

lumber and 26,965,718 board feet in round logs. Most of the logs went to Japan and consisted largely of saw logs and a small percentage of peelers for veneer and plywood. Late reports from Japan, however, are to the effect that there are about 45,000,000 bd. ft. of saw logs in Japan that can not be readily absorbed by the market. The low quality logs, according to these reports, were sawn into lumber and sold to the occupation army in Japan and Korea. But lately SCAP appears to have discontinued this method of purchasing and has called for tenders from lumber producers in the Philippines. There are many more saw logs that remain to be shipped to Japan, but the buyers have not sent the boats to pick them up. This has caused logs producers to feel that Japanese buyers deliberately allow letters of credit to expire by not sending boats on time. Several logging contractors have lost money in this way. The demand for peeler logs in Japan, however, remains firm and they continue to command a satisfactory price.

In the United States the demand for logs and lumber has gone down slightly because of the government restrictions on steel and other strategic materials supplied for civilian needs. These have curtailed the production of television and radio-cabinet and furniture manufacture which consumes a big volume of cabinet timbers. Manufacturers, however, are hopeful that the furniture market will improve after the shows take place this summer.

The Bureau of Forestry released the following report on logs and lumber inspected for export during the month of May, 1951:

Destination	Lumber (Bd.Ft.)	Value	Logs (Bd.Ft.)	Value
United States	5,202,693	¥1,173,948.46	5,385,352	¥ 738,559.83
Japan	498,736	¥4,445.00	21,480,382	2,298,728.37
Okinawa	245,666	70,461.83		
Hawaii	101,740	18,272.36		
Erie	80,611	24,528.17	99,984	22,568.92
Canada	116,383	29,029.06		
South Africa				
Total	6,245,829	¥1,400,685.78	26,965,718	¥3,059,857.12

In the local market, prices weakened slightly during the early part of May as a result of the rejection by SCAP of a tenders for about 20,000,000 bd. ft., but during the latter part of the month, when it was known that SCAP was calling for another bid, wholesale prices steadied, thus tangle and red lauan sold for ₱200, apitong ₱190, and white lauan from ₱180 to ₱185. Philippine producers are hopeful that the tenders in Japan will go through for the reason that this would enable them to saw a large percentage of merchantable logs for Japan which would have a stabilizing effect on prices.

EXPORT OF LOGS AND LUMBER FOR THE MONTH OF MAY

Shipper	Destination	Lumber Board Feet	Logs
Abarro & Sons	Japan		920,311
Agusan	U.S.A.		644,896
Timber Corporation	Japan		349,555
	Canada		49,989
Anakan	U.S.A.	6,001	199,996
Lumber Company, Inc.	Japan		1,850,165
	Canada		49,995
Associated Lumber Manufacturing Co.	U.S.A.	170,002	
Basilan Lumber Company, Inc.	U.S.A.	2,255,233	1,271,662
	Japan		939,152
Dahican Lumber Company, Inc.	U.S.A.	123,275	
Findlay Millar Timber Co.	U.S.A.	88,090	
Francisco Roix	Japan		438,151
Getz Bros & Company	U.S.A.	180,002	
Golden Ribbon Lumber Co., Inc.	Japan		398,446
Gulf Lumber Company, Inc.	Japan		499,995
Insular	U.S.A.	744,519	
Lumber Company	Hawaii	245,666	
	Erie	101,740	
	Canada	30,363	
	S. Africa	116,383	

Johnston Lumber Co., Inc.	Japan	2,477,350
Luna, Cipriano & Company	Japan	665,876
Marman Development Company	Japan	500,000
Martha	U.S.A.	452,959
Lumber Mill	Japan	1,000,000
Nasipit	U.S.A.	1,411,375
Lumber Company	Canada	50,248
North Camarines	Japan	1,298,372
Lumber Company	Okinawa	380,730
Pan Asiatic Commercial Company	Japan	1,860,364
Pan Philippine Commercial Corporation	Japan	397,267
Philippine	Japan	127,903
Merchant Corp	Okinawa	60,808
Ralph L. Stover	Okinawa	57,198
Reynaldo Lumber Company, Inc.	U.S.A.	88,196
Robert Freider	Japan	653,369
Sta. Clara	Japan	249,681
Lumber Company	U.S.A.	136,000
Surigao Timber Co., Inc.	Japan	2,711,246
Tirador, Jorge	U.S.A.	508,628
Western Mindanao Lumber Co.	Japan	825,635
Woodworks, Inc.	U.S.A.	2,057,096
	Japan	3,017,612
	Japan	299,932
Total		6,245,829
		26,965,718

Mining

By NESTORIO N. LIM

Secretary, Chamber of Mines of the Philippines

GOLD was and is the major product of the Philippine mining industry before and since the war. Its production dates back to the early history of the country, and in 1940, there were 57 gold-producing mines. At present, only 8 of the pre-war producers are in active production. No new mines have augmented this list of producers. Gold mining has suffered a set-back since the liberation due to the fact that though the cost of production rose to more than twice the pre-war figure, the official price of gold remains the same. From 1948 to the early part of 1950, the gold-mining companies sold their output to local buyers who bought at higher prices than the official rate of ₱70 per ounce.

After the establishment of the Central Bank, the Bank officials wanted all the gold produced to be sold to the Central Bank at ₱70 per ounce. The officials of the gold mines concerned naturally protested, and after several conferences it was finally agreed that 25% of the gold produced would be turned over to the Government at ₱70 per ounce, while the rest would be permitted to be sold in the free market within the Philippines. The agreement went into effect early in 1950 and everybody was content; the free market price of gold rose from ₱85 per ounce in 1948 to ₱168 in March, 1951.

In the meantime, the Import Control Office was created and there was a time when none of the mining companies could get licenses to import absolutely necessary machinery and supplies. Mining men again complained to the authorities and pointed out, that the industry, a major industry of the country, employing 50,000 people, paying the Government over ₱3,000,000 annually in taxes, was on the verge of closing down due to inability to secure such licenses. The officials concerned lent a sympathetic ear and the situation was eased a little, but still action on mining applications remained far from satisfactory. The companies got a break, however, when PRISCO was organized. Thanks to Mr. Daniel Aguinaldo, who ran the PRISCO with the efficiency of a business establishment, PRISCO helped the country by helping the dollar-producing industries. The mining industry resumed operations at full blast. The price of gold was rising and all was going well.

Then came word from the Central Bank that the officials wanted to hold a meeting with the officials of the Chamber of Mines to talk about increasing the percentage of gold to be turned over to the Central Bank. The Chamber officials explained their side to the Governor of the Central Bank and he finally agreed that the percentage of bullion to be turned over to the Bank would remain as it was because of the increases in taxes and in the cost of machinery and supplies and labor, and because of the uncertain world situation.

However, local gold buyers now began to complain to the mining companies that they were frequently being investigated by government law-enforcing agencies for alleged illegal possession of gold, possession of fire-arms, and many other reasons. The raiding parties, on finding gold bullion, often took it to their headquarters; the owners would usually get it back, though not without great inconvenience. The writer was called upon twice by gold buyers whose premises had thus been invaded, but in both cases the investigators left after due explanation had been made.

Subsequently, however, government agencies intensified the raids on the gold buyers' establishments, and the buyers, intimidated by the threats of confiscation, and imprisonment or deportation, suspended all buying.

During the month of May and the first week of June, there was not a single sale of gold bullion. The gold-mining companies whose existence depends upon the sale of bullion in the free market, were again greatly worried, and company officials called on the various heads of the government agencies concerned,—the Central Bank officials, the Chief of Staff of the Philippine Army, the Chief of Police of the Manila Police Department, the Director of the National Bureau of Investigation, the Secretary of Justice, and the Secretary of the Department of Finance.

Everyone of these officials expressed his concern and sympathy with the plight of the industry, and promised cooperation in remedying the situation. They were supplied the names and addresses of the legitimate gold buyers whose activities were wholly within the law so long as they did not smuggle gold out of the country.

The gold buyers, assured that they would not be further molested, have now resumed buying gold. After six weeks of stagnancy, the first sale of gold was registered on June 10, at ₱108 per ounce. Buying has continued, although timidly. Secretary Pedrosa on June 26 instructed Department of Finance agents not to interfere with gold-buying and selling within the Philippines, and explained that mere possession of gold is perfectly legal and that its exportation in accordance with the export control law is not prohibited. "What is prohibited is the smuggling of the same," he said.

Secretary of Justice Jose P. Bengzon, in a letter dated June 22, addressed to Mr. V. E. Lednicky, President of the Chamber of Mines of the Philippines, said:

"For your information, express instructions were given to the N.B.I. not to hinder the free flow of gold in accordance with the law and the rules and regulations established by the Central Bank. What they should only prevent is the smuggling of the gold out of the country in violation of our laws, and it was made plain that mere possession of gold in good faith is an act of commerce and not penalized by our statutes."

In Press Release No. 2-26-5, dated June 26, Office of the President, it was announced that the Cabinet approved of the free traffic in gold in the domestic market. This means that there is a free market for gold within the country. Gold may also be sent out of the country provided that an export permit is secured. Smuggling gold, however, is prohibited under heavy penalty.

This clarification by the Cabinet of the free movement

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of gold within the country is for the benefit of those agents of the Government who had been making arrests for buying or selling gold.

The foregoing is a recital of the various problems of the mining industry which altogether have prevented

any extensive development of the industry. They have definitely discouraged the entry of foreign venture capital. It is hoped that the Government's clarification of the legality of gold trading will remove the fears entertained by our gold buyers and give new impetus to our industry.

GOLD AND SILVER PRODUCTION IN THE PHILIPPINES
Chamber of Mines of the Philippines

NAME		APRIL		MAY	
		Quantity	Value in Pesos	Quantity	Value in Pesos
Atok-Big Wedge Mining Co., Inc.	Au.	3,840 oz.	P 268,828	4,985 oz.	P 348,972
	Ag.	2,389 "	3,392	2,958 "	4,200
	M.O.	13,170 S.T.	272,220	13,237 S.T.	353,172
Balatoc Mining Company	Au.	7,768 oz.	543,740	8,352 oz.	584,640
	Ag.	5,035 "	8,056	5,361 "	5,790
	M.O.	39,486 S.T.	551,795	38,751 S.T.	590,430
Benguet Consolidated Mining Co.	Au.	1,119 oz.	568,337	8,260 oz.	578,200
	Ag.	5,263 "	8,420	5,302 "	9,544
	M.O.	32,684 S.T.	576,757	35,932 S.T.	587,744
Lepanto Consolidated Mining Co.	Au.	3,525 oz.	246,757	3,186 oz.	222,992
	M.O.	28,013 S.T.	246,757	27,300 S.T.	222,992
	Au.	4,771 oz.	331,806	4,065 oz.	282,240
Mindanao Mother Lode Mines, Inc.	Ag.	4,737 "	6,933	4,527 "	7,017
	M.O.	10,000 S.T.	338,739	10,000 S.T.	289,257
	Au.	3,600 oz.	252,000	4,500 oz.	315,000
Surigao Consolidated Mining Co.	Ag.	2,421 "	3,874	2,046 "	3,683
	M.O.	8,577 S.T.	255,874	9,248 S.T.	318,683
	Au.	None	None	None	None
Looe-Lead-Silver Mines	M.O.	None	None	None	None
	Au.	101 oz.	6,000	100 oz.	6,000
	Du.Yd.	20,000	6,000	20,000	6,000
Tambis Gold Dredging Co., Inc.	Au.	None	None	315 oz.	22,071
	Ag.	None	None	50,000	22,071
	M.O.	None	None	None	None
Surigao Placer Syndicate	Au.	None	None	None	None
	M.O.	None	None	None	None
	Ag.	None	None	None	None
Nor-Min Venture	M.O.	None	None	None	None
	Au.	31,724 oz.	P 2,217,468	33,763 oz.	P 2,360,115
	Ag.	19,845 "	30,675	20,194 "	30,234
Total	M.O.	131,930 S.T.)		134,468 S.T.)	
	Cu.Yd.	20,000)	2,248,143	70,000)	2,390,349



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BASE METAL PRODUCTION IN THE PHILIPPINES

Chamber of Mines of the Philippines

NAME	APRIL		MAY	
	Quantity M.T.	Value in Pesos	Quantity M.T.	Value in Pesos
Consolidated Mines, Inc.....	20,000	P484,800	17,800	P427,200
Lepanto Consolidated Mining Co.....	969	926,248	903	851,776
Mindanao Mother Lode Mines, Inc.....	26	23,845	24	20,913
Philippine Iron Mines, Inc.....	43,703	546,288	54,495	874,171
Samar Mining Co., Inc.....	20,223	370,099	28,239	516,774
Marinduque Iron Mines.....	3,853	73,207	3,354	63,726
Acocje Mining Company.....	None	None	5,000	194,650
Misamis Chromite Mining Co.....	None	None	1,209	72,540
Luzon Stevedoring (Chromite) Co.....	None	None	1,800	72,000
Surigao Consolidated Mining Co.....	34	25,327	38	34,865
Luzon Stevedoring (Manga- nese).....	None	None	3,200	128,000
General Base Metals.....	None	None	4,368	218,400
Palawan Manganese Mines.....	None	None	1,100	88,943
Amalgamated Minerals, Inc.....	None	None	1,418	81,677
Badillo Mining Co.....	None	None	None	None

Copra and Coconut Oil

By K. B. DAY AND D. C. KELLER
Philippine Refining Company, Inc.

May 16—June 15

BOTH the copra and coconut oil markets continued to fall sharply during the period under review and comparatively little business, apart from German purchases, has been reported.

On the Pacific Coast, copra prices fell from \$205 per ton c.i.f. to \$175 without attracting any real buying in-

terest. A similar indifference to the market was displayed by Europe where the price also fell by \$30, i.e., from \$250 per ton c.i.f. at the beginning of the period to \$220 c.i.f. on June 15. The one bright spot during the period was the purchase by Germany of some 6,300 tons of Philippine copra at a price equivalent to around \$227.50 c.i.f. Hamburg. The local market kept in line with the general decline; prices were quoted on May 16 of P38 per 100 kilos and had fallen to P33 on June 15. Local dealers were very uneasy and over-cautious in their trading, feeling that with every new decline the market had at last reached "bottom"; indications, however, are that prices may continue to fall.

Oil prices in the United States experienced similar downward trends; opening offers of 16 cents f.o.b. Pacific Coast which went unaccepted had fallen to 13-1/4 cents f.o.b. at the end of the period and apart from a few small resales of tank-cars we have heard of no other trading having taken place. There was no interest in bulk oil. In Europe, Germany once again stepped into the picture with purchases of 4,500 tons of oil at a price equivalent to \$324.50 per ton c.i.f. Hamburg, this time partly from Philippine sources and partly from Coast mills which sold at 13-1/2 cents f.o.b. Pacific Coast.

Aside from this business, however, there was a complete lack of interest and the market continued weak, and sellers who were holding for \$375 per ton c.i.f. Europe on May 15, were offering freely at \$330 on June 15 without eliciting interest.

There is little doubt that one of the chief causes of the weak market, both in America and Europe, can be attributed to the new "peace in Korea" possibilities which have grown steadily stronger during recent weeks and have led to a general slow-down in business and a reduction in inventories.

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