



## Culled from the News

**DYNAMITE:** Formation of a local corporation, known as the National Powder and Dynamite Company, to manufacture dynamite and explosives resulted directly in a reduction in the freight rate on these items from P130 to P80 per ton recently. The reduction was made by

the Conference in response to pressure from exporters of dynamite and explosives from the United States to the Philippines. As a result, big Philippine mining companies, including the Benguet group, signed a three-year contract with one of the largest dynamite and explosives manufacturers in the United States, to fill their requirements exclusively with this manufacturer. The freight reduction has been passed on to these mining companies, and the contracts run for three years, that being the initial period during which the lower freight rates will apply.

Directors of the local company declared themselves "uninterested" by this development, pointing out that they expect to be able to meet competition from imported products by lower costs of production, and do not expect to rely on the fact that imported dynamite and explosives pay freight charges. As for the new long-term contracts, they pointed out that it will be at least two years before the local company will be able to produce a case of dynamite anyway, so that it makes no difference to them who supplies the market during that period.

**CORRECTION:** Last month we published an item to the effect that *Santa Rosa*, which will have a cyanide unit in operation soon, in conjunction with its flotation unit, had not had success with the combination, and planned to close down the cyanide section. Obviously, since the cyanide plant had not been completed at the time the article appeared, the information was incorrect. While it is true that several mines have tried cyanide plants in conjunction with flotation units before, with discouraging results (due to high copper content in most Philippine ore) it does not follow that *Santa Rosa* will have this same experience. As a matter of fact, the flow sheet adopted by *Santa Rosa* has been approved by the chief of the ore dressing laboratory of

(Please turn to page 28)

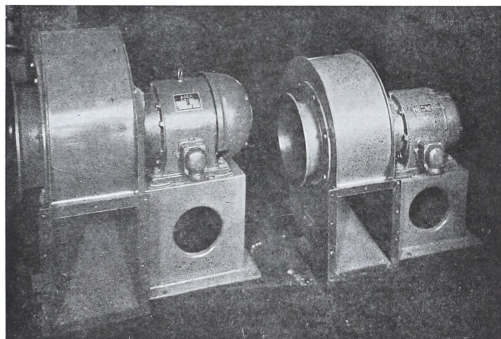


INSTALL

ASEA CENTRIFUGAL BLOWERS

FOR

PROPER MINE VENTILATION



TWO SIZES CARRIED IN STOCK:

TYPE LTB-25, CAPACITY 1100 CU. FT./MIN. AT 5.5" W. C. PRESSURE, 1.7 HP MOTOR.

TYPE LTB-30, CAPACITY 2830 CU. FT./MIN. AT 5.7" W. C. PRESSURE, 5 HP MOTOR.

THE MOTORS ARE TOTALLY ENCLOSED, THREE-PHASE, 440/220 VOLTS, 60 CYCLES.

Sole Agents

**KOPPEL (PHILIPPINES) INCORPORATED**

MANILA

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**The Stock . . .***(continued from page 26)*

through the 80 ceiling in nearly three weeks) many issues were unchanged, or sold at even lower prices. Volume was very poor, due to the fact that speculative buying was entirely absent, and what buying there was was of an investment character. Investment buying of itself does not make for high volume on any stock exchange. Big Wedge and Atok rose 1-1/2 centavos, the former going to 27 and the latter to 31-1/2. Other stocks traded, and which registered slight gains, were Demonstration, Ipo, Balatoc, Coco Grove, and I X L.

Hess & Zeitlin's market letter for August 10th, carried the following paragraph: "Since the middle of June, averages have moved slowly and practically featurelessly between 74 and 82.50, touching 74 on three different occasions. At the present time, the averages are almost halfway between each extreme. This situation cannot continue forever. Sooner or later, traders can expect a movement which will carry the averages through the top or below the bottom. We confidently expect the move to be on the upside. Certainly present prices of the issues that go to make up the averages, are low."

J. M. R.

**Culled from . . .***(continued from page 22)*

the American Cyanamid Company, among others, and it was only after long and careful study that the scheme was adopted. Santa Rosa's technical staff believes that the cyanide-flotation mill will reduce shipping expenses of concentrates to the United States (a considerable item in mine costs, as Mr. Crane's story last month pointed out), and will also afford higher percentages of recovery.

We publish this correction with pleasure, and we wish Santa Rosa every success. We know the JOURNAL is read, by the fact that every mistake both big and small (this was a big one) is immediately called to our attention by mail, by phone, and by personal interview, usually a day or two after the magazine comes out. Very rarely does anybody praise us for a timely or well-thought-out story. We suspect that our circulation is much greater than the number of copies we print monthly, and some day we are going to print a "whopper" that everybody knows is not true, just to find out what our circulation really is. We have deep plans laid to print an inconspicuous paragraph to the effect that "Congress has passed a bill authorizing President Roosevelt to pay \$100 per ton for Philippine sugar, with no quota limits," or something like that, and count the telephone calls and letters we receive. After that, we can jam a big increase in advertising rates down our advertisers' throats.

**QUARTERLY 10% DIVIDENDS**

Atok Gold operating Big Wedge has been on quarterly 10% dividends since December when it paid the first 10% dividend on its capital of P1,000,000 all paid-in, W. W. Harris announces. The reason why Atok was not included in our July list of mining companies paying dividends between January and May 31 this year is that Atok is an operating company not functioning on its own property. But Atok, following its 10% December dividend, paid 10% on April 6 and another 10% about the same time in July, this 10% being for the year's second quarter. Expectation is that in October another 10% will be paid for the third quarter. Atok's gold production at Big Wedge during six months January-June was P942,616 with millheads remarkably high. The mill's rating is 150 tons a day, our table on the producing mines shows July's output to gether with that for the full seven months. June's figures are before us as we write (July 26) and show June millheads P46.61, far the highest in the list, June output P215,783 or nearly a quarter million pesos.

Output is divided 60% to Atok and 40% to Big Wedge now, but Mr. Harris says the prospect is that before the end

of this year Big Wedge's indebtedness to Atok for capital invested in the property's development will have been fully paid, when the division will be 50% for Atok and 50% for Big Wedge. This company, Big Wedge, with paid-in capital of P777,404, has paid 2% in dividends, the latest dividend, 1%, having been paid as of June this year.

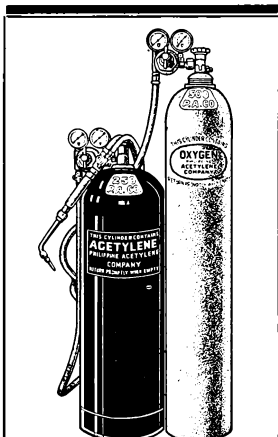
We understand that, shortly after Atok took over the management of Big Wedge, some exploration work, both dog-holing and diamond drilling, was done near the surface on what is now known as the extension of the Benguet Keystone vein. Results of this work were, to a certain extent, discouraging, and further development work at that time was stopped. Extension of the main haulage level is expected to cut this area within the next two weeks about 225 feet below the surface. It may or may not open up a new ore body at Big Wedge.

GUMAUS GOLDFIELDS: Has entered into a new agreement, following the cancellation of its management agreement with Marsman and Company a few weeks ago. Under the new agreement, Gumaus will sell 15 tons of ore daily to the Philippine Smelter. The latter will pay 90% of gold content at the fixed price of P70 an ounce, 85% of the silver content at market and market price for the silica. The smelter is buying this ore chiefly because of the high silica content. It is understood that the ore will run approximately P20 a ton in gold.

MINE FACTORS: This company announces that it will make a shipment of 3000 tons of manganese before this magazine goes to press. This will be the first shipment since the company was reorganized. The new contract entered into since the reorganization is said to be on a much better basis than the old ones. Terms are, briefly, P18 per ton on a basis of 45% manganese and 20% moisture. Should moisture be under the base rate, and manganese content above base rate, the company will receive premiums above P18 per ton. An additional shipment of 3000 tons is expected to be made shortly, and with funds from these two shipments, the company will be able to carry on operations. The Japanese buyers will pay freight, while Mine Factors will pay P2.75 per ton for lighterage.

MAPASO: A well-known group of local capitalists, with a record for success in both general business and mining, has purchased control of Mapaso capital stock. The ability of these men is unquestioned, and their management should prove beneficial both to the company and to its stockholders.

Meanwhile, Mapaso reported that 301 tons of ore, with an average value of P42.20 per ton were milled at East Mindanao during the month of July—a gross production of P12,700. This is in accord-



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Welding & Cutting Equipment

**Philippine Acetylene Co.**  
281 CALLE CRISTOBAL, PACO  
MANILA, P. I.

ance with the scheme outlined some time ago to mill a certain amount of high grade ore, so as to provide funds for further mine development.

**SYNDICATE INVESTMENTS:** Held its annual meeting on the 12th of last month. *Jose Ozamis*, an Assemblyman, was elected to the board. Old members of the board were re-elected, including *R. C. Staight*, Chairman and President, *E. W. Staight*, vice-president and treasurer, *Fremont Clarke* and *J. R. Herridge*.

Mr. R. C. Staight reported to the stockholders in his annual letter as follows:

Your Board of Directors submits here-with the Annual Report of your Company for the Fiscal Year ending May 31, 1938.

#### GENERAL POLICY

The complete collapse of the local mining share market during the period under review created an extremely difficult situation for investment companies. All sense of values gave way to panic psychology and your Board of Directors consequently feels that under these most trying circumstances the present status of your company is relatively favorable.

Your Company has made very substantial additions to its holdings of Mine Operations shares and has also acquired an important interest in the Capsay Mining Company.

For the information of our shareholders we include herein the report of a disinterested and competent mining engineer on the Capsay Mine, which is operated by Mine Operations, Inc. on a profit sharing basis. This mine will be brought into production this year with an initial mill installation of 100 ton capacity. The consensus of technical opinion as to its potentialities seems to assure a success comparable to the achievements of a well-known producing and dividend-paying mine in the same vicinity.

Your Company also owns a large participation in the Southwestern Engineering Company of the Philippine Islands. This Company has active contracts for the construction of three mills, the aggregate cost of which will be approximately P1,500,000. Revenue from this source is expected during our current year.

#### DIVIDENDS

The last dividends declared by the Company was 2½% on Preferred shares and 7½% on Common shares and was paid on July 6, 1937.

Accrued dividends on Preferred shares now amount to P67,500.00.

#### INVESTMENTS

Your Companies' investment portfolio, consisting for the most part of shares in

affiliated companies, has been valued in the light of your Directors intimate knowledge of the affairs and future prospects of these companies, and the valuation represents, in their opinion, as well as in that of your Auditors, a fair figure under existing conditions.

We include for your approval a Balance

#### SYNDICATE INVESTMENTS, INCORPORATED

Manila, Philippine Islands  
BALANCE SHEET—31st May, 1938  
ASSETS

Investments .....	P 662,020.19
(Part pledged as collateral security)	
Client's Contract:—	
Investments Held .....	P 6,860.62
(Please turn to next page)	

Sheet prepared and certified by our Auditors, Messrs. Bayne & Company.

For the Board of Directors,

R. C. STAIGHT  
Chairman

Manila, P. I.  
June 25th, 1938

**JACKBITS**  
*Solve*  
**ROCK DRILLING PROBLEMS**

**RR**

Jackbits have proven to be the solution to many rock drilling problems. They are admittedly better than forged bits as they drill faster and farther and practically eliminate the cost of drill steel transportation.

Jackbits are scientifically heat-treated and are uniform as to shape, gauge and hardness and are designed and tempered so that most sizes can be resharpened at least three times.

The Jackbit patented thread is strong, long-lived and above all it keeps the bit tight without interfering with the ease of detachment. Broad flat surfaces resist wear.

Branch offices are located in every important district. In these offices you will find experienced rock drill men to assist you with your problems.

**The Farnsworth Docks & Honolulu Iron Works**  
60-119 SECOND STREET, (P. O. BOX 282) MANILA, PHILIPPINE ISLANDS  
**Ingersoll-Rand**  
11 BROADWAY, NEW YORK, N. Y. 310 BRANNAN ST. SAN FRANCISCO

Furniture and Fixtures:—		
Cost .....	P 5,426.88	
Less: Depreciation .....	916.18	4,510.70
Notes Receivable .....		111,287.70
Accounts Receivable:—		
Southwestern Engineering Co. of P. I., Inc. ....	P 3,950.00	
Expenses Recoverable .....	1,217.72	
Employees Investment Account .....	6,111.00	
Miscellaneous .....	1,017.50	
Current Accounts with Brokers .....	45,212.49	57,508.71
Prepaid Charges .....		11,135.00
Cash on Hand and in Bank .....		59,528.29
Dividend Bank Account .....		77.82
		<u>P906,068.41</u>

## LIABILITIES

Accounts Payable:—		
Client's Personal Account .....	P 1,150.26	
Nalesbitan Mining Co.—calls unpaid .....	1,875.00	
Miscellaneous .....	1,246.84	
Unclaimed Dividends .....	77.82	
Current Accounts with Brokers .....	76,964.81	P 81,314.73
Client's Contract:—		
Investments Held .....	P 8,860.62	
Reserve for Market Fluctuations .....		15,000.00
Capital Stock—Issued and Fully Paid:—		
1,000 Common Shares @ P100 each .....	P100,000.00	
9,000,000 Preferred Shares @ 10 cents each .....	900,000.00	1,000,000.00
NOTE: Preferred Stock Dividend Accumulations:—		
Last Quarterly Dividend declared 1st July, 1937—		
accrued to date 7½% .....		
Surplus:—		
Balance at 1st June, 1937 .....	P 33,756.97	
Less: Dividends Declared .....	30,000.00	
	P 3,756.97	
Loss for year ended 31st May, 1938— .....	(194,003.29)	(190,246.32)
		<u>P906,068.41</u>

HENRY HUNTER BAYNE & Co.,  
Auditors.  
Certified Public Accountants.

**CLAIMS SUIT:** Another court action over priority rights to work mining claims developed recently when *Surigao Mines Exploration, Inc.* filed suit against *Mindanao Mother Lode Mining Company* in Surigao, questioning the right of the latter company to claims in barrio Taganaan, Surigao.

**AGUSAN GOLD:** Has offered for sale a part of its capital stock to its existing shareholders, at the rate of two shares for every five shares now held, at par of ten centavos per share. Two centavos is required in cash, and the balance at the rate of one centavo per share monthly until paid, without interest.

A letter sent to stockholders by *K. H. Hemady*, president, states that a profit of P1,000,000 is anticipated from the sale of iron ore from a deposit owned by the company in the Paracale district. The operating company has started work on the construction of a road, houses, and a railroad, preparatory to mining the ore for shipment to Japan. The operating company is bearing all expenses. Another iron deposit, near Aparri, has been offered to Elizalde and company, which has sent an engineer to inspect the deposit. Two gold properties in Mambulao are being explored.

Benguet Consolidated's halfyear receipts Jan-June this year, P7,856,137.10 may be expressed for analytical purposes as 7.86 units. Labor at P745,284 takes almost one unit, about 10%, and supplies at P717,444 take more than 9/10 of another. Add power at P165,238 and miscellaneous mine outlay at P67,000 and you have knocked out two units and P123,000 besides. Taxes at P465,944 take 6/10 of a unit. Benguet has left as gross halfyear profit after all expenses or operation are cared for, 5.47 units out of which depreciation summing P355,378 and the manager's bonus of P129,507 are taken, leaving something less than 4.96 units or 63% net operating profit for the halfyear. Dividends paid quarterly now take 3.6 units, leaving 1.9 units accumulated for future disposition.

Benguet is in its twenty-third dividend year. The showing here summarized entails no diminution of ore-in-sight, the report to June saying the ore reserve position continues to improve. Since the mine was rehabilitated in 1913, production has summed P84,809,117. Next comes Balatoc's P73,978,757, next Antamok's P17,043,445.

## What the Diggers . . .

(continued from page 23)

handed amounted to 452,055 with a gross value of P163,313 or an average of 46 centavos per cubic yard. The high yardage indicates that an increase in gravel handled can be anticipated during ensuing months. Meanwhile, it is interesting to note that, despite a comparative low level of gravel work in July, the average for the year to date is about 10% higher than was estimated by the company in its published estimate of ore reserves.

Usually reliable sources, according to *Hess & Zeitlin's* market letter for August 6th, report that the dredges are now in higher grade ore again, and, beginning with this month's production, total recovery should increase.

The five producing Marsman mines in the Philippines together produced P1,223,384.90 during July, from 56,826 tons of ore milled, and 452,055 cubic yards of gravel dredged. This output is slightly under June, but *United Paracale* made a new all-time high with P226,539.14 from 9,572 tons milled, and *San Mauricio* and *Siyoc* were only slightly under record figures.

**HAUSSERMANN:** The four Haussermann gold producers turned in P2,219,997.12 last month from 79,669 tons of ore treated. This was almost P50,000 over the June figure, in spite of the fact that *Ipo Gold* registered a substantial decrease in production.

*Hess & Zeitlin's* market letter for August 11th, announces that analysis by *H & Z's* statistical department indicates