



Culled from the News

CHROMITE: Luzon Consolidated Mines and Company, Inc., announced last month that it had 1,800 tons of chromite ore in its stock pile at the company's Lucupan pier, and about

7,000 tons ready for blocking and shipment, all valued at approximately P176,000. Positive ore on the company's property has been estimated at from 100,000 to 125,000 tons,

with an equal amount in probable ore. These deposits are said to have been found within a limited area of about 50 hectares on the company's claims, where several deposits have been discovered, but have not been developed.

Luzon Consolidated made shipments of chromite ore to Japan and Europe from February, 1937, through June of this year. The company has resumed active operations on its property, and last month prepared a sample shipment of 3,000 tons, 1,000 tons of which has been shipped.

AMALGAMATED MINERALS, Inc. announced last month that it had started loading manganese ore from one of its properties for shipment abroad. The company did not make any shipments during September, due to inclement weather, it was said.

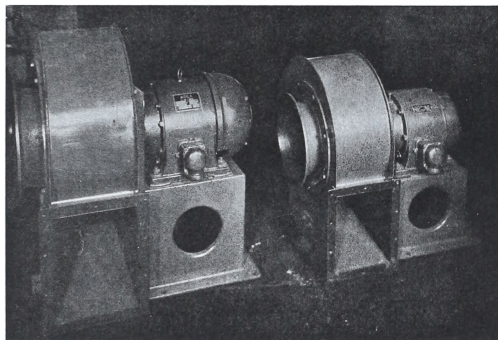
BATONG BUHAY: Engineers of the Bureau of Mines having placed a minimum valuation on the property of P498,488, the Securities and Exchange Commission released P500,000 worth of escrow stock of the Batong Buhay Mining Company.

Ore reserves of the company as of September of this year, amounted to 113,490 tons of ore and 54,914.34 ounces of gold with a value of P3,844,004.80, according to a statement made by *Thos. I. Weeks*, president of the company. The estimate of the ore reserves does not include the silver estimate of about one ounce per ton, valued at about P120,000, and about 43,125 tons of possible ore, estimated to be worth P1,500,000.

IPO: Development work at *Ipo Gold Mines* is being pushed as rapidly as possible by *Benquet Consolidated*, operators, with a view to increasing the plant's capacity, should results justify it. The main shaft is down deep—to 1,100 feet—and a crosscut is now being driven to cut the vein. Added ore reserves, if any, cannot be estimated until this crosscut reaches its objective.

IRON: *Gold Star Mining Company* shipped 5,500 tons of iron ore to Japan on the *S. S. Binaa* last month,

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Sole Agents

KOPPEL (PHILIPPINES) INCORPORATED

MANILA

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Culled from . . .

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from the port of Balaban. The company now ships ore twice a month.

SURIGAO CONSOLIDATED: Apropos of recent advance of this stock to 22-1/2, *Hess and Zeitlin* comments: "(the advance) is believed to be attributed to the fact that underground development work is opening up so favorably that ore reserves by the end of the year should be greatly increased. The company's main shaft is now below the 200 level, and at the 200 level all necessary equipment has been in place for some time. After crosscutting a short distance, the company started drifting on its main systems, and over a length of approximately 100 feet, it has found two separate mineralized zones. Drifting has been done on both zones, and values have generally exceeded the average on the 100 level.

"According to a recent report, it is expected that a larger tonnage of ore with a higher average value will be developed on the 200 than was opened up on the 100. The equipment for the addition to the mill is being received, and the foundation and buildings have been completed. A larger tonnage and a better rate of extraction should start within a few months."

CONSOLIDATED MINES: Produced metals valued at P128,270 from 5,788 tons during the third quarter of 1938. This means an average recovery of P22.23 per ton. Total production for the first nine months of 1938 is P354,373 from 13,354 tons, or an average recovery of P26.53 per ton. Operating costs totaled P230,028 during the period, leaving an operating profit for the nine months of P124,345. During this same period, the company has spent P108,159 on capitalized mine development. Mill recovery has averaged 87.04%.

SOUTHWESTERN ENGINEERING Company of the P. I., Inc., announced last month that *Fremont F. Clarke*, who has been assistant general manager of *Developments, Inc.*, and of *Mine Operations, Inc.*

for some time, has been promoted to the position of active vice president of Southwestern. Mr. Clarke will supervise the purchasing department, and assist in the sales and engineering end of the company's activities.

Southwestern, which is affiliated with *Developments, Inc.*, *Mine Operations, Inc.* and *Syndicate Investments, Inc.*, is now constructing milling plants for the *North Camarines Gold Mining Company* in Paracale, and the *Capsay Mining Company* in Masbate, and is preparing plans for several other mills in the Philippines. *Mr. S. E. Stein* is the manager of the company in the Philippines.

NALESBITAN MINING COMPANY, INC. is another company which has awarded Southwestern a contract for the erection of a mill. The Nalesbitan mill will be of 200 tons daily capacity, and is being erected on a basis of cost plus 10%.

Nalesbitan has offered P474,000 worth of stock for sale to the public, and has obtained a permit from the SEC for the issuance of all of its authorized capital of 1,000,000. The remainder, or P526,000, will be issued to the participants of an association called the Nalesbitan Venture, in full settlement and purchase of all of their mining properties together with all improvements and equipment thereon. The SEC has approved an arrangement whereby the original participants will be paid in shares at par value to the amount of P400,000 in active shares, and P126,000 in "escrow" shares.

The most conservative engineering report, that of the engineer for Nalesbitan Venture, indicates developed ore to the amount of 200,821 tons, which is a sufficient reserve to operate the mill for 3 years. It is estimated that the ore thus developed runs P13.77 per ton. No possible ore is included in the estimates.

M. E. Hubbard, P. F. Boswell and *W. W. Lowry*, engineers connected with *Developments, Inc.*, have each submitted enthusiastic reports with regard to the property.

Mr. C. F. McCormick, formerly a member of the brokerage partnership of *Mackay and McCormick*, is handling the sale of the stock issue, for a commission of 7-1/2%. Directors of the Nalesbitan Mining Company are: *Francoise Ortigas, Jr.*, President, *H. J. Belden*, vice president, *A. L. Thompson*, *A. M. Amend* and *P. A. Gulick*. *Mr. C. L. Spencer* is the general manager.

LIGUAN COAL MINES, said to be the only organization producing coal in the Philippines, has announced that its average monthly production for the first nine months of 1938 is 3,278 tons—an increase of about 1,000 tons over last year's average. Total production for the same period is 29,503 tons.

Mr. F. M. Saleeby, manager of the Liguian company, stated that two-thirds of the coal output is bought by the Manila Electric Company, while the rest is taken by boats which dock at Liguian for refueling. The property of the company is located at *Batan Islands, Liguian, Albay*.

PHILIPPINE-NIPPON MINING COMPANY shipped 900 tons of manganese ore late last month, to Japan, the company announces. Announcement was also made of a big order for 9,000 tons of manganese to be delivered next year to Japanese buyers. The order will be filled in monthly shipments of 800 tons.

MINE FACTORS, INC. reports a production of 4,800 tons of manganese ore last month. This figure is slightly less than that for the preceding month. Value of the October production is P86,000.

PHILIPPINE IRON MINES: Turned out a thumping 66,180 tons of iron ore during October, valued at P297,810. This production is P7,245 greater than that for September.

Meanwhile, **SAMAR MINING** Company produced P65,000 worth of iron from 14,500 tons of ore during October. This company is a relatively new iron producer.

MINE OPERATIONS—CAPSAY: An announcement from officials of Mine Operations, which is developing the Capsay mine under contract, was to the effect that mill construction and shaft sinking at the mine is proceeding to completion at a rapid rate. The 600-horsepower plant installation is now being broken in, and as soon as sufficient running hours have been accumulated, the plant will be put into actual operating use. All heavy mill equipment recently shipped from Manila has arrived at the property, and mill foundations are being laid. The main shaft, which will be used to mine the high-grade ore in the Nabob Vein system, has reached its objective—the 240 level. An additional fifteen feet will be sunk for a sump, and a station cut, preparatory to cross-cutting the Nabob vein at much deeper levels.

SANTA ROSA Mining Company, Inc., made the following announcement on October 26th:

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"In June of this year the Santa Rosa Mining Company petitioned the Securities and Exchange Commissioner to authorize the release of its shares held in "escrow", after our mining engineers have submitted a report to the effect that we had reserves worth P4,800,000. Acting upon this petition, two engineers of the Bureau of Mines were sent to our mines, to make the necessary examination of the property; they inspected all the tunnels for about fifteen days, and have taken samples personally of our ore in accordance with the regulations of said Bureau, which samples were assayed afterwards in the Government Laboratory giving an average value of P32.80 per ton, after which the engineers of the Bureau of Mines, in their report submitted to the Securities and Exchange Commissioner regarding this particular, confirmed that on June 30, 1938 we had ore reserves worth P3,631,208. In view of this, the Securities and Exchange Commissioner authorized us last Saturday to release the shares of this Company held in "escrow". On the 29th of this month, the books of the corporation will be closed for transfer on the so-called "Old Santa Rosa Stock". It is requested, therefore, that all holders of the same present to the Secretary of our corporation their corresponding certificates of stock which have not yet been transferred properly in their names in the books of the corporation, so that we may execute the necessary transfer not later than October 29, 1938, and before the "escrow" shares are delivered to their owners." (50,000,000 shares)

The Balatoc . . .

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The arrangement with Benguet was made in 1927—just a year after Hausserman had arrived to close Benguet down. Benguet Consolidated agreed to spend P600,000 in putting a 10-ton mill on the Balatoc property, and got 600,000 shares of Balatoc in return—all of the shares which were still available. By 1929, the P600,000 had been repaid, and enough more so that a small dividend was distributed.

Benguet Consolidated, the courts have decided, is not a corporation, but a *sociedad anonima*, which existed under the old Spanish Code of Commerce, and is not bound by the provision of the law preventing a mining company from owning stock in another mining company.

Paul Gulick, who participated in the long struggle with the Balatoc property from start to finish, and who more than any other one man is responsible for its success, says that his experience has convinced him that mining is not a matter of luck. "It's the same as any other business", he says, "you've got to use good horse sense in mining the same as you do in merchandising, shipping, lumbering, or anything else. Luck? Sure there's luck, but there's luck in any other game".

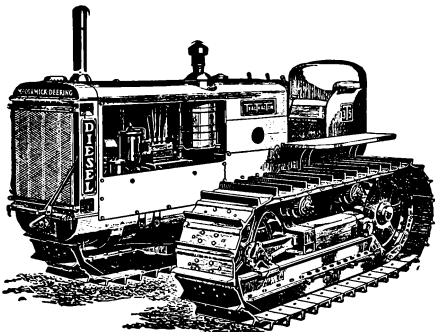
He's probably right. Certainly Benguet and Balatoc are managed today in the very best conservative business tradition. But we are curious about one thing: suppose they hadn't gone 500 yards farther up that creek?

Mining in the . . .

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option on the property and relinquished that option due to the adverse result of development. To make a long story short, in 1927 the Balatoc Mining Company, who at that time was in possession of this area of mining claims, again found itself financial-

ly unable to carry through the development of the mine. They appealed to the Benguet Company and an arrangement was finally made under which Benguet would build a 100-ton mill and carry on development of the mine at an estimated expenditure of P600,000.00. In return for the P600,000.00 spent, Benguet was to receive 600,000 shares of Balatoc stock, the full amount of stock still available and for any expenditures beyond P600,000.00 Benguet was to be returned such amounts with 6% out of the first profits. We went at this job very energetically and by the end of the following year had completed construc-



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