

The members of the Philippine Lumber Producers' Association have petitioned the Associated Steamship Lines to defray a part of the cost of inter-island freight for trans-shipment through Manila. This was discussed in a meeting between the members of the two associations. Many lumber companies are not able to ship direct from their mills for the reason that the regulations of the Associated Steamship Lines require a minimum of 200,000 board feet if direct shipment is to be effected. Only few buyers abroad purchase 200,000 board feet or more at one time. The bulk of orders are for 25,000 to 100,000 board feet, and these have either to be trans-shipped to Manila or else held until more orders are received to make up the minimum quantity required. The high cost of inter-island freight to Manila, however, discourages buyers, and for this reason the relief is being sought from ocean-carriers of their defraying a part of the expense. The Associated Steamship Lines promised to study the matter and to inform the lumbermen of its decision. Another petition was sent to the Associated Steamship Lines for a reduction of freight rates to Hongkong, Shanghai, and Japan, which are potential markets for Philippine woods. The matter could not be acted upon as no reply has as yet been received by Mr. Gispert, Secretary of the Associated Steamship Lines, from the owners of ocean-carriers.

Congressman Macapagal has introduced a bill which would require the registration of sawmills and woodworking plants with the Bureau of Forestry before operations can be started. The purpose of the bill is to prevent unlawful operators from engaging in the trade without the necessary permit which often enables them to evade the payment of forest-charges and other taxes due the Government. Provided this measure will not entail additional expense to lumbermen, the enactment of such a bill is welcome.

According to the records of the Bureau of Forestry, there are now in operation some 454 sawmills, many of them army surplus, which have fallen into the hands of inexperienced persons. There is no doubt, however, that many of these mills have rendered material help in reconstruction throughout the Philippines. During 1946 and 1947, when lumber was selling at P250 to P350 per thousand board feet, these mills made money, but when prices tapered down to present levels, they could not possibly compete with the more experienced and better managed mills. As a result, many have closed down or are operated intermittently when lumber prices are up.

Mines

By CHAS. A. MITKE
Consulting Mining Engineer

PRODUCTION: January, 1950.

	Short Tons	Value in Pesos
Benguet Consolidated	13,711	P 814,067
Atok Big Wedge	16,913	341,520
Lepanto Consolidated	9,500	535,880
Mindanao Mother Lode	9,055	355,793
Surigao Consolidated	1,362	230,168
Taysan Gold Corporation	23,064 cu. yds.	27,878
Tambis		14,809

THE present limited number of producing gold mines in the Philippines are looking forward to a prosperous 1950. Certain improvements are in prospect at each of the mines which will tend to increase production and lower costs. This will naturally be reflected later in the year in profits and dividends.

At the present time, Lepanto Consolidated is rushing completion of a second mill-unit, and expects to have it in operation by the middle of July, when the tonnage will be increased from 500 to 1000 tons a day. Preparatory work underground is also being prosecuted and enough stops

opened up to have sufficient ore broken, ready for drawing, as soon as the larger mill is in operation. Extra power-units and compressors have already been installed with facilities provided for the moving of the increased tonnage without delay.

The Benguet Consolidated is also planning an increase in tonnage of from 2,000 to 2,400 tons per day by August or September.

Marsman & Company has announced the rehabilitation of four mines—Itoyon, United Paracale, San Mauricio, and Coco Grove.

Preliminary estimates of the necessary funds for resuming mining activities show that the Itoyon Mining Company will need P749,650; United Paracale Mining Company, P379,450; San Mauricio Mining Company, P322,000; a total of P1,451,100.

Coco Grove, Inc. has already received from the War Damage Commission the sum of P505,120.48 out of P1,081,401.60, which was approved out of its claim of P2,001,855.39. Salvage work will begin immediately. For the present, only one dredge will be put in operation, the other being too badly damaged.

Payment in the amount of P690,233.82 has been received from the War Damage Commission by the United Paracale Mining Company, out of an approved sum of P2,298,446.06. The surface improvements of this company did not sustain much damage. General rehabilitation of the mine-workings has been started, as well as repairs to surface buildings.

A considerable loss in plant, equipment, and inventories was sustained by the San Mauricio Mining Company. A check for P719,329.20 has been paid the company by the War Damage Commission. As most of the shaft and mine workings are in hard rock, it is anticipated that the money and time involved in putting the underground workings in operable condition will not be too long. It is anticipated that the mill will be remodelled and a cyanidation plant added. The smelter, where lead and zinc concentrates were treated before the war, was so badly damaged that it will not be rebuilt at this time.

The first of the Marsman mines to start rehabilitation work is the Itoyon, and it is anticipated that, according to the progress being made at present, it may be brought into production by the middle of this year. Cost of re-opening is estimated at P749,650. In regard to treating the ore, the company has two alternatives; either to make some arrangement with the Benguet Consolidated, or to rebuild the former mill.

These four former producers will swell the list of present operating mines once they get into production.

Glancing at future prospects, there is Panaminas, Inc., which has opened up an interesting complex ore-body in the south-eastern part of Mindanao. The mine was reported on favorably by a prominent American geologist last December. This is a milling ore, and expectations were that the plant would be financed immediately by American capital. However, the import and exchange controls have temporarily put a damper on all foreign investments in the Philippines. While the Central Bank has announced (and in the case of Atok-Big Wedge permitted) that dividends from dollars investments in the Islands may be paid in dollars, it has not as yet extended this privilege to American capital created in the Islands. Naturally, prospective investors weigh this fact in considering possible future investments.

Dividends are now being paid by Lepanto Consolidated, Atok-Big Wedge, Mindanao Mother Lode, Surigao Consolidated, and even the Consolidated Mines, which is presently operating on a greatly reduced scale.