

Three Mines are Soon to Join Ranks and Producers

Those who read newspaper notices of progress (or lack of it) being made by the numerous mining companies in the Philippines with care know that the mining industry is going through a gradual process of reorganization. Mining companies without any excuse for existence are folding up regularly, and either liquidating and distributing any unspent capital back to the stockholders, or merely going into a dormant state. On the stock exchanges, trading is confined to the better issues, and stock prices go up or down according as news of production figures and dividends declared or omitted is discouraging or encouraging.

This is a good thing, since it signifies that the mining industry in the Philippines is growing up and settling down to work. The recent boom was probably necessary, since during boom times investors are more ready to put their money into new ventures than they ordinarily are. Without the boom, it is probably true that the mining industry would not have received the impetus in money and enthusiasm that it did from the general public. While the people were temporarily intoxicated with visions of getting rich quick, and too many suffered severe losses when the inevitable crash came, nevertheless it is true that because of the boom many years were saved in the development of the mineral resources of the country.

Money cannot be made in the stock market, at least for a while. If money is to be made in the mining industry, it must be made from good, down-to-earth mining and dividends.

Almost unnoticed in the general weeping and wailing over lost paper profits, mining engineers have quietly been working to bring promising properties into production. Thus, while some companies have been folding up as their capital or mineral resources faded away, others have brought their properties to the verge of production of gold. Three of these companies, of which

you will likely hear more and more in the future, are the Treasure Island Mining Company; the Santa Rosa Mining Company, and the Capsay Mining Company. Treasure Island will order its mill this month. Santa Rosa has a part of its new mill already installed. Capsay will order its mill in the very near future.

Treasure Island refers to the island of Lahuy, off of the coast of Camarines Sur, and Northwest of Catanduanes Island. A group of men consisting of Sam Feldman, Roy C. Tuggle and Jaime M. Reyes, of Naga financed the well-known prospector, Michael Purcell in various prospecting forays about the islands. He discovered and staked the claims on Lahuy island. The claims were later sold to the Treasure Island Mining Company, and Pan-Philippines corporation now has a contract to develop the claims, on a profit-sharing basis.

Pan-Philippines corporation is a comparative newcomer to the mining picture here. It was formed this year by Major J. E. H. Stevenot, J. S. Sampson, Teodoro R. Yangco, Tomas Confesor, and others to operate and develop mining properties all over the islands. This company does not expect to purchase mining claims. It is primarily an operating company.

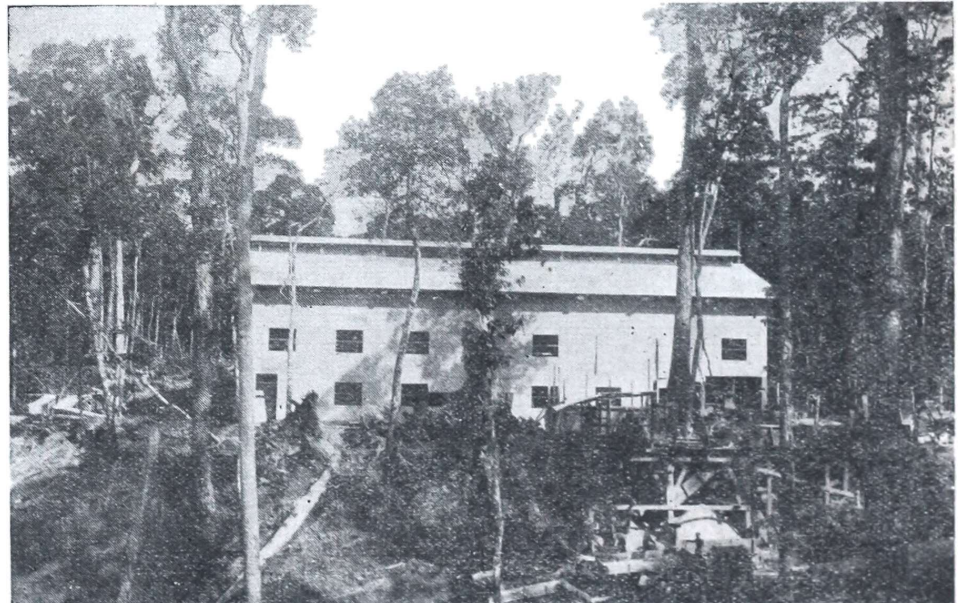
While Pan-Philippines has its engineers at work on several properties today, it has more or less concentrated on the Treasure Island claims from the beginning. Major Stevenot enlisted the help of his brother in San Francisco, a high-ranking Bank of America executive, who secured for Pan Philippines the services of Mr. Orlando McCraney, well known mining engineer. Mr. McCraney came out here on the Clipper some months ago, and it wasn't very long after his arrival that he began saying nice things about the Treasure Island claims.

This property will be the first to be brought into production by Pan Philippines corporation. That is to say, it will be brought into production *again*—for the

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The Power House at the Santa Rosa Mill Site

Set in a natural sylvan setting—it symbolizes how the mining industry is penetrating the jungle.



Individual members of the two exchanges are considering pressing for elimination of the pegs. As far as the JOURNAL could discover through interviews, the general sentiment at the International is in favor of abolition of the pegs, while most Manila Stock Exchange members favor retaining them.

The Manila Stock Exchange was also in favor of eliminating the afternoon sessions, in the belief that present volume of business does not warrant but one session; that having one session instead of two would enable brokers to cut down their overhead; and that during present unproductive afternoon hours, brokers could drum up business, in preparation for the following session in the morning.

Newspapers had it practically official that the International would fall in line, but the Board of Directors of the International turned down the proposition. Double sessions will continue, at least for the present.

Picketing has come into practise at the stock exchange. This month, when brokers were cautioned gently against matching pennies on the floor of the exchange to pass away the time, some of them prepared placards reading "stopping matching of pennies UNFAIR to brokers!" and marched back and forth on the exchange floor with them. We were unable to learn whether they won their point.

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Spaniards worked it, possibly three centuries ago. Their workings still show in various places, in some spots practically intact.

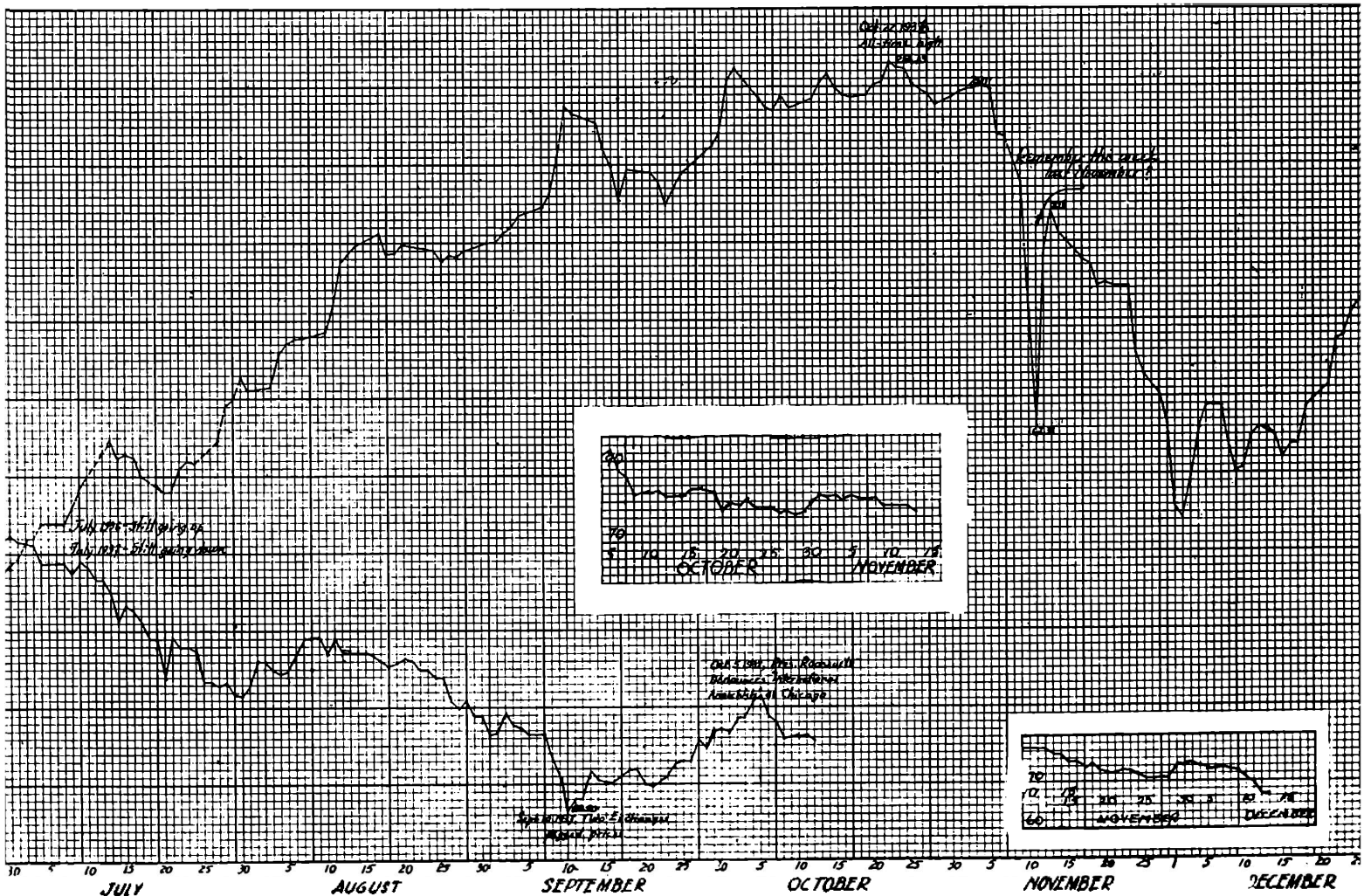
The mill will have an initial capacity of 200 tons, but work is being rushed to have 100 tons' production before the next rainy season. The other 100 tons will wait until the rainy season is over.

The Santa Rosa Mining Company was incorporated in 1934, with a capitalization of P100,000.00. In 1935, the board of directors obtained permission from the Insular Treasurer to increase the authorized capitalization to P1,500,000.00. Of this sum, P500,000.00 worth of shares was held in escrow, P240,000.00 for claim owners, and P260,000.00 worth of shares for the old stockholders, as a kind of reward for their early investment in a new company.

The board of directors is entirely Filipino, and consists of Vicente Singson Encarnacion, Sr., President, G. P. Nava, Vice-President and Gen. Manager, P. Angulo, Treasurer, S. Araneta, T. Teodoro, A. Montinola and C. Tuason, Directors.

In December, 1936, the company entered into a contract with the Union Management Company, whereby the latter undertook to develop the company's claims in Camarines Norte, adjoining the San Mauricio claims. According to R. G. Bergmann, consulting engineer for the Union Management Company, two veins, called the Pelang and the Luna veins, have shown sufficient ore to supply the mill for several years. It has been found unnecessary to develop other discovered veins up to the present time, as development work from the start on these two veins has continued to block out minerable ore in satisfactory quantities.

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THE RICE INDUSTRY

By
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The market encountered very aggressive buying throughout the period under review. In the face of a greatly reduced crop and the comparatively light arrivals from the supplying centers, prices hit new highs for the year. Elon-elon netting an advance of 85¢ and Macan 45¢. Sellers' position was strengthened further by the continuous rains during the month which rendered the drying of the early crop extremely difficult. The trade, therefore, had to depend mainly on the old crop which was already nearing exhaustion. What little of it remained was in strong hands. At the close of the period there were strong indications of further appreciation in values.

November arrivals by rail and water were the lowest during the year, as may be gleaned from the following table:

Month	Quantity
January	183,848 sacks
February	174,406 "
March	202,598 "
April	181,318 "
May	144,708 "
June	160,797 "
July	194,663 "
August	144,144 "
September	131,048 "
October	125,571 "
November	101,265 "
TOTAL	1,744,366 "

Opening and closing quotations on the Tutuban Rice Exchange were as follows:

Elon-elon and Macan (Manila Quality) (Sellers, per sack of 57 kilos, net)		
	Opening Quotations	Closing Quotations
Elon-elon:		
1st class	P6.15-P6.25	P7.00-P7.10
2nd class ...	6.05- 6.15	6.90- 7.00
Macan:		
1st class	P5.60-P5.70	P6.05-P6.15
2nd class ...	5.50- 5.60	5.95- 6.05

Palay prices were maintained above the parity of rice in Manila in view of the expected shortage of the new crop. In spite of very attractive prices being offered by speculators, sellers were not keen in anticipation of more favorable prices in the future. While no definite figure on the extent of the damage sustained by the present crop is available, it is generally admitted in well-informed quarters that it may fall short of the country's require-

ments for 1938. Some observers ventured to estimate the probable damage to the crop by as high as 30% and look forward to the possibility of the country's necessitating importation from abroad next year. Opening and closing quotation in Cabanatuan are given below:

Macan Ordinario (Cabanatuan Quality) (Per sack of 44 kilos, net)		
	Opening Quotations	Closing Quotations
Macan No. 2 ...	P2.60-P2.65	P2.85-P2.90
Inferior	2.30- 2.45	2.55- 2.60

Copra and...

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ticularly in the belt from Samar to north Panay, including Romblon. It is estimated that the total normal crop of the Islands might be affected 10% by the November storms plus the storm which took place early in December. On the other hand, barring accidents, next year's crop should be a very reasonably good one providing prices will justify production.

At the beginning of December all markets were very lifeless and the general prediction was that no material pick up in copra and oil can be expected until the second quarter of 1938, although it is entirely probable that certain markets will improve to a limited extent, notably the European copra market, which with no excise taxes to pay, still finds copra very reasonably priced.

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Mr. Bergmann estimates present ore reserves at 70,000 tons of proved and prospective ore, valued at P2,874,000.00. Probable ore is estimated at 50,000 tons, having an estimated value of P1,750,000.00, giving a total value of P4,624,000.00, "without considering the potential value of undeveloped veins."

The mill is a combined flotation and cyanide plant. The flotation part is already installed, and practically ready to go into operation. It has been designed for a maximum tonnage of 250 tons, but provision has been made for a possible future increase to five or six hundred tons. All buildings, including power house, staff houses, laborers' quarters, hospital, etc., have been completed. The staff at present consists of R. G. Bergmann, consulting engineer in charge of operations, Glenn L. Allen, General Superintendent, W. Stine, construction superintendent, A. R. Baba, mine superintendent, and H. H. Mackenzie, master mechanic.

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