

Loggers' View of Log Export Commerce Here

For this paper setting forth Philippine loggers' views in contrast, in some respects, to the stand of the Philippines' important lumber industry expressed in interviews with Director Arthur F. Fischer of the forestry bureau, a number of men were interviewed to whom the overseas demand for our logs is very important—particularly the demand in Japan. Brief effort will be made to combine their views. They begin by saying that except for the overseas trade in logs, the domestic lumber market would be far more depressed than it now is. It would be called upon to take much larger quantities of logs. This would be far from lucky, because, they say, wholesale lumber prices in the islands are already too close to the cost of manufacture.

Of the mill run of lumber, 80% or 85% is not exported and comes on the domestic market.

Some loggers contended that logs exported could stand a wharfage tax of \$1 a ton, proposed either to check the commerce or bring the government more revenue from it. Others say that if the buyer bore the tax, all right; but that more probably buyers would shift the tax to the loggers, and reduce their gains from the business by that much. Some say the price of logs is so low that the tax would kill their business. They add, however, that buyers of logs not accommodated here would procure logs just the same, from Borneo and the Dutch East Indies. Their position, admittedly self-interested, is that it is better for the Philippines to sell timber in form of logs than to sell nothing by way of timber—to countries wanting logs.

They cite the plywood industry, not functioning here, which needs logs rather than boards. Such an industry exists in Japan, also in China and Australia; all markets buy Philippine logs, and the same industry in the United States begins wanting them. Nor did any logger talked with, agree in the opinion that Philippine logs are beyond danger of competition from logs got farther south in the tropics. One said it is true enough that southern timber is softer, but added that some markets for veneer woods prefer the softer timber, or at least don't discriminate in price against it. Reports seem reliable, too, of repeated efforts by Japanese timber interests to establish in Dutch Borneo—to date without success. But logs are shipped from 5 points in the Dutch East Indies to Japan. From British North Borneo, shipments of logs to Japan during the first half of this year had the invoice value of nearly a million pesos. The logger citing this fact from a formal trade report, connected it with the opinion that logging is not well established in Borneo.

Such is the consensus on this question among loggers.

Wealth of Nations...

(Continued from page 4)

ing first place among Far Eastern markets. As a market for steel mill products the Philippines fell from 3rd place in 1932 to 6th place in 1933, when it was overtaken by Canada and 4 Latin American countries.

"The Philippines, however, continued as the first oriental market for steel mill products, as well as for iron and steel advanced manufactures, taking considerably more than twice Japan's purchase of the former and nearly twice China's purchase of the latter.

"Of dairy products and cigarettes, the Philippines were second to Japan, while they ranked first in the Orient as an outlet for meat products." (They were 3rd in buying electrical goods, China and India being ahead of them.)

Spokesman for commerce department is C. K. Moser, No. 1 in the Far Eastern section of the regional information division of the depart-

The Philippine Guaranty Company, Inc.

(Established in 1917)

SURETY BONDS—

We execute Bonds of various kinds, specially CUSTOMS BONDS, FIRE ARMS BONDS, INTERNAL REVENUE BONDS, PUBLIC WORKS BONDS for Contractors, COURT BONDS for Executors, Administrators and Receivers and BAIL BONDS in criminal cases.

FIRE INSURANCE—

In the Philippine Islands.

LOANS—

Secured by first mortgage on improved properties in the City of Manila on the monthly amortization plan.

Phone 2-41-11

Second Floor

INSULAR LIFE BLDG.

P. O. Box 128

MANILA

ment. He reminds America that the Philippines are an important source, and in some cases practically the only one, of American imports of coconut oil imports were from the islands, as they will be indefinitely, and 99% of all her abead imports. Under tariff protection, the Philippines have taken the desiccated coconut market in America away from Ceylon, selling America 97% of her desiccated coconut requirements; and the islands also sell America 98% of her imported cigars (by value, 92%); 75% of her saved cabinet woods; 42% of her sugar requirements, only 13% less than Cuba last year. A second of Mr. Moser's tables is reprinted with our summary because of its bird's-eye survey of essential economic factors here. His circular is a courtesy from the trade commissioner, C. Grant Isaacs. Copies sell at 10 cents each at the Department of Commerce, Washington.

Perhaps We Erred . . .

(Continued from page 6)

competing with their own, all logs rejected by buyers for the export trade. This depresses an already sluggish market.

It is contended at the forestry bureau that the selected logs exported from the Philippines could readily make shift under a wharfage tax of \$1 a ton, which would be, as stated, P1 50 to P2 per cubic meter. (That this is true seems reasonable. Besides Japan and Australia, China is now buying Philippine logs and hints of increasing her use of them. This puts logs squarely before the government. The forestry bureau dismisses the suggestion that if Japan could not get Philippine logs at attractive prices she would get logs elsewhere, perhaps in Borneo, she would not buy Philippine lumber. Borneo has no lumber industry worth speaking of, the Philippines are the only part of Malaysia that has. Backbone of such an industry is a steady domestic market, and sparsely settled Borneo has no such market—can develop none.

Borneo's woods of species and varieties identical botanically with those of the Philippines, are softer and coarser than those of the Philippines: the Philippine product is preferred in the market. It is held that if logs could be got advantageously in Borneo, they would be got there now—Borneo's logging industry would already engage Japan's industry and capital. On the other hand, the trade here understands Bornean logs to be in every way inferior to Philippine logs, though they are cheaper. If therefore Philippine logs could be got at no

advantage over Philippine lumber, Philippine lumber would be taken even in Japan—as it once was taken.

Director Fischer of the forestry bureau contends that even if his proposed wharfage tax on exported logs caused loss of sales of logs abroad, not at once made up by greater sales of Philippine lumber, in the long run no harm would be done. The demand for Philippine lumber over the world is clearly reviving. The government could well let the timber stand uncut for 10 or even 15 years, while demands expanded and until overseas markets should be willing to be supplied with lumber instead of logs. At the same time, there is, of course, in the veneer industry, a legitimate demand for logs that sawn lumber will not supply. This demand, Director Fischer says, could always be supplied with Philippine logs; and such is their quality that the wharfage would be no burden on their ready sale. Less worthy is the demand of foreign mills, the mills of Japan, for Philippine logs to be sawn into lumber exported to the very markets where Philippine export lumber must be sold—markets effort in the Philippines has with difficulty and many setbacks got established.

The government must choose.

LUMBER REVIEW

By ARTHUR F. FISCHER
Director of Forestry



The fairly active demand of Philippine lumber and timber in foreign markets continued during July. There were 9,493,784 board feet of lumber and timber exported during the month as compared with 8,647,056 board feet for the corresponding period last year, or an increase of about 10%. Shipments to Japan consisted mostly of round logs, as usual. Inquiries and orders continued to be received from China and Australia and Philippine producers seem to be hopeful for increased demands in these markets in the near future. Much, however, will depend on how the first shipments by the individual companies getting the orders will be received in the said countries. The trade with South Africa remained comparatively active, which is a reflection of the favorable economic condi-

tions obtaining in that country. It has been reported that great progress is being made of private building and construction works in that country, which are supplemented by the public-building program of the South African Government. A slight slackening of the trade with Great Britain was, however, noted during the month under review, but this may be accounted merely to seasonal dullness.

In contrast with the comparatively active lumber and timber transactions for foreign markets, the local markets remained dull due to slackening of construction activities as a result of the rainy season. Prices are still low but firm and the feeling is that a reaction towards higher price levels is not very far off.

Mill production increased 11% as compared with last year while the deliveries did not register any increase. As a natural result therefore, there were heavier stocks on hand at the end of the month under review than at the end of the same month last year.

The following statements show the lumber and timber exports, by countries, and the mill production and lumber inventories for the month of July, 1934, as compared with the corresponding month of the previous year.

Lumber and Timber Exports for the month of July 1934

Destination	Board Feet	Customs-Declared Value
Japan	*5,258,024	† 97,931
United States	1,764,698	134,439
Australia	769,136	30,185
China	690,696	34,527
British Africa	324,784	23,298
Great Britain	268,816	20,476
Portuguese Africa	234,472	14,610
Netherlands	140,768	1,963
Denmark	25,016	2,738
Hongkong	16,536	694
Italy	848	59
Hawaii		
Guam		
Total	9,493,784	† 360,920

Destination	Board Feet	Customs-Declared Value
Japan	5,033,456	† 77,940
United States	1,384,360	77,640
Australia	22,473	1,124
China	1,488,664	15,353
British Africa	303,160	21,161
Great Britain	362,096	20,782
Portuguese Africa	43,218	3,386
Netherlands		
Denmark		
Hongkong		
Italy	8,480	1,282
Hawaii	2,120	365
Guam		
Total	8,647,056	† 219,033

NOTE:—*This represents mostly solid log scale, that is 424 board feet to a cubic meter.

For 49 Mills for the month of July

Month	Lumber Deliveries from Mills	
	1934	1933
July	14,480,857	14,752,135
Month	Lumber Inventory	
	1934	1933
July	28,951,859	23,428,675
Month	Mill Production	
	1934	1933
July	16,382,570	14,689,646

NOTE:—Board feet should be used.

COPRA AND ITS PRODUCTS
By KENNETH B. DAY
AND LEO SCHNURMACHER

In September price advances in copra and coconut oil which started in August were continued. All American oils, fats and foodstuffs advanced sharply during the month which made copra and coconut oil more attractive to American buyers. The fact that many copra exporters had sold short earlier in the season made it impossible for buyers to obtain their requirements except at constantly increasing prices, and this fact was largely responsible for the upturn.

COENA: September arrivals were far more satisfactory than those of August. In Cebu receipts were almost the same as those for September, 1933 and in Manila the decline was only approximately twenty per cent. If direct shipment from outports is included, undoubtedly the combined Island receipts would exceed those of 1933. The month records a steady price increase, ranging from \$4.40 per hundred kilos Resecada at the first of the month to a maximum of \$6.10 at the end of the month. The buying interest was largely represented by the Pacific mills for copra and the local mills who were buying for oil purposes. European buyers were not interested at competitive levels and although some business was done through charters out of Cebu, it was decidedly an American month. Prices on the Coast rose from 1.35 cents to 1.72-1/2 cents c.i.f. while the European market advanced from £6.15 0 to £8 0 0 with slightly higher prices occasionally available for fancy parcels. Toward the end of the month it was evident that the market had advanced too rapidly and was due for a reaction, and the first of October found sellers much more anxious to do business and buyers gradually reducing their ideas. The statistics for the month follow:

Arrivals—

	Bags
Manila	413,469
Cebu	357,182

Shipments—

	Tons
Pacific Coast and Mexico	13,400
Atlantic Coast	961
Gulf Ports	2,575
Europe	24,952
China and Japan	926
Total	42,814

Stocks on Hand in Manila—

Beginning of Month	28,958
End of Month	31,774

It was the general feeling that large stocks of copra had been accumulated in the provinces and that any price weakening would reflect itself at central shipping points.

COCONUT OIL: The coconut oil market improved gradually throughout the month. Commencing at 2-1 2 cents c.i.f. New York, the market advanced to 3-1 8 cents and it was reported that a few small parcels were sold as high as 3-1 4 cents. The demand was fairly narrow, however, and most of the buyers were small consumers for edible purposes, the large scapers on the whole holding back. Any large offerings would undoubtedly have broken the market, but sellers were afraid to offer because of the uncertainty of the copra situation. Pacific Coast demand was very fair and buyers were interested for once more in prompt than in future shipments. European buyers were not a factor. Local prices ranged from 9-1/4 cents up to 11-1/2 cents per kilo. Statistics for the month follow:

Shipments—

	Tons
Pacific Coast	996
Atlantic Coast	3,050
Gulf Ports	1,730
Europe	610
China	66
Total	6,452

Stocks on Hand in Manila and Cebu—

Beginning of Month	11,736
End of Month	16,143

COPRA CAKE AND MEAL: Interest in meal shipments from the Philippines continued on the

Pacific Coast and prices remained firm throughout the month at from \$22.50 to \$23.50 per short ton c.i.f.—October to December shipment. Toward the end of the month it was evident that prices had reached their peak and that importations of other foreign foodstuffs, plus a better local situation, would likely tend to ease off the market in October. Hamburg buyers of copra cake increased their quotations to a certain extent but were still anywhere up to \$3.00 or \$3.00 below meal equivalents. There were no sales of copra cake to Europe during the month that we know of. The following statistics cover these products:

Shipments—

	Tons
Pacific Coast	2,528
Atlantic Coast	274
Europe	4,860
China	51
Total	7,719



She—So you came home and found your wife in the arms of your best friend—who is he?

He—I don't know—I never saw him before in my life!

—Cut and comment from *Judge*.

GORDON DRY *The heart of a good GIN cocktail*

SPECIAL MCNISH'S Scotch Whisky for Good Highballs

Kuenzle & Streiff

SOLE AGENTS

Main Office: 343 T. Pinpin
Branch Office: 44-48 Isaac Peral
Tel. 2-39-36 Tel. 2-17-62

Branches: Cebu, Iloilo and Zamboanga
Also distributors for Alhambra Cigars