

# Freight Car Loadings

By JOSE B. LIBUNAO

*Traffic Manager, Manila Railroad Company*

**L**OADINGS of revenue freight during the month of December, 1954, totalled 5,880 cars. This was a decrease of 146 cars, or 2.42% less than the loadings during December, 1953, of 6,026 cars. The decreased carloadings were registered in the 2nd district by 1,085 cars, 4th district by 51 cars, 5th district by 33 cars, and North Harbor by 20 cars. Offsetting these decreases were the improved carloadings in the 1st district by 716 cars, 3rd district by 267 cars, and Manila proper by 63 cars, resulting in a net decrease in carloadings of 143 cars.

Revenue freight carloadings by group commodities for the month of December were as follows:

Group Commodities	December-Tonnage	
	1954	1953
Products of agriculture.....	61,739	53,415
Animal products.....	376	631
Products of mines.....	708	1,311
Products of forests.....	7,981	10,158
Products of manufactures.....	35,220	19,389
Merchandise less than by carload.....	4,001	7,466
Total.....	<u>110,025</u>	<u>92,390</u>

There are 37 items considered in this review, with 21 items registering an aggregate increase of 30,636 tons, and 26 items an aggregate decrease of 17,635 tons. Of the items registering increases, the more important were: centrifugal sugar, 13,655 tons; sugar cane, 7,947 tons; cement, 3,130 tons; rice, 1,663 tons; miscellaneous manufactures, 1,066 tons; logs, 763 tons; and soft drinks, 619 tons, or an aggregate total of 48,870 tons. On the other hand, among the items registering decreases were: merchandise less than by carload, 3,485 tons; lumber, 2,520 tons; refined sugar, 2,302 tons; copra, 744 tons; fuel oil, 743 tons; stone, sand, and gravel, 696 tons; and palay, 498 tons, or an aggregate total of 10,988 tons.

The resumption of the operation of the Insular Sugar Refinery was in part responsible for the increased carloadings in centrifugal sugar; in part also the greater rail movement of sugar cane made possible by the further rehabilitation of plantation tracks in the cane areas. There has been a continuous shipment of cement since the operation of the Bacnotan Cement Plant began. The importation of rice by the NARIC accounted for increased carloadings in rice, specially the big shipments of this commodity to the Bicol region. December was also a rice-harvest month. The opening of new industries accounted for the increase in the haul of miscellaneous manufactures. The growing habit for taking this refreshment has increased the shipments of soft drinks. The extension of lines of communication and the replacement of weak posts has improved the carloadings of logs, not to mention the continued export of this item to Japan.

The decrease in carloadings of merchandise shipped in less than carload lots, was due to the decrease in imports through the Port of Manila, with only 198,307 tons in December, 1954, as compared with 249,847 tons in 1953. There was less movement of lumber because of relatively weak prices locally and lesser construction. Sand, gravel, and stone shipments have also decreased in consonance with construction activities. Movement of refined sugar from the Visayas to Legaspi has slackened the movement of this commodity from centrals in Luzon. There has been less export of copra from Luzon through Manila.

The following month is expected to improve because of the approaching peak in sugar milling. It is also expected that the proposed revision of the United States-Philippine Trade Agreement will at least ease the doubt

and hesitation which has affected many business ventures and will lead to greater effort to enlarge business activities.

# Mining

By HENRY A. BRIMO

*President*

*Philippine Gold Producers Association, Inc.*

**I**N the absence of any startling developments or news concerning the operations of Philippine gold producers, attention last month was concentrated on the local gold market and the Gold Subsidy. As the month began, local prices again exhibited weakening tendencies, this reemphasizing the necessity of getting the subsidy under way as quickly as possible. As the month progressed and buyers became so scarce as to create a virtual emergency, the Gold Subsidy Board acted swiftly and effectively, finally making possible the beginning of actual sales to the Central Bank under the terms of the Subsidy Law. The initial sales were made by the San Mauricio Mining Company and the Surigao Consolidated Mining Company in the amounts of 4,501.836 ounces and 2,340.432 ounces refined gold, respectively. The first payments were made on January 21, 1955.

The local market improved following news of the sales to the Central Bank and was thereafter able to maintain itself at approximately the same over-all average as the previous month. High sales for the month were made at ₱109.65 per ounce bullion, while low sales were made ₱108.60.

According to initial reports, all the member-mines of the Philippine Gold Producers Association have qualified as marginal producers and are, therefore, at least temporarily entitled to the top subsidy price of ₱111.72 per ounce refined. However, it should be borne in mind that the subsidy cannot absorb all the local gold produced, and, hence, local producers are still dependent on the local market for approximately 50% of their sales. This is because of a provision in the Law which limits the fund from which the premium is paid exclusively to the amount of taxes, both direct and indirect, which gold producers generate.

It may be mentioned, in passing, that the present condition of the local gold market is one that has not been experienced since its inception in early post-war days. For the first time, local buyers appeared unable to absorb all local gold production, at least at current levels. Were it not, therefore, for the timely subsidy, it is likely that prices would have declined by several pesos, or more, per ounce. Even with the subsidy under way, it is significant that local gold prices remained approximately ₱2 lower than the subsidy level. As the month ended, both buyers and producers viewed the price situation with some nervousness, notwithstanding the stabilizing influence of the subsidy. No crisis is expected but the present condition of the local market bears watching.

# Lumber

By PACIFICO DE OCAMPO

*Secretary-Treasurer*

*Philippine Lumber Producers' Association, Inc.*

**D**URING the month under review, December, 1954, the Philippines exported 55,531,915 bd. ft. of logs and lumber, 10,635,598 bd. ft. more than the preceding month. The increase was mainly due to the rise

in the shipments of logs to Japan, from 33,053,160 bd. ft. in November to 43,356,462 in December, or an increase of 10,303,302 bd. ft. The exports to the United States and Canada decreased by 1,590,989 bd. ft., from 5,741,717 bd. ft. in November to 4,150,728 bd. ft. in December. Exports to all other countries increased by 1,923,285 bd. ft., from 6,101,440 bd. ft. in November to 8,024,725 bd. ft. in December.

The following are the figures for the logs and lumber in bd. ft. inspected for export during December, 1954, as released by the Bureau of Forestry:

Shipper	Destination	Volume in Board Feet	
		Lumber	Logs
Aguinaldo Development Co.	Japan		848,954
Agusan Import & Export Co., Inc.	Japan		474,195
American Timber Export Corp.	U. S. A.	12,866	
American Rubber Co.	Japan		1,712,289
Anakan Lumber Co.	Japan		4,310,000
Basilan Lumber Company	U. S. A.	561,264	246,267
	Hongkong	202,356	
	Japan		551,970
Brigido R. Valencia	Japan		2,806,617
Bislig Bay Lumber Co., Inc.	Japan		3,800,000
Cagayan Redwood	U. S. A.		77,948
Calapan Lumber Co.	U. S. A.	102,587	
Chunusa Co., Ltd.	Korea		1,639,936
Cipriano Luna Lumber Enterprises	Japan		905,884
Constantino Villanueva	Hongkong	5,000	700,441
Cuison Lumber Co., Inc.	Japan		860,000
Dee Cho Lumber Co., Inc.	Guam	15,384	
	U. S. A.	12,000	
Dy Bun Chin	Japan		475,040
Dy Pac & Co., Inc.	Japan		559,000
Extensive Enterprise Corp.	Japan		1,072,916
F. E. Zuellig, Inc.	U. S. A.	25,697	
Findlay Millar Timber Co.	Okinawa	465,136	
	Japan		3,428,220
General Lumber Co., Inc.	Formosa		1,344,198
General Enterprise Inc.	Japan		250,452
G. S. Mañalac	Japan		1,184,333
Gonzalo Puyat & Sons, Inc.	Japan		51,337
Hercules Lumber Co., Inc.	Japan		1,149,999
Insular Lumber Company	U. S. A.	1,120,084	
	Africa	583,597	
	Canada	53,174	
	Hawaii	39,689	
	Japan		1,100,000
Jebanaur & Co., Ltd.	Japan		1,751,269
Johnston Lumber Co., Inc.	Formosa		371,096
Jose J. Tirador	Korea		599,957
La Villa de Manila L. A.	U. S. A.	84,057	
	Hawaii	44,511	
	Formosa		772,552
Getz Bros. & Co., Inc.	Japan		200,099
Lee Chao	Japan		900,000
Luzon Manufacturing Ent., Inc.	Japan		1,489,000
Martha Enterprises, Inc.	U. S. A.	610,987	350,000
Nasipit Lumber Co., Inc.	Japan		3,250,000
North Camarines Lumber Co.	U. S. A.	150,000	
Ralph W. Dempsey	U. S. A.	205,831	
Redwood Co.	Japan		1,715,413
Sanchez Logging Co.	Japan		1,688,593
Sta. Clara Lumber Co., Inc.	U. S. A.		301,415
	Japan		646,612
Sta. Ines Logging Enterprises	Japan		102,191
Standard Sawmill	Japan		1,000,000
T. H. Valderrama	Japan		679,532
Tirador Lumber	Japan		400,000
Valderrama Lumber Co., Inc.	U. S. A.	124,140	
Valeriano Bueno	Japan		430,867
Visayan Sawmill	Japan		500,452
West Basilan Timber, Inc.	Japan		433,000

Western Mindanao Lumber Co., Inc.	Japan		2,388,228
West Visayan Timber Co.	Japan		200,000
Woodworks, Incorporated	U. S. A.	92,411	
	Africa	40,872	
	Korea		1,200,000
Total		4,571,643	50,960,272

**SUMMARY OF EXPORTS DURING DECEMBER, 1954, ARRANGED BY COUNTRIES OF DESTINATION IN THE ORDER OF VOLUME OF SHIPMENT TO EACH COUNTRY**

Countries of Destination	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Total (Bd.Ft.)
Japan	—	43,356,462	43,356,462
United States	3,121,924	975,630	4,097,554
Korea	—	3,439,893	3,439,893
Formosa	—	2,487,846	2,487,846
Africa	624,469	—	624,469
Okinawa	465,136	—	465,136
Hongkong	207,356	700,441	907,797
Hawaii	84,200	—	84,200
Canada	53,174	—	53,174
Guam	15,384	—	15,384
Total	4,571,643	50,960,272	55,531,915

**RESUME of Exports to:**

	Lumber (Bd. Ft.)	Logs (Bd. Ft.)	Total (Bd. Ft.)
Japan	—	43,356,462	43,356,462
United States and Canada	3,175,098	975,630	4,150,728
Other countries	1,396,545	6,628,150	8,024,725
Totals	4,571,643	50,960,272	55,531,915

**Trend of Exports to:**

	This Month		Month Ago		Year Ago	
	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Lumber (Bd.Ft.)	Logs (Bd.Ft.)	Lumber (Bd.Ft.)	Logs (Bd.Ft.)
Japan	—	43,356,462	—	33,053,160	845	41,834,287
United States and Canada	3,175,098	975,630	3,687,752	2,053,965	3,485,696	2,121,895
Other countries	1,396,545	6,628,180	1,404,826	4,696,614	997,301	1,536,553
Total	4,571,643	50,960,272	5,092,578	39,803,739	4,483,842	45,492,735

Arrivals of logs and lumber in Manila during the month under review, December, 1954, aggregating 6,798-891 bd. ft., a decrease of 1,022,382 bd. ft., as compared to arrivals during the previous month of 7,821,273 bd. ft.

During the month under review, December, 1954, prices in the local wholesale market slightly increased, compared with those of the previous month—P125-P130 to P130-P140 for white lauan and from P150-P165 to P160-P175 for red lauan. Apitong remained unchanged at P130-P140 per 1000 bd. ft.

The Philippine Lumber Producers' Association, Inc. jointly with other associations of shippers in the Philippines, vigorously presented their opposition to the increase in freight rates adopted by the Associated Steamship Lines on shipments from the Philippines to the United States, at a conference of export producers and the Associated Steamship Lines called by Secretary of Commerce and Industry Oscar Ledesma. The Lumber Association, through its President, Mr. A. de las Alas, described the precarious situation of the industry and the imminent possibility of losing the American market notwithstanding the great demand for Philippine mahogany there. He pointed out that after spending considerable amounts of money to recapture the American market after the war, and after having succeeded in securing the acceptance of Philippine mahogany by American consumers at no little

**COMPARATIVE STATEMENT OF EXPORTS MADE TO DIFFERENT REGIONS OF THE UNITED STATES DURING THE MONTHS OF NOVEMBER AND DECEMBER, 1954.**

Period	Lumber in Board Feet					Logs in Board Feet					Grand Total
	Western States	Eastern States	Gulf States	All States	Others	Western States	Eastern States	Gulf States	All States	Others	
November, 1954	2,546,089	500,000	100,000	500,000	3,646,089	1,073,186	321,822	458,968	199,989	2,053,965	5,700,054
December, 1954	1,865,195	492,271	443,350	321,108	1,121,924	773,468	—	202,162	—	975,630	4,097,554
Difference (Increase +; Decrease -)	680,894—	7,729—	343,350+	178,892—	524,165—	299,718—	321,822—	256,806—	199,989—	1,078,335—	1,602,500—

effort, it would seem that, due to prohibitive freight rates, the American market will be lost if the Government does not take action to maintain the exportation of lumber to the United States. The potential of the lumber industry is so enormous that if properly developed, it would unquestionably play a large part in the stabilization of the nation's economy, he said. He was particularly critical of the present move of the shipping combine to increase the emergency rates by \$3.

## Manila Hemp

By FRANK P. HILL

Vice-President and General Manager  
Macleod and Company of Philippines

IN last month's report it was stated that the total balings in the Philippines for 1954 were 774,982. Actually that figure does not include decorticated abaca, known in the trade as "deco". In 1954, 17,294 bales of decorticated abaca were produced, making a total of 792,276 bales for the year, as compared with 866,671 bales in 1953 (including "deco"). In the past "deco" balings and exports were not included in the statistics at the end of these articles. Production of "deco" fiber is increasing, and from now on we will give those figures each month. There are two new decortivating plants in the Davao area, making a total of three.

Prices for all grades of Davao and non-Davao fiber improved during the month in all consuming markets, but there was little demand in the United States. Rope-makers there covered their requirements with Central American abaca while Davao producers and merchants were keeping supplies off the market, which they did for several weeks prior to January 13. Whether or not the upward trend in prices will be sustained, depends chiefly upon demand in the United States.

Prices for British East African sisal increased about £6 per ton in the London market.

The Philippines-Japan trade agreement was again extended.

The usual statistics are given hereunder:

	Balings—January, December Inclusive				
	1954	1953	1952	1951	1950
Davao.....	453,396	500,279	507,469	502,412	389,151
Davao (Deco).....	17,294	10,516	17,085	18,827	12,321
Albay, Camarines/ Sorsogon.....	120,782	157,886	178,192	229,795	167,560
Leyte/Samar.....	120,413	107,171	105,805	154,163	120,683
All others.....	80,391	90,819	78,768	92,396	75,539
Total.....	792,276	866,671	887,319	997,593	765,254

	Exports—January, December Inclusive				
	1954	1953	1952	1951	1950
United States and Canada.....	191,817	292,382	360,073	554,726	403,513
—do— (Deco).....	6,605	9,392	18,729	17,709	6,000
Continent of Europe.....	176,577	179,612	157,736	163,373	121,894
—do— (Deco).....	1,516	78	—	—	650
United Kingdom.....	106,077	107,249	96,502	170,028	84,662
—do— (Deco).....	2,665	262	592	212	328
Japan.....	218,464	235,056	203,707	130,127	103,890
—do— (Deco).....	2,474	978	1,204	1,992	8,090
South Africa.....	11,650	9,850	9,000	15,777	7,200
China.....	3,422	1,595	5,435	7,529	13,587
India.....	8,084	9,550	6,190	5,656	8,130
—do— (Deco).....	50	—	—	—	—
Korea.....	17,842	1,580	600	—	3,100
Australia and New Zealand.....	6,264	3,500	2,215	4,450	1,826
Others.....	8,367	1,745	70	—	947
—do— (Deco).....	25	—	—	—	—
Total.....	761,899	852,829	862,053	1,071,579	763,817

## Copra and Coconut Oil

By WILLIAM S. RICE, JR.

Copra Buyer, Philippine Manufacturing Company

THE market maintained a steady to firm tone in January, and the general price level continued a slow upward trend.

Prices failed to advance in accord with many predictions for a substantial rise in January. European speculators were generally credited with preventing this by depressing the market through considerable active selling which kept our export markets in a confused state. Many Philippine exporters and local dealers were anticipating a seasonal rise because of very low production the first half of the month, and they resisted selling at market prices until the last half of the month. The European sales continued however; and first-hand sellers were unable to hold off longer as production improved. On January 21, prices reached the low point of the month as a wave of first-hand selling hit the market. European consumer interest then appeared, causing sellers to react sharply, but buyers resisted the sellers' quickly inflated ideas, and new speculative sales caused the market to close cautiously easy at month-end.

Indonesian copra appeared as a factor several times, but it has become increasingly difficult to know what Indonesia is doing since it commenced trading with Communist China. Evidently, recent negotiations have been in progress with both Europe and Communist China, and at month-end a sale for February shipment to China was rumored closed. Therefore, Indonesia appears to have been removed as a potentially bearish factor in the free world's markets for the near future.

### Copra and Coconut Oil Prices

Copra:	High	Low	Close
West Coast, c.i.f. per short ton nearby and afloat.....	\$182.50	\$170.00	\$180.00
Europe, c.i.f. per long ton, 45-60 days.....	\$212.00	\$195.00	\$202.50
Manila, fresh, resecada basis, per 100 kilos at bodegas 30 days....	₱33.00	₱31.00	₱32.50

### Coconut Oil:

West Coast, c.i.f. per pound, bulk 45-60 days.....	13-1 8¢	12¢	12-3, 4¢
East Coast, c.i.f. per pound, bulk nearby and afloat.....	14¢	13¢	13-1, 2¢

**Copra Cake and Meal Prices.** The Pacific Coast market continued tight with a further price advance up to \$76.00 c & f Los Angeles. This continued firmness seems to have been largely due to the fact that Pacific Coast buyers had earlier allowed Europe to buy good quantities of Philippine production, and by January the lack of arrivals from the Philippines was being felt most acutely.

European buying-interest continued active and competitive to mid-January, but then fell dormant, and there have since been few indication of possible additional interest. It is difficult to say whether this lack of interest will continue.

### Copra Statistics

#### Philippine Copra and Coconut Oil Exports (In long tons)

Copra Exports	Monthly Average	
	1953	1954
United States.....	25,957	24,376
Europe.....	17,526	30,828
Other countries.....	5,872	7,903
Total.....	49,355	63,107