

Revenue Carloadings by Class

Group Commodities	August—Tonnage	
	1954	1953
Products of agriculture	6,292	4,946
Animal products	344	870
Products of mines	1,462	1,210
Products of forests	8,802	14,549
Products of manufactures	24,813	17,277
Merchandise less than by carloads	8,004	12,031
Total	49,717	50,883

There were 42 items treated in this review, with 23 items registering increases of 11,048 tons, while 19 items registered decreases of 12,214 tons, resulting in an aggregate decrease of 1,166 tons. The principal items which accounted for the increase were: cement, 5,831 tons; copra, 1,644 tons, iron and steel products, 629 tons, and centrifugal sugar, 563 tons, or a total aggregate increase of 8,667 tons. On the other hand, the important items suffering decreases were: lumber, 4,933 tons; merchandise less than by carload, 4,027 tons; and logs, 828 tons, or a total aggregate decrease of 9,788 tons. The resulting aggregate decrease of these items was 1,111 tons.

The decreased carloadings for the month of August, 1954, will continue probably in the coming month as the unfavorable business in the United States, although definitely arrested, will react favorably only after some time. Our retail trade has also slackened not only due to weak transactions but also due to the adverse effects of the recent retail nationalization law which has already caused the quitting from business of some alien firms.

However, in spite of these unfavorable factors, the intelligent and energetic efforts of the new management assures the Railroad of continued favorable business, slight declines notwithstanding.

Mining

BY HENRY A. BRIMO
President

Philippine Gold Producers Association, Inc.

SOME interesting statistics concerning gold production for past years are available. These figures show that total world production (excluding Russia) for the past four years has been virtually unchanged. In 1950, the total production reached \$845,000,000, and in the following year it declined to \$827,000,000. The 1952 and 1953 totals were \$851,000,000 and \$850,000,000, respectively.

Compared to the 1941 pre-war record of \$1,265,600,000, the total 1953 world output was only 67% as large. This decline should not surprise anyone familiar with the gold situation, considering that the gold price has been fixed at \$35 per ounce for the past twenty years in the face of continually rising costs. What may be considered surprising is that world production has remained at a standstill for the past four years notwithstanding the many measures adopted by every gold producing country (excepting only the United States) to help their respective producers. Such aid includes tax relief, outright subsidies, multiple exchange, devaluation, sales in internal premium markets, etc. It is quite apparent, therefore, that no aid, short of a higher price for gold, can stimulate increased production.

Just how badly world production would have fared had such relief measures not been granted can be gleaned from the record of American producers whose 1953 output of \$69,600,000 was only 33% as large as their 1941 record of \$209,200,000.

Philippine gold mines, since 1941, have fared worse than the producers of any other nation with the sole exception of the United States. In 1953, our gold mines yielded a total of 480,000 ounces of gold bullion, a rate equal to

40,000 per month. This output is a fraction less than 40% of the 1941 production rate of slightly over 100,000 ounces monthly. This extraordinary poor showing, despite government help, is due to many causes, but principally to the vast destruction suffered by the industry during the late war. Several mines and mills which suffered considerably through deterioration and bombing have not resumed operations and may never get back into production; others have found conditions so difficult as to limit their rehabilitation and current operation to well below their pre-war operating capacities. Other reasons exist to account for our poorer showing, as compared to world production, including a more than average increase in operating costs, a general impoverishment of known ore-reserves, and the lack of new mines or new gold fields. We may mention as an exception, in passing, the fact that the Samar Mining Company expects to begin production of its wholly owned gold mine at Masara, Davao, sometime next year. This would open a completely new territory for gold operations in the Philippines, the first such in many years.

It is noteworthy that the International Monetary Fund, in recent announcements, has specifically mentioned two formidable obstacles being encountered by gold producers, namely, high operating costs and labor unrest. Canada, particularly, whose producers suffered a sharp 9% decline in gold output in the past year, blamed labor difficulties for the temporary closing of several of its mines in 1953. It is apparent, however, that labor problems will continue to plague the industry. In a world of rising prices and wages, the gold-producing industry, faced with a pegged income, and already straining its financial resources merely to stay in production, certainly is in no position to meet further demands for higher wages. This is particularly true in the Philippines.

THE long awaited subsidy authorized by Republic Act No. 1164 has still not materialized. Just when it will begin is problematic but it should not be long. Gold prices, meanwhile, have remained very steady throughout the past month and currently the price is at approximately ₱110.40 per ounce bullion.

Lumber

BY PACIFICO DE OCAMPO
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DURING the month under review, August, 1954, the Philippines exported 38,663,011 bd. ft. of logs and lumber, 21,014,288 bd. ft. less than the preceding month. The big decrease was due to the drop in shipments of logs to Japan, from 40,324,261 bd. ft. in July, 1954, to 22,293,508 bd. ft. in August, 1954, or a decrease of 18,030,753 bd. ft. The exports to the United States and Canada decreased by 1,893,134 bd. ft., from 6,871,272 bd. ft. in July, 1954, to 4,978,138 bd. ft. in August, 1954. Exports to all other countries also decreased by 1,090,401 bd. ft., from 12,481,766 bd. ft. in July, 1954, to 11,391,365 bd. ft. in August, 1954.

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

Shipper	Destination	Volume in Lumber	Bd. Ft. Logs
Aguinaldo Development Corp.	U. S. A.	25,400	248,820
Agusan Timber Corp.	Japan		1,075,062
American Asiatic Co.	U. S. A.	9,040	2,000,000
Anakan Lumber Company	U. S. A.	50,000	156,922
Atkins Kroll & Co., Inc.	Japan		500,000
Basilan Lumber Company,	Formosa		2,066,200
Inc.	Hawaii	560,425	315,871
	Hongkong	73,281	
		137,400	