

**THE AMERICAN
CHAMBER OF COMMERCE
JOURNAL**

MANILA, P. I.



Vol. XVII
No. 9

September
1937



Clarin Bridge, Misamis Occidental, Mindanao

LEADING ARTICLES

In this issue of the *Journal* bring out the commercial importance of the Commonwealth's Mindanao policy and the network of new roads planned and under way in that island, second in size in the archipelago and its gateway to the south.

Leading Mining-News Article
Causes of the Share Market Depression—and Remedies

OTHER FEATURES AND THE USUAL EXPERTS
MINING AND COMMERCIAL REVIEWS

Canadian Pacific

	Gross Tonnage	Displace- ment Tonnage
EMPRESS OF JAPAN	26,000	39,000
EMPRESS OF CANADA	21,500	32,250
EMPRESS OF RUSSIA	16,800	25,200
EMPRESS OF ASIA	16,900	25,350

Maintaining a fortnightly service from the Philippines to the Pacific Coast.
 When necessary, connection can be made at Honolulu direct to San Francisco or Los Angeles.
 At Victoria connection can be made for Seattle and points in the U. S. A.
 At Vancouver the Empresses dock at the new C. P. R. Pier which adjoins the Canadian Pacific Railway Station.
 Travel East, via the majestic Canadian Rockies, in clean, cool air-conditioned comfort.
 The latest type of air-conditioned equipment available on the north American Continent.

*Ask us about the new low first class, intermediate class
 and coach class fares to points in Canada, and the U. S. A.*

Canadian Pacific

Telephones 2-36-56 and 2-36-57 Cable Address "GACANPAC" 14 David, Manila



IKOFLEX

*You See
 What You
 Are Taking*

Even during exposure, with the Ikoflex 2-1 4'' x 2-1 4'' camera, a brilliant image is seen on the ground glass focussing

screen at all times which simplifies composition.
 Eye level finder for fast moving objects (sports) obtainable in various priced models with lenses from F6.3 to Tessar F3.5. All models complete with Cases.

Write or call for Literature

BOTICA BOIE

P. O. Box 229, Manila



**When you win
 you deserve it
 When you lose
 you need it**
BLACK & WHITE
 (WHISKY)

KUENZLE & STREIFF, INC.

Main Office:
 343 T. Pinpin
 Tel. No. 2-39-36

MANILA
 CEBU ILOILO
 ZAMBOANGA

Branch Office:
 44-48 Isaac Peral
 Tel. No. 2-17-62

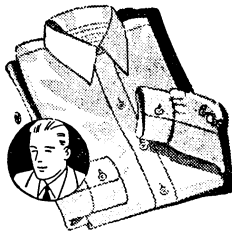
men....

It's

HAMILTON-BROWN

for

Quality Apparel



SHOES
SHIRTS
TIES
PAJAMAS
ROBES
BELTS
SUSPENDERS
HATS, etc.

Suits for Business Sport or Formal

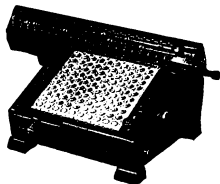
visit our

Modern Tailoring Department

Air Cooled Fitting Rooms

OFFICE EQUIPMENT

WE CAN SUPPLY YOU WITH EVERYTHING FROM SAFES TO PENCIL. EACH ITEM IS A LEADER IN ITS CLASS.

MONROE Calculator

Monroe high speed adding calculator, Model M. Features: New floating carriage, spot-proof keyboard, full accumulative dials. Made in three capacities, 12-place, 17-place and 21-place, either hand or electrically operated. "Make no mistakes, get a Monroe."

*** HEACOCK'S**

OFFICE EQUIPMENT

Sales, Display & Service Depts.

are now at

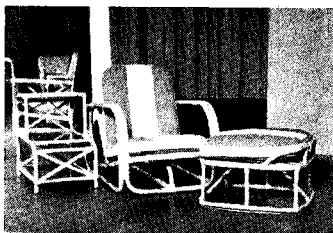
HEACOCK'S BODEGA

16th & Atlanta Streets, Port Area

O. E. SALES DEPT. 2-55-32

O. E. SERVICE DEPT. 2-51-94

Quality
RATTAN FURNITURE



"There is no other just as good for there is no other made like it."

Finished with *DuPont Fine Finishes*—Duco and Dulux—to make them positively heat resisting and alcohol proof! That's

RATTANARRA

THE TWENTIETH-CENTURY FURNITURE

SEE OUR NEW
DESIGNS AT THE**RATTAN PRODUCTS MFG. CO. INC.**95 PANADEROS
Sta. Ana, Manila



Do your friends a favor!
Direct them to

The Manila Hotel

the leading hotel in the
Orient where they will have

LUXURIOUS COMFORT

at

MODERATE RATES

Provides every Western convenience
combined with every Oriental luxury

Air-conditioned de luxe suites and
modern bedrooms and baths
in the new wing

American Plan Only

H. C. ("ANDY") ANDERSON
Managing Director

SAIL THE SULU SEAS!

12-DAY CRUISE

NEW M. S. LEGAZPI

S. S. KINAU

M. S. ELCANO

(BUILDING)

SAILING EVERY THURSDAY

TO

CEBU — DUMAGUETE — ZAMBOANGA — COTABATO — JOLO

EVERETT STEAMSHIP CORP.
223 DASMARINAS — — — — — MANILA

The National City Bank

of New York

ESTABLISHED 1812

Capital (Paid) - U. S. \$ 77,500,000.00
Surplus - - - - - " 43,750,000.00
Undivided Profits " 12,949,374.52
Total Assets - - - - \$ 1,893,890,871.77
(as of March 31, 1937)

COMPLETE BANKING SERVICES

MANILA OFFICE

National City Bank Building



OXY-ACETYLENE
Welding & Cutting Equipment

Philippine Acetylene Co.

281 CALLE CRISTOBAL, PAGO
MANILA, P. I.



THE SIGN OF Superior QUALITY
IN PRINTING
BOOKBINDING
ENGRAVING

McCullough service means expert supervision and
the intelligent handling of your printing problems. What-
ever your printing needs may be, you are assured the
utmost satisfaction when McCullough does the job.

McCULLOUGH PRINTING CO.

101 ESCOLTA — Phone 21801 — MANILA

MAKERS OF RUBBER STAMPS • DRY SEALS • BRASS SIGNS • CHAPAS • ETC.

Here's how to get *Manila's!*

Genuine
Manila
Long Filler
Cigars in
cellophane
are obtain-
able in your
city or
nearby!



List of
Distri-
butors
furnished
upon re-
quest to—

C. A. Bond

Philippine Tobacco
Agent:

15 Williams Street, New York City
Collector of Internal Revenue
Manila, P. I.

MANILAS

made under sanitary conditions
will satisfy your taste!

(Health Bulletin No. 28) Rules and
Regulations for the Sanitary Control
of the Factories of Tobacco Products.

"Section 15. *Insanitary Acts.*—No person engaged in the handling, preparation, processing, manufacture, or packing of tobacco product or supervising such employment, shall perform, cause, permit, or suffer to be permitted, any insanitary act during such employment, nor shall any such person touch or contaminate any tobacco products with filthy hands or permit the same to be brought into contact with the tongue or lips, or use saliva, impure water, or other unwholesome substances as a moistening agent;...."

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA

Capital.....	£3,000,000
Reserve Fund.....	3,000,000
Reserve Liability of Proprietors.....	3,000,000

MANILA BRANCH ESTABLISHED 1872

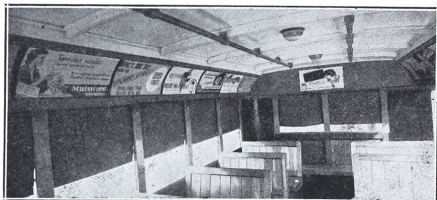
SUB-BRANCHES AT CEBU, ILOILO AND ZAMBOANGA

Every description of banking business transacted. Branches in every important town throughout India, China, Japan, Java, Straits Settlements, Federated Malay States, French Indo-China, Siam, and Borneo, also in New York.

The Bank's London Office undertakes Executor and Trustee business, and claims recovery of British Income-Tax overpaid, on terms which may be ascertained on application.

Head Office: 38 Bishopsgate, London, E. C.

C. E. STEWART, *Manager,*
Manila



for Best Results—try STREET CAR ADVERTISING

Advertising on the inside of our street cars and buses is read by the thousands who daily use this means of transportation. Advertising on the outside is seen by the thousands in the streets and on the street corners. The ads are repeated every time a car or bus passes, hundreds of times a day.

Street car advertising costs very little per thousand circulation—much less than most other forms of advertising.

For Rates and Full Particulars—Call Up

A. B. TIGH, *Advertising Manager*

Manila Electric Company

134 San Marcelino



Telephone 2-19-11

NOTICE

Unequivocal Guaranty

on

WESTON

Special Reserve

SCOTCH

Take a drink of Weston

If one is not enough

Call the boy back

and

Order "the same" again

Results are Guaranteed

Trans-Pacific Trading Co.

130 T. Pinpin

Tel. 2-42-04

MANILA

P. O. Box 497



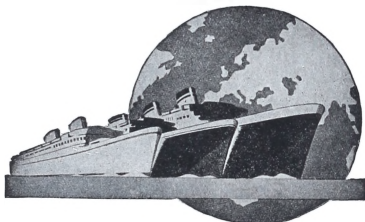
KRUEGER'S

The FIRST BEER
IN KEGLINED CANS
AT ALL GROCERS
OR DIRECT FROM

TRANS-PACIFIC-TRADING CO.

P.O. BOX 497 * MANILA * TEL 2-42-04

Good for a Healthy Thirst!



Far East—Europe

RAPID LUXURY LINERS

Via Singapore—Colombo—Bombay—Massowah—Suez—Port Said

S.S. CONTE ROSSO

Leaves MANILA, OCT. 4, for Venice and Trieste

M. V. VICTORIA

Leaves MANILA, Oct. 25, for Naples and Genoa

S.S. CONTE BIANCAMANO

Leaves HONGKONG, Nov. 6, for Venice and Trieste

Overland to London, Paris, Berlin.

Stopover privileges. From Egypt the voyage can be continued by any of the Italian line Mediterranean services. Through Tickets to the U. S. and Round the World at Reduced Fares.

**EXPRESS SERVICE VIA INDIA-EGYPT-ITALY
ITALIA LINE—LLOYD TRIESTINO**

Smith, Bell & Co., Ltd., Agents

HONGKONG & SHANGHAI BANK BLDG., PHONE 2-31-31

When—

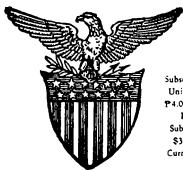
you buy matches
ask for

"PHILIPPINE MATCHES"

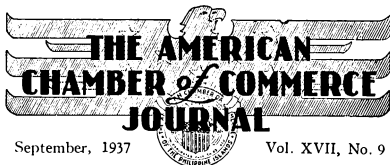
any matches bearing
the name

Philippine Match Co., Ltd.

*will give you
service and protection*



Local
Subscription and
United States:
\$4.00 per year
Foreign
Subscription:
\$3.00 U. S.
Currency, per
year



September, 1937

Vol. XVII, No. 9

Single Copies:
35 centavos

—
WALTER ROBB
Editor and
Manager



Entered as Second Class Matter May 25, 1921 at the Post Office at Manila, P. I.

Just Little Things

- On a day when we thought a good portion of the burden of the world was on our shoulders, F. A. Bowen stepped into the office. His case dwarfed ours into insignificance. Bowen is getting out a directory of Philippine mines and mining companies. He owns a printing house in Shanghai, and there, but for the spanking Japan decided to give China, his directory would have been off the press this month. But now he thinks the plant is a total loss, or will be before the fighting at Shanghai stops. Its value is \$400,000 and it represents nineteen years of Bowen's hard work. Bowen used to keep this plant busy seven days a week, nights too, save seven hours from Sunday midnight to seven Monday morning for cleaning up. Now everything is idle, and all Mrs. Bowen was able to fetch away with her to Manila on the first ship bringing Shanghai refugees here was the copy for the directory, which will now be done at McCullough's. Let it be trusted that every American loss at Shanghai incident to the warfare there will be made good at the instance of the state department. This is not saying which side is to blame, only that blame there certainly is.
- It seems that the advent of desolated refugees from China in Manila provoked an immediate racket in rents. House rents were raised at once. Isn't this a sorry trade? Where it falls on distracted folk from China constrained to sojourn here, it aggravates their distress; and where it falls on regular residents, it makes them pay for the city's hospitality. The most damning fact is that when higher rents corpel families of low income to move, they find no place to which to go.
- Hongkong's typhoon of September 2 plowed valuable ships ashore, but not American ships. Sailing time came for the *President Lincoln* as the barometer forecast the storm, and the ship sailed, Captain Kohler eister just seeing it that he had maximum engine power to fall back on and that booms

were locked and everything battened down tight. The storm came on as scheduled by the gods, but the *President Lincoln* had scurried along at top speed and so eluded the vortex; and the *President Lincoln* road the storm out at sea unscathed, indeed not badly knocked about at all. By 4 o'clock next morning, passengers opened portholes and put the windscoops in as the ship journeyed on to Manila over smooth seas. It was capital seamanship, capital in all departments. Strangely, another ship, bound for Singapore, which had trailed the American ship out of Hongkong and hung on her stern for a while, though she could have easily passed and been far out of the harmful force of the storm, turned back for some reason to the questionable shelter of Hongkong harbor, a decision that during the night piled her on the rocks. It seems that American maritime officers still know their Pacific. Back in 1917 the old weather-beaten U. S. A. T. *Thomas* did a similar thing; she took it on the nose, but at sea, and kept on going.

- The August earthquake was of just the right type and intensity to teach Manila how best to build downtown buildings and uptown apartment houses and hotels. Really, the city had just well begun building modernly. The quake was therefore timely. While the passing of the Heacock building is regrettable, there was insurance and now Heacock's smart retail shop is going as briskly as ever in the old Watsonal block. Other downtown buildings stand, little scathed if scathed at all. The structural-steel type seems indicated for buildings more than two or three stories high, if not for all. For keep in mind the quake that doesn't swing back and forth, but jolts up and down. The steel I-beam and the rivet driven red-hot and beveled by the pneumatic hammer are superior stress factors in buildings. Concrete is not im-
pregnably scientific.

Service

*in any business is just like
the foundation of a building
which must last . . .*

The Free Press

PHOTO-ENGRAVING, INC.

3RD FLOOR, FREE PRESS BLDG.
680 RIZAL AVE., MANILA
TEL. 2-21-10 P. O. BOX 326

true to the tradition of service and fairness
of that great name, is gradually assuming
its rightful place of leadership along this line.

ONE TRIAL WILL CONVINCe YOU OF THE TRUTH OF OUR CLAIM



V. FRAGANTE
Director of Public Works

The Islands' 17,000 Kilometers of Roads

• *Chiefly built with current tax revenue*

By V. Fragante
Director of Public Works

The early history of road and bridge construction in the Philippines is a record of individual effort of the pioneer, the soldier and the priest. As the country developed, a centrally controlled system of administration of road and bridge work and other public works was necessary, and this led to the organization of a Bureau of Public Works in 1867 to study, construct and maintain public works of all classes throughout the Islands. During the 18th and 19th centuries, a very thorough and complete system of roads was laid out and constructed, at least in part. Both road and bridge work was accomplished largely with compulsory labor, each able-bodied man being required to render some 15 to 40 days' work every year. Although a comprehensive system of roads and trails with an aggregate length of about 1600 kilometers was laid out and constructed in Luzon and other islands, they were, with few exceptions, in a very bad state of repair and preservation and were simply impassable in the rainy season. They were rough, but available for travel during the dry season to a limited extent, and when the Government was organized in the beginning of the American occupation, about all that was left of the system was the right-of-way and some 2,600 bridges and culverts, mostly of the usual heavy masonry arch type. The general condition of roads and bridges throughout the Islands during the Spanish time was truly deplorable. Transportation was mainly effected in the mountain regions by "cargadores", and in the lowlands, by pack horses, "sleds" and carabao carts. Natural boundaries generally separated provinces and municipalities and the interchange of products was slow and expensive. Our people were generally satisfied to live and die in the narrow confines of their neighborhoods and villages, unless they happened to inhabit the seacoasts and ventured forth on hazardous voyages in their frail boats.

Thus the early days of American occupation found the Government with the great problem of establishing lines of land communication for the development of the country and as a factor for the restoration of law and order. The first law enacted by the Philippine Commission in this direction was one appropriating one million dollars, gold, to be expended for the construction of roads primarily for strategic purposes, under the direction of the Chief Engineer of the Division of the Philippines. On August 7, 1902, the Commission created the office of Consulting Engineer to that Body, and, on January 8, 1903, it enacted Act No. 584, creating a Bureau of Engineering under the immediate direction of the Consulting Engineer, with the function, among other things, to take charge of the laying out and construction of roads and bridges and other engineering works.

The first major project under the immediate direction of the Commission was the road from Pozorrubio, in the prov-

ince of Pangasinan, to Baguio, in the province of Benguet, to furnish an easy and convenient passage to the highlands of Benguet, where a sanitarium was under construction for invalid civil servants.

In 1905 the Bureau of Engineering was reorganized into the present Bureau of Public Works. This Bureau was originally placed under the supervision of the Secretary of Commerce and Police, and was separate and distinct from the office of the Consulting Architect to the Commission. Ever since the inception of civil government in 1903, attempts had been made to systematize the execution of public works throughout the Islands (with the exception of Mindanao and Sulu, which were still under military rule), but it was not until the organization of the Bureau of Public Works that something was definitely done. Lack of funds, however, prevented any effective progress in the matter of road and bridge work.

In 1908 a comprehensive study of the highway problem was made showing that at that time some 500 kilometers of roads had been reconstructed or improved, none of which had been built to a fixed standard, nor was subject to systematic maintenance. These roads were built to serve the immediate pressing demand for means of communication between the chief centers of population and trade, and as funds were limited, the old Spanish right-of-way was utilized almost without deviation.

During the incumbency of the Honorable Cameron W. Forbes as Secretary of Commerce and Police, he laid down the policy, which we have consistently followed, that maintenance should take precedence over construction and that temporary construction should be avoided. He insisted on the adoption of the regular system of road maintenance which has since been adhered to.

The road program laid down in 1908 was outgrown in 10 years, hence the program of road construction has undergone repeated revisions. The coming of the automobile and finally the motor truck has upset all previous conceptions of construction standards; has rendered the problem of maintenance a matter of grave concern and has increased the demand for good and better roads and the extension of road kilometerage as fast as our resources would permit.

Present figures show that as of December 31, 1936, 16,744 kilometers of first, second and third class roads have already been built and are in use in the Islands. These roads are being maintained and improved following the policy of maintaining routes of communication already established and of constructing new routes as funds will permit until every section of the country is supplied with an outlet for its population and products; the great undeveloped lands in the country

(Please turn to page 11)



M. KASILAG

Commissioner for Mindanao and Sulu

New and Old Highways in Mindanao

• *Systematic Building Opens the Wilderness*

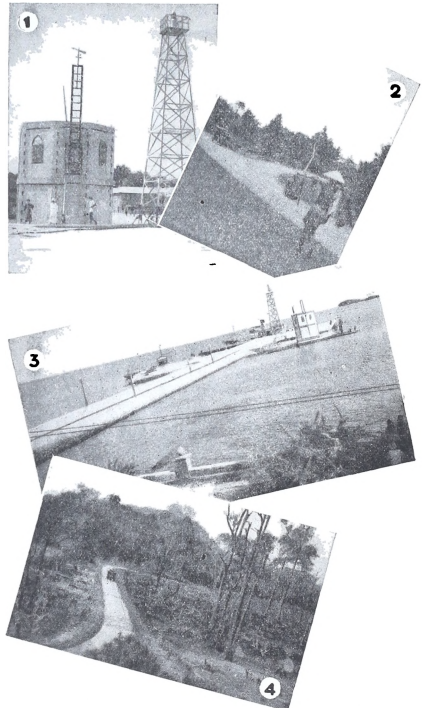
By M. Kasilag and Jose Lozada

Respectively, Commissioner and Division Engineer for Mindanao and Sulu

The Philippine Archipelago is located just north of the equator, and Mindanao Island and the Sulu Group lie between latitude 5° and latitude 10°, which is a belt outside of the typhoon zone, hence Mindanao and Sulu are free from typhoons. The rainfall is more or less evenly distributed throughout the year. These climatic and atmospheric conditions make this region ideal for agriculture. While in Luzon and in the Visayan Islands the production of coconuts and other fruit trees, hemp and other crops suffer considerable decrease for a year or two after a severe typhoon, the production of the same crops is uniform in Mindanao and Sulu throughout the year. Mindanao has enormous natural resources in the form of fertile soil, abundant water power, large mineral deposits and immense tracts of virgin forests of great commercial value. There are also extensive plateaus of considerable elevation above sea level with pleasant, cool climate and excellently adapted to the cultivation of citrus fruits, avocados, coffee, pineapples, chinchona, hemp, corn and upland rice. There are large areas of pasture lands suitable for the raising of cattle in large scale. All these natural resources, which have hardly been touched, are of such national importance that the Government has for many years been trying various methods to hasten their development.

Before the establishment of the Philippine Commonwealth on November 15, 1935, the Government followed a policy of developing Mindanao and Sulu by establishing agricultural colonies in the different parts of these islands, otherwise known as the Moro Land. Beginning with the year 1913 the following colonies have been established:

Province	Name of Colony	Area in hectares
Bukidnon	Matlag	268
Cotabato	Ladangan	2,720
Cotabato	Silik	2,708
Cotabato	Paidu-Pulangui	1,380
Cotabato	Maganuy	5,180
Cotabato	Pugulangan	4,475
Cotabato	Talisy	1,719
Cotabato	Glau	1,272
Cotabato	Salumayan	2,534
Lanao	Momungan	2,345
Sulu	Tawi-Tawi	8,000
Zamboanga	Lamitan	3,375
Total		35,976



1. Old Spanish Tower and Lighthouse, Jolo Wharf Approach, Sulu Province.
2. Jolo-Tandu-Batu Road, Km. 7, Balunu-Timbangan road on the left, Sulu Province.
3. Jolo Wharf, Sulu Province.
4. Lamitan Landing Road, Km. 2, (Basilan Island) Zamboanga, Mindanao.

The Government has invested, as per compilation of statistics made in 1934, a total sum of P937,492.32. The present population of these colonies is approximately 40,000

people. The establishment of the agricultural colonies had two principal purposes: (a) political and (b) economic. (a) Politically, they were organized to show that the Christian homeseekers and the non-Christian people of Mindanao and Sulu can live together as neighbors peacefully and congenially. This purpose has been fully and successfully attained. (b) Economically, these colonies were organized to hasten the development and cultivation of the large tracts of fertile agricultural land in Mindanao and Sulu, thereby making this region contribute to the general prosperity of the country with the wealth which said tracts of land are potentially capable of yielding. Although much has been accomplished along this line, this purpose has been but partially achieved, in view of the difficulties encountered in administering the colonies and in the failure of a number of the colonists to comply with the conditions prescribed by the Government. The colonists under the law are given advances, either in kind or in cash, to enable them to start cultivating the lands occupied by them, and beginning with the third year of the cultivation of their lands, they should begin reimbursing the Government by installment for the amounts advanced to them. This is the condition which most of the colonists have failed to comply with.

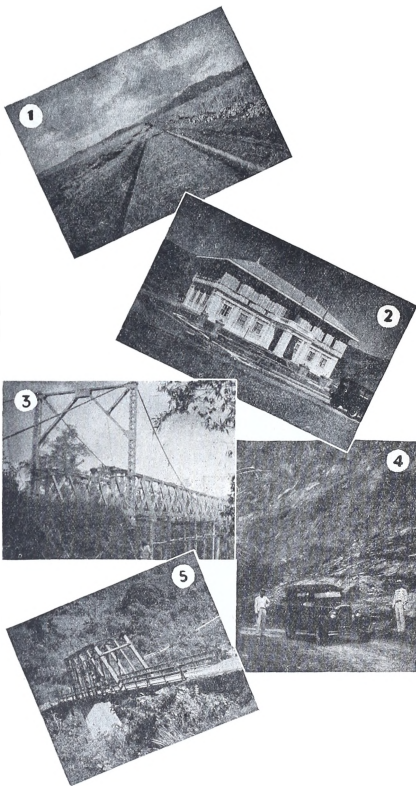
Along with the establishment of agricultural colonies, the Government has also been constructing roads to connect provinces and municipalities and to provide means of communication to important agricultural districts. It was observed that wherever roads were opened through unsettled regions, homeseekers from the thickly populated provinces of Luzon and the Visayan islands emigrated in large numbers and occupied lands on both sides of the new roads at their own expense and initiative. Such a manner of settlement of agricultural lands was illustrated with the construction of a road connecting the municipality of Misamis, province of Occidental Misamis, with the municipality of Pagadian, province of Zamboanga. When the location survey of this road was still being made, homeseekers followed the survey party and occupied lands on both sides of the line, and long before the road was actually constructed, large groups of settlers had already established themselves all along the road, at the places known as Tangob, Bolinsong, Cebuano Barracks and Pagadian. These communities have grown so fast that Pagadian in Occidental Misamis, and Pagadian in Zamboanga, have been declared regular municipalities, and the others will also be so declared in the course of a few years.

In view of the encouraging result of land settlement just mentioned through the construction of roads, the Government has changed its policy of colonization to that of building more roads to traverse important agricultural public lands, and in line with this new policy, the National Assembly re-appropriated for road and bridge purposes the unexpended balance of ₱990,000.00 from the fund set aside by Act No. 4197 for the establishment of new Agricultural colonies in Mindanao and Sulu.

Up to the end of the year 1935 there were in existence in the ten provinces in Mindanao and Sulu 943.6 kilometers of first class roads 757.2 kilometers of second class and 384.8 kilometers of third class, or a total of 2,085.6 kilometers of automobile roads. Last year, when the Commonwealth Government adopted the new policy for undertaking more extensive construction of roads, and made available for road and bridge purposes, in addition to the current appropriation of ₱116,500.00, the above-mentioned balance of ₱990,000.00 from the colonization fund, a considerable kilometerage of new roads has been constructed. Liberal allotments for construction purposes were also given last year by the Department of Public Works and Communications from the Gasoline and Motor Vehicle Funds, which together with the aforesaid funds, gave a total of ₱1,939,292.00, and at the end of last year said Department declared 1,024.9 kilometers of the Mindanao and Sulu roads as first class, 784.1 kilometers as second class and 468.8 kilometers as third class, or a total of 2,277.8 kilometers, which represents an increase of 192.3 kilometers of all classes of roads in existence in Mindanao and Sulu over the total kilometerage at the end of the year 1935.

In the Public Works Appropriation Act for the year 1937 the National Assembly set aside the sum of ₱483,505.00 for various road construction projects in this region, and this sum, together with the allotments released from the Gasoline and Motor Vehicle Funds for construction purposes during the first and second quarters of 1937, amounting to ₱407,623.00, or a total sum of ₱891,128.00, has enabled the Bureau of Public Works to continue construction work on the various road projects under way, so that on June 30, 1937, the road kilometerage in Mindanao and Sulu has been increased to 1,034.2 kilometers of first class roads, 876.1 kilometers of second class and 470.6 kilometers of third class, or a total of 2,380.9 kilometers of roads, representing an increase of 103.1 kilometers of all classes of roads over the total kilometerage in existence on December 31, 1936.

In the following table is given a comparative statement of the roads in existence in the different provinces in Mindanao and Sulu during the period from December 31, 1935 to June 30, 1937:



1. Malabonay south road under construction, Km. 115, Bukidnon.
 2. Provincial Government bldg., Malabonay, Bukidnon.
 3. Malabonay suspension bridge, Malabonay south road, Km. 128, Bukidnon.
 4. Cut road on Km. 42, Malabonay north road.
 5. Mangimo Bridge, Malabonay south road, Bukidnon.

Table of Roads in Existence in the Provinces in Mindanao and Sulu from December 31, 1935 to June 30, 1937

Province	FIRST CLASS			SECOND CLASS			THIRD CLASS											
	1935	June 30 1937	Increase or decrease	1935	June 30 1937	Increase or decrease	1935	June 30 1937	Increase or decrease									
	Agusan	68	0	68	28	1	36	2	8	1	4	11	2	6	4			
Bukidnon	96	7	120	9	21	2	25	9	23	2	(2)	7	53	7	50	8	(4)	9
Cotabato	86	2	86	2	—	—	89	1	131	0	41	9	36	2	81	6	25	4
Davao	63	9	81	3	17	4	74	1	93	1	19	0	21	8	35	2	33	4
Lanao	52	8	53	4	6	129	9	141	4	17	5	26	3	29	4	3	1	
Occ. Misamis	101	7	125	7	24	0	19	6	9	6	(10)	0	19	4	43	0	23	6
Or. Misamis	163	2	163	2	—	—	133	0	154	4	21	4	16	5	13	8	(2)	7
Sulu	135	1	137	1	2	0	3	2	23	7	20	5	52	4	42	5	(9)	9
Surigao	105	3	117	7	12	4	40	2	46	8	6	6	79	3	79	7	4	
Z & M-boanga	67	7	80	7	13	0	214	1	216	7	2	6	52	4	63	4	11	0
Totals	943	6	1034	2	90	6	757	2	876	1	118	9	384	8	470	6	85	8

Hand in hand with road construction activities, the Bureau of Lands is subdividing suitable public agricultural lands and establishing townsites along completed roads and roads under construction. This Bureau has adopted the policy of making subdivision into lots of six hectares each within the first kilometer on both sides of the road; 12 hectares each, in the second kilometer, and 18 to 24 hectares each, in the third kilometer, which is the minimum limit established by law for such agricultural subdivisions. Beyond the 3-kilometer limits is the zone where sales application or leases for large tracts of land are permitted.

In the subdivisions started last year by the Bureau of Lands along the Cotabato-Davao interprovincial road, hundreds of lots have been disposed of, and they are taken up as fast as they are released for occupation. In the high land sections the settlers usually come from Cebu, Bohol, Leyte, Oriental Negros and Oriental Misamis, as they prefer to plant hemp, corn and fruit trees. The Ilocano homeseekers and those coming from Pangasinan, Nueva Ecija, Tarlac, Zambales, Capiz, Iloilo and Antique prefer to settle in the lowlands where they can develop irrigation systems and plant lowland rice.

Luzon is the largest island in the Philippines, having an area of 105,300 square kilometers and a population of 6,300,000, and Mindanao is the next in size with an area of 98,071 square kilometers and only a population of 1,500,000. Up to the end of 1936, Luzon Island had the following kilometer-age of roads:

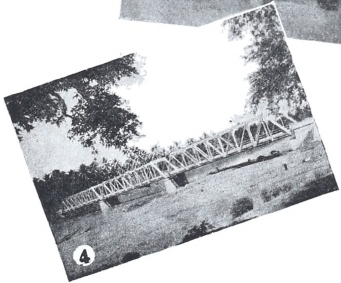
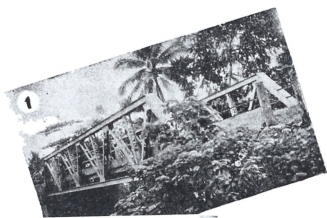
First Class	4,691.5 Kilometers
Second Class	2,464.0 Kilometers
Third Class	926.7 Kilometers
Total	8,082.2 Kilometers

while Mindanao had only:

First Class	1,024.9 Kilometers
Second Class	784.2 Kilometers
Third Class	468.8 Kilometers
Total	2,277.9 Kilometers

Compared with Mindanao, Luzon Island, as indicated by its present population and kilometerage of roads, is relatively well developed, with the exception of the provinces of Nueva Vizcaya, Isabela and Cagayan and portions of Tayabas and Camarines Norte, which still have extensive areas of undeveloped public lands due to the fact that only in recent years interprovincial roads have been completed, or are being completed, to connect these provinces with the road system in Luzon and with Manila, the capital of the Philippines. In order, therefore, to place Mindanao in the same state of development as her big sister Island of Luzon, it will require the investment of as many millions of pesos as have been spent for road work in the Island of Luzon, and the emigration thereto of all the excess population from Luzon and the Visayan Islands. It is encouraging to note that, beginning with our great President, all the high officials of the Commonwealth Government are taking great interest in the development of Mindanao and Sulu. Within the past two years they started to consider the development work of Mindanao and Sulu as a national problem and are now bending every effort to find ways and means to finance important public undertakings, especially the construction of roads. Four Department Secretaries, with their bureau chiefs, have separately made careful inspection of the Moro provinces to study the problems confronting their respective Departments in the development work. Honorable Mariano Jesus Cuenco, Secretary of Public Works and Communications, firmly believes that the most expeditious way to settle and develop Mindanao, and thus eventually solve the problem of excess population in the other parts of the Philippine Archipelago, is by building a network of roads to traverse the extensive agricultural lands in this Island. In a conference he had last April with the Division Engineer and the Commissioner for

(Please turn to page 13)



1. Tolomo bridge, Km. 7, Davao south road, Davao.
 2. Davao Waterworks Reservoir and settling basin, Davao.
 3. Suspension bridge over Digos River, Davao south road, Davao.
 4. Generoso bridge, Km. 2, Davao south road, Davao.



Vol. XVII
No. 9

September
1937

The American Chamber of Commerce

OF THE
PHILIPPINE ISLANDS
(Member Chamber of Commerce of the United States)

DIRECTORS:

P. A. Meyer, *President*
C. S. Salmons, *Vice-President*
John L. Hensington, *Treasurer*
J. C. Rockwell
E. M. Grimm
Yves E. Miller
S. F. Gaches
E. Schraeflich
H. M. Carver

ALTERNATE DIRECTORS:

L. K. Costerman
E. E. Bachrach
L. D. Lockwood
H. Dea Helms

SECRETARY:

C. G. Clifford (on leave)

ACTING SECRETARY:

H. O. Branan

COMMITTEES

PUBLICATIONS COMMITTEE:

P. A. Meyer, *Chairman*
C. S. Salmons
Ray C. Bennett

BANKING COMMITTEE:

E. J. LeJoux, *Chairman*
E. E. Wieg
J. R. Lloyd

RECEPTION & ENTERTAINMENT COMMITTEE:

E. Schraeflich, *Chairman*
H. J. Belton

INVESTMENT COMMITTEE:

P. A. Meyer, *Chairman*
C. S. Salmons
C. C. Rockwell
S. F. Gaches

SHIPPING COMMITTEE:

H. M. Carver, *Chairman*
E. M. Grimm
Clément F. Sharp

EXECUTIVE COMMITTEE:

P. A. Meyer, *Chairman*
C. S. Salmons

RELIEF COMMITTEE:

C. G. Clifford, *Chairman*

MANUFACTURING COMMITTEE:

K. B. Day, *Chairman*
P. H. Hale
D. H. O'Brien
H. F. Strickler

LEGISLATIVE COMMITTEE:

C. S. Salmons, *Chairman*
Indig Jaber Bora
L. D. Lockwood
C. G. Clifford

FINANCE COMMITTEE:

Yves E. Miller, *Chairman*
E. J. Deyack

FOREIGN TRADE COMMITTEE:

H. M. Padgug, *Chairman*
H. H. Duckworth

INDIANA'S MAGNIFICENT McNUTT

Washington news dispatches label High Commissioner Paul V. McNutt in the biggest question-mark in today's American national politics. Commissioner McNutt is wearing well here, so far as we learn, and the following American Mercury story about him in Indiana written by James Stevens will no doubt be widely appreciated.

January, 1933, and the inaugural of Paul V. McNutt as the Hoosier governor. The State was ripe for one-man rule. Public and private finances were crashing under the burden of huge deficits, and a tornado of tax delinquencies and busting banks. Schools were closing, unpaid teachers were organizing hunger marches, the jobless in the industrial cities were roaring for bread and beer, hell was smoldering in the steel mills and already exploding in the coal mines. McNutt went after dictatorial powers, and got them. Within sixty days the new Governor jammed through a reorganization measure that reduced 169 administrative bureaus to eight departments under his control. He machine-gunned on, with a sales-tax law that was soothingly labeled a "gross-income tax"; a bill that revolutionized the State banking system; a law that was to reduce Indiana property taxes \$50,000,000 in four years; a law that gave the State an actual police force instead of a pack of political choreboys; an enactment that buried the State's Ku-Klux-bono-dry law and cleared the way for Modification and Repeal; and a slew of measures which knocked down and rebuilt the major State commissions, the system of municipal elections, and the State set-ups for dealing with Depression emergencies.

So much, and much more, before March 4th. Every measure had been in secret preparation for months and was heaved at a flabbergasted Legislature without warning. The

Republicans yelled, and a few Farley-Peters Democrats took walks, but the surprise attacks scuttled all opposition.

Yet McNutt the Magnificent is a product of plain Hoosier earth, and so fits the need of democratic legend. His father was an appellate judge, but the country town of Franklin, Indiana, was his birthplace and he grew among barefoot boys. No stories of mirth have come out of his youth. Then, it seems, he was only handsome. At Indiana University the hero's powers unfolded, and he achieved the presidency of his class. A year at Harvard, and he came home with a Bachelor of Laws degree and to an assistant-professorship in the Law School of the State university. There McNutt first demonstrated his abilities as a political strategist, a master of patient self-advancement.

The facts of young McNutt's coming to power over William Low Bryan, then and now president of Indiana University, have never been told. The McNutt enemies relate a melodramatic story of black intrigue against the then-aged Dean Hepburn of the Law School; the McNutt loyalists give a poetic recitation about ability and virtue meeting a just reward; the truth probably lies betwixt and between. In any case, Hepburn was retired and McNutt was installed in his chair before a thunderstruck faculty could raise a whisper of protest. The appointment stuck.

Concurrently rose McNutt's World War career. Wonderfully made for military regalia, incomparably voiced for patriotic oratory, Soldier McNutt was kept at home to inflame the recruits of the Wilson crusade. At Camp Stanley, Leon Springs, Texas, he fairly bounced from a captaincy in the Field Artillery to brigade command, and finally returned to Bloomington with sufficient, if bloodless, glory.

But to get back to his story, in 1930, the Indiana Democracy had real hope, for the first time in fourteen years, of driving the Republicans from the lush political feed-runs. . . . McNutt, in plumes and shining armor that bore no smear of politics, was anointed by State Chairman Peters as key-note for the State Convention.

Many of the delegates then saw McNutt for the first time. He knew it was his fateful hour. Inspired, he struck all present as a Great Light leaning downward. He held silence until not a breath issued from his audience. Then the golden voice clanged a battle cry:

"We have met to prepare for a change in government and for its restoration to the people!"

As the echo rang, McNutt was made. Patriot Democrats who had schemed and sweated through years of famine for places at the head of the Hoosier trough were forced to stand at attention in the ranks while Boss Peters escorted the Magnificent McNutt to the front of the feed-line parade.

For two years the Hero seemed compliant in the role of drum-major. Then, at Chicago, in a day, he stripped his baton of its gilt, and revealed a leaded big stick.

In 1934, with one Democratic faction supporting Peters for the U. S. Senatorial nomination, and the Van Nuys faction boosting another, McNutt easily nominated his henchman, Sherman Minton. In 1936, the gubernatorial nomination was the State Convention prize. Minton, by now a roaring New Dealer, was bold enough to advance a candidate of his own. Van Nuys tried again. McNutt did not even trouble to endorse officially his candidate, Mr. Clifford Townsend, then lieutenant-governor. One ballot was enough. The Magnificent One remained the master of all the Hoosiers.

Then, the '36 campaign. The Republicans, hugely heartened by Democratic factional fights, revived the 1934 cry of "Stop McNutt!" So again in Indiana the Rooseveltian New Deal played second fiddle to the McNutt Dictatorship in an election. The hero himself was not a candidate because the Indiana Constitution denies a second term to a governor. Nevertheless, the retiring governor was the central figure of the campaign.

By this time he had perfected his public-forum method of campaigning. Every conceivable question and argument that might be fired at him from an audience had been carefully considered, and answers were stored up for all. Now McNutt the Magnificent was at his best. Standing alone on a vast stage, with lamps flaring upon his towering silver mane, classic features, and pine-like form, his smile as ever a

light leaning downward, the muted horn of his voice gently sounding a theme of oracular authority, the Hoosier Hitler silenced all comers. In the final week of October, not three questions a meeting were bawled at him. The crowds but gaped, their ears yawning, while they heaved with wonder and awe.

McNutt was aboard the Roosevelt Special when it stopped at Gary during the '36 campaign. In the forefront of the station crowd bulged Mayor Barney Clayton, local chief of a Democratic faction that had opposed McNutt two years before. This year he was yet on trial. Fearfully he awaited a sign from the Magnificent One, yielding the President of the United States hardly a glance. At last McNutt leaned from the observation platform and shook the Mayor's hand.

"A nice turnout, Barney," was all he said.

But it was enough for the Mayor. Sweating with relief and pride, he panted to his henchmen: "Did yah hear him, boys? He called me Barney! Paul V. McNutt called me Barney, by God!"

Thus the Hoosier Hitler bestows familiarity as a badge of honor. McNutt, as I have sketched him, is well known to the conservative Democrats of the Old South, and to the boys of Tammany as well, if not to the blithe spirits writing politics out of Washington, D. C. So does he shine as a shape of hope for Old Democrats everywhere, as they bide their time in the outer shadows, beyond the celestial circle of the New Order. He is adored by the schoolmarms of a thousand institutes and he is revered in as many posts of Legionaires. For nine years, McNutt has been preparing a drive for the Presidency. If his past performances as a strategist, a master of surprise attack, an organizer and dictator mean anything at all, Paul Vories McNutt of Indiana will either lead or break the Democratic Party in 1940.

His acceptance of the Philippines appointment was unquestionably a part of his strategy. With an ocean separating him from the increasing misadventures of the Administration, he may remain unsinged by such hell as that which rages about Frank Murphy and menaces George Earle. When

the fateful year approaches, or when the party factions begin to yell for a leader who may unite them, the McNutt will come home and place himself in the spotlight. Meanwhile, now that he has learned the trick, he may be depended upon to make news. He will be head man or nothing in Manila. In any event, he will remain magnificent until the earth receives him, and even then the grass will doubtless stand at attention about his grave.

The Islands' 17,000 Kilometers . . .

(Continued from page 6)

have been provided with good roads and every barrio has highway communication with the main roads.

The road classification mentioned above is based on the following definition:

First-class roads are well graded and surfaced, thoroughly drained, and constantly maintained; the bridges and culverts are usually complete and permanent. Where bridges are missing, ferries capable of carrying automobiles weighing two tons or more take their places. These roads are continuously passable at all times, with the possible exception of brief interruptions during typhoon seasons. As of December 31, 1936, 9,555.7 kilometers of first class roads were in existence in these Islands.

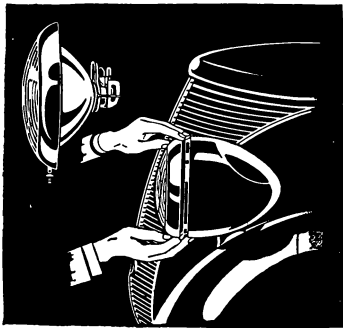
Second-class roads are fairly graded, partially surfaced, and intermittently maintained; bridges and culverts are usually complete, but, in part, are temporary structures. These roads are continuously passable for vehicular traffic during the dry season, and more or less passable in rainy seasons. The country had 5,105 kilometers of second class roads as of December 31, 1936.

Third-class roads are all the traffic routes for carts not included in the first and second classifications, such roads are usually narrow, poorly graded, or not graded at all, and are generally impassable in the rainy season. The kilometerage of this class of roads as of December 31, 1936, was 2,083.2.

As early as 1910, the Chief Executive of the country real-

(Please turn to page 15)

HEADLAMP IMPROVEMENT -



now so easy, at little cost!

You need no longer strain your eyes during night driving. Fit a "BOSCH Superlight Insert" and enjoy a powerful far-reaching light, enabling you to drive in comfort and safety. It costs but little and can quickly be fitted to the existing headlamps of all American cars. Let your dealer demonstrate it to you today.

BOSCH Superlight Inserts

G. Illies & Co.

550-556 San Luis, Ermita
Manila

In Baguio:

Pedro Armeña & Co.

29-A Session Road

We Review A Huxley Book

The book *Eyegless in Gaza* by Aldous Huxley is all about life. Rather, the bouquet of life; so little of the scent of the rose, and most of that a mere illusion or at most a sensation of just being young, and so much of musk and rue. A work of Huxley, the book is of course delightful throughout; and I think it will prove more pleasing to folk outside of England than to English folk at home. Huxley is the one English man of letters magnificently broader than England's shores in intellectual curiosity. Not all English admire the catholicity of knowledge that recognizes the fact that an Australian ranch has quite as much to do with the matter of British mutton as has a Shropshire meadow, and many of them are not prepared to accept it.

Huxley at any rate, can view Fifth Avenue from a bus—not condescendingly: Englishmen will be first in conceding that this is not a universal English trait.

Eyegless in Gaza is a what-not for thoughts. You are invited to hang it full of superfluous reflections of your own, incumbrances giving you perhaps a stuffy feeling; the Spring overcoat you are glad enough to wear downtown of a morning, that by noontide tortures you until you fairly fling it at the books in the hallway. By this time, worst of physical annoyances to hirsute man, your wrists are sweating under

the coat-cuffs and the perspiration runs down into your gloves. Huxley has recognized that a man may be garmented in too much thought, in the morning of his life when the slightest breeze of experience chills him through; and so he has made this book, and blazoned it with a sign, *Cloak Room*.

Gaza of old was a Philistine capital, which will signify a mart as well as a caravan station, that Israel often cursed but never conquered. It was far south, perhaps the shepherds never cared to march in force so far. But Milton says, as Huxley quotes, *Eyegless in Gaza at the Mill with slaves*. And why slaves? Why, to turn the mill. And our Gaza? Our existence. And the rulers of our Gaza? The fates, the gods-soforth: to a Christian, God in upper case. And what is in Gaza for us? Nothing but the mill, where we go by the sense of touch. And then our business in Gaza? That of slaves, blinded slaves of course, forever at the sweep—the sweep that turns the mills of the gods while they grind slowly yet exceedingly fine.

You see, the young Oxonians and their belles, who are Huxley's characters together with celebrities who gravitate to their company naturally, essay most remarkable adventures. They will do so much, are equipped for it too, yet in the end are condemned to do so little. In the beginning, ah yes; they will tolerate no gyves on their limbs, not much they won't; they will not be taken prisoner in combat, sold on the block at Gaza, and doomed to turn the mill.

But really, however much they will think otherwise, there is nothing else in store for them. And, not after such lofty effort, but after lesser effort equally poignant to us who are denied Oxford, the Museum and the Circle, neither is there ever anything else in store for all of us. There comes a day when we are at the end of our years, and fall at the sweep. Then we are thrown aside quickly, and the shackles cut free from our ancient limbs will soon serve for one of our children.

This, I say, is Huxley's thesis. To show how cycleless the human victim is, he jumbles the chapters chronologically. Well, all slaves at a mill-sweep were not shackled there at the same time: some were taken as boys, some as old men. Nor did all fail at the same time, by dying or going mad: such things go without saying, and make all the allusions clear. Mary in 1926 is still adorable, but in 1928—many intervening chapters later, naturally—she is a hag addicted to morphine. This is fourteen years after her daughter, Helen, has descended to promiscuity almost professionally: but God! with what reason! Then too, it is one of the very latest of the chapters in which Brian drops away: not defiant, still a man of utter faith capable of his daily stint in the *Guardian* at Manchester, but broken hearted and unable

physically to go another turn. Many times he has felt the lash, never once resented it. He shrugged as it lay on, bent harder to his task and went ahead. All right, his thought ran with the open wounds, perhaps he had been dogging it; if so, it had been mean of him, while he had not kept up his part he had been unfair to the others; . . . the lash! a reminder after all, however harsh—he would lean harder to the sweep and redeem himself.

From childhood almost, Joan and Brian had been sweethearts; circumstances, mostly Brian's forgetfulness of self in effort to help others, always postponed the wedding . . . at last Joan, mistaking Anthony's gesture of mere commiseration, struck Brian with the blow that she was breaking it off, that she and Anthony, Brian's warmest and most loyal friend, visiting him at the time, were in love. If this was so, why had Anthony not come out with it? How could he be there, under Brian's roof, sharing Brian's bread and making intellectual excursions with him, skulkingly hypocritical all the time during a spiritually rejuvenating visit?

Joan's jibbering letter was a travesty of truth. She believed, getting at things through the touch of them, but only she was party to her faith. Yet it did for Brian. Days later they found his body in the woods, he had escaped the monster in his house. It fell to this monster, the brooding friend Anthony, to see to the burial, comfort the mother, lie inordinately to Joan by telling her he found a letter from her to Brian, unopened—he was returning it to her, not knowing what else to do, since evidently it had come to the house after Brian had gone away to the woods. Ill health was obviously Brian's difficulty. She was not to take it badly.

Then indeed did the Mill with slaves grind fine.

From Brian in 1914, Mark and Anthony in Mexico seeking succor with Don Jorge and his rebellion in 1934. The discrepancy is twenty years, lively ones too, but you retain the thread leading safely through the labyrinth by visualizing the blind slaves at the sweep: shackled there at different times, dying there at different times, chucked aside at different times—if not surreptitiously bartered to a Jew or a passing Arab scholar who practices black magic and vivisection on pretext of discovering thereby, facts relating to the living flesh.

Beppo is the weakest of the Oxonian slaves, essaying the wisdom of selfishness but failing very early. Huxley uses him as a caricature of contemporary polite perversions; it notes an England somewhat at contrast with the England that punished Wilde. Booh! Booh! the preachers say of Beppo's weakness, in order to frighten children; and nearly all the world preaches. Beppo who so delights in Berlin in 1928, is incident, no more.

At the sweeps of a mill such as the Gazites had in Gaza, or such as those of the gods, the different slaves come boldly into the eye at intervals, pass, and you see their labor closely, go round whilst others pass, and reappear again. The subtlety of Huxley's management of





**Always
Ahead**



**IN
STYLE**

In shirts as well as other things new styles come in and old ones fade away. Past performance has shown that in shirts ROYAL has always led the way in the Philippine market.

Royal's constant watch on styles and innovations that are practical has earned for it that right to leadership.

Try the fashionable Royal

ROYAL SHIRT FACTORY

521 Rizal Ave., Manila
14 J. M. Baza, Iloilo

IN RESPONDING TO ADVERTISEMENTS PLEASE MENTION THE AMERICAN CHAMBER OF COMMERCE JOURNAL

New & Old Highways . . .

(Continued from page 9)

Mindanao and Sulu, it was agreed that the writers of this article should prepare two road construction programs:

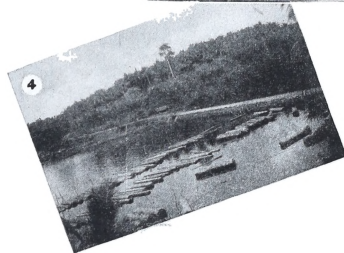
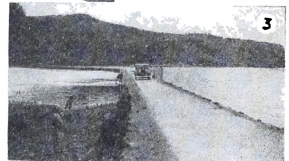
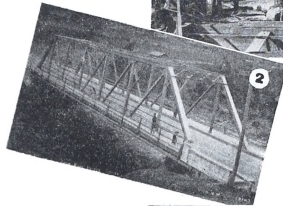
- (1) A two-year program to be financed from the Gasoline and Motor Vehicle Funds, and
 (2) A five-year program to be financed from the excise tax money, or from funds to be appropriated by the National Assembly.

This program aims to complete all the interprovincial roads now under way in the northern provinces of Mindanao.

If the total estimated cost of P23,658,000.00 can be made available from the excise tax of P100,000,000.00, it will permit the complete construction, within five years, including maintenance, of approximately 3,000 kilometers of new second class roads which, together with the existing roads, will give Mindanao and Sulu such a complete highway system that will provide all the transportation and communication facilities necessary for the extensive and intensive development of the natural resources of this region. However, in the event that this total amount cannot all be given at one time, the program can be adjusted in the order of the relative importance of the projects, and construction work can accordingly be undertaken as funds are made available from time to time.

(Please turn to page 34)

1. Misamis-Tangah road, Km. 27. Misamis Occidental.
2. Ague River bridge, Lanao.
3. Bawa-Cauzway, Km. 18. Mambaya-Sagay road, Oriental Misamis.
4. Tugar Causeway on Km. 46. Lanao.



Read

**THE AMERICAN CHAMBER OF
COMMERCE JOURNAL**

Subscription P4.00 a year

his chapters carries out Milton's allusion in some detail, yet need not escape us; if it is a bit harsh, surely it is not mystifying.

Laboratorially specific as *Eyesless in Gaza* is, it is not depressing. It shows that man strives and nothing ever comes of his effort, but at the same time you are left inklings of hope that all this strife is worth while. This is not tossing a beggar a bun. For it is believable, truly, in our time as possibly never before, thanks perhaps to the emancipation of woman, that the cortices of our brains can be more deeply set with understanding, and that man, Oxonians and Upper Middle Classers eminently included, can evolve a formula of conduct that will make life tolerable, if not comprehensible.

Not another word on this, however. Huxley's book is rugged with reality and must not be smoothed out.

I know, I think, about the binding of the slaves at Gaza—an allusion Milton must have had from the bible. At least I know that when they harness an ox to a sweep, they cap a blind-er over his near eye to prevent his becoming dizzy, eventually dazed and finally mad. If the Philistines blinded Jewish slaves at the mill of Gaza, it had, beyond doubt, a simple

Nederlandsch Indische Handelsbank, N. V.

Established 1863 at Amsterdam

Paid Up Capital — — Guilders 33,000,000 [P37,000,000]
 Reserve Fund — — Guilders 13,200,000 [P14,800,000]

General Head Office at Amsterdam
 with sub-offices at Rotterdam and the Hague.
 Head Office for the Netherlands Indies at Batavia.
 Branches in the Netherlands Indies, British India,
 Straits Settlements, China, Japan and the Philippines.

Branch at Manila: 21 Plaza Moraga

Every Description of Banking Business Transacted
 Current accounts opened and fixed deposits received
 at rates which will be quoted on application.

economic purpose behind it. Why, as to that, since it probably postponed madness, we can see very readily that it was for the slaves' own good: the oracle at the temple of Dagon could justify it on grounds of enlightened piety, as we can well surmise it invariably did. An aversion on nothing at all, in particular—*Eyegles in Gaza at the Mill with slaves, kismet!*—recalling only that Huxley did not write without a purpose, and that Gaza may be nearer than we think.

Sampson once went to town in Gaza. He had been carousing and boasting as usual, and when he went to bed the Gazites watched where he lay and whom he chose for bed mate. In the morning, they swore vengefully among themselves, when his mighty strength should be dissipated by wanton indulgence, they would lie in wait for him and slay him. But Sampson terminated his pleasure in Gaza at midnight, no doubt because some woman whispered to him of his peril, and he rose and went his way to Hebron, whence he carried off with him the gates of Gaza including the bar thereof. But he left the Mill with slaves intact, Jehovah moved him not to destroy it.

When Sampson went again to Gaza, Delilah had shorn him of the source of his strength, "the Philistines took him, and put out his eyes, and brought him down to Gaza, and bound him with fetters of brass; and he did grind in the prison house." Who would harbor a slave? None in Gaza, so Sampson's seven locks grew out anew and returned him his gigantic strength—nor had the sweep softened his muscles; and he avenged the mayhem by pushing down the pillars of Dagon's temple and burying himself along with the Philistines in the ruins.

All the time Gaza could not be taken. Huxley's metaphysical Gaza is much grander of course, and infinitely more invincible. But it is right for man to besiege it, some time it may prove to be as pregnable as Jericho. In Huxley's closing chapter dated 1935, Anthony offends many citizens by the tone of his public addresses. He is mobbed. Mary is beyond mourning, so it really matters little: Helen has found someone else, whom she has already told Anthony she likes better.

—W. R.

George F. Luthringer

—Secretary to the joint preparatory committee on Philippine affairs.

"I wish to acknowledge with thanks the copies of the July and August numbers of the Chamber of Commerce Journal. The members of the Committee will find the various articles of great interest."

AMERICAN CHAMBER OF COMMERCE JOURNAL

P. O. Box 1638 — Manila — 180 David

RATES

Philippines - - -	\$4.00 per year
United States - - -	\$2.00 " "
Foreign Countries	\$3.00 " "

LETTERS

John Grunder

—former Manila business man now reachable at 3 Lewes Crescent Brighton 7, Sussex, England.

"It gets my goat to see that day after day the Philippines become a greater and greater *unknown quantity* to the average Englishman. Here are a few facts:

"There is no office in London where one may obtain mining and investment information on the Islands.

"As from the first of July the new and faster Air Mail Service to India, Malaya, Siam, China and Japan was inaugurated and the postal rates reduced about 40%, except that to the Philippines which was increased 35%.

"Of the 12,000 cigar stores in Greater London only 15 carry two brands of the very cheapest Manila cigars and these at millionaire prices of a shilling and sixpence per cigar.

"Recently at a public auction very valuable historical books and documents on the Philippines were sold for a song, a great loss to the Philippine National Library and Museum.

"I was talking to a Filipino gentleman, whom I believe was once in charge of a Bureau of Commerce and Industry office in America, and he expressed the view that such an office here in London would be of great benefit to the Islands. Please excuse my writing you on these matters. I do so only because they will be of interest to your *Journal* and should be brought to the notice of the proper Philippine government officials—your worthy *Journal* with all its ramifications being the most appropriate means of doing so." (The data in this letter were immediately forwarded to Secretary Vargas at Malacañan, but Mr. Grunder's address is also given here should any reader wish to contact him personally; he seems to be in a mood to assist, at least to some extent, in enabling the Islands to reach the London market with sundry manufactures. We have always felt that a vast trade in Philippine cigars could be established throughout the world by a form of cooperative among local manufacturers enabling them all to be represented in one field by one salesman or agency, and quite without regard to the brand of cigars thus sold, to share the profits. This might require a special export agency with brands of its own. At any rate, an expense unwarranted by one manufactory can easily be undertaken by a group, and under one formula or another the problem ought to yield to solution.—Ed.)

G. H. Fairchild

—Philippine Sugar Association
Regina Bldg., Manila

"I did not know that it was your intention to publish my letter on the Chinese sugar situation in the American Chamber of Commerce *Journal*. However, the story is as follows:

"Upon a number of occasions the suggestion has been made locally, presumably in all seriousness, that a substantial portion of the Philippine sugar crop might be marketed in China after the American free market is lost, by inducing the Chinese to use sugar in their tea. I recall seeing in China some years ago cylinders of stone said to be 5,000 years old, upon which there were inscriptions descriptive of the high state of civilization in which tea drinking became an esthetic ceremony. There were many other evidences on the cylinders of the high state of civilization China had reached when our race was still roaming about the Teutoburg forests. There was no mention at that time of the use of sugar in tea by the Chinese. In fact, quite the contrary, the drinking of tea was then and it is still today in Japan and presumably in China a subject of esthetic art. I have never heard of Chinese taking sugar in tea, and I doubt whether they could be induced to change the habit of 5,000 years without considerable force being employed in the process.

"On the assumption that there are 500 million Chinese in China and the consumption of tea averages a cup per capita per day and that a teaspoonful of sugar will be required for each cup of tea, 500 million teaspoonful of sugar per day will amount to a total annual consumption of sugar in China of 2,851,562 short tons.

"On the assumption that at least two of General MacArthur's highly trained Philippine soldiers would be required to hold each Chinaman while a third soldier forced him to drink sweetened tea, I leave it to your statisticians to calculate the length of time it would take to introduce the use of sugar in tea to the extent it is employed in England and elsewhere. "Another factor, of course, must be considered should independence be granted in three years we would be forced to sell our sugar in the world market at a price which has averaged for some years about 1 cent a pound. The expense and effort to teach the Chinese to use sugar in their tea would be lost, as there would be no sugar left in the Philippines to export to the world's market.

"The 'sweet reasonableness' of sugar seems to have created a bitter problem for the Philippines. Not only has it created 'sugar barons' who apparently lost their profits through the activities of 'gold diggers', but the destruction of the sugar industry will leave the Government with no immediate or prospective substance. The powers that be are on record as having been against the establishment of a free trade market in the United States, so we cannot blame the Philippines for the unfortunate consequences of the destruction of the baronial sugar estates.

"This, in brief, is the outline of a story I promised to give you as to the prospects of selling 1,000,000 tons of sugar in China for the purpose of destroying through the use of sugar the aroma of the tea so dear to the Chinese".

The Islands 17,000 Kms. . . .

(Continued from page 11)

ized the necessity of classifying and establishing the limits of public roads, hence the promulgation of Executive Order No. 1 to that effect, thereby fixing the responsibility for the proper maintenance of the roads built or to be built between the Insular, provincial and municipal governments. This executive order was amended in 1929 and again in 1935, and later revoked by Executive Order No. 71, promulgated December 3, 1936.

Under this latest executive order, which took effect January 1, 1937, the roads have been classified into National, provincial and municipal roads, and the responsibility for their construction, improvement and maintenance has been fixed. The Commonwealth Government assumes responsibility for the construction, improvement and maintenance of National roads, the provincial governments for provincial roads, and the municipal government for municipal roads. The policy laid down in this order is in line with that adopted by most of the progressive countries of the world, and it is expected it will enable the Commonwealth Government to prevent out the construction and maintenance of roads of national importance in a more efficient and economical manner, prevent local influences from hampering approved programs of work, and coordinate the efforts of all agencies concerned with highway work.

Our people enthusiastically supported from the very beginning the government's program of road construction and maintenance. Our existing roads and bridges already rep-

resent an investment in their construction and maintenance of not less than three hundred million pesos. These lines of communication have given the nation greater solidarity and broader interests in common, and our people have come to realize that they simply could not live their lives in the way they want to live them were it not for the roads. They will always look for good and better roads, for they know that a good road saves money for the man who uses it—it makes money for the man who lives near it. Good roads increase land values because they bring the market and the farm closer together and make the business of farming more profitable. They are an insurance against interruption of food supply, and, by making the schools more readily accessible, they prevent intellectual stagnation of our rural population. In the Mindanao and Sulu provinces where road building has not advanced as rapidly as in other parts of the Islands, wherever roads have been built, their influence on the establishment and maintenance of law and order and the economic development of those regions has immediately become evident.

Funds for road and bridge construction and maintenance have been provided through various legislative enactments. There was the cedula tax, enacted in 1907, which, from 1908 to the end of last year, made use of one peso, or one-half of the tax, for road and bridge work in the provinces where the tax was collected as provided in Section 487 of the Administrative Code. This tax contributed over two million pesos for road and bridge work in the provinces last year. There is the internal revenue allotment of ten per centum of the collections from this source accruing to the treasury, which started in 1908 and which contributed about eight hundred

Your health is your fortune!

Keep it with a —

Coolerator

THE *Air Conditioned* REFRIGERATOR

Every man has a right to be healthy so he may better enjoy the good things of life and Coolerator promotes health by keeping foods fresh, crisp and tasty longer with a filling of ice that lasts from 4 to 7 days! It's the last word in air-conditioned refrigeration giving you constant cold temperature; real, taste-free ice cubes in 5 minutes and frozen delicacies in less than an hour!

End your refrigeration problems,—repair bills, high cost of maintenance, danger of explosions, etc.—with a Coolerator, the health guardian of the family! Send the coupon for full details.

Sole Distributor:

ELIZALDE & CO., INC.
MUELLE DE LA INDUSTRIA, MANILA

Please send me your Coolerator booklets and your plan of easy payments.

Name

Address

A.C.C.E.



The Philippine Guaranty Company, Inc.

(Established in 1917)

SURETY BONDS—

We execute Bonds of various kinds, especially CUSTOMS BONDS, FIRE ARMS BONDS, INTERNAL REVENUE BONDS, PUBLIC WORKS BONDS for Contractors, COURT BONDS for Executors, Administrators and Receivers and BAIL BONDS in criminal cases.

FIRE INSURANCE—

In the Philippine Islands

LOANS—

Secured by first mortgage on improved properties in the City of Manila on the monthly amortization plan.

Phone 2-24-31

Second Floor

INSULAR LIFE BLDG.

P. O. Box 128

M A N I L A

Luzon Stevedoring Co., Inc.

Lightering, Marine Contractors
Towboats, Launches, Waterboats
Shipbuilders and Provisions

SIMMIE & GRILK

Phone 2-16-61

Port Area

thousand pesos for road and bridge work last year. (Sections 491 and 493 of the Administrative Code). There is the one-eighth of one per centum of collections from the real property tax which is also devoted to road and bridge purposes in the provinces. (Section 346 of the Administrative Code). This item contributes about one and a half million pesos annually for road and bridge work.

With the popularization of the motor car, the motor vehicle tax law was enacted providing for the expenditure on roads and bridges of collections from motor vehicle registration and licensing of drivers. Collections from this tax started in 1912 with a little over thirteen thousand pesos, but last year's collection reached the respectable figure of nearly three million pesos. Later the "gasoline tax" law was enacted providing for the expenditure of the tax collected on lubricating oil, gasoline, and other distilled products on roads and bridges. Revenues from this source started to assist highway construction and maintenance work in 1927 by three million pesos, but last year's figures show that collections amounted to more than six million pesos.

There is also the annual appropriation act for public works which carries as a general rule a total of at least two million pesos for road and bridge work.

Several provinces have also taken advantage of laws which authorized bond issues for roads and bridges to build important concrete highways and certain bridges which otherwise could not have been financed for many years to come.

On several occasions the Legislature has authorized specific provinces to issue bonds for public works, and it should be recalled that the province of Pampanga took this opportunity to build concrete roads to replace obsolete macadam, while Pangasinan, Nueva Ecija, Laguna and other provinces built important permanent bridges through bond issues. Negros Occidental has recently built concrete roads by means of bond issues and Iloilo has contracted a half-a-million-peso loan and is at present building concrete roads with the money.

The Act of the Legislature which took effect on January 1, 1930, creating a revolving fund of five million pesos for the construction of permanent bridges, and the cost of which is to be refunded from toll collections, and the Act authorizing the use of the unexpended balance of nearly three million pesos of the proceeds of the Irrigation Bonds for the construction also of permanent bridges where tolls are levied and collected to refund the investment have made possible the construction of over sixty important bridges, thereby eliminating in many cases the uncertainty of ferry crossings. In order to give further impetus to this manner of financing permanent bridges, the National Assembly last year authorized the National Loan and Investment Board to invest money in permanent bridge construction, the investment to be refunded from toll collections.

The trend of legislation is thus to increase the revenues available for road and bridges work and to build permanent structures, but there is a decided tendency to gradually shift the burden of road and bridge construction and maintenance as much as possible to road users. Probably it may soon be truly said that the driver will have to pay his own way.

The existing system of administration of this governmental activity is as scientifically sound as any abroad and infinitely superior to many. A trained staff of engineers makes all plans and specifications and keeps abreast with the best practice abroad. As funds permit, roads subjected to heavy traffic are being paved with asphalt or concrete; road surfacings are being widened where necessary; curves of short radius are being eliminated; diversions around the "poblaciones" are being built, and bridges being made wider and stronger to keep up with modern traffic requirements. The only obstacle in the way of more and better roads and bridges will be limited resources. While last year over fifteen millions were spent in road and bridge work, in the years to come it is expected that more and more funds would be needed annually for this purpose, not only to give employment to many people, but also to promote the economic, social, and intellectual development of the country.

MINING REVIEW



AMERICAN CHAMBER

OF COMMERCE JOURNAL



Malaybalay North Canon Road Km. 42, Bukidnon

COMPREHENSIVE PHILIPPINE
MINING NEWS UP TO DATE



DOCTORS
RECOMMEND IT!

DAWSON WHISKY

WITH ANY MINERAL,
IS THE SAFEST AND
MOST SUITABLE
BEVERAGE IN
THE EAST

PETER
DAWSON
SPECIAL SCOTCH WHISKY
SMITH, BELL & CO. LTD.
SOLE DISTRIBUTORS

GOODRICH SUPERHEAT PACKING

New Possibilities in
GASKET MATERIALS



New Grades of Goodrich Superheat Sheet Packings are now available.

- More pliable
- Denser
- Stronger both lengthwise and crosswise
- More highly oil-resistant
- More nearly indestructible

Types 31 and 100 are new and improved grades, of ultra-quality, containing an exceptionally high percentage of indestructible material, — very dense, and especially compounded to withstand the action of hot oil and gasoline.

These types are homogeneous — not plied together — so plies cannot separate when the packing is subjected to excessive heat, or to the vapors of gasoline and other solvents. We recommend them with confidence for steam pressures up to 400 lbs., temperatures up to 700 degrees F., hot water pressures up to 1,500 lbs. Select these grades for severest service.

SPECIFY GOODRICH PACKING

Philippine Trust Company

sells drafts and cable or radio transfers for the payment of money anywhere in the United States, the principal cities of Europe, China and Japan.

It receives checking accounts in Pesos, Savings Accounts in Pesos or United States Dollars, Fixed Deposits and Trust Accounts.

Fidelity and Surety Company of the Philippine Islands

executes and covers

BONDS

Court, Customs, Firearm, etc.

INSURANCE

Fire, Life, Marine, etc.

Plaza Gotti and Escolta

Tel. 2-12-55

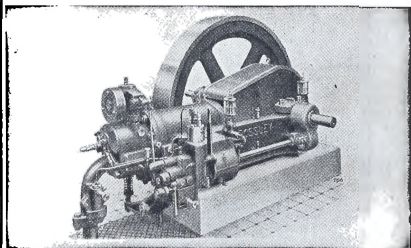
P. O. Box 150

WARNER, BARNES & COMPANY, LTD.LONDON — MANILA
ILOILO — CEBU — BACOLOD

IMPORTERS & EXPORTERS

SHIPPING DEPT.*Agents For:*Nippon Yusen Kaisha
Canard-White Star, Ltd.
Bibby LineINSURANCE DEPT.*Transacting*Fire
Marine
Automobile
Workmen's Compensation &c.*General Managers of*COMMONWEALTH INSURANCE COMPANY
EASTERN DEVELOPMENT COMPANY INC.
RAMONA MILLING CO.SPECIAL REPRESENTATIVES OF
IMPERIAL AIRWAYS, LTD.MACHINERY DEPARTMENT*Agents For:*Sugar Machinery, Diesel Engines, Condensing Plants, Mining
Machinery and Steels, Shipbuilders and Engineers.AGRICULTURAL DEPT.All Classes of
FertilizerIMPORT DEPT.Sperry Flour
Sugar Bags*Cable Address: "Warner" Standard Codes*

Manila Office: Soriano Building, Plaza Cervantes

**CROSSLEY DIESEL ENGINES**CROSSLEY HORIZONTAL LOW SPEED
ENGINES sold since 1911 are still giving
satisfactory service after**24 YEARS OF UNINTERRUPTED
SERVICE IN THE PHILIPPINES**Best suited for Ice Plants, Oil Mills and other
Plants requiring 24 hours service*Sole Agents:***SMITH, BELL & CO., LTD.**

Cebu — MANILA — Iloilo

**STAHLUNION STEEL BALLS**

We are pleased to announce that we have been appointed

Sole Distributors

For Steel Balls Manufactured by

MESSRS. STAHLUNION EXPORT, G.m.b.H.We have made arrangements to carry a quantity of their
special chrome steel balls in sizes from 5" down to 2" in
stock at all times and shall be pleased to quote on your
requirements for immediate as well as for future delivery.**KOPPEL (PHILIPPINES) INC.**

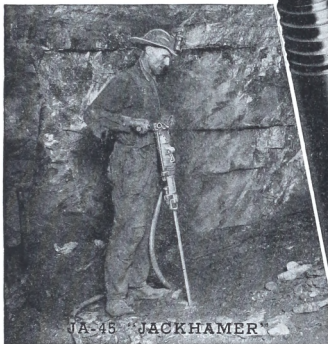
MANILA

75 DASMARIÑAS

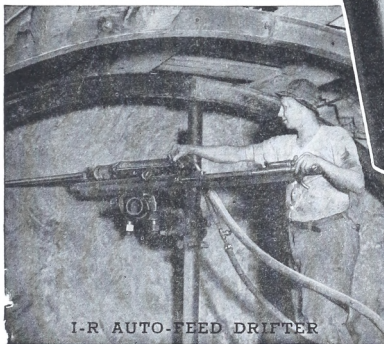
ILOILO



SAR STOPER



JA-45 JACKHAMER



I-R AUTO-FEED DRIFTER

JACKBITS

AND MODERN DRILLS CUT MINING COSTS

As everyone knows it is the cost per foot of hole drilled that counts. This cost is being greatly reduced in both large and small mines of all kinds by the combination of Modern I-R Drills and "Jackbits". If you are not using these new I-R Drills and "Jackbits", we are sure it will pay you to investigate them.

One property after another is finding that the use of "Jackbits" results in increased footage per drill shift, lower upkeep cost of drills, and the elimination of drill steel transportation costs. All of which means lower cost per ton of ore or rock broken.

There are more than 100 standard sizes and types of "Jackbits" from which to choose. They are made of the best steel known for cutting rock. Most bits can be re-ground two or more times in the "Jackbit" Grinder. "Jackbit" threads stand up and are easy to make. It takes but a moment to replace a dull bit with a sharp one.

The new automatically rotated SAR-85 and SAR-120 Stoppers are the fastest in their weight class. The new JA-30 and JA-45 "Jackhamers" have many advantages. Ask for any or all of the following catalogs:

SAR-85 and -120 Stopehamers — Form 2245
 JA-30 "Jackhammer" — Form 2254
 JA-45 "Jackhammer" — Form 2266
 Rock Drills and Accessories — Form 4101
 I-R Equipment for Mines and Prospectors — Form 2276

The Earnshaws Docks & Honolulu Iron Works

60-118 Second Street — P. O. Box 282
 — — — — — Manila, Philippines

INGERSOLL-RAND

11 Broadway 350 Brannan St.
 New York, N. Y. San Francisco



THE "JACKBIT" GRINDER

Reasons Why the Gold-Share Market Collapsed

• Revival Turns Upon Wide Liquidation

Reasons for the collapse of the gold-shares market in Manila and the pall that still hangs over it are so many that when President Quezon asked newspaper men about his own part in the situation and an attempt was made to enlighten him, characteristically he interrupted, with the remark, "Oh, now you are going to tell me a story." Advisedly, he had no time during a press interview for even the briefest recital of his own part in putting the market down. Besides, he had not played that part in full. It was evident in his attitude that he still had many lines to speak before yielding the stage to lesser actors in the drama of Philippine gold.

But his part comes first. It may also come first in a gradual restoration of public interest in the market. Supplementary factors, some of them coordinate, in the depressing situation are Nature, Quirico Abadilla over at the Bureau of Mines, Judge Ricardo Nepomuceno as Securities & Exchange Commissioner, Dr. Foster Bain who gave a few months to assisting Abadilla, Dr. Bailey Wilhis and Filipino assistants whose geological observations tend to define the Islands' gold regions, Manila newspapers that published the Willis preliminary reports, and this magazine, that featured reprints of them and editorially invited attention to their probable infallibility.

On March 18, at Washington, Quezon came out like a thunder stroke from clear sky, for shortening the Commonwealth period down to next year or 1939 at most. This seemed to signify doom for Philippine sugar, and sugar had been providing, directly and indirectly, the capital for mining speculations. Up to this moment, all had not been clear sailing but all was going quite well; there were darkening horizons, there were quarrelling winds and choppy seas, but practically no canvas had been reefed; it was coming to be realized that the voyage from raw prospect to ingot and dividend would perhaps be longer and more adventurous than had been anticipated at setting out, but courage was high and speed was swift.

What matter occasional minor mishaps? The Golden Fleece should be the ultimate reward of stubborn persistence. As for wreckage and repairs, sugar, that had backed the venture in the first place, would surely come to the rescue again.

After March 18 this was no longer true. The little barquentines of hope were caught in vortices of death and crushed together and shattered to pieces. Sugar deserted ship, swam for shore, and in mere shreds of its former fiery on the Bialto, began begging for its life. Mining could go hang, sugar would not throw good money after bad, but, very wisely, would tighten its purse strings and save its personal fortune if it could.

That was the initial part in the gold-shares collapse played by President Quezon. He is not, be it said, in the least repentant. He will strike again, anon.

Now let us take up Nature.

Two booms have enguiled the imagination of the Philippines since Roosevelt took office at the White House in 1933 and within a few months set the price of gold at \$35 an ounce. These booms have naturally resulted in wildcat staking and claiming. (The government was caught unprepared, of course, and cloudy titles and overlapping claims are common

results of this inability to meet demands upon the mining laws). But it appeared some time ago, and had begun appearing quite clearly before Quezon's unpressaged demand on Washington, that Nature had been less profuse in ballasting Philippine mountains with gold than had been anticipated by the hosts of organizers and shareholders and speculators in mining companies. Projects outside the districts afterward delimited by the Willis reports, failed on every hand to pan out.

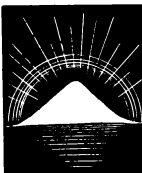


It is now plain that the lack of fundamental geologic data took the Philippine public at lamentable disadvantage. The truth has come out that Nature has been comparatively niggardly in the Philippines, concerning gold; she has made few deposits, and these not at all consistent. When the booms spread rainbow arcs over all the Philippines, this homely fact was still quite unrealized; if anyone spoke of the possibility of it, he was not believed, but his prudent homilies made him a pariah and he was pelted from the market-place with invective. Experience corroborated him, however, and the market

was rife with just misgivings when Quezon loosed the thunderbolt of the foreshortened Commonwealth period. Prior to that fateful day, it was only obvious that values would gradually subside and adjustments to Nature's actualities would be attained slowly. But on that day caution was abandoned and the only anxiety was to sell.

So what has made the market go down?

Answer, everything. Hope deferred maketh the heart sick. At the same time, it is natural for man to indulge in illusions of hope, but, to impoverish expression with still another cliché, the pitcher breaks that is sent too often to the well. People hoped the Baguio field was far more extensive and consistent than it seems to be, and made themselves believe that hope; they have now lost that illusion, and the process of disillusionment depressed the market.



People hoped that a Paracale company with a prospect good enough to warrant development could be milling gold in a twelve-month or less; in the end it was not true, and the disillusionment depressed the market.

In other cases, people hoped that large gross production would issue in a short time in a regular and stabilized dividend rate. This proved not to follow, necessarily, and the disillusionment depressed the market. Gold River at Baguio got a mill, even, then seemed to run out of ore; then it effected an operating contract, an excellent geologist was employed, and hope partially revived at intervals, but now, after so long a period of disappointed hope, the attitude is either to chuck Gold River overboard or stand by grimly—to gain much or lose all. A case-history such as that depressed the market. Ipo out east of town got to paying under Benguet Consolidated management, and Salacot, a speculation just across the river from Ipo, sprang into favor with the public.

Salacot got a mill, too, under a good superintendent, but production never came up to the expectations derived from

Base Metals Industry Well Underway

• War-risk Freight Loom as Drawback

Prospecting during recent years turned up many deposits of common base metals in the Philippines. This led, less than a year ago, to the organization of Amalgamated Minerals, Inc., under management of its vice president, W. B. Sheppard, with authorized capital of a million pesos of which nearly P900,000 is paid up. The company stood ready to buy base metal ores, also to take over properties and develop them. One result is that an actual market for these ores has been established, considerable shipments have been made and still larger ones are in prospect.

Attorney Thomas N. Powell of Iloilo is a director of Amalgamated. It is from that island, Pany, that copper has been shipped. To date, 8,500 tons have been shipped, Manager Sheppard says, 7,800 tons more will be shipped this month, 3,500 tons more early in October, and monthly thereafter, 5,500 tons.

Japan is the market, where Amalgamated has smelter connections both in Korea and in the archipelago. Amalgamated expects soon to be marketing the output of the Sulu Copper company from its mines in Tawi-Tawi. Among interested parties there are Paul Gulick, Colonel Harry Andreas, and B. F. Berkenkotter and associates.

On June 3 Amalgamated began loaing at Iloilo 2,700 tons of copper ore from the San Remigio property in Antique, which Amalgamated operates, and early in July a like cargo of this ore left Iloilo. The ore is trucked from the mine to

San Jose, then lightered across to Iloilo. At Mount Uac, Masbate, Amalgamated is developing a copper-gold project of the Berkenkotter-Iek interests. Here there is copper in the Bisayas from Antique to Masbate. Much of its assays very high, the particular rub is of find large veins bearing ore rich enough in copper to be to constant commercial value. Apparently it may not be said categorically, at this time, that such deposits exist in the Islands.

There is confidence, in the Amalgamated company, that they do exist. Meantime, prospecting for them provides steady supplies of good ore for shipment abroad.

In October, Amalgamated is shipping 5,000 tons of manganese ore, Manager Sheppard says, and thereafter will ship 5,500 tons a month. In November the company will ship 4,000 tons of chromite, and thereafter 4,000 to 5,000 tons a month. For the Berkenkotter-Iek interests the company is developing a manganese property in Camarines Sur. A fleet of dugouts conveys the ore down a creek navigable for such light craft at high tide, to an island offshore where lighters and tugs pick it up for putting alongside the ships that freight it to the smelters. Manager Sheppard asserts that the dugouts, hired on a basis of a set price per ton of ore moved, are very satisfactory and perhaps less costly than a tramline. Manganese is also being developed at Coron, Busuanga.

(Please turn to page 22)

New Industry Is Organized

An opportunity for investment in a

BASIC INDUSTRY

which is

ALREADY ESTABLISHED

- Land bought and paid for.
- Factory buildings erected and paid for.
- Machinery bought and paid for (and 90% installed.)
- Construction shops already in operation.
- Large volume of orders already on hand.
- Full production by the end of October.
- Manufacturing basic materials for which there is a large and constant demand.

— the only factory of its kind in the Philippines.

For descriptive circular and full information,
write, call or telephone

JOHN C. ROBB & CO.

218 National City Bank Bldg.

Manila, P. I.

P. O. Box 1620

Tel. 2-36-37

One of the most interesting developments among industries new to the Philippines was its high prestige with the disclosure that a factory has been erected within 15 minutes from the center of Manila for the production of wire nails, bolts and nuts, and a large number of other items, all of which at the present time are being imported. The company, which is called the P. I. Alloy Machinery and Electrical Supply Co., Inc., is managed by S. Stadler and E. Boyens, both with many years of practical experience in this field.

According to the annual report of the collector of customs for the year 1936 (the latest available report) the annual volume of imports into this country of the products to be manufactured by the new concern runs into many millions of pesos.

The new company was formed after long and careful study of the local situation, and its organizers are confident that they will be able to manufacture certain essential products in their modern factory and sell them on the market locally at prices considerably below the lowest import figures. Raw materials, such as wire, steel bars, steel sheets, and so on, can be purchased advantageously both from Europe and from the United States, and manufactured here into the finished products.

Equipment used in the manufacture of the nails, bolts and nuts is all automatic machinery identical to that used in similar factories abroad.

In addition to nails, bolts and nuts, other products which will be supplied by the new company are mangle dump cars, blowers, pumps, electrical motors, Diesel engines, assay equipment, and so on, the company having established agencies for a complete line of industrial equipment in addition to its own manufactures. A large stock of such equipment is already on hand.

Actual production of nails, bolts and nuts will start before the end of October, it was announced, while the company's shops are already in operation for the manufacture of cars and similar equipment.

Expansion of the company's plans due to the unusual opportunities existing for the sale of its products, has necessitated raising a limited amount of additional capital. Its directors have authorized the sale of not more than P200,000 of its capital stock for this purpose.

Financing of this issue is being handled by John C. Robb and Co., 218 National City Bank building, Manila

"Look Before You Leap"

By D. B. Pushkin

Metallurgical Engineer, Geologist and Engineers Syndicate, Inc.

The attention of a large number of enterprising people in the Philippine Islands, at present, is attracted to mining ventures. A great deal has been said about sampling and otherwise investigating mineral deposits, but the majority still have a tendency at times, to jump at a property without consideration, to the proper investigation, as to the average grade, nature, and possible extent of the deposits to be exploited. This statement is made to help to preserve the reputation of legitimate mining, and it does not apply to the honest and experienced mining engineers or geologists.

Some people, it would appear, have an uncanny ability to cut their samples or to sink test pits in high grade spots. One or two samples, or a pit showing high values serves the promoter and owner apparently as sufficient proof that the values throughout the entire deposit are the same. This is particularly true with the inexperienced prospective operator or investor who, having on hand one sample of a high value and the assurance of the promoter that the property contains millions of tons of this deposit, usually takes his pencil and paper and figures that he can make millions of pesos with comparatively little investment. The popular belief is that after values have been found, further thorough sampling or any investigation as to the proper method of treatment of the ore is simply waste of time and money. They install machinery

at once to treat the deposit and the result, as a rule, is failure of the undertaking.

There are many instances when a reliable engineer, after considering the geology and sampling of a property, reports a negative result; the owner or promoter, instead of dropping the property, attempts to further capitalize his prospect and interests others to invest, under pretense that either the property was not given due attention by the engineer or somebody is trying to steal his property.

In sampling placer gold the question of a proper method of determining gold in the samples, sometimes arises. Some unknown "prominent mining engineers" claim that the gold in sands exists in some "other" form that it is known to an average engineer or assayer, and it will not respond to any known standard of treatment, such as fire assay, etc., but will yield to some "special" secret process. The best thing to do, when fire-assay does not show any value, is to leave the property alone.

For some unknown reason some investors have a tendency to absorb the words of this unknown "prominent engineer", regardless of the reliability of the information, and many reliable assayers are accused of submitting false reports as to the values of samples, when they really are not to blame for them. The parties that submit the samples, usually have very faint, if any idea, as to the method of securing and pre-



To All Mining Companies in the Philippines

Tabacalera

CIGARS and CIGARETTES

On sale in Manila and Throughout the provinces

We have cigars and cigarettes of all grades and prices, and send price lists promptly to all mining companies on request.

Telephone 2-42-40

Or Write to the

Sales Department, Cigars and Cigarettes

TABACALERA

P. O. Box 143

Manila, P. I.

paring the samples for the laboratory, having little or no consideration as to the necessary precaution and time that are so essential in preparing duplicates.

A reputable owner or promoter of a property will gain much by having a reliable engineer to investigate the deposits before trying to interest investors. This investigation should be thorough, accurate, and must cover the following important factors:

Location. Distance and means of transportation from the market and point of supply. Reliability of existing means of transportation should be determined.

Local Geology must be studied to gain information that may lead to a conclusion as to availability of minerals sought on the commercial quantity. The relation of the exposed values to the quantity of assured mineral; the probable persistence of the values laterally and in depth; and the best methods of exploitation should be ascertained.

Original Geologizing (including examination of surface and underground exposures, character and position of wall rocks and of the deposits themselves) should be considered, as it may throw light on the value of the property with expenditure for exploitation, etc.

General Topography and maps of mine property should be carefully investigated and their reliability determined. They are to be studied with the purpose of determining such facts as position of boundary lines, possible transportation, water supply, topography, outcrops, underground exposures, and developments in connection with exploration of the property.

Examination of placer-gold property should include additional information as to yardage and value per cubic yard,

amount of water available and right to use same, and working season.

If the results of preliminary field investigation are favorable, a thorough and systematic testing of the ore in the laboratory should follow immediately. Properly taken samples and of such weight (50-1000 lbs.) as is necessary, must be submitted to the following tests: (a) Determination of qualitative mineralogical composition; (b) Assay for content of valuable minerals; (c) Determination of distribution of valuable minerals; (d) Microscopic determination of aggregation of valuable minerals; (e) Investigation of the behavior of the ore in crushing and in grinding; (f) Determination of tentative flow sheet for laboratory procedure, indicating the fineness of material to be treated, machines, and corresponding results; (g) Construction of metallurgical balance sheet of results of the laboratory testing; (h) Confirmation of laboratory tests by a larger continuous run on small commercial scale.

When investigating placer gold, it is necessary to include complete data on the physical characteristics of gold in the gravel (sizing tests, etc.); shape of particles; whether the gold is free or associated with other rare metals or other minerals; whether it is bright or tarnished; screen analysis of the gravel; determination of clay and silt content, cementation, depth of the gravel, overburden, and possibility for tailing disposal. Sluicing, tabling, gold-cloth recovery, cyanidation, amalgamation, and flotation, and their various combinations for the most efficient recovery of gold, should be thoroughly investigated with their corresponding costs. If properly carried out, these investigations will leave no doubt as to the most economical method of recovery.

It is important to emphasize at this point, however, that the samples brought to the laboratory for testing, should be taken and handled in such a way as to represent the true characteristics of the deposits to be investigated. Unless these samples are properly taken and handled, the entire laboratory work will be of no value.

Having on hand a complete set of data, the owner or promoter will be able to decide whether or not the property is worthy of further investigation. In the affirmative case, the prospective operator or investor should employ his own engineer so that he may check the sampling and methods of ore treatment. If there is uncertainty, in any way along the course of investigation, it would be advisable then to have still another engineer, or group of engineers, to check up the entire work.

My advice to would-be-mine-operators is "LOOK BEFORE YOU LEAP." Little is to be gained and much may be lost by diving headlong into the turbid whirlpool of mining ventures. Regardless how well one knows the party that is offering the "best prospect in the country", an extra measure of precaution may save considerable embarrassment as well as time and money. The first and most logical thing to do in such a case; is to inquire why the so-called "best prospect in the country" has been idle and why, with so many people looking for a chance to get rich, no one has taken the property over and started operations earlier. Nine times out of ten the solution to this query is over-estimation of value and tonnage, or both.



OLD PRINCES STREET
GLASGOW

BIRTHPLACE

The World is calling for

Discriminating drinkers demand

ESTABLISHED PRIOR TO 1811

"Old Original"
CHOICEST SCOTCH WHISKY

SOLE AGENTS - TABACALERA (LIQUOR DEPT.)

212 M. DE COMILLAS, MANILA

TEL. 2-25-81

Branches:—In all principal cities and provinces

Base Metals . . .

(Continued from page 20)

If iron now being prospected in the Paracale district proves out, it will certainly find ready demand in Japan. In Zambales, field of the chromite craze, Amalgamated has contracted the output of three companies. Elsewhere it is looking up sulphur, claiming to have processes for preparing

it for market that will permit of its shipment to distant markets abroad, or at least to Japan.

Addition of Benguet Consolidated's regular chromite shipments from its proved properties in Camarines and Zambales rounds out the Philippine base metals situation at the moment, with mention of occasional manganese and copper shipments by other companies, and the opening of Lepanto's new copper mill in the Maneyan district north of Baguio. As an assurance of regular shipments, Amalgamated reports that it chartered steamers some months ago; in its June report is mentioned the *Sagres* and the *Leeping* as having been procured by charter, vessels of about 2,700 tons each.

War has upped charter rates since, and given owners the upper hand in effecting charters. As a matter of fact, war could play havoc with Philippine base metals, or if bottoms could be kept available, it could boom them with acute-demand prices. Just now, bottoms are the great factor; the chartering of small freighters ahead of the undeclared war at Shanghai and throughout northern China was a prudent step by Amalgamated. It suffices for the time being, but what is around the corner by way of tonnage available to Philippine exporters is problematical—heavy ore shipments can't be sustained unless tonnage is regularly available and at rates leaving miners and shippers reasonable profits.

J. J. Rafferty's company shipped the first Philippine manganese ore; it produces in Ilokos Norte and is still shipping—apparently from ample deposits.

We hear from another deposit, of another company, that from which 5,000 tons of manganese ore is said to have been sold recently. This deposit is some distance from tidewater, delivery involves truck transportation, then shipment to Manila by inter-islander. Our general data are, and may be of value to some of our readers, that trucking ore costs about 10 centavos per ton per kilometer. This includes maintenance and depreciation costs, we are told, and is the true basis on which trucking year in and year out may be calculated. We are further told that inter-island freight from Ilokos to Manila runs P4 to P4.20 per ton. In Manila, 46% manganese and not above 1/2 of 1% of phosphorus brings about P19 per ton. One expert, at least, estimates that mining and washing can be effected for not more than P2 per ton. Here then is P19 per ton for the ore in Manila, with P6.20 haulage and mining costs against it, with 10 centavos per kilometer added for the trucking charge from deposit to tidewater.

A rough estimate may here be obtained of how much hauling can go into the cost of getting out manganese ore and still leave a profit for the mining company. But it is to be borne in mind that all the factors are variable. Thus if ocean freights rise and manganese prices do not rise proportionately, lower Manila prices will be quoted. Trucking can be affected by taxes, on the trucks themselves, on the fuel and oil they consume, on the bridges they cross, and on the income of merchants selling them. It can also be affected by higher factory prices at Detroit, higher ocean freights on motor vehicles, and other factors. War news is therefore bearish in our base metals market.

If charters rise, and they will surely rise exorbitantly in event of war, ships operating under cheaper charters will eventually have to charge on the basis of the dearer ones—it is always the current charge that use of a ship is actually worth. Should world want base metals from the Philippines during war as urgently as it required coconut oil from the Islands during the World war, all will be well: the higher the charges, the higher the prices procured for the metals. Probably what will come to pass is that highgrade metals will manage to reach markets, and lower grades will not be bought or shipped except during periods of peace on the high seas. Certainly we seem to have copper rich enough not only to bear any imaginable ocean rates, but to attract buyers under any imaginable circumstances.

Manganese is not so far along, speaking in general terms, nor is chromite, save for the Floranice deposit in Camarines. It is obvious, incidentally, that dealing in base metals in this territory is not a tyro's game.

MANILA STOCK EXCHANGE

139-143 Juan Luna, Manila, P. I.

TEL. 2-29-95

DIRECTORY: MEMBER-HOUSES

ALDANESE & CORTES

116 Juan Luna
Tel. 4-98-51

C. ALDECOA & CO.

39 Plaza Moraga
Tel. 2-87-24

ALEGRE & CO.

34 Escollta
Tel. 2-29-12

H. E. BENNETT & CO.

53 Escollta
Tel. 2-24-51

CAMAHORT & JIMENEZ

34 Escollta
Tel. 2-34-81

N. CONCEPCION & CO.

134 Nueva
Tel. 2-89-66

ELLIS, EDGAR & CO.

123 Juan Luna
Tel. 2-29-64

JOSE FELIX & CO.

36 Escollta
Tel. 2-39-41

GUTIERREZ, GUTTRIDGE & BRIMO

102-106 Nueva
Tel. 2-35-22

HAIR & PICORNELL

S. J. Wilson Bldg.
Tel. 2-18-44

HESS & ZEITLIN, INC.

Crystal Arcade
Tel. 2-32-74

MAX KUMMER & CO.

7th Floor
S. J. Wilson Bldg.
Tel. 2-15-26

S. E. LEVY & CO.

Filipinas Building
Tel. 2-58-51

HEISE, LARSON & CO.

428-35 San Vicente
Tel. 2-33-46

MACKAY & MCCORMICK

34 Escollta
Tel. 2-15-57

MARIA MARTINEZ & CO.

40-44 Rosario
Tel. 2-22-78

A. MONTINOLA & CO.

122 Juan Luna
Tel. 4-93-98

MULCAHY, LITTON & CO.

31 Plaza Moraga
Tel. 2-51-13

L. R. NIELSON & CO.

601 Escollta
Tel. 2-12-81

MARINO OLONDRIZ Y CIA.

Crystal Arcade
Tel. 2-22-08

OVEJERO & HALL

S. J. Wilson Bldg.
Tel. 2-10-51

ANGEL PADILLA & CO.

Burke Building
Tel. 2-18-44

LUIS PEREZ Y CIA.

Samanillo Bldg.
Tel. 2-59-55

E. SANTAMARIA & CO.

S. J. Wilson Bldg.
Tel. 2-33-85

LEO SCHNURMACHER, INC.

El Hogar Filipino Bldg.
Tel. 2-37-16

SWAN, CULBERTSON & FRITZ

S. J. Wilson Bldg.
Tel. 2-38-34

TRINIDAD, CELESTE & CO.

101 Echague
Tel. 2-66-00

WOO, UY-TIOCO & NAFTALY

322 San Vicente
Tel. 2-30-75

Estimate For Finishing As Second Class Roads The Remain- ing Roads In Mindanao, The Completion of Which Shows (The Roads Are Listed Below In This Table)

Proj. No.	Province	Name of Roads	Length of Roads to be completed	
			Kilometers	Estimated Cost
1	Lanao.....	Lanao-Zamboanga Interprovincial Road..... (Kolambugan-Tubod)	20	P 120,000.00
2	Occidental Misamis.....	Oroquieta-Dapitan Interprovincial Road..... (Oroquieta-Zamboanga Boundary)	15	105,000.00
3	Zamboanga.....	Dapitan-Oroquieta Interprovincial Road..... (Dapitan-Occidental Misamis Boundary)	15	90,900.00
4	Occidental Misamis.....	Pagadian-Misamis Interprovincial Road..... (Tangub-Zamboanga Boundary)	16	55,000.00
5	Zamboanga.....	Pagadian-Misamis Interprovincial Road..... (Pagadian-Occidental Misamis Boundary)	43	300,000.00
6	Oriental Misamis.....	Oriental Misamis-Agusan Interprovincial Road..... (Gingogog-Agusan Boundary)	32	225,000.00
7	Lanao.....	Lanao-Zamboanga Interprovincial Road..... (Tubod-Zamboanga Boundary)	31	180,000.00
8	Agusan.....	Agusan-Surigao Interprovincial Road..... (Agusan-Surigao Boundary)	16	100,000.00
TOTAL.....			188	P 1,175,000.00

REMARKS

It will be noted in the above tabulation that if the allotments therein indicated are granted, as proposed, projects Nos. 1, 2, 3 and 4 can be completed and opened to traffic on or before the end of June 1938, or approximately one year from this date; while projects Nos. 5, 6, 7 and 8 can be completed by the end of June 1939, or about two (2) years from this date.

In the estimate shown in the 5th column we have already excluded the work that can be accomplished with the funds now on hand for each project.

EXPLANATORY NOTES FOR EACH PROJECT

Project No. 1. This project is a continuation of the completed second class section of the Lanao-Zamboanga Interprovincial Road now passable as far as Kolambugan. It is proposed to extend the road as far as the barrio of Tubod approximately 20 kilometers south of Kolambugan. At this point it is contemplated to establish an interprovincial motor ferry similar to the ferries on the Cotabato River, which will be able to carry one truck and two automobiles across to Tangub. The width at the proposed crossing is about 1-1/2 kilometers, where the sea is quiet throughout the year, and an open ferry can be operated just like in a river. This type of ferry can be designed and constructed locally at a cost of not more than P6,000.00.

It will be noted from the above tabulation that the completion of the road as far as Tubod, province of Lanao, will take place at the same time as the Oroquieta-Zamboanga boundary and the Dapitan-Occidental Misamis boundary roads, and if this type of ferry could be operated at this crossing, through traffic would run next year over these interprovincial roads clear from Manukan of northern Zamboanga to the rest of the provinces in Mindanao, with the exception of Surigao and Agusan, which will be completed in the year following. Furthermore, the construction of this ferry is considered indispensable even after the road around Pangil Bay is connected with Tangub, for the reason that the distance from Tubod to Tangub over the road is approximately 65 kilometers.

The completion of the road to Tubod in the course of one year will greatly facilitate the movement of homeseekers who are coming in large number to the Kapatagan Plain, province of Lanao. This plain has an extension of 45,000 hectares, and a survey party of the Bureau of Lands has been stationed at Lala to make subdivision surveys, and it is understood that over 4,000 lots have already been surveyed, of which 2,000 have been released to homeseekers. It would be noted that the majority of the homeseekers come from Cebu, Bohol and Oriental Negros.

Project No. 2. There remains to be opened only 15 kilometers of this road project in order to connect Oroquieta with the Zamboanga boundary. In spite of the lack of transportation facilities, the homeseekers from the Visayas have occupied practically all agricultural lands available on both sides of the road, and in order to help these people market their products, it is most important that this road be completed as soon as practicable.

Project No. 3. This project is the Zamboanga section of the Dapitan-Oroquieta interprovincial road, of which also 15 kilometers only remain to be opened. Attention is invited to the fact that this section crosses the Ilaya and Tolosa Valleys where thousands of hectares of agricultural lands suitable to the production of hemp, coconuts, lanzones, mangostan, citrus, cacao, coffee; and other fruit trees, corn and highland rice, are rapidly being occupied by homeseekers, also mostly from the Visayas. This road should be completed at the same time as the Occidental Misamis section of this interprovincial road.

Project No. 4. The Occidental Misamis section of this interprovincial road will be completed as second class with the funds on hand as far as Bolinsong, a barrio in the southern part of Tangub, leaving thereby 16 kilometers to construct as far as the Zamboanga boundary. Due to lack of transportation facilities, the flow of homeseekers through this route is slow and the occupation of the extensive agricultural areas in the districts of Cebuano Barracks, Tukuran, Labangan, and Pagadian is very much delayed due to the fact that im-

Remaining Connecting Links of Important Interprovincial Should Take Precedence Over Other Road Projects The Order of Their Importance

Estimated Cost	Proposed Discretionary Gasoline and Automobile Fund Allotments							
	2nd Quarter 1937	3rd Quarter 1937	4th Quarter 1937	1st Quarter 1938	2nd Quarter 1938	3rd Quarter 1938	4th Quarter 1938	1st Quarter 1939
000.00	P 30,000.00	P 30,000.00	P 30,000.00	P 30,000.00	---	---	---	---
000.00	30,000.00	30,000.00	25,000.00	20,000.00	---	---	---	---
500.00	25,000.00	25,000.00	20,000.00	20,000.00	---	---	---	---
000.00	10,000.00	10,000.00	15,000.00	20,000.00	---	---	---	---
000.00	15,000.00	15,000.00	15,000.00	15,000.00	P 60,000.00	P 60,000.00	P 55,000.00	P 65,000.00
000.00	15,000.00	15,000.00	15,000.00	15,000.00	30,000.00	35,000.00	40,000.00	60,000.00
000.00	15,000.00	15,000.00	15,000.00	15,000.00	40,000.00	40,000.00	40,000.00	---
000.00	10,000.00	10,000.00	15,000.00	15,000.00	20,000.00	15,000.00	15,000.00	---
000.00	P150,000.00	P150,000.00	P150,000.00	P150,000.00	P150,000.00	P150,000.00	P150,000.00	P125,000.00

migrants desiring to settle in said districts have to go first by interisland steamers to Cotabato, and from there by motor *Dalamas* to Labangan and Pagadian. The opening of this road will greatly facilitate the movement of the homeseekers.

Project No. 5. Approximately 27 kilometers of the Zamboanga section of this interprovincial road will be opened to traffic this year with the funds now available, leaving 43 kilometers yet to be constructed in order to connect with the Occidental Misamis boundary. This road traverses a plain containing an area of approximately 87,000 hectares which have been released as agricultural lands by the Bureau of Forestry. In spite of the great difficulties of transportation, over 6,000 Cebuanos have settled on the plateau now known as the Cebuano Barracks. A large Iloeano barrio has also been established in the lowlands of Labangan and Pagadian, and they are now producing two crops of rice for export every year. If this route can be completed in two years as proposed, great progress will be made by the new municipality of Pagadian which comprises the old municipal districts of Labangan, Takuran, Cebuano Barracks and Dinas. There are other extensive plains between Dinas and Margosatubig which can accommodate subsequent homeseekers, and their settlement will be greatly accelerated by the early opening of the Zamboanga-Occidental Misamis Interprovincial Road.

Project No. 6. The completion of the remaining 32 kilometers on the Oriental Misamis side of the Misamis-Agusan Interprovincial Road will connect the road system of Agusan with the road system of Oriental Misamis, and, consequently, with the other provinces of Mindanao, with the exception of the Zamboanga Peninsula. The remaining 4 kilometers on the Agusan side of this road will be completed with the funds now on hand. It should be stated in this connection that a number of immigrants to Mindanao come from the thickly populated island of Siquijor and the completion of this road will greatly facilitate their travel to any point where they may want to settle in this region.

Project No. 7. This project is a continuation of the Lanao-Zamboanga Interprovincial road, which starts from

the Barrio of Tubod, the terminal of Project No. 1 described above. The opening of this road will greatly facilitate the development of the 45,000 hectares of agricultural lands mentioned in said Project No. 1.

Project No. 8. The Surigao side of this project can be completed before the end of the year with the funds now on hand, and the remaining section of 16 kilometers on the Agusan side should be completed as quickly as possible in order to connect the road system of Surigao with that of Agusan, and, consequently, with the rest of Mindanao. This will eliminate the inconvenience of trips by launches across Lake Mainit between Surigao and Agusan.

GENERAL REMARKS

We, the undersigned, respectfully request approval of the foregoing program of road construction, and the financing of same from the discretionary portion of the Gasoline and Motor Vehicle Funds, which, if carried out as herein proposed, can be completed within two years at the latest. The early realization of this program will mean the prompt establishment of social, commercial and educational intercourse among all the provinces in the Island of Mindanao, which is sure to become an important factor for the rapid settlement and development of said Island. Furthermore, the road systems therein contemplated, when completed, will serve as an avenue of immigration for the excess population of the crowded provinces in the Hocandia and Visayan Islands. Last, but not least, the prompt completion of said road system will contribute largely to the early improvement of peace and order in this region.

Very respectfully submitted,

(Sgd.) M. KASHLAG,
Commissioner for Mindanao and Sulu.

(Sgd.) JOSE LOZADA,
Division Engineer for Mindanao and
District Engineer for Lanao.

Reasons Why . . .

(Continued from page 19)

the prospecting and development work; the public learned once more, as fading hope depressed the market, that even the experts err about gold. In between somewhere, there had been the Bicol bubble and its tragic bursting. In the instance of these companies, scores of men had been convinced, and by the magic of hope had convinced themselves, that there was a district where the main mining tool would be the steam shovel. It all turned out to be error,

credulity and cupidity had burned their avid fingers once again.

Meantime, a sort of minor accompaniment to the booming obligato blared out over the busy Escalata, the tortoise-paced growth of new mines of productive value was regularly reported in the press. This brought realization of the hard task it is to make a mine pay dividends even when all the primary factors have been prudently discounted and have turned out favorable. And it had the effect of depressing the market; mining proved to be an art, though not among the seven, and art is long and time is fleeting.

Also, when so much was disheartening in companies known to be well administered, courage was lost respecting all the many others obviously in the hands of men lacking experience to weight their judgment. This too depressed the market. As for ourselves, we are almost ready to say that more than half the sets of directors and their engineers would fail with the task of keeping mines well developed ahead of requirements, keeping mills at capacity and dividends regular, even with the ore to begin with well blocked out and the high commercial value ascertained. Something of this the share-buying public has come to believe, and it has depressed the market.

Because it is a sound company well managed, Mineral Resources can illustrate the point respecting time—the lapse of time that acts to depress a stock in the market. This month the company's first mill comes into operation, capacity 150 tons a day, on its Marinduque property, handling an ore yielding lead, zinc, and gold. We have spoken of this before, inviting attention to the fact that this company organized in November 1933; four years have passed, and no untoward circumstances intervened, and only now has production been reached. Such realities have taken the wind out of many a bubble on the Manila board. So much so that it falls out that shares in the most promising new companies in the Surigao district, for example, drag down toward par from quotations five and six times as much only a few months ago—and this at a time the mills are going in.

Bad titles have depressed the market.

Mining claims under patent in the Philippines number some 250 only, but claims registered under the Civil Government Act of 1902 in the rush preceding the advent of the Commonwealth number many thousands; others, perhaps hundreds, were, like the Balatoc claim now figuring in a test case pending decision in the Commonwealth supreme court, ready for patent but the patents, though applied for, had not been issued prior to the taking effect of the Commonwealth constitution and its nationalization of mineral resources.

The government could not keep abreast of the avalanche of registration applications, repeated in frantic detail after the advent of the Commonwealth in order that priority might not lapse under the stipulations of the constitution. Nor could the mines bureau cope with the countless technical examinations of new properties it should have made. Instead, it was necessary to accept at face value reports of licensed mining engineers in private practice, employed by the companies seeking approval of their properties in order that capital might be raised by sale of shares and that claimholders usually the organizers of the companies, could value in the claims at handsome prices. To this sheer wildcatting, append the fact that it was rampant before the Securities & Exchange Commission was created, and it continued unabated while the commission was squaring away formation.

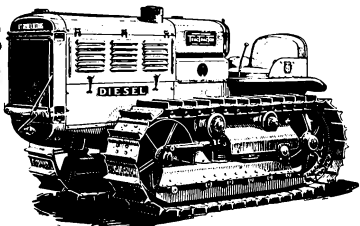
President Quezon himself has summarized the denouement, the only possible one, of these conditions. However, hindsight sees clearly where foresight has been myopic. The people believed that here was a great and precious natural resource, gold, that because they were farmers they had left neglected; and they also believed that they might mine successfully

(Please turn to page 30)

INTERNATIONAL HARVESTER DIESEL

TRACTRACTOR

Built by the
World's Largest
Tractor Builder



The Product
of Pioneers
In Tractor Building
With Over a Century
of Manufacturing
Activity



INTernational HARVESTER Diesel TracTractors and Power Units are widely used by well-established manufacturers to power road machinery, shovels, lighting plants, air compressors and many other types of equipment.

BACKED BY COMPLETE STOCK OF REPLACEMENT PARTS

INTERNATIONAL HARVESTER COMPANY
OF PHILIPPINES

Tel. 2-22-85

154 M. de Comillas

Manila

Branches: ILOILO — BACOLOD — CEBU — DAVAO — LEGASPI — BAGUIO

Balatoc and Benguet Mines

• Casual Studies of These Developed Properties

Balatoc is the Philippines' largest gold mine on a basis of current mill production, mill runs having averaged 1217 tons a day during the first half of this year. This mine is Benguet Consolidated's twin, at Baguio. It has paid dividends since 1929. Its gross return from 220,236 tons of ore treated during the first half of this year was P6,470,454. This included silver at mint value. It is P29.38 per ton of ore treated. At the old gold price of \$20.67 an ounce, the ore would have averaged P18.75 a ton, with the silver counted at mint prices. At P70 an ounce for gold and silver at mint price, Balatoc realized a net profit of P3,050,509 during the first half of the year. The mine is well established in all departments; during the half-year's operations ore reserves with slightly higher average values were increased 76,497 tons.

Positive and probable ore reserves stood on July 1, at 1,333,968 tons at P17.76 a ton, silver disregarded and gold counted at \$20.67 an ounce, a total of P23,698,214; but if at P70 an ounce, then a total of P40,127,598.

Against this you have two interesting statements in the semiannual report:

"The main ore bodies of the mine are being rapidly depleted . . . more and more of the tonnage mined originates in narrow split veins around the fringes of the main ore shoots, we must expect increased mining costs unless offset by the improved mining methods now being instituted.

" . . . In general we believe that your company has a distinctly favorable outlook at this time. An increasing ore

reserve with higher average value indicates that the mine is still growing and has not yet reached the peak of its possibilities, in spite of the depletion of the main ore bodies; the mine is now so organized that it can easily supply all demands of the mill at a minimum cost per ton; mill extraction is constantly improving."

Casual inquiry into this situation begins of course with the query as to what Balatoc could now do with gold at the old price of \$20.67 an ounce. The half-year's gross output with small supplementary profits brought P6,476,920 of which P3,050,509 was net gain. Actual expenses were P3,426,110 including P50,000 bonus to the management, P300,162 for depreciation, and P82,407 for ore depletion. If the ore treated, 220,236 tons, has sold on the basis of \$20.67 an ounce for gold recovered and the silver at mint prices, bullion returns would have been P18.75 a ton or a total of P4,134,424. Taxes during the half-year were P527,167; as this charge is chiefly 5% on the bullion income and would be accordingly lower at the old gold price of \$20.67 an ounce, it appears that Balatoc could, as it long actually did, operate profitably at the old gold price while its millheads remained at their existing average level and other factors remained about what they now are.

Of course, the first fellow you meet on the Escolta knows that the old gold price will never come back, and so no worry on that score; but the next fellow you meet expects the old

(Please turn to page 32)

Modern Engines for Modern Fuels

WAUKESHA

builds engines for every gas and liquid fuel—each the most economical in its class—each the product of thirty years of engineering experience in design and manufacture and each built to perform a specific duty for a particular industry. Today, the Waukesha Motor Company manufactures forty-two different models of engines burning artificial or natural gas, high or low octane petrols, paraffine, alcohol and the generally available modern high-speed diesel-oil fuels, to serve the power needs of thirty-four different industries. The ratings range from 12 to 325 H.P.

WAUKESHA-HELSELMAN diesel-oil engines—spark-ignition, low compression type—are reducing bus fuel costs as much as 50% to 60%—increasing mileage 20% to 40%. One bus company reports a saving of U. S. \$100.00 per bus per month by using Waukesha-Hesselman diesel-fuel power instead of gasoline. The engine is easy to start under all weather conditions; maintenance costs are low; the Hesselman cycle is readily understood by anyone familiar with gasoline engine operation. For industrial and bus, truck, tractor, rail-car uses, fuel oil power finds its most dependable and economical application in the performance of the Waukesha-Hesselman Spark Ignition Engine.

Distributors for Waukesha Industrial Engines

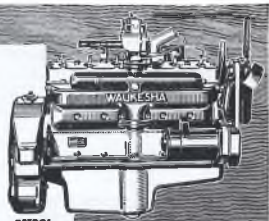
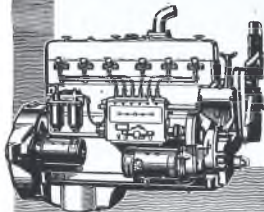
The Earnshaws Docks & Honolulu Iron Works
Second Street, Port Area, Manila, P. I. Branch at Bacolod, Occ. Neg.

Distributors for Waukesha Automotive Engines
MOTOR SERVICE, INC.
408 Rizal Ave., Manila, P. I.

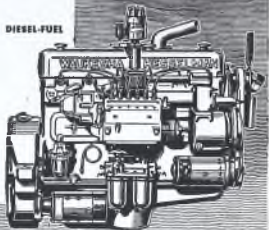
WAUKESHA MOTOR CO.
WAUKESHA, WIS., U. S. A.

314-37

Callers: "Motor-Waukesha"



PETROL



DIESEL-FUEL

Industrial Metals Prices Current

(By The United Press)

NEW YORK, Sept. 15.—Continued brisk activity has benefited non-ferrous metal prices during the past month and brought steady price increases on the American markets, according to the monthly averages of the magazine Metal and Mineral Markets.

There has been considerable interest in copper and some observers anticipate a boost in the domestic price late in the fall. The domestic refinery price has held steady at 13.775 cents but the foreign market was stimulated during August on rumors of an impending advance in price. The average export price during August was about 1/10 of a cent above that which prevailed in July.

Domestic copper sales have been averaging about 30,000 tons a week for several weeks. Available figures for the past year show that the steady increase in copper production still continues. Production in the United States during the first six months of this year totaled 510,319 short tons as compared to 346,698 tons in the same period of 1936. The market feels, however, that consumption has been gaining at about the same ratio as production.

Continued demand for lead in excess of offerings by producers strengthened the market in August, and producers on Aug. 5 raised the price 1/4 cent. Buying was in good volume, averaging around 11,000 tons per week.

Publication of reports that zinc stocks had again declined in an already bare market, caused renewed demand for the metal. This sudden wave of buying in mid-August resulted in some business at 7-1/4 cent, St. Louis, but most transactions continued at the seven cent level

until late in the month when transactions brought around 7-1/4 cents regularly.

Total stocks of zinc of all grades at the end of July were placed at 13,661 tons, which compares with 14,081 tons on the month previous and 88,517 tons in July of 1936. Production of zinc in the United States in the first seven months of 1937 totaled 337,771 tons, against 298,578 tons in the same period a year ago. As much as 15,000 tons of foreign zinc was sold to domestic buyers during August. Most of it was for September-October delivery.

The domestic tin market was fairly active, reflecting improvement at London. This interest became less apparent in the latter part of the month and prices for the month averaged about 1/4 cent above the July average.

Freer offerings in London brought a sharp reduction in quicksilver and the price at New York was reduced \$2.50 per flask.

The chrome market has found a steady source of buyers during the past several months. Imports of chrome ore into the United States for the first half of this year amounted to 221,359 tons, valued at \$3,073,060.

By HILLIER KRIEGHBAUM
(United Press Staff Correspondent)

WASHINGTON—Japan can produce in adequate quantity only one of five basic metals needed for war materials, a study by the national resources committee reveals.

It is copper, production of which equals apparent consumption, while pig iron, lead, zinc and aluminum must be imported in large quantities.

As the report was published, Senator H. Styles Bridges, Republican, New

Hampshire, asked a senate military affairs sub-committee to investigate the scrap steel resources of the United States "so that Congress can pass laws and destroy this traffic in death" by banning scrap steel exports.

The national resources committee study for 1932, a typical year, showed copper production in Japan at 76,000 metric tons while apparent consumption was only 75,000 tons. Japanese factories imported 2,000 tons of copper ore while 3,000 tons of finished products are sent to Asia and Europe.

China was listed as a "minor producer" of copper, and statistics were not included in the study.

In pig iron, Japan is dependent for imports from—of all nations—China. Domestic pig iron production in Japan was set at 1,200,000 metric tons while the nations consumption was estimated at 1,600,000 tons. Of the 400,000 tons imported by Japan, approximately 300,000 tons in 1932 came from China while 100,000 tons came from India.

Japan was heavily dependent on foreign nations for its lead. Domestic production was only 4,000 metric tons while consumption was placed at 61,000 tons. Of the 57,000 tons imported, Canada and the United States supplied the bulk. Australia and Mexico were other contributors.

In zinc, Japan produced only 10,000 metric tons while consumption was 50,000 tons. Canada and Australia were leading nations selling metal to Japan while Australia, China and the Soviet Union sold the Nipponese zinc in the form of metal.

All of Japan's aluminum consumption of 8,000 tons was imported from Europe, Canada and the United States.

(Please turn to page 31)

AVERAGE METAL PRICES FOR AUGUST, 1937

(By United Press)

Copper		Gain or Loss from Aug.
Electrolytic, Domestic, refinery	13.775	Unchanged
Electrolytic, Export, refinery	13.926	+0.109
London, Standard Spot	57.143	+0.731
London, Electrolytic, bid	63.595	+0.788
Lead		
New York	6.452	+0.452
St. Louis	6.302	+0.452
London, Spot	22.606	-1.326
London, Forward	22.670	-1.033
Silver and Sterling Exchange		
Silver, New York, per oz.	44.750	Unchanged
Silver, London, price per oz.	19.848	-0.136
Sterling Exchange, "checks"	498.043	+1.461

Zinc		
St. Louis	7.192	+0.269
London, Spot	24.140	+1.572
London, Forward	24.290	+1.597
Tin		
New York, Straits	59.465	+0.220
London, Standard Spot	264.595	+1.055
Other Metals		
Gold, per oz., U. S. price	\$35.000	Unchanged
Quicksilver, per flask	\$91.423	-2.481
Antimony, domestic	15.327	+0.524
Platinum, refined, per oz.	\$51.600	+0.885
Cadmium	142.500	Unchanged
Aluminum, 99+% per cent.	20.000	Unchanged
Chromium		
Chromium, 97%, per pound	85.000	Unchanged
Manganese Ore		
52 to 55%, c.i.f. Atlantic ports	40.000	Unchanged

(Domestic quotations, unless otherwise stated, are in cents per pound. London averages for copper, lead, zinc and tin are in pounds sterling per long ton. Sterling exchange, checks, is in cents. New York silver is for foreign metal.)

"The Monitor" on Balatoc's Patent Case

(Special to *The Christian Science Monitor*)

MANILA, P. I.—A legal battle now being waged in the Supreme Court of the Commonwealth of the Philippines, over the title-patent to 22 acres on a scraggy precipitous mountaintide high in the Igorote country, may well be the turning point in American history in the Far East.

The mining industry of the world, which has looked to the Philippines as a promising field of endeavor, is anxiously awaiting the decision. Commercial organizations and all foreign companies which have invested millions in the Islands recognize that should the patent be refused on those rocky crags, title to property and the validity of contracts in the Islands may be victims of a legal revolution the outcome of which cannot be surmised.

In essence the case will determine whether in the eyes of the Commonwealth Government, American law ceased to operate with the establishment of the Commonwealth on Nov. 15, 1935, despite the fact that independence is not provided for before July 4, 1946.

When the Commonwealth Government was established on Nov. 15, 1935, the United States transferred to it authority to administer and govern the Islands. The United States retained control of foreign affairs and the National Assembly of the Philippines was not empowered to pass laws affecting currency, coinage, imports, exports or immigration without the approval of the President of the United States.

During the Commonwealth period the sovereign power of the United States is represented by the High Commissioner. He is appointed by the President and is his personal representative in the Philippines. This form of government is to continue until July 4, 1946, at which time the Philippines are to become independent.

With this in mind, the case involving the pin-point on the map of the Philippines, represented by the 22 acres, is being watched by all countries whose nationals have interests at stake in the Far East.

The Balatoc Mining Company, Inc., one of the two eminently successful gold companies operated by the pioneering Judge John W. Hausermann, owns a group of claims which were staked 22 years ago in accordance with an Act of Congress of 1902 which gave the Governor General of the Philippines authority to issue titles to mining claims staked on public lands. The Balatoc Mining Company complied with the provisions of the law, performed the required assessment work, and developed the claims into a part of the now phenomenally successful mine. In 1932 the company made application for patent survey as required by law. This was completed and expenses collected by the Director of Lands. In 1933, all requirements having been completed, application was filed for patent. From 1934 repeated requests were made for the issuance of the desired document, but none was forthcoming prior to the establishment of the Commonwealth Government.

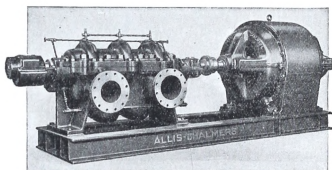
No Further Patents

With the establishment of the Commonwealth under the new Philippine Constitution,

the Balatoc Mining Company was informed that no further patents would be issued. No less a personage than President Quezon wrote, "I am positive that the Constitutional Assembly (in the framing of the Constitution) wanted to reserve to the State the ownership of all mines of every kind in the Philippines and that they would have given retroactive effect to that provision, even in the case of the mines which have been patented, had they been sure that this could be done without violating well known and accepted principles and rules regarding property and vested rights in a society, generally known as capitalistic."

The Solicitor General of the Commonwealth in this test case is attempting to obtain the legal approval of the Supreme Court of the Islands to give the Commonwealth Government authority to repossess all mining claims, possession to which was given by contract with the United States of America. He contends that the Commonwealth Constitution gives the Filipino government authority over natural resources and that claims acquired under American jurisdiction have no title under the new government.

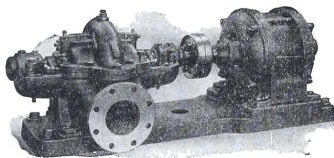
In other words, should the Manila Supreme Court decide against the Balatoc Mining Company it will establish that mining contracts made in the 37 years of American administration of the Philippines can be declared null and void under the Constitution of the Commonwealth. Business fears the short step which



**HIGH
HEAD**

AND

**LOW
HEAD**



CENTRIFUGAL PUMPING UNITS

**Materially Cut Down Overhead by Continuous Operation
With Minimum Replacement Costs.**

**Insist on ALLIS-CHALMERS
For Your Next Installation.**

THE EARNSHAW'S DOCKS & HONOLULU IRON WORKS

60-118 SECOND STREET
PORT AREA
MANILA, P. I.

BRANCH OFFICE
BACOLOD, OCC. NEGROS

P. O. Box 282
Tel. 2-32-13

August 1937 Gold Production

Name of Mining Companies	August 1937		August 1936	
	Tons Milled	Value	Tons Milled	Value
Ambassador Gold	320	P 1,788.96		
Antanok Goldfields	20,270	403,816.56	21,874	P533,572.00
Bagnio Gold	5,816	109,920.80	5,465	89,095.90
Balaoec	37,997	1,165,738.66	38,109	980,456.18
Benguet Consolidated	25,744	791,075.80	25,012	725,448.76
Benguet Exploration	3,170	21,442.82	3,072	26,567.00
Big Wedge	3,269	142,204.28	3,195	120,727.48
Cal Horr	5,866	115,731.38	5,853	97,833.98
Coco Grove	No Production			
Demonstration Gold	7,445	133,667.50	6,480	103,287.00
East Mindanao	3,324	46,118.38		
Gold Creek	1,766.28	30,890.34		
Ipo Gold	5,414	53,665.50	4,599	43,483.99
Ilogon	24,810	297,639.24	15,470	207,422.81
I. X. L.	7,408	171,696.07	6,306	126,505.00
Masbate Consolidated	27,889	254,415.04	37,709	189,821.00
Mindanao Mother Lode				
North Mindanao	124 oz.	8,680.00		
Northern Mining and Dev.	59	924.53	503	6,378.04
*Royal Paracale	2,800	37,835.89		20,799.11
Salacot	6,420	35,467.00	5,057	35,423.00
San Mauricio	6,058	95,064.40	4,801	207,246.77
Suyoc Consolidated	6,168	128,778.76	5,867	123,324.58
Tambis	30,556.20 yds.	7,805.40	29,300 yds.	10,873.10
Twin Rivers	25,482	34,155.81		
United Paracale	9,423	190,929.18	8,962	116,170.12
Totals		P4,279,452.30		P3,874,998.06
July 1937 Production		P4,182,966.51		

*IXL Argos before.

will declare any contract prior to Nov. 15, 1935, cancelled.

The momentous decision which the local court must make will clearly establish the national thought of the Filipino toward America. If it decides against Judge Hausserman, it will lend its legal approval to the expressed will of the Philippine Constitution which declares that all natural resources shall belong to the States, whether they be privately owned or not.

Cardinal Pillar

If the decision is against the Number One American miner of the Philippines, foreign capital will be extremely wary of investment in the Archipelago. Yet the nationalization of resources is one of the cardinal pillars of Manuel Quezon's program, and the local Supreme Court stands at the cross roads.

If the decision of the court requires that a patent be given to these claims, the Commonwealth Government will have to adopt a new policy toward nationalistic development of its resources of the Islands and toward Americans and foreigners. In the eyes of Americans and foreigners alike, and affirmative decision will be a guarantee to contracts in the Archipelago and will do much to improve American prestige in the Far East.

However, should the decision be adverse, it is a foregone conclusion that the case will be taken directly to the United States Supreme Court which still has jurisdiction over all cases under the American flag.

The effect of an adverse decision and an appeal to the United States Supreme Court upon the attitude of the American people toward Filipino independence is a point not being overlooked by local Manila attorneys. American

sentiment is now favorable toward the Filipino and his nationalistic aspirations. But it could turn overnight. And it probably would if the validity of 37 years of American contracts were destroyed in the Philippines.

This was front-page news in the Christian Science Monitor, Boston, Monday, July 26, from its Manila correspondent.

Reasons Why

(Continued from page 26)

because they had farmed successfully, though it did not follow. It further seems to have been a general supposition that places to mine could be selected much as fields for hemp or cane, and like a crop, cultivated into production.

Widespread failure, heaped upon the calamity of dubious titles, depressed the market.

The final situation is such that it is hard to define where honest purpose was abandoned and roguery began. Audacity, in our view, was the most common fault: the audacity of groups of amateur incorporators whose overwrought imaginations beheld pots of gold at the foot of every rainbow in the mountains, who also took it for granted that making a paying mine out of a deposit found to be of commercial value was an easy task, whereas it is one of the most exacting responsibilities in the industrial world—more so in the Philippines than elsewhere.

How claims overlapped was fantastic, and how these conflicting rights were defended became gruesome as war—contending companies hiring gangs of thugs to patrol their lines; and

then it was to turn out, in the end, that what everyone was fighting over was not even a good mess of pottage, but in fact, as ground to mine for gold, nothing at all. This depressed the market, not merely exhausting capital but dissipating illusion and leaving bitterness in its stead. Our personal experience was that a year's vacation, just staying home, the radio and telephone cut off, would have been the most profitable employment we could have sought; we worked right on, as everyone did, pandering to illusions of bonanza gains, and into the maw of these avid musings went our earnings and savings.

While the frenzy continued, and let us say that it was universal to the Islands, the Facolla took the fullest advantage of its every possibility. The optimum was probably reached on the day one house sold frankly for 50 centavos an edition of stock it had taken up at par 10 centavos: subscribers boasted of their luck, or the special pull they had, that had enabled them to buy these shares at 50 centavos.

Meantime the penny-share trick had been popularized, taking in clerks and day laborers who got to preferring mining shares to *jueteng* or the sweepstakes as a device for gambling. When a new company organized, whole schools of these little customers overwhelmed the officers with eagerness to get in on the ground floor. Board averages were rising; no one asked much about what property was to be exploited or about prospectors' assays and reports, or who was behind the project—all that was asked was the chance to subscribe and make a first payment, the receipt for which could be sold the next day at some fantastic premium.

When this played out, as eventually it had to do, sharp depression of the market followed: all the little holders rushed in to sell, and since the real worth of a property had never concerned them, to sell at any price that would salvage some of their gambling money. Nothing associated with the properties involved precipitated this panic, to speak in general terms of accuracy, and nothing, of course, associated with the administration of the mining, the corporation, and the blue-sky laws, because the government had not had time to overtake the situation—and has not had time to do this herculean task yet. Perhaps the start of it was Morgenthau's sterilization of superfluous bullion he was buying from abroad, soon followed by demands from interested sources (the gold-share speculator wouldn't know that) that gold be put back to \$20.67 an ounce. But its real beginning was President Quezon's proposal to cut the Commonwealth period short, since this scared the big fellows who played the board with sugar profits.

This depressed the market. Meantime, some money from China had come into the Philippine market in mining speculations, but had soon grown chary of the situation and had withdrawn again. Talk of how much London was going to interest herself here had also flourished, then subsided; and nothing developed in the situation to get London really started here, or get China to take a new hand in the game. Moreover, nothing will: for whatever mining that may develop here, the Islands have capital enough of their own—the field is not grand enough for European players, and any

China money that comes across the channel will be fright money fleeing the wrath of Japan.

When panic overtook the small fry and they began selling in order to salvage some, if only a part, of their gambling funds, smart operators began cleaning up by selling short. This sinister activity, which nothing can prevent, depressed the market artificially and still continues as a depressing influence on trading. When folk would buy freely, there were sly schemes practiced to make them buy high; as soon as their main wish was to sell, they were whisked with other sly schemes to compel them to sell low and provide the smart boys the customary neat profit. The same eloquence that inflated bond values was equally effective, when advantage lay that way, in deflating them. Besides, of course, at the necessary moment, even big traders operating on margin had to sacrifice and cover or be sold out.

It was prompt and ruthless liquidation, great pickings for the fellow with nerve enough to sell short.

It added to the depression of the market.

This may be sufficient summarization of reasons why the mining-shares market in Manila is depressed. More pertinent is the question, when will it revive.

The answer is, when it turns more thoroughly respectable; when it gets to be a sort of gentlemen's club with a set of ethics and careful rules governing applicants for membership. That is to say, when new ventures come authentically vouched for by the government; and to the property they would lease there are no adverse claimants, that the ascertained values in this property are so much, certified by the mines bureau, and that upon these data, the Commission has authorized stock to be offered the public. But revive, have we said? No, not revive to boom proportions of any sort, but merely, revive by slow convalescence to the point non-speculative levels. Thousands and thousands of former sardine-size plungers in the penny stocks will never interest themselves in mining shares again. The animation of their presence in the market will never return, and hence speculation will never soar to the dizzy heights it reached last year; for all of which, thank goodness.

After all, the Philippines are a small country, comparatively. Every Manila activity is eventually whittled down to proportions the country is capable of utilizing. In the early '20s it was coconut-oil manufacturing, ten years later it was sugar-milling, and now it is mining and the vending of mining shares. But just think of a country economically resilient enough to recover from such spells of madness, and in short order at that! However often the Philippines hit the canvas, it is never for the count, and they always spring up smiling. Nevertheless, this time there is call for fair-dealing. Would not prohibition of low par-value stocks be corrective, and would it not make Philippine stocks more attractive abroad? The speculation went entirely too far, and not stopping at the raising of sufficient capital for new ventures, got entirely out of hand because of the low par-value stocks; and besides that, it left the little players in these stocks strapped. Why not P5 as a minimum par value for shares, to get folk to buy them as potential investments and not for avid speculation? Too high, because speculation within bounds is always desirable? Perhaps so; all right then, P1. If for us the boom had one lesson, this is it.

—H. R.

Industrial Metals Prices . . .

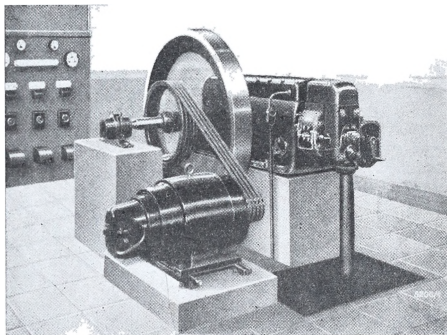
(Continued from page 28)

In supporting his resolution, Bridges said that during the past six months more scrap steel had been sent out of the United States than in any previous full year.

"This is an export of basic material for war" Bridges told the committee, "and over 50 per cent of this export is going to one single foreign country. We hold ourselves up before the world as a peace loving nation, but how on the one hand can we nourish the dove of peace and on the other blindly feed the gods of war?"

AN AMERICAN MILL SUPERINTENDENT, now located in Mexico, with 13 years' experience, the past five years as mill superintendent with a mining company operating in Mexico, wants a connection in a similar capacity or as flotation plant operator with a reputable Philippine mining company. Age, 32; married; speaks and writes Spanish fluently; can leave Mexico on short notice if necessary. Address, James C. Kennedy, 4a Calle de Guerrero No. 27, Oaxaca, Oaxaca, Mexico.

"DEUTZ" DIESEL ELECTRIC SETS V-Cog Belt Driven Type



Four-Cycle Horizontal Engines
5-80 H. P.

A.C. or D.C., 3-50 KW.

Reliable Power for Town Electric
Plants, Farms, Theatres, Etc.

PHILIPPINE ENGINEERING CORPORATION

Cebu — Bacolod — MANILA — Iloilo — Cotabato

Balatoc & Benguet Mines

(Continued from page 27)

price back at any time, and without overnight warning, and no one really knows--not even Henry Morgenthau or Montagu Norman. But if the old price did come back, Balatoc, we see, could weather it. Of its surplus of ₱2,192,410 chiefly in form of supplies, mine openings, mining and milling equipment, ₱2,000,000 is being taken up in another stock dividend making the capital ₱6,000,000 at par ₱1 a share. Roughly, as the mine is running now, at the old gold price of \$20.67 an ounce, net of more than ₱2,000,000 a year could be earned.

Further casual study of such a sound mine is its gross costs, ₱3,426,110 for the halfyear, ₱15.55 a ton of ore treated. The difference between this cost and the ₱18.75 a ton the ore would bring at the old gold price and the mint price of silver is ₱3.20 a ton. None of these figures can be taken as absolutes, they are at most approximations.

Labor is another interesting item. This well established mine paid out ₱1,113,923 for labor during the halfyear. This is 17.2% of the gross income, 32.2% of gross costs, or in round figures, a third of the gross costs.

Balatoc is a settled little village that management under the chief owner, the company's president, Judge John W. Hausermann, does not neglect. Maintenance of a good general store is no burden, since it makes a small profit, but there are schools and the hospital besides. How much, after a rich mining project has once settled down to business at Baguio, do schools and hospital accommodations, quite adequate and quite above common standards, cost? Balatoc's halfyear report lists ₱3,541 for schools, ₱17,756 for the hospital, a total of ₱21,297 for these services for the halfyear, about 2.3 of 1% of the total expense of operations.

Such data may be compared, if anyone knows how, with similar data for established mines in other goldfields of the world. Better yet, new companies in the Philippines who actually feel they are bringing projects into permanent pro-

duction, ought to know from such data something of what certain of their continuing charges will be.

Benguet Consolidated is thirty-five years old, has paid dividends steadily since 1915, and is measurably better established than Balatoc, whose majority stock it owns and who paid it ₱1,676,401 by way of dividends during the half-year. Casual study of Benguet Consolidated shows 919,645 tons of positive and probable ore in reserve on July 1, averaging ₱17.72 a ton at the old gold price, a total of ₱16,295,240, and at the current price, ₱70 an ounce, ₱30 a ton, a total of ₱27,592,330. Almost 30,000 tons of ore were added to the reserve during the halfyear in addition to 145,879 tons of new ore squaring off what was milled during the period.

The ore treated, 145,879 tons, would have yielded gold and silver worth ₱20.66 a ton at gold's old price and the current mint price of silver. Benguet's costs ran ₱18.12 a ton including the management bonus ₱101,426, and depreciation ₱198,308. Benguet, aside from its Balatoc dividends and profits, chiefly prospective, from other operations, could, as from 1915 to 1934 it did, turn a profit at the old gold value of \$20.67 an ounce. This mine's actual bullion returns for the halfyear were ₱4,723,368; its gross income including ₱1,708,924 interest and dividends was ₱6,467,111.

But because we study the mine as apart from the company, let us keep to its bullion, ₱4,723,368. Out of this take costs, ₱2,643,676. In costs reckon taxes ₱375,254, and schools and the hospital ₱19,730, comparing with Balatoc; and now labor ₱774,671. These three items sum ₱1,169,655 and are a margin below 50% of total costs. Labor alone runs about 30% of total costs, taxes about 50% as much as labor. The fact that mining costs at Baguio tend to rise is inescapable. It affects the older mines, going deeper and farther for their ore, and the newer ones too, paying higher prices for timbers from the lowlands or imported from the United States, and more for their accustomed supplies of American manufactures for which prices are rising and on which freight charges across the Pacific are going up.

WHAT GIVES ADVERTISING VALUE TO A NEWSPAPER

?

THE VALUE OF a newspaper is measured in terms of respect and confidence . . . the respect of those who depend on it for news and comment, the confidence of those who use it as a carrier of their business messages in the form of advertising.

PRIMARILY, THIS VALUE is a product of the paper's own character and serviceability. But always it flows from its

readers and advertisers, a willing yield returned for honesty and thoroughness, for cleanliness and fearlessness, for sincere service willingly given.

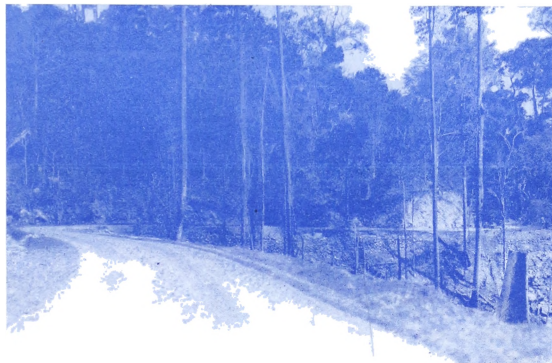
THE MANILA DAILY BULLETIN has earned the public trust which it enjoys principally by being the newspaper that it is. Because its character, enterprise, and reliability have made it valuable to its readers, the Bulletin is VALUABLE to its advertising patrons. These advertisers know their messages take on added force from the medium from which they speak.

COMMERCIAL REVIEWS



AMERICAN CHAMBER

OF COMMERCE JOURNAL



Riprap, Zamboanga-Buenavista Road, Km. 45, Zamboanga

UP TO DATE COMMERCIAL REVIEWS

CABLE ADDRESS
"JOHNSTON"

CODE
"BENTLEY'S"

JOHNSTONS-BUSINESS-ACTIVITIES

P.O. BOX 120
ZAMBOANGA, P. I.
JOHNSTON LUMBER CO., INC

S A W M I L L S

Baliwasan Sawmill
Lubuan Sawmill
Siocon Sawmill
Lintangan Sawmill

P L A N I N G M I L L

Port Johnston
Zamboanga, P. I.
"
AGENT
B. F. ELLIS
372¼ Loma Drive
Los Angeles, California

L U M B E R Y A R D S

Zamboanga, P. I.
Hilo, Hilo, P. I.
Cotabato, Cotabato, P. I.
Jolo, Sulu, P. I.

THE ANGELUS FURNITURE MANUFACTURING CO. OF LOS ANGELES, CALIFORNIA, THE LARGEST OF ITS KIND IN THE WORLD, USES 200,000 BD. FT. OF JOHNSTON'S QUALITY PHILIPPINE MAHOAGANY LUMBER PER MONTH

JOHNSTON TOWING CO.

CONTRACTORS AND STEVEDORES
TUG BOATS, LAUNCHES AND SEA-GOING AND HARBOR BARGES

OWNERS OF

BALIWASAN STOCK YARD, Zamboanga, P. I.
Brokers of Pure Indian Ngora and Ongle Cattle
TIGBAO-ABUNG CATTLE RANCH, Tigbao-Mung, Zamboanga
SILUPA CATTLE RANCH CO., INC., Silupa, Dumanquilas Bay, Zamboanga, P. I.

JOHNSTON TRADING CO.

GENERAL MERCHANTS

REPRESENTING:

MANILA TRADING & SUPPLY CO.—Ford Cars, Trucks and Tractors and Genuine Ford Parts.
GOODYEAR RUBBER & TIRE EXPORT CO.—Tires, Tubes, Belting and Spark Plugs.
SOCONY-VACUUM OIL CO.—The Oldest and Largest Lubricating Oil Company in the World.
T. J. WOLFF & CO.—Philips' Radio, Perfection Stoves and Superflex Refrigerators.
GENERAL PAINT CORPORATION—Paints, Varnishes, Enamels, Synthetic, Industrial and Technical Finishes.
THEO. H. DAVIES & CO., LTD.—Insurance: Fire, Marine, Motor Car and Accident.
WESTERN EQUIPMENT & SUPPLY COMPANY—Westinghouse Refrigerators, Radios, Electrical Equipments, Supplies, & Fixtures.
ISUAN, INCORPORATED—Health Water of the P. I., Isuan Natural Mineral Water, Isuan Ginger Ale, Tiu-Orange Squeeze, Seven-Up, etc.
UNDERWOOD ELLIOT-FISHER SALES AGENCY—Underwood Standard & Portable Typewriters, Elliot-Fisher Bookkeeping and Accounting Machines, Underwood-Sundstrand Adding & Listing Machines, McIlank Steel Fireproof Safes, Kee Lox Carbon Papers & Typewriter Ribbons, Globe-Wernicke Steel Office Furniture & Filing Equipments, Ellams Rotary Duplicators & Supplies.

The best of their kind in the world.

Prospective New Mindanao

• Planned Agriculture Goes With New Roads

Oscar Campbell is an owner in a coconut plantation in Lanao. He lives in Palo Alto, California, and is well pleased with his Lanao plantation investment. Just now he is in Manila, where formerly he practiced as a civil engineer and contractor. Probably the prospect of the opening of bids for construction of the High Commissioner's official residence on Dewey Boulevard was one thing inducing his visit to Manila, but the Lanao plantation was a drawing card too. All our older readers either know Oscar Campbell personally or by hearsay, hence they know of his shrewdness. It is quite surprising to learn of the number of shrewd Americans who have plantations in Mindanao, or considerable investments in such plantations.

So far as we learn, there is general satisfaction with these investments.

This situation is worth nothing just now, because it is soon going to change. If all goes well, it will change for the better.

Mindanao is almost as large as Luzon, but may not have a million inhabitants. Luzon has some 6,500,000 inhabitants, 40% of the Islands' total population. It also has 6,500 kilometers of first class roads, a kilometer for every 1,000 inhabitants. But this comparison is of no significance; really, Luzon supports such a population because of the network of good highways with which the island is provided. That is why the bulk of merchants' markets in the Philippines is on Luzon. Over the highways, products reach their markets, producers go to town to buy supplies; and along the highways the country is laid out in farms actively cultivated because the roads enable the farmer to sell all the surplus his fields will yield.

This is the great change that is now to take place—indeed, has for more than two years been actually taking place—in the wilderness of Mindanao. That island has only some 2,500 kilometers of highway today. It is so fertile that it ought to have as much highway as Luzon, if not more. To give it new highways, President Quezon has begun pouring millions of pesos into Mindanao. For at last the government has found that highways are actual keys to the wilderness. They open territory, otherwise impenetrable, as a key serves to open a door. Settlers come without bidding, and soon have crops in the wild soil; and from the outset these settlers are self-supporting, deriving some wages of course from working on the very roads that make their homestead tenable—as the western settler in the United States

derived wages from teaming on the railroads built to haul their crops to market.

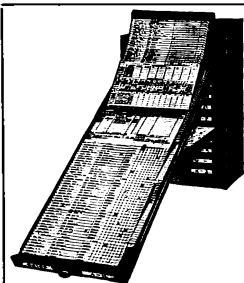
President Quezon's plans in Mindanao go farther than the highways, which in part have military objectives. They embracing planning Mindanao's new agriculture, to a degree. Is this Mindanao's long-sought redemption from noxious vegetating, physical and sociological? If plans are carried out in full, it may well be.

Mindanao is potentially a farmer's El Dorado. For a number of good crops, its climate as affected by its rainfall is superior to Luzon's. President Quezon plans to plot the new farming opened by means of the new Mindanao roads, and to this end, to employ agricultural experts—for example, rubber experts from the Goodyear company, who gained practical experience at Goodyear's Sumatra rubber plantation. For eight years, Goodyear has had an experimental plantation on the mainland of Zamboanga. It was provided with selected seed and seedlings, from high-yield trees. It has been entirely successful, and now the Philippines have from this plantation a supply of seed for new farmers falling in with the idea of growing rubber for their cash crop—also of course, for new plantations.

To Mindanao, President Quezon would adapt the method of the sugar mill in Philippine cane territory. The planter owns his fields, but contracts during a long term to let the mill handle his cane. Thus the mill, while it may loan the farmer money, is spared the expense and responsibility of owning and cultivating the cane lands; and at the same time, it is just as certain of a cane supply as if it owned the fields as well as the mill. This comports with Malay psychology respecting land ownership, therefore it succeeds. (Most rubber grows in Malaysia, though only a very little of it in the Philippines, and 50% of the supply comes from small groves tapped and cultivated by the families that own the land).

Mindanao agriculture is capable of immeasurable expansion under the Quezon policy, and surprising expansion within a very short time.

As to rubber, Basilan has the older more productive plantations—the large island forming a political part of Zamboanga and tailing the mainland on the southwest. But there is also a plantation in Cotabato, east of Zamboanga. The range of territory therefore for rubber in Mindanao is ample. Just as in northern Mindanao where Philippine Packing



Globe-Wernicke Automatic Record Control provides important facts instantly

- When applied to stock records, inactive items and vitally essential data are constantly brought out—inventory is held to a minimum—depreciation is reduced—customers receive better service—results increase turnover and profits.
- With it, activity of lines, salesmen, customers is set out—new prospects or leads follow—all with a minimum work and expense—results, actual increase sales.

Globe-Wernicke
VISIBLE RECORD EQUIP-
MENT
DEPENDABLE
QUALITY

Ask Us to PROVE How Visible Records Will Help Your Business . . .
Phone or Write for a Demonstration

Underwood-Elliott-Fisher Sales Agency

30-32 Escolta

Phone 2-31-71

Smith, Bell & Co. Ltd., Sole Agents in P. I.

exploits pineapples, there is room for expansion of that industry. Jesuits grew and bought prices in Mindanao centuries ago; they were the missionaries down there, and in Ternate of the Spice Islands, and the commerce interested Zamboanga as well as Ternate. If spices can be revived profitably in Mindanao, this should be tried. Certainly there is room for the African palm.

In new plantations it ought to be determined whether coconuts should be grown, or African palm. We have it on good authority that 82% of the palm oil exported from Sumatra last year was sold in the United States and used largely in the manufacture of galvanized iron. What Sumatra can do, Mindanao can do—possibly to a little better advantage. At least, experienced men say Basilan produces plantation rubber at the lowest cost in the world. Coconuts and rubber in separate stands on the same plantation have been very satisfactory on Basilan, coconuts arriving at production age somewhat earlier than rubber, and the two rivaling one another as to net profit, depending on the relative market demand for them and on the effectivity of the price-pegging and production-pegging authority in the dominating British-Dutch field of Malaysia.

To sum up: a thorough-going road system in Mindanao will be greatly beneficial to the Islands if activity goes no farther, while it will be infinitely more beneficial if activity extends to manage agriculture embracing tropical products America requires in addition to the copra, hemp, tobacco and sugar the Islands have heretofore had to sell.

New & Old Highways

(Continued from page 13)

In the preparation of the five-year program, the contemplated plan of constructing a railroad from the city of Davao to the port of Cagayan, Oriental Misamis, was not taken into consideration. It is understood that this proposed railroad will utilize for its power the great potential energy stored in the Maria Cristina Falls in Lanao province and in the Polangui river flowing between the provinces of Bukidnon and Davao. Should this railway project be carried out it will have to be supplemented by roads as feeders, and our five-year program will have to be revised to avoid the construction of roads paralleling the railroad and thus prevent the destructive competition for traffic, such as now exists between the railroad companies and the motor truck transportation companies operating in the islands of Luzon and Cebu. If this proposed railroad is constructed, it will necessarily require as its complementary service the operation of fast boats between Manila and Cagayan, Oriental Misamis, so that the time of travel between Manila and Cagayan de Misamis could be reduced to about 24 hours, and in conjunction with the proposed railroad, the travel between Davao and Manila can be accomplished within 30 hours.

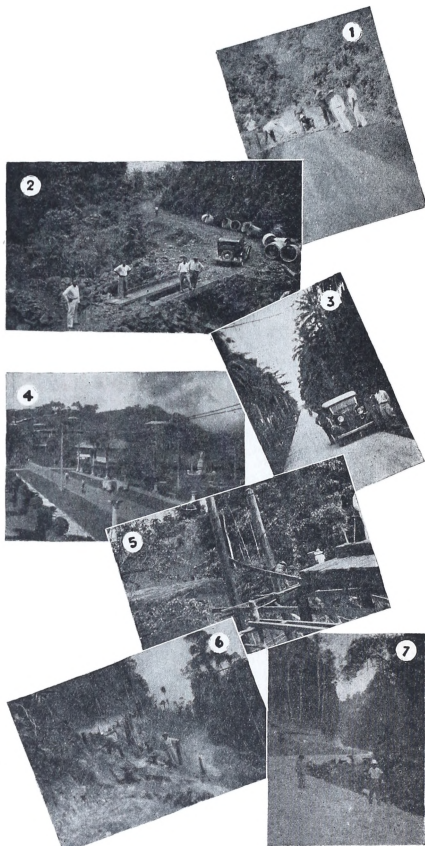
The latest step taken by the Commonwealth Government in connection with the policy of developing Mindanao and Sulu as rapidly as possible, was the creation of the position of Commissioner for Mindanao and Sulu by the passage during last year's session of the National Assembly of Act No. 75. This Act provides among other things that, "besides his administrative functions, the Commissioner shall also be charged with the duty of directing the general development work in Mindanao and Sulu". Subsequently, His Excellency, the President, appointed, on January 1, 1937, the present Commissioner for Mindanao and Sulu, who is a civil engineer, with station at Dansalan, Lanao, which has been declared as the capital of Mindanao and Sulu by reason of its easy accessibility from the different provinces therein. One of the important functions of the Commissioner is to prepare in conjunction with the Bureau of Public Works road construction programs and to supervise the execution of such programs.

The Agusan river in the province of Agusan, which extends as far as the province of Davao, and the Cotabato river in the province of Cotabato, are both navigable for good-sized

launches for long distances into the interior. By improving their condition of navigability they can be developed into cheap arteries of communication for transporting freight.

Along with road construction programs and the construction of the proposed railroad, the Government should encourage the establishment and maintenance of an efficient air service between Luzon, the Visayan islands and Mindanao, even to the extent of subsidizing it or, if necessary, the Government should operate its own air line.

The foregoing forms of transportations—roads, railroads, water and air—are all destined to play very important rôles in the rapid settlement and development of Mindanao and Sulu.



1 & 2. Cotabato-Lanao interprovincial road, Km. 37.
3. Port Pikit, Datto-Palangan road, Km. 15, Cotabato.
4. Plaza at Cotabato, Cotabato.
5. Tarakan bridge under construction, Km. 48, Cotabato-Lanao interprovincial road.
6 & 7. Tamontaka-Upi road under construction, Km. 12 & 15, Cotabato.

Mindanao And Sulu Highways

By V. Fragante

Director of Public Works

With the exception of a few short coastal roads in northern Mindanao which were built under the Spanish regime, road building in Mindanao and Sulu started only during the early days of the American Occupation by the U. S. Military authorities. Since the military roads were built primarily for the pacification of the Non-Christian inhabitants in that region, they were relatively few and were constructed solely for the purpose of connecting the seacoast to military posts in the interior, such as the Camp Romander road in Jolo, the Fort Pikit road in Cotabato, and the Camp Keithley road in Lanao. Later on, when Military Government of that region was no longer necessary and civil government took its place, road and trail constructions were attempted as economic and social measures and although handicapped by lack of funds, the former Department of Mindanao and Sulu, under the supervision of the Bureau of Public Works, was able to construct coastal roads mostly along the northern coast of Mindanao and around the island of Jolo.

Immediately after the inauguration of the Commonwealth Government of the Philippines in 1935 steps were taken to accelerate the development of Mindanao. Legislative missions including His Excellency, the President of the Philippines, as well as Department Secretaries and their staffs have made repeated inspections and thru these visits the importance of properly developing Mindanao has been so impressed on the public as a matter of urgent concern to the country that it has become one of the most important national issues of the day.

Conscious of the importance of building systematically planned highways in Mindanao as the best and most logical way to open up the country, the National Assembly, on January 2, 1936, passed Commonwealth Act No. 18, reverting one million pesos from the establishment of agricultural colonies and making that sum available for the construction of roads in Mindanao. Such a decisive step on the part of the Legislature marked a "new deal" in road building activities in that part of the country, and as a direct result the opening to light traffic of the Iligan-Davao Interprovincial Road, 412.6 Kms. in length, was made possible early this year.

Ten months later, Commonwealth Act No. 75 was passed, on October 24, 1936, providing, among other things, the creation of the position of Commissioner for Mindanao and Sulu, under the Department of the Interior. According to this Act, the most important function of the Commissioner is to direct general development work in Mindanao and Sulu, and to so coordinate it as to prevent overlapping and duplication of similar activities by the various branches of the government. The timely appointment of no other than a veteran road builder as the first Commissioner by His Excellency, the President of the Philippines, is in itself a guarantee of the proper planning and the expeditious execution of road work in Mindanao.

The present policy of road building in Mindanao is based upon the sole desire of the Commonwealth to develop, as rapidly as funds permit, the economic resources of that vast and fertile country with the ultimate view of converting Mindanao into one of the main revenue sources of the government. In consonance with this policy, the roads are now being built in the order of their relative importance, i. e., those that contribute towards the preservation of peace and order, those that provide for interprovincial and intercoastal communication, and those that promote agriculture in general are given preferential attention. As examples of these routes, the present carefully selected National roads may be mentioned; the road around Lake Lanao, the central road in Jolo, the Iligan-Davao interprovincial and intercoastal road, the Davao-Agusan interprovincial and intercoastal road, the interprovincial and coastal road in northern Mindanao from Occidental Misamis to Surigao, the Bukidnon-Oriental Misamis Interprovincial road, the Davao-Cotabato Interprovincial road connecting Davao Gulf with Sarangani Bay,

the Cotabato-Makar road, the Butuan-Lianga road, the penal colony roads in Zamboanga and Davao, the Zamboanga-Naga Coastal road, the Isabela-Lamitan coast-to-coast road in Basilan, and the Tawi-Tawi coast-to-coast agricultural road.

The aforementioned National roads represent a total of 2,088.88 Kms. of which nearly 1,000 Kms. are first and second class roads and about the same length are either under construction or will be built in the near future. Pursuant to the provisions of Executive Order No. 71, promulgated December 3, 1936, the construction, maintenance and improvement of these National Roads in Mindanao and Sulu will be financed from such appropriations as may be authorized by the Commonwealth Government in annual or special appropriation acts and from the 80% of all collections under the Gasoline and Motor Vehicle Funds, which is subject to apportionment on a definite basis. It is, therefore, evident that these National roads will be adequately taken care of, and when completed will provide the immediate need for main traffic routes in that section of the Islands.

It has been proposed by the Honorable, the Commissioner for Mindanao and Sulu that a portion of the "Excise Tax", amounting, if practicable, to ₱23,658,000.00, be set aside to finance a road construction program on the islands of Mindanao and Sulu, including their maintenance, for a period of 5 years. It is expected that after the five-year period, the lands along which the roads built will be so populated and developed that sufficient revenue may be derived locally for their proper maintenance.

During the first two years it is proposed to construct some 1,238 Kms. of second-class main trunk roads, including the uncompleted sections of the existing national roads, at an estimated cost of approximately ₱10,000,000.00; the maintenance funds for 5 years included. During the third year, an additional 572 Kms. of second-class roads will be built, at a total cost of around ₱5,000,000.00 including maintenance needed for 5 years. By the end of the fourth year, it is estimated that an additional 593 Kms. of second-class roads can be added to the system, at a total cost of around ₱5,000,000.00 including provision for their maintenance for 5 years.

The proposed roads included in the aforesaid five-year program having a total length of 2,336 Kms. are mostly new projects, and together with the 1,800 Kms. of existing roads, they will provide a complete highway system of over 4,000 Kms. for Mindanao and Sulu which it is expected will be adequate for many years to come.



Kasilag's Five-Year Road Program

Embraces Basilan and Sulu with Mindanao

Five-year road construction program to be financed from the Coconut Oil Excise Tax money or from funds to be appropriated by the National Assembly.

In selecting the projects included in this program, we did not take into consideration the plan of constructing a railroad from the City of Davao, to Cagayan, Oriental Misamis. The following are our explanatory notes for each project the numbering of which on the table corresponds to the numbers enclosed in the circles appearing on each proposed road as indicated on the map.

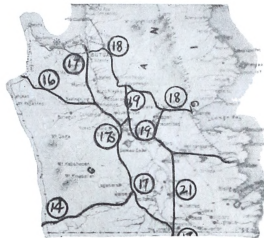
EXPLANATORY NOTES

PROJECT No. 1—This proposed road when completed will encircle the Island of Basilan with automobile roads. Although paralleling the coast line, this road project will, in general, pass through the interior at an average distance of five kilometers from the shore in order to increase the usefulness for developing the fertile agricultural lands to be traversed by it.

PROJECT No. 2—This proposed road starts from the end of the surfaced road from the City of Zamboanga to the Vitali River along the east coast. It will cross the peninsula of Zamboanga Province through the fertile plain of approximately 27,000 hectares lying between Labuanang on the south coast and Liloy on the north coast. Liloy is the best sheltered port on the north coast of Zamboanga. From Liloy the road will pass through the new municipality

of Sindangan and connect with the finished road at Manukan, municipality of Katipunan, province of Zamboanga.

PROJECT No. 3—This is another road project that crosses the peninsula of Zamboanga and will tap the Sikon River Valley, the Panabutan and Siraway Valleys and will provide over land connection between the new municipality of



Sikon and the City of Zamboanga.

PROJECT No. 4—This proposed road starts from Labuanang on Road Project No. 2 and will pass through the new municipality of Kabasalan and the rich valley of Sibugay and Kamalahang Rivers connecting with the new municipality of Pagadian in southwestern Zam-

boanga on the Occ. Misamis-Zamboanga Inter-provincial Road.

PROJECT No. 5—This is an interoastal road project to connect the new municipality of Pagadian with the new municipality of Margosatubid in southwestern Zamboanga, crossing the rich valley of Dimas.

PROJECT No. 6—This proposed road starts from Malabang, 70 kilometers from Dansalan on the Lanao-Cotabato Interprovincial Road, and will connect with the Lanao-Zamboanga Interprovincial Road traversing the rich Kapatagan Valley of 45,000 hectares and benefiting coconut plantations along the coast of Ilana Bay.

PROJECT No. 7—This proposed road will start from Pualas, a municipal district on the road from Dansalan to Malabang, province of Lanao, passing through the municipal districts of Nonongan and Kapatagan and connecting with Occidental Misamis at the proposed ferry crossing across the Paugli Bay, about 20 kilometers south of Kolambugan. It will establish a short route of communication from southern Mindanao through Lanao Province to Occidental Misamis and northern Zamboanga. This road will also largely contribute to the maintenance of peace and order in the interior districts of Lanao west of Lake Lanao.

PROJECT No. 8—This is a proposed road to establish communication and transportation facilities on the east and south shores of Lake Lanao where the most rebellious Maranaos in Lanao Province are found at present. The opening of this road will go a long way towards the suppression of lawlessness and the establish-

(Please turn to page 39)

RURAL TRANSIT CO.

(Bachrach Motor Co.—Operators)

CABANATUAN, N. E.

MANILA OFFICE:

Bachrach Motor Co., Inc.

Port Area, Manila

Phone 2-15-44

BRANCH:

Bayombong, N. V.

DISTRICT AGENCIES:

Echague & Ilagan

Isabela

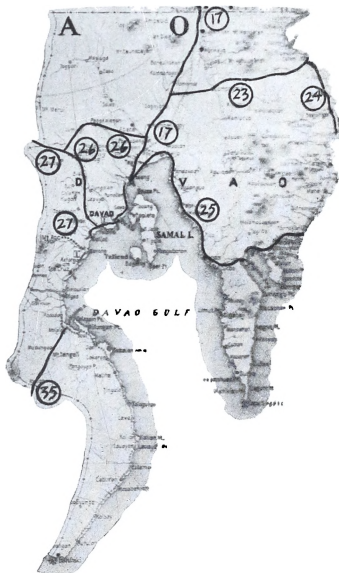
San Jose, N. E.

FREIGHT & PASSENGER SERVICE

From Manila to Tuguegarao
and Throughout Provinces of

N. Ecija, N. Vizcaya

Isabela & Cagayan



American Bus Transport Philippine Interests

NOTE.—While the following discussion by Attorney L. D. Lockwood is limited to the American interest in the Philippines in the bus transportation business, the point stressed that the term *civil rights* as used respecting Americans and American interests here, in the Tydings-McDuffie act as well as the Commonwealth constitution, requires definition, is of general and specific interest to all Americans and American interests here.—ED.

Bus transportation in the Islands has been peculiarly developed by the Americans. With the exception of the Manila Railroad which operated between Manila and Dagupan, there were practically no land transportation facilities during the Spanish régime. There were very few roads and those that existed were impassable during the rainy season. The motor vehicle had not yet arrived. Most transportation or travel was by water.

During the first years of American occupation the Government was occupied in perfecting its organization, establishing law and order, sanitation, etc., and it was about 1908, under the leadership of Hon. W. Cameron Forbes, then Secretary of Commerce, that a comprehensive road-building program was begun and which has been carried thru to the present date. This has resulted in a good system of highways covering practically all of the well-populated islands. Some of the least populated islands, such as Mindanao, Mindoro, Palawan and some smaller ones, have relatively few roads.

It is a coincidence that the motor vehicle arrived at the same time that the roads were being built and the result has been a rapid and extensive development of motor vehicle transportation.

The first motor bus in the Philippines was operated by Mr. A. L. Ammen in Camarines in 1911. About the same time, Mr. Walter S. Price started bus operations on the Island of Leyte. It is somewhat strange that these two beginnings were made at places distant from Manila, but such is the case. While the growth of the business was slow during the first few years, with the extension of the roads and the improvements in motor vehicles, it later expanded rapidly. When Mr. Ammen, for example, incorporated his business and formed the A. L. Ammen Transportation Co., Inc. in 1914, he was operating 9 buses. Today the Company is operating 225 buses and 50 hire automobiles and transports over 12,000,000 passengers a year. Mr. Ammen also founded the Pangasinan Transportation Co. and his associates started the Batangas Transportation Co., Laguna-Tayabas Bus Co., Bohol Land Transportation Co. and others. Other Americans started bus operations in other parts of the Islands. Uniformly these operations have been successful and have expanded.

The book value of this investment of P4,208,850 is at

• *Islands' constitution needs clarification of term civil rights as applicable to all American property interests here.*

least 50% greater than the actual investment and the real or market value of the investment has at least doubled, as, for example, Mr. Price, practically the sole owner of Leyte Land Transportation, values his business at P700,000, while only the original investment of P120,000 is listed above. And shares of some of these companies, like the Batangas Transportation Co., have been selling for between P200 and P300, the par value being P100.

All of the above mentioned investment, except that of the Manila Electric Co., is by citizens of the United States residing in the Philippine Islands.

All of the above-named companies are corporations organized under the laws of the Philippine Islands by Americans and all, with the exception of the Panay Autobus, are managed by Americans.

Only one large bus company has been organized, financed and successfully operated entirely by Filipinos. This is the Pasay Transportation Co. It was not organized until 1928. Filipinos have, however, acquired a very important minority interest in the companies listed above, amounting to P1,804,150 and this interest is gradually increasing. There are also small Filipino bus operators operating from one to fifty buses each. The total number of buses operated in the Philippines is approximately 3,700.

Americans have not gone into the trucking business very extensively. One firm, the Luzon Brokerage, does a very large trucking business, more or less in connection with its customs brokerage business. Mr. L. W. Nantz also does a good-sized trucking business. But these operate as private contractors and not as public utilities. Most of the trucking is done by small Filipino truckers.

The Manila Railroad Co., owned by the Government, operates a large fleet of buses and trucks, especially in making connections for both passengers and freight between the railroad and Baguio.

These utilities operate under franchises or certificates of public convenience which have from time to time been granted by the Government of the Philippine Islands as authorized by Section 28 of the Jones Law (Act of Congress of August 29, 1916.)

These franchises and certificates of public convenience are property. There can be no doubt about that. The courts have repeatedly so held.

Undoubtedly, under the existing law, this property (franchises or certificates already granted) when owned by citizens of the United States, will be acknowledged, respected and safeguarded after independence to the same extent as similar rights of citizens of the Philippines.

But is the term "existing property rights" to be interpreted as to refer only to franchises and certificates of public convenience in existence on the date of proclamation of Philippine

Today the investment of citizens of the United States in bus transportation is as follows:

	Total Capital Invested	Capital Interests of Citizens of U. S.
A. L. Ammen Transportation Co.	P1,000,000	P 700,000
Batangas Transportation Co.	475,000	235,750
Laguna-Tayabas Bus Co.	500,000	100,700
Pangasinan Transportation Co.	500,000	420,000
Pampanga Bus Company'	223,800	323,500
Red Line Transportation Co.	235,500	204,400
Northern Luzon Transp. Inc.	151,700	100,500
Rural Transit Co.	400,000	400,000
Cebu Autobus Co.	300,000	350,000
Bohol Land Transportation Co.	300,000	185,000
Mindanao Bus Co.	150,000	102,000
Manila Electric Co. (bus business only)	600,000	600,000
Leyte Land Transportation Co.	120,000	120,000
Panay Autobus Co.	400,000	168,000
Bulacan Bus Co.	58,000	46,000
Cebu Transit Co.	100,000	54,000
Total	P6,012,000	P4,208,850

Independence.

Or is it to be interpreted in a broader sense to include the right to buy or acquire franchises and certificates? As before stated, the term "property rights" usually means not only the right to own, but the right to acquire and sell property.

Citizens of the United States now have the right to acquire and obtain franchises and certificates of public convenience. The present law regarding the granting of certificates of public convenience is found in the Public Service Act (Commonwealth Act No. 146), which was enacted at the last session of the National Assembly. It reads as follows:

Sec. 16. *Proceedings of the Commission, upon notice and hearing.*—The Commission shall have power, upon proper notice and hearing in accordance with the rules and provisions of this Act, subject to the limitations and exceptions mentioned and saving provisions to the contrary:

(a) To issue certificates which shall be known as Certificates of Public Convenience, authorizing the operation of public services within the Philippines whenever the Commission finds that the operation of the public service proposed and the authorization to do business will promote the public interests in a proper and suitable manner: *Provided*, That hereafter, certificates of public convenience and necessity will be granted only to citizens of the Philippines or of the United States or to corporations, copartnerships, associations or joint-stock companies constituted and organized under the laws of the Philippines: *Provided*, That sixty per centum of the stock or paid-up capital of any such corporation, copartnership, association or joint-stock company must belong entirely to citizens of the Philippines or of the United States: *Provided, further*, That no such certificates shall be issued for a period of more than fifty years.

It would seem that this is an existing property right; and, if such, it should be acknowledged, respected and safeguarded after independence.

In other words, that after independence citizens of the United States should have the right to acquire, obtain and own franchises and certificates of public convenience.

But as above stated, there are other provisions of the Constitution which are in conflict with this theory.

The "Constitution of the Philippines" is obviously intended to be the constitution of the future Republic. It is nowhere referred to as the constitution of the Commonwealth and for that reason, in our humble opinion, it should never have been approved by the President of the United States, because it is not a "Constitution for the Government of the Commonwealth of the Philippines" as is provided for in the Tydings-McDuffie Law. The ordinance appended to the Constitution makes it workable during the life of the Commonwealth.

So it is that we now know what the constitution of the Republic will be. We, therefore, have a rather extraordinary opportunity to look into the future and determine what our rights will be. As before stated, the provision acknowledging, respecting and safeguarding the existing property rights of citizens of the United States is incorporated in the Constitution,—and very properly in the Constitution itself and not in the ordinance appended to the Constitution which will become inoperative after independence.

But in Art. XIII, Sec. 8, of the Constitution we find the following:

No franchise, certificate, or any other form of authorization for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations of other entities organized under the laws of the Philippines, sixty per centum of the capital of which is owned by citizens of the Philippines, nor shall such franchise, certificate, or authorization be exclusive in character or for a longer period than fifty years. No franchise or right shall be granted to any individual, firm, or corporation, except under the condition that it shall be subject to amendment, alteration, or repeal by the National Assembly when the

public interest so requires.

It is, therefore, perfectly clear that it is not the intention to acknowledge, respect and safeguard the existing rights of citizens of the United States to acquire franchises or certificates of public convenience.

And apparently, when present franchises expire it will be impossible for the holders of the same to acquire or obtain new franchises or extensions of the old one.

The same principle is expressed in Art. XII, Sec. 1, regarding natural resources, as follows:

All agricultural, timber, and mineral lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy, and other natural resources of the Philippines belong to the State, and their disposition, exploitation, development, or utilization shall be limited to citizens of the Philippines, or to corporations, or associations at least sixty per centum of the capital of which is owned by such citizens, subject to any existing right, grant, lease, or concession at the time of the inauguration of the Government established under this Constitution. Natural resources, with the exception of public agricultural land, shall not be alienated, and no license, concession, or lease for the exploitation, development, or utilization of any of the natural resources shall be granted for a period exceeding twenty-five years, renewable for another twenty-five years, except as to water rights for irrigation, water supply, fisheries, or industrial uses other than the development of water power, in which cases beneficial use may be the measure and the limit of the grant.

Under this provision the present right of citizens of the United States to locate mining claims will disappear.

And the right to buy and sell even existing real property is limited by Sec. 5 of the said article, which reads as follows:

Save in cases of hereditary succession, no private agricultural land shall be transferred or assigned except to individuals, corporations, or associations qualified to acquire or hold lands of the public domain in the Philippines.

The above quoted Sec. 8 of Art. XIII has already been interpreted by the Supreme Court in the case of *Genehichi Ishi vs. Public Service Commission*, G. R. No. 45134. In that case the petitioner, a Japanese subject, held a certificate of public convenience to operate one hire automobile, issued prior to the establishment of the Commonwealth. After the Commonwealth he applied for authority to increase his equipment by one automobile more. His application was denied by the Public Service Commission on the ground that it would be unconstitutional to grant the increase and this decision was sustained by the Supreme Court which said:

The question presented is whether petitioner's application for an increase of his equipment comes within the constitutional prohibition contained in section 8, Article XIII of the Constitution of the Philippines, it appearing that petitioner had been granted, before the Constitution took effect on November 15, 1935, a certificate of public convenience to operate an automobile "Ford" for transportation of passengers in the province of Davao. We must answer the question in the affirmative. Petitioner is admittedly not a citizen of the Philippines, nor a corporation sixty per centum

INSURANCE

For Every Need and Purpose

WORKMEN'S
COMPENSATION
PUBLIC
LIABILITY
AUTOMOBILE

FIRE
MARINE
ACCIDENT
PLATE GLASS

ATLAS ASSURANCE CO. LTD.
CONTINENTAL INSURANCE CO.

THE EMPLOYER'S LIABILITY
ASSURANCE CORPORATION LTD.

ORIENT INSURANCE COMPANY
INSURANCE COMPANY OF NORTH AMERICA

General Agents

E. E. ELSEY, INC.

Telephone 2-24-28

— MANILA —

Kneeder Building

of the capital of which is owned by citizens of the Philippines. His application for an increase of equipment may not call for the granting of a new franchise or certificate, but it certainly calls for an "authorization" the granting of any form of which is limited by the Constitution to citizens and corporations above mentioned. This was clearly admitted by the petitioner himself when he made the averment in paragraph 3 of his petition for a writ of certiorari that in filing below the application which was afterwards denied by the respondent Commission, he sought for "authority" to increase his equipment. In other words, it is conceded by petitioner that he may not increase his equipment without previously being "authorized" to do so by the respondent Commission, as provided in express terms in his certificate of public convenience. The phrase "any other form of authorization" used in sec. 8, Article XIII, of the Constitution is comprehensive enough to include the "authority" asked for by petitioner.

The Constitution provides for the nationalization not only of national resources and all forces of potential energy but also of public utilities, saving solely those rights which were acquired prior to its adoption. This was one of the avowed purposes of the framers of that fundamental law, as declared in its preamble. We cannot agree to the suggestion that because petitioner is the lawful holder of a certificate of public convenience to operate an automobile "Ford" in the province of Davao, he has a vested right to be authorized to increase his equipment by the addition of one or more cars. The challenged order of the respondent Commission is in conformity both with the letter and spirit of the Constitution and it must be upheld.

Would the decision of the Court be any different with regard to citizens of the United States after independence, taking into consideration the other provision of the Constitution that existing property rights of the same shall be acknowledged, respected and safeguarded? We believe not.

But as this is a matter which is to be embodied in a treaty to which the Government of the United States will be a party, it will become the duty of the United States to see to it that the rights of its citizens in the Philippines are duly safeguarded and protected.

Conclusion and Suggestions. In view of the foregoing, it is respectfully submitted:

1. That in case the date of independence is advanced, it should be provided that the "civil rights" which citizens and corporations of the United States now enjoy in the Philippines should be continued in force and effect until July 4, 1946, the date set for independence by the Tydings-McDuffie Law; and furthermore, in case a preferential trade-treaty is made and entered into, as is much discussed at the present time, then and in that case, preferential civil rights should go along with preferential trade relations and the present civil rights enjoyed by citizens and corporations of the United States should be continued in force and effect during the life of the preferential trade-treaty.

2. That the term "existing property rights" as used in the Tydings-McDuffie Law, the Philippine Constitution, and to be embodied in a treaty, should be clarified by legislation and/or by the treaty to be made and inter-

preted in the sense intended by Congress, so that there will be no misunderstanding regarding what these rights are.

Manila, Philippines, August 21, 1937.

L. D. LOCKWOOD
For the Philippine Motor Transport
Association.

Kasilag's Five Years . . .

(Continued from page 38)

ment of peace and order in the entire province of Lanao. It will also develop the rice land district around the lake.

PROJECT No. 9—This proposed road will be a short cut from Lambatan, where the agricultural and normal schools of Lanao are established, to the municipality of Malabang on the northeast coast of Ilana Bay. It will tap the rich agricultural valley of Mafalin River and Lake Butag.

PROJECT No. 10—This is another interprovincial road between Lanao and Cotabato.



Its south terminal is at Parang, the best sheltered harbor in western Cotabato, and its northern terminal is in the sitio of Balnagay on the southeast shore of Lake Lanao, passing through the municipal district of Balud. It will benefit the rich agricultural district of Barira.

PROJECT No. 11—This is another interprovincial road between Lanao and Bukidnon provinces, connecting the municipal district of Muhundo on the east shore of Lake Lanao with the municipal district of Maramag on the Bu-

kidnon-Cotabato Interprovincial Road. It will serve as a connecting link of the shortest route from the City of Davao to the port of Iligan in northern Mindanao. The country traversed by this proposed road consists of plateaus suitable to the cultivation of corn, fruit trees, coffee, cacao and cattle raising.

PROJECT No. 12—This is another interprovincial road between the provinces of Lanao and Bukidnon, starting from Dansalan, the capital of Lanao, and passing through the municipal district of Kapay and connecting with the municipal district of Talakag in the province of Bukidnon. This will establish a short cut from central Lanao to the port of Cagayan in northern Mindanao.

PROJECT No. 13—This is a road to connect the municipal district of Kapai, interior part of Lanao, with the port of Iligan, and will develop the fertile Kapai and Mandulog River Valleys.

PROJECT No. 14—This proposed interprovincial road between Bukidnon and Agusan provinces starts from Talakag in northwestern Bukidnon, passing through Maramag on the Bukidnon-Cotabato Interprovincial Road and connecting with the municipal district of Waleo in Upper Agusan. It will develop the best agricultural region of the province of Bukidnon, the Pulungui and Omayan River Valleys of northeastern Bukidnon and southwestern Agusan.

PROJECT No. 15—This is a proposed interprovincial road to connect the port of Cagayan in Oriental Misamis with the municipal districts of Baungon and Libona in the northwestern part of Bukidnon province. It will develop 20,000 hectares of fertile agricultural land to be traversed by it.

PROJECT No. 16—This proposed interprovincial road will connect the municipal district of Milagros in Upper Agusan with Odiongan, a progressive portion of the municipality of Gingoog on Gingoog Bay, province of Oriental Misamis. It will be a short cut from Upper Agusan to the coastal road of Oriental Misamis.

PROJECT No. 17—This project is the Agusan-Davao Interprovincial Road now under construction. This road will develop the fertile agricultural land on the west bank of the Agusan River and the rich Tagum and Saug river valleys, province of Davao.

PROJECT No. 17 (a)—This is a connection between the road systems on both sides of the Agusan River at the municipality of Talaecon, Central Agusan.

PROJECT No. 18—This is an interprovincial road between Agusan and Surigao connecting the municipality of Lianga on Lianga Bay, province of Surigao, with Ampayon, a barrio on the

Business Printing
AND DIRECT ADVERTISING
THAT IS DISTINCTIVE
AND YET... NOT EXPENSIVE

KRIE D T

PRINTERS: BOOKBINDERS: ENGRAVERS Phone 2-29-59

550 EVANGELISTA
BULLETIN BLDG.

Butuan-Cabadbaran Road, Province of Agusan. It will develop the fertile agricultural land in the valleys east of Agusan River.

Project No. 19—This is another interprovincial road connecting the municipality of Hinatuan on Hinatuan Bay, province of Surigao, with the municipal district of Maygatasan on east central Agusan, and will develop the best agricultural land in southern Surigao and the valley on the east side of the Agusan River at Upper Agusan.

Project No. 20—This road will be a connecting link between the interprovincial road No. 18 and interprovincial road No. 19.

Project No. 21—This is a continuation of the road system in the valley east of Agusan River and will develop the fertile agricultural land in the Simulao and Banawan river valleys. There is an agricultural school run by the National Government in the municipal district of Banawan.

Project No. 22—This is a coastal road to connect the road system of southern Surigao with the road system of northern Surigao on the east coast of that province.

Project No. 23—This is a proposed road to connect the east coast of Davao with the provincial capital by way of Compostela and Camanza, a municipal district on the Davao-Agusan Interprovincial Road. It will develop the extensive agricultural land around Compostela and the Cated River valley.

Project No. 24—This is a coastal road to connect the two important municipalities of Cateel and Baganga on the east coast of Davao.

Project No. 25—This is a road project now under construction on the east coast of the Gulf of Davao and will connect with the Davao-Agusan Interprovincial Road at Tagana. It will serve the municipalities of Pantukan, Lupon and Mati.

Project No. 26—This is a short cut connection between the Davao-Agusan and the Davao-Bukidnon Interprovincial Roads and will develop the interior part of northwest Davao.

Project No. 27—This is an interprovincial road between Davao and Bukidnon provinces, starting from the barrio of Guinaua, City of Davao, and connecting with the Bukidnon-Cotabato Interprovincial Road near Lake Lamayhyon. This proposed road will provide a

direct route from the City of Davao to the port of Cagayan in Oriental Misamis.

Project No. 28—This is an interprovincial road between Bukidnon and Cotabato provinces, starting from the end of the finished road at Mailog, province of Bukidnon, and connecting with Kabakan, municipal district of Cotabato, which is connected with the now being completed Cotabato-Davao Interprovincial Road. It will be the continuation of a direct route from Sarangani Bay in southern Cotabato to the port of Cagayan, Oriental Misamis. It will develop the agricultural land in the Pulangui River valley, which river has its headwaters in Upper Agusan and near Malaybalay, Bukidnon province, and empties into the Cotabato River at Peidu Pulangui near the municipal district of Reina Regente.

Project No. 29—This road project is a continuation of the Cotabato-Upi Road and will connect Port Lehak on the west coast of Cotabato province. It will serve many coconut plantations on the west coast of Cotabato.

Project No. 30—This is a proposed road to develop the country south of Cotabato River and will connect the Cotabato-Upi Road from Libongan with the Boyau-Makar-Reina Regente Road at Sapakan.

Project No. 31—This is the proposed national highway from Glan on the southeast coast of Sarangani Bay where a concrete wharf has recently been constructed, to Reina Regente, a municipal district on the Cotabato River, passing along the east coast of Sarangani Bay to Makar and traversing from this point the most extensive agricultural land in the province of Cotabato around Lake Buluan.



THE KING OF BEERS



Sole Agents

THE MANILA WINE MERCHANTS, INC.

Largest Wholesale and Retail Liquor Dealers in the Philippine Islands

Head Office
174 Juan Luna
Tels. 4-90-57 or 4-90-58

Retail Branch Office
37-39 Alhambra
Tel. 2-17-61

PROJECT No. 32—This proposed road is intended to develop the great Ala River valley in west central Cotabato, starting from the municipal district of Maganoy and ending in the municipal district of Tugos on the south coast of the province.

PROJECT No. 33—This is a road to connect the two long roads No. 31 and No. 32 described above at the southern portion of the province of Cotabato near Lake Maughan.

PROJECT No. 34—This is another road in central Cotabato to develop the extensive agricultural land on the east side of Ligusan Marsh, starting from Kayaga on the Davao-Cotabato Interprovincial Road and ending at Dulok south of Lake Buluan on the Gln-Makar-Reina Regente National Highway.

PROJECT No. 35—This is the authorized National Highway to connect Sarangani Bay, province of Cotabato, with Malalag Bay, province of Davao, and designed to develop the Malalag and Tinabulan Valleys.

PROJECT Nos. 36, 37, 38, 39, 40 and 41 are all on the islands of Jolo and Tawitawi, province of Sulu. Projects Nos. 36, 37 and 38 are proposed roads to serve the coastal regions of the island of Jolo. Projects 39 and 40 are proposed roads in the interior of the same island primarily for the maintenance of peace and order and also to develop important agricultural lands traversed by said roads. Project No. 41 is to connect the north and south coasts of the Island of Tawi-Tawi where an agricultural colony has been established.

	Exports
August, 1937.....	17,430,360
July, 1937.....	15,083,666
August, 1936.....	16,638,599
January-August, 1937.....	110,123,732
January-August, 1936.....	110,385,222

MANILA HEMP
By H. P. STRICKLER
Manila Cordage Company

During the first half of August the foreign markets were quiet with a tendency towards lower prices on all grades. This quietness in demand was not unusual as it had followed a fairly active period of buying. However, towards the middle of August the Sino-Japanese conflict, and the subsequent withdrawal of Japan from the market as a result of the government's regulations limiting or prohibiting certain exports, affected the market adversely. Foreign buyers, realizing that Japan normally imports from 28% to 30% of Philippine abaca, completely withdrew from the market, and this

cessation of demand produced a sudden crash in prices, the like of which has not been seen for many years.

While the rapid decline in prices affected all grades, the grades CD and E and the grades J2 and below to Y3 suffered most. The intervening grades declined only slightly owing to their scarcity and owing to the potential demand there is in the world's markets for them at the present time.

Towards the end of the month, foreign buyers in Europe and America commenced to realize that prices had perhaps declined to the limit, and a sporadic demand became evident, promising to increase in volume during the first half of September.

*Prices of Loose Fiber in Manila
Per Picul*

July 31st		August 31st
CD.....	P35 00	CD..... P28 00
E.....	33 00	E..... 26 00
F.....	27 00	F..... 24 00
I.....	22 50	I..... 18 50
S2.....	20 00	S2..... 17 50

TOBACCO REVIEW
By P. A. MEYER



RAWLEAF: Buying in Cagayan and Ysabela provinces continues very slowly, the farmers holding out for higher prices. Exports during the month were, aside from the shipments to the United States, practically nil, as shown by the following figures:

	Kilos
Belgium.....	1,943
China.....	4,611
Holland.....	2,242
Hongkong.....	2,230
Straits Settlements.....	1,088
United States.....	216,207
August, 1937.....	228,321
July, 1937.....	507,470
August, 1936.....	1,086,009
January-August, 1937.....	9,181,748
January-August, 1936.....	10,016,399

Cigar shipments to the United States compared as follows:

THE MANUFACTURERS

Theodore Roosevelt said:

"The only dependable Fortune Teller that I know is the Life Insurance Man. He tells you what is going to happen—and it does."

LIFE
INSURANCE COMPANY

E. E. ELSER AGENCY
KNEEDLER BLDG. - MANILA

HEAD OFFICE
TORONTO, CANADA

E. L. HALL, MANAGER TEL. 2-15-04 ESTABLISHED 1887

ALHAMBRA CIGARS

continue to be the recognized leaders in QUALITY cigars

CORONAS de la ALHAMBRA

J1	18 00	J1	16 00
G	16 50	G	15 00
J2	14 50	J2	12 50
K	12 50	K	10 25
L1	12 00	L1	10 00
L2	11 50	L2	9 75

*Prices of Lassa Fibre in Davao
Per Picul*

July 31st	August 31st		
CD	P31.00	CD	P26.00
E	29.00	E	21.00
F	27.00	F	22.00
I	22.50	I	17.00
S2	19.75	S2	14.50
J1	19.75	J1	11.50
G	18.50	G	13.50
J2	18.00	J2	13.50
K	17.00	K	12.25

THE RICE INDUSTRY

By DR. V. BUENCAMINO

Manager, The National Rice and Corn Corporation

The month of August witnessed an advancing market as demand from Eastern Visayas and Bicol region showed a marked improvement while arrivals from producing centers registered a decline of 50,549 sacks from the preceding month. The market opened steady and closed active netting an advance of 15 centavos and 20 centavos for Elon-elon and Macean, respectively. Despite the increase in prices, the National Rice and Corn Corporation has not opened its sales to the general consuming public except in places where prices are believed prohibitive.

The current prices for Elon-elon and other luxury grades of rice are from P6.20 to P6.40 per sack of 57 kilos, net, with palay of that class quoted from P3.00 to P3.10 per sack of 44 kilos, net. Macean, Manila quality, are from P5.80 to P6.00 with palay of same class at P2.80 to P2.85. The National Rice and Corn Corporation has long withdrawn from the market of purchasing palay as quotations were 30 centavos to 35 centavos above its price levels. This policy is in conformity thus far with its objective of not interfering with the normal trend of the market provided that the price of palay does not go below P2.50 per sack of 44 kilos, net, depending upon the quality, state, condition, and location of the cereal and the price of rice remain reasonable.

The rice market is predicted to maintain a favorable position as majority of the traders viewed the situation with certainty and optimism.

Despite the recent typhoon and floods that visited Central Luzon provinces and of locust infestations in the Bicol region, the crop outlook in general for next year is promising.

to see AMERICA best

TRAVEL



BEAUTIFUL SCENERY . . . miles of rushing rivers and placid lakes . . . vast agricultural areas . . . interesting American cities . . . these and other thrilling sights await you on the route of the Northern Pacific Railway. Travel in comfort and luxury on the roller-bearing

NORTH COAST LIMITED

Completely Air-Conditioned

Accommodations to suit every purse—luxurious Standard Pullmans, drawing rooms, compartments, baths, library, radio, valet and barber service—newest type tourist sleeping cars, and new de luxe reclining chair coaches. "Famously Good" meals in the diner at low as 50¢; or lunch tray service in tourist cars and coaches.

Through to Chicago daily, leaving Seattle at 9:15 p.m.; arriving Chicago 8:45 a.m. third morning.

Northern Pacific representatives meet steamships at Victoria, Vancouver and Seattle. They

will help you with baggage and make reservations to any point in America.

L. A. BUCK, Special Passenger Agent
Smith Tower, Seattle, Washington
A. C. STICKLEY, General Agent
912 Government St., Victoria, B. C.
W. F. CARB, General Agent
678 Howe St., Vancouver, B. C.
R. J. TOZER, General Agent
657 Market St., San Francisco, Calif.

Let our representatives make your arrangements for a delightful journey through the American Rockies.

Ask about the low One-Way and Round Trip Fares with long limits and liberal stop-over privileges.

NORTHERN PACIFIC RAILWAY

C. L. TOWNSEND, General Passenger Agent, Smith Tower, Seattle, Washington

REAL ESTATE

By P. D. CARMAN
Addison Hills



As will be seen below, August transfers were considerably below the August total last year but much greater than any of the other totals since 1928:

1929	P1,298,277
1930	983,867
1931	885,114
1932	849,938
1933	655,750
1934	690,684
1935	507,214
1936	2,571,792
1937	1,716,458

Jan.-Aug.

1936	P10,462,736
1937	18,156,687

Sales City of Manila
July August

Sta. Cruz	P206,181	P100,321
Sampaloc	175,244	79,779
Tondo	81,775	42,884
Binondo	337,641	356,641
San Nicolas	19,444	361,841
Ermata	75,668	23,700
Makate	279,086	107,933
Paco	71,943	346,137
Sta. Ana	93,857	168,157
Quiapo	32,000	6,750
San Miguel	48,704	6,500
Intramuros	2,000	75,000
Pandacan	1,100	40,815
Sta. Mesa	5,700	—
	P1,453,433	P1,716,458

SHIPPING REVIEW

By H. M. CAVENDER
General Agent, The Robert Dollar Co.



The outward cargo movement for July amounted to the satisfactory figure 278,176 revenue tons, exceeding June movement by 35,037 tons. The increase is due to heavy shipments of copra principally to which are added canned pineapples, oranges and slight increase in sugar. The Atlantic Coast took

78,996 tons of centrifugal sugar and the Pacific Coast took 2,823 tons of refined. We figure the total sugar movement to the United States was 716,039 tons for the current season. Except for November last the sugar movement has been remarkably uniform.

Desiccated coconut shippers forwarded 7,514 tons (40 cu. ft.) of their product, a good showing although less than the June movement. There was no "tanker" movement of coconut oil during the month and the United States, the only buyer, took 10,450 tons, deep tank shipments by the berth lines. The copra movement was markedly heavy 40,063 tons, to Pacific Coast 36,465 tons, to Gulf Coast 3,498 tons and 100 tons to Turkey. The August movement in copra should be heavy since an increase

Ton	Tons	With Misc. sailings	of Which Tons	Were earned in American bottoms with sailings
China and Japan.....	85,538	50	1,040	5
Pacific Coast Local Delivery.....	50,340	23	39,539	13
Pacific Coast Overland.....	792	6	643	4
Pacific Coast Intercoastal.....	3,822	6	3,822	6
Atlantic and Gulf Coast.....	115,602	34	18,008	12
European Ports.....	10,332	46	41	2
All other Ports.....	2,380	22	294	4

A GRAND TOTAL of 278,176 tons with a total of 105 sailings (average 2,650 tons per vessel) of which 63,387 tons were earned in American bottoms with 18 sailings (average 3,521 tons per vessel).

in rates to United States will be effective on September 1st. The United States market took 5,163 tons of copra cake and Europe 3,049 tons, a total of 8,215 tons.

The hemp movement amounted to only 105,784 bales. Japan was in the market again taking 46,115 bales, European demand was also good, 39,447 bales, while the United States took only 15,045 bales. The remainder as usual was widely distributed. Rope shipments dropped to only 402 tons of which only 73 tons went to the States, the South American demand was comparatively small also.

Logs and lumber we figure as over 12 million feet. Every section of the United States was in the market and combined took 5-1/2 million feet. A cargo of 1-1/2 million feet went to Shanghai. Japan received less than 1 million

feet. Europe and South Africa bought round lots, and 21,000 feet went to Australia.

The shipment of ores reached the figure 75,725 tons. Japan took 58,148 tons of iron, 3,000 tons of manganese, 2,700 tons of copper and 500 tons of chromite, a total of 64,348 tons. The Atlantic Coast took 9,850 tons of Chromite, the Pacific Coast 1,150 tons of chromite, and 1,377 tons of copper-gold-silver concentrates for treatment at Tacoma.

There was a heavy movement of canned pineapples, Bugo shipping 5,930 tons. Tobacco and cigar shipments were about normal, as were shipments of cutch, furniture, gums, embroideries, junk, kapok, kapok seeds, molasses, rubber, hides, lard and margarine, liquors and coco shell charcoal. The mango season is practically over, only 74 tons moved during the month.

PRESIDENT LINERS SAILINGS

TO SEATTLE & VICTORIA

"The Express Route"

via Hongkong, Shanghai, Kobe, Yokohama

SS PRES. JEFFERSON	Oct. 6	SS PRES. GRANT	Nov. 3
SS PRES. McKINLEY	Oct. 20	SS PRES. JACKSON	Nov. 17

TO SAN FRANCISCO, NEW YORK & BOSTON

"The Sunshine Route"

via Hongkong, Shanghai, Japan, Honolulu, Los Angeles, Panama Canal & Havana

SS PRES. WILSON	Oct. 2	SS PRES. CLEVELAND	Oct. 30
SS PRES. HOOVER	Oct. 13	SS PRES. COOLIDGE	Nov. 10

To Los Angeles only.

TO NEW YORK & BOSTON

via Straits, India, Egypt and Mediterranean ports

SS PRES. GARFIELD	Sept. 29	SS PRES. MONROE	Oct. 27
SS PRES. HAYES	Oct. 12	SS PRES. ADAMS	Nov. 10

For further particulars, apply to

AMERICAN MAIL LINE DOLLAR STEAMSHIP LINES

Port Area

MANILA

Tel. 22-44-1

Passenger traffic for the month of July compared with June shows a decrease in first class and intermediate traffic. Third class traffic shows an increase.

The following figures show the number of passengers departing from the Philippines for China, Japan and the Pacific Coast for the month of July, 1937:

	First	Intermediate	Third
Hongkong.....	50	117	178
Shanghai.....	8	16	17
Japan.....	31	26	34
Honolulu.....	0	2	21
Pacific Coast.....	92	57	18
Europe via America.....	8	7	0
Total for July, 1937.....	189	225	268
Total for June, 1937.....	209	256	247

COPRA AND ITS PRODUCTS

By KENNETH B. DAY
AND LEO SCHNURMACHER



KENNETH B. DAY



LEO SCHNURMACHER

After a resting period during July, all markets dropped rapidly throughout August. It had been expected that with the heavy copra season on, and with crop prospects the world over extremely good, prices must decline in August, but the decline was much more nearly vertical than had been anticipated. At the end of the month the statistical positions for both copra and coconut oil were weak, and, barring the unexpected, it was felt that for the next two months at least markets must continue soft.

COPRA—Copra arrivals both in Manila and Cebu were extremely heavy, totalling slightly over 600,000 bags in Manila and 480,000 bags in Cebu. This was an unusually heavy seasonal increase, showing an improvement of 64.5%

in Manila and 22% in Cebu as contrasted with the previous month, and 26% in Manila and 5% in Cebu as contrasted with July, 1936. These heavy arrivals registered an advance of nearly 30% as contrasted with the last eight years average. At the end of the month it was expected that arrivals both in Manila and Cebu would continue heavy throughout September, and in Manila at least through October.

With contracts fairly well filled up, there were two or three selling waves during the month, these waves being stimulated by the constantly declining prices of coconut oil and the prospects that the decline might continue indefinitely. In spite of the fact that provincial prices both in Manila and Cebu were considerably higher throughout the month than base prices, dealers oversold themselves heavily, not only for prompt delivery but for September-October delivery as well. At the end of the month it was estimated that September arrivals were anywhere from 50% to 70% sold in advance.

The month opened with Manila prices showing buyers at P10.50 for resacada and sellers at P10.75. Prices gradually sagged to a point where at the end of the month buyers were offering P8.25 with sellers willing to do a small amount of business at P8.50. In Cebu, the big export point, prices were 25 centavos higher for their semi-resacada grade, both at the beginning and the end of the month.

Pacific Coast copra prices dropped from a high of 2.95 cents at the beginning of August to a low of 2.50 cents towards the end of the month. A certain amount of copra was sold to the States, but buyers were asking for fairly prompt shipment, and space was inadequate to allow any great freedom of trading.

The best market of the month was the European market. Although quotations dropped from £15/0/0 for sundried and £14/15/0 for F. M. Q. to £13/12/6 for sundried and £13/7/6 for F. M. Q., these prices worked out consistently better than Coast equivalents or local mills could afford to pay, even in spite of the fact that the freight rate to Europe was advanced 8/6d on the 15th of the month. Under these conditions a fair amount of copra was sold to Europe, but the quantity was limited by a distinct shortage of copra space. Most buyers wanted September-October shipment, but space

was very scarce indeed, even for November-December. Had space been more abundant, doubtless a great deal more copra would have been sold to Europe than actually was sold.

Copra shipments for the month were rather light, totalling only 25,000 tons as against 35,000 tons in July. A large part of this decline was due to shortage of space for the Pacific Coast. August was the last month of the \$6 freight rate to the Coast, the rate beginning September 1st being \$8.

Statistics for the month follow:

Arrivals—	Sacks	
Manila.....	601,010	
Cebu.....	481,848	
Shipments—	Metric Tons	
Pacific Coast.....	13,034	
Atlantic Coast.....	2,824	
Gulf Ports.....	7,051	
Europe.....	1,600	
Other Countries.....	623	
		25,132
	Beginning of Month	End of Month
Stocks on hand—	Tons	Tons
Manila.....	20,873	31,108
Cebu.....	24,955	27,792

COCONUT OIL—Coconut oil prices showed a gradual decrease throughout the month. On August 1st oil could be sold at 4-3/4 cents c.i.f. New York and 4-1/2 cents f.o.b. Pacific Coast. At the end of the month, buyers were bidding 4 cents c. i. f. New York and 3-7/8 cents f.o.b. Pacific Coast with a small possibility that preferred shipments might command 1/8 cent better in small quantity. The price of coconut oil was consistently hammered down throughout the month with buyers backing away every time they bought. They were in a peculiarly fortunate position to do this because most large consumers are well supplied for the rest of the year, because domestic production of oilsseeds gives promise of resulting in bumper crops (particularly the cotton crop, which is estimated at over 16 million bales), and because of the press of offerings of outside oils, particularly coconut oil, which is less sold up than other oils. When coconut oil reached 4 cents sellers became less interested and immediately the

OPTICAL SERVICE

AT

Economical Prices

We make it easy for you to give your vision the attention that its importance demands.

When your glasses are correctly fitted your efficiency is greatly increased. And at moderate prices it is unnecessary to neglect your needs.

Modern Stylings

LARK & Co.
SCIENTIFIC OPTICIANS
MANILA, P. I.
90-94 Escolta
P. N. Bank Bldg.

market tightened up a bit, but there was no indication at the end of the month that any great improvement could be expected in September. Buying on the whole was spotty with soapers and the edible trade both buying sparingly and in limited quantities.

Shipments for the month were heavy, totalling nearly 20,000 tons, with 2/3 of them destined for the Atlantic Coast.

Statistics for the month follow:

	Metric Tons
Shipments—	
Pacific Coast	2,274
Atlantic Coast	14,177
Gulf Ports	3,073
China and Japan	11
Other Countries	7

19,542

Beginning of Month	End of Month
Metric Tons	Metric Tons

Stocks on hand in Manila

and Cebu..... 10,861 8,563
COPRA CAKE AND MEAL—The American meal market cracked wide open in August, due largely to the prospects for a great quantity of all kinds of fresh feeds and concentrates. At the end of July the price of copra meal was nominally \$31.00 c.i.f. Pacific Coast. At the end of August, if any bids could be obtained they were at not over \$27.00 with buyers only occasionally interested. Considering that the freight rate advanced \$2 September 1st, these prices were even less attractive than the price ratio indicates.

The European copra cake market likewise declined, dropping from \$33.75 c.i.f. Hamburg at the beginning of the month to \$33.00 at the close. This decline was also the result of the great amount of miscellaneous cakes and meals being offered in Northern Europe and Scandinavia, but there was a fair buying interest throughout the month with the only bar to added business consisting of shortage of shipping space. Philippine mills sold a good deal of cake to Europe during August for shipment up to the end of the year, and in some cases early into 1938.

Statistics for the month follow:

	Metric Tons
Shipments—	
Pacific Coast	4,268
Europe	3,504
China and Japan	51

7,923

Beginning of Month	End of Month
Metric Tons	Metric Tons

Stocks on hand in Manila

and Cebu..... 3,304 4,743
DESICCATED COCONUT—Exports of desiccated coconut in August were almost exactly the same as in July, totalling 4,243 tons gross. Desiccated factories were running at normal capacity and plenty of nuts were available at ever decreasing prices. Demand for desiccated in the United States was sluggish with most factories sitting on fairly large inventories. Prices were unchanged, but it was expected

(Please turn to page 48)

The Yokohama Specie Bank

Ltd.

(Established 1880)

HEAD OFFICE: YOKOHAMA, JAPAN

Yes

Capital (Paid Up)	100,000,000.00
Reserve Funds	134,400,000.00
Undivided Profits	10,745,726.93

MANILA BRANCH

34 Plaza Cervantes, Manila

S. DAZAI, Manager

Telephone 2-35-28 Import Dept.	Telephone 2-37-59 Manager	Telephone 2-37-68 Remittance & Deposit Dept.
Telephone 2-37-58 Export & Current Deposit Account Dept.		Telephone 2-37-55 Cashier & Accountant

That home and garden which
 you always dreamed of—
SAN JUAN HEIGHTS
 is the best place for it



SAN JUAN HEIGHTS CO., INC.

680 Ave. Rizal

P. O. Box 961

Tel. 2-15-01

MANILA

LUMBER REVIEW

By FLORENCIO TAMESIS
Director, Bureau of Forestry



Total lumber and timber exports in June amounted to 29,691,872 board feet or an increase of 159,424 board feet over the previous month and 11,541,704 board feet over the corresponding month last year. The great bulk of the exports went to

Japan in the form of round logs. The total amount shipped to Japan during the month under review was 22,997,336 board feet, compared with the same month in 1936 registered an increase of 84%. This is the biggest shipment made to this market. However, the trade with Japan is expected to decline considerably on account of the undeclared Sino-Japanese conflict. Several Japanese ships which used to transport logs from the Philippines to Japan have, it is reported, been commandeered by the Japanese Government. Furthermore, the Japanese Government has decided to restrict importations, except those that are needed for war purposes.

Shipments to China in June which consisted of round logs totalled 939,584 board feet as against 433,328 board feet in the form of lumber in May. The trade with China will, it is expected, be drastically curtailed if not totally stopped on account of the Japanese blockade of Chinese ports. Several Shanghai firms who had been contemplating making connection with timber dealers here have now undoubtedly abandoned their plans.

Exports of lumber and timber to the United States during the month under review registered an abrupt decline of 68% compared with the previous month. The decrease was due to an apparently heavy stocks on hand in the above market, due to the unusually large shipments made in April and May. However, the actual shipment is still considered normal. This country still remained the leading consumer of Philippine sawed lumber. Consumption in Great Britain in June showed slight decrease over the previous month. Shipments to this market during the month under review totalled 564,344 board feet as against 589,360 board feet in May. Lumber and timber exports to Australia registered an increase of 100% over the previous month. The total shipments to this market in June amounted to 503,712 board feet compared with 251,856 board feet in May.

Demand in Korea was irregular. There were shipped to this market during the month under review 451,560 board feet of lumber and timber as against none of the corresponding period in 1936. This was the first shipment made during the current year. British Africa remained steady consumer of Philippine sawed lumber. Shipments to this market in June amounted to 363,792 board feet compared with 238,640 board feet the previous month, or an increase of 41%.

Demand in the domestic market continued active. Prices for common stocks remained at high levels. Mill production in June ex-

slight decrease over the corresponding month last year. Lumber deliveries during the month under review exceeded production by 12%.

The following statements show the lumber and timber exports, by countries, and the mill production and lumber inventories for the month of June, 1937, as compared with the corresponding month of the previous year.

STATEMENT SHOWING LUMBER AND TIMBER EXPORTS DURING THE MONTH OF JUNE, 1936 AND 1937

Destination	1937		1936		
	Quantity in Board Feet	Customs-Declared Value	Quantity in Board Feet	Customs-Declared Value	
Japan.....	Unsawn Timber.....	22,997,336	P430,664	12,451,184	P218,696
	Sawn Lumber.....	—	6	72,504	3,426
United States.....	Unsawn Timber.....	157,304	22,654	10,176	830
	Sawn Lumber.....	3,486,128	297,203	3,498,000	228,003
China.....	Unsawn Timber.....	939,584	23,871	—	—
	Sawn Lumber.....	—	—	191,648	8,934
Great Britain.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	564,344	47,897	895,064	76,334
Australia.....	Unsawn Timber.....	75,048	3,808	101,336	3,043
	Sawn Lumber.....	428,664	26,683	633,880	36,724
Korea.....	Unsawn Timber.....	446,896	8,793	—	—
	Sawn Lumber.....	4,664	367	—	—
British Africa.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	363,792	28,830	171,296	11,718
Sweden.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	64,872	5,989	11,024	1,284
Portuguese Africa.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	62,328	4,218	—	—
Netherlands.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	25,016	2,197	—	—
Ireland.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	19,928	1,783	—	—
Mexico.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	18,656	1,325	—	—
Hawaii.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	12,296	1,701	19,928	1,879
Norway.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	11,872	1,441	28,408	3,900
Denmark.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	2,544	158	—	—
Belgium.....	Unsawn Timber.....	5,512	82	—	—
	Sawn Lumber.....	5,088	481	—	—
New Zealand.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	—	—	32,224	2,425
Portuguese E. Indies.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	—	—	23,744	4,189
Canada.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	—	—	6,784	681
Singapore.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	—	—	—	18
Other Br. E. Indies.....	Unsawn Timber.....	—	—	—	—
	Sawn Lumber.....	—	—	2,968	294
Total.....	Unsawn Timber.....	24,621,680	P489,867	12,662,696	P222,569
	Sawn Lumber.....	5,070,192	420,279	5,387,472	379,809
GRAND TOTAL.....		29,691,872	P910,146	18,150,168	P602,378

For 50 Mills for the Month of June

Month	Lumber Deliveries from Mills		Lumber Inventory		Mill Production	
	1937	1936	1937	1936	1937	1936
June.....	22,345,839	21,978,679	33,345,839	33,591,231	20,030,500	21,460,949

NOTE:—Board Feet should be used.

PRINCIPAL EXPORTS

Commodities	July, 1937			July, 1936			Monthly average for 12 months previous to July, 1937		
	Quantity	Value	%	Quantity	Value	%	Quantity	Value	%
	Cotton (Low Grade Cordage Fiber)	556,001	76,975	0.3	789,360	68,080	0.3	825,059	68,073
Cocoa Beans (Number)	17,058,449	494,724	1.7	12,929,259	400,190	1.8	14,660,389	398,318	1.7
Caenon (Oil)	10,168,967	2,566,997	10.1	16,968,427	2,615,471	11.6	12,486,425	2,917,022	12.2
Copra	4,391,237	14.9	29,570,108	2,052,019	11.7	17,544,854	2,366,168	9.9	
Copra Meal	8,069,626	770,591	2.6	7,291,205	215,699	0.9	8,065,608	369,446	1.5
Cordage	396,796	156,254	0.5	438,829	174,045	0.6	640,226	236,954	0.9
Decorticated and Shredded Coconut	1,222,517	1,204,605	4.1	2,096,458	754,490	3.3	3,161,899	963,197	4.0
Embroideries		615,665	2.1		570,814	2.5		673,020	2.4
Hemp (Number)	38,251	55,094	0.2	39,158	60,306	0.2	57,757	92,578	0.4
Hemp	11,259,727	3,225,678	11.0	18,099,665	3,384,280	14.7	15,047,924	5,345,633	22.4
Knotted Hemp	5,000	9,350	0.0	5,000	9,361	0.0	44,070	9,289	0.0
Leaf Tobacco	277,443	109,830	0.4	1,832,590	446,001	1.9	1,033,175	309,499	1.2
Lumber (Cu. Ft.)	16,565	519,111	1.8	14,256	404,501	1.8	11,149	316,691	1.3
Slag	376,967	376,967	1.3	2,724,420	2,724,420	1.1	1,674,260	1,674,260	6.7
Raw Hides (Gross)	48,729	35,825	0.1	47,492	43,092	0.2	69,497	45,471	0.2
Sugar	77,627,434	9,990,391	34.0	4,451,312	7,254,997	31.6	63,182,372	8,087,353	36.3
Foreign Countries Products		15,118	0.0		70,293	0.3		38,748	0.1
Total Domestic Products	P20,334,129	P22,763,935	98.5	P22,763,935	P22,763,935	98.5	P23,922,625	114,095	0.5
United States Products	62,696	262,234	1.2	62,696	262,234	1.2	114,095	38,748	0.1
Grand Total	P20,401,308	P23,026,512		P23,026,512	P23,026,512		P24,067,320	152,843	0.6

Note:—All quantities are in kilos except in figures otherwise indicated.

PRINCIPAL IMPORTS

Articles	July, 1937		July, 1936		Monthly average for 12 months previous to July, 1937	
	Value	%	Value	%	Value	%
Automobiles	515,776	2.7	391,053	2.6	538,347	3.0
Automobile Accessories	2,139,789	1.1	231,292	1.5	161,179	0.8
Automobile Tires	19,484	1.0	323,254	2.1	259,409	1.4
Books and Other Printed Matter	185,515	0.9	333,286	2.2	168,974	0.9
Baldiff Erect Wheat Flour	94,011	0.5	85,075	0.6	113,091	0.6
Canned Manufactures Except Canned Candy	33,140	0.4	55,657	0.5	95,858	0.5
Cars and Carriages	135,037	0.7	32,905	0.4	129,645	0.7
Clothing, Dry Goods, Druggery, Etc.	597,721	3.1	391,224	2.6	485,423	2.6
Coffee	273,591	1.4	41,060	0.3	172,915	0.9
Coffee Raw and Prepared	78,414	0.4	102,613	0.7	117,547	0.6
Cotton Cloths	2,217,490	11.5	1,522,513	10.2	1,617,991	9.0
Cotton, All Other	1,437,599	7.5	940,612	6.3	1,030,659	5.9
Dairy Products	688,876	3.6	371,251	2.5	658,106	3.7
Diamond and Other Precious Stones Unset	74,755	0.4	96,843	0.7	100,634	0.6
Eastern Stone and China ware	101,491	0.5	93,479	0.6	106,724	0.6
Eggs and Preparation of	20,332	0.1	19,579	0.1	24,063	0.1
Electrical Machinery	790,539	4.1	485,744	3.3	533,945	2.9
Explosives	344,257	1.8	217,433	1.5	161,936	0.9
Fertilizers	285,999	1.5	158,928	1.3	334,263	1.9
Fruits, Vegetables and Manufactures of	306,652	1.6	267,715	1.8	376,014	2.1
Fish and Fish Products	226,294	1.2	158,235	1.2	211,144	1.1
Fruits and Nuts	105,292	0.5	178,187	1.2	215,841	1.2
Gasoline	493,766	2.6	719,117	5.0	457,293	2.6
Glass and Glassware	223,871	1.2	113,022	0.8	143,888	0.8
India Rubber Goods	232,479	1.2	94,181	0.6	132,987	0.7
Instruments and Apparatus not Electrical	97,320	0.5	67,306	0.4	82,789	0.5
Iron and Steel Except Machinery	1,521,210	7.9	1,290,948	8.6	1,821,701	10.2
Leather Goods	26,182	0.1	159,534	1.1	192,504	1.0
Machinery and Parts of	1,260,182	6.6	900,245	5.4	1,093,946	6.1
Meat Products	169,024	0.9	236,008	1.6	240,379	1.4
Oil, Crude	350,539	1.8	314,456	2.1	389,962	1.6
Oil, Illuminating	223,871	1.2	113,022	0.8	143,888	0.8
Oil Lubricating	48,992	0.2	40,477	0.3	112,870	0.6
Other Oils, Animal, Mineral and Vegetable	128,163	0.7	71,676	0.5	109,262	0.6
Paints, Pigments, Varnishes, Etc.	191,072	0.9	138,633	0.9	149,137	0.8
Paper, Goods Except Perfumery and Other Toilet Goods	644,312	3.3	303,171	2.0	407,676	2.3
Shoes and Other Footwear	21,869	0.1	37,778	0.2	47,372	0.3
Silk, Artificial	552,779	2.9	261,437	1.7	340,850	1.9
Silk, Natural	128,534	0.7	113,306	0.8	130,685	0.7
Solvents	120,480	0.6	37,116	0.2	87,169	0.5
Sugar and Molasses	10,229	0.0	32,753	0.3	33,384	0.2
Tobacco and Manufactures of	363,239	2.6	1,477,039	9.9	619,819	3.5
Textiles	249,764	1.3	240,918	1.6	199,940	1.1
Wool	43,151	0.2	76,271	0.5	86,497	0.5
Woolen Goods	485,914	2.5	469,304	3.1	650,375	3.7
Whisky	77,147	0.4	89,949	0.6	73,601	0.4
Wine	99,157	0.5	366,290	2.4	292,411	1.5
Other Imports	1,700,890	8.8	1,205,135	8.1	1,655,228	9.3
Grand Total	P10,227,846	P14,936,619	P17,733,280			

Nationality of Vessels	July, 1937			July, 1936			Monthly average for 12 months previous to July, 1937		
	Quantity	Value	%	Quantity	Value	%	Quantity	Value	%
	American	P 3,433,629	18.2	P 3,900,661	27.4	P 4,166,365	24.2		
British	6,902,304	34.6	6,021,908	42.7	6,412,537	38.0			
Chinese	313,268	1.6	203,975	1.4	172,666	1.0			
Danish	45,301	0.2	385,751	2.7	594,656	3.4			
Dutch	982,680	5.2	906,613	6.3	1,263,665	7.3			
French	429	0.0	25,125	0.2	16,814	0.1			
German	1,897,891	8.4	539,377	3.4	1,006,031	5.8			
Greek	5,389	0.0			18,821	0.1			
Haitian	8,088	0.0			8,088	0.0			
Japanese	2,142,837	11.4	1,276,434	8.8	1,730,681	10.1			
Norwegian	2,381,511	12.7	2,086,373	14.6	1,219,695	7.0			
Swedish	144,875	0.7	129,655	0.9	200,877	1.2			
Philippine	90,870	0.3	29	0.0	33,789	0.2			
Soviet	129,655	0.7	49,543	0.3	132,555	0.8			
By Freight	P18,580,592	97.9	P14,167,179	96.8	P17,274,774	97.8			
American Aeroplane	59	0.0	29	0.0	496	0.0			
Mail	307,323	1.5	409,440	3.2	560,286	3.2			
Total	P10,227,846	P14,936,619	P17,733,280						

EXPORTS

Nationality of Vessels	July, 1937			July, 1936			Monthly average for 12 months previous to July, 1937		
	Quantity	Value	%	Quantity	Value	%	Quantity	Value	%
	American	P 8,138,443	29.9	P 8,521,399	30.6	P 7,605,541	33.0		
British	4,434,784	16.2	4,275,678	15.7	4,065,255	22.0			
Chinese	162,196	0.6	35,090	0.2	133,939	0.6			
Danish	427,200	1.6	385,751	1.4	527,674	3.2			
Dutch	1,628,537	5.9	967,222	4.5	905,082	5.9			
French	698,580	2.8	524,090	2.4	564,363	2.4			
German	360,527	1.4	75,650	0.3	15,346	0.0			
Greek	6,476,180	23.7	4,810,771	22.6	4,902,272	21.4			
Japanese	4,684,173	17.1	2,108,210	9.8	2,435,114	10.6			
Norwegian	438,281	1.6	4,762	0.0	302,655	1.4			
Philippines	87,631	0.3	21,153	0.1	22,272	0.1			
Swedish	129,655	0.5	132,555	0.6	188,482	0.8			
By Freight	P27,343,208	93.1	P21,323,903	92.3	P22,956,566	95.3			
American Aeroplane	1,451	0.0	513	0.0	513	0.0			
Mail	2,057,249	8.9	1,772,609	7.7	1,124,389	4.7			
Total	P29,401,808	P23,096,512	P24,073,408						

TRADE WITH THE UNITED STATES AND FOREIGN COUNTRIES

Countries	July, 1937		July, 1936		Monthly average for 12 months previous to July, 1937	
	Value	%	Value	%	Value	%
	United States	P36,009,380	73.9	P36,682,419	69.8	P29,529,725
British	1,119,574	2.8	1,275,877	2.4	1,267,627	3.1
Australia	423,895	0.9	318,681	0.8	504,857	1.2
Austria	86,915	0.2	185,352	0.4	185,352	0.4
Belgium	278,058	0.6	276,715	0.7	369,987	0.9
British East Indies	395,644	0.8	326,987	0.9	530,444	1.3
Canada	250,048	0.6	250,048	0.6	311,111	0.8
China	899,493	1.8	528,944	1.4	697,025	1.6
Denmark	74,023	0.1	323,093	0.8	323,093	0.8
French East Indies	928,389	1.9	438,174	1.1	366,265	0.9
France	289,667	0.6	252,483	0.7	310,119	0.8
French East Indies	456,524	0.9	4,275,678	12.4	4,300,841	11.0
Germany	1,204,944	2.5	860,218	2.3	892,427	2.1
Holland	1,204,944	2.5	860,218	2.3	892,427	2.1
Hongkong	110,086	0.2	436,819	1.1	169,232	0.4
Japan	5,003,108	10.3	3,741,015	9.8	4,182,296	10.0
Italy	11,818	0.0	9,573	0.0	20,408	0.0
Netherlands	583,570	1.2	944,229	2.5	598,193	1.4
Spain	66,487	0.1	61,500	0.1	62,338	0.1
Switzerland	18,282	0.0	14,232	0.0	302,338	0.7
Sweden	35,524	0.0	485,596	1.3	156,834	0.4
Spain	35,524	0.0	485,596	1.3	156,834	0.4
Switzerland	128,748	0.3	90,73			

RAIL COMMODITY MOVEMENTS

By LEON M. LAZAGA

Traffic Manager, Manila Railroad Company



The volume of commodities received in Manila during the month of August 1937, via the Manila Railroad Company are as follows:

Rice, cavanes.....	154,688
Sugar, piculs.....	65,934
Copra, piculs.....	154,686
Desiccated Coconuts, cases.....	44,062
Tobacco, bales.....	3,903
Lumber, board feet.....	159,186
Timber, kilos.....	139,000

The freight revenue car loading statistics for four weeks ending August 28, 1937, as compared with the same period of 1936 are given below:

Copra and its ...

(Continued from page 45)

that there would be a reduction in the base price in September. It is thought that desiccated supply will exceed demand until stimulated by seasonal requirements accompanying the Christmas trade.

GENERAL—On August 20th the southern part of Luzon and islands adjacent thereto suffered a severe earthquake. It is thought that the results of this earthquake may be felt in considerably decreased production from the parts most severely affected commencing early in 1938 and lasting for perhaps a year.

The Joint Preparatory Committee appointed

by the President of the United States and the President of the Commonwealth reached Manila and prepared for hearings on future Philippine-American trade relations, said hearings to commence September 15th. It was expected that the copra producers, the coconut oil mills, and the desiccated coconut factories would all present arguments and briefs before this Committee.

Confused conditions in Northern China in many instances upset business considerably during the last part of August. It is difficult to see just what effect these conditions may have on the copra and oil industries, but both buyers and sellers are watching the situation carefully

with the possibility that there may be some reaction one way or the other. Barring eventualities in this quarter, however, it is felt that copra and coconut oil are not in for a very happy time for the next few months, particularly because the price of copra is getting down dangerously near to fair production costs. It is often found, however, that when things look the worst, a turning point may come unexpectedly, and, in spite of the statistical position, copra and coconut oil are reasonably priced to-day and might conceivably maintain approximately their present levels. This is something, however, which is a matter of conjecture rather than a demonstrable fact.

FREIGHT REVENUE CAR LOADING

COMMODITIES	NUMBER OF FREIGHT CARS		FREIGHT TONS PER CAR		INCREASE OR DECREASE	
	1937	1936	1937	1936	Cars	Tonnage
Rice.....	658	618	8,914	7,851	43	1,063
Palmy.....	57	63	753	517	4	198
Sugar.....	118	257	3,496	8,228	139	4,732
Sugar Cane.....	670	617	5,062	4,216	53	846
Coconuts.....	81	121	804	1,456	(40)	(656)
Molasses.....	16	3	1011	93	13	208
Wheat.....	4	—	78	—	8	79
Tobacco.....	4	32	421	362	17	59
Livestock.....	13	11	62	30	5	12
Mineral Products.....	215	227	2,264	2,513	(12)	(249)
Lumber and Timber.....	85	136	2,117	3,318	(51)	(1,201)
Forest Products.....	2	—	28	74	—	(52)
Manufactures.....	106	129	3,059	1,850	67	1,209
All others including L.C.L.....	2,509	2,238	16,664	15,551	22	1,113
Total.....	4,728	4,744	44,011	46,127	(16)	(2,116)

SUMMARY

Week ending August 7.....	860	1,335	7,573	14,432	(475)	(6,859)
Week ending August 14.....	1,144	1,106	10,223	11,045	38	822
Week ending August 21.....	1,400	1,104	13,255	9,536	305	3,719
Week ending August 28.....	1,315	1,199	12,960	11,114	116	1,846
Total.....	4,728	4,744	44,011	46,127	(16)	(2,116)

NOTE—Figures in parenthesis indicate decrease.

BUSINESS AND PROFESSIONAL DIRECTORY

Kerr Steamship Co., Inc.

General Agents
"SILVER FLEET"
Express Freight Services

Philippines-New York-Boston
Philippines-Pacific Coast (Direct)
Roosevelt Steamship Agency
Agents
Chaco Bldg Phone 2-15-21
Manila, P. I.

P. O. Box 1394

Telephone 52707

J. A. STIVER

Attorney-At-Law—Notary Public

Certified Public Accountant

Administration of Estates

Receiverships

Investments

Collections

Income Tax

121 Real. Intramuros Manila, P. I.

Philippines Cold Stores

Wholesale and Retail

Dealers in

American and Australian
Refrigerated Produce

STORES AND OFFICES

Calle Echague Manila, P. I.

INCORPORATED IN PHILIPPINES
A. GARCIA



行銀興中

CHINA BANKING CORPORATION

MANILA, P. I.

Domestic and Foreign Banking
of Every Description

AMERICAN CHAMBER OF COMMERCE JOURNAL

P. O. Box 1638 — Manila — 180 David

RATES

Philippines - - - P4.00 per year

United States - - \$ 2.00 " "

Foreign Countries - \$ 3.00 " "

Creosote Is An 'Antidote' for Ants

White ants simply will not associate with creosote or anything that has creosote in it. Taking advantage of this knowledge it will pay you to use nothing but

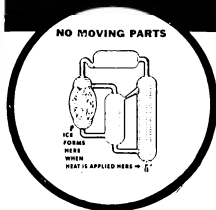
CREOSOTED LUMBER

Rot is another problem that causes large losses. Again creosoted lumber brings a great saving. Actual use of this has proven that it will prolong the life of lumber for many more years.

We have ample stocks for all purposes, including piles and ties.

**ATLANTIC, GULF &
PACIFIC COMPANY**

**ELECTROLUX
IS SIMPLER..
MORE EFFICIENT**



*It operates without
machinery...offers
you these big
advantages:*

↓
PERMANENT SILENCE

↓
NO MOVING PARTS TO WEAR

↓
CONTINUED LOW RUNNING COST

↓
SAVINGS THAT PAY FOR IT



ELECTROLUX has the simplest of all refrigerating methods... a tiny gas flame takes the place of every moving, wearing part. As a result, Electrolux is always silent... assures you of long service at low cost. Come in today and see Electrolux.

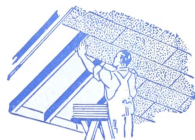
MANILA GAS CORPORATION

136-138 T. Pinpin

Reduce Building Costs with CANEC

The material that insulates against heat and noise

Strong, durable, economical, CANEC Wall Board fills a definite need in all building construction work. It is easily and quickly installed—lowers labor costs. It insulates against both heat and sound—is an ideal material for interior ceilings and partitions.



Lay Canec underneath G. I. Roofing to keep out heat

CANEC is vermin-proof, rot-proof, and fire-resisting. Any will not attack CANEC. For new buildings, or for remodelling old ones, CANEC meets every requirement for economy and long life.

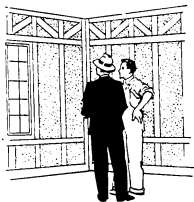
Samples and Information Upon Request

PACIFIC COMMERCIAL COMPANY

Cebu

Manila

Iloilo



Agreed!!

*There is a difference in ages—
and there may be many subjects
that cause a difference of opinion.
But, there is one thing on
which they both agree—The Best
Beer for both is*

San Miguel Pale Pilsen



*a perfect blend perfectly brewed
a product of the*

SAN MIGUEL BREWERY

the home of quality prices