

loads lots has decreased due to keener competition by land haulers. There is also the scarcity of money, as may be noted from the general decline in the prices of many commodities, well demonstrated by special sales at reduced prices.

For the month of May the carloadings will continue the favorable trend shown in the month of April.

## Mining

BY HENRY A. BRIMO  
President

*Philippine Gold Producers Association, Inc.*

THE late Congress of the Philippines held its last regular session on May 20, 1954. On that day, it passed House Bill No. 2294, entitled "An Act to Provide for Emergency Assistance to the Gold Mining Industry of the Philippines, to Authorize the Appropriation of Funds Therefor, and for Other Purposes." Passage was aided, and in fact, made possible by a certificate of urgency signed by President Ramon Magsaysay which allowed final voting to take place in both Houses without the normally necessary three readings.

This bill was introduced in the House of Representatives by Congressmen Reynaldo P. Honrado, Ramon P. Mitra, and Luis Hora. In the Senate, it was sponsored by Senator Fernando Lopez, while Senator Emmanuel Pelaez gave the introductory remarks and clarified its provisions before actual voting took place.

On the previous day (May 19), House Bill No. 1862, introduced by Congressmen Antonio V. Raquiza, Erasmo R. Cruz, Eulogio Rodriguez, Jr., Jose Puey, and Lorenzo C. Teves, and entitled "An Act Amending Section One

of Republic Act Numbered Six Hundred One" (re tax on foreign exchange) was also approved by Congress, resulting in relief for the mining industry from the 17% Exchange Tax. This bill benefits the base-metal mines, as the gold producers had received this exemption the previous year through the enactment of Republic Act No. 909, which legislation also gave the gold producers, as readers will recall, exemption from the Compensating Tax as well.

The Subsidy Bill divides the individual gold producers into marginal and non-marginal mines, depending on whether the total net profit is above or below the "base profit". The bill defines "base profit" as that profit "equal to the quotient of the total remaining capital investment divided by the anticipated lifetime of the ore reserve plus 10% or 10% of the gross receipts, whichever is lower".

Mines thus classified as "marginal" will be allowed, at their option, to sell their newly-mined gold in the local free market (and forfeit the subsidy) or to the Central Bank, where it will receive a total of ₱111.72 per ounce for refined gold (roughly ₱111.00 *bullion*). "Non-marginal" mines have the choice of the free market or the subsidy, but in case a mine chooses the latter, i.e., sells its gold to the Central Bank, it will receive only ₱105.40 per ounce refined (roughly ₱104.68 *bullion*).

On the day before the last Congressional session (May 20), local bullion was sold for ₱105.25 per ounce. The first sale after May 20, or after the bill was passed, occurred during the May 22/23 week-end and at a price ₱3.75 per ounce higher, or ₱108.00. Subsequently there was a sale on May 25 at ₱109.00 and two days later at ₱109.85, all for bullion. Heavy sales of refined were also done during this time, all at ₱110.00 per ounce. It is likely that the price will remain around these levels for the time being, or until the subsidy takes full effect after some 60 days (30 days while it awaits the usual Presidential signature and

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another 30 days as allotted in the bill itself for the Central Bank to prepare a certified estimate of taxes it expects to collect from the gold producers and which estimate will be used to charge the National Treasury for such funds as will be necessary to begin the subsidy) to 70 days hence.

Thus, although it will take time to fully effectuate the Subsidy Bill, the premium price of gold has in effect already given gold producers much of the expected benefits.

Just what will happen to the gold price after the Subsidy Bill has become law and is officially in use, is something we will not attempt to forecast. Obviously, however, the possibility exists that the local gold price could advance to a level as high as the official subsidy price, or, under certain circumstances, higher.

House Bill No. 1862 extends relief to the base-metal mines from the 17% Exchange Tax on their importations of machinery, equipment, accessories, and spare parts as well as of carbides, explosives, and dynamite. It is a generous relief and one that will benefit the industry no little.

## Lumber

By PACIFICO DE OCAMPO  
Secretary-Treasurer

Philippine Lumber Producers' Association, Inc.

**D**URING the month under review, April, 1954, the Philippines exported 42,299,336 bd. ft. of logs and lumber, 22,796,555 less than the preceding month. The big decrease was mainly due to a drop in the shipment of logs to Japan, from 53,430,905 bd. ft. in March, 1954, to 31,844,987 bd. ft. in April, 1954, or a decrease of 21,585,918 bd. ft. The exports to the United States increased by 427,543 bd. ft., from 6,173,967 bd. ft. in March, 1954, to

6,601,510 bd. ft. in April, 1954. Exports to all other countries decreased by 1,638,180 bd. ft., from 5,491,019 bd. ft. in March, 1954, to 3,852,839 bd. ft. in April, 1954.

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

Shipper	Destination	Volume in Board Feet	
		Lumber	Logs
Aguinaldo Development Corp.	Japan		299,930
Agusan Timber Corp.	Japan		2,990,000
Alberto S. Lorente	Japan		500,124
Anakan Lumber	U. S. A.	87,697	4,000,000
Company	Japan		2,000,000
Anacleto O. Rajeses	Japan		489,730
Atkins Kroll & Co., Inc.	Formosa		484,200
American Builders, Inc.	Guam	9,296	
Basilan	U. S. A.	741,825	722,711
Lumber	Hongkong	110,732	
Company	Formosa		1,000,000
Bicol Industries Co.	Japan		649,881
Brigido R. Valencia	Japan		346,260
Bislig Bay	Japan		531,908
Lumber	U. S. A.	158,199	
Co. Inc.	Hongkong	205,121	
Company	Japan		3,515,412
Calapan Lumber Co., Inc.	U. S. A.	20,064	231,578
Cipriano Luna Lumber Enterp.	Japan		999,990
Dee Cho Lumber Co., Inc.	U. S. A.	32,000	
Edward L. Kincaid	U. S. A.	175,536	
Extensive Enterprises Corp.	Japan		579,972
General Enterprises, Inc.	U. S. A.	28,000	
G. S. Mañalac Enterp.	Japan		800,000
Getz Bros. & Co.	Formosa		1,202,767
Gonzalo Puyat & Sons, Inc.	Japan		500,000
Iigan Lumber Co., Inc.	Japan		500,208
Insular	U. S. A.	801,870	
Lumber	Africa	603,718	
Company	Canada	29,635	
	Eire	96,190	
	Hawaii	69,880	

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