

# My Impression of Japanese Lumber and Allied Industry\*

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(Cheap labor and high efficiency in Japanese lumber mills enable them to undersell Philippine plywood despite the fact that they import Philippine logs. A bright aspect is Japan's increased demand for local lauan).

I made a trip to Japan last August 19, 1952 to make a familiarization study and market survey of the log trade in that country and to have a visit with our customers whom we have not seen since the resumption of log export to Japan after liberation. During my 24-day stay, I visited log ponds, sawmills, plywood factories and other allied wood-working shops that use Philippine logs and I found that the big sawmills cutting lauan are located in Tokyo and Ozaka, while Shimizu and Nagoya are the center of plywood factories.

Japan imported an average of 20,000,000 board feet of lauan logs from the Philippines every month last year and early this year; 15% of this was consumed by the sawmills, the balance by the plywood factories. It is estimated however, that the sawmill requirement from now on will remain about the same. Since January of this year, the Japanese government decreed that the cutting of Japanese timber be limited because of too much overcut before and during the war. Besides, lauan lumber is becoming more extensively used now in construction purposes than before. For these reasons, the demand of Philippine lauan will undoubtedly be increased to about pre-war level of 25,000,000 a month. This increase

is for logs of inferior grade for sawing in the mills. The demand, however, for apitong is very little at present and used only for the manufacture of truck bodies and for limited amount of special flooring. In the Tsukishima log pond in Tokyo, I have seen 500,000 bd. ft. of apitong lying on the shore covered thickly with green moss indicating long storage in the water. The prospect for increase in apitong sales lies in its use as railroad ties, and this is under study by the Japanese railroad authorities.

There is no doubt that there is a great potential market of Philippine logs in Japan but the obstacle to continuous trading is the lack of a peace treaty which makes the trade agreement between Japan and the Philippines unreliable because it is based only on a renewal from period to period without assurance of continuity; hence, lumber and plywood manufacturers in Japan cannot make a long and forward commitment on account of uncertainty of raw materials and exporters of logs in the Philippines cannot plan their operations ahead.

In Japan, the sawmill construction and operation is different from the Philippines. Whereas here mass production is the rule resulting in the large amount of waste, in Japan, they saw the lauan logs slowly and very carefully so as to secure the maximum utilization and highest grade. Ninety (90) percent of the lumber sawn is ribbon grain. In Japan, there is no such apparatus as edger; edging is done by bandsaws, thin and narrow blade, 18 to 24 gauge; only the head

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saws are of wide blade and of about the same gauge as ours. Live roll or conveyor is not used, all lumber transfer is done by men. These men, however, work efficiently as if they were mechanically driven. Mechanical power is by electricity.

Close utilization of the log is the highlight of lumber manufacturing in Japan; the edgings are manufactured into furniture strips and trims as short as 18" are utilized; boards are recovered from slabs and are used in making boxes and crates; sawdusts used for fuel with the shavings to generate steam for dry kiln; excess sawdust are sold for fuel in heating water in public bath houses. Sawmill utilization averages about 70% as against 45% in the Philippines.

What impressed me most is the low cost of product. In spite of the fact that logs are imported, their sawmill manufacturing cost is lower than the average cost in the Philippines. This is due to cheap labor, cheap electrical power and high efficiency of workers. Labor cost averages only 360 yen or P2.00 per day for men. Women get 60% of men's wages. In spite of their low wages, workers look healthy and the woman are neat and all look contented and happy.

The lumber freight to United States, although controlled by conference rate is usually available at a much lower cost if chartered because load could be easily obtained in the United States on return trip of the vessels. Under these circumstances, Japan can easily undersell Philippine lumber exporters and it will not be surprising if sooner or later they will invade the U.S. markets for their sawn Philippine lumber.

One thing that the industry carefully looks after is quality. Each mill takes pride in its production and plainly marks lumber with their own trade mark, indicating quality and specification in one face of the boards. These boards are packaged or huddled together ready for shipment.

In every plywood factory, I noticed experimental panels exposed outside to all

kinds of weather to test the efficacy of the glue against bulging, cupping, and checking and such other defects that may be caused by natural heat and moisture. The plywood industry, thru its association, maintains a corps of graders or inspectors that go over the panels, piece by piece, to see to it that they are up to standard quality. About 50% of plywood workers are women. Plywood panels are exported to U.S., Australia and Europe.

I observed that many logs shipped from the Philippines were poorly prepared and some below grades. There are about 500,000 bd. ft. logs now floating for about six (6) months in the Shimizu log pond. These logs are 12" and 14" long only which nobody wants for plywood on account of the length. While they are suitable for sawlogs, the Osaka sawmills refuse to buy them as it will incur additional expenses in handling and transportation. I also found in this port many logs marked "X" which means it did not pass quarantine inspection for having too many pinholes and live borers. The usual procedure by the inspectors, if there is not much insect attack is to require the owners to submerge their logs under water to kill the live borers, if this is not done, it will not pass quarantine regulation and will not be allowed to be brought to sawmills or plywood plants.

Japan needs logs to feed its sawmills and plywood factories. The Japanese tried to import logs from Borneo but they were not successful because Borean suppliers could not maintain a steady and reliable shipment. From the United States, Japan imports little Douglas fir flitches for boat building. In my opinion, there is no danger from competition of other woods with Philippine lauan in the Japanese market. However, Philippine log exporters to Japan must bear in mind not to ship logs below grade as contracted lest Japanese buyers reduce current prices for logs which, in some instances, are now already quite low.