

conquered countries, — in Mexico, Peru, the Philippines, and elsewhere. Legaspi's grandson, Salcedo, was the first Spaniard to find gold in the Philippines, and again it was in Paracale, in 1571.

The Spaniards in their search for minerals penetrated remote sections of the archipelago, and abandoned old Spanish mines are still to be found in areas where it is not considered advisable to prosecute work at the present time. These people gave the name "Minas de Oro", (mines of gold) to the little developed island lying to the southwest of Luzon, and now known as "Mindoro", a corruption of this former name. The Spaniards knew of the Baguio mines, and of mines in other parts of the country. One Queen of Spain, on urgent request, assigned a garrison to Paracale to ward off attacks of Moro pirates, and in return received a gift of a life-size model of a hen and chickens, made of pure gold.

The period of British influence in the Philippines, 1762-1764, was too short and too turbulent to have much effect upon the search for, and development of, mines, although during the period of English mining activity in Mexico, the mint records from 1823 to 1876 show a silver production of \$797,055,080; gold, \$47,327,383; and copper, \$5,227,855; a grand total of \$849,610,318.

While mining was resumed in the Philippines shortly after the Spanish-American war, gold occupied a very modest position in the list of the nation's exports until 1933 when President Roosevelt increased the price of gold from \$20.67 to \$35. There then existed a happy combination of circumstances: (1) the new price for gold; (2) the availability of considerable Spanish and Chinese capital, which could not go home due to civil wars; and (3) the extremely prosperous conditions in the sugar and coconut industries. Money was plentiful. The result was to give an impetus to prospecting, which resulted in the discovery and development of a number of new mines in many part of the Philippines.

For many years previously, the Antamok mine of the Benguet Consolidated Company was practically the only important mining enterprise, but the injection of new capital into the industry, just on the eve of a number of new discoveries, resulted in an increase in production from P10,000,000 in 1933, to P92,832,911 in 1940, with annual dividends during that year of P18,335,215.

The following figures indicate the great progress made by the mining industry during the ten-year period from 1931 to 1940:

1931.....	P 7,524,867
1932.....	10,300,167
1933.....	16,190,795
1934.....	23,701,923
1935.....	31,692,620
1936.....	44,402,653
1937.....	51,260,646
1938.....	64,623,205
1939.....	74,131,216
1940.....	78,308,289

During the first five months of 1941, the Philippines exported gold and base metals valued at P43,400,000. Taking this as a basis, an estimated annual production, for that year, had the war not intervened, would have been around P100,000,000 or more.

In addition to substantial dividends paid to shareholders, the industry contributed millions to the Government in the form of taxes and paid the highest wages in the Philippines. During 1940, a total of 44,276 laborers and employees were directly engaged in mining, with a total payroll of approximately P29,000,000.

The average value (gold-content of the ore's) ranged from P5.91 a ton for Masbate (P19.15 for Benguet, P26.50 for Treasure Island, P27.95 for Big Wedge) to P31.88 for Mindanao Mother Lode. The average value of the ore milled by all mines in 1940 increased by 62 centavos, as compared with 1939, — being P16.81 for 1940.

No records are available for the period from January, 1942, to February, 1946, which was the period of the Japanese occupation.

The past three years have been spent in rehabilitating the mines, and during 1947 a certain amount of ore and bullion was produced, while a considerable tonnage of base metals, particularly refractory chrome, was shipped. Estimates are that the total value will approximate P10,000,000.

Year 1948, however, will show a decided improvement. At least two of the former large operators, Benguet (with its subsidiary, Balatoc), and Lepanto will once more resume production. There will also be a decided increase in the output of the base metals. The total estimate for 1948 is about P40,000,000.

I believe that the Philippines has a great future as a producer of both precious and base metals. What is needed is a consistent and intelligent prospecting campaign to bring to light the treasures of the earth which are at present covered by jungle.

Lumber

By E. C. VON KAUFFMANN

President, Philippine Lumber Producers' Association

LUMBERMEN have been granted 20% of their production for export. This now includes sawn lumber in addition to logs and fitches. Only actual producers will be allowed to export. Sawn lumber will only include FAS (First and Seconds) and No. 1 Common and better. Lumber will have to be air-dried sufficiently to be shipped as Dry (shipping dry). Grading as specified shall be in accordance with the grading rules adopted by the National Hardwood Lumber Association of the United States. This permit to export sawn lumber is for 6 months only, and if enough lumber is shipped to Manila within the next 6 months to take care of the local demand and prices remain within the ceilings established, producers will probably have no difficulty in securing a renewal of the permit.

One of the sound reasons given by producers is that the higher prices obtainable for export lumber will aid them in expanding and improving their operations, enabling them to cut better lumber on an increased production, which should more than offset the amount of lumber going out to foreign countries. Actually the United States will probably absorb all the sawn lumber available for export and likely at higher prices than offered by other countries.

Our *lauans* known as "Philippine mahogany" have always enjoyed good acceptance but must compete with other true mahoganies which are higher priced. The differential in price is \$80 to \$100 per thousand board feet. Local producers intending to export sawn lumber are feeling their way around with United States buyers, who are naturally anxious to get the lumber at the lowest price; after some shipments have reached their destination and the quality has been established, it is likely that prices will more or less adjust themselves.

It is now more than 6 years since high-grade Philippine mahogany was last shipped to the United States in the form of sawn lumber, and buyers are naturally cautious, especially if they are buying from new post-war producers. The local market has improved slightly as expected, the average wholesale prices during December for rough lumber paid to the producers being about—

P220 per M bd. ft. for Red and Tangle
P210 per M bd. ft. for Apitong
P200 per M bd. ft. for White Lauan

delivered at buyer's yard.