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THE MARSMAN MAGAZINE

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MARSMAN MINES' PRODUCTION HOLDS STEADY

Coco Grove and United Paracale were the featured properties for the month of August. These properties showed an increase over the previous months' productions, with that of Coco Grove showing a marked increase.

The dredges Anne Petronella and Mary Angus dredged a total of 329,485 cubic yards of gravel from which ₱252,346.32 was recovered. This compares with ₱203,004.82 for the month of July.

United Paracale recovered ₱241,404.40 from the treatment of 9,360 tons of ore. This production compares with ₱236,501.00 for the previous month.

The aggregate for all the Marsman managed properties was slightly less than that for the month of July. This is accountable in view of the heavy rains in certain parts of the Islands, notably the Baguio district, which hampered operations considerably.

The total productions of all the Marsman managed properties was ₱1,618,866.33 from the treatment of 71,821 tons of ore, and the dredging of 329,485 cubic yards of gravel.

THREE COMPANIES PAY DIVIDENDS

During the current month, three companies under the management of Marsman & Company disbursed dividends to stockholders.

These dividends aroused considerable interest among investors in the Islands. Coming at a time when the mining industry is subjected to comment in view of the rising cost in machinery and freight, these dividends provided added confidence and stability in the industry.

San Mauricio Mining Company declared a third cash dividend this year. This is in addition to the 100% stock dividend earlier in the year. The dividend for the third quarter amounted to 40%, which is a total of ₱1,900,000 paid to shareholders during 1939.

The board of directors of Itogon

Mining Company at a meeting on August 29, declared a 20% dividend to shareholders on September 30. This dividend amounts to a total of ₱500,000.

On September 13, a meeting of Marsman Investments, Limited was held in the Marsman Building, Manila. In the absence of Mr. Marsman, Benj. S. Ohnick presided over the meeting and presented a summary of activities for the fiscal year. During the past fiscal year a net profit of ₱93,434.10.3 was made. During the year an interim dividend of 7½% was paid, and on the recommendations of the board of directors, a financial dividend of a like amount was paid. This brings a total of 15% distributed to shareholders for the past fiscal year.

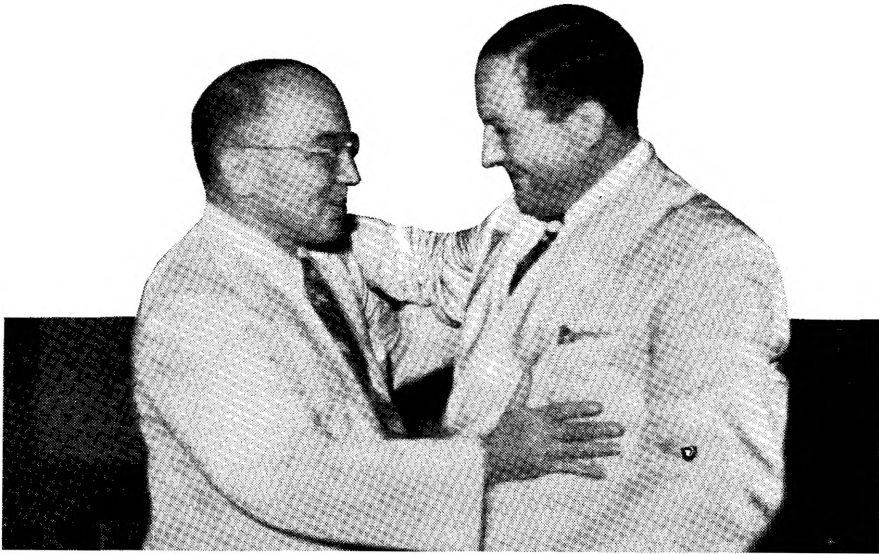
MARSMAN RETURNS TO MANILA

J. H. Marsman returned to Manila September 26 on the Philippine Clipper from a five months business trip in Europe and the United States. A large group of officials from the company along with other friends, were in Cavite to greet Mr. Marsman on his arrival.

Mr. Marsman told of his experiences in London at the outbreak of the war. The entire city was subjected to the

United States of America is our sponsor, and how blessed will we be to look to that great country as our savior in case of stress—that is if we see the light clearly as we should.”

In view of conditions throughout the world, Mr. Marsman added, “this is no time for us to philosophize or idealize. These things must be put aside for the present. We are confronted today with



“Welcome Home” was the greeting Benj. S. Ohnick gave J. H. Marsman. Ohnick was the first to meet Marsman when the latter arrived on the Philippine Clipper, September 26.

black-out law, also it was compulsory to have a gas-mask with you at all times, according to Mr. Marsman. In three days time, he said, over two million children were evacuated from London by the government.

“The most peaceful, secure and to me the brightest spots in the world today are those places where the Stars and Stripes are waving,” according to Mr. Marsman. “Fortunate were the inhabitants of these Islands when the American flag was planted here. Indeed, how fortunate are we today that the

actualities which must be dealt with in a highminded and practical manner. We look for freedom in the Philippines, but we must have security.”

Mr. Marsman flew from Europe to New York on the clipper. He commented on his departure in saying “Yes, I just came out of Europe—escaped one might say, and came through the United States. The one thought which was always uppermost in my mind, one which would not suppress itself, and that was how lucky we are. All praise to America.”

SUYOC CONSOLIDATED MINING CO.

From the treatment of 6,507 tons of ore, Suyoc Consolidated recovered a total of ₱147,375.61 during the month of August. The average per ton was ₱22.65, and the percentage of extraction 86.37%.

The total development advance during the month was 1,430 feet, of which 763 feet were in capital advance, and 667 feet in operating. Of the capital advance 119 feet were in ore, and in the operating advance 36 feet were in ore.

The 22242 drift north was advanced 53 feet on a vein 2.7 feet wide, with an average of ₱36.28 per ton. The 2242-A

raise was started off the 22242 drift north. The vein is 3.1 feet wide with better than average grade ore.

Work has been started on the battery charging station on the 2200 level. This station will be located near the #1 shaft to facilitate supervision.

Broken trommel shaft and broken drive housing on the 13-ft. classifier were the causes of low tonnage during the first half of August. Work was started on the new compressor building. Considerable surface work was necessary during the month of August for road repair and cleaning slides.

COCO GROVE, INC.

The production for Coco Grove for the month of August resulted in a considerable increase over the previous month, when two dredges covered an aggregate of ₱252,346.32 from the dredging of 329,485 cubic yards.

The dredge "Mary Angus" handled 169,005 cubic yards of gravel, from which ₱142,844.34 was produced. This represents a total dredged area of 99,680 square feet to an average depth of 45 feet.

The dredge "Anne Petronella" operated in better pay ground during August, with production showing an increase to ₱109,501.98. This represents 160,480 cubic yards dredged to an average

depth of 45 feet. The total area dredged was 95,220 square feet.

The mechanical performance of the dredges during August was satisfactory.

The suction dredge "Rotterdam", after having completed the typhoon shelter at the mouth of the Paracale River, was moved out into the Bay in order to dig the channel adjacent to the shore line where both dredges will be operating in the near future. In case of typhoons, this channel will be utilized for maneuvering these two gold dredges.

Weather conditions during August were favorable for operations.

NORTHERN MINING & DEVELOPMENT COMPANY (TUBA MINES)

The production for August was ₱52,056.99 in bullion from 2,091 tons of ore with a recovered value of ₱24.90 per ton; extraction was 93%.

Capital development was 433.6 feet, of which 30 were in ore. Operating

development was 172 feet, of which 69 were in ore. Total development footage was 605.6, of which 99 feet were in ore.

Mine and mill operations were satisfactory.

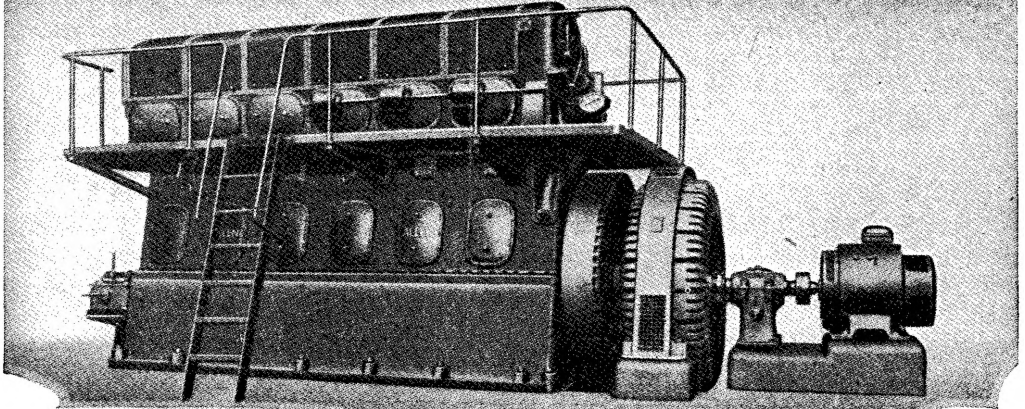
MOUNTAIN MINES, INC.

Prospecting work progressed well during August; and the underground footage for the month was 369 feet. Some of the structures being developed

look somewhat more encouraging.

A total of 6,719 meters of trail was built during August.

ALLEN OIL ENGINES

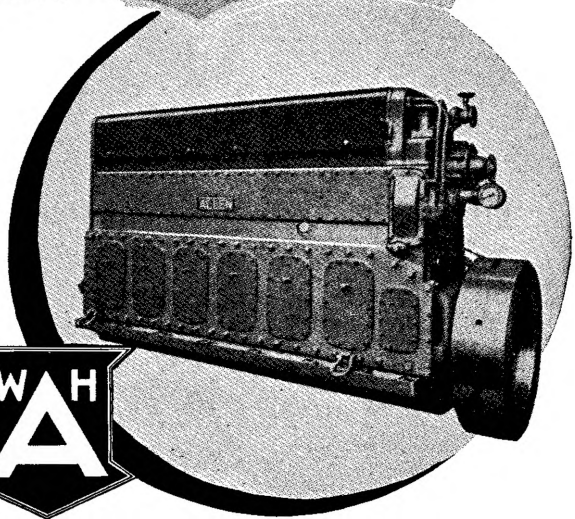


The range of Allen engines for land applications includes units from 30—1200 B.H.P., especially developed for service where the most arduous operating conditions exist.

The engines illustrated are typical of the sizes being used extensively for industrial, mining, waterworks, oil field, land drainage and other requirements at home and abroad. Above is a medium speed, 550 B.H.P. engine and 375 kW. alternator, and on the right a 600 R.P.M., 266 B.H.P. unit.

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MARSMAN TRADING CORPORATION

UNITED PARACALE MINING CO.

Operations at United Paracale for the month of August resulted in an increase over the preceding month. The mill treated 9,360 tons of ore with an average recovery per ton of ₱25.79, from which ₱241,404.40 was produced. The percentage of extraction was 89%.

The total development advance for the month amounted to 1,277 feet. Of the 956 feet of capital development, 79 feet were in ore; while of the 321 feet in operating advance, 43 feet were in ore.

On the San Antonio 200 level, 207 drift south was advanced 25 feet along the vein in average grade ore. On the McDonald 400 level, drifts 405 north and 406 north, were advanced along the vein in fair grade ore.

The 42 north crosscut east, Baluarte 525 level, was advanced 88 feet. The Baluarte No. 3 shaft will be sunk in this crosscut. The station cutting on the Baluarte 525 level is about 80% completed, and on the Longos 300 level, about 70% completed. The pump station cutting Longos 300 level is about 40% completed.

On the Longos 100 level, there was considerable advancement on the 101

drift north, 106 drift north, and the 107 drift south.

The 1 drift north, Malaguit Zero Level, was advanced 58 feet along the vein 3.8 feet wide assaying ₱46.70 per ton. The Longos shaft No. 3 was sunk 36 feet, bringing the shaft to a total depth of 345 feet. The shaft, which is now in service, will stop at this station.

In the mill, replacements were made in the crusher, and liners were changed in the No. 2 ball mill. The construction department has completed the Longos hoist house except for the floor. The Longos headframe is completed, and the ore bin is about 85% completed. The power house is half finished, and the new Sullivan compressor was put into operation during the month of August.

North Camarines-United Paracale

The total development advance during the month amounted to 103 feet, all of which were in capital development. Stope preparation is under way on vein 529, Sindicato level 0113, level 013, level 87, and level 250. The ore mined came from stope preparation, and aggregated 375 tons milled during August.

MANGANİ MINES

Underground development advance for August aggregated 1,048 feet. The shaft has been completed to No. 2 level, or 425 feet below the collar. Ore from development headings, hoisted and stockpiled during August, aggregated 1,040 tons.

Machinery for the mill is arriving steadily, but some of the equipment has been delayed beyond the dates promised by the manufacturers. This, coupled with the steady and heavy rains now

being experienced at Mangani, is slowing down the construction work.

The rainfall at Mangani averages 256 inches per annum and this year the autumn rains started one month earlier than usual.

While every effort is being made to complete erection of the mill as rapidly as possible, it is now indicated that the mill will not be ready until the end of November.

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SAN MAURICIO MINING COMPANY

The production at San Mauricio for the month of August was maintained on a steady level with the previous levels when a total of ₱535,458.09 was recovered from the treatment of 14,674 tons of ore. This was a record for tonnage handled. The average per ton was ₱36.49, with the percentage of extraction improved over the last month to 93%.

Total development advance for the month was 1,982 feet. Capital development accounted for 1,476 feet, of which 192 feet were in ore, and of the 506 feet in operating, 259 feet were in ore.

The 200 level Spokane north drift in the San Mauricio mine was advanced 102 feet in ore averaging ₱41.30 per ton over a width of 32 inches. The

300 level south drift on the 2230 vein was advanced 90 feet in ore averaging ₱81.20 over a width of 28 inches.

The 750 level shaft crosscut was advanced 163 feet in hard granite gneiss.

Capital development on the vein in the Santa Ana mine was limited due to the hoisting equipment being kept busy handling ore. A larger hoist and a new steel headframe are now being installed at the Santa Ana mine.

The Spokane shaft was sunk a total of 24 feet.

Excavation for the 8,000-ton oil tank was completed. Operations on the property were normal during the period under review.

PHILIPPINE SMELTING COMPANY

All units worked very satisfactorily and at full capacity. The sintering machines and blast furnace showed 95.4% and 100% operating time respectively.

The smelter set a new all time high for material smelted and values shipped. Total gross value of shipments amounted to ₱1,046,633.27.

Smelter products shipped to the refinery during the month were as follows:

	Tons	Ozs. gold	Ozs. silver	Lbs. copper	Lbs. lead
Smelter concentrates ..	184.46	5,676.67	28,894	209,480	—
Bullion	13.41	7,787.12	4,799	11,525	—
Cottrell dust .	83.66	42.82	518	—	71,709
Total ...	281.53	13,496.61	34,211	221,005	71,709

Ratio of concentration was somewhat lower (10.32 to 1) due to the greatly increased amount of copper being received. Increase in amount of copper was 70% over any previous month.

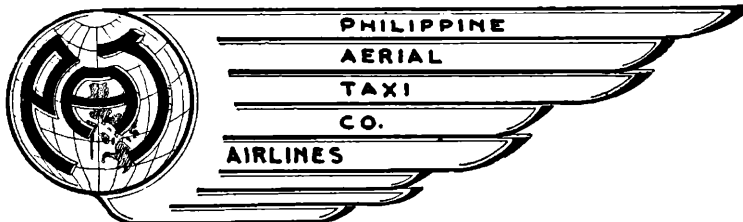
A total of 3,064 tons of material was smelted, of which 2,043 were concentrates, 325 tons limerock, 152 tons siliceous ores, 52 tons flue dust, and the balance smelter secondaries, and 280 tons of coke were used which amounted to 9.14% of total fluxed charge.

Excavations for the new bag house have been completed and the construction work has started. The large #5 Mace furnace is being conditioned and will be put into operation during September.

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ONE WAY P25
ROUND TRIP ... P45

PARACALE -

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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

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J. H. MARSMAN, President

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SPEED

SERVICE

ITOGON MINING COMPANY

The tonnage mined and average per ton at Itogon showed a decrease from the previous month. This may be attributed mainly to the water seepage having penetrated to the lower workings of the Gilkison split causing the 450 level stopes to become very heavy, the consequent result being a decrease of tonnage from the section of the mine providing the best ore.

From the treatment of 27,270 tons of ore, Itogon recovered a total of ₱352,725.25, for an average per ton of ₱12.93. The percentage of extraction was 87%.

The total development advance for the month amounted to 3,437 feet. Of the 2,647 feet of capital development, 1,009 feet were in ore, and of the 790 feet in operating, 409 feet were in ore.

Sesame:

Work on the 23 vein has given good results, especially on the 200, 300 and

450 levels. The 400 level has reached the Balatoc endline after advancing through ore which averaged ₱25.30 across the width of the drift. Average values were mined on the 700 level and around the new 800 level.

On the 100, 350, and 500 levels of the Sesame vein, drifting operations opened up ore of average values.

Taka:

The results obtained from operations in Taka have been quite satisfactory, ore of good value being taken from most of the workings. The shaft guides have been replaced up to the surface. The placing of I-beams and removal of timber in the main shaft between 300 and 350 levels was completed.

Due to the heavy rains the construction department was kept very busy. Operations in the mine and mill were satisfactory during August.

REPUBLIC STEEL JOINS MARSMAN TRADING

On September 1, 1939, Marsman Trading Corporation announced to the Philippines the exclusive agency for specialty products of Republic Steel Corporation and its various subsidiary companies.

The Republic Steel Corporation with its more than 40 mills and units is the third largest steel manufacturer in the United States. Of these many lines, perhaps one of the best known is the Truscon line of steel windows and doors. These products have been widely sold in the Philippines, and have been utilized in a large majority of the more important construction projects.

The Republic line which Marsman Trading represents, however, includes hundreds of items covering practically every requirement for steel and iron products. Among the more important of these are Enduron stainless steel, Tuncan iron and Exlite tinplate manufactured by Republic Steel Corporation; Berloy steel lockers, Acme nest-

ble steel culverts and steel shelving made by Berger manufacturing Division; cold drawn castings and shapes, and pump and piston rods by Union Drawn Steel Division; Weltrus steel poles and metal lath from Truscon Steel Company. In addition to windows and doors, Electrinite steel tubes, bedstead tubing, and Fretz-Moon conduit from Steel and Tubes, Inc. The Nile Steel Products Company produces stampings, press steel parts, barrels and drums.

A. A. Fraser, who has been in the Philippines for several years, is in charge of Republic Steel Division in Marsman Trading. Mr. Fraser first joined the Republic organization through the Truscon subsidiary fifteen years ago. His wide and varied experience in steel business, assures a thorough representation by Republic Steel. Assisting Mr. Fraser will be Mr. Wm. Maguire who for the past six years has been engaged in the construction materials business in the United States.

TEKTITES OF COCO GROVE

(PART II)

By D. VAN EEK

DESCRIPTION

The tektites of Coco Grove have a fresh appearance and some of them show very tiny protuberances. Many specimens are broken by rolling through the iron screen, they can not have been transported. Consequently, they must be lying in the same place where they fell. Nearly all of them show a flat or slightly round bottom side, presumably the side they fell upon. The flat bottom side shows the typical chicken skin pitting but in most cases no grooves; the upper side shows grooves as well as pitting. Sometimes larger holes are seen on the surface but these can be considered as only a coarser pitting. Queer curves and spiral-lines are sometimes shown on the surface; these are considered to be fluxion lines.

CAUSE OF THE LINES OF FLUXION

When a meteorite (or tektite) enters the earth atmosphere with a cosmic speed of ca. 100 km. per second (62 miles per second) its temperature of the skin and interior is raised due to friction with the air. Only the surface temperatures can reach a very high temperature ca. 1500° C) and can become fluid, and commence to give off light at ca. 150 km. above the earth's surface. The high temperature penetrates only about 1 mm. into the body and the interior rises only very slowly in temperature. Consequently the larger the body, the cooler the center; on its way toward the earth the fluid material flows over the surface and is wiped off forming the fiery tail of the meteorites (or tektites) and drawing lines on its surface, the fluxion lines, which can form queer spirals due to the rotation.

CAUSE OF THE SURFACE PITTING

The chicken-skin pitting has been caused probably by rapid cooling. It

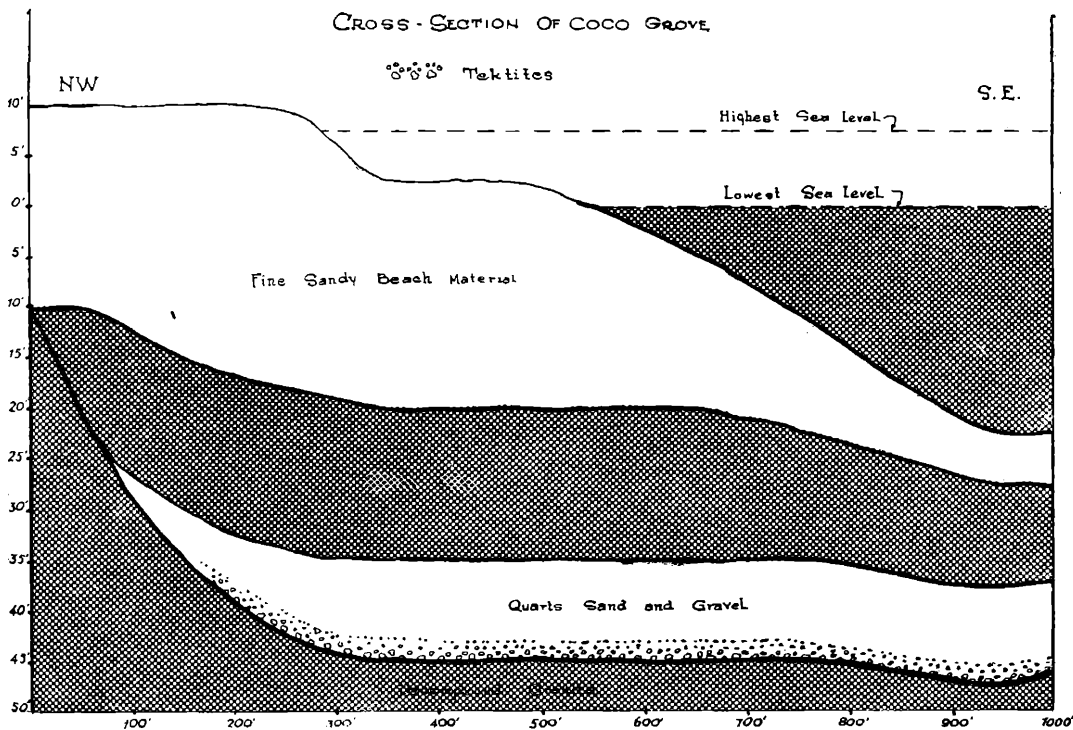
has been believed by some authorities that the pitting is caused by small pieces being broken off the surface by friction of the air, causing the chicken-skin pitting and larger holes. But the latter is impossible for pitting is also found on broken fragments.

CAUSE OF THE GROOVES

The grooves are also considered by some to be caused by etching and have been produced artificially by fluoric acid on a fresh tektite surface. But examination of the larger specimens showing clear and regular grooves show that the grooves are cracks probably caused by the shock when the tektite hits the earth surface. Before they reached the ground tektites assume a sphere (or drop) form. We consider a sphere of a homogene substance dropped down just as a tennis-ball drop upon an unyielding surface, the sphere will transform itself to an oval as soon as it hits the ground.

But as silica glass is nonelastic as a tennis-ball, it will soon be impossible for it to transform any further and then it will break; cracks will appear in two systems. One system of crack will be perpendicular to the direction of the largest expansion (extension), these are called *tension cracks*. The other system will occur at an angle to the direction of the largest contraction (pressure); these are called *shear cracks*.

Other geologists consider that the pitting is caused by etching with fluoric acid which might be present in the ground water. In the mines near Coco Grove no fluor-minerals are known to occur, consequently there will be no fluoric acid in the ground water and a stronger reason is that clear transparent quartz crystals are found in the same sands containing tektites. Those crystals are not etched. Why should the silica of the tektites have been etched and the silica of the quartz remain unaffected?



METHOD OF OPENING CRACKS

In most instances, the bottom of the grooves is found covered with some reddish material which simulates burned clay, consequently, the tektites might have fallen at a time when the entire Coco Grove property was covered with sea, marsh, or mud flat, on the bottom of which the clay was lying. Considering that the tektites were falling into the water or marshy land, the surface layer would be cooled off more slowly and retained a greater plasticity. Therefore, the surface layer reached first the stage of cracking while the inside kernel (containing a gas-hole) could transform itself still further without cracking and tore the cracked pieces of the surface layer out of each and opened up the cracks. That those cracks have been torn apart is still

shown by tiny striations on the bottom of the grooves.

Sometimes the surface layer will break off and we find fragments. The larger tektites were more often affected in this manner. These fragments also show striations.

The smaller tektites, that is, those lighter than 80 grams, do not show shear cracks but in most instances tension cracks appear. Below 30 grams they generally possess a slaggy appearance. The white material sometimes found in the grooves is decomposed granitic material from the bedrock.

According to previous examinations changes in temperature will cause scant contraction or expansion of these silicates, therefore, the grooves are not the result of cooling. (As no laboratory work has been done, it has not been proven here).

THE AGE OF THE TEKTITES— PLEISTOCENE — OR RECENT?

Shells found in the pay dirt are similar to those which are found on the beach, as far as can be roughly judged. A careful study by an authority on shell forms might date them more exactly. The entire complex of layers may be formed in ca. 20,000 years or less if no layers are missing. If a thorough microscopic investigation should be made of the sand, the exact stratigraphic horizon where the tektites dropped might be found as that place might be marked by large quantities of tiny tektite fragments and probably by changes or burning of the layer. If that is known, a calculation of the age of the covering layers will give the age of the tektites. At least 10,000 years ago the Stone Age people used them as charm stones and made implements of them such as arrow heads, scrapers, etc.

USE—PRACTICAL APPLICATION

The gold panners of Paracale have known for hundreds of years that tek-

tites were characteristic of the sands carrying the largest quantity of gold and consequently they called tektites the Mother of the Gold. As tektite must have been falling shortly (geologically speaking) after the deposition of the pay dirt, they may be useful also in other regions to mark the gold bearing sands.—In addition many University museums are interested in these tektites, and it would be a form of advertisement if Coco Grove Inc. would present some nice specimens as a gift.

Besides marking the pay dirt in Paracale Basin and thus providing a readily visible marker, they maybe useful for correlation purposes, assuming a single fall. In addition, they possess scientific interest as possible representatives of fragments from a source outside of the hemisphere, and consequently having some bearing on earth history and the composition of original material of the earth. As they possess scientific value, a collection of tektites might be saleable to scientific institutions or to other interested persons.



A. F. Kelly, treasurer of the Marsman-managed companies, and of Marsman & Company, left September 21, on the President Coolidge for San Francisco where he will be temporarily attached to Marsman company of California at San Francisco.

Mr. Kelly joined the staff of the company in November 1931. Prior to his engagement with the Marsman enterprises, Kelly had wide and varied experience in finance and banking. A great part of the intricate mine-accounting system used in Marsman operations is the result of his work and instigation.

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MARSMAN EXPLORATION COMPANY (TWIN RIVERS)

The production for August was ₱13,049.09 in bullion from 9,758 tons of tailings sand with a recovered value of ₱1,336 per ton; extraction was 43.5%.

Only a small quantity of sand was recovered from the Benguet Creek sand trap, as the river was high throughout the month. Most of the sand milled was taken from the storage pile.

Repairing of the Benguet Creek sand trap was completed during August, and the rebuilding of the Balatoc Creek diversion works and sand trap should be finished by the end of September.

The tonnage milled during August was low because the plant was shut down the first 5 days when the roads were blocked by slides, preventing delivery of fuel and other supplies.

The feed end of this mill developed cracks which could not be repaired by welding, necessitating the shutting down of this unit until a new feed end can be cast by the Atlantic, Gulf & Pacific Company. The cracks developed because the mill was run without liners by the operators of the former company, and this resulted in undue wear of the feed end shell.

New pumps and jigs, a new compressor, and a new precipitation unit were installed during August. New Falk reduction gears have been installed for both ball mills, increasing the speed from 20-1/2 to 26 RPM. These improvements should result in finer grinding and better recovery.

ROYAL PARACALE MINES, INC.

The production at Royal Paracale Mines for the month of August was higher than the preceding month, with a total of 2,161 tons treated for a total recovery of ₱20,313.13. The average per ton was ₱9.40, with extraction at 82.24%.

The total development advance during the month was 1,419 feet; 1,160 feet were in capital development and 259 feet in operating. Of the capital, 72 feet were in ore, while of the operating 71 feet were in ore.

Stoping operations were carried on the following stopes: 150 hanging wall, 530 West, 200 West, 250 West, 75 West, 23 East, 684 West, 730 West, 135 West and 63 West.

The #5 level is being extended west

to prospect the area under stopes at the #4 level. The #1 prospect raise has been connected to the 1304 level.

The #5 crosscut tunnel at Luya has been cleared out and retimbered and a counter drift is now being driven. It is intended to drift both east and west along the vein into the old surface stopes.

The Denver mineral jig has arrived and will be installed at once. The fine ore crusher installation has proven a decided success. The construction department has completed the new cooling water tower and a new cooling water sump tank.

Operations in the mine and mill for the month were normal and satisfactory.

MARSMAN POINTS TO EXPANSION IN EARNINGS IN REVIEW OF FIRM'S GROWTH

Summing up the growth of Marsman Investments Limited during the past fiscal year, J. H. Marsman, chairman of the organization, points to the expansion in the earning power of the company and to the consequent payment of a sizable dividend as a result of these increased earnings. He incidentally reports in this connection that the company's directors have recommended a final dividend of 7½ per cent, or a total distribution of 15 per cent for the past fiscal year, with the earnings of the company having justified the payment of this additional amount.

Speaking on the effects of the war on the mines, he said that, while there is a feeling here of immunity, the close bond which ties the Islands with the United States having minimized the danger from the war, "we did not close our eyes to this eventuality..." He states that all the mines under the management of Marsman & Company have augmented their supplies so as to provide for nine months continuous operation, a precaution taken by the company before the outbreak of the war against any adverse international situation that might arise.

Mr. Marsman's speech was read at the fourth ordinary general meeting of Marsman Investments Limited, over which Benj. S. Ohnick, first vice president of Marsman & Company, presided. Pertinent portions of Mr. Marsman's speech follow:

"At the last Annual General Meeting, I had to report a deficit of ₱5,905.9.11 in our Profit and Loss Account for the year. During the past fiscal year, we have made a net profit of ₱93,434.10.3. During the year we paid an interim dividend of 7½% and have carried forward to surplus the sum of ₱58,234.17.-7d. The earnings of your Company have been such as to justify the payment of an additional dividend to shareholders and your Directors now have recommended a final dividend of 7½%, making a total distribution of 15% for the year.

"If you will refer to the surplus accounts of Marsman & Company, Inc.

and Marsman Trading Corporation, its subsidiary, you will see that these companies have added very materially to their surpluses, the former to the extent of ₱1,968,918.17 for the fiscal year, and the latter to the extent of ₱212,303.14 for the sixteen months' period ending April 30, 1939. By referring to these accounts, you will see that the combined surplus of these companies amounts to ₱4,819,773.79.

"As you know, the principal income of your Company is derived through the business and industrial operations and enterprises of its subsidiary, Marsman & Company, Inc. Since the conclusion of the fiscal year, there have been substantial improvements in the producing mines in which your company is interested, and except for Coco Grove which is a placer operation, the ore reserves not only have been maintained but, in some instances, notably Itogon, the ore reserves have materially increased. In the case of Coco Grove, other proven and promising properties are being investigated and if interest be acquired we hopefully expect the operating life of this Company will be prolonged and its earnings correspondingly increased. Present ore reserves of Itogon Mining Company now have an estimated value in excess of seven million pesos, or double the amount stated in the report before you. Careful planning and sound management have placed the producing mines in splendid operating condition. Total production now well exceeds ₱150,000 monthly, and unless disturbed by unforeseen events, we confidently expect the continuance of this satisfactory revenue for many years.

"While we in the Philippines had a feeling of immunity from war and the ill effects of war upon business here, nevertheless, we did not close our eyes to this eventuality, even though danger therefrom be minimized due to our close bond with the United States of America. Now that war round about us is an actuality, I pause to explain that ordinarily and as a matter somewhat of general practice, mines in the

islands have been carrying operating supplies more or less for a quarter year period. Mindful of adverse international situations which might develop, I must tell you that all the producing mines of which Marsman and Company, Inc. are managers, already have augmented their supplies so as to provide for nine months continuous operation. In other words, they are maintaining reserve supplies for six months in addition to the usual provisioning for three months. This necessarily has entailed the tying up of considerable funds, but I am sure you now will compliment the directors of these various mining Companies in the adoption of that protective policy which was recommended by Marsman and Company."

Regarding the organization's investment in other countries, he says: "Owing to the hostilities in China it has been impossible to date to proceed with the original plans for which the Marsman Hongkong China, Ltd. was formed, namely, to participate in mining and engineering projects in that country. Consequently, the results to date have been negative. I am informed, however, that arrangements are now being made to acquire on advantageous terms interest in a fully tested and promising placer mining property in favorably situated British territory likely to be much less in-

fluenced than ordinary by general war disturbances. While at the moment nothing in the way of trade, commerce or industry in the world is predictable with precision, and vision cannot be projected too far in the future, nevertheless, entry into this new field is looked upon with considerable enthusiasm. Also this company in its metals trading department, with considerable stocks of antimony and its producing wolfram mine, though small, stands, I should say, in a splendid position having as it does excellent established connections and facilities for marketing including arranged control of Metals Trading Company of London which is actively engaged in the metals market.

"The milling plant at Mangani with a capacity of 200 tons daily is nearing completion and it is expected that production will commence by December. Latest reports from the mine show that developments there continue to be very satisfactory.

"In addition to the Mangani mine, other properties have been acquired in the Dutch East Indies and are being developed. It is confidently expected that at least one or two of these properties can soon be put into profitable operation, which will add considerably to the earnings of 'the Marsman Algemeene Exploratie Maatschappij.'"

BINDERS AVAILABLE

Binders for The Marsman Magazine may be obtained at a cost of P2.25 each, by addressing the Editor, Marsman Building, Port Area, Manila. These binders are of the spring-back type, and

will hold one complete volume, 12 issues, of the magazine. Those who so desire can have their names stamped in gold on the cover of the binder for P.50 for each binder.

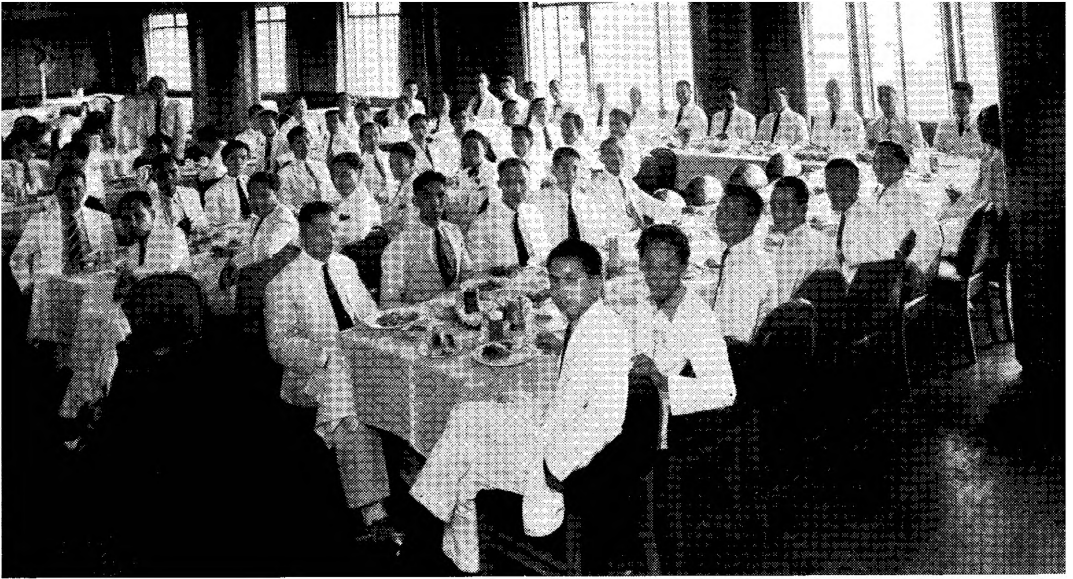
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The accountants of Marsman & Company gave a luncheon in honor of Mr. Kelly in which they whole-heartedly expressed their appreciation for his many kindness in the past. Mr. Kelly spoke at the luncheon saying that he is still connected with the company and his leaving for the United States was not to be construed as a separation.

DANKWERTH RETURNS

George C. Dankwerth, vice-president of Marsman & Company, returned with Mrs. Dankwerth from a five months business trip in San Francisco. Mr. Dankwerth said on his arrival that "the Philippines is not in danger of losing her trade with Europe as a result of the conflict, which is contrary to general belief that armed hostilities will close all trade channels between the Philippines and Europe." He added, "The Philippines trade position with Europe should be substantially strengthened in the future. While there will be some disruption of service during the first few months of the war, I believe England will maintain the Mediterranean routes open.

"The Philippines major export products will doubtless increase in prices. There is no danger in losing the trade in copra, hemp, and coconut oil, because if the European countries want these commodities, they will get them."

Mr. Dankwerth was of the opinion that business in the States looked bright, and with the prospects of buying from

the nations at war, heavy industry will certainly move into capacity operations.

* * *

H. A. Doornbosch and Maurice Francisco arrived on the Empress of Asia, September 10th. Mr. Doornbosch, nephew of Mr. Marsman, has been in England for the past two years with W. H. Allen & Sons, Ltd. Mr. Francisco has been at the San Francisco office of Marsman & Company for the past six months.

* * *

J. H. Winiker arrived from the States on September 10th to join the staff at United Paracale Mining Company.

* * *

J. Howard Hell, mine superintendent at Tuba, spent several days in the hospital here due to injuries received from a falling timber in the main shaft of the mine.

* * *

Mr. C. H. Hirst, vice-president of Marsman Trading Corporation, sailed on the President Coolidge September 21, accompanied by his family on a six months' leave of absence.

PERSONALS

Mr. R. H. Canon, Assistant Southern Division Manager, accompanied by his family, returned from 6 months' leave of absence on September 7.

* * *

Mr. J. H. Howie of the Marsman Hongkong China, Ltd., arrived by "Clipper" from Hongkong on September 15 and returned to Hongkong by "Clipper" on September 19.

* * *

Members of the staff of Marsman & Company, Marsman Trading Corporation, and their guests were hosts to Mr.

and Mrs. George C. Dankwerth, who arrived from San Francisco on September 18th, at the University Club. The party combined a despedida and bienvenida for members of the company. Mr. and Mrs. C. H. Hirst of Marsman Trading Corporation were told farewell by their many friends at the party. They are leaving for a vacation trip in the United States. Mr. A. F. Kelly, treasurer of Marsman & Company, was also feted at the dinner. Mr. Kelly left for San Francisco.

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NORMAL OPERATIONS

During the month of September, and particularly since the outbreak of hostilities in Europe, there has been little encouragement in the local gold share market. Although operations in the majority of the companies have been normal, the quoted market prices on the shares have declined, presumably because of predicted rise in costs of operation.

A survey was made recently to determine the position of the companies with regard to necessary mining supplies. It was learned from the companies, almost without exception, that their inventory is sufficient for operations along a normal basis from six months to a year. The majority of the companies have placed sizeable stocks in the Philippines in order to circumvent an emergency such as may arise from the war situation. Necessary to the mining industry include such items as steel, dynamite, fuel oil, and chemicals. With these supplies on hand, companies have assured stockholders of an uninter-

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THE MARSMAN MAGAZINE

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NOTE: All ore values, bullion figures, etc., given in this magazine are expressed in pesos based on gold at \$35.00 an ounce and silver at the market price. Figures given in monthly reports are based on mine assays, and may differ to some extent from final mint or smelter returns.

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RALPH KEELER, Editor and Business Manager
DEAN L. SCHEDLER, Acting Editor

rupted operating program for several months to come.

It is true that replacement prices of certain items have gone higher as has the cost of freight and war insurance. Notwithstanding these increases in cost it would appear logical that yield will be dampened but little in face of supplies and inventory on hand.

That the industry has full confidence in the future regardless of harmful possibilities has been the disbursements of dividends by at least five companies during the past month. These dividends have been paid out of earnings and with the knowledge and recommendations of companies with competent directorates. It is certain that the paying of these considerable amounts would not have been recommended had there have been substantial fear in the various companies.

The market has generally depreciated in value on gold stocks, compared to the

rise and demand in base metal issues. However, it has been stated that on the basis of present values, a very liberal discount has been placed on the market on the theory of material increase in operating costs.

Roger W. Babson, renowned statistician, who recently visited the Philippines painted a very cheerful picture for gold mining shares in the near future. He informed the press that he was of the opinion that gold mining shares should be constructed in as favorable light as steel and copper as long as the war continues. He has also stated that there is a great possibility of inflation. Needless to say such a move will very definitely benefit the gold mining industry throughout the world, and particularly in the Philippines where the industry has but a modest start.

The apathy which has seized investors should be disillusioned in face of these statements.

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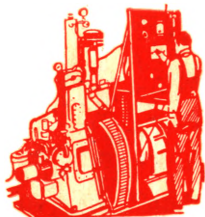
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