

**[ REPUBLIC ACT NO. 1164, June 18, 1954 ]**

**AN ACT TO PROVIDE FOR EMERGENCY ASSISTANCE TO THE GOLD MINING INDUSTRY OF THE PHILIPPINES, TO AUTHORIZE THE APPROPRIATION OF FUNDS THEREFOR, AND F OTHER PURPOSES.**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. *Short title.*—This Act shall be known "The Emergency Gold Mining Assistance Act of the Philippines."

SEC. 2. *Definition of terms.*—When used in this Act the following terms shall, unless the context otherwise indicates, have the following respective meanings:

- a. "Gold producer" means any person, corporation partnership or association which produced gold in nineteen hundred and fifty-three whether as principal product or as by-product;
- b. "Government" means the Government of the Republic of the Philippines;
- c. "Board" means the entity or office created by the President of the Philippines to carry out the provisions of this Act;
- d. "Marginal mine" means<sup>1</sup> any mine which makes a total net profit less than what shall be determined as "base profit" for that particular mine;
- e. "Base profit" is that profit equal to the quotient of the total remaining capital investment divided by the anticipated remaining lifetime of the ore reserve plus ten per cent; or ten per cent of the gross receipts, which ever is lower;
- f. "Sub-marginal mine" means any mine which was in operation at any time during the year nineteen hundred and fifty-three whose cost of production was one hundred twenty-five pesos or more per ounce: Provided, That such mine shall cease to be sub-marginal if after six months from the start of operation after the enactment of this Act, its cost of production improves to the level of the marginal mine;
- g. "Net profit" means, for purposes of this Act, the gross receipts from the sale of gold bullions minus the total cost of production as defined in this Act;
- h. "Anticipated lifetime of a mine" shall be based upon the formula of calculating the total positive ore reserve plus total reasonably probable ore reserve plus total reasonably possible ore reserve as reported by the particular mine and approved by the Board, divided by Biannual tonnage extracted;
- i. "Total remaining capital investment" includes investment in the mines property, plant and equipment, not yet amortized and/or depleted;
- j. "Mines property" includes mining claims, surface tents, shafts, main tunnels, and other capital development;
- k. "Plant and equipment" include mill, hoist house, headframe, power house, and other permanent buildings and structures together with all equipment utilized in operation;

- l. "Gross receipt" means the gross output of mines or the actual market value of bullion from each mine or mineral lands operated as a separate entity without any deduction for mining, milling, refining, transporting, handling, marketing, or any other expenses;
- m. "Cost of production" of bullion from a mine means the cost incurred by the producer and properly attributable to the production of bullion and includes mining, milling, smelting, refining, production tax, domestic marketing expense, transportation, administrative costs which exclude expenses for foreign office and personnel, depreciation and depletion under standardized procedure to be adopted by the Board to be created to carry out the provisions of this Act, and amortization on capital loans;
- n. "Direct short term assistance" refers to a direct assistance to sub-marginal mines, to marginal mines, and to mines above the marginal classification, which assistance shall exist for a period of two years from the effective date of this Act;
- o. "Newly mined gold" means any gold fresh from the mill which has never been in trade or commerce, certified as such by the gold producer and confirmed by the Board;
- p. "Free market" means domestic open market;
- q. "Assistance" is the amount given by the Government to gold producers during the effectivity of this Act;
- r. "Official price" means the equivalent in Philippine peso of thirty-five dollars United States per ounce of gold or any official price that may be fixed later by the Philippine Government;
- s. "Ounce" means troy ounce which is one-twelfth part of a pound of 5,760 grains, or 480 grains or 31.1035 grams;
- t. "Refined gold" means gold that has been purified to the fineness acceptable to the Central Bank;
- u. "Designated year" means the calendar year nineteen hundred and fifty-three;
- v. "Peak year" means any post-war year before nineteen hundred and fifty-four when there was maximum output of gold in ounces in each particular mine;
- w. "Mine with gold as principal product" refers to a mine where the receipts from whatever source from the sale of gold is more than fifty per cent of the total receipts;
- x. "Mine with gold as by-product" refers to a mine where the receipts from whatever source from the sale of gold is fifty per cent or less of its total receipts.

SEC. 3. *Direct short term assistance.*—To assist the gold producers meet the present emergency, there is hereby created a Direct Short Term Assistance.

SEC. 4. *Mines with gold as principal product.*—Newly mined gold produced as principal product may be sold either to the Government through the Central Bank in the form of refined gold at the current official price per ounce plus the assistance provided in section six hereof or in the domestic free market without benefit of the assistance, at the choice of the gold producer.

SEC. 5. *Mines with gold as by-product.*—In cases of mines in which gold production is a by-product to some other metals they shall not be entitled to an assistance from the Government but are permitted to sell their newly mined gold at the domestic free market.