

Exports for November this year, as compared with exports for November last year, were as follows:—

	1949	1948
Alcohol.....	59 tons	13 tons
Coconut, Desiccated.....	7,192 "	7,459 "
Coconut Oil.....	4,643 "	4,551 "
Concentrates, copper.....	2,766 "	—
" gold.....	429 "	108 "
" lead.....	90 "	—
Copra.....	50,991 "	54,696 "
Copra cake, meal.....	5,853 "	5,472 "
Embroideries.....	167 "	124 "
Empty containers.....	341 "	295 "
Fish, salted.....	45 "	—
Foods, canned.....	28 "	—
Furniture, rattan.....	593 "	863 "
Glycerine.....	160 "	—
Gums, copal.....	35 "	59 "
Hemp.....	33,574 bales	41,425 bales
Household goods.....	323 tons	58 tons
Junk, metal.....	471 "	37,017 "
Logs.....	838,799 bft.	1,724,464 bft.
Lumber.....	1,470,662 bft.	1,412,291 bft.
Plywood.....	11,345 sq.ft.	—
Ores, chrome.....	6,589 tons	23,800 tons
" iron.....	17,934 "	—
" manganese.....	1,041 "	—
Pineapples, canned.....	1,099 "	—
Rattan, palasan.....	158 "	44 tons
Rice.....	2,953 "	—
Rope.....	227 "	117 "
Rubber.....	100 "	128 "
Shells.....	44 "	60 "
Skins.....	72 "	130 "
Tobacco.....	1,637 "	29 "
Vegetable oil products.....	31 "	379 "
Transit cargo.....	24 "	2,082 "
Merchandise, general.....	2,949 "	17,390 "

Air Transportation

By H. E. UMBER

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THE periodic controversy between the Civil Aeronautics Administration of the Philippines and the National Airports Corporation, also a government entity, is currently being debated in the Manila newspapers. The difficulty arises over the overlapping nature of the responsibilities of each organization and the desire on the part of each to properly perform their functions for the advancement of the industry. That there is need for economy in all governmental departments of the Republic may be reason enough for the newly elected Congress to objectively survey the situation with a view toward arriving at a definite and lasting solution to the problems to the benefit of all concerned.

Another item to be objectively approached is that of tourism in the Philippines. A great many plans have been advanced on how to develop this important dollar earner for the Government. However, the first problem to overcome is the infinite detail which every tourist must undergo who desires to come, to see and to leave. With the natural wonders of the whole of the Philippines widely advertised by everyone interested in bringing tourists to the Islands and with the development of accommodation to take care of them when they get here, it still remains for the Government to make it reasonably effortless for the traveler to come in and get out of the country. It would appear that there are too many other countries in the world which have taken advantage of their opportunities in this respect for Mr. Average Tourist to seriously consider the Philippines as attractive for a visit until such time as he can come here with as little or less effort than it takes to visit other countries of the world which are soliciting his business.

Gold

By CHAS. A. MITKE

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A CRISIS, which was virtually a man-made crisis, was created in the Philippines early in December, 1949, when the Central Bank imposed a ruling, requiring all importers to put up 80% cash advances with all orders. This was rapidly followed by a drastic upward revision of the import control quota-cuts, many of them up to 90%. Fear, engendered by these restrictions, caused a flight of capital from the country at the rate of \$2,000,000 daily. To check this loss, exchange controls—Central Bank Circular No. 20—were abruptly imposed, this necessitating a waiver of the guarantee in Sec. 342 ("Currency Stabilization") of the Philippine Trade Act, that "the value of the Philippine peso in relation to United States dollars shall not be changed, the convertibility of pesos into dollars shall not be suspended, and no restrictions shall be imposed on the transfer of funds from the Philippines to the United States, except by agreement with the President of the United States".

The new rulings also affected the gold mining industry. Since production was resumed, the mines have been selling their gold locally, within the Philippines, at prices sufficiently above \$35 an ounce to enable them to operate and even to consider expansion.

The ruling of the Central Bank, however, makes it virtually impossible for the mines to sell gold to any purchaser other than the Central Bank, which will pay only ₱70 or ₱35 an ounce.

The order concerning gold is published elsewhere in this issue of the *Journal*.

Naturally, no private purchaser would engage in dealings in gold under such conditions.

Recent statements of members of the International Monetary Fund as well as officials of the United States Government, are to the effect that the local selling of gold does not violate any agreement or ruling of the Monetary Fund so long as the former customary export and import controls over gold continue to be exercised. For that reason, the officials of the gold mines feel that the local practice during the past four years should be continued.

The Bank ruling, coming as it did just before pay-day, caused considerable embarrassment. The companies had the gold to sell which would have furnished the necessary pay-roll funds had they been free to dispose of it. The offer of the Central Bank to lend the money at 3%, with the gold as guarantee, was refused as it offered no solution.

The gold-mining companies have protested to officials of the Government against the ruling of the Central Bank, stating that this would serve to discourage transactions in gold and virtually kill the industry by forcing the producers out of business.

They also pointed out that closing of the mines would deprive over 100,000 persons of their means of livelihood or support. In addition, the Government would stand to lose around ₱3,000,000 annually, in the form of the direct and indirect taxes which accrue from the industry.

Already there are rumors that several mining companies have notified their employees that if this ruling continues in effect, the cost of production will be greater than the income and the force will reluctantly have to be discharged.

The gold-mining industry is just getting on its feet, the production amounting to only 18% of its former production,—only ₱18,000,000 annually instead of ₱100,000,000. The official price of gold—\$35 an ounce—is exactly the same as pre-war, but the cost of labor has doubled and the cost of supplies has trebled. If compelled to sell their gold at the pre-war price of \$35 an ounce, half of the gold