



What the Diggers Are Doing



MARSMAN: "According to usually reliable sources"* Marsman Hongkong has been completing arrangements whereby it will undertake the construction of a large project in South China. Should the company get this contract, it is understood that Marsman Hongkong should make a profit of about HK\$1,500,000.

United Paracale: After cogitating the matter for more than two months, the Securities and Exchange Commission finally gave its approval to the deal whereby Marsman and Company will subscribe to 1,941,176 shares of additional stock to be issued by United Paracale, and will agree to the cancellation of the previous arrangement under which Marsman and Company received 15% of U. P.'s net profits. United Paracale stock-

holders unanimously approved the project last June. It is understood that the SEC, before approving the plan, tentatively proposed a different arrangement which, although entirely impracticable, displayed considerable ingenuity of thought.

Marsman and Company also waives its rights to any dividends which may be declared up to January 1, 1939 on the new stock it will acquire, and also agrees to finance United Paracale, to the extent of P600,000, should further financing become necessary. No interest would be charged on any such advances until June, 1940. United Paracale committed itself to declare dividends of at least 20% soon after the agreement was approved.

Directors of U. P. lost no time in declaring the dividend stipulated for,

and it was paid on the 20th of this month to stockholders of record as of the tenth. Last month United Paracale established its third consecutive production record.

Marsman-managed mines produced P1,192,386.90 during August, from 56,958 tons of ore milled and 397,565 cubic yards of gravel dredged. Dredging operations at Coco Grove—which, with Mindanao Mining constitutes Marsman's placer operations—fell off a bit due to the fact that the dredging program mapped out months ago called for both dredges to work marginal ground on the southern and northern limits of the bay, and the dredge "Anne Petronella" worked through tailings left by suction cutter dredges.

* Hess & Zeitlin Inc.

REDUCING THE RISK

The word corporate *security* is a misnomer. It should be corporate *risk*.

Every investment is a risk which is constantly exposed not only to the effects of social, economic and monetary changes, few of which can be foreseen, but also to inter-company operations and activities. No investor can ever protect himself against all risks inherent to the ownership of securities.

But it is possible, even in these uncertain times, to minimize the risk by following a flexible investment plan adopted to your individual objectives.

Reducing the risks can be accomplished by basing each original investment decision on complete, accurate and up to the minute information.

This principle must not be confined only to original purchases but should be used periodically in making "realistic reappraisals" of your portfolio.

Merely to keep abreast of events and individual company operations, to separate rumors from facts and to arrive at intrinsic values in the present markets is more than a full-time job. To separate those securities which have discounted future possibilities from those which have the greatest opportunity for sound appreciation is beyond the capacity of the individual investor.

To minimize successfully one's investment risks means monthly, daily and even hourly *reappraisal* of investment values. This is a job that Hess & Zeitlin, Inc. is equipped for and that it is now doing for many individual and corporate investors.

How can we be of service to you? It is impossible to tell unless we have the opportunity of examining your holdings and studying them in the light of your individual requirements.

We welcome the opportunity to be of service to you—your inquiry will be held in strict confidence and will involve no obligation.

HESS  ZEITLIN, INC.

"SPECIALISTS IN PHILIPPINE SECURITIES"

CRYSTAL ARCADE, MANILA

HAUSSERMANN: Benguet Consolidated and affiliated companies treated 80,979 tons of ore during August, from which ₱2,190,011.54 was produced. Benguet Consolidated turned in an all-time monthly record, with an out-put of ₱963,289.18 from 31,038 tons of ore treated. The figures on the month's operations of the Benguet group are:

	Tons Milled	Value
Balatoc	37,695	₱1,015,695.58
Benguet Con.	31,038	963,289.18
Cal Horr	5,789	106,567.40
Ipo Gold	6,457	104,459.38
Totals	80,979	₱2,190,011.54

Judge John W. Haussermann left on September 12th for the States on a combined business and pleasure trip. He will be gone for from six to eight months. The Judge wanted to get away months ago, but has been forced to postpone his trip several times because of the Balatoc suit now pending in the Court of First Instance here.

Benguet Consolidated, it was unofficially announced, will pay a 30 centavo cash divid-

end on September 30th. Rumor has it, according to Hess and Zeitlin's market letter for September 12th, that Benguet may possibly pay more than a regular quarterly 30 centavos for the December quarter, because of its extremely strong financial condition, and relatively large surplus. H & Z's analysis of the Benguet balance sheet as of June 30th shows that undistributed earned surplus amounted to ₱8,017,601, and the comment is that there may be something to rumors that Benguet may shortly declare a 100% stock dividend. In order to do this, ₱6,000,000 of the earned surplus will be needed, and there will still be over ₱2,000,000 earned surplus remaining.

A letter addressed to the president of Ipo Gold Mining Company by Benguet Consolidated (managers) states that the average cost per ton milled, for the first six months of this year, amounted to ₱5.81 per ton. This includes mining, milling, and other expenses. The report also refers to the higher grade body, as follows: The lower Ipo ore shoot was first found on the 900 level, which was proved by raises to be near its upper limit. Accordingly, the main

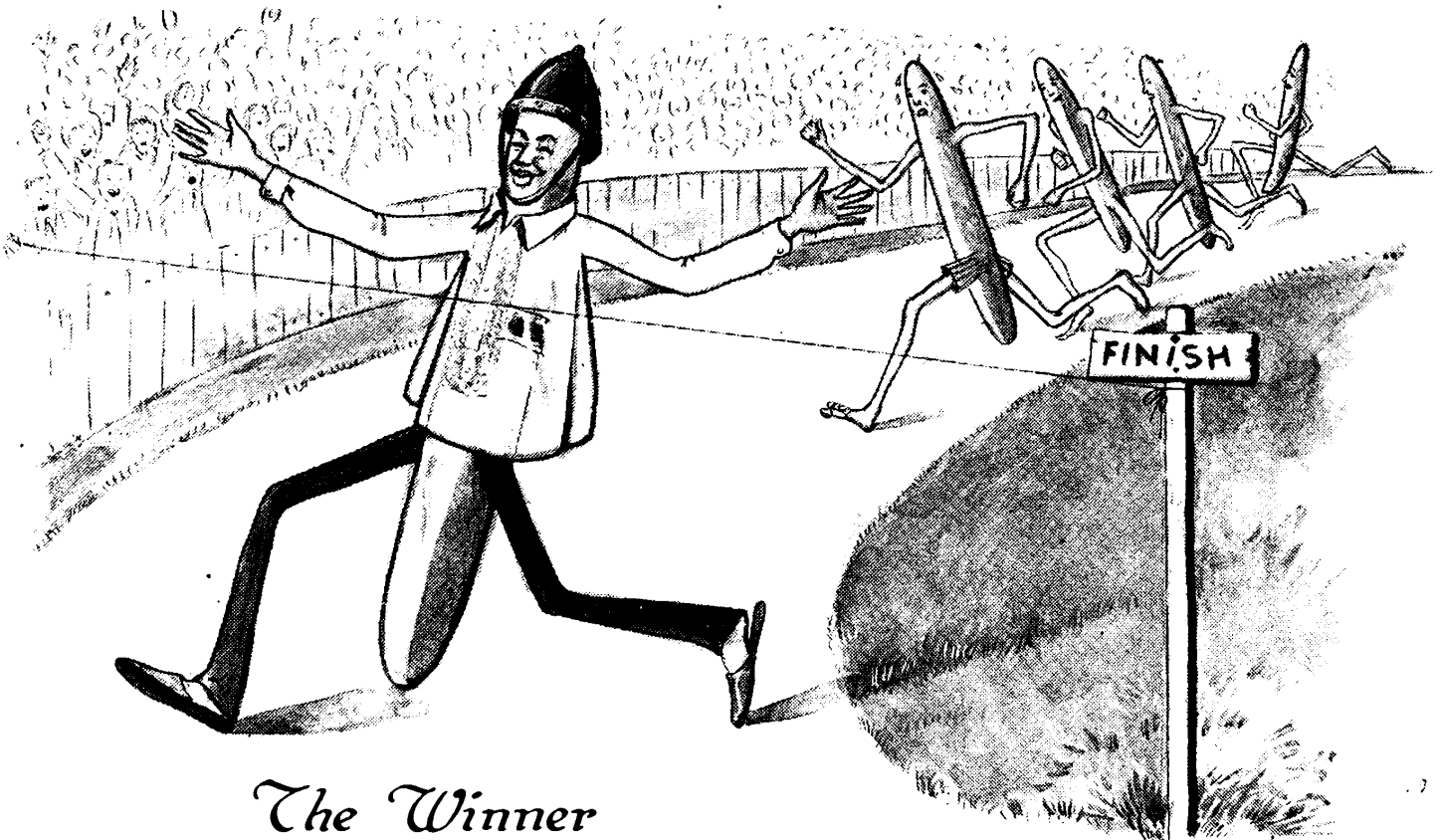
shaft was sunk to the 1000 level, and the vein again opened. At this point the ore shoot, although still only partially developed, appears to be about 250 ft. long, averaging about ₱20 over a 12 ft. width. Deeper development will again be undertaken by deepening the main shaft. This word is being resumed at the present time."

NIELSON: Lepanto Consolidated Mining Company established an all-time high monthly production record in August, when the mill treated 13,370 tons of ore for a gross production of concentrates valued at ₱121,730, which was a gain of ₱30,000 over July—also a record. These figures, it was stated in the Manila Daily Bulletin, represent actual value received for the concentrate f.o.b. ship at San Fernando, La Union; and values were based on copper at \$0.10 per pound, according to Nielson and Company, Inc., managers of the property.

Paracale-Gumaus Consolidated Mining Company produced ₱56,468.71 during August, from 3,861 tons of ore treated, according to Nielson and Company, managers. This is a new high monthly record for Paracale-Gumaus.

TABACALERA VICE PRESIDENTE

Beats them all



The Winner

Tinago Consolidated Mines, it was firmly stated by Nielson and Company, managers, is still operating its mill, and has not suspended operations on its property in Masbate. The mill has a daily capacity of 50 to 75 tons. Operations started in March. July production amounted to 1,550 tons, valued at 9,819.

No data was available as we went to press respecting the other Nielson interests, Nielson Hongkong, and Hongkong Mines, Ltd.

RALSTON: Benguet Exploration produced P23,691.02 during August, from 3,051 tons of ore treated. Demonstration turned in P145,000 from 9,778 tons milled. These figures are below those of last month.

Demonstration has declared a one centavo per share dividend, payable September 20th to stockholders of record September 15th, thus bringing dividends so far declared this year to 3 centavos per share. It is anticipated that if earnings continue at the present rate, the December dividend may possibly total 2 centavos per share. Ore reserves are higher than they were at the end of 1937, in spite of the fact that Demonstration, up to the end of August, had milled 63,000 tons with a total valuation of P1,066,374. The cash position as of June 30th was very strong, and the ratio of net worth to liabilities—without considering ore reserves—almost 4 to 1.

SORIANO: The three Soriano gold producers were down slightly in their production for August, with the exception of Masbate Consolidated, which set another record—its fourth consecutive record. Total production for Antamok, I. X. L., and Masbate Consolidated for the month was P990,944.7 from 118,053 tons of ore treated.

It is understood that Antam-IXL operations in Africa have resulted in the discovery of a very promising property. No details are available at present.

BAGUIO GOLD: This steady producer was up last month from its July figures, turning out P148,122.80 from 8,943 tons milled. As of June 30th, Baguio Gold's current assets amounted to P564,158, of which P297,776 was in cash or bullion. Current liabilities on that date amounted to P236,107, or a net current assets position of P328,051.

BIG WEDGE AND ATOK: The Big Wedge mine, operated by Atok, registered a slightly lower production figure last month. The mine produced P161,659.10 from 6,059 tons of ore. Of this output, P155,146, came from ore milled, and P6,513.10 from 8 tons of crude ore.

Rumor along the street has it that development work now under way at the mine has opened up the extension of the Keystone vein.

Both Atok and Big Wedge have declared 10% dividends. The Atok dividend is to be paid on October 1st, while the Big Wedge money will go out on October 5th to stock-

holders of record as of September 24th, 1938.

PHILIPPINE IRON MINES, INC.: Made a shipment of 67,995 tons of ore with an approximate value of P305,977.50 during August. This company is unquestionably one of the best money-makers of any mining enterprise in the country. From January to June of this year, it has paid four cash dividends of five per cent each on common stock, equivalent to P2.50 per share.

Culled from . . .

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very little if sold on the open market, but are an asset if work is continued.

A special meeting of stockholders was held on the First of this month, at which it was decided to continue active mining operations. Arrangements were made with the *Philippine Aircraft Corporation* for necessary airplane transportation. This was made necessary by the fact that the Angelo plane cracked up in the mountains a few weeks ago. It is understood that H. A. Wendt & Co., during the period of its management, had made a down-payment on another plane with a manufacturer in the States, and the company may decide to complete the payments and obtain this plane.

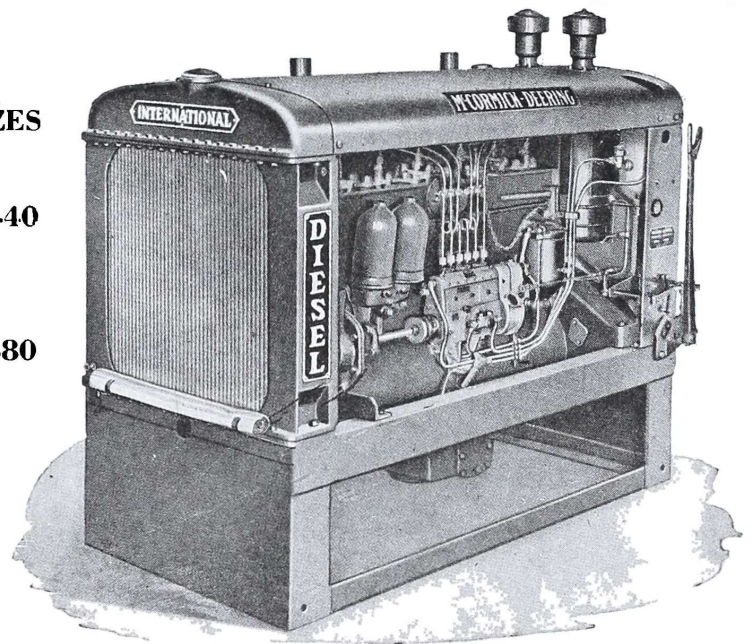
It was also decided to issue calls on the subscriptions to the company's capital stock, in order to obtain funds for further capital development. In this connection,

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