolster the market at about the \$300 level. European buying, however, was largely controlled by the ECA (European Cooperative Administration), and European buyers were smart in taking on future shipments rather than spot, thus preventing the bulge which nearly everybody had expected to occur late June or early July.

On the Coast, where buyers were bidding \$310 c.i.f. on June 16, the price gradually drifted down without any reaction to a low of \$260 c.i.f. as the period ended. Some copra was sold on the decline, but the volume was not very great and buyers were continually backing away. Most of the business was for prompt shipment. Eventually sellers who had been hoping for better things, became reconciled to the essentially weak tone of the market, and as the period ended, were prepared to sell moderately, anticipating even further declines.

Meanwhile, coconut oil was in very light demand, with, however, occasionally small spot interest from edible consumers ranging from 25¢ down to 22¢. Large inedible consumers were not interested in these prices, but did take on a fair volume of future business for the last quarter of the year ranging from 20¢ down to 19¢ per lb. f.o.b. Coast, which discounted the copra market radically at the time of sale.

The encouraging factor, if any, in this whole picture was that by the drop in coconut oil, reflected in copra, the spread between tallow, which held fairly firm at 17 to 18¢, and coconut oil was greatly narrowed. It has long been felt that once coconut oil and tallow were nearly in balance, large consumers would renew their interest in coconut oil, and would be willing to buy larger quantities for further future positions, thus doing much to re-stabilize pre-war conditions. It appears that the developments during this period showed considerable promise in this direction.

Local prices both for copra and coconut oil followed closely the export trends. In Manila, copra sold down from ₱62 to ₱47 and in Cebu from ₱62 to ₱50,

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