

**RAIL COMMODITY MOVEMENTS**  
By M. D. ROYER  
Traffic Manager, Manila  
Railroad Company



The following commodities were received in Manila November 26 to December 25, 1927, both inclusive, via Manila Railroad:

	1927	
	December	November
Rice, cavans	185,438	218,500
Sugar, piculs	285,712	77,952
Tobacco, bales	3,720	6,800
Copra, piculs	115,800	143,000
Coconuts	1,113,000	2,016,000
Lumber, B.F.	120,150	240,300
Desiccated coconuts, cases	15,785	20,664

**THE RICE INDUSTRY**  
By PERCY A. HILL  
of Muñoz, Nueva Ecija,  
Director, Rice Producers' Association.



Prices have remained pegged for the last month with rice from P7.50 to P8.20 according to class, and offerings for palay at terminal from P3.25 to P3.0 as against P3.40 P3.50 last year. Appreciation of price will undoubtedly follow as soon as threshing reports are in, denoting a much shorter crop than generally realized, possibly approximating that of 1924-1925.

The total exports of rice from the Philippines to Hawaii, Guam and China, from what reports are available are but 370 tons of the superior grades. When the normal daily supply of Manila alone is considered at approximately 4,600 sacks it can be seen that exports were negligible. Latest reports from Indo-China in reference to rice prices of the old crop, with a small carry-over are as follows:

*Per cent of broken kernels*  
*Price per 100 kilos*

		Piastres
Grade No. 1	25%	9.39
Grade No. 2a	40%	8.40
Grade No. 2b	50%	7.74

The piastre approximates the peso in value. It can be clearly seen that Saigon No. 2b (the grade supplied the Philippines) can be purchased, pay c.i.f. and the duty of P1.72 per sack of 57 kilos and still allow a profit from 8% to 10% on the transaction. In reference to supply it may be noted that 1,197,825 tons of rice were exported from Saigon in the nine months ending October 15, 1927. Crop expectations in Indo-Asia are average.

The decrease in the Philippine rice crop is due to climatic conditions—drought and plant-disease. Men have constructed the combine, the motor separator, the modern rice mill, but they are as dependent for existence on favorable weather conditions as when they lived in caves. The weather is not amenable to legislation nor economic regulations. Intelligent discussion as to the domestic rice crop and probable prices should connote a knowledge of world prices for this cereal and not just the local rice markets,

although the factor of over-supply is taken into consideration together with that of under-supply.

Inasmuch as 97% of all the world's rice is produced in the Orient and north of the equator, prices obtaining in the exporting countries are the greatest factor in determining values of this cereal. However, we note that Burma, the

premier rice-export country, before the war exported 45% of the world's demand. This has now fallen to 35%. The crop of Siam 1926-1927 was 110,510,000 cavans from 2,832,000 hectares or approximately 40 cavans per hectare. Of this, 45 millions were used for subsistence, 5 for seed and 60 millions for export. The industry will be expanded in the near future.

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**LUMBER REVIEW**  
For October, 1927

By ARTHUR F. FISCHER  
Director of Forestry

Compared with the same period last year, the amount of lumber exported by the Islands during the month of October this year does not only show a slight drop but it is also considerably smaller than the amount exported in September. For instance, while the export trade for September of this year amounted to 9,836,800 board feet valued at P693,893 and that of October last year 4,742,016 board feet valued at about P412,574, the amount exported in October this year was only 4,401,120 board feet valued at P362,248. This apparent weakening of the export trade, however, does not by any means indicate the true trend of our foreign mar-

kets. Export figures of lumber fluctuate from month to month so figures covering any one month do not reflect the true condition during the whole year. Notwithstanding this drop for October, indications are that the total export for the year 1927 will be very considerably greater than that of last year.

The following table covering the export trade for October shows that with the exception of China and Japan there has been a noticeable increase in the import by our principal foreign markets. It also shows that China absorbed in October last year more than 2,000,000 feet while this year she imported from us about 600,000 board feet only. Needless to say, the one factor responsible for this is the civil war in the Celestial Republic. As regards Japan, the absence of export for October can be attributed only to failure of shipments to leave in October, as there is a standing contract between Mr. Imamura and certain local lumbermen which calls for a monthly delivery of about one million board feet of sawn lumber.

Destination	1927		1926	
	October		October	
	Board Feet	Value	Board Feet	Value
United States	2,590,216	P19	1,809,208	P172,497
Great Britain	685,608	03	114,480	1,140
China	633,456	5	2,203,104	26,134
Australia	487,176	0	159,000	1,32
Italy	4,664		10,176	07
Hongkong				
Japan			413,824	34
Netherlands			21,624	100
Canada			10,600	00
<b>Total</b>	<b>4,401,120</b>	<b>P3</b>	<b>4,742,016</b>	<b>74</b>

The amount of lumber shipped locally by the various mills in the Islands as well as the amount in stock in the mill yards during the period covered by this report are practically the same as the figures for the same period last year, being about 18,000,000 and 30,000,000 board feet, respectively. The 17,000,000 board feet production for October this year, however, registered an increase of about 2,000,000 board feet over that of the same period last year. In other words, while our export dropped slightly, local production, on the other hand, has increased.

Forester Nazario Peñas, Acting Chief of the Division of Sawmills and Utilization, who has just returned from an extensive field trip in Tayabas, Camarines Norte and Camarines Sur, reports that he noticed considerable logging activities around Ragay Gulf, on the northern coast of Ambos Camarines, and on the Pacific side of Tayabas Province. This, undoubtedly, is the most striking development in the lumber industry in the islands in recent years. The island of Polillo, the Camarines provinces, and

that region of Laguna between Infanta and Palanan, contain a large amount of standing timber but because of lack of adequate transportation facilities these had remained practically closed to the markets until recently. The opening of the railroad to Aloneros and the growing demand for Philippine lumber abroad, however, induced local lumbermen to take up licenses in these regions. These parties are now carrying on logging operations on a big scale.

Mr. Y. Imamura, a Japanese lumberman and possessor of licenses at Casiguran, Baler and Northern Polillo, is putting four more new donkeys in his concessions, in addition to the two that he already has at his Casiguran operation. Mr. Imamura controls six ocean-going ships and is shipping his logs to Japan regularly. Mr. Imamura plans to install a sawmill in the near future as well as to build railroads in the two areas at Northern Polillo and Casiguran.

The Atlantic Gulf and Pacific Company, another licensee also with adequate capital behind it, has started extensive logging opera-

tions at Capalonga, Camarines Norte. This firm has now two donkey engines employed in its logging operation. Their plans call for the installation of a sawmill and building of railroads soon. The Atlantic, Gulf and Pacific Company has a steamer of its own and is provided at Capalonga with a derrick and three scows to facilitate the loading of logs. It is actually engaged in building a dock at its camp and in dredging the river leading to its camp.

Mr. Juan Gallego of Quilbay, Camarines Sur, one of the oldest licensees and most progressive lumbermen in the Islands, has recently completed the construction of his second circular mill on the bank of the Quilbay River on Ragay Gulf. This mill is at present cutting about 10,000 board feet a day. But when all the necessary equipments are installed, this mill and the old one at Pinagdapian will easily have a combined output of 40,000 board feet a day. Mr. Gallego plans to cater to the export trade in the near future. Mr. Gallego is at present using about 300 carabaos in his logging operations, but next year will build a logging railroad. A locomotion, cars and rails have been purchased already. Mr. Gallego's operation is perhaps the only one-man show in the lumber industry in this country in that he has no partner and he owns all the necessary transportation facilities for bringing his lumber to the Manila market.

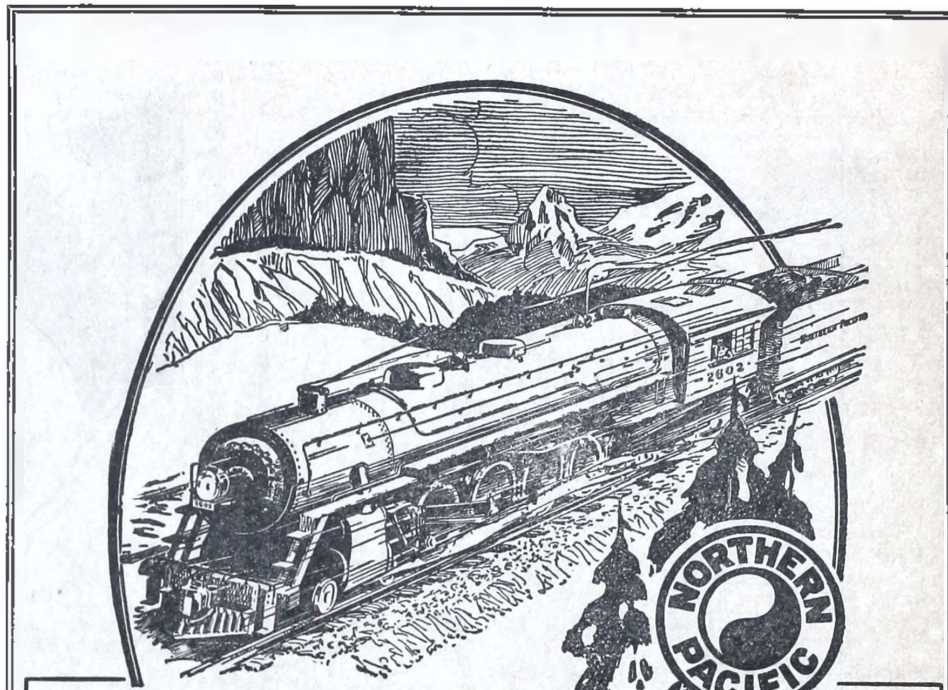
The Filipinas Lumber Co. at Kabibihan, Tayabas, is expanding its operations and is not only now building new spur lines but is also actually constructing another main line. Like Mr. Gallego's area, the concession of this firm is to be traversed by the proposed Manila Railroad extension to Naga, Camarines Sur.

The Cadwallader-Gibson Lumber Co., holder of the Caramoan Peninsula concession, has recently opened up two new logging camps and, in addition, is busy constructing railroads. A dock at its mill in Lamit Bay was completed recently.

Mr. Francisco Boix, holder of a license area on the west coast of San Miguel Bay, is also planning to erect a sawmill in his license area some time next year. Part of the necessary equipments have been bought already while the rest are on their way to the Islands.

A Filipino licensee has also recently installed a cable tram line on the bank of the Kabibihan River. This licensee has only one donkey engine now but another one is coming. This party intends to ship his logs direct to Japan.

In addition to these parties, there are several small operators scattered on the Pacific Coast side of the two Camarines Provinces, all the way from Caramoan to Capalonga, who are actively cutting logs. All these activities make the three adjoining provinces of Tayabas, Camarines Norte and Camarines Sur just now the center of attention of local lumbermen.



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## REVIEW OF THE EXCHANGE MARKET

By STANLEY WILLIAMS

Manager International Banking Corporation.



Telegraphic transfers on New York closed on November 29th, the last business day of that month, at 1-1.8% premium with buyers at 3.4% premium ready and 1/2% premium December-January. The selling rate remained unchanged throughout the month of December, while the ready buying rate held steady at 3.4% premium with

some business done from time to time prior to the closing days of the month at 7.8% premium equivalent to the Insular Treasurer's rate. Forward rates, however, steadied during the month being called 1/2% to 5.8% premium January and 1.2% premium February on the 3rd. On the 5th these rates firmed to 3.4% premium December-January, 5.8% premium

February-March and remained unchanged with a slight variation in the March deliveries during the balance of the month. The market showed a slightly augmented activity and a fair amount of export exchange was placed. The official figures show that transfers were purchased from the Insular Treasury in the amount of \$1,950,000 during the three weeks ended December 17th.

Sterling cables were quoted at 2/0 5/16 sellers 2/0 7/16 buyers at the close on November 29th. With a firming cross rate there were possible buyers at 2/0 3/8 on December 1st and 2nd and on the 3rd rates were called 2/0 1/4 sellers 2/0 3/8 buyers, at which level the market was unchanged throughout the balance of the month although between the 7th and 10th some banks were reported to be willing to buy at 2/0 5/16.

Three months sight credit bills were quoted at 2/1 and 3 m s D P bills at 2/1 1/16 at the close on November 29th, but these rates were lowered on December 7th to 2/0 15/16 and 2/1, respectively, remaining unchanged at that level with slight revisions downward in the former class of bills until the close on December 31st.

The New York London cross rate closed at 487 13/16 on November 30th and gradually firmed up to 488 11/32 on December 10th. After receding to 488 1/8 on the 15th it again reacted to a high for the month of 488 3/8 on December 30th and closed steady at 488 9/32 on the 31st.

London bar silver closed at 26 15/16 spot 26 5/8 forward on November 30th, dropped to 26 13/16, 26 1/2 on December 1st, 2nd and 3rd, and then reacted to a high for the month of 27 and 26 3/4 on the 6th. Dropping away with fluctuations it touched a low for the month at 26 3/8, 26 1/4 on the 21st and closed at 26 1/2 spot 26 7/16 forward on the 31st.

New York bar silver closed at 58 1/8 on November 30th, rose to a high for December of 58 1/2 on the 6th, dropped to a low of 57 1/2 on the 27th, and closed at that rate on the 31st.

Telegraphic transfers on other points were quoted nominally at the close as follows:

Paris, 1240; Madrid, 172-1/2; Singapore, 116-1/4; Japan, 95; Shanghai, 77-1/4; Hongkong 102-1/2; India, 133-3/4; Java, 122.