

siderable factor in the annual returns. Within 20 years Panabutan rubber ought at least to be as advanced as the older rubber plantations of the Philippines now are; and if it is, it alone will be yielding high dividends. But before rubber figures much, before the close of a decade of operations, most if not all of the original capital subscribed and paid to get the project going will surely have gone back to the stockholders in dividends. As has been said, the project is already in the dividend-paying footing.

Remarkable as the record is, how much actual

capital, hard cold cash, did it take to put it across? The *Journal* doesn't know, of course, but it suspects the casual reader would guess much too high. All the capital needed was forthcoming, but the real force which brought success and started the early dividends was the technical and executive skill of that group of trained young San Francisco men Mayor Rolph placed his confidence in, thus setting the example to his friends. It is the attention of such men that the Philippines would attract. There are scores of Panabutans in the islands.

Not owning outright, nor even, with one exception, a majority of the stock, the company owns a minority interest in all of the corporations with which it is officially associated in a supervisory capacity: street railway, light-power, ice corporations, etc. In this manner the company is interested in the United States very heavily; also in South America, Cuba, Porto Rico, Central America and Europe. The gross revenue of the corporations supervised is \$200,000,000. Out of this gross revenue the company gets its dividends on stock, like other stockholders; and besides that, it finds about \$200,000,000 annually for additional investment in this worldwide business of providing electric power.

It doesn't manage the corporations in which it holds stock, which it renders a supervisory service; but it does have a big staff of technical and financial men, pursuing new ideas and keeping up with the times, whose counsel is advantageous to the corporations—all served on equal terms. Seven hundred engineers are employed; the whole personnel numbers 1100.

It works out this way. There are fuel engineers, for example, and a corporation may have a high-cost fuel problem to deal with. The fuel experts get on the job and work this problem out, and the actual cost is charged to the corporation, which could not afford to retain highly skilled men by the year for such occasional services.

This seems to be a very fair way in which to be using a large block of capital and a competent stock of efficiency.

### III

Now to return to the Philippines. First of all, the big power-using industries don't exist. They must be established.

Governor Stinson has said he can do nothing about the status question, one for Congress. But maybe he will tackle some other things; his inaugural address suggests as much. Then money is likely to take a hand in the game, and the Agos river, falling 2,300 feet in 23 miles, from Lake Lanao to the sea, may then furnish power to Mindanao and Visayan industries.

"What this country needs is a payroll," says Hammond. "You can't have prosperity on an average wage of 41 cents a day, the labor bureau's report of wages here."

Penetrate Lanao to the Maria Cristina falls. Ensnore yourself in the wild domain of the chattering simians in the interlaced treetops, harken to the barefoot pad-pad of *horna sapiens* on the jungle path, and learn to concur in the verdict that "What this country needs is a payroll."

### CIRCULATION OF MONEY

Money in circulation in the Philippines March 24 was P141,344,691, compared to P141,484,267 on March 17; Philippine coins, P21,371,403; treasury certificates, P93,516,388; banknotes, P26,456,900. The data are from the auditor's report. The same source gave P139,212,042 for February 4.

## "What These Islands Need Is a Payroll"—Hammond

The *Journal* is properly humble. It has talked with \$300,000,000; and not only talked, but talked back—talked intimately and had a good time at it. Why, it is just as easy to talk to \$300,000,000, at least when the 300 million is Mr. Lyman Hammond, as it is to talk to three dollars, or even six pesos. One just calls up and says, "Mr. Hammond, I'd like to talk with you when it may be convenient for you to see me"; and he just replies, "It will be convenient at 8:30 Monday morning." All that remains to do is to be at his hotel at the time specified, and begin talking.

"You have been down to Mindanao, looking up power projects?"

"We have been to Lanao, looking into the hydro-electric project on the Agos river below the Maria Cristina falls."

"Power may be developed there?"

"Oh, yes; lots of power, quite enough for the whole Philippines, at present. The smallest unit which ought to be installed would be one of 25,000-kilowatt capacity. If I am not mistaken, that is greater than the Meralco unit."

"Your company is in the power business?"

"Yes, that is our business."

"Then, as it is a business with you, you would develop power only where it could be sold, where there existed a demand?"

"Yes, there must be a demand. You can't put in a plant on speculation which, if no demand developed, would not liquidate 10 cents on the dollar."

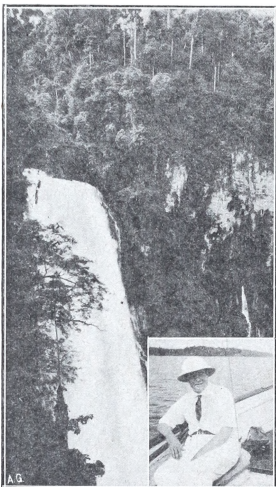
"You found no demand in Mindanao?"

"No, there's none there. Mindanao is potentially rich, but undeveloped."

### II

This may be the end of the quoted conversation, it is enough to give the reader more light than he has gleaned from the newspapers about the Hammond excursion to Lanao. There will not be an Agos-river power plant for some time to come, and there has been no reason to expect one. If and when industries utilizing big power develop in Mindanao, some power company, very probably Hammond's company, would be interested in furnishing the power. It is their business, and they do it all over the world. Hammond's company—the one he is associated with and represents on his Philippine visit, that is to say—is the Electric Bond and

Share Company, 2 Rector street, New York City. On March 5, just a few days ago, its capital was increased to \$300,000,000; it had been



Lyman Hammond at the Maria Cristina falls, Agos river, Lanao. The photos are by G. C. Howard, trade commissioner, who accompanied Mr. Hammond on his power-site expedition.

\$100,000,000, but it now wishes to use "its technical and financial staffs in a more diversified territory" for the advantage of its stockholders.

Retail  
Importers

Philippine American Drug Co.  
**BOTICA BOIE**

Wholesale  
Agents

MANILA

Heavy Chemicals—Fertilizer—Manufacturers

We have been selling drugs for 97 years