

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

THE 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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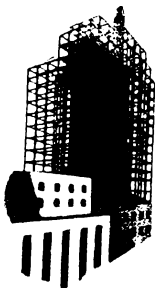
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Mr. Pope's sojourn, he attended the Annual Convention of the Philippine Lumber Import Association held in Colorado Springs, Colorado. Mr. Pope spoke highly of the firms handling Philippine products. One of the plans approved in the convention is to launch a more vigorous advertising campaign in favor of Philippine woods, although some importers are of the opinion that it is mostly a matter of price adjustments and that our woods will sell if sold at a lower price. Perhaps something could be done along both lines simultaneously, and in this connection, the co-operation of the Government in lowering certain levies is being solicited, also a revision of freight rates is being sought by a committee of the Lumbermen's Association.

At the request of the Philippine Lumber Producers Association, Mr. Tamesis, Director of Forestry, planned for the United States on August 27, to help boost Philippine woods. Mr. Tamesis timed his departure so that he could be in Chicago by September 26, when the National Hardwood Lumber Association opens its convention. Mr. Tamesis is scheduled to address the Convention on September 29. During the trip, Mr. Tamesis will likewise visit hardwood and furniture centers throughout the United States in the interest of the Philippine woods.

The local price of lumber has been more or less stationary since last month. Small and medium-size mills continue closed down. With the advent of the dry season, it is believed greater building activity will follow which may bring some relief to the lumbermen in the form of higher prices.

It might be of interest to mention here that the local manufacturers of plywood have petitioned the Government to put a ban on the import of plywood for the reason that the mills now in production are more than capable of supplying the market requirements. According to the Bureau of Commerce, a total of 7,810,638 sq. ft. was imported from various countries in 1948. This amount together with plywood manufactured locally during the same year, consisting of 2,621,394 sq. ft., gives a total of 10,432,032 sq. ft. consumed during the year. Based on the 1948 figures, the probable consumption for 1949 is 1,000,000 sq. ft. per month. This demand can be supplied at present and by the end of October, more than double this amount could be produced.

Copra and Coconut Oil

BY MANUEL IGUAL

Executive Vice President, El Dorado Oil Works

AND KENNETH B. DAY

President, Philippine Refining Company, Inc.

August 16 to September 15

FOR the first half of the period under review copra prices were steady and gradually advancing, particularly for nearby shipments. Then came a few days of uncertainty, followed by what appeared to be the start of a fairly substantial decline toward the end. In the absence of substantial ECA allocations, American markets and American prices controlled.

Starting with a market where buyers solicited offers at \$170 c.i.f. P.C. and sellers were holding for \$180, prices advanced in erratic trading to a point

where limited sales were continually made at \$185, and sellers were beginning to think optimistically of the possibility of \$200 copra once more. But the advance was too rapid, with supplies considerably greater than in many months, and with a good volume of business done at the higher levels, demand started to ease off, and an accelerating decline continued to a point where on September 15 buyers would not look at anything over \$155 c.i.f. and were freely predicting that lower prices were in the offing.

European buyers, while purchasing sterling bloc commodities whenever possible, felt that Philippine copra was not relatively overpriced, and a few trades were made on the basis of \$160 to \$165 f.o.b. chiefly for Scandinavian destinations. France was out of the market and Bizonal Germany, a hard-currency buyer, was undergoing a reorganization of its buying system and deferred replacement purchases.

The main reason for a strong copra market in the very heart of the copra season was the spectacular rise in the prices of domestic oils and fats, caused by shortage of supplies, particularly for prompt de-

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