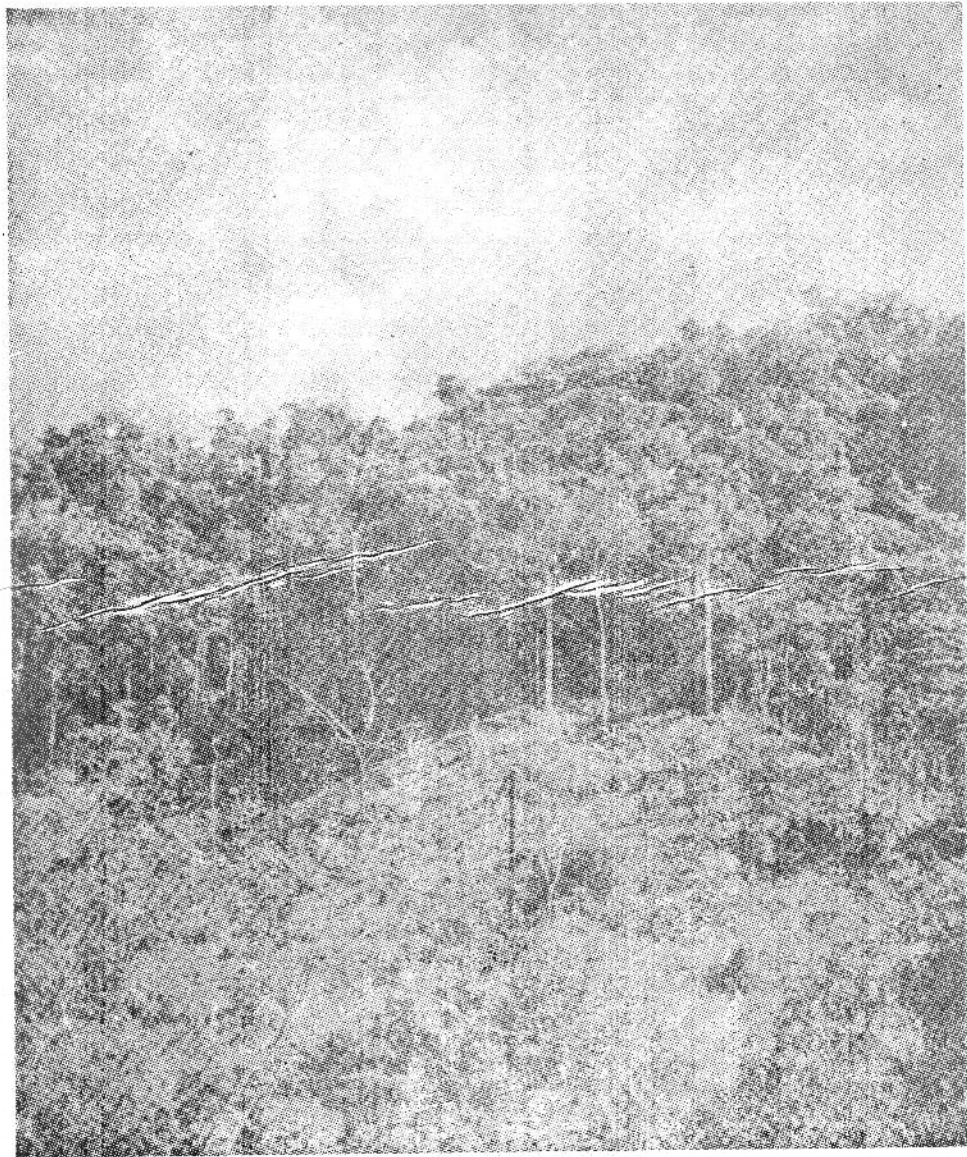


# ANNUAL REPORT 73



**PHILIPPINE LUMBER & PLYWOOD MANUFACTURERS ASSOCIATION, INC.**



**PHILIPPINE LUMBER & PLYWOOD MANUFACTURERS'  
ASSOCIATION, INC.**

**SUITE 70, 7TH FLR., ADC BUILDING, AYALA AVENUE  
MAKATI, RIZAL, D-708 PHILIPPINES**

**ANNUAL REPORT**

**1973**

# ANNUAL REPORT

## TO THE MEMBERS

## PHILIPPINE LUMBER AND PLYWOOD

## MANUFACTURERS' ASSOCIATION (PLPMA)

Having served the merged Association (PLPMA) for the second consecutive term, I would consider this Report covering the year 1973 as a continuation of the Report I have submitted a year ago on March 24, 1973.

The reason behind the formation of our organization resulting from the merger of the Philippine Lumber Producers' Association (PLPA) and the Plywood Manufacturers' Association of the Philippines (PMA) into the Philippine Lumber & Plywood Manufacturers' Association, Inc. (PLPMA) is in recognition and acknowledgement, (as indicated in my last Annual Report), of the prevailing conditions and emergence of the country into a new era of industrial maturity where processing and manufacturing would assume higher importance than the crude extraction of raw materials, requiring henceforth a higher degree of technological refinement, and of our awareness at the same time of the need of protecting "the heritage arising from the traditions established by the merged institutions, the PLPA and the PMA", and to pave moreover the way for a new dynamism to adequately meet the challenges of the future."

What we have done in accepting the challenge can therefore be evaluated and judged by what the Association and its members have accomplished and will accomplish in the future towards fulfillment of the objectives for which the merged Association was organized in support of the New Society. Aware of our responsibility, and conscious of the pattern of Government guidance in our industrializing economy, it becomes the bounden duty and responsibility of our Association as the representative of a specific sector of our industry to help the Government in the formulation of its economic and industrial policies that will both accomplish the objective of social reform as embodied in our Constitution without surrendering the prerogatives of private enterprise in its profit motivation.

We share the views of our Government authorities that institutional dialogues and opportunities of expressing the views of the private sector with sincerity and more frequency are necessary to the wise and progressive formulation of decrees, rules and regulations. The PLPMA as a segment of the private sector, should therefore continue such interest and vigilance in all conferences and meetings called by the Government agencies so as to help shape and guide the formulation of such policies and regulations vitally affecting the survival and growth of the wood industry, since it has been increasingly felt that any indifferent attitude would result in ill-advised regulations that would prevent the wood industry from making reasonable profit and from playing its indispensable role in the economic and social progress of our nation, having become the prime dollar-earner of our country's economy in 1973.

In the face of local and international events that have transpired, generating and accelerating the occurrence of factors and difficulties outside the control of our Government, it is our role at this time to undertake a realistic re-appraisal of our views and concepts as they prevailed before, in order to understand and comprehend fully our present role in a society that recognizes private ownership and free enterprise.

In consonance with the above concept, I believed it to be the task of our Association as in the past year, to re-orient our activities, towards a more comprehensive and dynamic assertion of our objectives consistent with the new order. On this basis, I am submitting for your analysis and evaluation, the accomplishments of your organization, humble as they are, but nonetheless pursued and undertaken sincerely and with the best interests of both our nation and our industry which has become the lifeblood of no less than 200,000 workers and dependents.

## PHASE-OUT OF LOG EXPORT

On February 20, 1973, President Marcos in an unprecedented and decisive move to accelerate the development of domestic wood processing industries announced to a gathering of lumbermen and forestry officials in Malacananang that log exports would be phased out within three (3) years, shifting the activities to the manufacture of semi-finished and finished products.

Your Association although aware of the consequential effects of the phase-out decree shares the view that if the country is to move forward the gradual transition from raw producers to manufacturers should be undertaken as early and as soon as possible.

The undersigned in representation of the Association was appointed wood industry sector representative pursuant to Special Order No. 162 dated April 4, 1973 issued by Secretary of Agriculture and Natural Resources Arturo R. Tanco, Jr. creating an inter-agency group to formulate a program of readjustment and development for the wood industry as consequence of the phase-out of log exports.

The Forestry Reform Code, after several revisions, have placed the phase-out percentage rate of exports as follows:



- (a) Calendar Year 1973 — — — 40 percentum
- (b) Calendar Year 1974 — — — 60 percentum
- (c) Calendar Year 1975 — — — 80 percentum
- (d) Calendar Year 1976 and thereafter — 100 percentum

Lately, President Ferdinand E. Marcos modified the above ratio by allowing 80% of logs produced to be exported until the end of 1975, when total phase-out becomes effective to serve the country's need for more foreign exchange income, in view of the expected heavy flow of our foreign exchange to cope with the heavy expenses for importation of oil supply for the the industry of the country.

Your Association at the urgent request of the Presidential Committee has contributed at the respective member Company's expense, the services of Engineers Teddy Calzo of PICOP and Norberto Cajucom of Sta. Clara Lumber Co., Inc., to serve full-time until April this year, to assist the Government in assessing and making relevant recommendations concerning the multifarious problems of the phase-out program of the Government.

## TURNOVER OF LOGS AND LUMBER INSPECTION

In spite of the willingness of the PLPMA and the PCWI to assume the responsibility of taking over the functions of log and lumber inspection, to eliminate delays in the inspection of log exports under the present system of inspection, and to decrease if not possibly eliminate the undesirable features of the present system, the turnover is far from being accomplished in view of an inability to reach an agreement, among others, on the following:

- (a) Procedure on proper accreditation and deputization of inspectors of private firms to undertake the official function now being performed by inspectors of the Bureau of Forestry.
- (b) Proper disposition of inspection fees that should belong to the Five-man Industry Grading and Inspection Committee (WIGIS) as a means of funding the committee and the inspection services, as against the view that the amount should accrue to the government.
- (c) Failure to agree on giving official sanction and approval as authoritative and officially acceptable, the inspection report of private inspectors on the grade and quality of logs inspected for export. The Central Bank labors under the old impression that such reports are liable to become instruments of deception and misrepresentation.

Your Association takes the position that the turnover of the function requires as a basic premise that the private sector should enjoy such trust and confidence necessary to perform its function, with possible imposition of sanctions and penalties in case of fraudulent reports, and that the private sector should moreover function under a certain degree of freedom and discretion, without subjecting the results of such reports to strict government control and approval that will not eliminate the old practice intended to be remedied.

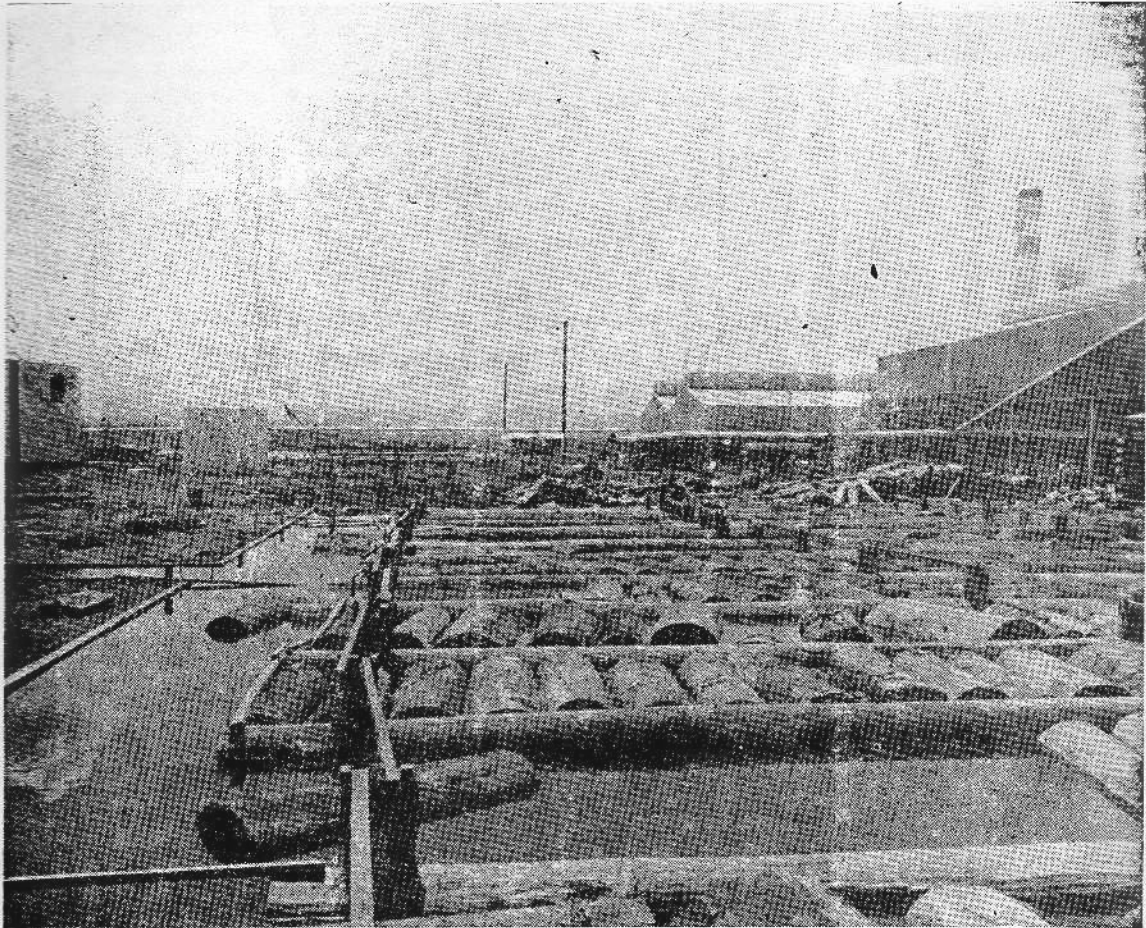
The policy if implemented is a step in the right direction as it will not only constitute savings to the government, but will likewise result in the promotion of self-policing by the members of the two Associations regarding the quality of their exports to the foreign market.

## LIMITATION OF LOAD WEIGHTS OF TRUCKS IN EXCESS OF 10 TONS

Your Association took the initiative of protesting the implementation of Letter of Instruction No. 93 limiting load weight of trucks passing on public highways and bridges in excess of 10 tons. This prohibition must have been motivated by a desire of our government to conserve and preserve roadways and bridges. Unfortunately, the limitation failed to take into account certain basic formula on pressures on road surfaces obviously varying in degree and intensity depending on the number of wheels used in each truck. It moreover failed to consider the different types of road surfaces that react differently to weights and pressure of load vehicles.

We pointed out to the authorities concerned that strict enforcement of the limitation without certain qualifications, would result in paralyzing the transportation facilities of loggers, lumber and plywood producers in the distribution of their products, as a great number of trucks being used are those of the heavy type exceeding the loaded allowable weight of 10 tons. This would result in failure of exporters of these products from meeting their delivery and shipping commitments both locally and abroad.

As a result of our representation spearheading the action with other industries similarly affected, the Commissioner of Public Highways consented to issue permits for trucks to operate and load on a case to case basis, upon submission by applicants of certain data and information. This has practically eased up the situation allowing our member-firms to utilize uninterruptedly their transportation facilities.



### **PRICE CEILING ON PLYWOOD AND LUMBER**

The year 1973 saw a sudden upsurge of prices of prime commodities. Prices of construction materials like plywood, lumber and cement increased considerably, and in many instances were accompanied by a marked scarcity of these items in the Manila market. The Government, through the Department of Trade, feeling the pressure from the low income groups hard hit by this development sought to curtail the price increase by imposing price ceiling on different commodities, plywood and lumber among them. Total banning of these products for export was even considered.

In the face of these restrictions, your Marketing Committee had several conferences with the Price Control Council and other government agencies including the Army authorities who have complained of lack of lumber and plywood to supply the building and infrastructure program of the administration.

Your Association made serious representation to increase the price ceiling of plywood from P10.50 to 14.50. The reasons of your Association and effectively transmitted to the authorities in writing and thru the medium of conferences are based fundamentally on the following:

a) That it is unfair to restrict or ban the exports of lumber and plywood, since the government thru the Export Incentives Act and other complimentary decrees have emphasized time and again total support for export activities;

b) Plywood producers have suffered considerably in previous years due to the depressed foreign market, and it was only in the latter part of 1973 that they were able to recoup their losses in previous years;

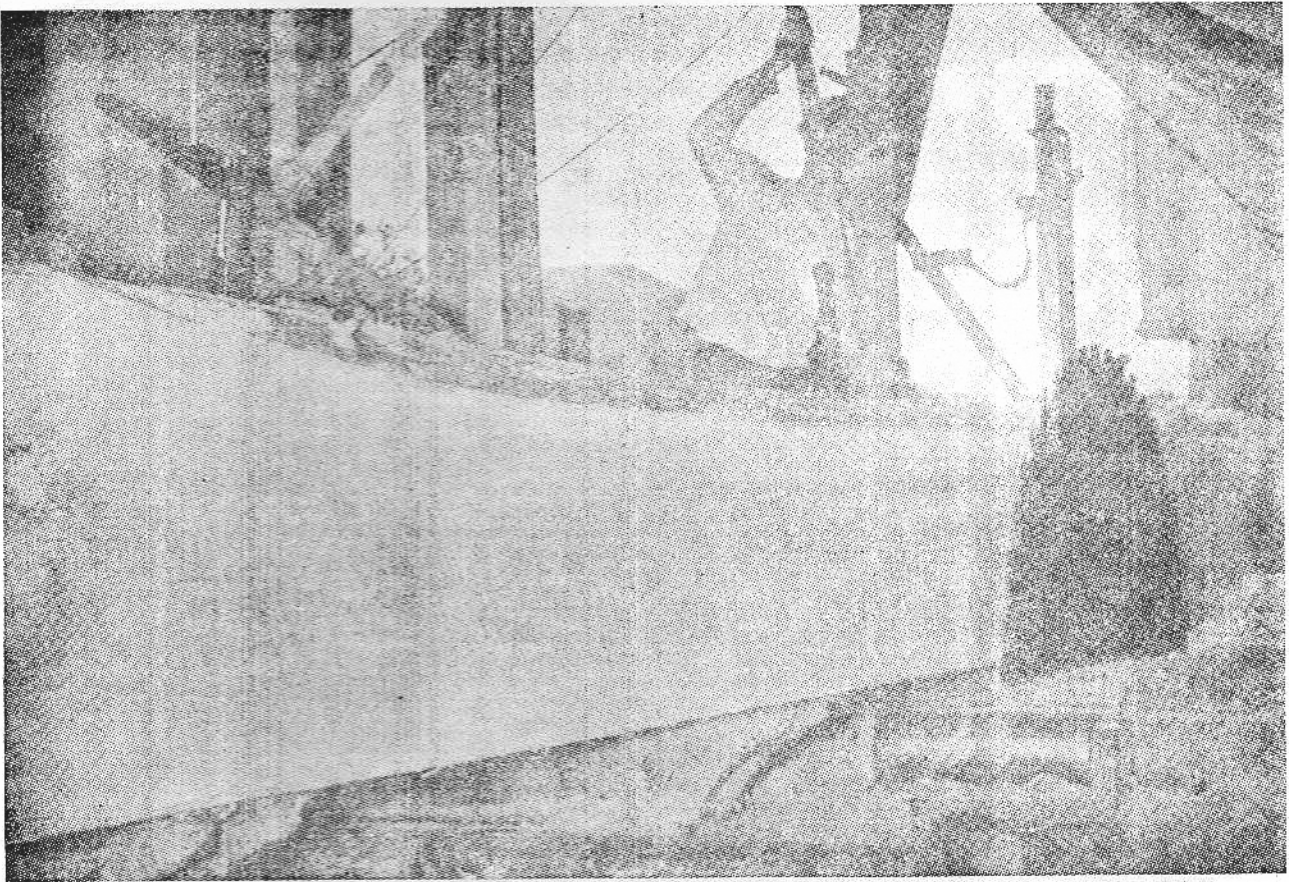
c) Plywood and lumber producers are willing to reserve a certain percentage of their production for local consumption enough to supply the demands of the local market.

d) Local dealers of lumber and plywood instead of channelling these goods locally as intended, export them abroad due to the huge demand obtaining in the foreign market, paying moreover a considerably higher price than what the local market pays or better still higher than the controlled price.

e) Exporters should be screened carefully to insure that exportations are in fact made by producers or their duly authorized dealers.

f) The price ceiling should be re-examined and increased to make them more competitive with the export price.

Your Association is now working for the removal of the price ceiling on plywood, on the basis that while the supply of local-grade plywood is sufficient to meet local demand, bottoms are inadequate to bring these supplies to Manila, which is the main market for this essential construction material.



## LOCAL TAX CODE

In view of the prejudicial effects of some of the provisions of the Local Tax Code, your Association in line with the request of the Secretary of Finance to suggest proposed amendments to its provisions, submitted a detailed discussion of the defects of the the Code and recommended the following amendments thereto as follows:

1. To exclude from the provision of Section 19(a) the business of exporting commodities or products covered by the export tax provided in Presidential Decree No. 230 amending the Tariff and Customs Code.

2. To allow municipalities to become recipients and beneficiaries of municipal taxes payable under Section 19(a) on logs cut and removed from their territorial boundaries irrespective of where the main or branch office of the business is located, and that in case of boundary conflicts between two or more municipalities where the logs are cut, the concessionaire should have the discretion to pay the municipal tax in the municipality of his choice until the boundary dispute is settled.

3. To reduce to 75% of what is now indicated in the Local Tax Code, the maximum municipal tax on business.

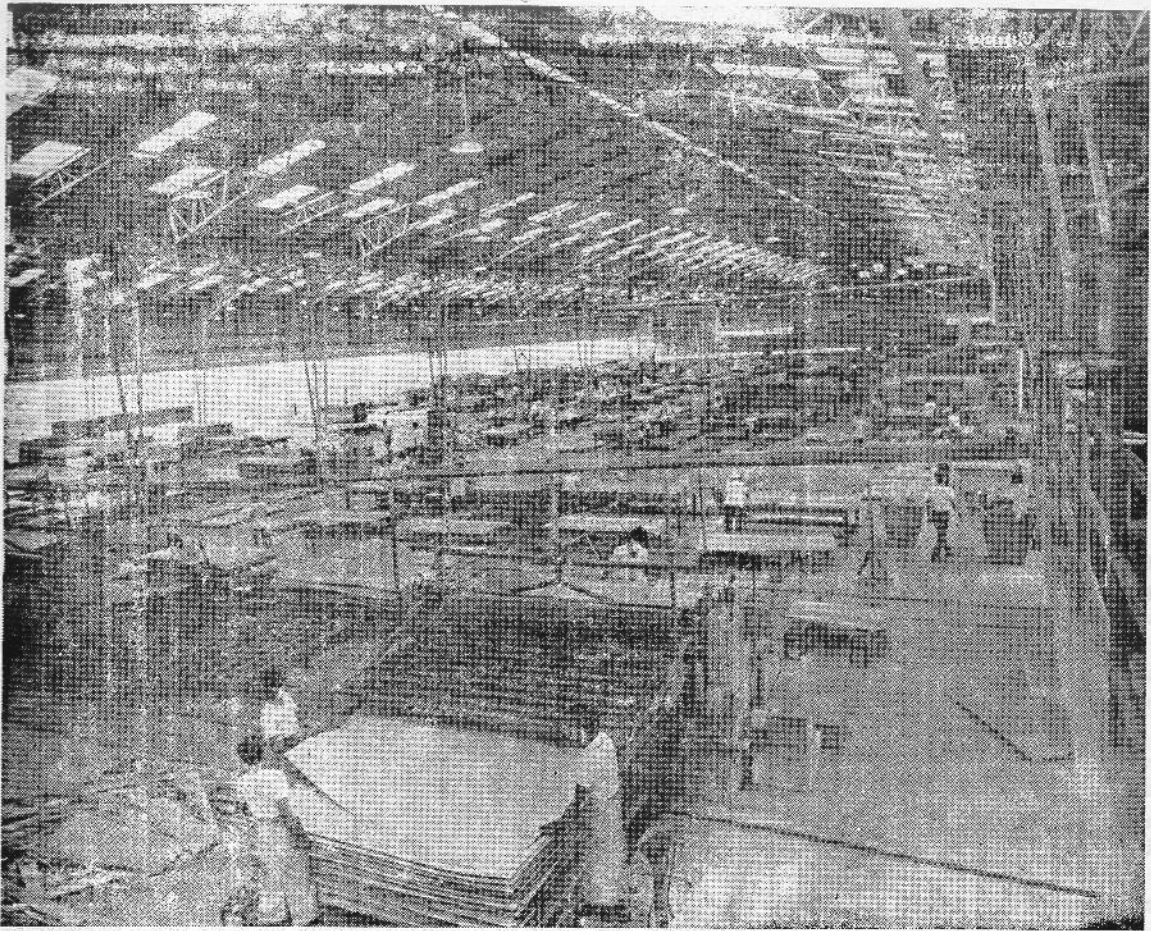
4. To provide a scale of payment of municipal taxes from the minimum to the maximum, gradually to increase over a period of five years.

5. To provide a more effective provision to prevent ordinances "in restraint of trade" by prohibiting local government units from preventing the removal and movement of logs and wood products or preventing the passage thereof within the municipality, without first paying the municipal tax, and to provide for acceptance of undertakings with sufficient collaterals or surety bonds to guarantee payment of such taxes in lieu of cash payment.

6. To define under separate provisions the difference between "taxes", "license" and "permit fees", conveying the scope and limitations of the powers of local government units in imposing any of them, and to provide that municipal ordinances imposing a levy or charge should indicate by proper pronouncement the intention for such charge or levy, whether to raise revenue or to merely regulate a certain business.

## EXPORT DUTY AND PREMIUM TAX

Your Association is playing a major role in the implementation of both export duties and premium taxes. In view of the need of the Bureau of Customs to have a regular and realistic basis on which to compute the export tax of 10% for logs, and 4% on plywood, veneer and corestock, your Association through its Marketing Committee regularly confers with the Bureau of Customs, submitting from time to time price list of logs, lumber, plywood, veneer and corestock determined on f.o.b. gross value and based on region of sources of supply.



It is gratifying to note that the authorities concerned with the collection and imposition of export and premium taxes have accepted our Association's price listing with a degree of reliability and conclusiveness, and the prices listed for the particular month are being utilized as a basis for the computation of these taxes. The reliability we have gained and achieved for our figures is due to the realistic and correct submission by our members of their respective prices, pursuant to and in accordance with their contractual commitments. We will strive to keep faith with that reliance placed on us by the Government authorities.

#### **FORESTRY REFORM CODE**

Your Association participated actively in the formative discussion of the Forestry Reform Code before the final draft was signed and formally decreed by President Marcos. Observations however revealed that it contained provisions, whose effects are prejudicial to both the wood industry and the government or at least to certain sectors thereof.

It is the intention of your Association to promote active discussion of the codal provisions to ferret out the defects of some of its articles and clauses which would justify or require appropriate proposal for amendments.

#### **POSITION PAPER TO THE NEDA ON THE 100,000 HECTARES LIMITATION FOR TIMBER CONCESSIONS**

Your Association has been asked by the National Economic and Development Authority (NEDA) along with other sectors of the Wood Industry, and has given its position paper regarding studies being made by that Government body to provide exemptions from the limitation provided in the new Philippine Constitution, restricting each logging licensee in developing an area of more than 100,000 hectares; and it is to the credit of the Association that the position paper, which appears elsewhere in this Report, has been given due cognizance by the NEDA, which has taken into account the recommendations given by the Association, which has proposed certain conditions towards a selective granting of these exemptions, which your Association felt would work to the best interest of the Government, as well as the natural patrimony, which we in this Association have been entrusted to guard and protect for the benefit of the people, as well as the generations to come.

These recommendations were premised on the following objectives for the revision of the present policy;

- 1) Conservation of our forest resources;
- 2) Adequate raw materials for wood processing industry; and
- 3) Adequate diffusion of the benefits to be derived from the development of the national patrimony.

Among these recommendations are the following proposed guidelines for the preservation and development of Philippine forests:

- 1) Applicant should be a well-established Company having adequate, financial and physical facilities run by competent reliable management;
- 2) Applicant should have an integrated wood-processing plant requiring no less than 25,000 cu. m. input per month. In addition, such a licensee should be given proof of having practised sustained yield management in its logging operations for a period of not less than five (5) years;
- 3) Applicant must have undertaken bona fide reforestation programs designed to provide the necessary input to insure perpetuity of the resource base; and
- 4) In joint venture arrangements involving tie-ups between Filipino and foreign capital, the applicant should show proof that it has or will be willing to undertake tree farming in addition to compulsory reforestation; that it has competent Filipino technicians in the operation of machineries and equipment; and applicant can reasonably waive compulsory marketing tieups regarding the finished products.

## **FREIGHT RATES**

An important factor in increasing our exports abroad is the availability of bottoms. Without a Filipino flag merchant marine of sufficient tonnage, our logs, lumber, plywood, veneer and corestock export have to depend on foreign shipping. Our experience with the conference lines which arbitrarily and at will raised continuously freight rates in the past, forced our Association to accept under reciprocal consideration the offer of Retla Steamship Co. to service our plywood and veneer exports to the U.S. The allowance and incentives based on the frequency and volume shipments have given our exporters the encouragement and advantage over conference rates.

Lately however, Retla Steamship Co., which has joined our Association as Associate Member, raised the freight rate at no less than three times, giving some justification among our members to demand better allowances and incentives to compensate them for the high freight rates. We are in the process of gathering from our Members their shipping cost as a basis for a possible negotiation with Retla, as well as other shipping firms that can serve our needs.

We have made representation with the authorities to provide Retla with the necessary bunker fuel requirements for its vessels carrying logs, lumber and and plywood from the Philippines to Japan.

Recent offer of socialist and communist countries to provide shipping services to our exporters with no-requirement of bunker fuel, is being followed by our Association. Our organization is represented in the Shippers' Council, and we certainly are receiving all information on offers of accommodation from these sources.

## **IHPA CONVENTION**

We furnished the Imported Hardwood Products Association (IHPA), of which we are an Associate member, with a copy of our communication to the NEDA on the discrimination of Philippine Lauan plywood exported to the United States, soliciting their help and intervention to bring to the attention of the U.S. authorities, the unfairness and discriminatory aspects of U.S. Tariff and Customs Duties on our Lauan plywood.

Your Association was represented in the last Conference held February 12-15, 1973, at Rancho Bernardo, San Diego, California, U.S.A., with the undersigned speaking for the Philippines at the Asian forum which is now to be held annually during IHPA Conventions, while Messrs. Ricardo C. Garcia of Sta. Clara Lumber Co. and Bienvenido Nepomuceno of Retla represented the Association during the deliberations.

It is noteworthy to bring to the attention of our members that at this Convention, Mr. Victor Kaplan of U.S. Plywood, who once represented Maranaw Timber Industries, Inc. in your Association, was elected President of IHPA for the current year.

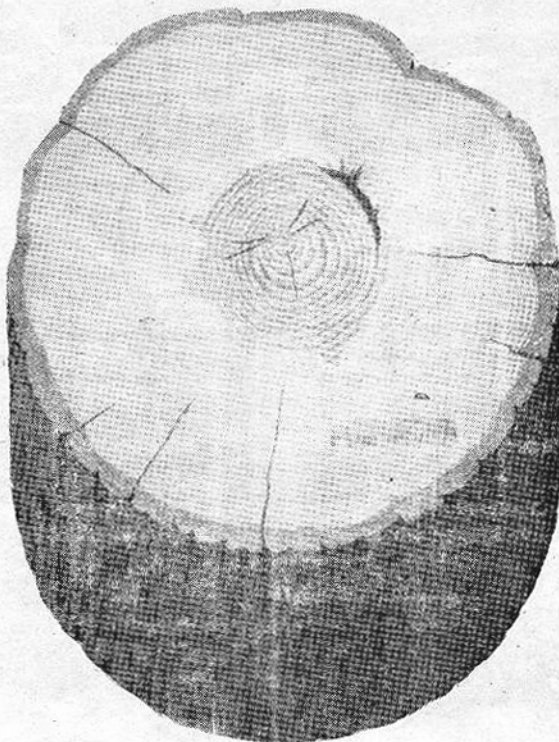
This year, with the IHPA Convention to be held on March 20-22, at Key Biscayne, Florida, Mr. Guillermo V. Misa, our Vice-President for Pulp & Paper, and Vice President for Public Relations of the PICOP, will deliver the address for the Philippines, and Messrs. Pedro Nisperos of Nasipit Lumber and Nicolas P. Lansigan, Executive Director of the Presidential Committee for Wood Industry Development, and former Vice-President of PLPMA, will give the Association a well-balanced representation.

## **13th ANNUAL CONVENTION OF PHILIPPINE LUMBERMEN**

We actively participated in the 13th Annual Convention of Philippine Lumbermen held last July 31 to August 4, 1973, with the theme "Our Trees of Life: A Closer Outlook", especially in the forum held on that occasion. Our members have shown proper aptitude and knowledge of the various problems discussed.

We have shown our good intention and willingness to cooperate with other associations and segments of the wood industry including building contractors, furniture manufacturers, and government sectors engaged in the building and infrastructure program of the Government.

One significant result of this Convention is the exposure of the problems of each particular segment of the wood industry particularly the shortage of supply of needed raw materials and the means by which such requirements can be adequately supplied under some form of cooperation and coordination between producers, manufacturers and processors.



### **THIRD ASIAN CONFERENCE OF PLYWOOD MANUFACTURERS IN SEOUL, KOREA, OCTOBER 15-17, 1973**

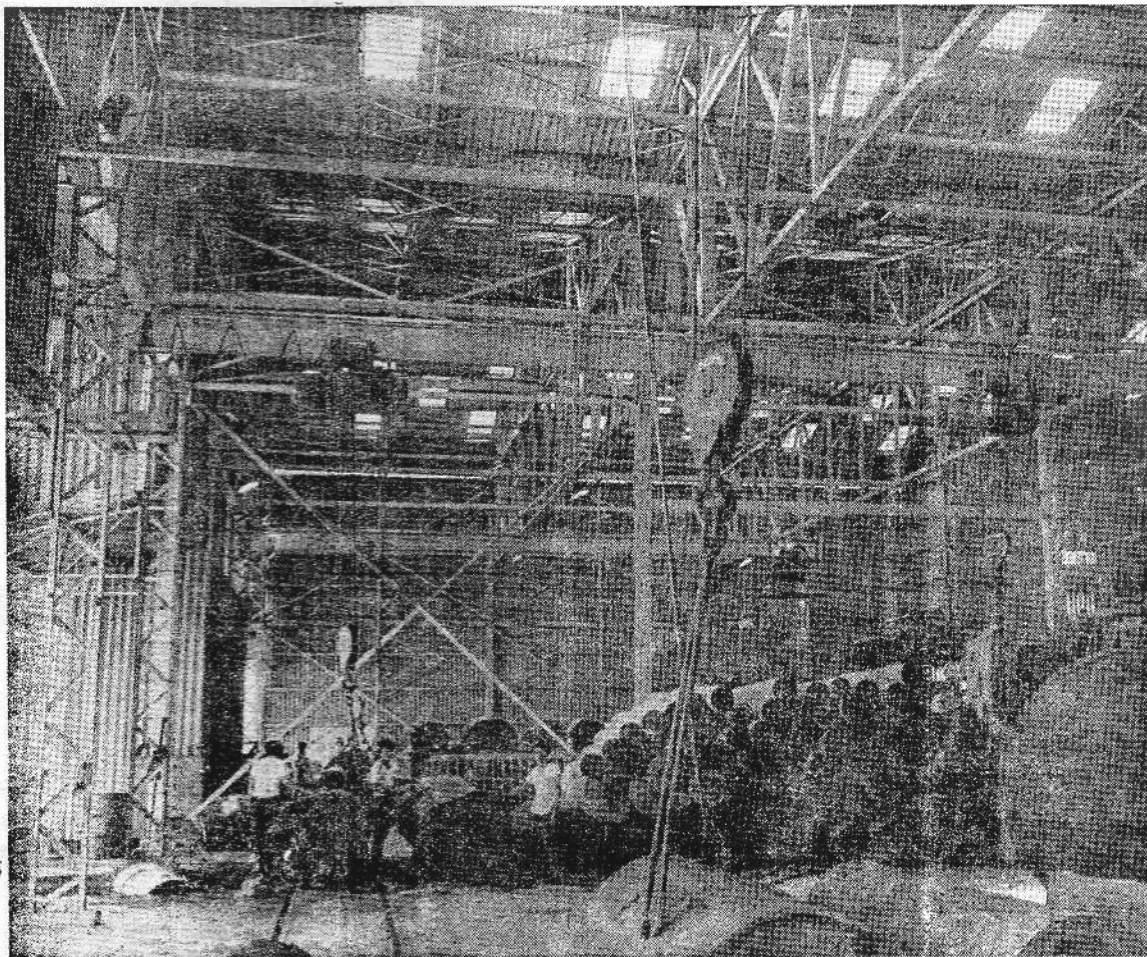
Your Association was represented by a respectable delegation at the Third Asian Conference of Plywood Manufacturers which was held in Seoul, Korea on October 15-17, 1973. The Delegation was composed of Messrs. Ronaldo P. Abilla, Antonio Licas, Aquilino Bacuñgan, Jr., Mamerto Sanvictores, Robert Hyde, Simeon Inguito, Bienvenido Nepomuceno, Ricardo C. Garcia, with the undersigned as head, and Engr. Emilio Jaranilla of the Board of Investments as government representative.

The Conference was an occasion for the Philippines to meet with other plywood manufacturers from other Asian countries represented, and to discuss with them common problems facing the Asian wood industry. Delegations from Japan, Republic of China (Taiwan, Australia, Malaysia, Indonesia, India, as well as the host country, met for three days at Chosun Hotel, and besides engaging in pleasantries, had worked to review grading rules for Asian plywood. It might be pertinent in this connection to add that this work was spearheaded by Mr. Ronaldo Abilla of PICOP, with Mr. Gabriel Rillorta of Sta. Clara Lumber Co. as Vice-Chairman, also with Messrs. Adrian Atizado, Walter McAloney, Simeon Inguito, Johnny Baranda, Manuel Malonzo, and Edgardo Dirige.

Vice-President Guillermo Misa who was scheduled to address the Conference regarding the log supply situation, especially in view of the phase-out of Philippine logs, was unable to be present at the Conference; and Mr. Aquilino Bacuñgan of Adecor took over the task, and the speech was well-applauded at the Convention. The undersigned, as head of the Philippine delegation, delivered the country's position for the Philippines, while Engr. Emilio Jaranilla, as Government representative delivered closing remarks in the name of the Philippine delegation.

This report will not be complete without citing the work of Mr. Cho Min Ha, president of the Korea Plywood Industries Association, whose efforts mainly contributed to the success of the Conference.

The Philippine delegation also introduced an amendment to the Asian Plywood Conference constitution wherein all past presiding officers of the Conferences were made honorary presidents of the Conference, which have now made Mr. Benjamin Sanvictores, who was Presiding Officer of the first conference in Manila held on February 2-5, 1970; Mr. Seichi Mataga of Japan; and Mr. Cho Min Ha, as Honorary Presidents of the Conference.



### **CONFEDERATION OF PHILIPPINE EXPORTERS (COPE)**

Your Association, in response to the call of Secretary Troadio Quiazon, Jr. of the Department of Trade, joined the Confederation of Philippine Exporters (COPE) as one of its founding members, and in the new election of Sector VI for the current year representing semi-finished export products, (a nomenclature which we are making representation to revise), the undersigned as your representative was elected Trustee for the said Section, and our Mr. Guillermo Misa of PICOP selected as Vice-President for the group. In addition, during the recent Board elections, Mrs. Pura D. Almario of Findlay Millar Timber Co., was elected Corporate Secretary, while the undersigned assumed the position of Treasurer in the Board of Trustees, headed by Secretary Quiazon.

### **PHILIPPINE SHIPPER'S COUNCIL**

Corollary to the formation of the Confederation of Philippine Exporters (COPE), the Philippine Shippers' Council was also organized under the auspices of the Department of Trade, to which Mr. Ricardo C. Garcia as Chairman of our Marketing Committee, was named as member in a subsequent election by the Council, Mr. Eduardo Cojuangeo, who was President of the former Plywood Manufacturers Association of the Philippines (PMAP), was elected Chairman of the group.

### **LOW-COST HOUSING DESIGN CONTEST**

Aware of its role in nation-building, your Association in cooperation with Borden Chemical Co. Phils., an Associate Member, launched on November 15, 1974 the Low-Cost Housing Design Contest. An on-going project, the contest is designed to bring out the creative talent of professional architects and civil engineers and students as well, and to encourage maximum usage of wood materials.

## FAIRS AND EXPOSITIONS

Your Association, in cooperation with the Philippine Chamber of Wood Industries, presented joint exhibits in "showcase" of the 13th Assembly of Philippine Lumbermen showing stages of operations and product lines of the wood processors.

In response to the invitation of the Chamber of International Trade, your Association actively participated in the International Trade Week of 1973 sponsored by the same organization in cooperation with different sectors of trade, tourism and industry. A booth displaying the members' different product lines was put up on October 23 to 28, 1973 in the Phil-Am Building, United Nations Avenue.

Another exhibit was sponsored by your Association together with the Philippine Chamber of Wood Industries during the 70th Anniversary of the Chamber of Commerce of the Philippines held at the Quirino Grandstand, Luneta, from December 2-31, 1973.

## MEMBERSHIP

Your Association acquired new members both regular and associates during the last fiscal year as follows:

### REGULAR MEMBERS:

Davao Gulf Lumber Co., Inc.  
Bataan Pulp and Paper Mills, Inc.

### ASSOCIATE MEMBERS:

Asia Industries, Inc.  
Atlantic Gulf & Pacific Co.  
Boneco (Phils.), Inc.  
Borden Chemical Co., Inc.  
Edward J. Neil Co., Inc.  
Evans Products (Phils.), Inc.

Manuel Nieto Corp.  
Minnesota (3M) Phils.  
Resins Phils., Inc.  
Retla Steamship Co.  
USIPHIL, Inc.

## DONATIONS

In response for donations in cash or in kind to further the cause of the wood industry or to serve some worthy cause, your Association donated during the year the following amounts, to wit:

a) Philippine House in Hongkong, Department of Trade	-----	P15,000 worth of plywood
b) Philippine Chess Federation	-----	15,000
c) Tree Preservation Foundation of the Philippines	-----	1,000
d) Sisters of Mount Carmel	-----	1,000
e) Elks Cerebral Palsy Project	-----	300
f) Confederation of Philippine Exporters	-----	2,561.50 worth of plywood and lumber
g) Foundation for Philippine Family Planning	-----	100
h) Phil. Chamber of Industries	-----	400

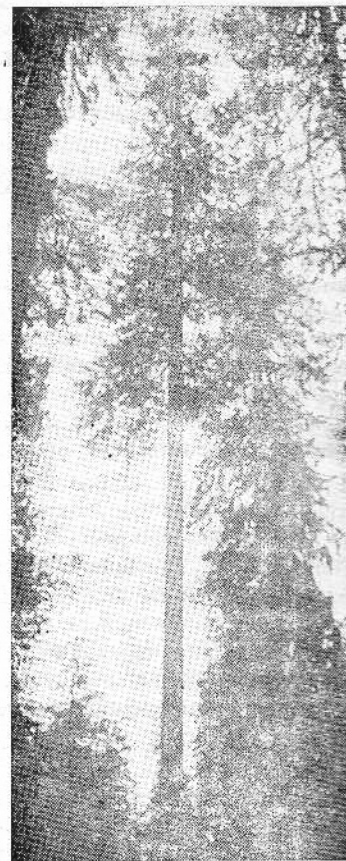
## FINANCES

The Association's Financial Report for 1973 audited by Sycip, Gorres & Velayo is attached to this Report forming part thereof.

Our members, with the exception of a few, regularly pay their monthly fees and assessment dues, to the Association which is an indication of their active support to the financial requirements of the Association.

## SATURDAY FORUM

We have inaugurated since February 2, 1974 a weekly meeting among our members every Saturday morning from 9:30 a.m. to 12 noon to discuss such matters that members may submit for brainstorming or for discussion. There is no agenda and every member is free to raise or submit any question affecting his Company in particular or the industry as a whole. The intention is to arrive at a consensus or solution or alternative solutions to any given problem, to clarify and reconcile provisions of relevant rules and regulations issued by the authorities, and to determine appropriate remedies and suggestions that may be submitted to the authorities concerned, or to the Board of Directors or the Committees for appropriate action.



Attendance during the Saturday forum is encouraging, and discussions have been lively and constructive. Very often these meetings have been attended by visitors from outside who are involved directly or indirectly in the wood industry.

It is hoped that these forums will continue with increasing attendance of our members, as the benefits and advantages derived therefrom and from the discussions regularly held have been appreciatively felt.

### **LAUREL-LANGLEY AGREEMENT**

Our dependence on the U.S. market for our traditional export products, including plywood and veneer, finds expression in the provisions of the Laurel-Langley Agreement giving our export products preferential tariff treatment, which however will be phase-out completely with the termination of the agreement on July 3, 1974. As of the beginning of this year, Philippine lauan plywood has been paying a tariff duty of 20%, a rate that makes our plywood export into the United States uncompetitive. Unless the plywood industry is able to reduce substantially its cost of production, which is very unlikely as the trend obviously is for higher costs in view of several contributory factors, the termination of the Laurel-Langley Agreement places in the serious doubt whether the Philippines can maintain its traditional market in the United States.

In the face of this foreseeable future we have written the National Economic and Development Authority (NEDA) on January 28, 1974, indicating with facts and comparative figures and proper citation of the specific provisions of the proposed U.S. Statute (Trade Reform Act of 1973), the discrimination against Philippine lauan plywood entering the United States. We expressed serious doubt whether our plywood will be free of U.S. ad valorem duty of 20% under the concept of generalized preference presently conceived by the U.S. Government. We mentioned the fact that the Philippines having acceded to membership in the GATT, can now be in a position to initiate a revision of the U.S. tariff schedule to reduce the duties to only 10%. Our position is that we are not asking preferential treatment but merely the same treatment that plywood from other countries are presently enjoying.

As a result of our representation, the NEDA has assured our Association that in the forthcoming negotiation of a new instrument to replace the Laurel-Langley Agreement which will affect our exports to the United States, Philippine representatives will exert all efforts to safeguard and protect Philippine interests which includes lauan plywood. Taking note that the U.S. Trade Reform Act of 1973 accords non-reciprocal preference to the exports of developing countries, the NEDA assured us, moreover, that the Philippine Ambassador to the United States will present to the U.S. Congress, the viewpoints of our Government on the provisions of the bill affecting our country's interest, especially those relating to the eligibility of Philippine exports, (including plywood), for the benefit of the U.S. Generalized Scheme of Preference (GSP).

Finally, NEDA has assured us that the Philippine Government will at the propitious time bring the case of Philippine lauan plywood to the attention of GATT with a view of securing a fair and suitable treatment for our exports.

### **OIL EMBARGO AND FUEL SHORTAGE**

Like all other industries in the country the lumber and wood processing industry has been affected by the Arab oil embargo and soaring oil prices, and is laboring under an apprehension that if no satisfactory solution to the oil shortage is found, the industry faces the possibility of limited if not total shut-down of operation. The shortage has not only affected the plant operation of factories, but their transportation facilities as well.

We realize the Government's effort to solve the oil crisis and to supply the major industries with the necessary fuel to keep the operation of plants and factories at normal level. This effect we have made direct representation to the NEDA and the Philippine National Oil Company on the fuel requirements of our members, based on data of actual consumption.

In view of the recent pronouncement of the government on the need of all-out operation to increase production of export products to off-set the high import cost of fuel estimated at \$700,000,000.00 yearly, we have reason to believe that solution to the oil shortage will eventually be solved, but based on the reality that the price will be considerably higher than before. Since logs, lumber and plywood constitute one of our major exports contributing substantially to our foreign exchange earnings, we have reason to expect that the wood industry will not be discriminated in the supply of fuel allocation.

### **OUTLOOK**

Our Constitution defines the goal of the State and sets forth in clear and precise terms the policy and means by which such objectives can be attained. This is expressed in the Declaration of Principles and State policies embodied in the following provisions of our fundamental law:

"The State shall promote social justice to Secure the dignity, welfare and security of all the people. Towards this end the State shall regulate the acquisition, ownership, use, enjoyment and disposition of private property and equitably diffuse property ownership and benefits." (Sec. 5, Art. II, Constitution of the Republic of the Philippines).

"The State shall establish, maintain, and ensure adequate social services in the field of education, health, housing, employment, welfare and social security to guarantee the enjoyment by the people of a decent standards of living." (Sec. 7, Art. II, Constitution of the Republic of the Philippines).

The foregoing establishes an economy patterned after a planned program guided by the accomplishment of national objectives for our country and sets an established pattern of industrial operations and management as well as growth, which though recognizing the existence and rights of private and corporate ownership, are nevertheless made to be in consonance with these economic goals.

It is in acknowledgment of this concept that the New Society is being gradually molded to attain social reforms. The series of decrees and issuance of implementing rules and regulations regulating the activities and restrictively defining the prerogatives of business enterprises are manifestations of the objectives of the New Society. We can not remain indifferent to these realities, and the Wood Industry as an important segment of the nation's industrial community, must remain vigilant and constructively alert in helping the Government shape our future that will not only insure our survival and growth, but will also provide us with the means to contribute to the socialized reforms as well.

How responsive and effective has the wood industry been to the challenge of our government to share in the fulfillment of social reforms mandated by our fundamental laws? So much doubt has been expressed, particularly in some uninformed quarters, that we have not compared with other segments of Philippine industry, contributed to the realization of social reforms. Our accomplishments toward this end have been relatively underrated and so often misconstrued and confused by collateral factors, like occurrences of flood and inclement weather that are being blamed on alleged malpractices and misdeeds of timber concessioners.

In the face of these under-statements, Mr. Benjamin F. Sanvictores, our very active Vice-President for Plywood & Veneer, in a paper delivered at the 9th Session of the University of the Philippines Program in Development Economics, School of Economics, recently stressed the positive and legitimate contributions of the wood industry in the furtherance of the social aims of our Government, as follows:

a) **JOB OPPORTUNITIES** — The growth of wood processing throughout the country and the expected accelerated expansion of existing processing units and establishments of new plants made imperative by the phasing-out of log exports by the end of 1975, generated and will continue to open job opportunities for our legions of unemployed. The opening of forest areas for the production of logs to supply the requirements of wood manufacturing plants are development creating labor opportunities.

b) **ACCELERATION OF WOOD EXPORTS** — Our exports abroad consisting of logs, lumber, veneer, core-stock and other semi-finished and finished wood products have always been top earners of foreign exchange for the country. The reputation of Philippine mahogany abroad has given a remarkable prestige to Philippine woods to the extent that demand for Philippine mahogany products abroad and in the United States in particular can hardly be met by local producers.

Wood processors are continually being registered with the Board of Investments under the Export Incentives Act imposing mandatory obligations for them to concentrate on export activities. The incentives given by the Government have contributed in no small measure to the accelerated pace of exportation of semi-finished and finished wood products from the Philippines.

In 1973 the industry earned more than \$400 million for the country and will most likely increase its participation in the dollar earnings of the nation in 1974 and the years ahead.

c) **DISPERSAL OF THE INDUSTRY** — By the very nature of the wood industry starting from logging to the manufacture of semi-finished and finished products, operations are scattered all over the land. Logging operations are always conducted in the hinterlands and most processing plants are invariably located in places of proximity to sources of raw materials. Remote places and woodlands have been transformed into progressive communities and the wood industry in this aspect of dispersal of operation and involvement in community welfare can perhaps boast of greater degree of participation than other industries of the country.

d) **SOCIAL ORIENTATION** — A casual visit to logging concessions and places of wood processing mills would give the immediate impression of the degree of decency and quality of life enjoyed, not only by the laborers and employees, but also by the rest of the community that have congregated in nearby areas. It is evident from this aspect that the wood industry shares its profit with its employees as well as with the community at large. This is a form of social involvement that the wood industry has been undertaking and will continue to undertake.

e) **DEVELOPMENT OF SMALL AND MEDIUM SCALE INDUSTRIES** — So many small and medium scale industries are dependent on timber and lumber as sources of raw materials for the manufacture of furnitures, wood handicrafts, house components like doors, windows, sashes, etc., all of which are required by the local market and heavily demanded by foreign countries.

The progressive expansion of small and medium scale industries as auxiliary enterprises of the wood industry will find support in the supply of raw materials for their requirements. This being brought about by government regulations and voluntary commitments.

Recent developments emanating from outside influences beyond the control of our Government have made the task of the latter more complex and perhaps extremely difficult of adjustment to conform to the objectives and guidelines of our fundamental law. Such occurrences as the oil embargo, inflation, increase in prices of prime commodities, high cost of living, are problems among others to which the wood industry can not remain indifferent and unresponsive. Its involvement in such problems is indiscriminately associated with the concern of the Government, and their solution can no less be considered than a joint task of both the Authorities and the private sector to solve.

The vast horizon of foreign investments and opportunities open to our country as a result of the implementation of various incentive laws, generates a reputation that our country, among Asian nations offer the best opportunity and security for foreign investments under joint ventures with Filipino entrepreneurs. Japanese, Australians, Americans, Europeans, Hongkong and Middle East industrialists are vying for favored considerations from us under liberal and encouraging long-term loans at nominal interest, and equity participations. The reputation of the quality of our logs, lumber, plywood, veneer and core-stock products, with assurances under our laws for the protection of private investments and repatriation of capital and divided earnings, are sufficient guarantees and encouragements for the entry of foreign capital to develop the wood industry.

We do not believe that a word of caution would be out of place concerning the entry of foreign investments in the development of our forest resources which constitute a vital part of our national patrimony. It is in the interest of our nation and people, and more important, the generations yet to come, that these resources should be safeguarded jealously for the protection of these future inheritors of this patrimony, and unless we can assure for ourselves substantial and adequate assertion of rights to the fruits as well as the management of these resources, we will be remiss as the guardians of our birthright, if we cannot be in a position to accept these admittedly generous offers, without imposing those conditions which will reflect our concern towards retaining effective control of our natural resources, as well as the means for bringing the benefits of these resources towards our own interest, as enterprises of our national economy.

While it may be accepted that foreign investments might be necessary in bringing fresh capital for our expanding wood processing industries, we should, I submit, be wary of bringing in foreign capital which will tie our hands through exclusive marketing arrangements and other onerous conditions which might prejudice our own position in the world market, or compromise our forest wealth for generations to come, for the sake of lucrative but passing immediate benefits.

In the face of such opportunities what are the challenges facing the wood industry in the future? I would consider two basic factors that would determine the future of the Wood Industry in this country, namely:

a) the survival and growth of the industry would require enlightened and tolerant understanding of Government planners towards achieving a socialized pattern of economic and industrial progress, and the willingness of the wood industry to support and sustain such policies;

b) the aptitude and alertness of the wood industry to take advantage of opportunities offered by the marked influx of foreign investors without surrendering the prerogatives attained by the economic benefits of free enterprise.

Time and again the nation has been confronted with serious problems, and we can anticipate more serious problems in the future. The Government, in full appreciation of these problems will not be recreant in its task of promoting and bringing about the reforms of our society so as to accomplish the mandate of our Constitution that the State shall "establish, maintain and ensure adequate social service" to give the people "a decent standard of living." Harnessing the best talents available, the Government has sought the views and advice of the private sector and our Association has been invited and looked upon as reliably competent to intelligently express its views on various problems confronting the industry and their solutions as well. Responsive to the challenges offered by this constant opportunity of dialogue, we must continue to have a vigilant awareness of our role in the New Society, and be prepared to give our views to the authorities on the validity and propriety of Government rules and regulations, and prove that defective and prejudicial measures must be tempered and modified to some extent to allow the wood industry to attain stability and growth and to comply with its commitment to the New Society. Institutional dialogues between the Government and our sector should be seriously considered and attended to with dispatch. Only in this way can we help achieve the efforts of our Government to obtain the support of the people pursuant to the principle that the "sovereignty resides in the people and all Government authority emanates from them." (Sec. 1, Art. II, Constitution of the Republic of the Philippines).

By helping the Government formulate just and fair decrees and laws we help ourselves as well, for our survival depends on the stability of our Government.

The reputation of our country of possessing the ideal climate and offering the best protection to foreign investments must find support from every sector of Philippine industries that are in need of capital to sustain any program of operation and expansion. Such opportunities coming from various sectors offer comparative degrees of benefits and inducements and we for that matter are given several alternatives of choices. Perhaps we should not be guided by the sole criterion of immediate gain or benefit, but more important still is the objective and motivation of a long-term arrangement that may lead to ultimate and total control by foreigners of our business, that would lead to a gradual erosion of our management rights. Such tempting offers are coated with liberal terms and oftentimes reveal the intention of creating a monopoly of benefits by way of exclusive acquisition of our raw and finished products. Veiled considerations for liberal loan terms and equity participation should be analyzed and brought to the open so that we can conserve for ourselves the patrimony of the nation and the forest resources of our country in particular for the generations yet to come.

Apprehension has been expressed from some quarters of the wood industry on the massive entry of the Japanese firms in the investments areas of wood processing, and pulp and paper manufacture, due to the possible likelihood of jeopardizing the expansion potential and long-range program of existing plants.


Fear has been expressed and not without foreign reason that reasonable restrictions should be imposed on foreign investment in forest rehabilitation and conservation projects and wood processing, as it would otherwise develop into monopoly size that will limit and/or restrict the development of a wide foreign market for our wood exports.

Indispensably, we should be on guard all the time against total penetration of our management and control prerogatives even at the sacrifice of a few immediate benefits. Only in this manner can we achieve the economic independence that we dream of for our industry. We have to move forward but in so doing we should not forget to move cautiously with honor and with dignity.

I wish to take this opportunity to cite the active participation of the membership this year more than any other year in the affairs of the Association, especially in regard to committee undertakings in support of the Association dialogues with Government and other agencies. This growth of enthusiasm in the membership augurs well for the continued relevance of the Association in protecting the interest of its members, as well as that of the industry, and have provided for the Association a more dynamic position which has elicited the recognition of Government in the credibility and good name of your Association.

I wish, in closing, to express my appreciation and gratitude to our Members, for their support and understanding, and especially to our Officers & Directors for their counsel and guidance as well as their cooperation in presenting the objectives of the Association to clearer view and perspective.

Sincerely,



RENATO AREVALO  
President

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IMPORTANT FACTS AND FIGURES  
ON PHILIPPINE LUMBER AND ALLIED INDUSTRIES

Fiscal Year 1972-1973

I. Vegetative Cover of the Philippines

F O R E S T

1. Commercial Forest:		
a) Old Growth .....	4,392,050 has.	14.64%
b) Young Growth .....	3,585,040 "	11.95%
2. Non-Commercial Forest:		
a) Reproductive Brush .....	4,157,852 " "	13.86%
b) Unproductive .....	1,759,021 "	5.86%
Total Forest .....	<u>13,893,963 has.</u>	<u>46.31%</u>

NON-FOREST

3. Openland .....	1,549,462 has.	5.16%
4. Marsh & Small Water .....	137,183 " "	0.46%
5. Cultivated & Urban .....	13,573,691 "	45.25%
6. Managed Pasture .....	845,701 "	2.82%
Total Non-Forest .....	16,106,037 has.	53.69%
Overall Total .....	<u>300,000,000 has.</u>	<u>100.00%</u>

Note: Pine forest is included in young growth,

II. Status of Land Classification

1. Alienable or Disposable .....	12,807,992 has.	42.69%
2. Timberland and Forest Reserve .....	8,936,532 "	29.79%
3. Unclassified Public Forest .....	8,255,475 "	27.52%
T o t a l .....	<u>30,000,000 has.</u>	<u>100.00%</u>

III. Number of Mills in Operation and Daily Capacities

1. Number of Sawmills in Operation .....	370
a) with Timber concessions .....	134
b) without Timber concessions .....	236
2. Number of Plywood Mills .....	31
3. Number of Veneer Mills .....	18
4. Daily Capacity of 370 sawmills .....	7,047,128 bd. ft.
5. Daily Capacity of 31 plywood mills .....	8,438,000 sq. ft.
6. Daily Capacity of 18 veneer mills .....	3,410,100 sq. ft.

Source: Bureau of Forestry

#### IV. Log Production Export and Export Value

Fiscal Year	P r o d u c t i o n		E x p o r t	
	Dipterocarp	Pine	Volume (cu. m.)	Value
1963-64	2,767,934,752	3,378,008	1,926,022,120	P429,384,000
1964-65	2,609,372,320	8,887,888	1,478,337,904	319,570,000
1965-66	3,403,421,288	8,522,400	2,346,575,000	474,378,000
1966-67	3,320,197,296	5,354,696	2,818,977,144	608,941,000
1967-68	4,701,215,752	10,971,696	3,184,645,344	666,410,000
1968-69	4,865,006,104	46,488,208	3,667,184,904	\$231,794,000
1969-70	4,641,703,112	24,232,024	3,653,217,072	\$225,828,344
1970-71	4,501,686,864	26,429,192	3,579,940,544	\$223,617,000
1971-72	3,442,545,481	15,880,496	2,975,724,432	\$173,258,352
1972-73	8,977,746,000	12,590,000	6,949,312,000	3201,985,114

Source: Bureau of Forestry

#### V. Lumber Production Export and Export Value

Fiscal Year	Production	Export	Value
	1000 bd. ft.	1000 bd. ft.	
1963-64	499,942	39,068	P19,237,000
1964-65	531,413	34,756	16,892,000
1965-66	375,881	33,713	17,826,000
1966-67	322,220	43,848	24,559,000
1967-68	432,921	43,339	23,733,000
1968-69	620,976	71,017	\$10,101,000
1969-70	568,420	84,716	\$12,384,000
1970-71	364,827	85,454	\$11,776,000
1971-72	598,166	64,554	\$ 9,095,758
1972-73	449,404	76,033	\$10,950,492

Source: Bureau of Forestry

#### VI. Plywood Production, Export and Export Value

Fiscal Year	Production	Export	Value
	1000 sq. ft.	1000 sq. ft.	
1963-64	470,205	401,702	P75,678,000
1964-65	597,427	323,375	63,941,000
1965-66	540,209	206,178	42,274,000
1966-67	521,915	293,004	57,104,000
1967-68	695,034	429,935	73,291,000
1968-69	523,866	330,498	53,123,000
1969-70	573,048	241,696	\$15,085,000
1970-71	589,971	328,532	\$18,023,000
1971-72	785,353	491,826	\$20,926,000
1972-73	1,240,539	858,424	P245,968,000

# VII. Veneer Production, Export and Export Value

Fiscal Year	Production 1000 sq. ft.	Export 1000 sq. ft.	Value
1963-64	609,679	446,184	P31,529,000
1964-65	742,327	530,024	37,420,000
1965-66	785,731	379,010	23,016,000
1966-67	831,000	451,443	29,360,000
1967-68	1,205,910	558,267	31,343,000
1968-69	627,221	541,150	41,033,000
1969-70	305,280	288,726	\$ 7,332,000
1970-71	635,162	319,230	\$ 7,125,000
1971-72	764,303	601,227	\$10,589,000
1972-73	717,000	372,137	\$ 41,265,000

## VIII. Production, Fiscal Year 1973

1. Logs	8,990,336 cu. m.
2. Lumber	449,403,773 bd. ft.
3. Plywood	1,240,539 sq. ft.
4. Veneer	717,000,000 sq. ft.

## IX. Exports Fiscal Year 1973

	Volume	Value
1. Logs	6,949,312 cu. m.	\$201,985,116
2. Lumber	76,033,200 bd. ft.	\$ 10,950,492
3. Plywood	858,424,000 sq. ft.	P245,968,000
4. Veneer	372,137,000 sq. ft.	P 40,265,000

## X. Collection of Inspection Fees

Fiscal Year	Inspection Fees Collected
1962-63	P 6,052,274.00
1963-64	5,939,122.00
1964-65	5,276,006.00
1965-66	7,213,881.00
1966-67	14,044,551.00
1967-68	29,815,941.00
1968-69	47,524,576.00
1969-70	41,030,410.00
1970-71	33,522,168.00
1971-72	30,409,663.00
1972-73	

July to Oct.—P29,460,525.00

Sept. to June — 48,421,883.00 77,882,408.00

Source: Bureau of Forestry

## XI. Ten Principal Exports & Imports

### 1. Ten Principal Exports

(Million U.S. \$)

a. Logs & Lumber .....	328.7
b. Copper Concentrates .....	281.4
c. Sugar .....	276.5
d. Coconut Oil .....	150.7
e. Copra .....	148.5
f. Plywood .....	54.7
g. Desiccated Coconut .....	32.3
h. Bananas .....	27.0
i. Copra Meal .....	22.6
j. Canned Pineapple .....	19.7

Source: Bureau of Census

### 2. Ten Principal Imports

(Million U.S. \$)

a. Machinery Other than Electric .....	291.1
b. Mineral Fuels and Lubricants .....	188.5
c. Base Metals .....	151.8
d. Cereal and Cereal Preparations .....	110.7
e. Transport Equipment .....	105.7
f. Explosives and Other Misch. Products .....	79.8
g. Chemical Elements and Compounds .....	74.0
h. Electric Machinery .....	68.4
i. Textile Fiber not Manufactured into Yarns .....	60.2
j. Dairy Products .....	45.3

Source: Bureau of Census

**XII. MONTHLY EXPORT BY PORT OF LOADING**  
**VOLUME AND VALUE IN US \$**

**L O G S**

Months, 1973	A p a r r i		S i a i n		Batangas		San Jose Panganiban	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January	8,200	157,993	20,400	453,725	10,500	216,055		
February	5,730	103,600	16,900	497,400	4,000	129,925	4,000	94,430
March	17,515	366,562	52,050	2,028,137	8,592	148,798	9,200	214,600
April	30,178	600,388	31,500	649,192	3,000			
May	77,206	2,829,557	57,210	1,989,899	12,900	502,800	29,300	968,240
June	68,068	2,308,231	69,600	2,341,377	16,500	613,945	17,900	574,450
July	65,842	1,201,490	52,400	1,814,039			6,200	211,000
August	45,438	1,455,759	68,800	2,183,350	1,700	58,100	13,500	426,945
September	50,580	1,963,365	44,700	1,550,570	5,000	189,238	9,642	332,820
October	66,502	1,194,177	59,085	2,257,626			2,000	30,000
November	5,550	256,840	43,650	1,739,943			2,700	134,600
December	8,450	209,981	26,700	1,111,767	2,298	100,000	22,265	394,400
T o t a l	449,259	12,727,943	542,995	18,617,025	64,490	1,958,861	116,707	3,301,435

Months, 1973	San Jose		I l o i l o		Dumaguete		Tacloban	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January	10,000	212,744			19,000	204,445	5,200	104,200
February	10,500	278,690	3,000	60,350	11,690	335,125		
March	8,550	160,620	4,500	81,000	4,900	112,700		
April	10,400	227,605			2,650	60,950		
May	85,300	1,456,419	6,900	209,500				
June	13,200	404,950			21,170	651,925		
July	22,300	808,798			5,300	178,700	6,500	176,000
August	7,400	243,145	2,700	86,400	4,500	137,700	2,000	82,000
September	23,600	655,383	3,000	75,900			2,300	80,100
October	19,200	785,520	3,000	74,000	6,000	224,500	3,600	144,900
November	13,800	593,520			7,950	254,110	3,500	134,760
December	6,700	358,700	2,920	72,400	4,000	154,100	7,000	268,490
T o t a l	230,950	6,186,094	26,020	659,550	86,260	2,314,255	30,100	990,450

Source: Bureau of Customs

## LOGS Con't.

Months, 1973	Cagayan de Oro		D a v a o		Zamboanga		I l i g a n	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January	32,300	921,350	142,995	6,468,203	59,275	1,457,446	12,400	364,870
February	465,000	1,469,262	142,260	3,963,738	*5,403,198	2,194,931	22,000	790,000
March	60,900	1,524,802	143,750	3,630,249	93,920	2,038,575	15,500	359,550
April	55,150	1,413,365	150,010	3,506,750	64,610	1,446,812	26,300	641,305
May	54,350	2,034,142	111,954	6,312,537	39,629	1,491,357	25,300	1,082,550
June	30,280	1,014,541	96,800	4,191,863	41,450	1,438,992	83,316	3,743,700
July	90,600	2,607,420	140,000	542,018	48,650	1,709,217	10,100	396,100
August	29,000	894,248	146,650	5,604,430	30,700	1,016,158	14,700	636,960
September	34,700	1,402,500	104,650	4,565,435	21,300	774,465	17,000	792,200
October	26,100	1,044,608	98,500	4,397,634	24,600	911,787	10,000	460,500
November	25,400	1,074,308	67,961	3,920,035	31,450	1,255,898	2,000	76,000
December	19,630	884,700	114,670	5,531,248	23,700	1,043,490	8,000	390,000
T o t a l	923,410	16,285,246	1,460,200	52,634,140	479,284	14,584,197	246,616	9,733,735

Months, 1973	M a s a o		Dadiangas		B i s l i g		O z a m i s	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January	921,000	1,451,917	33,800	786,924	81,850	1,683,088	23,200	454,535
February	205,007	2,027,489	51,250	1,604,282	149,905	2,017,180	29,000	797,166
March	59,750	1,577,342	48,819	1,180,014	102,671	2,177,694	17,900	420,590
April	68,799	1,778,748	40,700	1,007,059	90,000	1,619,265	17,480	411,665
May	85,859	4,651,149	56,693	1,782,070	65,500	3,131,684	17,334	726,350
June			47,550	2,028,620	103,921	4,584,450	21,300	756,580
July	46,400	2,027,259	43,900	1,719,765	114,600	4,525,433	18,500	689,050
August	214,302	4,134,270	42,455	1,787,333	123,181	4,713,672	11,200	368,100
September	69,660	3,223,791	47,210	1,169,490	110,600	4,346,171	9,900	370,450
October	84,700	3,788,020	34,200	1,487,403	91,710	3,994,667	1,000	42,000
November	68,550	3,291,949	28,800	1,301,835	117,515	5,235,285	6,100	294,200
December	38,150	3,060,315					9,300	376,286
T o t a l	1,772,177	31,012,249	475,377	15,854,795	1,151,453	38,028,589	182,214	5,706,972

## LOGS Con't.

Months, 1973	S u r i g a o		Catbalogan		V i r a c		Puerto Princesa	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January					1,400	28,100		
February			5,700	160,420	2,100	42,000	8,300	196,250
March			5,500	99,297	9,800	287,600	12,650	370,300
April			7,500	130,413	2,000	39,000		
May			0,100	269,000	7,000	229,000	6,982	229,300
June	4,900	106,200	11,500	409,460	6,200	224,300	18,000	662,760
July			11,600	398,840	5,700	167,000	9,500	318,750
August			13,200	448,070	9,500	291,000	5,400	87,200
September			5,200	166,200			9,500	160,500
October	1,600	70,960	9,000	328,880	5,800	185,600	7,300	274,900
November			5,500	220,550	1,700	54,400	5,700	228,900
December	1,500	85,500	1,300	45,546	8,050	239,430	8,500	237,500
T o t a l	8,000	350,660	84,100	2,606,776	59,250	1,787,430	91,832	2,766,360

Months, 1973	B a s i l a n		T o t a l	
	Quantity	Value	Quantity	Value
January			1,381,520	14,965,595
February			1,136,342	14,575,307
March			676,467	16,770,430
April			600,277	13,532,517
May			747,517	29,895,554
June			671,655	26,136,344
July			698,092	19,490,879
August	1,350	42,545	697,676	24,697,385
September			568,542	21,820,578
October	1,450	54,603	555,347	21,760,205
November			436,926	20,067,133
December			313,133	14,643,953
T o t a l	2,800	97,148	8,483,494	238,363,960

/avp

Source: Bureau of Customs

L U M B E R

Months, 1973	A p a r r i		S i a i n		Legaspi Tabaco		San Jose	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January	100,000	10,000					405,057	71,232
February								
March					150,000	37,500		
April	40,000	3,800	62,000	7,760	420,000	60,890		
May	1,948,738	163,253						
June								
July								
August	7,525,640	351,740					660,000	155,600
September	350,000	76,000	1,667,340	259,974			1,667,340	259,974
October	200,000	15,860						
November	50,000	5,460	350,324	75,858				
December							641,000	162,855
T o t a l	10,214,378	626,113	2,079,664	343,592	570,000	98,390	3,373,397	649,661

Months, 1973	I l o i l o		C e b u		Tacloban		Cagayan de Oro	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January			75,000	10,646			830,000	78,600
February	2,131,800	347,355						
March	476,600	82,329	289,605	60,670			300,000	46,970
April	503,700	80,146	26,000	5,546			22,254	2,931
May			706,011	134,079	1,000	33,000	483,225	84,887
June	1,177,403	207,319	240,194	48,942			1,800,000	243,710
July	442,645	73,986	349,608	68,265			550,000	66,400
August			350,354	71,448			499,948	101,154
September			1,142,378	22,558			950,000	132,660
October	2,100,578	402,321					1,760,000	282,808
November	961,255	192,699	182,932 *41,200	49,127			300,000	64,966
December	965,125	209,613			52,000	8,750		
T o t a l	8,759,106	1,595,768	3,362,082	471,281	53,000	41,750	7,495,427	1,105,086

LUMBER CON'T.

Months, 1973	Davao		Zamboanga		Iligan		Masao	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January	2,798,437	366,673	250,000	41,952			388,000	62,739
February	*139,623,424	274,228	1,185,400	195,454				
March	1,498,671	207,135	39,109	13,465			357,000	68,144
April	1,328,824	161,521	124,000	17,474			1,220,000	199,626
May	3,955,296	542,827	903,307	45,839	30,000	6,753	739,000	100,735
June	4,278,030	607,642	360,000	43,170				
July	2,948,860	429,189	500,000	147,199			205,000	31,100
August	3,186,022	560,032	530,000	75,876			833,600	169,135
September	2,313,672	318,933						
October	2,854,674	495,968			40,170	9,038	375,000	69,720
November	4,607,803	944,239	600,000	93,692			771,000	179,524
December	11,524,605	593,433					875,000	205,760
T o t a l	41,294,894	5,227,592	4,491,816	674,121	70,170	15,791	5,763,600	1,086,483

Months, 1973	Dadiangas		Bislig		Manila		T o t a l	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January	283,200	48,456	25,000	3,635	1,031,166	179,797	6,185,860	873,730
February			330,300	23,202	2,283,065	560,910	5,930,860	1,126,921
March	*383,060	4,024	103,497	18,541	1,442,055	252,347	4,656,537	787,101
April					2,996,221	481,732	6,742,999	1,021,426
May			71,000	12,351	7,109,108	1,659,138	15,946,685	2,782,862
June	*37,096	86,100	129,000	18,904	9,411,540	1,998,273	17,396,167	3,167,960
July	169,710	42,869	902,000	70,963	12,110,119	2,538,864	18,177,942	3,468,035
August	154,228	36,023	1,044,060	78,359	5,906,196	1,155,593	20,690,048	2,754,960
September			90,000	14,380			8,180,730	1,084,479
October			86,660	25,396			7,417,082	1,301,111
November	66,696	10,894	55,000	9,533			7,945,010	1,625,992
December			111,496	20,616			14,169,226	1,201,027
T o t a l	673,834	138,242	2,948,013	295,880	42,289,490	8,826,654	133,438,871	21,196,404

\* Kilos

Note: Kilos are not included in the total

Source: Bureau of Customs

P L Y W O O D

Months, 1973	A p a r r i		S i a i n		I l o i l o		C e b u	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January	875,600	25,267					114,560	12,024
February	3,708,830	149,769					512,000	12,098
March								
April	5,961,967	139,869					156,520	13,496
May							10,800	1,512
June	806,008	117,765	3,000	84,000			*339,222	15,280
July	3,397,376	72,508						
August	181,426	16,724			4,500	118,000		
September	4,198,656	119,662						
October	7,339,251	222,497					*352,322	64,036
November	4,952,211	263,680					735,288	94,680
December	1,742,007	44,205					92,834	12,873
T o t a l	33,163,332	1,171,946	3,000	84,000	4,500	118,000	1,622,002	146,683

Months, 1973	Cagayan de Oro		D a v a o		Zamboanga		I l a g a n	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January			22,668,114	1,281,780	5,979,001	361,956		
February	1,921,920	87,297	31,443,155	1,650,314	12,569,072	844,994		
March	1,161,600	51,737	24,792,546	1,084,230	6,007,930	384,626		
April			33,419,753	1,592,921	8,534,864	557,516		
May			26,397,828	1,856,173	7,872,998	702,342	1,439,680	96,099
June	1,281,280	98,331	18,807,092	1,355,541	13,853,528	1,070,962	4,630,560	106,140
July	1,344,640	114,294	17,873,700	1,220,872	4,903,642	405,254		
August			17,087,834	1,522,877	6,017,275	621,570	420,834	36,509
September	1,735,360	129,201	26,006,751	1,346,889	4,533,640	643,432	1,480,400	147,985
October			18,526,228	1,610,601			172,800	12,960
November			4,018,022	435,693				
December	1,508,000	112,640	9,607,368	786,785	2,963,084	361,179	23,552	18,061
T o t a l	8,952,800	593,500	250,648,391	15,744,676	73,235,034	5,953,831	8,167,826	417,754

PLYWOOD Con't.

Months, 1973	M a s a o		Dadiangas		B i s l i g	
	Quantity	Value	Quantity	Value	Quantity	Value
January	9,819,440	503,358	15,074,888	833,234	2,077,728	116,630
February	11,569,940	531,440	44,054,738	1,681,196	5,330,232	286,322
March	9,840,000	447,360	9,060,296	734,106	14,865,400	560,406
April	6,070,700	283,993	26,367,702	2,390,104		
May	18,927,317	1,358,536	40,839,488	3,661,302	3,855,537	267,017
June	2,269,688	252,225	4,605,372	1,000,925	5,532,916	358,874
July	21,423,900	947,962	12,008,200	893,969	2,065,460	149,037
August	12,065,530	683,243	26,088,057	2,290,432	7,906,346	596,527
September	24,990,185	1,320,691	25,902,151	1,462,710	11,979,940	408,654
October	12,102,120	1,513,758	17,667,757	1,072,354	7,117,568	545,683
November	5,034,200	323,107			4,753,024	434,391
December	4,091,530	727,490	32,596,852 *130,882 ** 12,000	2,232,693 2,232,693		
T o t a l	138,204,550	8,893,163	254,265,501	18,253,025	69,484,151	3,723,541

Months, 1973	M a n i l a		T o t a l	
	Quantity	Value	Quantity	Value
January			56,609,331	3,134,249
February	734,921	174,435	111,844,808	5,417,865
March	1,027,797	199,226	66,755,569	3,461,691
April	246,714	66,907	80,758,220	5,044,806
May	1,005,654	252,228	100,349,302	8,195,209
June	2,058,107	551,201	53,847,551	4,996,044
July	1,120,831	301,105	64,137,749	4,105,001
August	648,668	221,756	70,420,470	6,107,638
September			100,827,003	5,579,224
October			62,925,724	4,977,853
November			19,492,745	1,551,551
December			52,625,227	4,295,926
T o t a l	6,842,692	1,766,938	840,593,779	56,867,057

\* Pieces  
\*\* Set

# V E N E E R

Months, 1973	C e b u		Cagayan de Oro		D a v a o		Zamboanga	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January	277,440	3,578			1,000,000	18,500		
February	*8,500	956,500	2,745,320	60,828				
March	794,560	9,812	1,200,000	27,000			1,180,136	90,513
April	394,440	5,916						
May	417,120	5,673	5,600,600	203,140	28,600	174,500	7,232,872	246,757
June	*33,600	437,000	5,376,000	173,146				
July	422,780	6,658	27,917	639				
August	1,094,720	16,421						
September	362,361	70,806			1,045,200	35,055		
October	2,765,077	67,401						
December							266,650	32,104
T o t a l	6,528,498	186,345	15,039,837	464,753	2,073,800	288,055	17,151,934	716,792

Months, 1973	A p a r r i		T o t a l	
	Quantity	Value	Quantity	Value
January			1,277,440	22,078
February			2,745,320	60,828
March			3,174,696	127,325
April			394,440	5,916
May			13,369,192	630,070
June			5,376,000	173,146
July			8,922,973	354,715
August			1,094,720	16,421
September			1,407,561	105,941
October			2,765,077	67,401
November	596,170	95,059	596,170	95,059
December	622,116	92,912	888,766	125,016
T o t a l	1,218,286	187,971	42,012,355	1,783,916

\*Metric Ton

Note:

Quantity of Logs - in Cubic Meter  
Quantity of Lumber - in Board Feet  
Quantity of Plywood - in Square Feet  
Quantity of Corestock - in Sq. Feet  
Quantity of Veneer - in Square Feet

/avp

C O R E S T O C K

Months, 1973	A p a r r i		I l o i l o		C e b u		Cagayan de Oro	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January	4,543,488	112,566	1,500,000	33,000	477,539	18,470		
February	6,543,600	141,769	1,500,000	39,012				
March			1,500,000	41,750	12,320,045	31,846		
April	1,539,200	53,872			518,326	11,142		
May	7,494,016	179,417			1,590,255	23,326		
June			1,600,000	101,744	1,078,206	27,476		
July			2,573,000	102,750	593,414	11,089		
August					451,056	14,290	6,991,900	258,834
September			2,500	99,280	215,415	27,593		
October	2,865,425	125,954			280,785	10,827	8,106,000	353,878
November					471,484	18,855	4,352,000	195,940
December	3,671,120	119,396			592,213	23,804		
T o t a l	26,656,849	732,974	8,675,500	417,536	18,580,738	218,718	19,449,900	808,552

Months, 1973	D a v a o		Zamboanga		I l i g a n		M a s a o	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January	9,600,640	72,408	4,260,568	70,009	7,885,280	136,020	3,932,935	101,523
February	3,292,000	91,104			2,890,480	36,350	2,830,640	74,347
March			8,072,375	195,092	16,396,026	78,989	4,365,420	127,552
April			2,091,820	70,066	5,946,576	78,123	13,811,506	333,060
May	32,292	83,463			7,921,528	94,305	14,654,663	293,576
June	2,977,600	83,772			9,548,440	211,294	5,425,480	229,076
July	1,987,600	50,772			5,062,400	50,600	3,973,358	229,000
August	1,242,000	33,384	563,200	16,847	16,088,900	307,818	3,940,200	252,022
September			128,000	3,840	7,013,840	134,728	7,013,840	134,728
October	1,608,793	70,280			6,783,840	166,218	9,790,914	525,397
November	332,025	311,723			2,818,023	323,660	3,499,200	160,459
December	3,877,280	87,195			1,758,000	47,777	4,754,335	349,669
T o t a l	24,950,230	884,101	15,123,963	355,854	90,112,653	1,665,970	77,992,571	2,810,409

Source: Bureau of Customs

CORESTOCK CON'T.

Months, 1973	Dadiangas		B i s l i g		M a n i l a		T o t a l	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
January	37,500	14,376	11,972,788	161,783	12,000	4,480	44,230,738	724,635
February			9,461,560	280,283			26,510,280	662,865
March	3,670,000	66,912	1,360,000	42,914	246,744	37,904	47,946,610	622,959
April			12,412,952	402,205	478,494	77,206	36,790,954	1,025,674
May			2,767,792	500,662			34,460,546	1,262,949
June			9,274,846	274,299			23,904,572	927,661
July			3,906,136	114,203	299,904	12,977	10,395,012	571,479
August	4,489,200	71,750	11,406,684	514,208	655,191	81,711	45,828,331	1,550,064
September			1,606,052	401,062			15,900,447	801,231
October			8,391,952	203,214			37,827,029	1,535,760
November	2,506,220	117,840	6,552,912	322,427			20,531,072	1,450,812
December							14,652,948	627,041
T o t a l	10,710,920	270,006	79,122,474	3,465,460	1,692,333	214,278	373,076,139	11,044,730

Source: Bureau of Customs

XIII. Quantity and Value of Philippine Wood & Wood  
Products by Country of Destination — CY 1973

F. O. B. V A L U E

<u>Commodity</u>	<u>Destination</u>	<u>Quantity</u>	<u>Pesos</u>	<u>Dollars</u>
Pulpwood (Bd. ft.)	Republic of China	4,700,000	387,809	57,407
	Japan	20,700,000	1,106,987	163,725
Sawlogs and Veneer				
Logs: (bd. ft.)				
Apitong:	United States of America	3,284,234	2,309,683	341,400
	Okinawa	20,186,392	10,288,724	1,522,970
	Denmark	847,544	433,024	64,000
	France	7,292,572	6,238,464	921,900
	China, Red	2,118,861	1,263,750	187,500
	China, Republic of	14,102,365	7,545,673	1,116,155
	Hongkong	4,661,494	1,925,311	284,700
	Japan	448,094,338	270,152,683	39,988,244
	Korea	8095,993	4,767,032	706,250
Dao:	United States of America	60,446	121,796	18,037
	France	26,331	46,823	6,930
	United Kingdom	71,453	81,526	12,066
	Singapore	21,090	48,474	7,190
	China, Republic of	186,381	422,489	62,561
	Japan	997,822	1,750,194	259,136
Lauan, Red	Denmark	1,695,088	1,011,490	150,000
	France	1,483,202	1,061,550	157,500
Lauan White	United States of America	12,390,152	7,496,677	1,108,983
	Okinawa	11,348,256	6,320,720	934,398
	France	100,519,451	64,717,459	9,582,874

	<i>Destination</i>	<i>Quantity</i>	<i>Pesos</i>	<i>Dollars</i>
Lauan, White (Con't.)	Germany, Federal Rep.	9,170,104	4,626,624	684,213
	Spain	1,060,000	926,750	137,500
	Switzerland	1,144,640	552,150	81,700
	Singapore	10,365,613	6,209,255	918,348
	China, Republic of	390,053,555	236,500,030	35,012,057
	Hongkong	56,317,481	31,361,850	4,642,265
	Japan	1,518,521,587	982,557,615	145,420,897
	Korea	105,941,191	73,187,581	10,832,671
Mangasinera	Denmark	2,118,861	1,342,653	199,000
	Hongkong	100,000	81,407	12,080
	Japan	927,544	378,651	55,840
Narra	Japan	1,038,181	1,959,018	289,924
Palosapis	Okinawa	1,325,559	774,153	114,719
	Okinawa, Republic of	743,298	411,708	61,070
	Japan	720,800	425,061	63,000
Nato	Japan	1,123,349	649,222	96,058
Others	United States of America	381,600	327,769	48,454
	Okinawa	2,457,288	1,144,757	169,120
	Denmark	5,935,088	3,899,663	577,200
	France	27,848,021	18,899,992	2,796,317
	United Kingdom	310,426	489,514	72,639
	China, Republic of	21,373,162	10,570,569	1,564,845
	Hongkong	6,444,726	3,948,047	585,174
	Japan	438,702,760	253,654,980	37,510,512
	Korea	6,992,241	5,194,028	767,885
	Australia	450,000	165,673	24,450
Poles, Piling, Posts, & other				
Wood in the round or				
roughly squared	United States of America	606,674	13,656	2,024
	Guam	16,188	1,267,592	187,614
TOTAL — Wood, Round or				
Roughly Squared (bd.f t.)		3,269,136,320	2,031,018,036	300,581,502

Lumber, Sawn, Planned,  
Grooved, Tongued, Etc.  
(Bd. Ft.)

Apitong:	United States of America	5,098,994	6,122,399	906,813
	Guam	615,793	996,018	147,367
	Hawaii	11,952	18,580	2,749
	Other U.S. Insular Possession	19,351	44,853	6,650
	Canada	19,457	31,457	4,670
	France	350,324	511,131	75,858
	Netherlands	62,808	116,420	17,227
	Hongkong	221,357	224,869	33,320
	Japan	3,035,943	2,873,757	425,181
	Australia	425,600	711,511	105,580
	New Zealand	50,000	87,854	13,000
Kalantas	Australia	326,000	343,801	50,768
Dao	United States of America	290,000	457,622	67,826
	Guam	57,273	107,844	15,984
	Denmark	2,895	7,056	1,042
	Germany, Federal Rep. of	60,142	132,217	19,550
	Japan	88,555	142,096	20,983
Kamagong	United States of America	20,000	33,700	5,000
Luan, Red	United States of America	1,627,362	2,408,256	257,383
	Guam	23,736	20,834	3,092
	Hawaii	117,343	232,368	34,476
	Belgium	150,00	339,151	50,330
	Denmark	872,476	1,473,959	218,758
	France	340,171	614,538	9,152
	Germany	219,682	379,617	56,214
	Italy	444,026	768,232	113,710
	Netherlands	305,591	550,948	81,668
	Norway	23,466	37,644	5,577
	Sweden	11,924	15,585	2,298
	Switzerland	50,000	87,620	13,000
	United Kingdom	142,850	286,921	42,576
	Japan	1,846,038	1,577,840	234,168
	South Africa, Rep. of	927,485	1,541,330	228,730
	Australia	2,216,413	3,436,273	509,918
	New Zealand	768,628	1,428,668	211,973

Lauan, White	United States of America	11,761,341	15,803,422	2,343,621
	Hawaii	377,255	515,694	76,435
	Panama Canal Zone	13,047	22,862	3,393
	Other U.S. Insular Possession	425,253	636,677	94,396
	Canada	717,284	1,087,451	160,951
	Belgium	1,064,944	2,605,373	386,646
	Denmark	1,422,883	2,317,835	343,512
	France	5,883,838	11,149,123	1,652,751
	Germany	484,435	796,610	117,904
	Italy	9,341,590	13,333,332	1,973,630
	United Kingdom	1,238,745	2,373,509	352,215
	Israel	75,000	139,013	20,625
	Hongkong	1,155,690	1,111,706	164,817
	Japan	17,362,685	19,607,189	2,905,044
	Africa, Portuguese	413,215	661,797	98,200
	South Africa	5,235,447	8,060,467	1,195,859
	Australia	7,798,874	11,852,096	1,758,534
	New Zealand	800,428	1,435,021	212,926
Narra	Japan	20,000	94,808	14,000
Yakal	Japan	23,080	42,672	6,322
Tanguille	Guam	90,000	90,709	13,375
	Hawaii	2,870	2,704	400
	France	95,664	158,504	23,437
Others	United States of America	29,151,927	36,944,199	5,465,684
	Guam	2,129,655	2,630,583	389,173
	Hawaii	275,656	475,519	70,406
	Other U.S. Insular Possession	217,333	251,833	37,197
	Canada	242,250	355,433	52,598
	Belgium	324,528	454,239	67,223
	Denmark	3,640,043	5,313,887	786,123
	France	3,000,965	5,039,713	746,447
	Germany, Federal Rep. of	2,239,647	3,763,784	556,655
	Ireland/Eire	99,497	171,771	25,408
	Italy	2,115,876	3,627,815	537,176
	Netherlands	1,317,078	2,367,459	350,504
	Norway	43,056	62,089	9,257
	Sweden	12,000	16,222	2,400
	United Kingdom	1,646,587	2,928,268	433,386
	Hongkong	1,653,121	1,662,343	245,838
	Japan	22,063,631	19,500,154	2,883,320
	Africa, Portuguese	9,297	12,296	1,813
	South Africa, Rep. of	5,324,769	6,407,614	947,294

Others (Con't.)	Australia	17,555,310	21,111,355	2,122,312
	New Zealand	1,219,164	1,883,045	278,853
Total — Lumber, Sawn, Planed, Grooved, Toungeed, Etc. ....		<u>180,928,393</u>	<u>237,041,273</u>	<u>33,920,651</u>
Veneer Sheets others than				
Corestock	United States of America	241,145,069	23,549,137	3,486,233
	Canada	405,000	91,375	13,543
	Israel	4,360,452	413,058	60,995
	Hongkong	603,042	621,901	92,241
	Japan	31,027,342	4,150,719	614,402
	Australia	2,433,000	353,297	52,210
Veneer Corestock	United States of America	435,484,911	84,651,238	12,530,809
	Canada	2,051,840	340,226	50,300
	Okinawa	848,128	164,017	24,265
	Israel	1,856,083	306,860	45,535
	Singapore	4,526,568	390,521	57,667
	Hongkong	722,116	625,848	92,911
	Japan	43,114,847	8,896,097	1,316,216
	South Africa	802,808	226,878	33,622
TOTAL — Veneer Sheets & Corestock ....		<u>769,381,206</u>	<u>237,041,273</u>	<u>33,920,651</u>
Plywood:				
Ordinary (Lauan-Tanguille)	United States of America	657,069,043	263,051,788	38,327,878
	Guam	5,360,346	7,401,167	1,096,075
	Hawaii	2,716,260	3,024,845	447,668
	Other U.S. Insular Possession	2,039,429	1,148,404	170,061
	Canada	10,394,560	2,770,006	409,605
	Okinawa	458,425	406,277	60,014
	Jamaica	1,464,560	643,277	95,255
	Belguim	3,163,364	2,047,479	303,252
	Denmark	2,211,000	1,438,644	213,370
	France	8,000,953	4,286,134	635,044
	Germany, Federal Rep. of	1,184,460	690,799	102,000
	Italy	4,536,640	2,552,601	378,015
	Netherlands	12,375,833	7,417,701	1,098,374
	Norway	8,256,880	5,311,102	831,631
	Sweden	7,049,800	4,048,997	600,100
	United Kingdom	77,624,653	31,953,880	4,737,685
	Israel	5,382,984	2,671,744	396,411
	Indonesia	52,872	32,876	4,860
	Singapore	3,072	2,426	360

	Hongkong	50,121,724	30,765,227	4,544,215
	Japan	42,100,536	19,643,995	2,908,227
	Australia	1,077,120	588,051	87,079
Cellular wood panels	Guam	35,590	96,057	14,237
Others	United States of America	2,285,349	1,975,773	292,780
	Other U.S. Insular Possession	33,888	61,801	9,172
	Belgium	15,840	43,770	6,494
	United Kingdom	989,908	1,621,947	240,527
	Vietnam	96,000	31,778	4,710
	Hongkong	1,143,412	2,039,485	302,445
	Japan	93,344	191,221	28,383
Plywood panels faced with metal, artificial plastic or other materials (including pre-finished coated and printed plywood panels)				
	United Kingdom	107,584	110,365	16,343
	Hongkong	97,152	160,850	23,798
	Japan	62,316	78,231	11,572
	TOTAL — Plywood ordinary, Celular wood panels, plywood faced w/metal, and others .....	907,604,897	398,608,698	59,007,640

Source: Central Bank

**XIV. EXPORTS OF LOGS BY COUNTRY OF DESTINATION**

Calendar Year, 1972 0 1973

Country of Destination	1	9	7	2	i	9	7	3
	Quantity (Bd.Ft.)	FOB Value (Pesos)	FOB Value (Dollars)	Quantity (Bd.Ft.)	FOB Value (Pesos)	FOB Value (Dollars)	Quantity (Bd.Ft.)	FOB Value (Dollars)
United States	36,410,376	15,309,977	2,292,722	16,341,506	11,195,748	1,656,034		
Okinawa	35,687,186	12,189,834	1,835,240	35,317,495	18,528,354	2,741,207		
Denmark	11,234,142	4,082,832	603,410	10,596,581	6,686,830	990,200		
France	42,985,929	14,860,668	2,199,777	135,686,381	89,902,738	13,308,021		
Germany	22,472	27,147	4,125	9,170,104	4,626,624	684,213		
Italy	3,326,704	1,102,387	163,851	-	-	-		
United Kingdom	1,539,141	640,516	94,596	381,879	571,040	84,705		
Israel	848,000	358,545	53,000	-	-	-		
Singapore	4,237,722	1,340,378	197,725	10,385,703	6,257,729	925,538		
China, Republic of	374,633,660	125,660,876	18,790,877	425,715,463	255,038,781	37,755,618		
Hongkong	23,781,014	7,584,609	1,128,183	67,523,701	37,316,615	5,524,219		
Japan	2,234,609,939	810,566,521	121,212,007	2,406,316,507	1,508,115,472	223,178,789		
Korea, Republic of	136,565,915	57,605,509	8,658,873	121,029,425	83,148,641	12,306,806		
Australia	1,826,800	675,351	104,167	450,000	165,673	24,450		
T o t a l - - - - -	3,005,640,122	1,151,210,389	172,124,423	3,238,914,745	2,021,554,245	229,179,800		

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Source: Central Bank

**XV. EXPORTS OF LUMBER BY COUNTRY OF DESTINATION**

Calendar Year, 1972 - 1973

Country of Destination	1	9	7	2	1	9	7	3
	Quantity (Bd.Ft.)	FOB Value (Pesos)	FOB Value (Dollars)	Quantity (Bd.Ft.)	FOB Value (Pesos)	FOB Value (Dollars)	Quantity (Bd.Ft.)	FOB Value (Dollars)
United States	36,386,876	39,826,411	5,933,660	47,949,624	61,769,598	9,046,327		
Guam	780,668	1,072,932	161,003	2,916,457	3,845,988	568,991		
Hawaii	261,087	284,874	41,926	784,876	1,244,865	108,031		
Panama Canal Zone	16,181	22,050	3,256	13,047	22,862	3,393		
Other U.S. Insular Possessions	439,143	592,399	88,302	661,937	933,363	138,243		
Canada	991,391	1,255,281	186,831	978,991	1,474,341	218,219		
Denmark	6,213,393	6,898,759	1,029,714	5,938,297	9,112,737	1,349,435		
France	530,106	466,421	70,516	9,670,962	17,472,012	2,507,645		
Germany	523,500	505,812	74,745	3,003,906	5,072,234	750,323		
Ireland	22,840	37,119	5,474	99,497	171,771	25,408		
Italy	2,911,633	3,229,253	481,333	11,901,492	17,729,379	2,624,516		
Netherlands	104,500	108,530	16,025	1,685,477	3,034,827	449,399		
Norway	107,021	147,917	21,819	66,522	100,333	14,834		
Sweden	36,000	50,036	7,390	23,924	31,807	4,698		
United Kingdom	119,560	105,312	15,535	3,028,182	5,588,698	828,177		
Indonesia	119,560	105,312	15,535	-	-	-		
Hongkong	2,394,697	1,723,276	257,967	3,030,168	2,998,917	443,975		
Japan	17,709,657	14,162,143	2,107,688	44,439,932	43,838,516	6,489,024		
Africa, Portuguese	10,010	1,951	13,212	422,512	674,093	100,013		
South Africa, Rep. of	5,059,859	5,834,637	867,188	11,487,701	16,009,411	2,371,883		
Australia	22,596,198	21,933,848	3,274,509	20,322,197	37,455,536	4,547,112		
New Zealand	217,041	42,458	286,504	2,838,220	4,834,588	716,752		
T o t a l - - - - -	97,951,122	99,205,259	14,785,870	179,263,921	233,414,876	33,306,398		

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Source: Central Bank

XVI. EXPORTS OF PLYWOOD BY COUNTRY OF DESTINATION

Calendar Year, 1972 - 1973

Country of Destination	1	9	7	2	1	9	7	3
	Quantity (Sq.Ft.)	FOB Value (Pesos)	FOB Value (Dollars)	Quantity (Sq.Ft.)	FOB Value (Pesos)	FOB Value (Dollars)	Quantity (Sq.Ft.)	FOB Value (Dollars)
United States	651,555,904	197,601,399	29,465,654	659,354,392	265,027,561	39,220,658		
Canada	10,282,560	2,828,123	417,610	10,394,560	2,770,006	409,605		
Canal Zone	239,272	133,475	19,931	-	-	-		
Jamaica	32,000	13,694	2,020	1,464,560	643,277	95,255		
Puerto Rico	51,200	20,547	3,030	-	-	-		
Sweden	1,725,200	692,273	103,839	7,049,800	4,048,997	600,100		
Norway	1,991,200	787,312	116,446	8,256,880	5,611,102	831,631		
Denmark	3,969,508	1,668,160	249,132	2,211,000	1,438,644	213,370		
United Kingdom	11,803,864	4,105,153	611,056	78,722,145	33,686,192	4,994,555		
Netherlands	2,670,424	1,065,533	157,655	12,375,833	7,417,701	1,098,374		
Belgium	1,962,880	774,167	114,828	3,179,204	2,091,249	309,746		
Germany	756,600	344,776	51,713	1,184,460	690,799	102,000		
Italy	489,600	211,140	31,148	4,536,640	2,552,601	378,015		
Singapore	-	-	-	3,072	2,426	360		
Indonesia	463,418	137,236	20,531	52,872	32,876	4,860		
Hongkong	22,317,325	9,458,609	1,411,236	51,362,288	32,965,562	4,880,458		
Japan	15,185,747	3,234,462	477,088	42,256,196	19,913,447	2,948,182		
Australia	6,541,752	2,012,079	302,599	1,077,120	588,051	87,079		
Guam	3,533,347	2,773,836	414,801	5,396,036	7,497,224	1,110,312		
Trust Territory, Pacific Is.	1,244,014	434,911	64,146	-	-	-		
Hawaii	1,444,682	902,785	134,877	2,716,260	3,024,845	447,668		
British West Africa	8,064	5,194	766	-	-	-		
Other U.S. Insular Possession	-	-	-	2,073,317	1,210,205	179,233		
T o t a l - - - - -	738,168,661	229,205,564	34,170,106	893,666,636	391,212,765	57,911,461		

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Source: Central Bank

**XVII. EXPORTS OF VENEER BY COUNTRY OF DESTINATION**

Calendar Year, 1972 - 1973

Country of Destination	1	9	7	2	1	9	7	3
	Quantity (Sq.Ft.)	FOB Value (Pesos)	FOB Value (Dollars)	FOB Value (Dollars)	Quantity (Sq.Ft.)	FOB Value (Pesos)	FOB Value (Dollars)	FOB Value (Dollars)
United States	905,994,908	108,401,109	16,166,362	16,166,362	676,629,980	108,200,375	16,017,042	16,017,042
Canada	716,000	135,346	16,484	16,484	2,456,840	431,601	63,843	63,843
Japan	55,367,789	6,843,172	1,025,334	1,025,334	74,142,189	13,046,816	1,930,618	1,930,618
Okinawa	13,277,212	1,848,007	275,836	275,836	848,128	164,017	24,265	24,265
Australia	2,559,000	326,540	48,613	48,613	2,433,000	353,297	52,510	52,510
South Africa, Rep. of	1,173,280	72,014	10,620	10,620	802,808	226,878	33,622	33,622
United Kingdom	32,000	16,260	2,370	2,370	-	-	-	-
Israel	-	-	-	-	6,216,535	719,918	106,530	106,530
Hongkong	-	-	-	-	1,325,158	1,247,749	185,152	185,152
Singapore	-	-	-	-	4,526,568	390,521	57,667	57,667
T o t a l - - - - -	979,120,189	117,642,448	17,545,619	17,545,619	769,381,206	124,781,172	18,470,949	18,470,949

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Source: Central Bank

## HARDWOOD IMPORTS OF THE UNITED STATES

Phil. Mahogany Lauan only

	1 9 7 2			1 9 7 3		
	Quantity	Value	%	Quantity	Value	%
<b>I — Hardwood Plywood</b>						
(100 sq. ft. — surface measure)						
1. Korea	2,757,587	\$121,038,012	55.58	2,612,103	\$160,564,378	54.35
2. Taiwan	1,704,137	66,694,250	30.62	1,444,542	71,959,447	30.06
3. Philippines	635,899	27,279,649	12.53	696,156	34,362,608	14.48
4. Japan	37,929	2,140,871	0.98	37,910	3,291,309	0.78
5. Malaysia	5,373	286,047	0.13	9,135	538,758	0.20
6. Nansei Island	895	30,310	0.12	—	—	—
7. Singapore	6,691	269,067	0.12	6,262	520,880	0.13
8. Others	1,567	47,932	0.02	160	7,780	—
T o t a l —	5,150,068	\$217,786,138	100.00%	4,806,268	\$196,849,160	100.00%
<b>II — Hardwood Veneer</b>						
(1000 sq. ft. — surface measure)						
1. Philippines	822,473	\$ 12,998,128	80.08	746,378	\$ 14,330,082	86.44
2. Malaysia	71,470	1,339,420	8.25	69,817	1,205,621	8.08
3. Singapore	68,575	1,731,329	10.67	46,430	1,320,897	5.38
4. Japan	57	5,444	0.03	142	7,136	0.02
5. Others	6,879	156,466	0.97	716	82,921	0.08
T o t a l —	969,454	16,230,787	100.00%	863,483	\$ 16,946,657	100.00%
<b>III — Hardwood Lumber</b>						
(M.B.F.) Rough						
1. Philippines	19,121	\$ 3,241,216	29.20	19,718	\$ 3,379,023	36.80
2. Malaysia	25,126	4,225,856	38.07	17,552	3,449,882	32.76
3. Singapore	4,414	769,020	6.93	1,792	395,791	3.34
4. Korea	457	98,658	0.89	640	186,625	1.19
5. Taiwan	13,661	2,384,009	21.47	12,076	2,461,338	22.54
6. Japan	460	271,714	2.45	614	291,338	1.15
7. Hongkong	681	101,830	0.92	1,046	183,800	1.95
8. Indonesia	14	2,568	0.02	105	17,102	0.20
9. Others	21	5,457	0.05	35	8,025	0.07
T o t a l —	63,955	\$ 11,100,328	100.00%	53,378	\$ 10,373,056	100.00%
<b>IV — Hardwood Lumber</b>						
(M.B.F. dressed or worked)						
1. Philippines	6,577	\$ 1,189,185	32.37	7,940	1,515,368	50.22
2. Malaysia	5,629	1,246,462	33.93	4,822	1,423,191	30.50
3. Singapore	391	90,625	2.47	215	52,549	1.36
4. Taiwan	1,808	488,986	13.31	2,299	650,370	14.54
5. Japan	1,161	627,079	17.07	346	470,625	2.18
6. Hongkong	38	7,048	0.19	57	11,970	0.36
7. Korea	49	12,663	0.35	115	35,275	0.73
8. Canada	29	8,235	0.23	—	—	—
9. Others	7	2,910	0.08	17	4,301	0.11
T o t a l —	15,689	\$ 3,673,193	100.00%	15,811	\$ 4,163,649	100.00%

Sources: I H P A

Last six months of 1973, projection only.

# CONSOLIDATED BALANCE SHEET OF LOGGING/WOOD PROCESSING FIRMS

(Sample of seventeen firms)

1 9 6 8 - 1 9 7 2

## A S S E T S

	1968	1969	1970	1971	1972
<b>CURRENT ASSETS</b>					
Cash on hand and in banks	7,324,065	8,914,978	17,379,875	22,442,395	27,598,279
Accounts receivable trade & others	25,379,273	30,892,089	60,224,558	77,767,148	95,633,258
Inventories:					
Wood products	26,697,213	32,496,309	63,352,007	81,805,580	100,599,474
Materials and supplies	46,854,220	57,031,765	111,184,222	143,570,663	176,554,375
Marginal deposits on letters of credit	3,829,508	4,661,346	9,087,355	11,734,378	14,430,216
Prepaid expenses and other current assets	5,019,667	6,110,046	11,911,619	15,381,313	18,914,991
Total Current Assets	<u>115,039,966</u>	<u>140,106,533</u>	<u>273,396,636</u>	<u>352,701,477</u>	<u>433,730,593</u>
<b>LONG-TERM INVESTMENTS</b>	10,779,646	13,121,172	25,579,907	33,030,985	40,619,474
<b>DUE FROM AFFILIATED COMPANIES</b>	14,118,625	17,185,434	33,503,244	43,262,280	53,201,293
<b>PROPERTY, PLANT AND EQUIPMENT</b>					
Land, land improvements, buildings and construction in progress	127,947,605	155,745,817	303,617,361	392,071,507	484,127,530
Machinery and equipment	347,199,476	422,611,408	823,898,094	1,063,873,780	1,308,304,475
T o t a l	<u>475,147,081</u>	<u>578,357,225</u>	<u>1,127,515,455</u>	<u>1,455,945,287</u>	<u>1,790,432,005</u>
Less: Accumulated depreciation	152,193,507	185,252,562	361,152,446	466,351,215	573,490,054
Property, Plant and Equipment — Net	322,953,574	393,104,663	766,363,009	989,594,072	1,216,941,951
<b>OTHER ASSETS</b>	21,305,060	25,932,886	50,556,518	65,292,940	80,280,946
<b>TOTAL ASSETS</b>	<u>484,260,871</u>	<u>589,450,687</u>	<u>1,149,142,314</u>	<u>1,483,871,754</u>	<u>1,824,774,257</u>

**CONSOLIDATED INCOME STATEMENT OF INTEGRATED  
WOOD PROCESSING FIRMS**

(Sample of 17 Firms in Process of Wood Products)

Year 1968 - 1972

	1968	1969	1970	1971	1972
GROSS SALES	464,174,764	554,391,509	871,351,940	1,012,125,287	1,186,483,961
EXPORT TAX	26,191,404	31,281,951	49,166,678	57,109,919	66,948,236
NET SALES	437,983,360	23,109,558	822,185,262	955,015,368	1,119,535,725
COST OF SALES	305,055,654	364,346,099	572,652,494	665,168,738	779,757,259
GROSS PROFITS ON SALES	132,927,706	158,763,459	249,532,768	289,846,630	339,778,466
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	77,378,212	99,520,459	118,833,172	151,689,110	209,158,946
INCOME FROM OPERATIONS	55,549,494	59,243,000	130,699,596	138,157,520	130,619,520
OTHER INCOME (EXPENSES)					
Interest and financing charges	( 19,940,360)	(23,815,958)	(37,432,176)	( 43,479,623)	( 50,969,851)
Miscellaneous — net	3,327,546	3,974,286	6,246,492	7,255,659	8,505,591
INCOME BEFORE INCOME TAX	38,936,680	39,401,328	99,513,912	101,933,556	88,155,260
PROVISION FOR INCOME TAX	7,824,670	7,918,045	19,998,201	20,484,450	17,715,580
NET INCOME	<u>31,112,010</u>	<u>31,483,284</u>	<u>79,515,711</u>	<u>81,449,106</u>	<u>70,439,680</u>

CONSOLIDATED BALANCE SHEET OF LOGGING/WOOD PROCESSING FIRMS

LIABILITIES AND STOCKHOLDERS' EQUITY

	1968	1969	1970	1971	1972
<b>CURRENT LIABILITY</b>					
Accounts payable and accrued expenses	63,572,405	77,381,467	150,856,169	194,798,505	239,551,224
Accrued taxes payable	5,405,113	6,579,198	12,826,237	16,562,345	20,367,354
Acceptances payable	24,585,396	29,925,768	58,340,701	75,334,549	92,641,798
Portion of long-term debt due w/in 1 yr.	25,625,093	31,191,306	60,807,884	78,520,389	96,559,548
Others	44,802,096	54,533,884	106,314,565	137,282,544	168,821,633
<b>Total Current Liabilities</b>	<u>163,990,103</u>	<u>199,611,583</u>	<u>389,145,556</u>	<u>502,498,332</u>	<u>617,941,557</u>
<b>LONG-TERM LIABILITIES</b>	135,142,681	164,498,003	320,691,145	414,104,090	509,239,751
<b>DUE TO AFFILIATED COMPANIES</b>	3,026,630	3,684,066	7,182,139	9,274,198	11,404,839
<b>Other Liabilities</b>	10,217,904	12,437,409	24,246,902	31,309,694	38,502,736
<b>STOCKHOLDERS' EQUITY</b>					
Capital stock	136,391,318	166,017,865	323,654,138	417,930,164	513,944,821
Retained earnings	<u>35,492,235</u>	<u>43,201,761</u>	<u>84,222,434</u>	<u>108,755,276</u>	<u>133,740,553</u>
<b>Total Stockholders' equity</b>	<u>171,883,553</u>	<u>209,219,626</u>	<u>407,876,572</u>	<u>526,685,440</u>	<u>647,685,374</u>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<u>484,260,871</u>	<u>589,450,687</u>	<u>1,149,142,314</u>	<u>1,483,871,754</u>	<u>1,824,774,257</u>

FREIGHT RATES OF DIFF. WOOD PRODUCTS  
BY DESTINATION IN DOLLARS  
CY 1973

**I. LOGS**

Species	Destination	Quantity (Bd.Ft.)	Freight Rates
Apitong	U. S. A.	3,284,234	228,307
	Okinawa	20,186,392	304,947
	Denmark	847,544	47,462
	France	7,292,572	408,383
	China, Red	2,118,861	31,783
	China, Rep.	14,102,365	211,535
	Hongkong	4,661,494	57,208
	Japan	448,094,338	6,808,043
Dao	Korea	8,095,993	121,439
	U. S. A.	60,446	4,201
	France	26,331	1,474
	United Kingdom	71,453	4,001
	Singapore	21,090	316
	China, Rep	186,381	2,795
	Japan	997,822	15,218
Lauan, Red	Denmark	1,695,088	94,924
	France	1,483,202	22,248
Lauan, White	U. S. A.	12,390,152	587,935
	Okinawa	11,348,256	174,055
	France	100,519,451	5,193,420
	Germany	9,170,104	478,775
	Spain	1,060,000	59,360
	Switzerland	1,144,640	29,332
	Singapore	10,365,613	159,206
	China, Rep.	390,053,555	6,078,045
	Hongkong	56,317,481	845,607
	Japan	1,518,521,587	22,767,266
Mangasinero	Korea	105,941,191	1,593,694
	Denmark	2,118,861	66,532
	Hongkong	100,000	2,400
	Japan	927,544	14,633
Narra	Japan	1,038,181	15,573
Palosapis	Okinawa	1,325,559	19,883
	China, Rep.	743,298	11,149
	Japan	720,800	10,812
Nato	Japan	2,245,643	30,232
Yakal	Japan	1,123,349	16,850
Others	U. S. A.	381,600	26,317
	Okinawa	2,457,288	36,859
	Denmark	5,935,088	228,060
	France	27,848,027	1,414,307
	United Kingdom	310,426	17,394
	China, Rep.	21,373,162	320,507
	Hongkong	6,444,726	96,670
	Japan	438,702,760	6,562,510
	Korea	6,992,241	125,478
	Australia	450,000	6,750
Total — — — — —		3,232,096,189	55,354,065

## II. L U M B E R

Species	Destination	Quantity (Bd. Ft.)	Freight Rates
Apitong	U.S.A.	5,097,994	356,127
	Guam	615,793	21,602
	Hawaii	11,952	848
	Other U.S. Insular Possessions	19,351	1,108
	Canada	19,457	1,401
	France	350,324	19,618
	Netherlands	62,808	3,517
	Hongkong	221,357	5,312
	Japan	3,035,943	71,935
	Australia	425,600	10,214
	New Zealand	50,000	3,600
Kalantas	Australia	326,000	7,824
Dao	U.S.A.	290,000	20,880
	Guam	57,273	1,375
	Denmark	2,895	162
	Germany	60,142	3,368
	Japan	88,555	2,125
Kamagong	U.S.A.	20,000	1,440
Lauan, Red	U.S.A.	1,627,362	114,502
	Guam	23,736	570
	Hawaii	117,343	8,449
	Belgium	150,000	8,400
	Denmark	872,476	48,856
	France	340,171	19,167
	Germany	219,682	12,302
	Italy	444,026	24,865
	Netherlands	305,591	12,073
	Norway	23,466	1,314
	Sweden	11,924	129
	Switzerland	50,000	2,800
	United Kingdom	142,850	4,526
	Japan	1,846,038	31,525
	Africa	927,485	45,097
	Australia	2,216,413	53,291
	New Zealand	768,628	18,449
Lauan White	U.S.A.	11,761,341	831,539
	Guam	377,255	9,978
	Hawaii	51,206	3,687
	Panama Canal Zone	13,047	939
	Other U.S. Insular Possessions	425,253	14,863
	Canada	717,284	51,644
	Belgium	1,064,944	59,637
	Denmark	1,422,883	79,679
	France	5,883,838	315,699
	Germany	484,435	27,128
	Italy	9,341,590	523,125
	United Kingdom	1,238,745	70,090
	Israel	75,000	1,800
	Hongkong	1,155,690	26,921
	Japan	17,362,685	418,882
	Africa	413,215	23,140
	South Africa	5,235,447	229,585
	Australia	7,798,874	186,696
	New Zealand	800,428	20,168
Narra	Japan	20,000	480

Lumber (Cont.)	Destination	Quantity (Bd. Ft.)	Freight Rates
Yakal	Japan	23,080	554
Tanguile	Guam	90,000	2,160
	Hawaii	2,670	190
	France	95,664	5,357
Others	U.S.A.	29,151,927	2,086,896
	Guam	2,129,655	52,577
	Hawaii	275,656	19,847
	Other U.S. Insular Possessions	217,333	14,325
	Canada	242,250	17,442
	Belgium	324,528	18,173
	Denmark	3,640,043	203,840
	France	3,000,865	168,038
	Germany	2,239,647	124,693
	Ireland/Eire	99,497	6,035
	Italy	2,115,876	118,489
	Netherlands	1,317,078	68,626
	Norway	43,056	2,411
	Sweden	12,000	672
	United Kingdom	1,646,587	92,714
	Hongkong	1,653,121	39,675
	Japan	22,063,631	548,787
	Africa	9,297	521
	South Africa	5,324,769	271,403
	Australia	17,555,310	431,872
	New Zealand	1,219,164	29,435
Total		180,977,499	8,159,183

### III. PLYWOOD

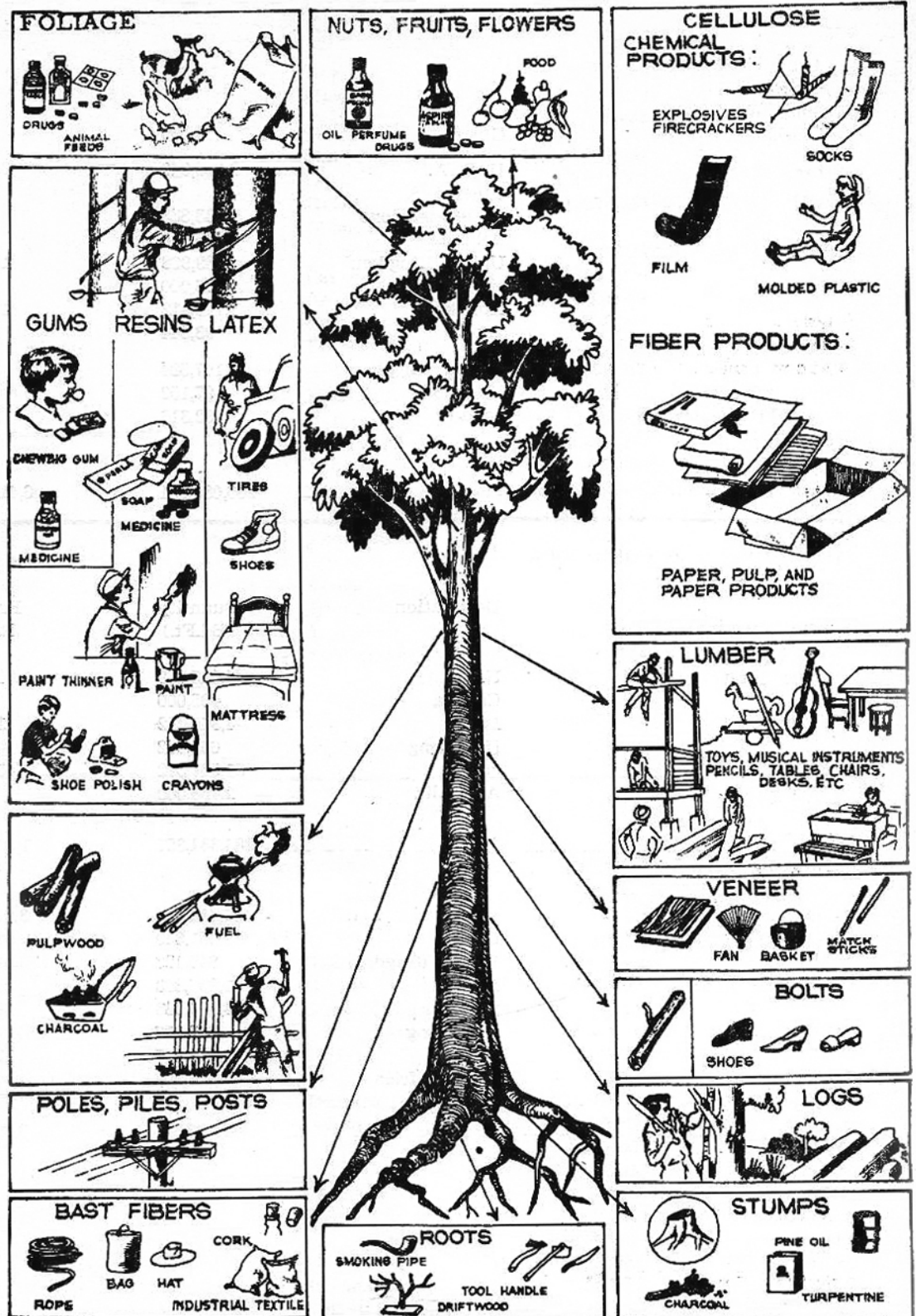
Species	Destination	Quantity (Bd. Ft.)	Freight Rates
Plywood ordinary (Lauan & Tanguile)	U. S. A.	657,069,043	4,870,587
	Guam	5,360,346	68,863
	Hawaii	2,716,260	50,635
	Other U.S. Possessions	2,039,429	9,431
	Canada	10,394,560	62,747
	Okinawa	458,425	5,367
	Jamaica	1,464,560	13,606
	Belgium	3,163,364	20,511
	Denmark	2,211,000	20,390
	France	8,000,953	46,134
	Germany	1,184,460	6,205
	Italy	4,536,640	29,092
	Netherlands	12,375,833	70,440
	Norway	8,256,880	54,295
	Sweden	7,049,800	45,991
	United Kingdom	77,624,653	331,105
	Israel	5,382,984	21,428
	Indonesia	52,872	500
	Singapore	3,072	16
	Hongkong	5,012,724	395,759
	Japan	42,100,536	216,055
	Australia	1,077,120	3,489

Cellular Wood Panels	Guam	35,590	893
Other	U. S. A.	2,285,349	32,661
	Other U.S. Possessions	33,888	767
	Belgium	15,840	435
	United Kingdom	989,908	19,340
	Vietnam	96,000	240
	Hongkong	1,143,412	15,604
	Japan	93,344	1,265
Plywood panels	United Kingdom	107,584	1,293
Faced w&metal,	Hongkong	97,152	1,120
Artificial plastics etc.	Japan	62,316	1,006
T o t a l		206,080,851	6,417,270

#### IV. VENEER & CORESTOCK

Species	Destination	Quantity (Bd.Ft.)	Freight Rates
Veneer Sheets	U. S. A.	241,145,069	1,032,981
	Canada	405,000	1,716
	Israel	4,360,452	16,501
	Hongkong	603,042	8,655
	Japan	31,027,342	58,871
	Australia	2,433,000	8,298
T o t a l		284,334,357	1,204,922
Corestock	U. S. A.	435,484,911	3,027,695
	Canada	2,051,840	11,164
	United Kingdom	848,128	4,831
	Israel	1,856,083	3,104
	Singapore	4,526,568	15,909
	Hongkong	722,116	5,683
	Japan	43,114,847	128,154
	South Africa	802,808	4,610
T o t a l		489,406,816	3,201,150

Surcoe: Bureau of Census



# WHAT WE GET FROM FOREST TREES

January 30, 1974

**IMPORTED HARDWOOD PRODUCTS  
ASSOCIATION, INC.**

Dear Sir:

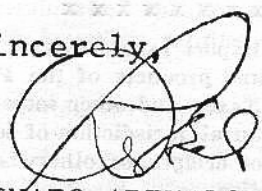
As a member of the I.H.P.A., we feel it urgent and important to bring to your attention the unfair treatment accorded to Philippine lauan plywood being exported to the United States by the eventual imposition of ad valorem duty of 20% by July 3, 1974, when the Laurel-Langley Agreement terminates, that would in effect make plywood exportation to that country highly uncompetitive.

We are furnishing you with a copy of our position paper to the Philippine Government analyzing and indicating what we believe to be the considerations that should be taken into account in the fair and legitimate appreciation of our argument to justify reformation of the relevant schedule of the United States tariff rates on the subject.

We feel strongly that your organization, with membership consisting of importers of Philippine plywood, can equally and effectively make representations to the States Department and other government authorities of the United States Government, on the U.S. Customs treatment of lauan plywood under GATT as unfair, and should in consequence stand revision. We would leave it to your discretion to adopt such means, measures and procedures that would bring objectively to the attention of the United States authorities this very important question.

May we thank you for your kind help and cooperation.

Sincerely,

  
RENATO AREVALO  
President

February 18, 1974

The Honorable  
The Secretary of Finance  
M a n i l a

Dear Sir:

The Philippine Lumber & Plywood Manufacturers' Association (PLPMA), in representation of its members, respectfully desires to bring to your attention certain aspects and provisions of Presidential Decree No. 231 known as the "Local Tax Code" as an aid to your expressed willingness and effort to analyze judiciously the need of amending and clarifying some of its provisions so as to make them equitable, fair and just.

The broad powers given to local government units by the Constitution (Art. XI, Sec. 5) is "subject to such limitations as may be provided by law", and the Local Tax Code was intended to embody such restrictions to prevent abuse and unwarranted exercise of the taxing power by provinces, cities, municipalities and barrios.

Members of our Association and other forest concessioners have logging concession rights and wood processing plants established and scattered all over the Philippines. Concession boundaries as well as areas where actual operations are conducted are oftentimes embraced in more than one municipality, and cases are not few as reported to our Association that municipalities, without proper coordination and perhaps due to lack of proper comprehension of the true intent of the Local Tax Code, have independently and arbitrarily enacted or are contemplating to enact municipal ordinances imposing taxes, permit and license fees that are widely in variance with each other, resulting in multiple and excessive impositions beyond the scope and authority of Municipal Corporation to enact.

For an intelligent comprehension of some of the salient defects of our Local Tax Code we wish to cite the fundamental principles of law referring to local taxation as a justification for our observation and recommendation.

1. The preamble of the Local Tax Code states that the tax code delineating the taxing powers of local government units and limiting the same powers conformably to the provisions of the Constitution will insure uniformity in local taxation, obviate multiple and competitive local impositions and generate adequate resources for the local government units without overburdening the taxpayers.

2. The exercise of the taxing and other revenue raising powers vested in local governments shall be guided by the following fundamental principles:

- a) Taxation shall be uniform in each local political subdivision.
- b) Taxes and other impositions shall be based as much as possible on the taxpayers ability to pay.
- c) Taxation and other impositions must not be unjust, excessive, oppressive or confiscatory.
- d) Taxes and other imposition must not be contrary to law, public policy and national economic policy, nor in restraint of trade (Sec. 2, Presidential Decree No. 231).

3. The exercise of the taxing powers of provinces, cities, municipalities and barrios shall not extend to the imposition of the following:

x x x x x x x x

- b) Taxes on forest products and forest concessions.

x x x x x x x x

- i) Export taxes, fees or other levies on Philippine finished, manufactured or processed products, and products of the Philippine cottage industries.
  - j) Taxes and other impositions upon goods carried into, or out, or on passing through the territorial jurisdiction of local governments in the guise of unreasonable charges for wharfages, use of bridges, or otherwise all other taxes in any form whatever upon such goods or merchandise.
  - k) Taxes or fees on agricultural products when sold by the farmer or producer thereof whether in their original form or not. (Percentage tax on sale (Sec. 5, Presidential Decree No. 231).
4. Except as otherwise provided in this Code, the municipality shall not levy the following:
- a) Taxes, fees and charges that the province or city is authorized to levy in this Code.
  - b) Taxes on articles subject to specific tax under the provisions of the National Internal Revenue Code.
  - c) Taxes and other impositions enumerated in Sec. 5, Chapter 1 of this Code (Sec. 22, Local Tax Code).

Export tax on log exports. — Presidential Decree No. 231 amending the tariff and Customs Code and repealing Republic Act. No. 6125 provides in part as follows:

Sec. 514. Export Products Subject to duty and rates. — There shall be levied, assessed and collected a duty on gross f.o.b. value at the time of shipment based on the prevailing rate of exchange of the following products in accordance with the following schedule.

Wood Products:

- |                          |       |
|--------------------------|-------|
| 1. Logs including poles  | — 10% |
| 2. Lumber                | — 4%  |
| 3. Veneer, face and core | — 4%  |
| 4. Plywood               | — 4%  |

Section 5 of the Local Tax Code as above indicated provides that the taxing power of local government unit does not extend to the imposition of export taxes. Yet under Section 19(a) of the Local Tax Code the municipality may impose a tax on the business of "manufacturing, exporting and producing" any article of commerce which includes lumber, veneer and plywood, computed on the "gross annual sales" for the preceding calendar year. The "gross f.o.b. peso proceeds" upon which the export tax is computed under Presidential Decree No. 230, amending the Tariff and Customs Code, is the same as municipal tax on the business of exporting logs, lumber and plywood computed on the basis of "gross annual sale".

To avoid multiple imposition, we strongly recommend that Section 19(a) of the Local Tax Code should be amended to exclude from its provisions, as proper subject for the imposition of municipal tax, the business of, "exporting" goods and commodities which includes logs, lumber, veneer and plywood. In effect, commodities subject to the payment of export tax under Presidential Decree No. 230, should no longer be subject to tax imposed under Sec. 19(a) of the Local Tax Code. This amendment would be in conformity with the provisions of Department of Finance, Provincial Circular No. 22-73 which categorically states that "it would be unreasonable and unjust for the municipality to tax an act which is inseparable from and forms an integral part of a business which is already taxed. Where a municipality is given the power to impose a tax upon a business, it cannot divide such business into its constituent elements and parts and levy a separate tax on each element or incident thereof."

Collection of municipal tax on business. — Before the enforcement of the Local Tax Code, municipalities enjoyed a share of forest charges collected from forest products cut and removed from their respective territorial jurisdiction. With the elimination of their share, the municipal units are cut off from this particular source of revenue. Forest concessioners, as a matter of public relations and to protect their respective forest areas, would prefer to provide some income to municipalities from municipal tax payable out of forest products cut from forest within their territorial limits. This intention is restricted by the provisions of Section 19(a) of the Local Tax Code which provides as follows:

"For purposes of collection of this tax, manufacturers and producers maintaining or operating branch or sales offices elsewhere shall record the sale in the branch or sales office making the sale and the tax thereon shall accrue to the local government where the branch or sales office is located. In cases where there is no such branch or sales office in the locality where the sale is effected, the sale shall be duly recorded in the principal office and the tax shall accrue to the local government where said principal office is located."

The above provision should be amended to enable the municipalities where logs are cut to become recipient and beneficiary of the municipal tax payable thereunder irrespective of where the main or branch office or offices of the concessioners might be.

In case of boundary conflicts between municipalities, forest concessionaires should be allowed to pay their business tax in either municipality of their own choice, until the boundary conflict is definitely settled.

This would be fair to the municipality concerned as it would provide the proper incentive for all local unit to protect their respective forest areas.

Taxes on forest products and forest concessions. — The taxing power of provinces, cities and municipalities is not extended to the imposition of taxes on "forest products and forest concessions." However, a reading of the Code unfortunately failed to define "forest products" and "forest concessions" in the context of taxation prerogatives delimited to local governments. We believe a definition of this term is essentially required to prevent confusion and unwarranted imposition arising from wrongful appreciation on these terms.

Maximum municipal tax on business should be decreased. — Log producers are faced with the serious consequences of the Presidential decree phasing-out log exports by 1976. This will inevitably mean possible loss of investments if they cannot be recovered before the phase-out period expires. Transforma-

tion of log production activity into wood processing venture is not at all easy due to lack of adequate financing. Heavy and undue tax burden will result in complete shutdown of operation, particularly the small operators, with all the consequential unemployment results. We appreciate fully the observation of Finance Secretary Cesar Virata that "unreasonably high tax rates result in reduced consumption and affect the flow of business proportionately."

The business tax leviable by municipalities should, under all rules of equitable proportion, be reduced to 75% of the maximum rate now existing.

The above suggestion finds support in the specific guidelines issued by the Finance Secretary (Department of Finance Provincial Circular No. 32-73) whereby the indicated with clarity the following considerations to be taken into account:

- a) Ability to pay. With the phasing-out of log exports, log producers have considerably reduced their exports of logs and are finding difficulties in disposing of their log production to the extremely limited local market aggravated by lack of transportation facilities. These circumstances affect considerably the log producers ability to pay.
- b) Relationship to national economic policy. Encouragement of wood processing industries to produce more plywood, veneer and correstock for export market is one of the principal objectives of our national economic policy. To overburden the existing plants or new plants in the process of organization would be deterrent for them to continue with their expansion program. This will be contrary to our national economic policy.

Payment of municipal tax from minimum to maximum to be scaled over a period of 5 years. We consider the statement of Finance Secretary Cesar Virata that the ceiling or maximum tax rates provided under the Local Tax Code are not to be imposed during the first year of the Code's implementation. To make this truly effective and a sanction against abuse, specific provision should be embodied in the Tax Code itself indicating a gradual scale of tax for at least five years before the maximum rate is imposed. This provision will prevent the sudden impact of tax levies and will enable manufacturers and producers to adjust their tax liabilities under a scale of payment that will enable them to absorb such expenses with the least possible inconvenience and without dislocating their cash flow to sustain continuous operation.

Restraint of Trade. Some municipalities in their eagerness to collect taxes have invariably provided that logs and wood products produced within the municipality cannot be removed and transported outside of the municipal boundaries unless the tax is paid. Although this in effect prevents the free movement of commodities and is in reality "in restraint of trade" and could in effect be seriously questioned, the procedure for elevating such protest to the authorities under normal procedural requirements consumes time and effort. To eliminate this useless effort and unnecessary vigilance required to producers and manufacturers, the Local Tax Code should contain a "positive, direct provision" prohibiting municipal governments from preventing the removal and movement of products from the municipality unless the taxes, license and permit fees are first paid.

Complementary provisions should be made that such payment shall be guaranteed by an undertaking with sufficient collateral or by accomplishing acceptable surety bonds posted by surety companies.

Difference between "taxes", and "license" and "permit fees". Notwithstanding the difference in legal terminology and implication of taxes, permit or license fees that local government units may impose, the former being a revenue raising measure while the latter are considerably much less in amount and are imposed merely to cover the cost of the issuance of the permit or commensurate to the services rendered in the implementation of the regulatory measures to which the same is incidental, most local government units have invariably misconstrued their respective significant limitations by enacting measures imposing "permit and license fees" of such amount as to be ineffect and in truth a tax revenue ordinance. Continuous discussion is inevitable to decipher what is really intended to be accomplished by the use of such term and the process of protesting such measure under the procedural requirements outlined in the Local Tax Code is long and tedious to say the least.

We submit that the Tax Code should define under separate provision, in clear and unmistakable terms, the difference between the terminologies so as to convey the scope and limitations of the powers of local government units in imposing a tax or license fee or permit. More effective bill is to require by specific provision in the Local Tax Code, that municipal ordinance imposing a levy or charge should indicate by proper pronouncement the intention for such charges or levy whether to raise revenue or merely to regulate a certain business. This would minimize if not avoid useless discussion and argument.

In resume, we submit and so propose, that proper amendments to the Local Tax Code should be made:

1. To exclude from the provision of Section 19(a) the business of exporting commodities or products covered by the export tax provided in Presidential Decree No. 230 amending the Tariff and Customs Code.

2. To allow municipalities to become recipients and beneficiaries of municipal taxes payable under Section 19(a) on logs cut and removed from their territorial boundaries irrespective of where the main or branch office of the business is located, and that in case of boundary conflicts between two or more municipalities where the logs are cut, the concessionaire should have the discretion to pay the municipal tax in the municipality of his choice until the conflict is definitely settled.

3. To reduce 75% of what is now indicated in the Local Tax Code, the maximum municipal tax on business.

4. To provide a scale of payment of municipal taxes from the minimum to the maximum, gradually to increase over a period of five years.

5. To provide a more effective provision to prevent ordinances "in restraint of trade" by prohibiting local government units from preventing the removal and movement of logs and wood products or preventing the passage thereof within the municipality, without first paying the municipal tax, and to provide for acceptance of undertakings with sufficient collaterals or surety bonds to guarantee payment of such taxes in lieu of cash payment.

6. To define under separate provision the difference between "taxes", "license" and "permit fees", conveying the scope and limitations of the powers of local government units in imposing any of them, and to provide that municipal ordinances imposing a levy charge should indicate by proper pronouncement the intention for such charge or levy, whether to raise revenue or to merely regulate a certain business.

We thank you for allowing us to propose the foregoing amendments to the Local Tax Code.

Very truly yours,

PHILIPPINE LUMBER & PLYWOOD  
MANUFACTURERS' ASSOCIATION, INC.

(SGD.) PACIFICO DE OCAMPO  
Executive-Secretary

January 14, 1974

Hon. Gerardo P. Sicat  
Director General  
National Economic and Development Authority  
M a n i l a

Your Honor:

Thank you for the opportunity you have given our Association to give its views concerning the provision in the New Philippine Constitution on forest land holdings currently under review by the National Economic and Development Authority (NEDA), for the purpose of determining the desirability of enlarging the raw material base of wood-processing firms to areas larger than 100,000 hectares.

This Association has conducted a detailed survey and study among its member-firms in consonance with the provision of Article XIV, Section 11 of the New Constitution and of the aims of the New Society to attain specifically the following objectives:

- a) conservation of forest resources;
- b) need of adequate raw materials for the wood-processing industry; and
- c) adequate diffusion of the benefits to be derived from the development of the national patrimony.

Based on these objectives, the consensus among the members of this Association, in answer to the question posed by the NEDA, has revealed an "affirmative" conclusion to your question on the necessity of exempting certain firms from the 100,000 hectares limit.

However, it is also the consensus among our membership that such exemptions from the present constitutional limit of 100,000 hectares should be selective, and therefore confined to corporate entities or persons who have shown proven ability to discharge their responsibilities to conserve and develop the national patrimony, and the safeguard and promotion of interest of the nation.

We are therefore suggesting the following guidelines for these exemptions to the abovementioned limitation, as follows:

1. Conservation of forest resources —

The achievement of this objective entails not only the effective use of a region's natural resources but also the maximum utilization of as great a portion of these resources which will include the residual use of all its components.

Thus it is necessary for licensees or concessionaires applying for the expansion of their concessions to more than 100,000 hectares, to fulfill the following conditions:

- a) Applicant should be a well-established Company having adequate technical, financial and physical facilities run by competent reliable management;
- b) Applicant should have an integrated wood-processing plant requiring no less than 25,000 cu.m. input per month. In addition, such a licensee should give proof of having practised sustained yield management in its logging operations for a period of not less than five (5) years;
- c) Applicant must have undertaken bona fide reforestation programs designed to provide the necessary input to insure perpetuity of the resource base;
- d) In joint venture arrangements involving tie-ups between Filipino and foreign capital, the applicant should show proof;
  - 1) that it has or will be willing to undertake tree farming in addition to compulsory reforestation;
  - 3) that the applicant can reasonably waive compulsory marketing tie-ups regarding the finished products. In this connection, this Association, deems in its responsibility to call the attention of the Government on the inherent disadvantages of foreign trading companies entering into Filipino corporations engaged in the development of our natural resources, on joint venture arrangement or long term contractual tie-ups for extension of loans and credit facilities. Due caution should be taken so as not to compromise the products of the forest patrimony, through these exclusive marketing arrangements prejudicial to the interest of the nation and the economy.

- e) As a means to protect costly investments for replacements or expansions of existing facilities, increase of concession areas should be in the name of the applicant directly and should not be substituted with the possibilities of increasing additional source of raw material from adjoining concessions under contractual arrangements, since it does not insure continuity of supply unless the applicant fully controls logging operations.
- f) They should further show capability of developing such resources, through an equipment base consonant with their peculiar operational plan, and in addition show proof of adequate forest protection practices, that can insure the necessary safeguards for the long-range objectives of its integration.

## II. Economic Development Objective

- a) To prevent operators who are interested only in the short-term objectives, it is necessary that logging concessionaires applying for an expansion of their areas should have a presently installed wood-processing capacity of more than the allowable and actual cut from its present timber concession, especially considering the mandatory phase-out of log exportation. Sufficient proof should be shown to indicate the insufficiency of raw material supply based on the rated potential of applicant's existing plant facilities, and if expansion is contemplated as a basis for the application for exemption there should be a strict guarantee for the fulfillment of the expansion program within a reasonable period of time under penalty of forfeiture and payment of damages. Commitment should be made by the applicant to supply adequately the local market, thereby serving our economy both in the domestic and export fields.

In the case of joint venture operations, the applicant should be screened thoroughly regarding its operational plan involving the employment of available Filipino technical know-how and expertise. It is customary at this point, when new machinery or plant is to be installed, foreign technicians are sent by the foreign manufacturer to supervise installation of the machinery and equipment, and it should be a requirement that such foreign technicians should train the Filipino counterparts for eventual replacements in responsible positions, in order to assure the use of and increase the number of highly-competent Filipino technicians who are in great demand throughout Asia.

- b) The processing plant actually in existence or envisioned should be sufficiently labor-intensive to provide opportunities for employment not merely limited to direct employment with the applicant firm but with allied industries as well.
- c) The applicant, in line with the social orientation of the Government, is conducting or will be willing to undertake, substantial community development programs for the improvement of the standard of living in its areas of operation;
- d) In addition to all these, such an applicant should undertake to comply fully with all laws, rules and regulations relative to its business activities and operation, not necessarily limited to forest development.

## III. Diffusion of Benefits

It should be a requirement that the equity base of such a Corporation engaged in the exploitation and development of our forest resources, should be spread out as widely as possible based on the standard requirements applied by the BOI for registered industries. Diffusion of wealth should moreover be accomplished with proper safeguards to insure protection of small investors.

The foregoing constitutes a suggestion of guidelines, the usefulness and effectivity of which will depend on the details of the implementing rules, devoid of prejudicial exceptions that will defeat the aims and purpose for which the guidelines are objectively proposed.

May we reiterate our appreciation for the opportunity you have given us to express our views on a matter that will significantly affect the wood industry of the nation, conveying to you moreover our availability for further discussion if so desired.

Very truly yours,

(SGD.) RENATO AREVALO

President

January 28, 1974

The National Economic Development  
Authority (NEDA)  
Padre Faura, Manila

Sir :

The eventual termination of the Laurel-Langley Agreement in July 3, 1974, has created a feeling of apprehension in the local plywood industry, with the imposition after date of 20% ad valorem duty on lauan plywood which if not reduce would make the exportation of Philippine plywood into the United States uncompetitive. The United States being the biggest market for Philippine plywood, the imposition of such duty would have serious repercussion not only to the industry itself but to the nation's economy as well.

An analysis and recounting of concomittant factors leading to this situation will perhaps make our position more understandable.

A schedule of ad valorem duty of plywood imported to the United States is as follows:

Ad Valorem Duties on Plywood

There are many different types of plywood with different ad valorem rates. Some were included in Kennedy Round reductions and some were not. A list taken from the U.S. Tariff Schedule is as follows:

	<u>Year</u> 1971	<u>Year</u> 1972
Plywood with a face ply of:		
Spanish cedar	24%	20% (K.R.)
Parana Pine	14%	12.5% (K.R.)
Birch	9%	7.5% (K.R.)
European red pine	10.0%	8.5% (K.R.)
Lauan	20%	20%
Walnut	20%	20%
Softwood	20%	20%
Other	12%	10% (K.R.)

It will be noted that lauan plywood is classified along with the Spanish cedar, walnut and soft wood.

Six years ago during the Kennedy round discussion on the General Agreement of Tariff and Trade (GATT), the United States agreed to reduce the tariff rates on certain types of plywood. Unfortunately tariff reduction on Philippine lauan plywood was not included. Apart from the fact that the Philippines then was not a member of GATT, no consideration was given to a reduction because it was then enjoying competitive position in the United States market, in view of the provisions of the Laurel-Langley Agreement which at that time was 40% of the tariff list, paying only 8% ad valorem (40% of 20%).

If the United States would however extend generalized tariff preference to developing countries, the United States duty on Philippine plywood would be eliminated or at least greatly reduced, eliminating the discriminatory duty of 20% on lauan logs. Unfortunately the United States has up to now not extended generalize tariff preference to developing countries and as a matter of fact any action towards that end has been included in the provisions of the United States "Trade Reform Act of 1973", a bill reported out by the Committee on ways and means of the United States House of Representatives. This bill is expected to be approved by the United States Lower House when it resumes session very soon.

The subject of generalized tariff preferences covered by the Title V of said "Trade Reform Act of 1973" contains onerous provisions that may eventually work disastrously against lauan plywood in the United States market. Under its relevant provision, the President of the United States must designate the so-called beneficiary developing countries and must submit such designation to the House of Representatives and to the Senate giving his reasons for such designation. There are several criteria by which a developing country may or may not be granted the preference. A developing country may qualify for such treatment with respect to some of its products and not necessarily all. A product may be eligible by kind but ineligible when the quantity shipped to the United States exceeds certain limitation.

Section 503 of the Act defines "eligible articles" and Section 504 prescribes "limitations on preferential treatment." Under sub-Section (c) of Section 504, the President must terminate preferential treatment with respect to any article of which an appraised value of more than \$25 million is exported to the United States during any calendar year; or the value of which exceeds 50% of the total importation of such article into the United States. The President may set aside this limitation if doing so is in the national interest of the United States.

The conclusion to be drawn from the foregoing is that if the value of lauan plywood shipped by the Philippines to the United States is more than \$25 million a year or is more than 50% of all lauan plywood shipped to the United States from all sources, then the preferential tariff treatment cannot be extended to Philippine Lauan plywood unless the President of the United States determines and demonstrates that it is in the national interest of the United States to do so. Latest figure indicate that the value of plywood export to the United States in 1972 total \$29,465,654.

It is obvious then that it looks rather doubtful that Philippine lauan plywood will be free of United States ad valorem duty of 20% under the concept of generalized preference presently conceived by the U.S. government.

The Philippine became a member of the GATT a few months ago and is now a better position by reason of membership to appeal for a review and revision of the United States tariff schedule to include lauan plywood in the list of favored plywood products which by reason of GATT Kennedy Round are now paying only 10% ad valorem duty ("others") when entering the United States, instead of 20%. This can be accomplished by action on the part of the Philippine and the United States governments, bringing the matter before the GATT forum, taking such steps towards GATT revision.

There is no question that the disadvantage to Philippine plywood resulting from the Kennedy Round would be eliminated when and if the United States extend generalized tariff preference to developing countries, including the Philippines, without being subjected to conditional contingencies as to amount and value of lauan exports entering into the United States.

Although the United States for nearly half a century is committed to a foreign trade policy based on multilateral rather than bilateral agreement, of which the Laurel-Langley Agreement is an exception, there exists a possibility that the forthcoming negotiation for the renewal and/or extension of the Laurel-Langley Agreement after July 3, 1974, under modified terms may include provisions, effectivity presented and argued that would include lauan plywood in the category of favored plywood products enjoying lower ad valorem duty rates.

This representation is a plea of the plywood industry to the Philippine Government, through the NEDA as the highest national economic policy determining body of the Government, to take up the matter with the United States Government under any of the alternatives that the Government may pursue in order to obtain the necessary relief. The argument is strong that the United States existing treatment of lauan plywood under GATT is unfair. We feel that emphasis is in order that this is not a case where the Philippines is asking for preferential treatment, but rather that lauan plywood should be accorded the same treatment that other types of plywood are presently enjoying.

We cannot over emphasize the advantage to the plywood industry of lowering the United States tariff schedule on lauan plywood and to the Philippine Government as well in terms of additional dollar income. Paying 10% ad valorem on our plywood export to the United States based on a yearly export of P197,601,399 (\$29,465,654) in 1972, instead of 20%, would give additional foreign exchange income to the Government of \$2,946,565 (P19,760,140).

May we thank you for considering the above with the seriousness that it deserved.

Very truly yours,

(SGD.) RENATO AREVALO  
President

# PHILIPPINE LUMBER AND PLYWOOD MANUFACTURERS' ASSOCIATION, INC.

Suite 70, 7th Floor Amalgamated Development Corp. Building

Ayala Avenue, Makati, Rizal

Tel. No. 86-16-53 & 86-16-95

Member Firms	Address and Telephone No.	Head/President	Representative To PLPMA	Product Lines
1. Aguinaldo Development Corp.	Esso Building, Cor. United Nations Ave., & Marquez de Comillas St. Ermita, Manila Tel. No. 50-20-31	<i>Daniel Aguinaldo</i>	<i>Aquilino Bacuñgan, Jr.</i>	logs, lumber & plywood
2. American Rubber Corporation	APECO Building, Kapiligan St., Araneta Ave., Quezon City P.O. Box 3088, Manila Tel. No. 60-31-39	<i>Ramon Manzano</i>	<i>Ramon Manzano</i>	logs & lumber
3. Anakan Lumber Company	5th Flr. Maritima Bldg. 117 Dasmariñas, Manila P.O. Box 1373, Manila Tel. No. 40-99-31	<i>Jose Fernandez</i>	<i>Carlos P. Fernandez</i>	logs, sawnlumber & creosoted materials
4. Araneta University Foundation	Araneta U Post Office Victoneta Park, Rizal Tel. No. 25-75-51	<i>Salvador Araneta</i>	<i>Ed Mabesa</i>	
5. Aras-asan Timber Co., Inc.	No. 30 Scout Tuason St. Diliman, Quezon City Tel. No. 98-24-56 to 58 98-04-11	<i>Mamerto Sanvictores</i>	<i>Benjamin F. Sanvictores</i>	logs, corestock, plywood & lumber
6. Bataan Pulp and Paper	6th Flr. Sarmiento Bldg. Ayala Avenue, Makati, Rizal Tel. No. 89-34-91 to 95	<i>Jack L. Decker.</i>	<i>Jack L. Decker</i>	Pulp & paper
7. Cantilan Lumber Company	1000 Marquez de Comillas St., Manila P.O. Box 570	<i>David Sycip</i>	<i>L. M. Sanchez</i>	logs & lumber
8. C. Alcantara & Sons, Inc.	2nd Flr. Zaragosa Bldg. 2281 Pasong Tampo Ext. Makati, Rizal Tel. No. 85-49-91	<i>Nicasio Alcantara</i>	<i>Atty. L. de Jesus</i>	logs, lumber & plywood

9. Davao Gulf Lumber Co.	Citizens Bank Bldg. Rosario St., Binondo, Manila		Erpidio Damaso	
10. Davao Plywood Co., Inc.	6th Flr. Pacific Banking Corp. Bldg., 460 Rosario St., Binondo, Manila Tel. No. 40-02-96	Benjamin Limso	Benjamin Limso	plywood & plyboard
11. Desiderio Dalisay Investments	4th Flr. Katigbak Bldg. A. Mabini St., Ermita, Manila Tel. No. 47-89-93	Desiderio Dalisay	Humbert Garganera	logs & lumber
12. Dingalan Forest Products, Inc.	3rd Flr. Federation Center Bldg., Muelle de Binondo, Manila Tel.No. 40-85-13	Ngo Ca Hu	Antonio V. Calupitan	logs & lumber
13. Eastern Plywood Corporation	489 2nd Flr. Pureza St. Sta. Mesa, Manila	Benigno Lim	Angel G. Ronquillo	plywood, lumber & veneer
14. Findlay Millar Timber Co.	CMI Bldg., Ayala Ave., Makati, Rizal		Pura D. Almario	
15. Gonzalo Puyat & Sons, Inc.	190 Rodriguez Arias. St. San Miguel, Manila Tel. No. 40-76-31	Gil J. Puyat	Jose G. Puyat, Jr.	logs, rattan, furniture & alley
16. Iligan Lumber Company	2nd Flr. Natividad Bldg. 2308 Pasong Tamo Ext. Makati, Rizal		Apolonio V. Dionisio	lumber
17. Insular Lumber Co. (Phil.)	15th Flr. China Bank Bldg., Paseo de Roxas St., Makati, Rizal	Alfredo Velayo	Santiago P. de Guzman	lumber
18. International Hardwood & Veneer Co. of the Phils.	Sikatuna Bldg., Ayala Ave., Makati, Rizal Tel. No. 88-48-97	Enrique Cojuangco	Renato Vitanzo	plywood, veneer, tissue paper
19. Lianga Bay Logging Co., Inc.	8th Flr. Filipinas Life Bldg., Ayala Ave., Makati, Rizal Tel. No. 88-88-61	John Phelps	Jose Loanzon	logs & veneer
20. L. S. Sarmiento & Co., Inc.	Sarmiento Bldg. No. II Pasong Tamo Ext. Makati, Rizal	Lorenzo Sarmiento	Adrian A. Atizado	plywood, lumber, wood products

21. Mahogany Products (Phils.), Inc.	Padilla de los Reyes Bldg. Juan Luna, Manila Tel. No. 47-91-26	Mabel Mears	Ernesto Capuli	veneer
22. Maranaw Timber Industries	Apeco Bldg., Kapiligan St., Quezon City Tel. No. 60-50-26	Nicasio Tuazon	Walter McAloney	logs & veneer
23. Misamis Lumber Co., Inc.	6th Flr. Don Santiago Bldg., Taft Avenue, Manila Tel. No. 50-12-71	Nicolas Capistrano, Jr.	Vicente Lolingco	logs, lumber & veneer
24. Nasipit Lumber Co., Inc.	5th Flr. Maritima Bldg. Juan Luna, Manila Tel. No. 40-99-31	Jose Fernandez	Dir. Florencio Tamesis Pedro Nisperos	lumber, tiles, hardboard & lawanit
25. Niefur Enterprises, Inc.	1988 Taft Ave., Manila Tel. No. 59-72-22	Francisco Nicolas	Francisco Nicolas	logs, lumber & furniture
26. North Camarines Lumber Co., Inc.	2276 Carolina Choy Bldg. P. Tamo Ext., Makati, Rizal Tel. No. 89-35-51 to 55	William Choy	Manuel Arroyo	logs & lumber
27. Paper Industries Corp. of the Philippines	6th Flr., JMT Bldg. Ayala Ave., Makati, Rizal	Jose Soriano	Guillermo V. Misc Ronaldo P. Abilla	logs, lumber newsprint
28. Plastic Bonded Plywood	110 MacArthur Highway Valenzuela, Bulacan	Sotero Laurel	Antonio Gotaco Rodolfo Lualhati	plywood
29. R. C. Aquino Timber & Plywood Co., Inc.	12 Mariposa St., Cubao Quezon City Tel. No. 79-86-14 & 79-62-59	Rafael C. Aquino	Rafael C. Aquino	logs & lumber
30. Samar Lumber Co.	240 MCCPO Makati, Rizal		Ulf Erlandson	
31. Sta. Clara Lumber Co., Inc.	1360 Leon Guinto, Sr. St. Ermita, Manila Tel. No. 50-12-36	Renato Arevalo	Renato Arevalo Ricardo C. Garcia	lumber, logs, plywood & drawersides
32. Sarmiento Industries, Inc.	Pasong Tamo Ext. Makati, Rizal		Adrian Atizado	

33. Sta. Ines-Melale Veneer & Plywood, Inc.	G & A Bldg., 2303 P. Tamo Ext., Makati, Rizal Tel. No. 86-55-26	Arthur C. Balch	Simeon Inguito	logs, veneer, corestock plywood
34. Sarangaya Industries, Inc.	866 Aurora Blvd., Cubao, Quezon City		Lauro Amante	
35. Taggat Industries, Inc.	1350 Romualdez St., Paco, Manila Tel. No. 50-28-92 & 50-26-11	Alfonso Lim	Lawrence Lim	plywood, logs, lumber, corestock
36. J. J. Tirador Lumber Corp.	4347 Clipper Avenue Parañaque, Rizal Tel. No. 83-41-95 & 83-88-24	Jorge J. Tirador	Jorge J. Tirador	logs
37. Western Mindanao Lumber Co., Inc.	G. Antonino Building T. M. Kalaw St., Ermita, Manila Tel. No. 40-36-80	Magnolia Antonino	Magnolia Antonino	logs & lumber
38. Zamboanga Wood Products, Inc.	6th Flr. Sarmiento Bldg. Ayala Avenue, Makati, Rizal	P. J. Jackson	Rodolfo Matienzo Manuel Ortigosa	logs, lumber, corestock, veneer

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|--|--|--|--|
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| 2. Atlantic Gulf & Pacific Co.<br>P.O. Box 626, Manila                               | 5. Evans Products (Phils.), Inc.<br>6th Flr. Sarmiento Building<br>Ayala Ave., Makati, Rizal | 8. Resins Phils., Inc.<br>Bagong Ilog, Pasig, Rizal  | 11. Boneco Phils., Inc.<br>Pioneer St., Mand., Rizal |
| 3. Borden Chemical Co., Inc.<br>Filipinas Life Building<br>Ayala Ave., Makati, Rizal | 6. Manuel Nieto Corporation<br>8th Flr. JMT Building<br>Ayala Ave., Makati, Rizal            | 9. Retla Steamship Co.<br>Magsaysay Bldg., T. M.<br>Kalaw St., Ermita, Manila                      |  |

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