

also insist that the stockholders, whose investments represent the capital with which the business is operated, deserve a fair rate of return on their capital. Recent labor trends present a serious problem in this respect to the management of land-transportation enterprises.

Base Metals

By CHAS. A. MITKE

Consulting Mining Engineer

THE Philippines contain fairly substantial deposits of iron, chrome, and manganese. Coal, necessary for the treatment of these ores, is found in lesser quantities in a number of places.

Recently I had a conversation with a representative from SCAP, who had come to Manila to investigate the raw-materials situation.

According to him, SCAP finds it absolutely necessary to stimulate industry in Japan in order to remove, from the American taxpayer, the burden of supporting millions of unemployed. At the moment, there is a lack of a sufficient amount of high-grade iron ore for the basic needs of the country. Two hundred fifty thousand tons have been purchased from Hainan Island this year, but this is not sufficient to supply the need.

Before the war, one of Japan's principal sources of iron and coal was Manchuria. There were also twelve other sources of high-grade iron scattered around the Pacific, including four in the Philippines. A certain amount of semi-anthracite coal was obtained from Indo-China, which was mixed with certain Japanese coals (Nagasaki dust) to form a good "steely" coke, for the Yawata furnaces.

At present, coke is being purchased in the United States at a very high price, and SCAP is now investigating the possibilities of supplementing the coal supply in Japan with, possibly, some from the Philippines and French Indo-China, in the hope of again making a satisfactory coke for the steel industry. There are several places in the Philippines where coal can be obtained running over 12,000 BTU, with a low ash-content.

In the course of the conversation, I mentioned that the four Philippine iron mines, and several former producing coal-properties, which operated before the war, must be rehabilitated before production can be resumed. The War Damage Corporation has not paid their claims so far, and it is not known when this money will be forthcoming.

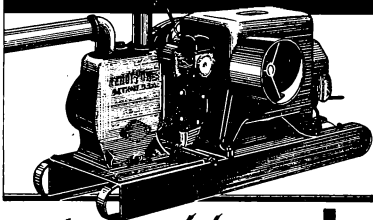
I suggested, therefore, that if SCAP could see its way to finance the re-opening of these properties, it would not take long before a sizable production might be expected, as the four iron mines, in particular, are all open-pit operations.

There is really a precedent for my suggestion. Since the War, SCAP has found it necessary to supply the Japanese farmers with phosphate rock in order to increase the rice production. It is said that the plant in the Pellau Islands, which supplied Japan before the war, was privately owned, and that after the termination of hostilities, the operating company was in no position to resume production. SCAP had to come to the rescue, and, at present, at least 500 tons a day of phosphate rock are being mined and shipped to Japan.

What is said of coal, iron, and phosphate rock, can equally apply to low-grade chrome and manganese.

Before the war, high-grade metallurgical chrome was shipped to the United States. Also, high-grade manganese. The lower grades, which could not stand the freight rate to the United States, were, until all shipments were frozen in the middle of 1941, sold to Japan. There, the low-grade

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chrome was sorted and treated to bring it up to metallurgical grade, and then used in the manufacture of steel.

Chrome is vitally necessary in the manufacture of steel in order to make it rust-proof, harden it for machine tools, and give it resistance. Chrome is also used in combination with other metals.

The United States is so short of high-grade metallurgical chrome that there is no possibility of Japan's importing anything from there. A large percentage, 46.3%, of last year's imports of chrome into the United States came from Russia. Before the war, Philippine chrome was shipped to the United States, but now, practically all the former producers are dormant, and little or no metallurgical chrome is leaving the Philippines.

With the United States short of chrome, the only way SCAP could get this material would be to purchase the low-grade chrome in the Philippines, of which there is a considerable amount scattered in various places, and sort and treat it, so as to bring it up to metallurgical grade, as was done before the war. However, as in the case of coal and iron, owners of the chrome deposits need financial assistance to open them up. Incidentally, if these properties were opened up, many thousands of miners would again be employed in the various mining camps throughout the country.

Lumber

BY E. C. VON KAUFFMANN

President, Philippine Lumber Producers' Association

SINCE last month the local market has weakened further. Wholesale purchases from producers are now quoted as follows:

Commercial sizes of Red Luan and

Tangle.....	₱180 00 per M Bd. Ft.
Commercial sizes of Apitong.....	160 00 " " "
Commercial sizes of White Luan.....	150 00 " " "
Shorts, narrows, and strips.....	from 40% to 50% less.

This situation is hitting producers hard. In less than a month prices have dropped ₱60.00 per M Bd. Ft. on the average. Retail prices have not gone down in the same proportion as buyers are overstocked with lumber purchased previously at higher prices, and retail sellers are naturally disposing of this lumber at their average prices.

A group of lumbermen attended a dinner recently and expounded their problems to Secretary of Commerce, Placido L. Mapa, and Secretary of Agriculture, Mariano Garচিতorena. The main topic of discussion was the request that the export of lumber and logs be liberalized further. This would help producers to ship to other countries besides the United States. Actually only a few are able to make shipments to that country because of restrictions in grading which the majority of small producers cannot meet, in addition to the practical impossibility for them to accumulate the minimum 150,000 Bd. Ft. necessary to make up a shipment.

Lumbermen hope that the Government will heed their appeal. If favorably acted upon soon, this would help somewhat to compensate them for the present low local prices which will very likely continue throughout the rainy season. ●

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