

The present trend of gold prices is downward. The last price is ₱103.60 in the free market for 75% of the output and ₱70 for 25% at the Central Bank, or an average of ₱95.20 per ounce. While at the present scale of wages of a ₱3 minimum, the average cost of production is ₱96.00, and a loss already of ₱.80 per ounce is now sustained, how much greater will be the loss when the wage is raised to ₱4 a day! This would raise the cost of production per ounce to ₱101, entailing a loss of ₱5 per ounce. The abolition of the requirement that 25% of the gold produced must be sold to the Central Bank at ₱70, of the 17% dollar tax, and of the 2% fee charged by the Import Control could not wipe out the losses incurred due to the big drop in the price of gold in the free market. Remember that when the Minimum Wage Law was being enacted in April, 1951, the price of gold was ₱136 per ounce, going as high as ₱160. But, unfortunately, from May of 1951 to December of the same year, the price has continually dropped and now it is only ₱103.60 (as of July 15, 1952)...

The mining companies now are providing all possible incentives to the laborers to increase their earnings. It has been shown that most of the laborers have increased their earnings by an average of ₱.52 per day over their minimum cash-pay...

The houses, the schools, the hospitals, the recreation facilities, the vacation and sick leaves, the Christmas bonuses, the rice rations, etc., which the mining companies give to their employees for their comfort and happiness... all necessitate large capital outlays by mining companies which in some cases may never be recovered. Some companies cannot, all at once, provide the ideal living conditions many labor leaders want... but I say that the mining companies have done their best for their employees and will always do so, provided they can get a proper return for their investments.

From 1946 to 1952 many mines have sought financial aid and tax relief from the Government, but under the rigid bank regulations, aid came in some cases only after all a company's assets had been mortgaged to the bank... The mines got a little tax relief in the condonation of assessments and occupation taxes. But, actually, the Government collects tremendous revenues from the production tax, the 17% dollar exchange tax, the 2% fee, the 6% surcharge, the B-Tax, the real estate taxes, the 29% corporation income tax and the stockholder income tax, besides numerous other indirect taxes for gasoline, diesel fuel oil, timber license, transportation, etc. If the Government wants the elevation of the mine workers, why should it not forego some of the taxes enumerated to cover the differential of ₱1.00 called for by the Minimum Wage Law? By doing this the Government could make the workers happy and at the same time lessen the burden of the mining companies,

thereby increasing the mining incentive. Many more mines would open and more employment throughout the country would result.

Mine workers know the effect of the Minimum Wage Law on the mines in that it will shorten their employment, as capital will mine only the rich ore and leave the low- and medium-grade ore in the ground. They know that the price of gold has gone down since April, 1951. They know that the cost of machinery, supplies, spare parts, and explosives has gone up. They know that heavy taxes of all kinds are being collected from the mines. They know the difficulties that the mines are undergoing in getting their licenses for the export of their ore, licenses for the use of explosives, licenses for importing machinery and supplies; they know the difficulty of getting licenses for the dollars to pay for their mine-machinery, spare parts, and supplies. I, therefore, hope that labor will take all these difficulties into consideration and show its cooperation by favoring the postponement of the effectivity of the ₱4 minimum wage.

Respectfully submitted,

NESTORIO N. LIM
Secretary

July 22, 1952
Manila.

Lumber

BY PACIFICO DE OCAMPO
Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

DURING the month under review, June, 1952, the Philippines exported a total of 22,631,474 bd. ft. of logs and lumber, which, compared with the export of 19,597,870 bd. ft. during the preceding month, was an increase of 3,033,604 bd. ft., but was a decrease of 3,944,542 bd. ft. compared with the export of 26,576,016 bd. ft. during the same month of June last year. Like the month last reviewed, this increase was mainly due to further improved Japanese demand for logs—from 12,603,322 bd. ft. in May to 18,174,183 bd. ft. in June, an increase of 5,570,861 bd. ft. Shipments to the United States and Ca-



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nada dropped further by almost 50%—from 5,253,172 bd. ft. in May to 2,779,909 bd. ft. in June, a decrease of 2,473,253 bd. ft. Shipments to all other countries also decreased by 63,994 bd. ft.—from 1,741,376 bd. ft. in May to 1,677,382 bd. ft. in June.

The lumber producers, at the initiative of the Philippine Lumber Producers' Association, Inc., have petitioned the Secretary of Labor, with respect to the provisions of Republic Act No. 602, otherwise known as the Minimum Wage Law, to suspend the application of the minimum wage of ₱4 to producers outside of the City of Manila for a period of 6 months, beginning August 4, 1952, when the full statutory minimum wage automatically takes effect. A Wage Board has been created, and is now actively deliberating on the question of whether the implementation of the minimum wage on August 4, 1952, would work undue hardship upon the lumber industry. It is the opinion of various elements which are cognizant of present conditions, particularly the unfavorable market situation, both local and abroad, that the automatic application of the law, if not suspended, as requested, would force many producers, particularly the small operators, either to limit their operations and lay off a considerable portion of their laborers, or to totally close their mills.

The Philippine Lumber Producers' Association, Inc. has likewise made representations in connection with the Federal Trade Commission's reconsideration of the question of whether the use of the term "Philippine Mahogany", an established trade-name for Philippine woods, should be modified, restricted, or altogether prohibited. The hearing of the Commission which opened on June 30, is to be continued on September 16, 1952, to enable Philippine exporters to present their views on this vital question. Government support has been solicited, and the Philippine

Embassy in Washington has taken steps to protect the good name of "Philippine Mahogany".

Hereunder are the figures for the lumber and timber inspected for export during June, 1952, as released by the Bureau of Forestry:

Shipper	Destination	Volume in Board Feet Lumber	Board Feet Logs
Aguinaldo Development Corp.	Japan		1,989,894
Agusan Timber Corp.	U.S.A.		170,547
Anakap Lumber Company	Japan		2,159,965
	U.S.A.		449,999
B. R. Valencia & Co., Inc.	Japan		3,149,995
Basilan Lumber Company	U. S. A.	431,172	99,998
	Japan		1,769,705
	Hongkong	164,564	
	England	320,756	
Bislig Bay Lumber Co., Inc.	U. S. A.	319,602	
Central Sawmill	Japan		829,036
	Guam	72,576	
Cipriano Luna Lumber Enterprise	Japan		998,444
Dee Cho Lumber Co., Inc.	Guam		24,861
Dee Hong Lue & Sons	U. S. A.	8,840	
	Guam	20,493	
General Enterprise	South Africa	5,506	
Gocheo Sawmill	U. S. A.	29,925	
Higan Lumber Co., Inc.	South Africa	6,000	
Insular Lumber Company	Japan		381,588
	U. S. A.	169,845	
	South Africa	282,557	
	Hawaii	179,138	
J. S. Alvarez	U. S. A.	42,924	
Johnston Lumber Co., Inc.	Japan		1,449,390
Marsman Development Co.	U. S. A.	177,593	
Misamis Lumber Co., Inc.	Japan		1,100,000
North Camarines Lumber Co., Inc.	Japan		849,983
	Guam	100,748	
North Star Lumber Co., Inc.	Japan		770,490

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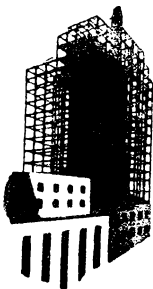
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Philippine Manufacturing Co.	U. S. A.	25,000	
Reynaldo Lumber Company	U. S. A.	40,465	300,000
Schnabel & Cuerva	Japan		
Sta. Clara Lumber Co., Inc.	U. S. A.	197	200,000
Valderrama Lumber Mfrs. Co., Inc.	Japan	70,000	
Western Mindanao Lumber Co., Inc.	Japan		382,295
Woodcraft Works, Ltd.	Formosa	963,353	
Zuellig & Company, Inc.	U. S. A.	44,000	499,986
Totals		3,036,761	19,594,713

RÉSUMÉ OF Exports To:

	Lumber (bd.ft.)	Logs (bd.ft.)	Total (bd.ft.)
Japan	—	18,174,183	18,174,183
United States and Canada	1,859,365	920,544	2,779,909
Other countries	1,177,396	499,986	1,677,382
Totals	3,036,761	19,594,713	22,631,474

Trend of Exports to:

	This Month		Month Ago		Year Ago	
	Lumber (bd.ft.)	Logs (bd.ft.)	Lumber (bd.ft.)	Logs (bd.ft.)	Lumber (bd.ft.)	Logs (bd.ft.)
Japan	—	18,174,183	—	12,603,322	—	18,231,195
United States and Canada	1,859,365	920,544	3,813,177	1,439,995	2,387,799	3,999,234
Other countries	1,177,396	499,986	1,684,217	57,159	1,750,528	207,260
Totals	3,036,761	19,594,713	5,497,394	14,100,476	4,138,327	22,437,689

COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF MAY AND JUNE, 1952

Period	Lumber in Board Feet					Logs in Board Feet					Grand Total
	Western States	Eastern States	Gulf States	All Others	Total	Western States	Eastern States	Gulf States	All Others	Total	
May, 1952	2,990,827	522,798	77,698	91,111	3,682,434	1,018,503	—	421,492	—	1,439,995	5,122,429
June, 1952	1,001,821	691,289	131,250	35,005	1,859,365	—	199,999	250,000	470,545	920,544	2,779,909
Difference (Increase +; Decrease -)	1,989,006-	168,491 +	53,552 +	56,106-	1,823,069-	1,018,503-	199,999 +	171,492-	470,545 +	519,451-	2,342,520-

SUMMARY OF EXPORTS DURING JUNE, 1952, ARRANGED BY COUNTRIES OF DESTINATION IN THE ORDER OF VOLUME OF SHIPMENT TO EACH COUNTRY

Countries of Destination	Lumber (bd.ft.)	Logs (bd.ft.)	Total (bd.ft.)
Japan	—	18,174,183	18,174,183
United States	1,859,365	920,544	2,779,909
Formosa	—	499,986	499,986
England	320,756	—	320,756
South Africa	294,063	—	294,063
Guam	218,875	—	218,875
Hawaii	179,138	—	179,138
Hongkong	164,564	—	164,564
Totals	3,036,761	19,594,713	22,631,474

Arrivals of logs and lumber in Manila decreased by 1,925,132 bd. ft.—from 14,649,172 bd. ft. in May to 12,724,040 bd. ft. in June.

The weakening condition of the local wholesale lumber market, which began during the second week of May, continued during the month of June because of the inclement weather which hindered the progress of construction activities. Consequently, prices of lumber, which at the opening week of the month in review were quoted at ₱125-₱130 per 1000 bd. ft. for white lauan, ₱135-₱140 for apitong, and ₱160-₱165 for red lauan, receded from week to week with the above species quoted at the close of the month at ₱120-₱125, ₱135, and ₱155-₱160, respectively.

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