

Philippine Timber Exports of Logs Exceeding Lumber

Japan buys liberally, but in forms leaving mill work to be done in that country rather than in the Islands

NINE YEARS' EXPORTS OF PHILIPPINE TIMBER: LOGS AND LUMBER

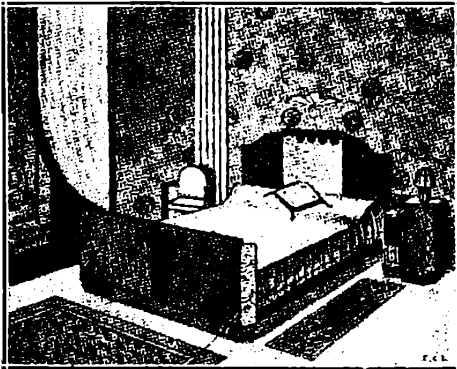
Year	Cubic Meters		Value in Pesos	
	Timber (logs)	Lumber	Timber	Lumber
1924.....	15,480	104,200	151,182	3,909,188
1925.....	11,505	112,200	123,662	4,129,097
1926.....	16,745	130,106	248,756	4,856,765
1927.....	21,692	149,060	328,493	5,259,121
1928.....	35,332	167,215	537,169	5,715,832
1929.....	66,870	180,092	956,898	6,281,022
1930.....	60,493	133,902	797,396	4,689,382
1931.....	83,171	85,069	920,835	2,760,368
1932.....	86,061	33,345	744,410	925,040
Totals.....	397,349	1,095,195	4,844,821	38,325,917

This table of timber exports of the Philippines shows the tendency toward export of logs, which go to Japan almost exclusively, rather than lumber going to other markets than Japan. Formerly Japan bought lumber in considerable amounts, she now seems to see more advantage in buying logs and squared timber and the tendency toward this less profitable export is accentuated by Japan's continued demand for timber during the period other markets for Philippine timber have markedly declined. The year we are in seems to be running abreast with last year, a very slow one for our timber products. During the first half of this year exports of logs and squared timbers were 51,239 cubic meters valued at ₱355,453, against 18,054 cubic meters of lumber valued at ₱460,513. From the former the Philippines realized ₱6.93 a cubic meter, from the latter, the lumber, ₱25.50, a difference of ₱18.57 a cubic meter.

Little income tax or sales tax accrues to the government from a log-selling business, more of such taxes accrue from a lumbering and lumber-selling business in which loggers, mills, dealers and shareholders are taxable. Disregarding taxes, the advantages of lumber exports to the islands over log exports are about as 4 to 1; Japan has been sagacious in shifting from lumber to logs and squared timbers and dividing the cost of her Philippine timber purchases by 4, for this method of supplying herself employs labor in Japan that would otherwise have to be paid for in the Philippines, and gives Japan taxes that otherwise would go to the Philippine government. The practice comports with the main suggestion made in Manila by the party of peers of Japan recently here, that Japan is a market for Philippine raw products and the islands a market for Japanese manufactures.

How general Japan-Philippine trade is running this year is seen in exports to Japan during the first 6 months valued at ₱2,600,000 and imports from Japan in the same time valued at ₱8,200,000; the visible balance of trade in this period against the Philippines, a balance not far from the actual one, is ₱5,600,000. Sale overseas of excess forest products such as timbers is desirable in the Philippines, but rehabilitation of the overseas lumber market that once kept some 40 lumber mills busy here would be better 4 to 1 than sales of logs and squared timbers.

Japan has one fertile source of logs and squared timbers in Mindanao. This concession, originally obtained about 1928, is very extensive, around 75,000 acres. It is clothed with heavy stands of valuable timber, including first-group varieties as well as tanguli and lawan, the popular woods for lumber. In 1930 the concession was renewed for 6 years. The table indicates the increased exports of logs and timbers from the Philippines to Japan since that time. The data on such exports during the first half of this year show this trade is keeping up. In such a trade the islands have to sell about 4 feet of timber to equal what they get for 1 foot of timber manufactured into lumber and exported in that form.



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