

The Story of Baguio Gold

Steady Production Since 1933 - A Good Year Ahead

You don't hear much about the Baguio Gold Mining Company; it is one of the smaller operations in the Baguio district, where the phenomenal richness of Balatoc and Benguet eclipse many of the other operations. Baguio Gold has produced over ₱2,025,000 in bullion; has paid one dividend, of ₱130,000; has completed during 1935 improvements in mine and mill equipment which have already started to show results in operating efficiency; and is expected to have the best year of its life in 1936.

The company was organized May 13, 1930. Its properties consisted of the Old Headwaters mine owned at the time by S. F. Gaches and his associates and the Prince group, owned by George M. Icard and his associates. These claims are located 8 kilometers southeast of Baguio, roughly at one end of the curve along which lies Itogon, Antamok Goldfields, Balatoc, and Benguet. When development of the property was started, V. E. Lednický was general manager, and A. I. Reynolds mine superintendent. In September 1931 G. T. Geringer was made general superintendent.

Work on the claims went ahead steadily. Early in 1932 the company bought a group of 13 claims from J. B. Hoover; development was then going on in 4 tunnels.

A building program was started at this time, and by April 1932 was completed. Eight buildings, the nucleus of a complete camp, were included. By July 1932 development had reached the point where plans for a mill were discussed. There were about 100,000 tons of ore blocked out, enough to run a 100-ton mill 2 years. In order to provide funds for the mill, the directors of the company authorized, in November 1932, the issuance of ₱425,000 of its capital stock. The company was originally capitalized at ₱2,000,000, of which ₱575,000 was issued at the time of organization. W. W. Harris was president of the directors at this time; P. A. Meyer, vice-president; Dr. Jose Eduque, treasurer; Thomas I. Weeks, S. Davis Winship, Jose Vidal, and J. B. Hoover, the other directors.

Up to October 7, 1932, the value of ore blocked out was estimated at \$679,000, and it was reported that 80,000 tons of ore with a probable value of \$897,000 would be opened up by the Hoover tunnel. Tests of the ore were made by James E. Moore, mill superintendent at Balatoc, and the mill was planned under his direction. The ore body was checked by J. O. Enberg, J. H. Sampson, and V. E. Lednický.

The contract for machinery and equipment for the mill, which was to have a capacity of 80 tons a day, was awarded to the Engineering Equipment and Supply Company of Manila. September 1, 1933, was set as the date by which operations would start.

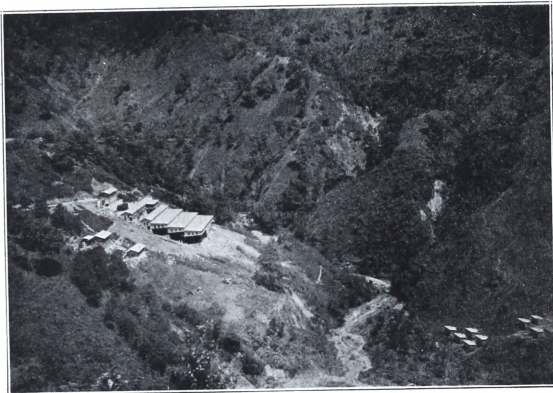
Soon after the contract was awarded, developments at the mine made it seem likely that a higher tonnage would be necessary. Assays from the Little Corporal lode ran as high as ₱180 a ton, and with this encouragement the mill plans were altered so that the tonnage would be 140 a day.

Construction went ahead with dispatch, and a few days ahead of schedule the first ore started through the mill. Baguio Gold was the fifth company in the district to have a milling plant in operation. At the time the staff of the company consisted of Mr. Geringer, general superintendent; E. C. Rice, mine foreman; L. L. Fishbach, master mechanic; N. G. Nelson, construction foreman; N. L. Barron, road maintenance and outside foreman. There were 400 laborers.

Gold valued at around ₱114,000 was shipped during the last four months of 1933. In the annual report for the year,

the ore reserves were estimated at 132,100 tons, valued at ₱3,152,000.

Production in January, 1934, was ₱90,285, but the next four months saw this figure lowered somewhat. The difficulty, as explained in the reports of the company, was a metallurgical one. January was the last month of quick settling ore; February, March, April, and May were months troubled with slimes (extremely fine ore that tends to remain in suspension.) In June, however, this condition was remedied, and the production reached ₱99,052. The total for the six-months period



Baguio Gold's Mines Site

was ₱454,327.

The last six months of 1934 was very satisfying in the way of locating ore reserves, and Geringer, in his annual report, stated that the mine was probably in the best position it ever had been. Ore reserves were given as 231,550 tons, averaging ₱15 a ton, total value ₱3,464,350.

Flotation had been introduced, and sliming came under control in the thickener. In the last half of the year ore became much harder and the grinding rate dropped off. Geringer reported that developments warranted added equipment for both mine and mill. Accordingly, early in 1935 considerable construction was done, and new equipment added. This completed, Geringer reported that the mine was then able to plan and execute its plans, and the mill to treat economically what the mine could produce.

During 1934 the mill ground and treated 39,038 tons of ore and shipped bullion valued at ₱928,646. For the period January 1-June 30, 1935, the tonnage was 23,560, and the bullion production, ₱442,365.

Mr. Geringer resigned as general superintendent in October 1935, to go into private practice, and Ward T. Graham, development superintendent, was named in his place. Just before

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persistently rumored in New York that there was a possibility of substituting some form of retroactive taxes which would be equal to the processing taxes already collected. The price of refined during the last week was further reduced to 4.55 cents, ex-processing taxes.

Future: Quotations on the Exchange during January fluctuated as follows:

	High	Low	Latest
January	2 41	2 00	2 33
March	2 39	2 00	2 35
May	2 41	2 04	2 36
July	2 44	2 07	2 38
September	2 46	2 11	2 41
November	2 46	2 16	2 41
January (1937)	2 27	2 22	2 22

Stocks: Latest stocks in the United Kingdom, United States, Cuba, Java and European statistical countries were 5,797,000 tons compared with 7,211,000 tons the same time last year and 7,638,000 tons in 1934.

Philippine Sales: Sales and resales of Philippine sugar in New York during the month amounted to:

	Cents per picul	
	Tons	From To
Sales	176,400	3 15-3 45
Resales	32,000	3 35-3 45

LOCAL MARKET: In sympathy with the advance in prices in New York, the market for export sugar during the first week advanced from P7.50 to P7.55 per picul at which levels fair business was done.

During the second week, the local export market was very irregular, some buyers having withdrawn and others having raised their prices hoping for an advance before long. At the close of the week, however, the maximum price that could be obtained was P7.25 per picul, with buyers showing little interest. Despite the invalidation of the AAA and the abolition of the processing tax on domestic consumption sugar, the domestic market was even stronger than before especially in cases where immediate delivery could be given, which, however, was only possible in the case of very few holders who still had old-crop sugar. Sales of first-class washed sugar

were made at P8.50 per picul and were being resold in the Divisoria market at as high as P9.20-P9.25 per picul. As was already reported last month, Executive Order No. 899 requiring the filing of export sugar before manufacture of domestic consumption sugar might commence explained the scarcity of sugar for domestic consumption.

During the third week the local export market continued to be irregular at prices ranging from P7.25 to P7.75 per picul, although most large buyers only quoted P7.35 to P7.50. The confused situation of the domestic market during this week owing to difficulties of obtaining new-crop supplies forced buyers to make hand-to-mouth purchases in the hope that prices would decline when permits for new-crop sugar were released particularly in view of the outlawing of the processing taxes. On the other hand fears were entertained in sugar circles as to the probable shortage in the supply for domestic consumption sugar, there being insufficient cane to cover both export and domestic quotas.

During the fourth week heavy business was transacted in the local export market in sympathy with the New York market, large quantities of sugar having been sold at prices ranging from P7.75 to P8.00 per picul. At the close of the week, however, quotations reverted to P7.75-P7.95 per picul in view of the refusal of the part of some important buyers to pay the prices asked by holders. A similar development occurred in the following week when large quantities of sugar changed hands in the local export market, mostly at P8.00 per picul. As exporters had reduced their quotations to P7.80 per picul, however, holders became uninterested in selling further. A definite step was taken by the Domestic Sugar Administration to expedite the validation and issuance of permits for domestic sugar through the proposal for the appointment of central managers as Permit Agents for the Sugar Administration. Up to the present time, however, as arrangement has not yet been consummated. During the last week, a shortage in supplies for immediate delivery, particularly of ordinary mill-run sugar, was felt, for which Chinese were willing to pay P7.80 per

picul, ex-ship Manila.

Philippine Exports: According to reliable advisers, Philippine sugar shipments to the United States during January amounted to 67,828 long tons of centrifugal and 3,335 long tons of refined. The aggregate shipments of these two classes of sugar for the first three months of the crop year 1935-36 follow:

	Long Tons
Centrifugal	116,134
Refined	3,558
Total	119,692

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his resignation, Geringer issued a statement reporting that Baguio Gold was working consistently and economically in all departments; that the policy of the company had been one of steady, conservative operation; and that the companies' properties were in excellent condition. He said that exploration plans were being carried out along lines decided for over 2 years, and that development was moving ahead on schedule.

Production for 1935 was P879,848—slightly lower than 1934; the average values per ton were lower, the increase in price of gold from \$20.67 an ounce to \$35 made it profitable to mine ore which at the lower price could not be handled economically. Tonnage was higher, and both mining and milling conditions were entirely satisfactory.

Monthly production has been increasing slowly since November, 1935, when it was P76,375; in December it was P80,990, and in January, P89,000.

Effective January 31, 1936, P. A. Meyer became president of Baguio Gold.

REAL ESTATE

By P. D. CARMAN
Addison Hills



January sales, the best total during the past five years, continue the marked improvement of last year and its 23.6% increase over 1934.

Sales City of Manila
December 1935 January 1936

Sta. Cruz	92,011	285,463
Sampaloc	156,199	645,571
Tondo	445,739	82,268
Binondo	15,500	18,000
San Nicolas	—	14,188
Ermita	18,321	103,050
Malate	169,653	94,814
Paco	15,895	39,140
Sta. Ana	26,789	33,814
Quiapo	16,560	19,238
San Miguel	4,823	—
Intramuros	—	—
Pandacan	—	—
Sta. Mesa	—	1,900
San Felipe Neri	—	630

961,290 1,338,076

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