

Culled from the News



TREASURE ISLAND: Mr. J. E. H. Stevenot, vice-president of Pan Philippines Corporation, which has the contract to develop and manage the claims of Treasure Island on the island of Lahuy, Camarines Sur, arrived this month from a combined business and pleasure trip to the States. While in the States, Mr. Stevenot arranged all matters necessary for bringing this property into production at an early date. The JOURNAL expects to have important news about Treasure Island in the next issue. It is understood that Pan Philippines Corporation has secured the agency for a new mill process, and that this type of mill will be installed at Treasure Island. As Pan Philippines officials state it, gold is not produced in the form of concentrates, the new mill process making it possible to ship gold bars.

SORIANO STOCKS TO BE LISTED IN SAN FRANCISCO AND LOS ANGELES: It was announced at the Masbate Consolidated meeting held on March 11th, that stocks of several companies in which Andres Soriano is interested will be listed shortly on the boards of the San Francisco and Los Angeles exchanges. Definite steps in this direction have already been taken, stockholders were informed.

Mr. Soriano obtained application forms for listing from the officials of the two exchanges and from the Federal Securities

and Exchange Commission during his last trip to the States, he said, as a result of the keen interest in local stocks that he found to exist, particularly on the Pacific coast.

Listing of local issues in the States has been advocated from time to time, particularly by Mr. Clifford A. Greenman of the Securities Service corporation. Heads of some mining firms have toyed with the idea, but the Soriano action is one of the first definite steps taken. IXL forms will be sent in first, followed by Masbate, Antamok and Eastern Development.

The JOURNAL understands from a private source, that another important local company will also take steps looking toward States listing in the near future. It is known that this company has already sent in its required forms to the Federal Securities and Exchange Commission.

MASBATE CONSOLIDATED AND ANTAMOK TO AFRICA: Stockholders of these two companies ratified a proposal to invest part or all of the reserve funds of the companies in other companies, with the object of participating in mining enterprises in East Africa.

Funds will come from amounts set aside for depreciation and amortization, and will be invested in Antam-ixl Selection Trust

Limited, which in turn is to acquire controlling interest in the Joangi Syndicate. This latter syndicate is now operating a property in Kenya, and a small mill is now in operation there.

The plan at present is to await successful operations from this property and then, assuming results to be successful, to invest funds of the Selection Trust in other properties in Africa.

While Masbate has become one of the Islands' leading producers of gold, it has not reached its rated capacity of 3,000 tons a day, due to difficulties encountered in milling the ore. Conditions at Masbate are unlike those of any other mine. Mr. N. A. Fittinghoff, general superintendent at the mine told the stockholders' meeting that present mill changes under way will bring the production up to rated capacity by the middle of this year, and also reduce costs. Mr. Soriano stated that it is the opinion of the board that the property can be brought to a dividend-paying basis in the near future.

C. A. Mitke, an internationally known authority on milling methods, has been employed to act in a consulting capacity for Masbate, and has arrived from the United States to advise on methods to be employed there.

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cerned. Since the expanding credit base would be only moderate even if the entire allowable amount of gold should come into the country, and since money rates have already been forced to almost unprecedented low levels, even prime bonds are likely to ignore the development. More important than the action of the Treasury is the implication of renewed resort to inflationary measures. If the proponents of inflation as a means to industrial recovery gain support and large scale pump priming is resorted to, the implications would be adverse for high-grade bonds. This, however, is not an immediate threat; no new money borrowing is expected at the March quarter date.

One of the chief obstacles to rising commodity prices at present is the generally extended inventory position, but inventories are burdensome only to the extent that the price weakness makes them so. Upon any indication that government efforts to lift prices are bearing fruit, inventories that are now unwieldy would in many instances be considered inadequate, and thus a buying wave would get under way which might result in quite a price flurry.

COMMODITITS MUST ADVANCE FIRST

This is one possibility of the next few months that must be considered in determining the probable trend of the stock market. Advancing commodity prices, particularly if motivated by inflation fears, would almost assuredly be accompanied by rising stock quotations. This has been the experience in the past.

OUTLOOK FOR LEADING INDUSTRIES

Outlook Above Average

Agricultural Equipment	Electrical Equipment
Aviation	Mail Order
Baking	Petroleum
Variety Chains	

Outlook Average

Building Supplies	Machinery
Can Manufacturing	Meat Packing
Cement	Motion Pictures
Chemical	Office Equipment
Copper	Packaged Goods
Dairy Products	Paper
Department Store	Rubber and Tires
Distilling	Shoes
Drugs and Cosmetics	Sugar
Fertilizer	Tobacco
Grocery Chains	Utilities
Household Products	Woolen Textiles

Outlook Below Average

Automobile	Radio
Auto Accessory	Railroads
Coal Mining	Railroad Equipment
Cotton Textiles	Rayon
Leather	Silk Textiles
Steel and Iron	

the standpoint of the outside world, and disregarding for the moment the questionable methods she is using, perhaps the most satisfactory outcome would be for Japan to batter herself into a state of financial insensibility against the yielding but resilient wall of China's defenses. Certainly, events at the moment are pointing that way.

Great Britain's price structure is not coming unscathed through the general disturbance. Aside from her active participation in European and Far Eastern diplomatic and political scenes, she is far too closely allied commercially and financially to the United States not to feel the effects of the depression across the Atlantic. British trade has definitely suffered, and while leading observers there regard the recession as temporary it is improbable that 1938 will be as good a year for Great Britain's industries as 1937.

By and large, the world picture is liberally be-spattered with gloom, and it is small wonder that the ranks of those foreseeing nothing but a long-lasting and disastrous business decline are expanding by leaps and bounds. Yet the situation is by no means as hopeless as it seems on the surface. Here again, one must turn to the world's democracies for assurance as to that point. Left to themselves, the odds are that the dictatorships and communistic states would destroy each other and in that destruction carry our present civilization to oblivion. But fortunately, those democracies, with all their internal difficulties, have nevertheless sufficient farsighted men behind the scenes to realize this danger and also to realize, what is far more important, that Utopia is not here or even "around the corner." The path to peace lies in overwhelming strength and the will to use that strength in the upholding, rather than the destruction, of freedom.

Culled from the...

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GOLD PRODUCTION FIGURES CONTINUE TO SET RECORDS: Every month sets a new all-time high in Philippine gold production. All records were broken in February, and March, Director Abadilla of the Bureau of Mines reports, may reach more than P5,000,000.00. Production this year is almost certain to exceed P60,000,000.00 in gold alone.

Meanwhile, the stock market continues to go down.

"Oh, Oh!"

One convenient thing about some of these stock prices: they fit in so well with Tagalog and with English slang. If a stock is quoted at P0.00—something, the prospective seller can say, "oh, oh". The broker can, after taking his order reply with the Tagalog word for 'yes', "oh, oh"! At that, it is a little confusing. Your broker tells you that your stock is quoted at P0.00... You say, "oh, oh! Did you say P0.00...?" He replies, "oh, oh".

FEBRUARY 1938 GOLD PRODUCTION

	February 1938		February 1937	
	Tons Milled	Value	Tons Milled	Value
Ambassador	325	P 3,580.00	.....	.....
Antamok	19,820	367,901.04	19,634	P 423,984.81
Baguio Gold	7,442	127,481.46	6,038	83,453.18
Balatoe	33,891	1,009,794.26	34,461	960,653.60
Benguet Cons.	28,267	918,527.32	22,896	691,105.00
Benguet Expl.	2,556.89	20,366.00	3,641	24,826.00
Biz Wedge	3,851	133,903.94	4,092	68,951.55
Cal Horr	5,105	91,651.04	5,149	92,520.52
Coco Grove	287,500 yds.	174,400.00	.....	.....
Demonstration	7,992	130,683.03	6,446	122,430.56
East Mindanao	2,294	35,648.09	2,276	44,600.00
Gold Creek	1,196	20,266.19	879	13,745.39
Iro Gold	5,411	40,289.38	4,693	50,582.38
Itozon	25,184	277,531.38	15,453	237,647.62
I X L Mining	9,153	221,327.94	6,353	152,237.88
Mindanao Mother L.	4,217	112,320.68	.....	.....
Masbate Cons.	64,692	304,916.84	46,088	260,917.11
North Mindanao	182 oz.	12,740.00	.....	13,650.00
Royal Paracale	2,178.5	19,950.18	.....	.....
San Mauricio	8,417	195,326.65	4,265	173,491.06
Suyoc Cons.	5,602	110,062.41	6,740	87,842.79
Tambis Gold	34,085 yds.	9,114.90	.....	19,810.00
Twin Rivers	24,221	29,370.44	.....	.....
United Paracale	8,330	190,896.90	9,522	109,891.58
Total		P4,558,042.07		P3,682,356.97*

* Figures furnished by the Chamber of Mines.

* Including IXL Argos, P30,233.06, Northern Mining, P457.14 and Salacot, P19,335.74.

LOST PIPE LINES

Oil companies occasionally lose their pipe lines. Perhaps the maps were misplaced or the markers removed. It would be a tremendous task to dig for them, so a geophysical survey is made, and the pipes are located, traced and mapped. Geophysical methods locate and trace mineralized structures in the same way. Of course locating structures is much more complex than finding pipe lines, and highly skilled geophysicists and geologists must interpret the geophysical data in terms of geology.

Developments' staff of experienced and proficient technicians, geophysicists and geologists have conducted geophysical surveys in the United States, Canada, Alaska, Mexico, and the U. S. S. R. They have made many surveys in the Philippines, including a number on producing properties.

Write or phone for an appointment to discuss details and costs. Preliminary discussions will be treated confidentially and with no obligation.

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