



**RALSTON:** A. W. Ralston, long-time president of the Manila Machinery and Supply Company, and active head of Demonstration Gold Mines, and of Benguet Exploration, returned early this month from the United States. Mr. Ralston was gone for five and 1/2 months, during which time he travelled over the northern United States and southern Canada. He made a visit to his home town, Omaha, his first in 30 years.

**BENGUET EXPLORATION:** turned in a slight lower production figure last month than for September—P21,441.96 against P22,323.80. Demonstration's P144,365.72 was slightly higher, although tonnage milled was appreciably lower than for September, indicating higher

## What the Diggers Are Doing

mill-heads than Demonstration has enjoyed of recent months.

Demonstration has undertaken an extensive development\* program this year with two objectives on its own property, it is extending its known vein systems below the 600 level, and it is understood that recent development on the 700 level has indicated the existence of some higher grade oxide ores. The company is also developing the Benguet Exploration claims which are now producing in a small way, and which are said to show great potentialities.

**SORIANO:** Three gold producers of the Soriano interests earned a total of P1,400,000 during the three months ending September 30th. The figures are exclusive of depreciation

and ore depletion.

Antamok earned P519,927.16, or P0.0189 per share. Masbate Consolidated turned in P447,022.44, or P0.00894 per share, while I. X. L. earned P428,133.35 during the period, or P0.0285 per share.

During the first nine months of this year, I. X. L. has made a total "cash" profit per share of 8.45 centavos. \*Assuming that the profit for the fourth quarter will be as large as that for the third—and there is reason to believe that it will be larger—the "cash" profit for 1938 should be 11.30 per share—comparing with 7.55 centavos in 1937.

Masbate's nine-month profit amounts to 1.894 centavos per share, which compares with the full-year 1937 profit of 1.67 centavos. Masba-

\*Hess & Zeitlin



## 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.

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# THE MINING INDUSTRY AT A GLANCE

Started Milling	MINE	Authorized Capital in 1000 pes.	Par Value	Capital Paid to Date	Daily Capacity	Tons Milled Oct. 1938	Oct. 1938 Gold Production	Average value per ton	1938 Production to date	Surplus or Reserve	Last Dividend	Total Dividend to date	Total 1938 Dividend	
1932	Antamok	3,000	0.10	2,750,000	750	23,093	P 365,533.36	14.74	P 3,857,192	P1,320,550	July '38 P0.02	P0.04	Cash P0.10 Stock 100%	
1930	Banguio Gold	2,000	0.10	1,300,000	250	9,732	155,923.56	15.99	1,405,118	117,222	June '38 0.01	0.01	0.015	
1927	Bulacog	6,000	1.00	6,000,000	1,200	37,553	1,682,506.56	38.29	16,692,747	2,192,410	June '38 0.30	0.90	Cash 1.35 Stock 50%	
1913	Benguet Cons.	6,000	1.00	6,000,000	1,000	33,068	959,067.44	29.06	9,817,341	4,963,954	June '38 0.30	0.90	1.00	
1931	Benguet Expl.	1,500	0.10	500,000	100	3,054.9	21,441.96	6.59	215,571	7,963	Dec. '36 0.01	---	---	
1938	Big Wedge	2,000	0.10	777,401	150	6,465	140,696.51	21.97	1,594,932	247,133	June '38 0.01	0.03	---	
1935	Cal Hor	2,000	0.10	777,401	200	6,466	14,957.54	17.17	992,490	---	---	---	---	
1936	Coco Grove	1,500	0.10	1,500,000	13,000	345,710 yds.	95,102.50	0.28	1,963,212	---	---	---	---	
1934	Demonstration	1,000	0.10	1,000,000	500	9,062	141,365.52	16.01	1,497,975	249,358	June '38 0.01	0.02	0.04	
1936	East Mindanao	1,000	0.10	1,000,000	100	3,236	38,309.36	14.93	395,754	6,672	---	---	---	
1934	Mindanao Mining	1,000	0.10	700,000	100	48,821	18,674.00	0.59	80,969	---	Jan. '36 0.0075	---	---	
1934	Ipo Gold	1,000	0.10	799,794	200	6,304	103,519.98	16.42	775,637	28,256	Mar. '38 0.006	6.011	Cash 0.615 Stock 9%	
1925	Ilozon	2,000	0.10	2,000,000	1,000	32,480	371,043.56	11.42	3,485,415	929,438	July '37 0.0075	---	---	
1931	IXL Mining	1,500	0.10	1,500,000	250	12,237	268,005.26	21.63	2,586,855	443,560	July '38 0.04	0.07	Cash 0.6125 Stock 68%	
1937	Mindanao M. Lode	2,000	0.10	2,000,000	200	1,309	165,622.94	38.52	1,655,485	---	---	---	---	
1935	Masbate Cons.	5,000	0.10	5,000,000	2,000	76,665	424,435.00	5.54	3,459,590	810,330	---	---	---	
1937	North Mindanao	800	0.10	355,220	2,000	---	---	---	145,157	---	---	---	---	
1938	Paracale Gamaus	500	0.10	496,000	cu. yds.	3,253	57,335.74	17.63	3,092,414	---	---	---	---	
1936	Royal Paracale	2,000	0.10	643,800	100	2,706	25,247.64	0.33	197,638	---	---	---	---	
1936	San Mauricio	800	0.10	800,000	300	9,332	440,168.51	47.17	3,042,458	740,231	Dec. '36 0.04	---	---	
1938	Santa Rosa	1,500	0.10	1,000,000	---	6,000	89,952.82	14.92	699,875	---	---	---	---	
1938	Surgico Cons.	1,200	0.10	984,334	---	---	---	---	349,491	---	---	---	---	
1934	Suyoc Cons.	1,250	0.10	1,250,000	350	6,627	150,254.39	21.16	1,387,947	364,751	July '38 0.01	0.01	0.01	
1939	Tambis Gold	4,000	0.10	390,850	1,200	43,126	13,700	0.82	136,762	390,560	Jan. '38 0.0175	0.0175	0.0175	
1938	Twin Rivers	1,000	0.10	683,550	---	21,197	35,453.41	1.47	361,990	---	---	---	---	
1938	Masbate Gold	1,500	0.10	1,350,000	275	---	2,275.44	6.07	63,407	---	---	---	---	
1937	Tingao Cons.	1,000	0.10	500,000	1,256	---	---	---	237,232	---	Dec. '36 0.03	---	---	
1935	United Paracale	1,300	0.10	1,100,000	350	9,701	227,362.79	23.18	2,184,636	388,807	Sept. '38 0.02	0.03	---	
1938	Mapaso Goldfields	1,500	0.10	1,100,000	---	258.46	4,776.80	---	31,392	---	---	---	---	
1938	Nabugo Gold & Sil.	600	0.10	300,000	---	278.21	3,063.91	---	19,687	---	---	---	---	
Total							P5,505,847.17		P28,404,150					
Gold Production for September 1938							P5,447,796.36		Gold Production For Sept. 1937					P4,535,318.86

te has made substantial improvement in earning power this year, the profit for the last three months exceeding that for the first six months. Masbate's production last month was some P20,000 under that of the spectacular September figure, but still was substantially higher than Masbate has been used to,

and it is reasonable to expect that the fourth quarter cash profit will exceed that for the third quarter.

Antamok, on the other hand, will probably not equal in 1938 its per-share profit for 1937 of 10.94 centavos. However, Antamok has been a great favorite on the stock exchange in recent weeks, on reports that efforts to locate higher-grade ore at lower levels have been successful. Antamok's "cash" profit for the first nine months of the year amounts to 6.19 centavos per share.

**MARSMAN:** San Mauricio, which has boomed spectacularly on the stock exchange recently, established another new high in gold production in October, for the second consecutive month. The mine turned out P440,168.51 from 9,332 tons of ore treated—beating September by more than P60,000.

United Paracale's P227,362 was about P2,000 better than its previous record. Total output of the four lode and one placer operation of the Marsman interests was P1,302,605.75.

Coco grove again approached P100,000, as the two dredges approached high-value ground.

**HAUSSERMANN:** Benguet Consolidated and its three allied gold producers again increased production last month. Total tonnage treated was 83,531, worth P2,239,551.52—about P100,000 more than for the month of September.

It was announced that both the Benguet and Balatoc plants are now well on their contemplated program of expansion to a 2000-ton daily capacity. Balatoc, in fact, is now treating 1,325 tons of rock a day. While the increased production will probably not materially increase the earning power of either company, it will enable them to mill lower grade ore at a profit, and thus greatly prolong the life of both mines.

Judge Haussermann stated in a speech before the Mining Congress in Los Angeles on October 25th, that he entertains high hopes that the Masinloc chromite deposits of Consolidated Mines, which Benguet is operating on contract, will eventually prove to be commercially useful. He stated that recently a method has been devised for utilizing the ore in the manufacture of metallurgical products, hence, "we look forward to an expansion of our business into other fields of chromite consumption at an early date".

The Masinloc deposit is the largest-known deposit of chromite ore. Through diamond drilling and underground workings, 9,000,000 tons of ore has been shown, in a single body. In addition to this huge deposit, there is at least 1,000,000 tons of talus and float ore around the base of the hill referred to. Shipments of the ore were suspended last year, due to its low-grade characteristic, which restricted its use to

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### What the Diggers . . .

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the manufacture of refractories. If Masinloc chromite can enter the metallurgical field, profits to both Benguet and Consolidated Mines will be enormous.

**NIELSON:** Three properties operated by Nielson and Company, Inc., had a gross operating revenue of P221,020.28 last month. This production is approximately P16,000 greater than that of the previous month.

Paracale-Gumaus established a new all-time high monthly record, with P57,335.74 worth of gold bullion and concentrate from 3,253 tons of ore treated. The record was P9,000 over that of September.

Lepanto's P105,164 worth of copper concentrates was also some P9,000 over that of September. Lepanto has some good long-term contracts for the disposal of its output, and these contracts assure the company of a good profit on its copper. Clyde A. DeWitt is active in the management of Lepanto's affairs.

**ATOK-BIG WEDGE:** According to Hess & Zeitlin's market letter of October 29th, sometime last month the net profit of the Big Wedge-Atok contract began to be divided 50-50. This means that, some time during October, Atok's investment in the Big Wedge project was fully repaid out of 60% of the profits of the mine, and Atok's interest in the profits was decreased

by 10% and Big Wedge's interest increased by a corresponding amount.

This same source states that, for some time now, Big Wedge has held on hand P132,195, representing an amount now in litigation over the purchase price of certain claims. H & Z state that it is understood that negotiations are now under way looking toward an out of court settlement, and that if the settlement is concluded, Big Wedge will be able to transfer a substantial amount to cash, and may be able to double its December dividend to 2 centavos. However, it is pointed out that any speculation on this matter must bear in mind "the impending 'escrow' stock settlement".

**PAN-PHILIPPINES; TREASURE ISLAND:** The new mill completed on the property of the Treasure Island Mining Company by Pan-Philippines Corporation operators, commenced turning over on October 8th. The mill is of interest to millmen and metallurgists, since it uses what is known as the "Vandercook process" of extraction. C. A. Vandercook was himself on hand at the inauguration of operations, having arrived via Clipper from the States a few days before.

The mill is said to be one of the finest of its kind, precision-built in an effort to anticipate every difficulty and future need. Every piece of machinery is new and of the most modern design. The electrical equipment, most of which was ordered from Western Equipment and Supply Company, is all of the very latest and most expensive type. Among other features is incorporated a system of electrical control whereby motor circuits are not only brought to a central switchboard, but are controlled at each piece of equipment. Construction work was supervised by Gary Wells, expert millwright brought over from the States. E. Friedman, who has had several years' experience with the Vandercook process, is in charge of the mill as foreman.

It was thought that extra money spent on the plant at this time would pay dividends in lower-than-average payrolls. The mill is operated by relatively few men, it was stated.

Regarding production, the mine operators announced that the mill exceeded its rated capacity during the first month of operation, and treated 120 tons of ore a day. Exact production figures for this first month were not available as we went to press. Positive and probable ore at the 250-level on what is known as the A-vein approach P4,000,000, of high-grade ore and it is stated that this estimate does not take into account known ore bodies in other sections of the property, on which little development work has been attempted.

Mr. Orlando McCraney, chief engineer in charge of all Pan-Philippines operations, is in complete charge of the work at Treasure Island. The claims are located on the island of Lahuy, off the coast of Camarines Sur.

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