Arrivals of logs and lumber in Manila during the month under review, aggregating 10,641,866 bd. ft., decreased by 256,556 bd. ft. as compared to arrivals during the previous month of 10,898,422 bd. ft.

During the month under review, December, 1953, there was little change in prices in the local wholesale trade from the previous month's prices of ₱175-₱185 for white lauan and apitong, and ₱195-₱215 for red lauan. The slight easing of the local wholesale lumber market was partly attributed to the reluctance to buy during the inventory-taking period and partly to the slowing down of construction activities during the Holiday season.

THROUGH government initiative and with the cooperation of the concessionaires, attempt is being made to solve the reforestation problem with the objective both of conserving forest-growth and giving direct benefit to forest licensees through the application of the reforestation fees, at least in part, to the rehabilitation of the cut-over areas in the respective concessions.

IN a letter addressed by Mr. A. de las Alas, President of the Philippine Lumber Producers' Association, Inc., to the Secretary of Agriculture and Natural Resources, the former cited, as the most urgent problem of the industry to be solved by the present Administration, the tremendous tax burden shouldered by lumber producers. Particular reference was made to the 17% exchange tax levied on remittances abroad for the purchase of machinery, implements, and supplies, necessary for operation, replacements, and expansion. There seems to be no reason why sawmill and logging machinery cannot be considered in the same category as agricultural machinery, which by law is exempted from the payment of this charge.

Mining

BY HENRY A. BRIMO
President
Philippine Gold Producers Association, Inc.

THE problems of the gold producers have about reached their climax. It is safe to state that our Government authorities realize this fact, but since any conjecture that we might make as to action that may be taken to aid the industry could be superseded by actual developments before this article reaches its readers, we shall avoid speculating on the matter. At this writing, a committee appointed by the Philippine Gold Producers' Association to discuss its problems (namely Judge John W. Haussermann, Messrs. Jan H. Marsman, A. L. Velilla, and the writer) has been told to stand by for a breakfast conference, for which President Magsaysay has expressed a preference, at the earliest opportunity open to him.

The committee feels it will have no difficulty in presenting facts which are startling and true concerning the desperate plight of the gold-producing industry. Of 10 mines which began 1953 in operation, 3 suffered such losses that they were forced to close before the year ended, while the remaining 7 suffered a combined net loss (we are quoting strictly preliminary data only) in the neighborhood of ₱250,000. Including the losses suffered by the 3 mines which shut down during the year, the net loss for the industry in 1953 will be almost ₱2,000,000! Even the 4 mines which ended the year with profits (Baguio Gold, Benguet Consolidated, Surigao Consolidated, and San Mauricio) showed results which definitely place their respective operations in the marginal-class.

Furthermore, as we write this article, the gold price is in the neighborhood of ₱101.00 per ounce for bullion. This compares with the average sale price during 1953 (for bullion) of approximately ₱103.40. If, therefore, the current price had actually prevailed during all of 1953, it would be safe to say that even the profitable gold mines would have operated on the borderline between profit and loss. If, in addition, it is considered that the cash wage paid to mine labor has risen only recently as a result of a campaign initiated by the Wage Administration Service to lower the value of facilities which mines normally grant to labor, a campaign which began, peculiarly enough, two months before the past national elections, the net result would have been losses for every operator in the industry.

Our mines would be helped if a way could be found to increase the productivity of labor, but despite acute and prolonged attention to this phase of operation, it is sad to state that actual tons produced per man-shift is distressingly lower than in pre-war days. A second means of improving results could be achieved in a modest way if the cost of supplies and equipment were to decline. This, however, is not happening, in reverse of repeated predictions made in the past year, or since the Korea shooting-war ended. A third source of possible aid is reducing wages; but this cannot be done without affecting efficiency and we consider this type of relief as neither possible nor desirable.

It is apparent, therefore, that unless our gold-yield can be increased, either through a subsidy or some other plan, such as a successful enactment of the so-called Gold Certificate Plan now in operation in several South American countries, our mines are doomed to early extinction. And since we have striven mightily but futilely to improve our operations, it is also apparent that we have no recourse but to directly appeal to our Government for the needed aid. Fortunately, all signs point to a sympathetic attitude on the part of the new Administration.

The next several weeks, nevertheless, will be crucial. In the interim, while the fate of the gold mining industry rests in the hands of the powers that be, we are exploring every possible source of relief and are hopeful that ultimately sufficient aid will be given to gold producers.

Sugar

By J. H. d'Authreau
Acting Secretary-Treasurer
Philippine Sugar Association

THIS review covers the period January 1 to January 31, 1954.

New York Market. The main features of the market throughout the month have been the firm tone of the spot and prompt positions, and the relative firmness of July and September, as against the easing off of both March and May under pressure of hedging in these positions. This is a direct reflection of the refined market where refiners have now built up adequate stocks to face any strike developments and where demand has eased off in the expectation of a possible reduction in the price of refined sugar. Refiners confine their activities for the most part to prompt Cubas at 6.02¢ to 6.05¢, taking in occasional small lots of operator-held Philippine February arrivals at around 6.00¢ and March arrivals at 5.95¢ to 5.98¢ c.i.f., duty paid. This attitude to Philippine sugars has proved discouraging to operators who show little inclination to operate in Philippines for April and May arrivals. The New York dock situation is still obscure, with no hint of a final settlement of the unions issue. Price of refined is unchanged at 8.65¢ except for two refineries quoting 8.60¢ f.o.b. refinery.

Reported sales of actuals totalled approximately 107,770 long tons, of which 21,000 tons were Philippines. Exchange operations for the period approximated 210,000