

## Real Estate

By C. M. Hoskins

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REAL estate sales registered in Manila during January amounted to ₱4,486,846, as compared with ₱2,090,943 for January, 1949. Comparative January figures for the past years are:

	January
1950.....	₱4,486,846
1949.....	2,090,943
1948.....	2,583,300
1947.....	2,840,014
1946.....	4,116,696
1941.....	962,970

Mortgages registered amounted to ₱3,054,080 for January, as compared with ₱3,965,420 for January, 1949.

Suburban sales for January were ₱1,244,324 in Quezon City, ₱819,702 in Rizal City (Pasay), and ₱1,489,835 for other suburban towns, making a January total for all suburbs of ₱3,549,861.

Mortgage funds for long term loans are not so easy to come by as previously, especially with the Rehabilitation Finance Corporation temporarily out of the real estate mortgage field except as to prior commitments. The distribution of mortgage loans by creditor class registered in January was as follows:

Rehabilitation Finance Corporation.....	₱297,000
Philippine National Bank.....	456,270
Other banks.....	1,820,410
Insurance and other financial entities.....	79,500
Private investors.....	400,900

The jump in private bank mortgage loans is notable. No figures are available to show how much of these loans were real-estate financing loans, and how many were commercial loans collaterally secured by mortgages on real estate.

The demand for real estate continues strong, with no weakening of prices, and with inquiries more numerous than for any time since 1947.

Vacancies in office buildings and in the higher-rent apartments are developing as a result of import and exchange controls. Foreign staffs are being cut by some firms. Others are moving offices to smaller quarters. This is not a broad movement yet, as unexpired leases are in many cases cushioning the trend. Moreover, many optimists are maintaining existing staffs and facilities in the expectation that the situation will clear up or with a view to switching to other lines.

Despite the growing number of vacancies, commercial and apartment properties continue in strong demand among investors, who are reconciled to a lower rental return, providing they can get a desirable property.

Subdivision lots continue in strong demand in Manila and its populous suburbs. Early in February, a 50-hectare Tondo tract belonging to B. H. Berkenkotter and W. Ick was put on the market under the name of North Balut Subdivision. Activity in the vicinity of the proposed capital site has fallen off, in anticipation, perhaps, of a delay in the realization of the project due to budgetary considerations.

## Lumber

By Luis J. Reyes

Philippine Representative, Penrod, Jurden & Clark Company

THE total export for the month of December amounted to 6,513,641 board feet, as compared with 4,048,058 board feet for the previous month, an increase of 38%. While the United States absorbed a total of 2,494,170 board feet in November, the quantity dropped down to 1,602,447 board feet in December. A notable increase was noted in shipments to Far Eastern countries (Japan,

Okinawa, Hongkong, and Formosa) and to South Africa. Only a quarter of a million feet went to China, possibly because of the internal troubles there.

Reports from several importers in the United States speak of renewed interest in Philippine woods. The prices, however, have dropped down to still lower levels to compete with those coming from other tropical countries.

The local lumber trade continues to be active, with wholesale prices at about ₱170 for white lauan, ₱180 for apitong, and ₱190 for tangle and red lauan. There have been sales at ₱5 more per thousand, but only in small lots sold to the smaller dealers. The consumption is big but the supply seems to be catching up with the demand. There are indications that the price-curve has reached its highest level.

The last tender in Japan, held under the auspices of SCAP, was won by a local concern, bidding \$21.45, or about ₱17.88 per cu. m., f.o.b. Philippine port, for veneer logs. A late report from Japan, however, is to the effect that SCAP cancelled the last bid, perhaps to let importing firms deal directly with producers abroad since authority to do so was granted effective January 1, 1950.

On December 10, 1949, the inauguration of the plywood plant of Woodworks, Inc., situated at Tandoc, Siruma, Camarines Sur, took place. The event was made to coincide with the 70th birthday of Jacob Chetvernia, mill superintendent and designer and builder of the veneer and plywood machinery. Some 80 to 85% of the castings of the various units were made in Shanghai, the rest was made and assembled in the Philippines. Director Florencio Tamesis of the Bureau of Forestry and several representatives of commercial firms in Manila doing business with Woodworks were on hand to witness the inauguration. All were enthusiastic about the performance of the various units, principally the veneer-lathe, the hot press, the automatic dryers, and the scrapers and auxiliary machinery. When the Company starts on a regular production schedule, the plywood and the door factories will employ several hundred people. At present, the factory is producing in the neighborhood of 400 sheets of 4x8-foot panels a day of 8 hours. This quantity will be materially increased upon the operation of a slicer, other automatic veneer-dryers, and a hydraulic press. The factory is well laid-out, with ample room between the machinery, thus avoiding congestion in the various stages of the plywood manufacture. The company has also under construction a door factory and a new circular mill which will be completed in a few months.

## Mines

By CHAS. A. MITKE  
Consulting Mining Engineer

PHILIPPINE GOLD, CHROMITE, AND COPPER PRODUCTION

GOLD	1949		1948	
	Tons	Value	Tons	Value
Atok-Big Wedge.....	148,137	₱ 4,489,975	147,997	₱ 4,633,215
Benguet-Balatoc.....	536,568	7,302,907	391,132	5,633,928
Mindanao Mother Lode.....	98,200	3,352,437	68,700	2,270,779
Surigao Cons.....	98,952	2,315,827	72,851	1,449,468
Taysan.....	22,952	564,729	7,584	326,242
	904,120	₱18,025,875	688,264	₱14,313,632

CHROMITE				
Acoje.....	57,741	₱ 1,864,110	10,000	₱ 330,000
Consolidated Mines.....	165,340	3,316,050	230,099	4,410,781
Misamis Chromite.....	3,598	209,750	—	—
	226,679	₱ 5,389,910	240,099	₱ 4,740,781

COPPER				
Lepanto Cons.....	184,497	₱ 6,364,534	6,282	₱ 1,968,490
TOTAL.....	1,315,296	₱29,780,319	934,645	₱21,022,903

**T**HE Philippine Republic is facing a crisis—one of the most serious in its history. This, unlike the Japanese invasion, is an economic crisis. It is, in a way, a self-created, artificial crisis. Superficially, everything seemed to be going well until, a few weeks ago, officials of the Government became dollar-conscious, and realizing that the country could not continue for any considerable length of time to spend more for imports than it was earning through exports, imposed drastic controls.

Restriction followed restriction, until people, fearing that devaluation might ensue, began to send their money out, according to one published statement, at the rate of \$2,000,000 a day. Further prohibitive measures were taken, such as exchange control and the prohibition of the free sale of gold, the latter having an immediate effect on the gold-mining industry. It was like the too rapid application of brakes to a fast moving train or automobile, and has been followed by a wave of fear and evident signs of increasing unemployment in many lines of endeavor.

While most people realize that a certain amount of import control is necessary under the circumstances, they feel that it might have been more gradual, thus conditioning business to its effects and avoiding a near-panic.

However, controls are only temporary measures and not permanent reliefs. An individual or a government in the position of the Republic must find ways and means of increasing income, so that not only expenditures can be met but a surplus gradually accumulated which can be used for expansion.

Taking stock, the Philippines is not an industrialized country, and factories cannot be erected overnight to cushion the shock of the controls. Industrialization takes much time and plenty of capital. What is needed at the moment is an immediate remedy.

The one great asset of the Philippines is its natural resources. Apart from the fishing waters, these can be divided into two distinct categories—surface products, which consist of rice, sugar cane, copra and its derivatives, hemp (abaca), corn, fruit and vegetable products, and some of the finest lumber in the world. The other, is the wealth which lies underneath the soil—minerals.

It was these two natural resources, the surface and sub-surface products, which made the Philippines prosperous before the war. Having done it once, they can do it again, and they are the only assets which can pull the Republic out of the morass in which it finds itself at present.

**Agriculture.**—We have forests of beautiful hardwood—such as mahogany, which is needed by other nations, and 3rd and 4th group lumber for plywood and paper mills.

Our sugar-cane production is rapidly approaching the pre-war level. Copra was good until the price dropped recently, due to outside competition, but many other agricultural products are still far behind the former production.

Everyone knows that the Philippines must become self-supporting so far as rice and corn are concerned. One of the leading bankers recently stated that \$29,000,000 was sent out of the country during the past year to pay for rice alone. Rice is an annual and, in some sections of the country, a semi-annual crop, and this outflow of much needed dollars could be checked in one year alone if the Government would make arrangements to permit large areas of vacant land to be cultivated by local corporations on attractive terms. Such arrangements might be in the form of operating contracts, leases, or some other agreement satisfactory to the Government, and conditioned on the use of mechanized methods. It is a well-known fact that large corporations operate more efficiently than government enterprises. This would release government

funds for other purposes as well as insure a sufficient supply of rice, corn, and other products.

We have ample land on which can be grown sufficient rice to fill the needs of all our people and, furthermore, the use of fertilizers would greatly increase the productivity of existing fields. This would eliminate the necessity of sending dollars abroad for products which can be produced at home.

**Mining.**—Mining in the Philippines, which once ranked as a major industry, is still struggling and is at only 18% of its pre-war production. The opportunities are here, but they must be developed. Mineral wealth has built up many a country. During the Spanish Colonial period, Spain was the richest country in the world. Silver and oil made Mexico prosperous, its mineral production reaching a gross value of over \$11,000,000,000 during the period from 1886 to 1945. Canada owes its prosperity to its great mineral wealth, which is the result of a brief 25-year development. South Africa is deeply indebted to its minerals, being the world's greatest diamond and gold producer and having, in addition, large deposits of copper and chrome. All these countries attribute their wealth to the development of their mineral resources.

Our present civilization has been built on two sources of wealth—"Agriculture" and "Mining". Nations which have done most in the extracting and fabricating of minerals from the earth have become the most prosperous peoples in the world.

An economist once said, "Show me a country without mines and I will show you a people sunk in degradation and poverty; and poverty makes cowards of nations as well as individuals. Eliminate the miner and the mines, and you set civilization back to the dark ages."

Out of the former many producers, 6 gold mines are already in production. These should be encouraged to increase their output and thus contribute to the general well-being of the country.

There are, in addition, hundreds of known mineral prospects with promising outcrops of gold, silver, copper, lead, zinc, chrome, iron, and manganese throughout these Islands. Enough work has been done on the surface of many of them to justify the belief that deeper prospecting, to a depth of around 300 feet, would block out sizable tonnage of ore, and thus new mines would be found.

If the Government would enunciate a liberal policy towards mining and offer guarantees similar to those of Canada and South Africa, many new corporations would be formed in these Islands and a large number of properties would soon be developed.

The need for dollar credits has never been so great as it is today. One way is to **EXPAND MINING** to its pre-war status and ship ores for dollars. This can be done quickly, within a reasonable time by giving a little help, and also by making mining sufficiently attractive so that private investors will become interested in the development of properties.

To make mining attractive, there must be peace and order; tax exemption for a certain number of years; a tax ceiling; reasonable labor laws; and a peaceful labor situation.

"One potent reason in favor of American capital investing in the Philippines has been that if it made profits or, if it decided to sell out or quit, it could send its funds back to the United States without hindrance and not be 'detained or imprisoned' there, as happens in other countries. The question of free peso-dollar convertibility is a necessary part of the free movement of funds. And, of course, the maintenance of the relationship of the peso to the dollar is also very material to the matter of making the Philippines an attractive field for American investment."