

Placer Gold in the Philippines: Its Probable Future

On finding a placer, the first step ought to be its thorough exploration as to richness—then consultation of experts

The Paracale region is the most famous placer gold region of the Philippines. It was being exploited by Filipinos when the Spaniards came to the Philippines in 1565 and has been steadily and almost continuously exploited since that time. Large dredges worked it profitably for years in the earlier part of the American period. It is not yet exhausted; and should it some time seem to be exhausted, no doubt a few seasons of flood and erosion would enrich it again. Placers in Colorado, supposed to have been worked out 40 years ago, have been enriched again by flood and erosion and are once more being worked.

Many men are of the opinion that there are probably few great placers in this opinion this magazine does not hold; on the contrary, it believes that competent exploration will reveal large areas of valuable placers here. This belief is not, of course, susceptible of proof except as the placers are further explored by men expert at the job. The Philippine gold industry, like the islands' farm industries, has been retarded in the past by the general ineptitude of the men who prospected its possibilities. It has generally proved true that both placer and lode mining here have rewarded the effort of the thorough-going expert. As our mining community increases and avails itself of the services of more such men as have surveyed, explored and developed the mines we now have, net results should be correspondingly better.

There are placers of all types in the Philippines, lots of them. There are small ones where one or a few men can sluice the sands and earn either fair or high wages. There are larger ones of hundreds of hectares (1 hectare is about the area of 2-1/2 acres) that might be worked with large modern dredges were access to them not mountainous and difficult. There are placers quite rich enough to work in the Benguet district, were the physical factors not too costly to overcome. In that very district, because of the physical factors, not sufficiently probed before publicity and capitalization were undertaken, a decently rich placer is, at least for the moment, abandoned.

There are placers in Mindanao, far south, and in the valleys of the Abra and the Cagayan, far north. Out of the mountains along the Pacific coast of Luzon, every stream bears gold and it is a reasonable conjecture that placer mining may some day be actively carried on along large sections of many of these streams. The basic drawback at the moment is that nearly all of the essential expert exploration of the gold-bearing streams is still to be done. About all that is of record to date is the desultory panning of the sands by lone prospectors here and there, the finding of colors and the quick cry of "Gold! I've found gold!"

Gold, yes; and pretty generally everywhere. But the cold fact is that much placer gold so discovered has journeyed far, has been ground exceedingly fine, as if in the mills of the

gods, and is not recoverable save at exorbitant cost. But this does not argue, necessarily, that many other placer deposits can not be practically exploited.

On the coast of Surigao an old-fashioned Australian dredge is making money for its owners right now. Some of the machinery companies have sold a number of machines to small placer operators; these practical machines are in operation and doing what is claimed for them, saving and lightening labor. Some of them are of the testing type, helping you recover gold while exploring your property; and they are light and portable. Others are heavy, of comparatively large capacity, and transportable only in parts, where roads are lacking, as in mountainous regions. If you are without experience in manipulating the pan and the sluice box, a placer machine, doing mechanically what muscle, skill and the sluice box does, may be the solution of your difficulties.

Buying a machine, be sure you can get it to your property and set it going. In the mountains any machine assumes 10 times the weight and cumbersome-ness that it has in the display room of a store in town. The machines come equipped with engines, separate from the machines themselves. If you already have an engine good enough to do the work, so much the better. A capital of P2,000 is enough to buy a small machine and get it going nicely. Larger machines cost about P7,000.

The experts consulted when this paper was being prepared said that there is a good deal of inexperienced exploration of placers in the Philippines, with the result that the information obtained is misleading. It is quite misleading, for instance, to depend upon assays of sands or concentrates from placers. The misleading step is the assay.

To explore a placer intelligently, use the miner's pan. Go over the property superficially at first, panning here and there down to bedrock and counting (and making careful note of) the colors from every hole you pan. In this

process, which is preliminary, you are trying to determine the axis of the placer; which we suppose to be the general flow or laid-down stream of the deposit. You then proceed more carefully, being engaged in a real test of the property for richness in gold. You block the property out, say a hectare of it, at intervals of 10 or 15 feet. You penetrate to bedrock at each intersection of the blocks. You measure your gross material, at each and every hole. You then pan all of the material from the hole at which you are working. You recover the gold, using mercury to collect the finer particles. Then you rid the gold of the mercury by use of a dissolvent. You now have gold of a sufficient fineness to count on. Or if you wish, you can have some expert determine the fineness for you.

Now weigh your gold. Compare this weight with the gross measurement of all the material from the hole whence

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PHILIPPINE GOLD STOCKS

June 13th

Companies	Sellers	Buyers
Ambassador.....	.05	.045
Antamok Goldfields.....	.50	.48
Atok Central.....	.08	
Atok Gold.....	.095	.09
Baguio Gold.....	.255	.245
Balato Mining.....	25.75	25.25
Benguet Consolidated.....	24.00	23.75
Benguet Exploration.....	14	135
Benguet Goldfield.....	.09	
Big Wedge.....	115	105
Demonstration.....	10	.09
Equitable.....	.06	
Fortuna.....		.07
Gold Creek.....	1.25	1.00
Gold River.....	.18	.175
Gold Wave.....	.09	
Gold Eagle.....	.65	.50
Ipo Gold.....	2.20	2.00
Iloron.....	3.90	3.80
Midas Mining.....	1.50	
Mindoro Gold Co.....	.12	
Mineral Resources.....	.09	.08
Montezuma.....	.40	.35
Padcal Mining.....	.85	
Philippine Chromite.....	.07	
Placer Operating.....		
Prosperity Placer.....	.70	
Salacot Mining.....	.105	.10
San Mauricio.....	.065	.05
Shelvin Gold.....	1.00	.75
Southern Cross.....	.25	
States Group.....	.09	
Suico Consolidated.....	.38	.37
United Paracale.....	.10	
Universal.....		
Virac Exploration.....	.115	.10
Zamboanga.....	.09	

Placer Gold . . .

the gold came. You know the standard value of gold, \$20.67 an ounce. Comparing the value of the gold with the gross measurement of all the material whence it came, you can readily determine, from the combined data from all the holes sunk over a hectare of the placer, what that section of the placer will run per cubic yard.

It is plain enough that honest exploration of placers entails much hard work. However, from the very outset you are recovering gold. If you make wages, or the men doing the work for you turn in gold enough to cover their wages, keep on until you definitely know what your placer can produce. Working thus diligently and keeping careful data, supplemented perhaps by a map with the borings numbered on it, you will have a report in the end that will deserve the attention of men with money to finance genuine placer work. Add something about the lay of the country, whether the placer has been consistently panned by the local inhabitants in the past, etc., and you are in a position to speak for your interests.

Who knows but that in exploring placer ground in this way, you will come upon lodes?

It is this kind of placer prospecting that this magazine believes will reveal numerous valuable placers throughout the islands where large dredges may be put into operation. Initial success with one would make financing of others comparatively easy. It is deemed a grave injustice to our mining industry, our placers especially, that in the islands financing of projects has been precipitate. For it has given our placers a setback, condemned the possibly good ones along with the proved bad or impracticable ones. However, we hear of high values (placers yielding 35 cents to 50 cents per cubic yard) and big money makers for big engine dredges in placers in Abatan (near Mindanao). There, then, let exploration be thorough. In Mindanao, once 3 separate islands, (E. H. Taylor's observations on the reptilia of Mindanao), valuable accessible placers would, it would seem, be a logical discovery. The one at Lianan, where the dredge is at work, may be the forerunner of many.

offered in the China market, for example, for sugar when his neighbor still has hopes of being able to sell his sugar next year in the highly protected American market.

Whether to hold the entire surplus of 250,000 tons until the 1935 American quota becomes available or whether to market a part of this sugar elsewhere, is a vital issue which can be determined only by cooperative action either from within the entire industry or under Government control.

If the entire surplus is carried over to 1935, there is the possibility of a half million or more 650,000 tons for the American market. If all the cane now in the fields is milled, the production this year will be as great as this past crop, or greater, therefore at the end of next year's crop, provided all cane is milled, the surplus will be double of what it is this year and would undoubtedly be a half million more. If the cane is to be milled, it might be well to bring about cooperative action to develop foreign markets even on a small scale without delay. The only other alternative is not to mill the cane.

A most interesting feature arises in the Tydings-McDuffie bill which will supercede the Jones-Costigan bill as far as sugar matters are concerned as soon as the commonwealth government becomes operative. Under the present bill, sugars in excess of the Philippine quota may be shipped to the United States provided they pay the full duty. There are a few countries such as Santo Domingo which have no marketing preference anywhere. If prices are high enough in the United States, Santo Domingo can always sell some sugar in America, paying the full duty, she can also sell sugar in Canada. Philippine surplus sugars could follow this example.

This is not an argument in favor of continuing the production in the Philippines on its present basis. Technical differences between the Jones-Costigan bill and the Tydings-McDuffie bill as they apply to the American market may have some practical value. Sugar production including the next crop should be reduced "until it hurts". It will be easier to build up production if markets which at present have only an uncertain outlook should develop promisingly.

Any legislation to control sugar production should bear in mind that the welfare of the Philippine people would be increased if such a vital food product as sugar becomes available to them at more reasonable prices than have prevailed in the past. Therefore, there should be ample allowance made for Philippine home consumption on an increasing scale.

Moreover, the possibility of developing markets outside of the United States should not be entirely overlooked and governmental action should be flexible enough to provide for the development of such markets. In other fields of agricultural endeavor, the Filipino people have shown remarkable ability to "take punishment" and otherwise adapt themselves to changed conditions. The sugar people are the most highly trained agriculturalists in many respects and that they shall use their knowledge of scientific agriculture in other directions than sugar to good advantage may be fully expected.

The situation is anything but hopeless. It is time that the Philippines should join in the world endeavor to stabilize sugar production and bring about higher price levels. The situation demands self-sacrifice and unselfishness and a willingness to abide by government rulings. In other words the situation offers a splendid test for a demonstration of civic obedience and willingness on the part of all to cooperate for the common good.

Philippine Folklore Rich

There has been a good deal of inquiry of late, at the chamber of commerce, for Philippine folklore; and some of these inquiries betray an assumption on the part of the inquirers that there is a dearth of folklore here. The opposite, of course, is true. Traditions of all Philippine peoples abound with richly imaginative legends and folklore; quite a good collection is in a volume sold by the Philippine Education Company, on the Escalota. But a great deal has not

been formally published, there is still the opportunity for some diligent research in Philippine folklore and the publication of a new volume of it. Among all Philippine peoples, for example, persist stories of the creation, of the fall, and of the flood—all these antedating the introduction of Christianity into the islands.

It is suggested that the right place to go for folklore material of the Philippines is to the University of the Philippines, where, in convenient nooks of the new library, the references are to be found. The student who is interested, of course, interviews with Dr. H. Otley Beyer of the department of ethnology and anthropology. Considerable folklore has been published in our own pages, from time to time, but, comparatively, only a few of the more striking pieces. To what we have the earnest researcher is most welcome. We don't wish that sort of thing nowadays.

—W. R.

Britain Coming Out of It

Extracts from a cultured Welshman's letter:

"We seem quite definitely to be getting out of the wood here. One really feels that the depression is lifting. The government's financial policy has been successful, as you have heard, and the year closed with a handsome, though so-called, surplus. Anyway, there is 6d in the pound off the income tax, which should be a fine leg-up to industry; and half the salary cuts in the civil service are restored, with half a promise of full restoration next year. But we are still without any real policy for fiscal reorganization and the attempts made to work out some sort of a plan with the dominions don't appear to have had much success.

"Situated as we are, perhaps, planning is difficult; but some reorganization has been attempted at home, notably in agriculture, but with questionable success. The iron and steel industry has been welded into a whole, and there are hints, at least, if the main owners and the cotton magnates don't get busy and reorganize their industries soon, it may be done for them.

"There are many who feel that though Japanese competition and the circumstances of the war are important contributory causes of the decline of our cotton trade, the rock-bottom cause is lack of rational organization in Lancashire itself. It is an old industry, of course, and conservative to the last gutter. Perhaps a conservative government will change all that.

"It is a curious government we have. Of course it is no longer National; indeed it never has been. It is run by the old crowd. Its backbenchers are numerous and with nothing to do, they go chasing after our wholly admirable B. E. C. and all kinds of footing things. A section headed by Churchill and Lord Lloyd (formerly of Bombay and Egypt, governor of both) have long opposed the governing National party, which is mainly MacDonald's and Baldwin's, but to no purpose; the scheme will go through in the end, though no one is in a hurry while the depression lasts. Burma, too, will get separation. That, I think, is very sound; its connection with India is an accident of history.

"Actually, in the government MacDonald is a mere figurehead. Its supreme genial old Baldwin is the power, though Beaverbrook in the *Daily Express* has never dropped his campaign to turf Baldwin out of leadership of the Tory party. Who would succeed Baldwin as its leader I couldn't say. Neville Chamberlain is not a man of attractive personality. It looks now as though the government will run its five-year campaign. Labor seems utterly down and out now, again without real leadership. But no doubt there will be a great reaction to this government when the general election comes. Unless we are right out of the wood by then and the National government will be safe on the strength of the kudos won.

"But I seem to recall that Keynes once said 'the last depression lasted 500 years—the middle ages' so we shan't live to see it out!

Philippine Sugar's Position

A conjunction of circumstances is adversely affecting the Philippine sugar industry, which has the United States for its sole export market.

Of primary importance is the Jones-Costigan Bill Quota. Under which the Philippines are prohibited from shipping more than 900,000 long tons a year, into the American market, dating back to January 1934. The industry besides producing 100,000 tons for local consumption reckons to have available for export this year 1,200,000 tons; to apply the above quota as of January 1934, a possible carry-over of 300,000 long tons. Practically all of the 900,000 tons applicable to the 1934 quota has been shipped and there are close to 200,000 tons of sugar stored in the Philippines which have an uncertain status under the Jones-Costigan bill.

Some six mills still have to grind a large percentage of their crop and the sugar to be produced by them as well as the sugar on hand in the Philippines maintains a very indefinite status.

The local market price at which some of this sugar is being offered already reflects this condition and it may be correctly assumed that when the local price of sugar reduces local consumption will increase. Only the most optimistic observer could expect an increase of 50% in local consumption, which would still leave 250,000 tons of the 1933-34 crop to find an export market. This might be a good time for the islands to test the export field for both centrifugal and refined sugar. Nothing definite of this character could be accomplished without cooperation on the part of centrals and planters on a large scale, because it is not to be expected that an individual will accept the low prices