

Vegetable oil products .....	50	"	202	"
Transit cargo .....	282	"	141	"
General merchandise .....	1,222	"	3,166	"

## Mining

BY CHAS. A. MITKE  
Consulting Mining Engineer

### August Production:—

	Tons	Value
Acoje Mining Co. ....	5,500	165,000.00
Atok-Big Wedge .....	12,534	361,839.00
Benguet-Balatac .....	49,936	711,900.00
Consolidated Mines .....	15,000	308,000.00
Mindanao Mother Lode .....	9,900	304,636.76
Misamis Chrome .....		
Surigao Consolidated .....	8,624	191,250.00
Lepanto Consolidated .....	1,424,700	1,424,700
	(2,068 oz. gold)	
		527,250.00

EVERYONE, from the highest government official down to the smallest businessman, is exercised over the all-absorbing topic of how to balance exports and imports in order to conserve the dollar reserves of the country. The main solution offered, so far, is to curtail imports, but as everyone knows, such a procedure can be carried to the vanishing point; that is, if exports continue to decrease and imports are curtailed correspondingly, eventually a condition could be reached where there would be a 100 % embargo on imports and the people would suffer immeasurable hardships. For nearly 30 years now, a large proportion of the population of this country has come to look upon bread made of imported white flour as a necessary part of its daily diet. If the importation of flour were prohibited, as would be the case if eventually we arrived at a 100 % embargo on imports, we would then be on the way to attain what the Japanese recommended as the ideal co-prosperity state for the Filipino people; namely, "abolition of all motor transportation with the consequent abandonment of good roads; a universal diet of fish, rice, and camotes; clothes made of home-spun materials; and the majority of the population engaged in the production of raw materials for its more advanced and industrialized neighbor—Japan".

A drastic curtailment of imports is not the solution or cure-all for our present conditions; rather, if the same interest, enthusiasm, publicity, and energy were devoted to the increase of our exports that is being shown in the curtailment of imports, we might eventually hope to achieve the dream of some of our more enlightened citizens—that is, that the Philippines should become the distributing point for all Asia and the center of all commerce, such as it was in the old days, when goods from every part of the Orient were collected in the Philippines for shipment to Mexico and Spain on galleons built of lumber from Mindoro. Here we have the land on which can be grown sufficient rice to eliminate the necessity of purchases from abroad, filling all needs of our people and eliminating the sending of dollars abroad for this product. As in Japan and Formosa, the use of fertilizers here would greatly increase the present yield, and arrangements to permit local capitalists to plant large-scale by machine-methods would greatly reduce the cost of production.

We have forests of beautiful hardwood, such as mahogany, which is needed by other nations. We have hemp, coconuts, and sugar in quantity, and last but not least, before the war, we had a promising mining industry with a \$100,000,000 production, which, with a little government help, can again be revived and possibly expanded.

During the last 6 months, information has been continually coming in of rich mineral discoveries along the east coast of Luzon, in the Visayan Islands, in Mindanao, and elsewhere throughout the Philippines. All that these new finds need is a little venture capital to test them out in depth so that investors will be encouraged to carry on the work begun by the prospectors. From one newly discovered deposit alone, a small shipment of 150 tons of ore has been made running 400 ounces of silver and 62 % lead with a gross value of P948 per ton. A second shipment will follow shortly. Several other equally interesting discoveries not quite so rich, have also been made.

The business community is naturally in favor of any plan which will furnish the initial impetus to convert these mines of tomorrow into additional new operating mines of today; thus, resuscitating

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the mining industry. They are fearful, however, that if the venture capital necessary for this purpose is supplied by some government agency (as has been suggested), this may lead to the government's demanding a participation in the new ventures and ultimately, control of them. This, of course, would put the Government into the business, which is not to be desired and might also lead to insistence on government participation in other lines of endeavor.

The large integrated mining companies, here as elsewhere, have become conservative. They tend to concentrate their efforts upon the extension of known mineral deposits, or upon the purchase of mining operations already developed and producing. They have lost their pioneering spirit. They are no longer willing to take the initiative in searching for, or developing promising prospects, which, if given the opportunity, may prove to be equally as profitable as the known operating mines. Therefore, the miner has only two sources of aid,—one is the collective assistance of the men on the street, through the purchase of low-priced shares, and the other is government aid. With the aftermath of a disastrous and crippling invasion and occupation, the man on the street has no money at the moment for speculative investments; therefore, the Government is the last resort.

Were the Government to give assurances that if it furnished the necessary venture capital to develop new and meritorious mining prospects, it would do so merely with the thought of resuscitating a crippled industry, and not with the idea of obtaining an entering wedge for eventual government control of the mining industry, the business community would be solidly behind the plan.

## Lumber

BY LUIS J. REYES

*Philippine Representative, Penrod, Jurden & Clark Company*

**T**HE devaluation of the pound sterling is being looked upon by lumbermen with apprehension. They realize that African mahogany that comes from Equatorial Africa (Ivory Coast, Baboon, and Cameroon), as are also the various species of seraya (Borneo lauans), from British North Borneo, are controlled by Britain. Thus the lumbermen believe African mahogany will have a stronger competitive position in the United States markets, whereas Borneo seraya, while coarser-textured, softer, and less lustrous than our lauans and tanguile, will compete with the Philippine products in Japan and other countries of the Far East.

During the month of August our timber exports amounted to 3,730,387 bd. ft., consisting of 986,408 bd. ft. of sawn lumber and 2,743,979 bd. ft. round veneer logs. The lumber went mostly to the United States, while the logs went mostly to Korea, where a total of 2,287,708 bd. ft. was purchased by SCAP.\*

At the dinner given in honor of Mr. H. C. Pope, General Manager of the Insular Lumber Company, the members of the Philippine Lumber Producers Association heard a very interesting report on the market conditions in the United States. During

\* These figures represent the timber inspected and approved for export by the Bureau of Forestry. The actual shipment figures are generally lower.

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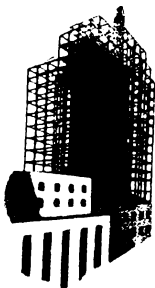
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