

Freight Car Loadings

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

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

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

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

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

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

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

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

Mining

By HENRY A. BRIMO

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

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

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

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

Lumber

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