

that exist, not only on this island, but on many others, to produce corn and rice on a large scale through mechanized farming. One of them mentioned that there was room for half a dozen large corporations or organizations in this one island alone, each farming around 100,000 acres. What they said about this particular island, is true of many others, they reiterated, especially Mindanao.

Rice and corn are annual crops and do not require years to grow. With tractors and other machines, large acreages can rapidly be cultivated and planted. In a matter of several months, the crops are ready for harvesting.

Where there is plenty of food, there is contentment, and the cost of living is low. A low cost of living has its beneficial effect, not only on mining, but on all other activities.

As stated before, this could be done very quickly with big corporations, large acreages, and many tractors. One season would change the entire picture, but it must be done on a large scale to be effective. The corporation, so far, is the only instrument that has been found capable of doing this type of job in a hurry.

A plentiful supply of corn and rice would do more to bring the cost of living back to pre-war levels than anything else. This would naturally reduce the large number of dollars now going out for the purchase of the immense quantities of rice necessary to make up the 40% deficit.

**G**OVERNMENT officials and business men recognize that in order to increase exports, and add to the wealth of the nation, mining, once the No. 2 industry, must be brought back to its pre-war status. The country needs more producing mines, but lack of venture capital, and the high cost of living, have acted as deterrents so far, preventing the opening up of many promising prospects.

In 1934, venture capital invested in mining resulted in the development of a number of meritorious exposures, which eventually became the *mines of today*. This brought about a mining boom in the Philippines in the midst of a world-wide depression. The same thing could happen again if venture capital were available.

At the present time the general public has no venture capital for mining, but if the Philippine Government, through one of its various agencies, could see its way to allocate merely P1,000,000 of venture capital, for the proving up of — say, twenty meritorious prospects — there is no question but that a number of them would, eventually, become the *mines of tomorrow*, and offer opportunities for investors to make money. One or two good finds would serve to prime the market and result in the loosening up of private funds for use in an intensified search for, and development of, other mines, and with a lower cost of living, brought about by a reduction in the price of rice, mining would once more be on its way to resume its position as a leading, if not the leading industry of the Philippines.

## Lumber

BY LUIS J. REYES

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**T**HE total lumber export for the month of July amounted to 3,505,004 bd. ft., of which 2,245,371 bd. ft. were logs and 1,259,633 bd. ft., sawn lumber. Half of this amount went to the United States, 40% to Japan, and the rest to four other countries. Importers of Philippine mahogany (lauan and tangle) in the United States still think that our prices should come down in order to meet the stiff competition offered by African and Mexican mahoganyes.

The Philippine Mahogany Import Association in the United States, held its Annual Convention recently at Colorado Springs. Though business has been poor during the past six months, there was optimism, and the delegates believed that Philippine mahogany will eventually recapture its lost market. A need was felt for more effective advertising, and, in this connection, ways and means have been agreed upon. The Philippine Lumber Producers Association also has had under consideration for some time a possible levy on all exports for advertising. With these two organizations thus working hand in hand, Philippine woods face a brighter prospect in the United States market.

Manila wholesale prices have gone down from P10 to P15 per 1000 bd. ft. as compared with the previous month. Prices in Manila are reported as follows: P125 to P130 per 1000 for white lauan, P135 for apitong, and P140 to P150 for tangle and red lauan. These prices are lowest since liberation and seems to be due to the general business recession and, to a certain extent, the rainy weather. More mills in the provinces have suspended operation.

In Japan, prices of Philippine logs have likewise gone down, with some companies quoting \$58.50 c.i.f., but there were some transactions on a barter basis in which the price quoted was \$57 c.i.f. It has been reported that Japan is beginning to take an increasingly large volume of Borneo lauan logs, which are quoted at a lower price than the Philippine logs. It is claimed, however, that Borneo shipments are composed of several species of "lauans" some of them sinkers,\* and that the shipments are not as well prepared for export as Philippine logs. Even before the war, Japan tried Borneo and Sumatra logs, but eventually turned to the Philippines for most of the logs to supply their mills.

\* Editor's Note—Logs which sink when thrown overboard at point of destination and which may therefore be lost unless loaded into barges, this entailing higher transportation costs.

## Copra and Coconut Oil

BY MANUEL IGUAL

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*July 16 to August 15, 1949*

**I**N the very height of the copra season and in spite of the fact that coconut oil is very much out of line with competing oils and fats and particularly with tallow, instead of the gradually declining prices we anticipated, we have seen a steady copra market throughout the period under review, with a sharp upward surge at the close.

Three circumstances have contributed to this situation. The first is a very definite shortage of copra and coconut oil in the United States for immediate and prompt delivery. This has been explained by European correspondents as follows:

"Early this year, all the 'pipelines' were filled and consumers, retailers, and wholesalers were all well stocked. It is hardly surprising that with prospects of large new crops ahead there was a general tendency to reduce stock without replacing. Subsequent events point to the fact that by early summer the 'pipelines' were empty. Persistent premiums for spot and early delivery bear this out. There was, however, still insufficient confidence in the future to encourage buy-