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MARSMAN MAGAZINE



VOL. III
MARCH
1939
NO. 9

MANILA, PHILIPPINES

March
1939

THE MARSMAN MAGAZINE

Vol. III
No. 9

Gold Production Continues High

The Marsman operated mines produced ₱1,307,703.03 in February from the treatment of 49,945 tons of ore from lode mining, and the dredging of 361,319 cubic yards of gravel. These figures are slightly under the record month of January, there being three less operating days in February than in January. Operating conditions on all the properties were normal.

Of importance to the stockholders held in early March were the annual meetings of Marsman managed companies, details of which are found elsewhere in this issue.

United Paracale-North Camarines

Contract Signed

An agreement whereby ore from a group of nine claims owned by the United Paracale Mining Company in the Paracale district will be mined and milled by the North Camarines Gold Mining Company, was signed March 14, 1939, by Andres Soriano, president of North Camarines, and Elmer Madson, president of United Paracale.

The claims concerned about with the North Camarines property on the southwest, and the North Camarines faces are up to the United Paracale property, reportedly in high grade ore. Thus this section can be reached easily from North Camarines, and the ore can be extracted and milled in the North Camarines mill at a minimum expense. On the other hand, United Paracale would have to spend a considerable sum in shaft sinking, tunnelling, and trucking if the company attempted to operate the property itself,

and transport the ore to the United Paracale mill.

The contract is for 15 months, of which the first three months are to be considered a trial period. It is expected that North Camarines will mine and mill at least 1,500 tons of ore monthly from the property. After repayment of actual operating costs, which North Camarines warrants are not to exceed ₱16.00 per ton, the profits will be divided 70% to United Paracale and 30% to North Camarines with a maximum of ₱11.25 per ton to North Camarines. The contract provides extraction is to be at least 90%.

This will enhance the share value of United Paracale stock since the profits which are expected to be realized from the operation, without capital outlay, are in addition to the regular operations of the Company.

ITOGGN MINING COMPANY

Itogon production for the month of February was ₱312,437.69, from 26,328 tons of ore treated. The recovery per ton was ₱11.87, while extraction was 85.22%.

The development advance for the month was 4,568 feet. Of the 2,669 feet of capital advance, 1,030 feet were in ore, as were 951 of the 1,899 feet of operating advance.

The 875 Sesame 23 counter-drive, west, was advanced 407 feet during the month. This heading cut the Balatoc 252 vein. No definite statement can be made yet about this vein, but samples from the area showed good values.

Better than average results have been obtained on the 350-foot level, where the 23 vein has been driven to the east 99 feet. On the 540 level an advance of 114 feet was made with average results.

Two levels have been connected on the Taka shaft, which will give a good working position, and allow workings in this section of the mine.

The power plant operated normally during the month. Considerable work was done in the electrical department with installation on the 523 winze hoists. Although the weather was very dry, general conditions at the mine were good. With the exception of some routine replacements, the mill operated satisfactorily for the entire month.

PHILIPPINE SMELTING COMPANY

Operations during February at the Philippine Smelter were very satisfactory.

During the 21 days of operation 1,183.27 tons of concentrates were smelted, after which the smelter was shut down for repairs and to accumulate a stock of concentrates.

The output of the plant was 95.75 tons of smelter products which contained 9,058.85 ounces of gold, 1,608.4 ounces of silver, and 64.495 tons of ounces of silver, and 54.495 lbs. of copper. In addition, the plant produced 76.4 tons of high grade lead Cottrell dust, valued at ₱12,512, which was shipped to the Selby smelter.

SUYOC CONSOLIDATED MINING COMPANY

Suyoc Consolidated treated 5,980 tons of ore in February, from which ₱144,163.41 was recovered, a recovery per ton of ₱24.11. Extraction was 86.97%.

The total development advance during the month was 1,746 feet of which 1,119 feet were in capital and 627 in operating development. Of the capital advance, a total of 319 feet were in ore. Operating advance resulted in 43 feet of ore.

The shaft was completed to the 2200 level where additional station work was started. Crosscut 2201 south and 2215 east were advanced 44 and 43 feet respectively. An advance of 18 feet was made in crosscut 2201 north.

In order to get out of the altered zone and into harder rock, 2201 north was turned east. The heading was advanced 43 feet. To the south, crosscut 2001 was advanced 38 feet.

20142 north was continued during the month on a 2-foot quartz, gypsum stringer and some ore values were found.

The 19242 north and the intermediate 19242 north and south continued in average value ore. On the 242 and 130 veins, four stopes have been started. 18162 north and 18162 south on the 18162 vein were advanced 85 and 55 feet respectively. On the vein 1862 a raise was started to connect through to the bottom of 1662 winze.

From the 1662 winze, 17154 drift north was advanced 10 feet in average ore. The 1452 crosscut west was started off the 14254 south to prospect and determine the southern extension of the 14364 vein.

It is worthy of note that this month of February was the best February since production started.

Mine and mill operations were normal and satisfactory during the period under review.

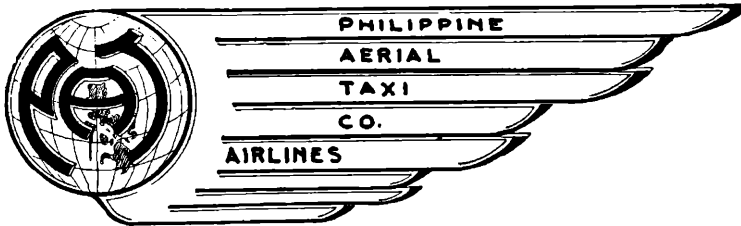
Test work is now under way to segregate zinc and nickel into marketable products. It is expected that the smelter will be able in the future to recover these elements at a profit.

The ratio of concentration for the month was 13.32 to 1.

SAFETY

See the Philippines
from the air

COMFORT



Over One Million Miles Safely Flown
Serving the Mining Districts

BAGUIO - DAILY SERVICE -

Leave Manila.....	6:30 a.m.
Arrive Baguio.....	7:30 "
Leave Baguio.....	7:40 "
Arrive Manila.....	8:40 "

ONE WAY P25
ROUND TRIP ... P45

PARACALE -

Tues.	{	leave Manila	6:45 a.m.
Thurs.		arrive Paracale	8:00 a.m.
Sat.		leave Paracale	8:05 a.m.
		arrive Naga	8:40 a.m.

Manila-Paracale, one way P35, round trip P70
 Manila-Naga, one way P50, round trip P100
 Manila-Legaspi, one way P65, round trip P130
 Paracale-Legaspi, one way P30, round trip P60
 Paracale-Naga, one way P15, round trip P30
 Naga-Legaspi, one way P15, round trip P30

PHILIPPINE AERIAL TAXI CO.

J. H. MARSMAN, President

RESERVATIONS

Mackay Radio	Tel. 2-43-45
Manila Hotel	" 2-20-22
Bay View Hotel	" 2-43-84
Grace Park Airport	" 2-43-30
Baguio	Royal Garage
Paracale	Marsman & Co.
	(H. Maclean)

SPEED

SERVICE

COCO GROVE, INC.

The February production at Coco Grove was ₱114,484.74. from 316,310 cubic yards of gravel dredged. The mechanical performance of the two dredges, "Mary Angus" and the "Anne Petronella" was satisfactory.

The dredger "Mary Angus" handled 161,265 cubic yards of gravel from which, ₱65,306.25 was produced. This represents a total dredged area of 94,965 square feet to an average depth of 45.8 feet.

The dredger "Anne Petronella" recovered ₱49,178.49 from 155,045 cubic yards of gravel handled. It dredged an area of 150,155 square feet, to an average depth of 27.8 feet.

During February the dredge "Mary Angus" operated in ground containing considerable sticky clay which reaches down to bedrock and renders difficult the efficient separation of gold and clay in the screen.

During the first half of March the dredge "Mary Angus" will operate in an area which should yield well.

During the latter part of February the "Anne Petronella" worked in the Paracale River. Present plans call for the dredge to proceed down this river during the next two months, and by

MOUNTAIN MINES

The prospect tunnel, started last month at Mountain Mines, was advanced from 36 feet to 116 feet, or a total of 80 feet for the month of February. Five feet of crosscutting was completed in which several quartz stringers were encountered. These crosscuts will be extended to completely cut the formation at this point.

During February we completed a building which contains the office, bodega, and the general mess.

With the completion of the assay office building during March the assay office will be installed and go into operation.

Trails have been brushed out to the various outcrops of the camp, and trenching of the outcrops will be started soon.

Surveying of the boundary line has been started and is well under way. Concrete monuments will be established on the main corners of the property. Camp and labor conditions were satisfactory during the month.

the beginning of May, she should reach the rich area in the vicinity of the United Paracale Mining Company's bridge.



Equipment and supplies are transported by elephants in some sections of the Netherlands East Indies. This picture shows an elephant being loaded; a pit must first be dug, into which the animal steps. The load is then put on his back, and he is led from the pit to start on the journey.

ITOGON ANNUAL MEETING

The stockholders of the Itogon Mining Company approved at the annual meeting on March 5, 1939, to increase the capitalization of the company from ₱2,000,000 to ₱2,500,000. The additional 5,000,000 shares of par value of ten centavos each, are to be offered pro-rata to stockholders of record as of March 20, 1939, at ₱.25 each.

It was explained at the meeting that this move would enable the company to pay off its obligations and thus make possible the resumption of dividends at an earlier date.

The ore reserve situation of the company was explained to the stockholders by J. O. Enberg, Chairman of the Board of Consulting Engineers of Marsman & Company. The ore blocked out as of January 1, 1939, is 247,800

tons, valued at ₱3,325,000. It was explained further that this does not by any means represent the full ore possibilities of Itogon. Above the 500 foot level there is some two years' supply; between the 500 and 875 levels, 32 months; and from the 875 to the 1300 levels, from 4 to 5 years. The mine has a life of at least 8, and probably 10 years, with every likelihood of even longer as development work progresses.

The stockholders unanimously re-elected the following board of directors: J. H. Marsman, Mrs. Mary A. Marsman, Benj. S. Ohnick, H. M. Cavender, M. Simpson, Judge Manuel Camus, and E. Heybrook.

A vote of thanks to Marsman & Company for its efficient and excellent services during the past year.

ITOGON MINING COMPANY

OPERATING ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To Operating Costs:		
Mine Operating	₱1,409,938.89	
Mill Operating	671,434.22	
Mine General	275,366.40	₱2,356,739.51
		₱4,175,640.81
To Marketing Expenses—See Schedule	43,329.18	
To Other Mine General Expenses—See Schedule	223,764.61	
To Depreciation	495,883.10	
To Operating Profit	1,055,924.41	
		₱4,175,640.81
By Bullion Produced	₱4,150,503.96	
By Miscellaneous Income	25,136.85	
		₱4,175,640.81

ITOGON MINING COMPANY

BALANCE SHEET

AS AT 31st DECEMBER, 1938

ASSETS

FIXED ASSETS:

Mine & Mining Properties	P1,438,948.53	
Capital Development	1,292,536.34	P2,731,484.87
Mill Buildings	P 217,095.29	
Mill Machinery & Equipment	952,603.35	
Powerhouse Building	24,181.43	
Powerhouse Machinery & Equipment	511,190.28	
Mine Buildings	18,865.97	
Mine Machinery & Equipment	885,085.61	
Assay Office Building	11,675.04	
Assay Office Machinery & Equipment	16,195.66	
Blacksmith Shop Building	11,646.72	
Blacksmith Shop Machinery & Equipment	29,987.59	
Carpenter Shop Building	6,081.18	
Carpenter Shop Machinery & Equipment	16,757.12	
Camp Buildings	386,520.85	
Water Supply Installations	54,868.87	
Light & Power Installation	83,561.17	
Hospital Building	23,914.95	
Hospital Equipment	12,339.42	
Furniture and Fixtures	53,929.55	
Miscellaneous	56,386.09	
Tools & Engineering Equipment	23,806.94	
Roads, Trails & Bridges	46,778.71	
Flood Control	83,675.54	
	P3,527,147.33	
Less—Reserve for Depreciation	1,757,012.25	1,770,135.08

CURRENT ASSETS:

Cash on Hand & In Bank	P 30,138.84	
Guaranty Deposits	1,600.00	
Accounts Receivable	8,024.30	
Bullion in Transit	491,346.95	
Bullion on Hand	85,311.04	
Production Pending Outturn	1,382.79	
Machinery Parts & Supplies	545,131.71	1,162,935.63

DEFERRED ASSETS:

Prepaid Charges		30,555.10
		P5,695,110.68

ITOGON MINING COMPANY

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable	P	181,296.25
Advances—Marsman & Company, Inc.		11,024.53
Marsman Trading Corporation		418,899.36
Bills Against Bullion Shipments		443,041.23
China Banking Corporation—Overdraft		4,948.62
Accrued Payrolls		49,347.86
Accrued Taxes		32,757.66
Unclaimed Wages		6,432.88
Chapa Deposits		13,339.58
Bills Payable		50,070.00
Accrued Expenses		4,207.44
Notes Payable		395,876.29
Unclaimed Dividends		3,055.74
		P1,614,297.44

RESERVES:

Income Tax		47,070.32
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NET WORTH:

Capital—

Authorized—

20,000,000 Shares of 10¢ each		<u>P2,000,000.00</u>
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Issued—

20,000,000 Shares of 10¢ each Fully Paid ...		P2,000,000.00
Stock Premium		319,804.65

Surplus—

Balance at 1st January, 1938 ...		P929,432.95
Net Profit for Year 1938		784,505.32
		<u>1,713,938.27</u>
		<u>4,033,742.92</u>

There is a contingent liability for machinery parts and supplies ordered under irrevocable letter of credit amounting to P78,840.00.

P5,695,110.68

Manila, P. I., 1st February, 1939.

We have examined the books and accounts of the Itogon Mining Company, Inc., for the year ended 31st December, 1938 and have compared them with the Mine Manager's Certified Returns, which have not been audited by us. No provision has been made for ore depletion. Subject to the foregoing in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December, 1938, according to the best of our information and the explanations given us and as shown by the books.

ITOGON MINING COMPANY

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To Administration Expenses	P	65,875.26	
To General Overhead:			
Audit Fees	P	3,000.00	
Bonuses		8,709.76	
Documentary Stamps		174.66	
Fees & Licenses		520.90	
Income Tax		47,070.32	
Insurance		46,765.38	
Interest		60,379.59	
Leave Salaries		10,865.07	
Legal & Notary Fees		6,369.50	
Miscellaneous		2,999.59	
Postage		241.28	
Stationery & Supplies		504.93	
Subscriptions & Contributions		16,648.99	
Telephone, Radios & Telegrams		1,293.86	205,543.83
To Net Profit for the Year		784,505.32	
			<u>P1,055,924.41</u>
By Operating Profit		P1,055,924.41	
			<u>P1,055,924.41</u>

I. BECK, INC.

Provided Miners Since 1898
Retail & Wholesale

Wearing Apparel. Haberdashery for Men, Women & Children.
Big Line of Household goods. Radios. Phonographs. Beds. Toys.

Send for Catalogue

For Reference ask any old Mining Man

SAN MAURICIO DIVIDEND

The newly elected Board of Directors of the San Mauricio Mining Company, at a meeting held on March 6, 1939, declared a five centavo per share cash dividend. The dividend is payable March 22 to stockholders of record on March 18. This dividend will represent an aggregate distribution to shareholders of ₱500,000. The amount closely follows a similar dividend payment made last year, and is the first 1939 dividend.

Further distribution of a 100% stock dividend was explained at the meeting. The stock dividend was ratified early in March, and the necessary documents to effect this issue have been filed with the Securities and Exchange Commission. As soon as the legal technicalities permit, the date of record for those

stockholders entitled to this dividend will be announced.

Also announced at this special meeting was the plan to increase the milling capacity at the mine. For the purpose of increasing the milling capacity at San Mauricio from 300 tons to 450 tons per day, an appropriation of ₱100,000.00 was made. According to present plans, it is expected that within three or four months the increase of 150 tons per day will be in operation.

The following officers were elected by the board: H. P. L. Jollye, President; P. A. Meyer, Vice-President; Major A. Beckerleg, Vice-President; A. F. Kelly, Treasurer; M. H. O'Malley, Secretary; Geo. C. Dankwerth, Assistant-Secretary; Miss H. M. George, Assistant-Secretary.

SAN MAURICIO MINING COMPANY

OPERATING ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To <i>OPERATING COSTS</i> :		
Mine Operating	₱ 610,950.55	
Mill Operating	216,493.37	
Mine General	167,897.46	₱ 995,341.38
To <i>SMELTING AND MARKETING EXPENSES</i> —		
See Schedule		569,802.30
To <i>OTHER MINE GENERAL EXPENSES</i> —See		
Schedule		206,543.49
To <i>DEPRECIATION</i>		234,752.35
To <i>OPERATING PROFIT</i>		2,026,376.19
		₱4,032,815.71
By <i>BULLION AND CONCENTRATES PRODUCED</i>		₱4,000,035.70
By <i>OTHER INCOME</i> :		
Profits on Exchange	₱ 883.14	
Rents Received	884.08	
Miscellaneous	31,012.79	32,780.01
		₱4,032,815.71
		₱4,032,815.71

SAN MAURICIO MINING COMPANY

BALANCE SHEET AS AT 31st DECEMBER, 1938 ASSETS

FIXED ASSETS:

Mine & Mining Properties	P 323,234.45	
Capital Development	1,091,393.60	P1,414,628.05
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Mill Buildings	P 64,072.09	
Mill Machinery & Equipment	212,674.01	
Powerhouse Building	51,504.23	
Powerhouse Machinery & Equipment	453,807.13	
Mine Buildings	7,619.42	
Mine Machinery & Equipment	466,654.25	
Assay Office Building	7,588.03	
Assay Office Machinery & Equipment	10,729.07	
Blacksmith Shop Building	6,349.63	
Blacksmith Shop Machinery & Equipment	32,854.79	
Carpenter Shop Building	1,705.12	
Carpenter Shop Machinery & Equipment	1,140.06	
Camp Buildings	140,989.68	
Water Supply Installation	22,029.94	
Light & Power Installations	82,304.90	
Hospital Buildings	18,942.77	
Hospital Equipment	9,388.18	
Tools & Engineering Equipment	8,787.37	
Furniture & Fixtures	36,218.70	
Miscellaneous Equipment	54,896.74	
Roads, Trails & Bridges	51,176.32	
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	P1,741,432.43	
Less—Reserve for Depreciation	597,010.31	1,144,422.12
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CURRENT ASSETS:

Cash on Hand & in Bank	P 92,555.89	
Accounts Receivable	10,862.36	
Bullion in Transit	115,859.99	
Bullion & Concentrates on Hand	649,532.05	
Production Pending Outturn	119.18	
Machinery Parts & Supplies	149,675.07	
Sundry Deposits	2.00	
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		1,018,606.54

INVESTMENT:

Philippine Smelting Company	100,000.00
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DEFERRED ASSETS:

Prepaid Charges	10,277.18
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	P3,687,933.89

SAN MAURICIO MINING COMPANY

LIABILITIES

CURRENT LIABILITIES:

Advances—Marsman & Co., Inc.	P 178,129.75	
Accounts Payable	15,383.27	
Marsman Trading Corporation	44,109.03	
Uncollected Dividends	54,546.65	
Accrued Taxes	54,944.78	
Accrued Expenses	78,204.20	
Bills Against Bullion and Concentrates shipments ...	104,483.94	
Unclaimed Wages	253.04	
Chapa Deposits	2,938.35	
Accrued Payrolls	17,970.20	P 550,963.21

RESERVE:

Income Tax		97,509.26
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NET WORTH:

Capital Authorized—

8,000,000 shares of 10¢ each as at 31st Dec. 1937	P800,000.00	
2,000,000 Shares of 10¢ each Autho- rized 1938	200,000.00	P1,000,000.00

Issued—

10,000,000 Shares of 10¢ each Fully Paid	P1,000,000.00	
Stock Premium	151,575.96	P1,151,575.96

Surplus—

Balance as at 1st Jan. 1938	P740,231.08	
Add—Net Profit for the Year 1938	1,625,154.38	
	P2,365,385.46	
Less—Dividend No. 2	477,500.00	1,887,885.46
		3,039,461.42

There is a contingent liability for machinery parts and supplies ordered under irrevocable letter of credit amounting to P34,310.00.

P3,687,933.89

Manila, P. I., 1st February 1939.

We have examined the books and accounts of San Mauricio Mining Company for the year ended 31st December 1938, and have compared them with the Mine Manager's Certified Returns which have not been audited by us. No provision has been made for Ore Depletion. Subject to the foregoing in our opinion the above balance sheet is properly drawn up so as to Exhibit a true and correct view of the state of the Company's affairs as at 31st December 1938, according to the best of our information and the explanations given us and as shown by the books.

FLEMING & WILLIAMSON
Accountants

SAN MAURICIO MINING COMPANY

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To <i>LOSS ON SALE OF MACHINERY AND SUPPLIES</i>		4,457.79
To <i>ADMINISTRATIVE EXPENSES</i>		105,706.84
To <i>GENERAL OVERHEAD:</i>		
Audit Fees	P 3,000.00	
Bonuses	3,500.00	
Documentary Stamps	515.53	
Fees and Licenses	2,171.31	
Income Tax	97,509.26	
Insurance	12,926.68	
Interest	4,469.72	
Leave Salaries	4,583.85	
Legal and Notary Fees	6,000.00	
Miscellaneous	2,369.96	
Postage	604.81	
Stationary and Supplies	589.90	
Subscriptions and Contributions ..	8,631.21	
Telephone, Radios and Telegrams ...	277.26	147,149.49
To <i>PAYMENTS MADE UNDER FINANCING AGREEMENT WITH MARSMAN & CO., INC. DATED 6th AUGUST 1935 AUTHORIZED BY STOCKHOLDERS 15th JULY 1935 AS AMENDED</i>		143,907.69
To <i>NET PROFIT FOR YEAR</i>		1,625,154.38
		P2,026,376.19
By <i>OPERATING PROFIT</i>		
		P2,026,376.19

**UNITED PARACALE MINING COMPANY
ANNUAL MEETING**

At the meeting of the United Paracale Mining Company on March 6, 1939, it was reported to the stockholders that the company had a very successful year during 1938. The annual report showed net current assets of approximately P740,401.57. The net profit for the year 1938 was P620,177.60, of which P551,176.48 was paid in dividends corresponding to 5 centavos per share.

The ore reserves at the end of 1938 contained 243,000 tons valued at P6,836,000.00, for an average of P28.12 per ton. Notwithstanding the produc-

tion of 113,473 tons during the year having a value by P2,607,854.00.

The very satisfactory condition of the mill and mine was explained to the shareholders by Major Beckerleg.

The directors elected for the year are as follows: Elmer Madsen, H. P. L. Jollye, Major A. Beckerleg, A. F. Kelly, J. H. Marsman, Luis Perez de Olaguer Feliu, and S. J. Wilson.

A resolution was passed extending a vote of thanks to Marsman & Company for the successful and efficient management during 1938.

UNITED PARACALE MINING COMPANY

OPERATING ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To OPERATING COSTS:			
Mine Operating	P608,219.98		
Mill Operating	220,699.08		
Mine General	154,991.14	P	983,910.20
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" <i>SMELTING AND MARKETING EXPENSES</i> —			
See Schedule			454,700.45
" <i>OTHER MINE GENERAL EXPENSES</i> —See			
Schedule			113,834.51
" <i>DEPRECIATION</i>			210,095.33
" <i>OPERATING PROFIT</i>			869,710.11
			<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
			P2,632,250.60
<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>			
By <i>BULLION AND CONCENTRATES PRODUCED</i>		P2,607,854.10	
" <i>OTHER INCOME:</i>			
Profits on Exchange	P	1,764.67	
Interest Earned		472.01	
Miscellaneous		22,159.82	24,396.50
			<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
			P2,632,250.60
			<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>

UNITED PARACALE MINING COMPANY

BALANCE SHEET

AS AT 31st DECEMBER, 1938

ASSETS

FIXED ASSETS:

Mine & Mining Properties	P 520,973.14	
Capital Development	1,400,428.10	P1,921,401.24
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Mill Buildings	P 70,299.44	
Mill Machinery & Equipment	225,660.54	
Powerhouse Building	29,807.87	
Powerhouse Machinery & Equipment	423,099.36	
Mine Buildings	11,346.01	
Mine Machinery & Equipment	307,282.53	
Assay Office Building	2,497.75	
Assay Office Machinery & Equipment	12,132.18	
Blacksmith Shop Building	12,596.85	
Blacksmith Shop Machinery & Equipment	41,177.20	
Carpenter Shop Building	2,006.90	
Carpenter Shop Machinery & Equipment	4,198.05	
Camp Buildings	116,464.99	
Water Supply Installation	17,049.50	
Light & Power Installation	61,576.44	
Hospital Buildings	20,877.30	
Hospital Equipment	6,475.55	
Tools & Engineering Equipment	15,562.10	
Furniture & Fixtures	50,480.24	
Miscellaneous Equipment	72,756.49	
Roads, Trails & Bridges	37,933.87	
<hr/>		
	P1,541,281.16	
Less—Reserve for Depreciation	716,810.18	824,470.98
<hr/>		

CURRENT ASSETS:

Cash on Hand & In Bank	P 95,649.41	
Sundry Deposit	2.00	
Accounts Receivable	16,147.52	
Bullion & Concentrate in Transit	114,872.38	
Bullion & Concentrate on Hand	272,699.58	
Machinery Parts & Supplies	241,030.68	740,401.57

INVESTMENTS:

Philippine Smelting Co.		100,000.00
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DEFERRED ASSETS:

Prepaid Charges		3,387.72
		<hr/>
		P3,589,661.51
		<hr/> <hr/>

UNITED PARACALE MINING COMPANY

LIABILITIES

CURRENT LIABILITIES:

Advances—Marsman & Co., Inc.	P	13,654.74	
Marsman Trading Corporation		44,834.63	
Accounts Payable		33,903.28	
Accrued Expenses		62,375.95	
Accrued Payroll		18,285.10	
Accrued Taxes		25,126.47	
Unclaimed Wages		929.13	
Chapa Deposits		2,800.00	
Uncollected Dividends		6,852.54	P 208,761.84

RESERVES:

Income Tax			37,210.66
------------------	--	--	-----------

NET WORTH:

Capital Authorized—

11,000,000 Shares @ 10¢ each as at 31st December 1937		P1,100,000.00	
2,000,000 Shares @ 10¢ each Authorized 1938 ..		200,000.00	
		P1,300,000.00	

Issued—

13,000,000 Shares of 10¢ each		P1,300,000.00	
-------------------------------------	--	---------------	--

Stock Premium—

Balance as at 31st December 1937	P1,562,500.00		
Add—Premium on Additional Issue	23,381.34		1,585,881.34

Surplus—

Balance as at 31st December 1937	P 388,806.55		
Add—Profit for the year to Date	620,177.60		
Less—Dividend Nos. 2, 3, and 4 ..	551,176.48	457,807.67	3,343,689.01

There is a contingent liability for machinery parts and supplies ordered under irrevocable letter of credit in the amount of P30,900.00.

P3,589,661.51

Manila, P. I., 1st February 1939.

We have examined the books and accounts of United Paracale Mining Company for the year ended 31st December 1938 and have compared them with the Mine Manager's Certified Returns which have not been audited by us. No provision has been made for Ore Depletion. Subject to the foregoing in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December 1938, according to the best of our information and the explanations given to us and as shown by the books.

FLEMING & WILLIAMSON
Accountants

UNITED PARACALE MINING COMPANY

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To LOSSES ON BAD DEBTS	P	6,111.54
" ADMINISTRATION EXPENSES		71,218.34
" GENERAL OVERHEAD:		
Audit Fees	P	3,000.00
Bonuses		3,000.00
Documentary Stamps		366.36
Fees and Licenses		2,618.05
Income Tax		37,210.66
Insurance		14,150.00
Legal and Notary Fees		6,219.23
Miscellaneous		4,438.08
Postage		649.17
Stationery and Supplies		637.32
Subscriptions and Contributions ..		5,793.73
Telephone, Radios and Telegrams .		114.21
		78,196.81
" PAYMENTS MADE UNDER FINANCING AGREEMENT WITH MARSMAN & CO., INC. DATED 19th JUNE 1935, AUTHORIZED BY STOCKHOLDERS 17th JUNE 1935, AS AMENDED 6th JUNE 1938		94,005.82
" NET PROFIT FOR THE YEAR		620,177.60
		P869,710.11
By OPERATING PROFIT		P869,710.11
		P869,710.11



Downtown Manila from the air; the Pasig River in the foreground, with the Post Office Building in the back center.

SAN MAURICIO MINING COMPANY

The production at San Mauricio for the month of February was but slightly under the all time high of the previous month. The mill treated 8,736 tons of ore for a total value of ₱501,826.48. The recovery averaged ₱57.44 per ton, with an extraction of 94.8%.

The total development advance in footage for the month amounted to 1,588 feet; 1,184 feet were in capital development with 104 feet in ore while of the 404 feet in operating development, 70 feet were in ore. These developments for February resulted in additional increases in the ore reserves of the Company.

With occasional flashes of ore, the Spokane drift on the 200 foot level was advanced 99 feet. The Tacoma No. 3 north drift, San Mauricio Mine, was advanced 16 feet to the peridotite contact on the 200 foot level. This drift will be continued to furnish fill for stopes. With a showing of good values, three crosscuts from the 500 Tacoma north drift were opened. The average width on this vein was from 5 to 6 feet. Above this on the 400 level vein 1960 north was cut. The vein has been completely crosscut, but as yet no assays have been made.

The 425 level north drift in the Santa Ana shaft was advanced 53 feet during the month in ore averaging ₱69.30 per ton. The drift has a width of 55 inches. In the south drift of 425 level, an advance of 51 feet in ore was made.

During the month stoping operations condition. The mine is in good condition with plenty of ore available.

The mill operated normally during the month in review.

UNITED PARACALE MINING COMPANY

United Paracale treated 8,901 tons of ore for a total recovery value of ₱234,790.71 or an average recovery per ton of ₱26.37. The extraction was 91.0%.

Development advance for the month amounted to 1,111 feet in capital development and 83 feet in operating.

The 207 south drift, San Antonio 200 level, was advanced 34 feet along the vein 5 feet wide. On the San Antonio 400 level, the 4S crosscut east was advanced 217 feet through granite cutting one vein 3.2 feet wide. The 404 drift north 400 foot level, was advanced 37 feet along the vein 3.2 feet wide starting from 4 south crosscut east, in average grade ore. The 404 drift south on the same level starting from 4 south crosscut east was advanced 13 feet along the vein 2.2 feet wide.

Drift 201 north on the Baluarte 200 level was advanced 43 feet in peridotite during the month. Drift 402 south in the Baluarte 400 level was advanced 53 feet along the vein 4.2 feet wide.

The Haliguang Bato shaft was sunk 38 feet, bringing the shaft to a total depth of 272 feet from the zero level.

The Big Bear crosscut west was advanced 80 feet through granite cutting two veins. These two veins are to be called number 5 and 6 respectively.

The No. 5 drift south was advanced 28 feet along the vein 2.5 feet wide, with good assays. The No. 6 drift south was advanced 37 feet along the vein 1.6 feet wide in average commercial grade ore.

The Malaguit west crosscut was advanced 56 feet through soft, decomposed granite.

In the mill, the jaw liners of the Blake crusher were changed and the crusher given a complete and thorough overhauling. During the month the operations in the mill were most satisfactory. Weather conditions during the month at the property were good.

THE PHILIPPINES FROM



Three of the principal commercial centers of Philippines outside of Manila are shown in this panel; the pictures were taken from the air by B. A. Glover, formerly pilot for the Philippine Aerial Taxi Company. The top view shows the port of Cebu, on the island of the same name, some 350 miles from Manila, in the heart of the Negros country. The bottom picture is of the port of Iloilo, imposing capital of the island of Panay. Both cities are centers of sugar and hemp exportation.

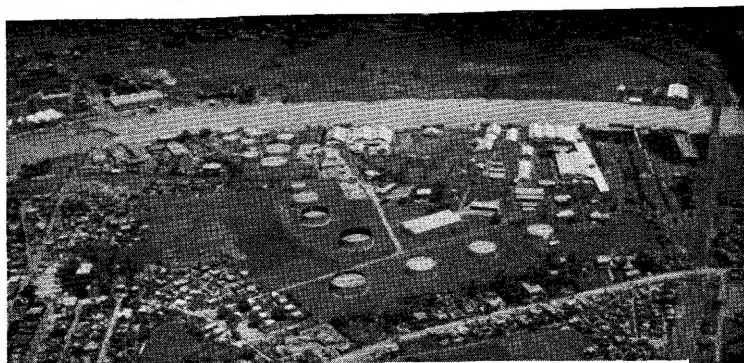
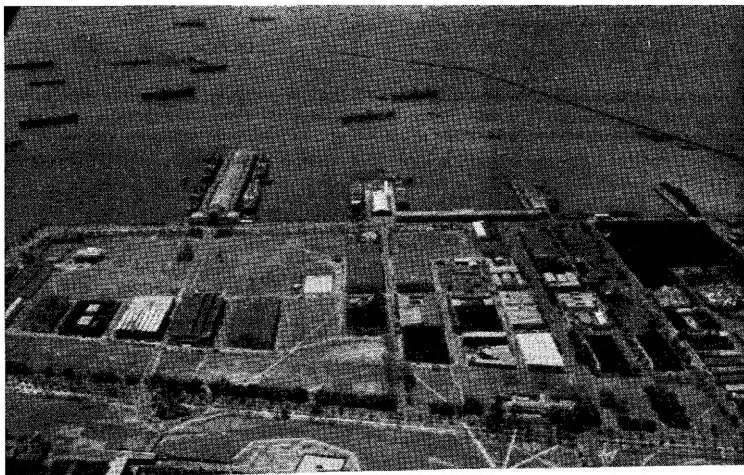


The center picture is of Davao, at the top of Davao Gulf at the southern end of the island of Mindanao — the very center of picturesque Moroland.



THE AIR

It is difficult to appreciate the intricate labyrinth which is Manila until viewing it from the air. These pictures, also taken by Mr. Glover, give an idea of the complexities of the modern capital of the Philippines. The top view shows the Port Area. At the right, directly in front of Pier 7—longest pier in the world—is the site of the new Marsman Building, on which work is already well along. The next shot shows oil and gasoline tanks for storage of supplies for consumption in the Philippines—of which the mining industry consumes a large part—at Pandacan, on the outskirts of the city. The lower picture is an excellent view of town Manila with the Rizal Memorial Stadium in the spotlight—the center of sports in the Islands.



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SUYOC CONSOLIDATED ANNUAL MEETING

At the annual meeting of Suyoc Consolidated Mining Company held March 1, 1939, stockholders were told that prospects for the future of the company are extremely bright.

The development and improvement campaign during 1938 was successfully carried out. Development plans for the year 1939, explained to the stockholders by R. W. Crosby, head of the northern division of Marsman & Company, managers of Suyoc, are expected to add materially to the ore reserves. It was

learned since the conclusion of 1938, Suyoc has increased its ore reserves in excess of one million pesos.

The stockholders unanimously re-elected the board of directors as follows: Amos G. Bellis, president; J. H. Marsman and Major A. Beckerleg, vice-presidents; Benj. S. Ohnick and M. H. Ruppel, directors.

A vote of thanks to Marsman & Company for the splendid results attained in 1938 was unanimously voted by the stockholders.

SUYOC CONSOLIDATED MINING COMPANY

OPERATING ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To Operating Costs:			
Mine Operating	P 403,241.29		
Mill Operating	298,518.04		
Mine General	132,862.72	P 834,622.05	
<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>			
To Marketing Expenses—See Schedule		22,920.11	
To Other Mine General Expenses—See Schedule		59,096.96	
To Depreciation		228,095.73	
To Operating Profit		535,929.83	
		<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>	
		P1,680,664.68	
<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>			
By Bullion and Refinery Ashes Produced		P1,675,438.13	
To other Income:			
Profit on Exchange	P 3,106.92		
Miscellaneous	2,119.63	5,226.55	
		<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>	
		P1,680,664.68	
		<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>	

SUYOC CONSOLIDATED MINING COMPANY

BALANCE SHEET

AS AT 31st DECEMBER, 1938

ASSETS

FIXED ASSETS:

Mine & Mining Properties	P 441,273.74	
Capital Development	934,131.75	P1,375,405.49
<hr/>		
Mill Buildings	P 162,675.87	
Mill Machinery & Equipment	424,144.19	
Powerhouse Buildings	38,114.29	
Powerhouse Machinery & Equipment	362,416.92	
Mine Buildings	32,056.13	
Mine Machinery & Equipment	294,988.77	
Assay Office Building	4,865.80	
Assay Office Machinery & Equipment	12,136.50	
Blacksmith Shop Building	8,886.02	
Blacksmith Shop Machinery & Equipment	36,668.36	
Carpenter Shop Building	6,626.86	
Carpenter Shop Machinery & Equipment	4,064.72	
Camp Buildings	205,523.58	
Water Supply Installation	17,470.46	
Light & Power Installation	12,999.27	
Hospital Building	17,128.36	
Hospital Equipment	10,423.81	
Tools & Engineering Equipment	20,114.85	
Furniture & Fixtures	23,614.96	
Miscellaneous Equipment	78,057.11	
Roads, Trails & Bridges	188,444.83	
<hr/>		
<i>Less</i> —Reserve for Depreciation	P1,961,421.66	
	657,640.18	1,303,781.48
<hr/>		

CURRENT ASSETS:

Cash on Hand and In Bank	P 59,789.68	
Guaranty Deposits	2,993.08	
Accounts Receivable	5,166.91	
Bullion and Refinery Ashes on Hand	73,184.22	
Bullion in Transit	213,665.47	
Machinery Parts and Supplies	374,299.73	729,099.09
<hr/>		

DEFERRED ASSETS:

Prepaid Charges		31,903.35
		<hr/>
		P3,440,189.41
		<hr/> <hr/>

SUYOC CONSOLIDATED MINING COMPANY

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable	P 37,358.76	
Advances—Marsman & Co., Inc.	4,628.70	
Marsman Trading Corporation	18,431.28	
Palidan Suyoc Deep Level Tunnel Co.	103,284.59	
Bills Payable	6,970.00	
Bills against Bullion Shipments	192,685.86	
Accrued Payrolls	14,869.87	
Accrued Expenses	1,997.65	
Accrued Taxes	8,525.40	
Unclaimed Wages	2,261.35	
Chapa Deposits	2,345.46	
Uncollected Dividends	125,901.65	P 519,260.57

RESERVE:

Income Tax		20,269.59
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NET WORTH:

Capital—

<i>Authorized</i>		
12,500,000 Shares of 10¢ each	P1,250,000.00	

Issued—

12,500,000 Shares of 10¢ each fully paid ..	P1,250,000.00	
<i>Stock Premium</i>	1,198,077.79	

Surplus—

As at 1st January, 1938	P364,755.00	
Net Profit for Year 1938	337,826.46	

P702,581.46

<i>Less—Dividends</i>		
Nos. 2 and 3	250,000.00	452,581.46
		2,900,659.25

There is a contingent liability for machinery parts and supplies ordered under irrevocable letter of credit to the amount of P9,990.00.

P3,440,189.41

Manila, P. I., 1st February, 1939.

We have examined the books and accounts of Suyoc Consolidated Mining Company, Inc., for the year ended 31st December, 1938, and have compared them with the Mine Manager's Certified Returns which have not been audited by us. No provision has been made for Ore Depletion. Subject to the foregoing in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December, 1938, according to the best of our information and explanations given us and as shown by the books.

FLEMING & WILLIAMSON,
Accountants.

SUYOC CONSOLIDATED MINING COMPANY

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To Loss on Bad Debts	P 419.26
To Loss on Sale of Machinery & Equipment	2,520.02
To Administration Expenses	54,244.29
To General Overhead:	
Audit Fees	P 3,000.00
Bonuses	5,400.00
Documentary Stamps	176.68
Fees & Licenses	1,272.26
Income Tax	20,269.59
Insurance	18,748.20
Interest	7,567.84
Leave Salaries	4,447.20
Legal & Notary Fees	6,600.00
Miscellaneous	6,993.36
Postage	316.92
Stationery & Supplies	661.53
Subscriptions & Contributions	5,599.73
Telephone, Radios & Telegrams ..	250.05
	81,303.36
To Net Profit for the year Carried Down	397,442.90
	P 535,929.83
Palidan Suyoc Deep Tunnel Co. Participation	P 59,616.44
Balance Carried to Surplus Account	337,826.46
	P 397,442.90
By Operating Profit	P 535,929.83
	P 535,929.83
Net Profit for the Year Brought Down	P 397,442.90
	P 397,442.90

COCO GROVE ANNUAL MEETING

Coco Grove, Inc. is in the best operating and financial condition that it has enjoyed since development work was first started in 1933, stockholders were informed at the annual meeting held March 6, 1939.

As of January 1, 1939, ore reserves were 20,785,128 cubic yards with an estimated contained value of ₱11,611,119.17. In addition to this there are some 25,000,000 cubic yards of gravel on which test drilling has not been completed. This is expected to add considerably to the reserve.

J. B. Stapler, manager of the southern division of Marsman & Company, operators of Coco Grove, told the stockholders that the anticipated production for 1939 was ₱2,400,000. He explained further that the production would vary from month to month, depending upon the character of the ground through which the dredges must operate. This variation is common in dredging, and

it is anticipated in the schedule of operations and in the budgets, prepared at the start of every year. Operations in 1938 were carried out according to schedule.

In 1939 the dredges will work on foreshore dredging, and later on in the year one dredge will move to the Malaguit area. To aid in this work, the suction dredger Rotterdam has been acquired, and additional units such as a powerful tug and supplementary equipment will be obtained.

The following directors were elected by the shareholders: H. P. L. Jollye, Major A. Beckerleg, S. J. Wilson, Geo. W. Kerr, and T. M. Jordan. A vote of thanks to Marsman & Co., managers of the property, for the excellent results attained in 1939 (as a result of which the first dividend of 20 per cent was paid in December) was passed unanimously by the stockholders.

COCO GROVE, INC.

OPERATING ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To Operating Costs:

Dredge No. 1—Operating	₱195,826.24	
Dredge No. 2—Operating	168,098.72	
Supplementary Operation	38,941.91	
General Operating Expenses	82,710.37	₱ 485,577.24

To Bullion Marketing Expenses—See Schedule	22,208.57	
To Other General Expenses—See Schedule	60,808.99	
To Depreciation	211,683.45	
To Operating Profit	1,451,935.32	
		₱2,232,213.57

By Bullion Produced	₱2,214,349.46	
By Other Income:		
Interest Received	₱ 8,455.44	
Rents Received	562.94	
Profit on Exchange	4,318.18	
Miscellaneous	4,527.55	17,864.11
		₱2,232,213.57

COCO GROVE, INC.

BALANCE SHEET

AS AT 31st DECEMBER, 1938

ASSETS

FIXED ASSETS:

Mine & Mining Properties	P	1.00	
Capital Development		1,746,696.34	P1,746,697.34
<hr/>			
Camp Buildings	P	65,204.41	
Floating Equipment		7,377.76	
Furniture & Fixtures		14,073.46	
Slipways Constructions		4,463.58	
Light & Power Installations		207,061.34	
Miscellaneous Equipment		104,640.06	
Roads, Trails & Bridges		11,614.69	
Tools & Engineering Equipment		640.00	
Water Supply Installation		11,040.15	
Blacksmith Shop Building		9,863.68	
Blacksmith Shop Machinery & Equipment		24,672.97	
Wharf Construction		2,457.88	
Hospital Building		13,315.75	
Hospital Equipment		6,712.49	
Schoolhouse Building		2,050.75	
Sea Wall		12,926.76	
Lighthouse Breakwater		3,920.08	
Dredge No. 1		797,711.08	
Dredge No. 2		804,009.95	
Dredge Rotterdam		219,760.96	
Tugboat		75,902.29	
<hr/>			
		P2,399,420.09	
Less—Reserve for Depreciation		173,649.05	2,225,771.04
<hr/>			

CURRENT ASSETS:

Cash on Hand & In Bank	P	30,674.66	
Accounts Receivable		11,061.99	
Accounts Receivable—Special Consignment Account		19,276.70	
Bullion on Hand		67,563.88	
Bullion in Transit		156,238.89	
Machinery Parts & Supplies on Hand and In Hongkong		145,884.05	
Production Pending Outturn		530.76	431,230.93
<hr/>			

DEFERRED CHARGES 9,494.05

P4,413,193.36

COCO GROVE, INC.

LIABILITIES

CURRENT LIABILITIES:

Advances—Marsman & Co., Inc.	P	33,860.78	
Marsman Trading Corporation		4,663.40	
Accounts Payable		23,809.33	
Uncollected Dividends		12,500.46	
Notes Payable		225,719.40	
Bills Against Bullion Shipments		123,284.52	
Chapa Deposits		764.00	
Accrued Taxes		4,909.67	
Accrued Payrolls		7,256.60	
Accrued Expenses		1,868.99	
Unclaimed Wages		754.09	P 439,391.24

RESERVE:

Income Tax			60,237.78
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NET WORTH:

Capital—

Authorized & Issued—

15,000,000 Shares of 10¢ each		P1,500,000.00	
Stock Premium		2,250,000.00	
Donated Surplus		1.00	

Surplus—

Profit for Year to 31st

December, 1938		P1,003,963.00	
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Less—Deficit

Balance at 1st January, 1938		P661,383.77	
Adjustment 1938 for total Reserve for Depreciation to 31st December, 1937 written back		120,984.11	540,399.66

Less—Dividend No. 1		P 463,563.34	
		300,000.00	163,563.34 3,913,564.54

There are contingent liabilities for:

Machinery parts & supplies ordered under Irrevocable Letter of Credit		P30,040.00	
Dredge Replacement			

Parts—

Bucyrus Erie Co.		P50,276.27	
Manila Machinery & Supply Co. ..		602.40	50,878.67

P80,918.67

P4,413,193.36

Manila, P. I., 6th February, 1939.

We have examined the books and accounts of the Coco Grove, Inc., for the year ended 31st December, 1938 and have compared them with the Mine Manager's Certified Returns, which have not been audited by us. No provision has been made for ore depletion. Subject to the foregoing in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December, 1938, according to the best of our information and the explanations given us and as shown by the books.

FLEMING & WILLIAMSON,
Accountants.

COCO GROVE, INC.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To Administration Expenses	P	50,450.00	
To General Overhead:			
Audit Fees	P	1,800.00	
Bonuses		2,666.66	
Documentary Stamps		297.56	
Fees & Licenses		1,598.36	
Income Tax		60,237.78	
Insurance		28,472.13	
Interest		6,255.58	
Leave Salaries		175.50	
Legal & Notary Fees		6,000.00	
Miscellaneous		2,809.35	
Postage		359.09	
Stationery & Supplies		578.51	
Subscriptions & Contributions		7,045.51	
Telephone, Radios & Telegrams		1,088.29	119,384.32
			<hr/>
To Profit Participation as per Agreement with Original Claim Owners		278,138.00	
To Net Profit for the Year		1,003,963.00	
			<hr/>
			P1,451,935.32
			<hr/>
By Operating Profit	P	1,451,935.32	
			<hr/>
			P1,451,935.32
			<hr/>

MARSMAN & COMPANY TO CHANGE CAPITAL STRUCTURE

A plan to change the capital structure of Marsman & Company, Inc. will be put to a vote at a special meeting of its shareholders called for Monday, March 27, 1939.

It is proposed to change the capitalization from 300,000 shares of no par value, to 4,000,000 shares of par value of one peso per share. In this new

share arrangement, one half of the issue will be common stock, and the other half preferred stock, with cumulative dividends to be decided by the board of directors.

This action will amount to a stock dividend of more than 100% to the present stockholders of Marsman & Company, Inc.

Coco Grove Operating Plans

(as reported to the stockholders by J. B. Stapler, manager of the Southern Division of Marsman & Co., Inc. at the Annual Meeting.)

"You have read the report for 1938 which covers the more important operating results. There are, however, one or two points which I would like to discuss.

"There still appears to be a lack of understanding by some individuals regarding, why monthly productions vary within rather wide limits.

"As this variation will continue throughout the existence of Coco Grove, Inc., it would be somewhat of a relief to get this fact clear in the minds of all, and do away with the fear that if production is down for a few months, that the property is exhausted or that the dredges are falling apart, or any other five or ten dire possibilities, which came to us in frenzied telephone calls or which are rumored on the Escolta; resulting in considerable unnecessary mental agony to everyone concerned.

"We have published several articles in magazines and newspapers dealing with this subject, in an effort to inform the stockholders of the basic facts and reasons. Also that gold dredging is quite different from lode mining in every respect, especially in the production routine.

"This does not mean that the values in the deposit are uncertain—very much to the contrary—the contained values and yardage in a placer deposit, actually can be, and are, at Coco Grove, more accurately tested and determined than the values and tons in a lode mine.

"There are certain placer deposits, such as several in California, where gold values are evenly distributed throughout the entire mass of the gravel. This is because the gold has been transported a long distance from its source and thereby thoroughly mixed with the gravel. In such deposits, monthly productions vary but little.

"This is not the case at Coco Grove, which is of the residual type, in which the gold has been moved only a short distance from its source and is therefore distributed very unevenly throughout the deposit, both horizontally and

vertically, resulting in areas of very high gold concentration which in turn grade off sharply to gravel containing quite low gold values. The high gold concentration has been brought about by favorable catchment conditions in the old stream beds and are therefore very irregular in size and distribution throughout the old land surface, which is now covered completely with gravel, sand and clay up to a depth of 70 feet.

"The dredges obviously follow a pre-arranged schedule and dig on a definite line, so must take the high value areas and the low value areas without choice, going to the limits of pay on each traverse. All yardage along that line must be worked at the time, as when a dredge moves into a new cut, it does not pay to return to ground which has been left on the limits.

"It should therefore be quite clear and understandable that when the dredges are digging in a rich area, that monthly productions will be high, and when they are digging in low value areas, that the monthly productions will be lower. I might add at this point that since February 1928, every month has shown a satisfactory operating profit. The highest month was April with a production of P418,926.34, and the lowest month was September with a production of P94,155.83.

"This production is not haphazard affair or accomplished by chance. At the beginning of each year a carefully prepared budget of estimated expenditures, together with a production schedule, is prepared by the Managers and presented to your directors for their approval. The production schedule is based on the anticipated total yardage which the dredges will handle and the average value per cubic yard of the reserves. The program for the two dredges is then worked out so that as near as possible, the high and low value sections to be dredged during the year will compensate each other, thereby in the end, producing the total production set for the year.

(Please turn to page 32)

ITOGON STAFF SCHOOL MAGAZINE

An interesting phase of life in a Philippine Mining camp is portrayed by the publication of the first issue of "Ang Magandang Isla" by the Itogon staff school. The staff of the magazine chose the name "Ang Magandang Isla", which means beautiful island.

The school was started in 1938 for the children of the Itogon staff members, who previously had gone to school in Baguio. The school has been under the supervision of Mrs. Muriel Morris Lewis, wife of P. A. Lewis of the Itogon staff. The enrollment at present is nine students.

The magazine, fashioned after a school annual, is dedicated to Mr. Warren Gilkison, former general superintendent of Itogon Mining Company. The magazine is illustrated with pictures of the students, the teacher, and the school grounds. There are several very clever stories by the staff.

Members of the staff on the magazine are: Editor, Matthew Montee; Business manager, Jayne Brock; Dramatics, Lenoir Brock; Jokes, Jennie Stokes; and Photographer, Henry Parfet.

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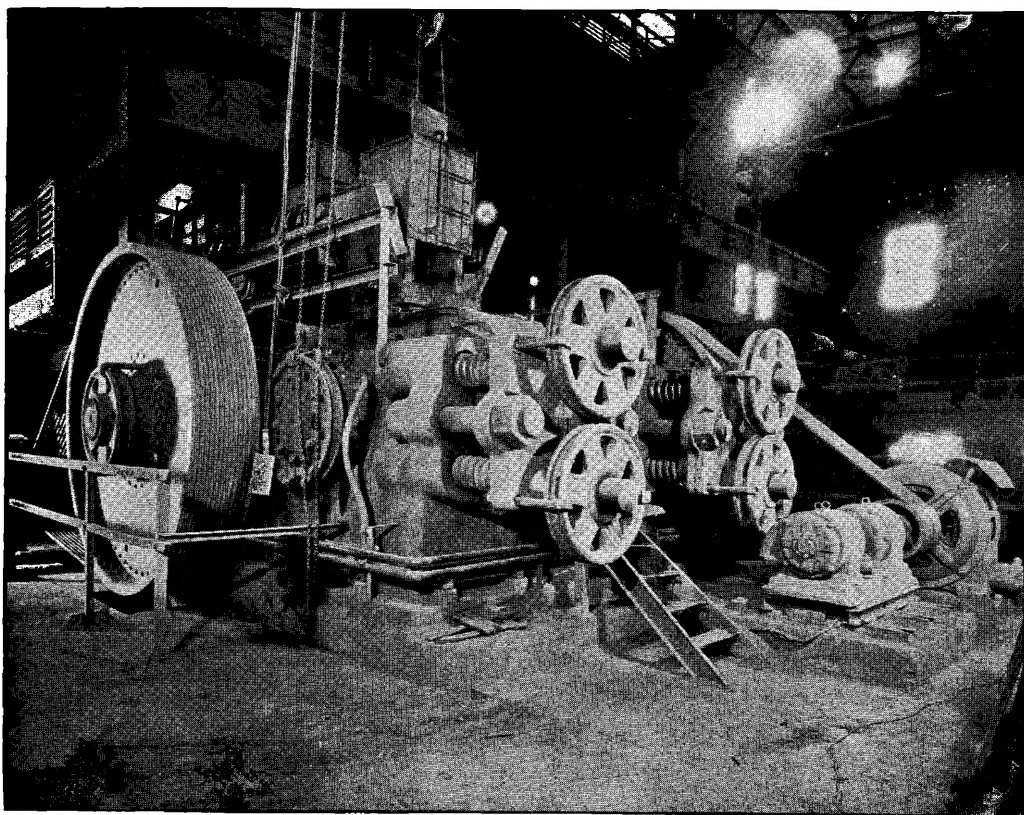
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COCO GROVE OPERATING PLANS

(Continued from page 29)

"On this basis, the total production for 1939, as estimated, will be approximately ₱2,400,000.00, and the overall average recovered value will be ₱.57 per cubic yard. During 1939 there will be times when we will be working gravel averaging as high as ₱6.00 per cubic yard with corresponding high monthly production, and others when gravel will average only ₱.25 per cubic yard with corresponding low monthly production, but barring unforeseen delays, the final outcome will be approximately the figure noted.

"I have covered this matter in considerable detail and hope that the reasons for the variations have been somewhat clarified.

"I call to your particular attention that the 1939 program includes fore-shore dredging and also later in the year the moving of one of the dredges into the Malaguit section of your property. All this will call for very specialized work, requiring the maintenance of a safe anchorage to harbor the dredges in case of stormy weather, the digging and maintenance of maneuvering channels which will be done by the recently purchased suction dredger "Rotterdam", and lastly, the addition of floating plant equipment capable of satisfactorily accomplishing these requirements, which include a 350 H.P. tug and 400-ton barge.

"The annual report mentions the difficulties we have experienced with roller bearings and that the necessary changes in equipment to standard type bearings will be made during the year. Although the cost of these changes will be paid for by the manufacturers, yet all this is not such a simple matter as it sounds. Items of equipment, some weighing as much as 250 tons in one piece, have to be handled off the dredges and back into position again. Such routine cannot be done overnight and must be accomplished with considerable care and precession, all of which takes time.

"The schedule also calls for the dredge 'Anne Petronella' to pass

through the provincial highway bridge, which fortunately had reached such a stage of disrepair that it will have to be torn down and renewed at that particular time. This same dredge has also to cut through the foot bridge to Malaguit and the United Paracale Mining Company causeway with incident temporary rerouting of our 6,600 and 2,300-volt main power lines.

"I mention all of these to give an idea of a few of the problems involved and also to show you why there are going to be several months in 1939 when the production will be very low. In fact, we will be very fortunate to have any. But I hasten to add that the total for the year will be the ₱2,400,000 stated previously, as all these circumstances have been taken into consideration in the schedule. Only unexpected difficulties such as a major breakdown or unusually severe weather conditions might affect the final outcome. This, however, is no different than in any other mining operation.

"Now, in relation to the reserve. A number of people apparently do not realize that we have large areas on the Coco Grove property which have not yet been tested and are therefore not included in the proven values and yardages as stated in the report.

"These untested areas contain at least 25,000,000 yards. How much of this yardage will be commercial can only be proven by testing, but a number of additional years dredging is definitely indicated by scout holes in the renewed drilling program which has been in progress since the 1st of this year.

"We are also at the moment carrying forward test work on two other very large deposits in the Islands and have other projects in view.

"In conclusion therefore, your company is in the best operating condition and also financial position since the start of development and we feel confident can look forward to a very profitable future."

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Producing Mines

<i>Name</i>	<i>Location</i>	<i>Type Property</i>	<i>Plant Capacity Daily</i>	<i>General Superintendent</i>
Itogon Mining Company	27 km S. of Baguio	Gold Lode	1,000 tons	L. M. Robinson
Suyoc Consolidated	98 km N. of Baguio	Gold Lode	200 "	C. C. Heinrich
United Paracale	Paracale, Camarines Norte, 200 km Sw of Manila	Gold Lode	300 "	R. H. Canon
San Mauricio	15 km N. of Paracale	Gold Lode	300 "	H. L. Barr
Coco Grove	Paracale	Gold Placer	13,000 cubic yards	F. A. Nowacki
Royal Paracale	Masbate	Gold Lode	100 tons	James Hopkins
Tuba Project	Tayabas	Gold Lode		L. H. Hinckley

Properties under Development

<i>Name</i>	<i>Location</i>	<i>Type Property</i>	<i>In Charge</i>
Mountain Mines	Kalinga	Gold Lode	Frank Erno
Mangani Mine	Sumatra, N.E.I.	Gold Lode	J. E. Atkinson

CONSERVATISM

A man of studied conservatism and seasoned leadership, President Manuel Quezon revealed in clear and concise terms his attitude toward labor, capital, and the landowner in a radio-broadcast March 11, 1939. He has presented himself as a solid friend of abstract justice, effecting beneficial reforms in the Philippines.

The President today faces a real condition in which the safety of law and order and the safety of life and property are involved. In facing the facts of the condition as it actually exists, he has forcefully presented himself as the exponent of the kind of reform which lasts by the virtue of the fact it is built on a solid government foundation. A foundation of national progress in industry and labor.

It is made clear the government today has an inescapable duty. A duty to protect property rights by discharging the full powers of the government. In so doing, the masses will be improved and benefited far more, than in blindly following those agitators who prey upon labor to follow.

To carry out this well defined program of Social Justice, there must be first of all peace and order. On this plan, there has been left no room for doubt. To aid industry and labor, there must be a tie of an understanding which

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THE MARSMAN MAGAZINE

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RALPH KEELER, *Editor and Business Manager*

DEAN L. SCHEDLER, *Associate Editor*

can not be jarred by whims and fancies of persons who for personal gain only, desire trouble and ultimate use of the strike. The strike properly handled is, of course, lawful. But there should seem to be no occasion for employing it in the Philippines. Capital is working overtime in providing an abundant construction program in the Islands. Production figures in the Mining Industry, and the known schedule of compensation to labor in relationship to other industry, leaves no space for argument.

Created precisely to give labor the right for grievances, the government maintains an efficient body in the Department of Labor. To expedite complaints and differences there is the Court of Industrial Relations. It is to these bodies that Labor must refer in the instances of differences with capital, certainly not to the strike as called by a leader who has not given fairness to the workers by first employing these entities.

Closely along this line have been recent attempts by professional agitators

in the mining area to call strikes. Uninformed as to the actual relationship of this industry with other capital structures, the agitators have urged strikes by the mine employees solely for selfish, ulterior motives.

Coming now at this timely instance is such a clear and well defined governmental policy speaking directly to the employees and to the employer. The explicit care in which the President drew the line between orderly procedure, and the disorder in tactics in attempts to reach gainful progress, is deserving of the whole-hearted solid backing by labor and industry. Progressive accomplished can not be effected with strikes and opposition by a minority of labor.

The solid backing by elements concerned, should be heeded. Certainly the mining industry with its far flung program of improvement and expansion, will find the line of policy set forth by President Quezon, within its scheduled plans.

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