

The Philippine Mining Racket

With further apologies to those companies and associations that really possess payable mines or potentially payable prospects and are honestly operating or developing the same

By R. Y. Hanlon

Another phase of the mining racket which shuns the light of publicity is what may be termed the "Director Racket."

In order to carry this off with proper technique and aplomb, a prominent man of rectitude and standing in the community, is selected and induced by plausible arguments to act as president of the company.

This is the "front", or window dressing.

The less practical knowledge of mining possessed by the president, the better for the schemes of the directors, their henchmen, parientes, touts and promoters, all the parasites which flourish and grow fat around these racketeering promotions.

A set of trick by-laws are prepared, so written as to give the president no powers which might hamper the future "Wallingfordesque" actions of the directorate. A permit having been secured to sell stock, or invite subscriptions to the shares, units or what have you, of the company, and funds started pouring into the treasury, the looting process may be begun. The slogan now becomes "every man for himself and the Devil take the hindmost".

Thousands of pesos monthly can be milked on padded payrolls. Instances are known where no laborers or work-men are on the property, or ever have been, yet large payrolls are made up passed by the unsuspecting president, and the funds therefrom divided among the directors and their henchmen.

Fake supply bills are another fertile source of revenue. These may be worked very smoothly when the company auditor happens to be one of the inside men.

Frequent junkets and "inspection" trips to the property,

which seldom go beyond the boundary of some directors home town, afford excellent opportunity for withdrawing fat sums under the heading of expenses.

One of the best executed big steals encountered to date, and put across with the o. k. of an honest but misinformed president, was the purchase from company funds, for company account, of a group of adjoining worthless claims, staked and held by dummies of the directors. The deal had no legal flaws and the loot was divided among the "boys" according to the best racketeering procedure.

Another fertile source of steady income on a smaller scale is the fee payment for attending directors meetings. These fees range from 10 pesos per meeting to 50 pesos, depending upon the cupidity of the directors. An instance is reported of 100 pesos per meeting. This is probably tops for this sort of thing. If not, it should be.

Directors meetings are called upon the least provocation. They usually accompany a luncheon, at the expense of the company naturally. Fees are collected irregardless of the duration of the meeting. It is a directorate quite barren of ideas which cannot arrange from 3 to 5 such meetings weekly. The fee yield should at least be sufficient to cover modest living expenses.

The "squeeze" on supplies purchased is of course not neglected. This may be anything from 10 to 25 percent, depending upon the rapacity of the gang.

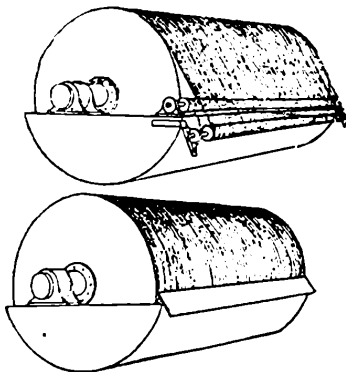
A "station wagon"—automobile with pick-up body—makes an excellent adjunct. This can be borrowed for week-end

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MANILA

RAIL COMMODITY MOVEMENTS

By LEON M. LAZAGA
Traffic Manager, Manila Railroad Company



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

Rice, cavans	194,547
Sugar, piculs	504,089
Copra, piculs	35,882
Desiccated Coconuts, cases	16,880
Tobacco, bales	3,033
Lumber, board feet	159,840
Timber, kilos	558,000

FREIGHT REVENUE CAR LOADING

COMMODITIES	NUMBER OF FREIGHT CARS		FREIGHT TONNAGE		Increase or Decrease	
	1937	1936	1937	1936	Cars	Tonnage
Rice	999	1,086	12,877	14,059	(87)	(1,182)
Palay	103	266	2,330	3,233	(71)	(923)
Sugar	1,558	1,839	45,771	54,995	(281)	(9,224)
Sugar Cane	13,098	11,540	241,075	215,815	1,538	25,260
Copra	219	812	1,488	5,935	(593)	(4,447)
Coconut	86	68	843	691	18	152
Molasses	119	132	3,650	4,016	(13)	(366)
Hemp	1	1	6	6	(1)	(6)
Tobacco	12	11	75	50	1	16
Livestock	6	12	12	3	5	9
Mineral Products	442	339	5,286	4,400	103	886
Lumber and Timber	122	162	2,952	4,077	(40)	(1,125)
Other Forest Products	—	2	—	10	(2)	(10)
Manufactures	227	215	3,059	3,808	12	(749)
All others including L.C.L.	3,148	3,463	19,111	23,545	(315)	(4,434)
TOTAL	20,231	9	338,529	334,672	294	3,857

SUMMARY

	1937	1936	1937	1936	Cars	Tonnage
Week ending January 2	3,041	2,599	48,578	44,272	442	4,306
Week ending January 9	4,376	4,162	72,729	68,883	214	3,846
Week ending January 16	4,392	4,504	75,960	74,687	(112)	1,273
Week ending January 23	4,283	4,331	71,324	71,858	(48)	(534)
Week ending January 30	4,139	4,341	69,938	74,972	(202)	(5,034)
TOTAL	20,231	19,937	338,529	334,672	294	3,857

The freight revenue car loading statistics for five weeks ending January 30, 1937, as compared with the same period of 1936 are given below:

NOTE:—Figures in parenthesis indicate decrease.

The Philippine Mining . . .

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parties by the directors, their wives, or in-laws, usually in rotation. These week-end parties, under the guise of inspection trips to the property, call for the submittal of an expense account. This is having your cake and eating it too. Why overlook any chance for a little extra cake?

The old slogan of prohibition days

at home, among the speakeasies and night clubs, "never give a sucker a break" is echoed here in full voice. The sucker often gets less than a ghost of a break.

East Mindanao . . .

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body truck. These will be put into operation at once at the Briggs Mine and some ore will be taken to the mill this month.

A concrete bulkhead is being installed on the western end of the ore body which will prevent

any further trouble with the creek above which caved the western end of the works last year.

The repairs on the Nellie Bridge have been completed.

In spite of the minor setbacks stated above the operation of both mine and mill has been satisfactory.

Respectfully submitted,
(Sgd.) J. SMEDDLE,
Acting Mgr.

EAST MINDANAO MINING COMPANY

By (Sgd.) H. GASSER,
President and Gen. Mgr.

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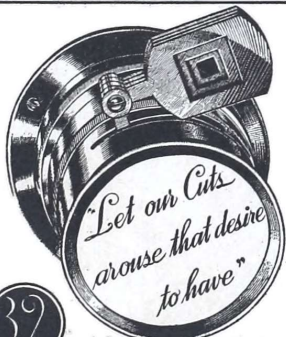
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