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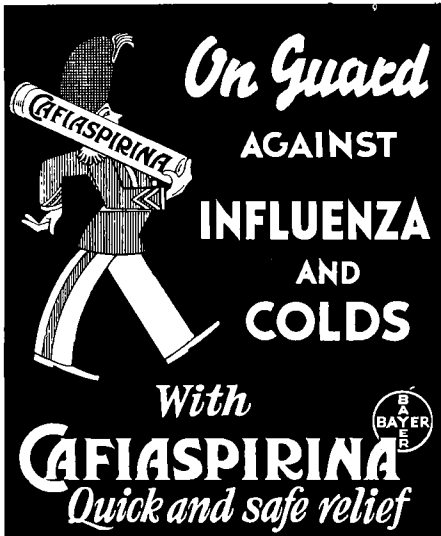
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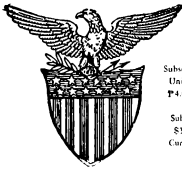
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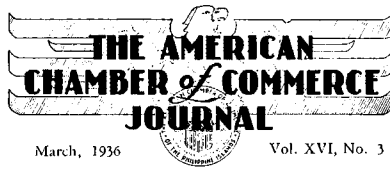
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**WALTER ROBB**  
Editor and  
Manager



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## The Philipines' Stimulating Business Atmosphere

It must now be acknowledged in every quarter that the Tydings-McDuffie act has affected the Philipines outside the field of economics, but in ways widening opportunity for business. The Philipines, in orderly step, are taking a new position on the field of manly endeavor. The tempo of the movement is quick; opportunity lies in keeping abreast of the parade, that the movement veritably is. Philippine youth accepting new challenges and trying its hand at novel ventures, the envious of the oldtime defeatism are in retreat. "They can, but we can't."

There used to be a good deal of this feeling among the people. Chinese could merchandise, Filipinos could not. Foreigners could manufacture, Filipinos lacked the knack of it. This is the defeated way the people felt. It extended into many choices, dress included — especially the dress and manners of women and it affected business. The change to a venturesome attitude came almost overnight. Its potentials had been accumulating, but a touch was needed to give it movement. Now it is seen to have tremendous momentum; it bows again against all opposition. The Islands sing a song of democracy, and feel the democratic spirit inspiring them. (They took the overthrow of the Bourbons in Spain a few years ago coolly, if not antagonistically; and they were far from dismayed when Spain swung back to the right; but now, Azala's second popular victory finds them quite in accord with it—an evidence of psychologic change that could only come of the Philipines' new confidence in themselves.)

If the people have confidence in themselves, as everything shows they have, it only means that they have confidence in mankind generally, and in man's popular institutions. Like so many modern peoples, the Filipino people hold the past at great discount; they have put it behind them, and they look to the future. Their country is pleasing them immensely, in its revelation of new resources; and their insular administration is pleasing them, in that it carries on well. Creed seems to make slight difference; regardless of creed, democracy has sunk in, and its new roots are in the fertile hearts of the people.

For good business, there is nothing like good democracy; where democracy is dynamic and the people confident of their rights, if you do not find an Italy or a Germany, you do find an

England, a Canada, an Australia; and you find perhaps a United States, hardest hit by the depression because it was most prosperous, getting up its spirit again, therefore rebuilding its trade. This is what affects the Philipines now, introducing business opportunities hitherto unheard of.

Observe the opportunities associated with woman's new freedom in the Islands. It is a positive sign of the times that the picture exhibiting a popular brand of bathing suits in a downtown show window, is a picture of a girl of the Islands; it means that this bit of trade has turned in that direction, and 5 years from now 10 bathing suits will be sold where 1 is sold now.

So it is with everything in women's wear. Democratic, electrically unafraid, dress reflects the inner consciousness.

There are schemes of great emprise, of course; and unlike the situation 20 years ago, the bold souls behind these ventures have capital of their own. The oldtime individualism that so victimized the people by their own over-suspicious egoism, weakens before new adventures in practical cooperation. Moreover, there is a most happy cooperation between citizens of the Islands and sojourners here, a middle ground of vast potentiality.

The opening of women's wear departments in leading stores downtown attests alertness in these stores to the changed popular psychology. It is noted that these events were fashion news to the Philipines newspapers, and that the news items about them were written by women reporters, Filipino young women, familiar with their subject. It all means a trade swing into a wider field.

The field is in fact so wide as to affect everything. Less and less do you observe the newspapers relying on movie stars of Hollywood for style suggestions. The observant Philipines *Free Press* has just given a number of illustrated pages to dresses for every occasion, that a popular debauntee of Manila selects to wear; and this is but an example of what all the papers find expedient and newsworthy, for women. It is not something passing, either; it is here to stay.

Extending to everything, the field eminently embraces real estate in all the larger centers, led of course by Manila—that

(Please turn to page 11)

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# Philippine National Bank's 1935 High Record

Net profit ₱3,720,000 on capital of ₱10,000,000  
includes, as usual, payments against capital  
loans by the "bank" sugar mills

The Philippine National Bank had another excellent year during 1935, as items boxed on this page show. The items are from the bank's 1935 yearly report. Net profit in round numbers was ₱3,720,000. On December 31, 1934, the surplus of the bank was ₱7,453,224; on December 31, 1935, it was ₱929,999 more, or ₱8,383,223. This ₱929,999 is 25% of the net year's profit, the sum the law requires to be taken up in undivided surplus until the surplus equals the capital of ₱10,000,000.

The law is Act 3174, brief and excellent, that rehabilitated the bank just over 10 years ago; that is to say, it was approved November 24, 1924. Under it, the bank paid the government last year, out of net profit, ₱739,249, against money granted the bank by the government at the time the act was passed. Before these repayments are made, the bank takes care of the reserve against its circulating notes. After surplus, reserve for notes, and aid money from the government are severally taken care of, in the order given, the bank could vote dividends; and these would go to the government as almost the sole owner of the bank's 100,000 shares par ₱100 each.

On the other hand, should the surplus fall below 50% of the capital, then the bank must set aside 50% of its net yearly profit, instead of 25% as now, for surplus until this is restored to more than 50% of the capital.

This is the simple law under which the bank operates. But it collects all the time, considerable sums paid on accounts that were counted as dead loss 10 years ago and set up on the books at ₱1 each. So great has been the Islands' recovery from 1921-1924, even during the worldwide depression.

The collections referred to are aside from the payments on capital loans of the several sugar-mill corporations the bank helped in this way. Such repayments, and the sugar capital-loans repayments too, are abnormal to the bank's business as a bank; in a few years they will not exist, they will not figure in the bank's net yearly gains.

In other words, this government-owned and government-managed bank in the Philippines, that is the primary reliance of Philippine agriculture, business, and industry, is not really making almost 40% a year on its capital. If such a situation existed, it would be a most flagrant one indeed, since the bank is the people's. On the other hand, the sugar capital-loans tying the bank up with the sugar industry as they do, the bank itself may not be in a position enabling it to state clearly just what it might make from its extensive and regular banking activities independently of the repay-

ments.

It is the repayments, especially of the sugar capital-loans, that help the bank to its dominating place in the sugar industry. Both the debtor mills (as well as those that have paid off in full, or might pay off in full at any time) and the planter-owners of their shares, are good patrons of the bank.

Acting as their factor, the bank handles their sugar. As this is a large portion of the Islands' yearly crop, it provides the bank millions of pesos for exchange banking; and for its fiduciary and business services in the shipment and sale of sugar, the bank has its commissions.

The bank, of course, will never lack sugar business even after the last bank sugar mill has paid its last peso of debt.

It has its branches in the sugar-producing provinces, and during the long 15 years it has been doing business with the mills and the planters it has built up goodwill of inestimable value. But it will soon lack the repayments, since they now sum less than ₱7,000,000 all told, and this will bring its profits into line with the use it may be able to make of its resources in the straight business of banking.

When this period is reached, it may be hazarded that yearly net profits will hardly exceed 5% to 7%. We are unable to see, in the bank's policy, other than the recognition of the paramount interest of the public in its solidity, and in its services; and we assume this policy will continue, eventually to the point where banking rates are lowered to what they ought to be in all countries financially sound.

The bank lowered interest rates at the end of last year. But rates of 7% to 10% are absurdly high; interest must come down in the Philippines, and to make rates come down is a duty of this great state bank. (Obstacles in the way of this, including the tax on bank deposits, should be obliterated.) If an industry begins in the Islands, at prevailing bank rates, to compete with foreign imports, either it must fail, because its competitors abroad pay reasonable bank rates only, or it must enjoy a bounty in some form: a monopoly, perhaps, as the government-

made cement enjoys, together with a tariff. Then it may not fail, but this will be only because the public is taxed heavily to support it.

For many years the Philippines have paid excessively for cement, the supply coming only from within the Islands, because of the high tariff, and the government's supply, and that for public works let to contractors, limited to the output of the government plant. This is not success in cement

## Vital Philippine National Bank Data

	December 1934	1935
Cash on hand	₱7,713,793	₱5,345,956
Deposits with U. S. banks	2,500,000	2,500,000
Due from U. S. banks and for bonds	11,374,313	16,672,836
Due from local banks	64,655	137,064
Checks and other cash	128,579	260,084
<b>Total cash and due from banks</b>	<b>₱21,741,160</b>	<b>₱24,896,731</b>
Banks' acceptances and liquid loans	₱4,516,101	₱2,882,123
Real estate loans	₱5,322,236	₱4,770,600
Other loans	26,614,769	31,867,240
<b>Total</b>	<b>₱38,653,297</b>	<b>₱43,728,564</b>
Bonds and Securities—F. I. and U. S. Government, State, Municipal, etc.	₱20,067,309	₱20,631,000
<b>Total</b>	<b>₱58,720,606</b>	<b>₱64,359,564</b>
Premium on bonds	35,468	678,161
Other securities	15,799	15,799
<b>Total</b>	<b>₱37,043,715</b>	<b>₱10,764,066</b>
Assets acquired—By site and Equip't	1,432,780	816,091
Interoffice Boat	443,088	365,243
Miscellaneous Assets	110,891	2,557,233
	53,813	36,313
<b>Total</b>	<b>₱10,900,000</b>	<b>₱10,900,000</b>
Reserve for interest earned but not collected	7,453,224	8,383,223
Reserve for miscellaneous	438,600	518,000
Government Deposits	1,432,780	816,091
Contingencies	4,883,854	5,374,251
<b>Total</b>	<b>₱24,207,888</b>	<b>₱25,121,566</b>
Discount unearned	₱ 219,003	₱ 197,559
Not collected	824,917	834,956
Government Deposits	2,901,181	2,696,749
Individual Deposits	30,247,416	37,930,598
Trust deposits	28,530,983	45,288,553
	49,882	90,146
<b>Total</b>	<b>₱58,827,281</b>	<b>₱73,365,299</b>
Due Gov't profit	347,335	739,249
Due to banks	141,310	56,223
Due local branches	1,374,081	1,349,475
Notes circulating	3,782,912	7,284,193
Real estate mortgage	1,200,000	29,800
Int. payable	348,631	337,769
Reserve for taxes	321,220	436,634
Other liabilities	623,094	8,064,013

The increase in private deposits was most remarkable. Interest on savings was cut from 3 1/2% to 2% on fixed deposits, from 3% to 2 1/2% on current deposits, and the rate of 1% on current accounts, averaging daily balances of ₱3,000 remained at 1%.

The bank saw fit to retire during the year 1935, nearly the whole of its 6% real estate loans.

making; it is success in tax collecting, and the distribution of this tax is widely among the poor. Cement goes into scores of bridges built under the revolving fund for that purpose; at these bridges, while they are being paid for, passenger-carrying trucks, patronized only by the poor, pay heavy tolls until the cost of the bridges is liquidated—and the truck lines must get these tolls from their ticket revenue, as they do.

Such things figure back into high bank rates. With all the building revival in America, cement is only \$1.65 a barrel, about 30 cents a barrel having been added during the past year; and yet this price is far below what the public must pay in the Philippines. Where bank rates are high, everything is high: you calculate from the basis of the worth of money at usury; that is, on loan, in use. (We have long since placed a place for this aside about cement, and find it now; we have wanted to correct the public impression that cement is cheap here, the fact being that it is extraordinarily high).

The sugar capital-loans having been summed up last year, this will be done again.

These loans (on which more discursive comment will be found in our story of Bacolod and Occidental Negros, in this issue) were originally some \$48,000,000; or better said, about this figure when the bank was rehabilitated in 1924. There has been paid on them some \$41,000,000; and by way of interest, some \$17,000,000, the total being \$58,000,000. There remains by way of unpaid principal, some \$7,000,000. But the most tardy of the mills is in such an excellent position that offers to purchase are being received; and also, the planter shareholders themselves come forward with a refunding plan to pay off this balance in a few yearly equal instalments.

Nothing more is needed to show that a million tons of sugar a year is the backbone of all prosperity here, to say nothing of its being the fortune of the Philippine National Bank; and therefore, quite distinctly, that of the government and of the general commerce and industry of the Islands.

One of the boxes shows the resources of the 10 provincial branches and 39 provincial agencies of the bank, a total in itself of nearly \$33,000,000 and a fundamental expansion of the bank's services. Note that the Bacolod branch in Occidental Negros has resources of \$7,958,749; and that at Iloilo, \$9,059,140, while that at Cebu has resources of \$3,864,424. Though the general commerce of Cebu exceeds that of Iloilo, sugar excepted, on account of sugar Iloilo has the much richer branch-bank. Bacolod's branch has twice the resources of Cebu's.

Another factor to place just here is the period during the year that the bank makes its greater profit. It is when sugar is moving briskly to the United States. Of the \$929,999 (25% of its net 1935 profit) the bank added to its undivided surplus last year, \$683,583 related to the first half of the year when sugar shipments were heavy, and only \$246,416 to the last half of the year when sugar shipments were light. Besides excellent public revenue conditions in the sugar-growing provinces, these provinces are in the front rank in public improvements, especially public buildings and fine systems of highways improved with permanent bridges.

—An exception is the want of a modern port for Negros.

Resources of the bank's branches compare with those of banks in American cities of 50,000 to 100,000 population; that is to say, the commercial centers in the farm states. No other fact better illustrates the economic advancement American commerce has stimulated in the Islands: the cities (without charters) these branches serve are not so large, but in the sugar-growing provinces their hinterland is richer.

The agencies are most economically managed. They are associated with the provincial treasuries and the treasurers are paid a mere gratuity, \$50 a month, or perhaps \$60 or a little more, for managing them. Yet a number of them have very material resources: Batangas, \$329,567; Ilokos Norte, \$526,712; Leyte, \$250,697; San Fernando (Pampanga, a sugar region), \$298,905. Among the 39, no less than 13 have resources above \$100,000 each, while their total resources are \$3,550,012.

Agencies in the prime cropping provinces where farms and plantations growing the main export crops, sugar, Manila hemp, copra, have resources mainly in loans. In general their deposits are small, their interest revenue high. They are therefore of primary importance in the making and moving of crops for export. The same rule prevails in the great rice provinces in the central Luzon valley, where rice is grown for interprovincial export.

This changes when you reach the Ilokos provinces, of small farms, more rugged soil, and perforce a harder-working and more thrifty population with whom money counts large. Here the husbandman supplements his farming with any industry he may carry on; and notably his family does so. There are sons off in Hawaii, thousands of them, working on the plantations there and sending back to their homes some of their wages. In the bank branches here, deposits are large and loans small; the people are poor and have a horror of debt. They have their ancient weaving industry, good home-woven cotton textiles at moderate prices. In Manila they have their own stores selling these goods, bed spreads, dress patterns, towels. The women are eager merchants, most capable; they have pride in their wares, as they ought to have.

What a sight it was, hardly to be surpassed at a great fair anywhere, during the closing period of the Philippine carnival, to see girls and women mount the counters of their provincial exhibits and unfold these cloths and spread them out to tempt the milling crowds to buy. In a single booth you saw as many as a dozen women at this.

Their peasant dress was colorful, the blues they like (that Tagalogs don't much like) predominating. All lights glowed their brightest. Handling the heavy cloth was hard, but the women laughed about it; and they kept at it, until morning—until the last customer strolled sleepily away and the last hope of selling anything more went with him.

Then they packed and moved the unsold goods back to their stores and their market stalls. They are keen enough to know the value of this industry; they know the market grows better every year, and that their industry is going to net them more money all the time. Such folk want small bank loans; it is a neat balance in their bank books that overjoys them. Applaud them for the best-founded large household industry in the Islands, and for many other thrifty habits besides.

(Please turn to page 8)

National Bank Branch Resources	
Bacolod	\$7,958,749
Batavia	274,955
Cabanatuan	2,132,620
Cebu	3,864,424
Davao	806,465
Davao Oriental	1,072,266
Iloilo	9,059,140
Ilokos Norte	1,079,591
Luzon	1,212,583
Tarlac	711,946

Agency Resources	
Abra	9,304
Agooon	16,274
Albay	49,586
Antique	60,290
Bataan	4,000
Batangas	329,567
Bolobol	183,820
Bulacan	97,404
Cagayan	117,649
Camaguey Norte	26,598
Camaguey Sur	147,592
Capiz	11,174
Cebu	17,578
Cebu	40,466
Cotabato	7,928
Ilokos Norte	326,712
Maros Sur	195,375
Iloilo	34,234
Isabela	113,266
Luzon	81,791
La Union	111,422
Leyte	250,697
Marinduque	21,514
Maabate	18,881
Mindoro	3,905
Misamis Oriental	111,536
Misamis Oriental	20,485
Negros Occidental	13,488
Negros Oriental	57,294
Nueva Ecija	54,913
Nueva Vizcaya	81,091
Pampanga	298,904
Pangasinan	16,316
Rizal	19,452
Sorsogon	14,671
Sulu	99,557
Tayabas	18,173
Zambales	13,446
Zamboanga	161,900

# A Sensible View of American-Philippine Trade

By Luis J. Borja\*

Formerly of the United States Bureau of Agricultural Economics

The inauguration of the Commonwealth of the Philippines on November 15, 1935, opened the last chapter of the American-Philippine political relations. This chapter gives the Filipino people an autonomous government which is their stepping stone to complete independence and contains the finishing touches on America's work which (to quote Former Governor-General Frank Murphy) "consummated an achievement without parallel in the annals of colonial administration."

But the United States could not have achieved so much in a generation in the Philippines without the Islands' rich natural resources which the American government developed indirectly by establishing free trade between the possession and the mother country—and now that the American sovereignty over the islands is drawing to a close and the unrestricted entry of Philippine goods into the United States is ended as provided in the Tydings-McDuffie act, it may be timely and of interest to review the past, see the present and look into the future of the American-Philippine trade relations which proved a blessing to the Philippines and a benefit to the United States.

The most natural and enduring trade should be between regions of dissimilar climates and particularly between tropical and temperate countries. Countries having the same climate produce the same crops. Tropical and temperate countries produce different crops, thus trade in agricultural products between these countries is natural. Tropical countries have too little commercial coal and iron to support a great manufacturing industry, but with their favorable climate for agricultural pursuits they produce almost an unlimited amount of raw materials they exchange for the manufactured goods from the north. It seems reasonable to expect that as the countries in the north temperate zone eliminate the difference in their economic development, they will turn more and more to the tropics for their markets and sources of raw materials.

Thus, it seems natural to find a flourishing trade between the United States, a temperate country, and the Philippines, a tropical country, even before the American occupation of the Islands. Available figures show that from 1890 to 1894 the United States ranked fourth among countries exporting to the Philippines.

## Calendar Years 1890-1894

Rank	Countries of Origin	Annual Average Value of Imports	Percentage of Total Philippine Imports
1st	United Kingdom .....	\$4,772,108	30
2nd	Spain .....	3,849,618	24
3rd	Germany .....	639,895	4
4th	United States .....	485,164	3
5th	France .....	263,429	2

The phenomenal development, however, of the United States-Philippine commerce after the American occupation of Manila on August 13, 1898, is due to the tariff protection each receives in the market of the other.

The United States-Philippine trade compared with Philippine trade with other countries from 1890 to 1901 is as follows:

Year	Total P. I. Trade Value	P. I. Trade with U. S. Value	Per Cent of Total P. I. Trade
1899 .....	\$34,039,568	\$5,288,341	16
1900 .....	47,854,152	5,114,049	11
1901 .....	54,665,824	8,080,547	15

To give further encouragement to American-Philippine commerce the tariff of 1902 was passed giving Philippine products entering the United States a 25% preferential duty and eliminating Philippine export duties on merchandise shipped to the United States only. With a slight amendment brought about by the tariff act of 1905 and 1906, the principal provisions of the tariff of 1902 remained until 1909 when the inhibition in the Treaty of Paris with regard to equality of treatment between Spanish and American goods was lifted.

The United States-Philippine trade compared with Philippine trade with other countries from 1902 to 1909 is as follows:

Year	Total P. I. Trade Value	P. I. Trade with U. S. Value	Per Cent of Total P. I. Trade
1902 .....	\$62,014,070	\$15,634,122	25
1903 .....	66,208,130	16,908,526	25
1904 .....	58,727,231	16,753,788	28
1905 .....	63,505,324	20,430,353	32
1906 .....	59,046,660	16,347,175	27
1907 .....	63,551,677	15,396,925	24
1908 .....	61,787,192	15,552,591	25
1909 .....	66,008,756	21,171,344	32

The Tariff of 1909 provides that all American products except rice may enter the Islands duty free and likewise Philippine products except rice may enter the United States duty free. This free entry provision, however, did not apply equally on all Philippine products. Besides rice which had to pay full duty, sugar in excess of 300,000 tons, wrapper and filler tobacco in excess of 1,000,000 lbs. and cigars in excess of 150,000,000 pieces were to pay regular duty upon entering the American Market. These restrictions were nominal. The Philippine export duties on goods shipped to foreign countries were continued, somewhat reduced.



Part of Manila, monument to America's endeavor in the Philippines. Pier 7 in the background is the longest covered pier in the world.

\*The writer is indebted to Mr. Leon M. Gonzales, Chief, Division of Statistics, Department of Agriculture and Commerce, Philippine Commonwealth, for statistics on exports and imports herein.

# The Possible Outcome of Japan's Political Tragedy

By Herbert Hilscher

Correspondent, *Christian Science Monitor*



*The Author in one of his series of Sunday-morning interviews with Viscount Saito in 1934.*

The Dawn of February 26, 1936, might well be the dawn of a New Era in Japanese history. Although three great leaders of the empire meet their untimely death at the hands of military purists, their shocking destruction should do much for Japan. In the tradition of the phoenix bird, which is the symbol of the imperial line, the spirits of these three dead leaders have already arisen. Today throughout the length and breadth of Nippon the people are demanding with a single voice that such a national catastrophe shall never happen again.

Viscountess Saito instantly realized the enormity of the actions of the soldiers engaged in the governmental purification when she stood between the weapons of the assailants and her husband. "Save him for the nation" was her plea. But it was unheeded and in the destruction of Viscount Admiral Makato Saito, Japan lost the world lost as fine an influence for good as any generation has produced.

Perhaps my viewpoint may be unduly influenced by the fact that I knew the Viscount well, talked with him many, many times, listened to him while he generously gave of his decades of experience to those who came to him for advice and counsel. But it is my sincere

belief that when an unbiased chronicle of the history of the century is written, this man who rose from a lowly level to the highest rank and honor will be credited as being the outstanding Japanese of the era.

The shocking phase of the recent military outburst in Japan was not that conservatism exploded against the philosophy of liberal government, but that the very captains among her experienced statesmen had to be sacrificed. The men who on countless occasions had steadied the wheel, had quietly guided the nation through storms, were martyred.

Few men in the history of any nation have had a more glorious career of service than Viscount Admiral Makato Saito. As a youth of 15, he studied for the entrance examination of the military academy. Out of several hundred applicants, Saito stood twenty-first on the list. His joy was unbounded. But the academy only accepted twenty! Undaunted, he took the entrance examination for the naval academy and entered on October 27, 1873, at the ripe age of 15 years.

Lieutenant Saito was the first naval attaché at Japan's Washington embassy, 1884 to 1889, when he learned to know and understand America and mastered English. As Captain Saito he was an aide-de-camp to Emperor Meiji during the Sino-Japanese war. When the emperor was not studying charts, he busied Captain Saito with questions about America: the people, their customs, the government, and business. When Dewey blockaded Manila, Captain Saito was in command of H. M. S. *Fuji*. Like the British commander at Manila, and in face of a vigorous German protest, his attitude and maneuvers were favorable to Dewey and widely appreciated outside Berlin.

Promoted to the rank of vice admiral and then made minister of the navy, Saito was the creator of the modern navy of Japan. He was made a full admiral in April 1912; and 3 years later, when he had been 40 years in the service, he was placed on the reserve list. In 3 cabinets, 1906 to 1914, he held the naval portfolio. He had indeed held every position in the imperial Japanese sea forces, but in 1914 he did not realize that his public service had hardly begun.

In 1918 Emperor Taisho made him governor general of Chosen (Chosen) after army men had failed to establish stability there. Korea (Chosen) was in a foment when Baron and Baroness Saito reached Keijo, and a bomb outside the railway station nearly ended Saito's career. But his humanitarian policy



*Admiral Okada (left) at His First Foreign Press Conference After He Became Premier of Japan in 1934.—The angular man in the background, left, with glasses, is a Moscow newspaper man with uncanny ability to tap confidential sources of state information.*

gained the Koreans' confidence, Chosen soon ceased to be a problem. Land titles were cleared; schools, hospitals, agricultural stations and a leper colony were established. Koreans gained a large measure of self government. Saito resigned after 10 years, and was raised to a viscount for his services.

In 1927 he represented Japan at the second disarmament conference, an incident of which, till now unpublished, he related to me. The United States and Britain were at loggerheads over cruisers. Intervention by Viscount Isai and Viscount Saito effected a tentative agreement, and the American delegation cabled Washington. In the absence of the Secretary at a golf game, a subordinate handled the inquiry in a routine way: "Adhere to previous instructions."

The conference broke up without accomplishing much. Saito told me he believed the psychological moment when the world was ready to accept armament control had been lost. On his return to Japan he was made a member of the imperial privy council, advising the emperor on knotty state matters; and when past 70 he returned for 2 years to the government of Chosen. Soon came the Manchurian incident, the campaign at Shanghai, and world-wide suspicion of Japan.

Conditions in Japan were extremely tense. Constitutional and representative government seemed to have been caught in the avalanche of warlike sentiment. Japan's greatest banker, Inoue, had been murdered. And on May 15, 1932, young military and naval officers assassinated not only Baron Dan but Premier Inukai as well.

Said Saito:

"Into this maelstrom of chaos, with the military marching through Manchuria and the navy guns still pointed at Shanghai, His Majesty commanded me to take charge of the government. I devoted my energy to bringing Japan into the middle of the road. Fervent hopes had to be cooled and the rule of reason as opposed to hysteria had to be restored!"

Japan's withdrawal from the League of Nations was necessary in order to improve the domestic situation within the empire, Viscount Saito felt.

That the career of Viscount Saito as premier was stormy is well known to all. Yet literally day by day Japan's internal condition improved and her position abroad was strengthened. After 2 years as the head of the government, Viscount Saito resigned as premier on July 3, 1934.

Admiral Keiroke Okada was commanded to form a cabinet and from July 1934 until the present day he has carried on the broad policies initiated by Viscount Saito. Four of Saito's cabinet members aided him. One of them was the financial genius, Korekiyo Takahashi.

The purists who struck at dawn on February 26, robbed Japan of its strongest financial mind. It is the opinion of many observers that his loss will be an irreparable blow to Nippon in this era of rapid governmental and commercial expansion when clear headed, long vision is so needed to steer the financial ship of state.

Takahashi was a colorful figure. He battled around the world in his youth, in California, South America, Europe. He dabbled in politics and government in the middle '90s became chief of Japan's monopoly-patents bureau. With his facility in English and his understanding of continental ways, he traveled in Europe studying patent laws. But Takahashi did not find his stride until he went into banking. His first brilliance came in obtaining loans abroad to help finance the Japanese-Russian War.

By 1911 he had risen by his bootstraps to the presidency of the all powerful Bank of Japan. Two years later he resigned to become minister of finance and acquired himself with distinction.

Then he again look to politics as president of the Seiyukai party in 1924.

But when Saito needed his assistance Takahashi took the portfolio of finance again. Always outspoken, fearless in his warnings, dynamic in his actions, Takahashi was a thorn in the side of those who resented restraint, who felt that funds for the military should be supplied without question and without proletarian prerogative. His recent warnings regarding bonded indebtedness did not set well with the purists and it is quite logical that to be successful in their purge Takahashi had to go.

Although outbursts of violent political opposition have been deadly in their toll, the progress of Japan's governmental development has been inexorable. Premier Hamaguchi died from the wounds of a purist. A finance minister met death in 1931. Baron Dan added to the toll.

The May 15 (1932) incident is still subject for conversation in Tokyo. Count Makino, who was wounded in the present purge, was a marked man in 1932. His house was damaged along with those of other Japanese leaders.

The recent Japanese elections clearly showed that the people, the common people who foot the bills, expressed themselves at the polls and

demanding more voice in the government. In short, whether appreciated by the rank and file or not, parliamentary government is a growing force in the life of the Japanese nation.

At present the army and the navy are not responsible to the government, only to the emperor. Soldiers and sailors do not come under civilian jurisdiction. And even when minor police incidents have happened, men in army and navy uniforms have questioned (with force when necessary) the right of police to interfere. The purist theory is that each man in uniform is a representative of the emperor and therefore if civilian police place the hand of restraint or regulation on a man wearing the emperor's uniform, he is insulting the emperor!

The control the civil government can exercise on the military is the matter of annual financial requirements. But should the budget be not approved, the amount provided the year before becomes automatically operative.

But to purists, who are certain beyond a shadow, just as positive of their divine appointment as Joan of Arc that God sent them to save the nation, budgets, elections, and liberal policies are but subterfuges to undermine the glory of His Majesty, the Emperor. Ultra-nationalism breaks forth with the sword. Nevertheless, the driving force of the ballot toward the goal of popular government in Japan is as unending in its forward movement as is the power of wind, sun and tide. The world was shocked at the untimely death of Viscount Saito, General Watanabe and Finance Minister Takahashi. Three of Japan's best minds were lost to the Empire. But their spirit will lead where they themselves could not go on.

## Philippine National Bank's . . .

(Continued from page 5)

The bank is 20 years old this year. It was originally chartered in 1916. It cut down its note circulation P2,500,000 last year; keeping surplus notes in its vaults, it saves something in taxes. It made its deposits in the United States, to take its share of the Manila Railroad bonds the government helped the road retire at London's offer of 80 cents on the dollar. Its most singular experience during the year was the rise in individual deposits from P28,530,983 to P45,288,555, an increase of nearly P17,000,000 in the 12 months. While some of this was bookkeeping, as the classification of the Metropolitan Water District account as individual instead of a government account, about P13,000,000 of it was a genuine uptick of individual accounts; and best of all, numbers of business company accounts.

But while this is best as a good bank showing, it of course is not best as a good business showing; for it shows that capital is accumulating in the Islands that commerce and industry either can not or will not use, and it goes back to the contention made at the outset of this summary, bank rates are still too high. This however is not dogmatically true, it is only a true generalization. Last year business companies, some of them large, dealing with this bank, turned overdrafts into cash balances. This healthy situation is also reflected in the increased deposits. The fat goes with the lean.



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# GUAM IS A PACIFIC PROBLEM

By Junius B. Wood

The United States has nearly half a hundred islands scattered over the Pacific ocean, in addition to the well known Hawaii, Samoa and the Philippines. They are merely uninhabited volcanic ledges or coral atolls, unknown except for their names on mariners' charts as spots to avoid on dark and stormy nights. Aside from a cable relay station, which has been on Midway Island for more than 30 years, and two supply bases for the Pan American Airways, recently located on it, and another on Wake island, the United States has never used them for half a century.

## *A Private Eden*

Guam is different, much different. It is larger than either Samoa or the Virgin islands. It is a tropical garden spot—a private Eden with strictly enforced "Keep Out" warnings around its three-mile limit. For 37 years, it has been a part of the United States. Those years have brought paved roads, schools, sanitation, electricity, ice, telephones, international communications, movies and other symbols of Americanism.

The question of American citizenship for the inhabitants is typical. The island is a part of the United States, not merely a protectorate as the Philippines were. At the same time, its inhabitants are not American citizens. More strange, they cannot become citizens either by staying in their part of the United States or by going to the mainland like other people and residing there the specified time for naturalization. A few in the American navy were naturalized during the years when that was possible, and they are the only American natives.

The late Edwin Denby, when secretary of the navy, decided their status in a proclamation entitled "Court Martial Order No. 1923," on March 31, 1923. In spite of persistent recommendations and demands, it has not been changed since. His decision was: "While a native of Guam owes perpetual allegiance to the United States, he is not a citizen thereof, nor is he an alien, and there are no provisions under which he may become a citizen of the United States by naturalization." He is a man without a country but owing allegiance to the only country of which he cannot become a citizen.

Guam is a closed port. Not only is Apra, its only harbor, and the navy's own inland property, less than one-tenth of the island, closed to visitors, but the entire island is included in the closed port. No foreign vessel can touch on its shores without permission from Washington, and no American vessel without permission of its governor. Nobody can land on this part of the United States, whether American or foreigner, without similar permission. Once here, he must have the same approval to leave, and this also applies to its native inhabitants. Guam has the same restrictions and censorship over photographing, sketching and sightseeing as on a man of war.

## *Naval Governors*

Guam has flourished under its naval governors—population doubled, standards of living raised, bodily comforts and health assured, peace and modest prosperity, except for the uncertain future. The governors have taken their task seriously. But, capable or careless, none could escape the fact that the two years of civil administration was merely a brief intermission in a life career in the navy. Nor, that anything he started or established could be wiped out with a stroke of the pen by the next governor, or, even worse, the entire island struck off

the American map by Washington. All naval officers and men in Guam are out of their element.

Ashore is a first class radio station for communications, a small machine shop and a hospital, the latter the most pretentious naval activity on the island, as all inhabitants receive free medical attention. Also, there is a quartermaster's commissary store, which could be put in one corner of any of the stores in the Canal Zone, an officers' club, a Marine barracks, several docks for the launches and some acres of unimproved land.

The aim of Captain George A. Alexander, the present governor, is to make the island self-supporting. Previous governors have followed the same general plan, but none more diligently or persistently than he. No detail is too small for his personal attention, and, at any hour of the day or night, he may pop up at a little farm or larger construction job to see how things are moving along. A special effort is being made to raise more rice and get away from imported rice. The pressure is only slightly less to increase the production of corn, copra, kapok, coffee, sugar and other farm products.

Education is compulsory, and, for 37 years, public schools have included English in their excellent curriculum. They have produced a staff of native principals and teachers. Night schools have been established recently to teach adults English. At each commencement, the governor personally gives a dollar and a savings bank book to the best pupils in the intermediate grades to encourage thrift. Still, with close to 40 years of instruction in English, natives carry on their conversations in their own Chamorro language, even employes in naval offices.

Chamorro nature is against being a farm hand for another. With his wife and children, he can raise some copra to sell, possibly pick some kopak, enough coffee, corn, vegetables, chickens and pigs for himself, and, before Americans taught grocery store tastes, some sugar to be crushed in a native mill and dried brown.

He is happy, contented and self-supporting though not in the way of the city dweller who picks his vegetables from a can or the farmer who harvests with a combine and takes the family out on Sundays in an 8-cylinder. Making Guam a tabloid United States—miniature farms, miniature crops, miniature farmers and miniature markets—seems a hopeless and useless job but every governor with his navy sense of order and things as they should be, tries it. If Guam were divided up among a few big land owners, as in the neighboring Japanese islands, it would be easier but that would mean taking away the natives' economic independence, if not their wish to live, and who wants to destroy one of the last remaining Utopias of the United States, primitive though some of its methods may be!

The successes or failures of the past, or plans for the future, are unimportant compared to whether Guam is to remain a part of the United States. It always has been looked on as a naval base, a halfway station on the route to the Philippines and the Orient. It is not fortified but it can be in 1936, when the present treaties expire. However, with the Philippines Independent, there may be no further military need for a little island out in the Pacific, more than 5,000 miles from our Pacific coast. Surrounded on all sides by Japanese possessions, it cannot exist as an independent country if the United States relinquishes it.

Who are born and live all their lives in the United States, owe perpetual allegiance to this country, are not aliens, but are not American citizens and never can become citizens? The answer is: "Citizens of Guam."

What part of the United States is a forbidden naval preserve though it has neither military secrets, fortifications nor guns? Answer: "The Island of Guam."

Where do officers and men of the American navy perform every duty from governor to dog catcher but have no duties which are naval? Answer: "When stationed on Guam."

Why cannot the United States, which annexed this island nearly 40 years ago, decide whether it will keep it or will cede it to Japan? Washington alone can answer that.



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## PRAGMATIC ECONOMICS

A tardy product of the American régime in the Philippines is the new city of Bacolod, capital of Occidental Negros. While all communities in the islands have expanded under the United States, and the population of the Philippines has doubled in a single generation, only two cities have grown out of the original villages. One is Baguio, enjoying a charter and laid out under the Daniel Burnham plan 30 years ago; the other is Bacolod, growing in wendish fashion and deserving (although not enjoying) a special charter as the prosperous capital of the province producing 40 per cent of the islands' yearly sugar crop.

Bacolod, like many towns in Negros, was founded as a Recollect mission. Its parish church is a Recollect reminiscence. As late as 1919 Father Francisco, a Recollect, was the parish priest. When you had him out to dinner, and walked back with him to the *convento* as late as 9 o'clock, curfew had already sounded. Bacolod was abed, and he invited your attention to the community's simple ways, to the prevailing peace and order, and to the social tranquility of the town. That was only 19 years ago.

The common method then of manufacturing Negros sugar was the open-kettle method producing brown sugar, *muscovado*. The central at San Carlos had been operated a few seasons. De la Rama at Bago had a small central and his sugar boiler was an old muscovado hand who disregarded modern gadgets and went by his nose; never failing, incidentally, to turn out an excellent batch of sugar. José Gomez, after his course at the University of Wisconsin, had founded his Canlooa plantation and put in a turbine mill turning out a middle grade of sugar better than muscovado but below the centrifugal standards of today.

Negros was pursuing the laws of economics faithfully. The

plantations were feudally organized and a good deal of picturesque life centered around the old mills. Over mud roads the planters came to town in oxcarts, in the absence of bridges the rivers were forded or crossed on rafts, and in Bacolod there was hardly a home larger than a cottage. But Negros was preparing to have an uneconomic fling that was to engender the remarkable growth of Bacolod, make the Philippine National Bank (through the grave error of making these capital loans) one of the major banks of the Far East, and keep Manila critical but thriving.

The bank had been founded in 1916 and in it the government had placed its funds, largely superfluous revenue of the great war trade the islands were enjoying, and the prices at which all Philippine commodities were selling. Apparently no one then connected with the bank was an orthodox banker. Negros was therefore not prevented from precipitating upon the Islands their subsequent great good fortune.

Negros prepared to plunge. Negros gambles. Negros is fatalistic. Negros is also optimistic. Negros knows that every coin has two faces, but it insists on believing that both faces are heads. Just gamble on *heads up* and you never lose.

Groups of Negros planters having nothing with which to build a string of modern sugar mills, prepared to build them. Accordingly they went to the bank and borrowed P42,000,000 of its funds as capital. No proper banker would ever have approved this, and that is where the islands' luck came in; for most improperly, the loans were granted, against the security of the planters' estates and at a stout rate of interest.

This interest was merely the first fleeing of the planters. As ignorant of what their mills should cost as children about the cost of toy trains and tin soldiers, the planters were fleeced on erection contracts, they were fleeced on machinery prices, they were fleeced generally and generously, though not of course invariably. The bank was fleeced along with them, since the bank provided the funds. This is what ran up the sum to P42,000,000. But eventually wheels turned and the planters' centrals, duly taken over for administration by the bank and now called the *bank centrals*, began turning out centrifugal sugar. The bank going under nominally, was resuscitated and kept going by new legislation effected at the instance of Governor General Leonard Wood 12 years ago. This is a detail apart from the theme of the present story.

As much as was wanted of the planters, there was always a superabundance of good sugar to supply it; and the bank, solemnly asserting the public interest—and its own—set up a fiduciary arrangement and garnered every profit it could. It sold the planters' sugar—and got commissions. This gave it money, which gained it exchange business. It took the interest on the planters' loans. What the planters had left, the bank kept and applied to principal. More sugar coming from the mills all the time, the gentle processes just described overflooded the bank with funds; the government, owed by the bank, took the overflow. This procedure, of course, still continues.

The planters' desperate recourse was the yearly crop loans. That is why it has never been determined to this day how much it really costs to produce a picul of Negros sugar. If the planters had ever found out and let this be known, God alone knows how they would have managed to live, during the long time their property has been hypothecated to the government through the agency of the bank, and their foolhardy initiative has been giving the country a rich industry. But they never took the trouble to ascertain this cost, and therefore from the crop loans they had a surplus to tide them through one season to the next.

However, escaping Scylla, some 14 years ago Charybdis threatened. At a time when Manila, quarreling with her fortune as usual, had about convinced the islands that Negros' modernization of her sugar industry was little short of larceny—and that on the grand scale—some folk from Boston came along and offered to buy all the *bank centrals* for a fraction of their worth—if they might buy them on time instead of for cash, and might pay for them thus partially, as the planters were paying in full, out of the gains of operating



them. This preposterous threat soon dissolved.

The planters have paid more in interest alone on just the mill loans than the offer amounted to. They have also paid nearly all of the principal, the balance standing at some P7,000,000, hardly the worth of a single mill. So the uneconomical, unbusinesslike, unsound transaction has been the commercial salvation of Negroes, of the bank, and largely that of the government itself.

In the Tydings-McDuffie act it is the major business factor. It had boomed Philippine sugar along rapidly, so that Congress felt constrained to grant a quota of a million tons a year during the Commonwealth period. This will of course continue to be the life-blood of the islands while it lasts. Moreover, not all centrals nor even a majority, were built by the planters and with bank money; other capital stepped in. The industry became well financed and well managed, with prodigious attention to better fields, better cultivation, and more prolific cane. Many private fortunes have been made—other than those of the planters—as a result of their unorthodox ambition to succeed; and now that their industry will not use all of their capital, they begin gambling in other ways.

Mining attracts them. They are not men who, fingers once burned, will keep away from the fire. They can be plundered again and again. But they are likely to turn out mine-owners by being liberally plundered, just as they have turned out to be mill owners.

It seems that you can do about as much with sugar cane on Negroes soil as you can on any soil. Perennially your wealth is renewed.

This explains the growth of Bacolod in less than 20 years from a quiet village to an active city of 40,000 inhabitants with a brand-new main street, a shiny new capitol costing P500,000 and streets of presentable and even luxurious homes, with schools and colleges, public and private; with banks and business blocks; and clubs including a University club. It explains why a number of business houses of Manila are either moving their Iloilo agencies to Bacolod or establishing new agencies there. In the past this explained Iloilo's prosperity. It would now seem that Bacolod plans to rival it.

As nearly all planters in Negroes went there originally from Iloilo, many have town homes in Iloilo. It is only now, with Bacolod in her new dress, and with her gayer spontaneity, that Iloilo's first place in the family is threatened.

How generally it has been taken that the Negroes planter's capacity to endure is beyond exhaustion is illustrated in what the government has made him do with his sugar. All the time he has been pouring floods of fortune into the islands' channels of revenue and trade, he has been left without a port at his island. Instead of developing a port there, the government improved the port of Iloilo and made him ferry his sugar to it; then finally, he did manage to get steamships to call offshore at Negroes and load sugar shipside. That is his situation today. If he therefore can be accused of false economics, he is not alone.

He is building Bacolod without a port. The Bacolod shore is shallow and a long pier ought to be built to deep water. He has improved Pulupandan where sugar is loaded, but he needs a port there too. Whether the government is slow or prompt to provide these obviously needed facilities, makes little difference. Bacolod will grow and sugar can stand it.

For it happens that our sugar is a minor lot in America's total consumption. As Cuba grows the major lot and America likes to give her domestic cane and beet sugar some protection, Cuba is kept under the enjoyment of a tariff varying from high to moderately low. The Philippines of course have the price of sugar's worth at New York plus the tariff currently charged Cuba. Just now this happens to be \$90 a cwt.—\$18.00 a short ton, \$18,000,000 on the islands' annual quota of 1 million tons. This bounty from the American treasury is assured to the Philippines during the Commonwealth because Negroes planters 20 years ago borrowed funds they should not have got, from the Philippine National Bank that should not have made the loans.

The second city of the Philippines, Bacolod, attributable to the American régime is another foolhardy outcome of this

irrational experiment. One reader who will smile over this summary is Dr. Richard T. Ely, dean of economists in the United States whose memory has probably discarded more knowledge of the subject than most minds will ever pick up; and his basic saying is, *Under all, the land*. You can't down a people who live and work their land. William James, Stanley Baldwin, President Quezon, and other facile pragmatists: that is true that in practice proves to be true.

**The Philippines' Stimulating Business Atmosphere**

(Continued from page 3)

is changing into such a vivacious metropolitan capital of all things Philippine as makes her beyond knowing, almost, to anyone who has not visited here during the past 10 years. There are grave obstacles in the way, but everyone now wants a home; and thousands of provincial families still desire homes in or near Manila where parents may be with their children a good deal of the time during their years in school here.

The schools find it necessary to adjust themselves to change. It may be given as an axiom that the best any school may offer will but make it the more popular. The Jesuits, always keenly sensitive to the exigencies of the hour, though they managed until 4 years ago with a hall in their old walled city school for dramatics, have now, on calle Padre Faura, a trim new theater appraised secularly the best in town; and of course it was prudent to make this theater surpass the earlier one established at the University of the Philippines.

Well, what of a theater more or less, someone asks? This much at least, no little added business. A native theater begins here, a native culture begins expressing itself in drama; and incident to this, though far from evoking it, is new business. Now that the movement begins, it will move swiftly; the people have dramatic powers that the theater movement will lend expression. But the arts in general begin speaking in terms of democracy. So flows the stream of conscious desire, presenting opportunities on every hand to those who move with it.

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## Many Men, Many Minds

Books have another advantage than that expressed in the cynic's "A book is the only friend who won't talk about you behind your back." Anatole France expressed his devotion to reading with the phrase, "My adventures into the minds of great men." Out of these half dozen books reviewed this month, there is probably an adventure for everyone:

*Story of Civilization*, by Will Durant  
*Personal History*, by Vincent Sheehan  
*War and Diplomacy in the Japanese Empire*, by Tatsuji Takeuchi  
*They Died with Their Boots On*, by Thomas Ripley

*Economic Handbook of the Pacific Area*, edited by Frederick V. Field.

*Seven League Boots*, by Richard Halliburton

In the long view, education is mischancey matter and so perhaps in desperation educators fall back upon the three r's: reading, 'riting and 'rithmetic. Will Durant has a more courageous definition, which he gives as the *raison d'être* of his *Story of Civilization*. No less than the transmission of culture from one generation to the next, is Durant's educational goal.

Indeed, the man who knows nothing of that remarkable record of the human race onward from the time of Cro-Magnon painting in caves of the Pyrenees, is an uneducated man. *Our Oriental Heritage*, Durant sub-titles his book.

He has done sterling service. The Sumerian, the Egyptian, the Hindu civilizations—these have never been integrated and illustrated so well, with the paths of descending influence so readily traced. Truly spoken are Durant's words that the ignorance of Western-educated folk regarding India and her Golden Age is abysmal.

Not without his occasional quip is Durant; and he borrows myth from the ancestors too. Sketching the medical attainments of the Hindus from the time of the great Sushruta (5th century

B.C.), he quotes the Code of Manu which warned men against "marrying mates affected with tuberculosis, epilepsy, leprosy, chronic dyspepsia, or loquacity."

The cultures of the Orient are given separate treatment in the two volumes; but skillful references present the tie with the Grecian, Roman and European cultures. Aristotle was developing mathematical science at the same time as a learned Hindu. Queen Elizabeth reigned in England when Akbar was building glistening palaces in Ind, and Hideyoshi in Japan rose from the peasantry to rule half the country, tackling China as well.

Durant's handsome volumes are an ideal nucleus for a library; his scholarly writing, for thought.

To approach an autobiography, something of reverence is obligatory on the part of a reader. Confession is, of course, good for the soul—and deucedly vivacious reading. The cause that motivates a young journalist to write his *Personal History*, as Vincent Sheehan has done under that title, is something more than dollars.

He was looking for something more from life than just a newspaper story. Nor was this goal creature comfort, nor yet epicurean delight. Sheehan is of the generation that demands some new design for living. He saw war; penetrated the Rif, was the friend of Abd-el-Krim. When the Sheik—no lover he, but a warrior—looked down from his hills upon advancing civilization with its machine guns, he shrugged his shoulders at eventual defeat and went on gamely. Sheehan wondered at that fortitude.

A situation in China's internal difficulties gave Sheehan an assignment; he resented being chosen to report gray strife. Further, he resented the command that he "have personal adventures", risking everything so a day's newspaper readers might be vaguely amused. Sheehan held out on his editor: not obviously,

or deliberately, but simply because the rules of the game permitted. His real story is in his book. He tried to convert a red-headed woman from Communism. The Borodins and Mme. Sun-Yat-Sen and the wonder-city of Peking became a kaleidoscope of color and drama in this enterprise.

The man's writing is excellent. As always, style is the mind active. Dispassionately you can judge, this way or that, when reading his true thought. But his true thought you can be sure it is, for the events of his *Personal History* are related on this basis of the only fundamental he had found. It was to tell true what he saw, what he knew, of the relations between the one and the many, between Vincent Sheehan and the world.

Providing material for the first time available in English, *War and Diplomacy in the Japanese Empire* by Tatsuji Takeuchi (published by Doubleday Doran) describes the actual courses of government in Japan. Not only the law, but also the tradition, is obviously regnant. This is the only history written of Japanese diplomacy as a cause of war. Nippon's claim to special position with rights on the mainland—now visible in Manchukuo—forecasts her feeling that she will arrive at a place in the sun. Japan's withdrawal from the League of Nations, the reaction to the Lytton commission, all such twentieth century matters are amply reported and footnoted.

*They Died with Their Boots On* is a Southwest pseudo-epic, by Thomas Ripley. *Here Lies John Wesley Hardin* is the black-bordered heading of the first chapter. "A charmed life—but one day the dice fell sixes, and his back was turned." This induces the rapidly-moving narrative of the desperados of the Southwest frontier. From a mass of facts gathered from newspaper archives and oldtime reminiscence, the author has written imaginatively of the soft spoken but deadly killers infesting the Texas country in the 80's.

Institute of Pacific Relations presents the *Economic Handbook of the Pacific Area*, edited by Frederick V. Field, with foreword by Newton D. Baker. "These statistics are not assembled as a brief on any side of the case", is its claim. It elaborates the economic factors governing in the Pacific, touching liberally in its 640 pages of data, maps, tables, on the Pacific basin from the west coast of the United States to the Philippines. The circles swings via Soviet Russia, Japan, China, Australia, Malaysia, etc. Of particular value are the chapters *Land Utilization*, *Food Production and Consumption*, *Capital Movements* (money and investment).

You thought Richard Halliburton had written of all the places in the world, then comes his *Seven League Boots* with unique illustrations including portrait of the author astride an Ethiopian war steed, being leered at by a lion. A number of his chapters' topics have existed previously in books by other writers: Mudd of Fort Jefferson, Hobson at Santiago de Cuba, Christophe kinging in Haiti, the Romanoffs' massacre, Emperor of Arabia. Yet those who have not read the originals, Halliburton's rapid comment will interest. And his elephantine journey over the Alps in the tracks of Hannibal is risibly readable.

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# Mexico A Great Potential Market

*Because Mexico must offer opportunities to Philippine exports, and might take quantities of Ilokano cloth and Manila slippers, we reprint the following article from the Exporters' Digest*

In order to understand the Mexico of today and of tomorrow one must first understand what the statesmen of the great republic south of the Rio Grande have done during the last fifteen years and what they are planning to do under the six-year plan that went into operation when Gen. Cardenas became President a year ago. The changes that have taken place since 1920 are epoch-making in character and extent. Unremitting efforts have been made to provide the peons of Mexico, whose abject poverty and ignorance under the Diaz regime was proverbial, first with land so that each head of a family might be independent, and second with educational opportunities. Already hundreds of thousands of peasant farmers have been granted individual holdings of 10 to 50 hectares each, while co-operative associations have been promoted to provide them with farm machinery and assist them in financing their operations and in marketing their crops. At the same time the Federal Government established and has since maintained more than 12,000 rural and primary schools in the various States. In 1910 the number of illiterates was 7-1/2 million, or 60.73%. Today with a population one-third greater, the percentage of illiterates is only 39.26%. As a result of these and other measures the standards of living among the former peon class are gradually rising, while a prosperous middle class is coming into existence for the first time. All this means increased buying power as the years go by, and larger and more diversified wants to be satisfied.

Thus far 6,000 kilometers of improved highways have been constructed, including the Mexico City-Laredo Highway now practically complete. Work is progressing on highways from Mexico City to Acapulco and to Guadalajara. Another trunk highway is projected, to be built during the six-year period, from Sonora to Chiapas—connecting the U. S. with the Guatemalan border. The various States are to be encouraged to build highways of their own to connect with these trunk lines and between their principal cities.

Aviation has made tremendous progress in Mexico during recent years and the six-year plan aims to encourage this development still further by remitting all taxes paid by private companies for gasoline consumed by their planes the first year, 75% of the tax the second year, 50% the third and 25% the fourth. The Federal Government is to construct all necessary border airports, while the States will build those needed in the interior. Already there are 200 air fields in the republic, of which some 50 are commercially important.

Another part of the plan contemplates the expenditure of 60 million pesos for the construction of four new railway lines to open up regions now isolated. Still another development of recent years that merits attention, though not specifically a part of the six-year plan, is the creation and encouragement of native industries. Formerly Mexico was content to export her great mineral and agricultural staples and buy from abroad all of her requirements in manufactured lines. For the last ten or fifteen years there has been gradually growing

up a very important group of manufactures, many of the factories being American owned or controlled.

While this industrial development is curtailing our market in quite a number of lines they provide a large and steady field for the sale of industrial machinery of all kinds. According to the 1935 industrial census there are now 8,156 industrial establishments in the country having an annual production of 7,500 pesos or more. (The 1930 census enumerated a far larger number of industrial establishments, but 80% of them had an annual production of less than 5,000 pesos.) In these reported for 1935 the number of employees was 269,757, exclusive of directors and salaried employees, and the amount paid as wages and salaries was 170 million pesos. This development has materially increased the buying power of a large mass of people. About 30% of wages paid in all industries are reported for the Federal District. Monterrey ranks next as an industrial center, while there are many manufacturing plants in the States of Vera Cruz, Puebla, Coahuila, Guanajuato and Jalisco. Next to Monterrey, the capital of the State of Nueva Leon, the cities of Puebla and Orizaba with their large cotton mills and Guadalajara with its wide

range of industries are the leading industrial centers. Best location for agency, if only one is needed, Mexico City. If more than one, Monterrey, Chihuahua and Hermosillo may be suggested for the northern states (from east to west), Mexico City for the central portion and Vera Cruz for the southern and western states.

It is reported that Ambassador Daniels has had studies made with a view to initiating negotiations for a reciprocal trade agreement between Mexico and the U. S. The two countries are closely bound together by rail, by the new highways built and in prospect, by numerous steamship lines and by fast air routes.

Mexico City has lately been a delightful host to thousands of American Rotarians and Lions at their annual conventions, while the country's many attractions for American tourists will draw increasing numbers across the border as the new highways are perfected. Whether there is a treaty or not, exporters will find Mexico a market well worth watching and cultivating. The high price of silver is stimulating its mining industries, business conditions, credits and collections are very good, and there are no exchange restrictions. Mexico City is becoming modernized and has many fine business buildings, hotels and apartment houses. The political situation should be watched carefully, however, and, if the U. S. changes its silver purchase policy, the mining industry will undoubtedly be less active than it is now.

Mexico's exports for the first ten months of 1935 amounted to 581 million pesos, an increase of 17% over the year before, while imports totalled 322 million pesos—up 26%. The U. S. took 333 million of the exports and supplied 222 million of the imports—an increase of 40% over 1934, according to Mexican official statistics. The United Kingdom ranked second as a source of imports, with Germany a close third—having increased its shipments by 39% as compared with 1934.

Mexican economic reforms include the breaking up of large estates and making the peons free holders, out of which is developing the lower middle class; and great attention to the arts, as well as free public education, steadily reducing illiteracy; also attention to public works, the building of trunk highways and the promotion of all means of rapid communication including flying. The flowering of art in Mexico is one of the more significant signs of the times.

## LETTERS

Frederic S. Marquardt

—Editor of the *Philippines Free Press* some 7 years, and Manila's No. 1 young newspaper man and news correspondent: *INS, Reader's*, etc.

"One week out of Manila and Japan is in the offing. We get to Kobe tomorrow. It's been pleasant enough so far, but the baby has been quite a problem. Many thanks for the thesaurus. It's a handy tool for anyone trying to write well. Whether I shall ever try to write well is a question which only time can tell, but the book will be there as an inspiration.

"We've done the usual tourist things, bought the customary souvenirs, and I for one will be ready when the time comes to land. The cold weather has made me feel better already. I don't feel at ease writing without a typewriter, so I'll quit now and write more extensively when we get settled." (Marquardt gave up his position at the *Free Press* in February, primarily because of broken health. He suffers an impaired alimentary condition, underwent an appendectomy shortly before leaving Manila, and is still undergoing slow convalescence. Mrs. Marquardt was also well known here, the former Miss Alice Lockwood, daughter of Judge and Mrs. L. D. Lockwood. The Marquardts have their first child, a son about 20 months old. Marquardt is a son of Dr. W. W. Marquardt, Philippine representative of the American Book Company, a former director of education who afterward, at Washington, was in charge of Philippine scholarship students at American universities. In the departure of the young Marquardts, the Philippines lose a fine American family—Manila loses one of her topnotch newspaper men. Hamilton college educated Marquardt, who was raised in the Philippines. After college he had newspaper experience in New York up state before coming to Manila on an offer from the *Free Press*, that prospered during the depression under his editorial effort. Marquardt was our closest newspaper friend; besides being able, he is loyal to the marrow. He is wished the fortune he richly deserves).

• • •

L. H. Thibault

—Representing the Philippines Agency Service Co. (ads.), New York, one of his blurbs to clients.

"The new Philippine government enters this month (January) on the first calendar year of its existence under trade auspices that seem particularly auspicious. Production of raw materials is stable, prices are firm, new industries are being started, circulation of money is heavy, and general trade is at a level, seldom reached in Philippine history. Some lines of business are running at record figures and in the field of advertising, this is reflected in

general periodical linage increases in a group of publications recently surveyed by this agency. The periodicals included *Lidayway*, *Graphic*, *Free Press*, *Herald*, *Tribune*, *Vanguardia*, *El Debate*, *Mabuhay*, *Taliba*, *Monday Mail* and *Daily Bulletin*.

"J. P. Heilbronn, pioneer paper dealer of Manila, and one of the leading business men and capitalists of the Islands, whose activities keep him in touch with almost every industry in the Philippines, recently made the statement in New York that the stage was set for a boom in the Islands. 'Some of us worry about the remote future,' he declared, 'but it is useless to cross that bridge before we get to it. Certainly my observations lead me to believe that for the next five years, during which period there is to be free entrance of American goods into the Islands, business will boom. I expect new trade records to be made, both for internal trade and for commerce in imported articles.'

"Carson Taylor, publisher of the *Manila Daily Bulletin*, who, like Mr. Heilbronn, has lived and worked in the Philippines for the past 37 years, now a Los Angeles visitor, corroborated Mr. Heilbronn's views, saying, 'There is little doubt that in the years immediately ahead, business will prosper in the Philippines. Every trade index points that way.'

"Carlos P. Romulo, recently awarded with President Roosevelt a doctorate of laws by Notre Dame University, publisher of the newspaper syndicate which includes *El Debate*, *Monday Mail*, *Philippines Herald* and *Mabuhay*, voicing the Filipino viewpoint, declared in New York this month just before leaving for Europe: 'Filipinos face the future with gravity and optimism. We believe our future depends upon our material prosperity and that must come from continued trade relations with the United States. The present trend in the Philippines is to encourage consumption of American goods on the theory that we must buy as much from any country as we sell them. This must mean that American manufacturers will share in the prosperity that seems just ahead of us in the Philippines.'

"With many new government expenditures forced by the fact of a new government, the Philippine Commonwealth must find increased tax revenues. President Quezon recently assured business that existing taxes would not be raised but that new sources of income would be found to take care of the necessary expenses added to the government budget. This, too, is an encouraging sign for trade. As is the evident determination of the new government to run its finances on normal lines. An example of this was the use this month of a government surplus to retire large holding by British

capitalists, of a bond issue against the Manila Railroad. These bonds were bought back by the government at a price which represented a saving, in the railroad budget, for the next four years, of almost the same amount as the offer made by holders. As the railroad is government owned, the step is an indication of a healthy attitude towards government finance.

"Periodical circulation is showing the stimulus of public prosperity and confidence. The T.V.T. Publishing Corporation has just installed new rotogravure equipment, and is publishing a 32-page rotogravure magazine supplement with its *Sunday Tribune*, now said to be running 35,000 circulation and claimed to be the largest English newspaper circulation in the Far East. The *Herald* of the D-M-H-M group has begun publication of a 32-page comic weekly which has met with instantaneous success and helped to increase the already large circulation of Manila's only afternoon newspaper in English. *Lidayway* of the Ramon Roces group of publications, has just issued an audited statement of circulation showing more than 60,000 paid subscribers. The audit is notable in that an outside firm of American auditors checked cash receipts to arrive at their circulation estimate. The *Free Press*, oldest weekly in the Islands, whose Christmas issue is an annual event in the publishing world, published this year the largest Christmas edition in its history. The *Bulletin*, oldest of Philippine newspapers, American owned, and the organ of American opinion in the Islands, is touching circulation figures never before attained.

"The signs multiply to show Philippine prosperity. The year just closed was a record breaker for automotive sales and the curve of increasing sales moved steadily upward towards the end of the year. It is evident that more American cigarettes, tooth paste, proprietary medicines, food products, to mention only a few items which go to make up American exports to the Islands, were sold in 1935 than in any previous year.

"Verily the Philippines, always a leading market for American exports, continues to take vast quantities of American advertised goods. There is ground for the prediction that 1936 will see trade in these standard goods reach unprecedented figures. That is not to say that American exports to the Islands will make new records for in certain staple lines where the Japanese can compete, American supremacy is threatened. But there is no threat from Japan or any other foreign exporter to the American trade marked article, adequately advertised and competently merchandised."

**A Sensible View . . .**

*(Continued from page 6)*

The tariff of 1909 was in vogue until 1913 when unlimited free trade in both directions was established.

The United States-Philippines trade compared with Philippine trade with other countries from 1910 to 1913 is as follows:

Year	Total P. I. Trade Value	P. I. Trade with U.S. Value	P. I. Trade Per Cent of Total
1910	\$90,347,824	\$37,310,267	41
1911	92,861,534	39,029,614	42
1912	116,591,201	47,191,017	40
1913	101,085,742	43,110,279	42

Since the removal of trade obstacles in 1913, the United States-Philippine trade has grown very rapidly and the unlimited flow of Philippine products into the American market continued until 1934 when the Philippine sugar export quota under the Jones-Costigan act was set at 906,416 long tons.

The United States-Philippine trade compared with Philippine trade with other countries from 1914 to 1933 is as follows:

Year	Total P. I. Trade Value	P. I. Trade with U.S. Value	Per Cent of Total P. I. Trade
1914	\$97,278,324	\$37,310,267	38
1915	103,125,187	50,034,280	48
1916	115,433,720	58,510,805	51
1917	161,401,337	100,855,006	62
1918	233,793,693	147,971,529	63
1919	231,756,878	132,144,106	57
1920	300,562,138	197,506,040	65
1921	203,953,896	124,496,808	61

1922	175,780,942	111,849,926	63
1923	208,232,747	135,399,558	65
1924	213,333,557	157,712,505	65
1925	268,610,038	178,342,524	66
1926	256,183,311	171,578,837	67
1927	271,423,556	187,516,547	69
1928	289,711,144	190,443,913	69
1929	311,607,117	217,058,431	70
1930	256,260,081	183,525,089	72
1931	203,150,792	145,362,079	72
1932	174,733,165	133,945,616	77
1933	180,451,814	134,853,433	75

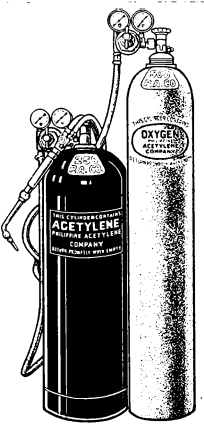
The 1924-1933 annual average imports of the Philippines from the United States and other countries are as follows:

Country	Value	Per Cent of Total P. I. Imports
United States	\$68,436,149	61%
All other countries	43,869,689	39%
Total	112,105,838	100%

The 1924-1933 annual average exports of the Philippines to the United States and other countries are as follows:

Country	Value	Per Cent of Total P. I. Exports
United States	\$102,567,702	77%
All other countries	30,925,298	23%
Total	133,493,000	100%

It is evident then that the Americans are the best customers of the Filipinos who in turn consume predominantly American products. Thus the United States-Philippines free trade relations are mutually beneficial to both countries.



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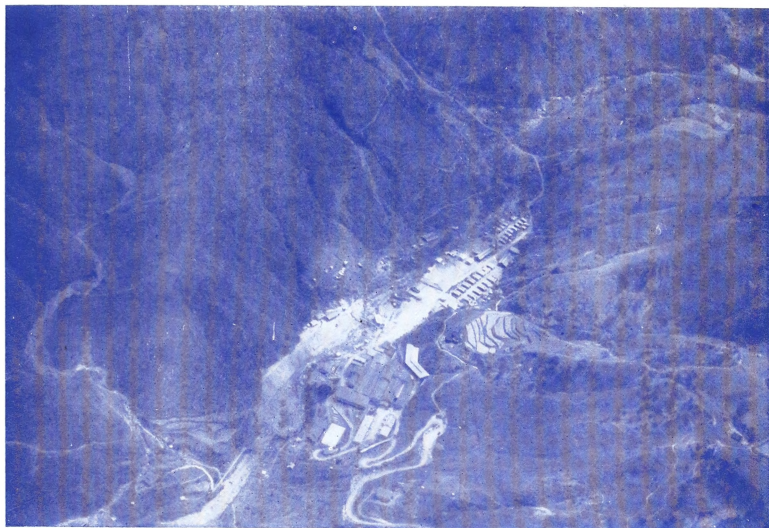
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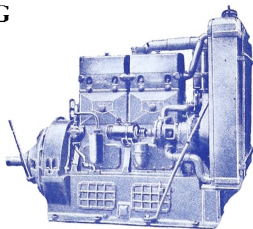
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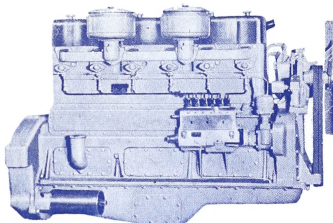
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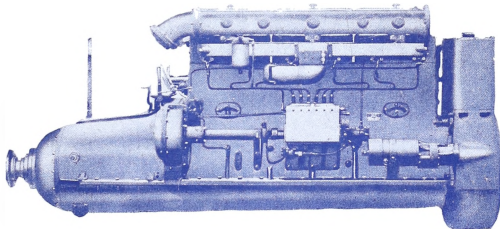
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R. L. Parker, left, and Field Manager L. J. Godbe. Parker is with a Manila engineering company.

# Hargis and Godbe Report on Mindanao Mother Lode



Lionel D. Hargis reports from Cebu that rapid progress has been made in the development of the Surigao claims of the Mindanao Mother Lode Syndicate, of which he is the head. He submits the report of L. J. Godbe, engineer, covering January and February. Contacts of the vein on the 100-foot level show consistent vein width and values; development work to date shows the vein to be at least 500 feet long and probable ore above the 100-foot level, 30,000 tons. He asserts that the project has passed the experimental stage, and that by April the vein will be reached at the 215-foot level.

This is expected to add materially to the body of probable paying ore.

Tabon-Tabon is the name of the vein. Godbe says that at the point of discovery well defined andesite occurs, with fine stringers of quartz, about 10 feet wide. Samples at this discovery point he reports as running 1.66 ounces of gold; check samples 0.68 and 0.56 ounces. Eight trenches were laid out, and in 4 of these trenches the vein was uncovered and samples assayed 1 to 4 ounces per ton.

Three crosscuts were then started; Nos. 1 and 2 at the 100-foot level, No. 3 to cut the vein at depth of about 40 feet. Ten feet from the portal of No. 3 a vein 1 foot wide averaging 0.75 ounce of gold was encountered, Godbe reports; and 12 feet farther in, another vein 2-1/2 feet wide averaging 0.42 ounce, while at 53 feet an apparent vein 5-1/2 feet wide was cut, averaging 1.04 ounces.

Godbe adds that here there were pronounced indications of the big vein being in the faulted area; drifting will be necessary to determine regularity.

Tunnel No. 13 was then driven on the opposite slope of the ridge, to cut Tunnel No. 3 at an angle. Forty-five feet from the portal, a 5-1/2-foot well defined vein was cut, the report continues, a brace of samples showing assay values of 1.13 and 1.64 ounces; and the same vein picked up in Tunnel No. 3 showed values of 0.58 ounce over a width of 5-1/2 feet. No drifting was done here, Tunnel No. 1 at the 100-foot level being almost directly below.

Tunnel No. 1 at the distance of 105 feet in encountered faults showing that the main vein turned to an almost due

south bearing. Godbe says he dropped back to station 93, to drive in 2 directions to cut the vein; and the west cut picked up the vein at 171 feet from the main portal, where the vein

was well defined with pronounced hanging wall and footwall of massive oxidized quartz, and in between, fine quartz stringers in the andesite.

It seems to us that these details of Godbe's prospecting of this property give some insight into the possible general nature of the mineralized Surigao region. At least they may indicate the type of prospecting to be done. At the point just spoken of, Godbe says the vein is 22 feet wide and assays give an average value of \$23 a ton, current gold price. He is drifting parallel to the footwall, to cut the vein at intervals of 25 to 30 feet. His report continues:

"In the East cut the vein was cut at 150 feet from the portal and was found to have a total width of 12 feet with an average assay value of \$43. A drift south is now being driven and at present the vein is being cut 40 feet south and the vein at this section has



Tunnel 16, Portal and at the side, Lionel D. Hargis with the mine boss.

definite bearing of S. 10 degree E.

"From the east cut of tunnel it is planned to continue the cut with the idea of encountering the 3 veins in tunnel 3 and drifting along these veins at the 100-foot level.

▶ Tunnel 16, on the opposite side of the ridge and approximately at the 100 ft. level cut a well defined vein 5 feet wide



Portal of the Main Tunnel.

(Please turn to page 43)

# What Happened at Gold Creek?

When the annual report of the Gold Creek Mining Company was issued a few weeks ago, there was considerable amazement among those who read it. There had been some talk, in Baguio at least, of a depletion of ore reserves, and of a conflict with Benguet Consolidated over boundary lines.

This, in a nutshell, is what the report said: the ore reserves are 30,000 tons, with a total contained value of around P452,500; Gold Creek milled a considerable amount of ore belonging to Benguet Consolidated for which they would have to pay. Ore reserves were supposed to be at least P1,000,000 higher than the figure given above; the life of the mine has thus been shortened to a few months. The estimated profit now amounts to approximately P100,000, instead of P500,000 (figures as of February 12, 1936, quoted from statement by J. B. Stapler of Marsman and Company.)

Journal readers will remember the story of Gold Creek which appeared in the June, 1935 number; how the company was organized in November, 1930; how varying estimates of ore reserves were made from time to time; how different offers for the treatment of the ore were made; how the contract with Antamok Goldfields was finally accepted on August 23, 1934.

The Gold Creek set-up, which is somewhat involved, is as follows: Antamok Goldfields is milling Gold Creek ore, on a 25-75 split; Marsman and Company was engaged by Gold Creek to check on mining and milling; the Keystone mine, owned and operated by Benguet Consolidated, is next door to Gold Creek.

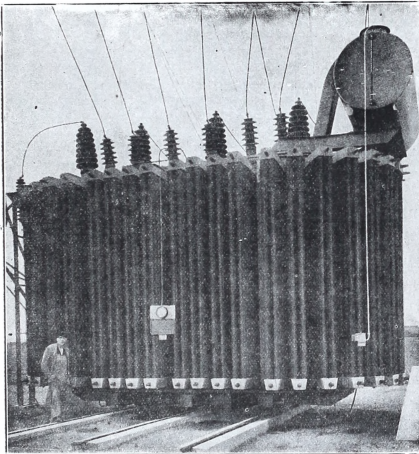
How did Gold Creek happen to get into Keystone ore? No one knows exactly what happened, but the fact remains that there was a mistake in the survey made of the Antamok Goldfields mine some years ago. Ordinarily a mine survey is checked and rechecked several times, so that mistakes are eliminated. In some way, however, this particular survey was not checked, or, if it was checked, the mistake was repeated. Workers in the Keystone mine heard the Gold Creek miners; checking with their maps, they discovered that the Gold Creek property was not within bearing distance. An investigation followed, with the result that Gold Creek found itself in the embarrassing position of having been taking out ore belonging to Benguet.

The two mines settled the trespass amicably; although no figures have been made public, it is understood that between P35,000 and P40,000 was paid to Benguet as the profit made on the "stolen" ore.

What about the ore reserves? No mistake in accuracy here, but rather a difference in opinion by a number of reputable engineers.

J. H. Sampson, general superintendent of Antamok Goldfields, now head of the engineering staff of the Soriano interests, predicted 82,157 tons with a contained value of P3,800,000; A. F. Duggiehy, chief engineer and head of the Benguet-Balatoc technical staff, thought there would be 40,426 tons with a value of P1,170,000 (G. O. Searle, formerly chief geologist of Benguet Consolidated and now with Consolidated

(Please turn to page 27)



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# Improvements in Mine Equipment

By Bernard W. Holman

*Assistant Professor of Mining, Royal School of Mines*

*Editor's Note.* This is the second in a series of articles tracing the process of mining in all its varying steps. The author of the article is a prominent English mining authority; the article itself is taken, as was the first one, *The Progress of Prospecting*, from the Centenary Number of *The Mining Journal* of London.

In the scale of its operations and the importance of its products mining is man's greatest adventure with nature.

Once it was the heaviest form of labour, particularly favoured for slaves, convicts and our political opponents. With the passing of slavery and the advent of the cheap production of electricity and compressed air metal mining has now become, of all our major industries, the heaviest consumer of power per unit of raw material treated (20 to 50 kilowatt hours per ton). Cheaper power production and the increased use of power are the two most important factors in recent development. These, with larger and larger scale work reducing overhead costs and the increased use of labour-saving devices, have made possible the working of deeper and lower grade ore bodies at a profit. In turn these have led to the organization of larger financial units, more capital investment per unit treated, a higher degree of organisation, both financial and technical, together with less risk to the investor and a more certain market for the manufacturers of mining plant and supplies. This latter has led to keener competition for the markets involved and, in turn, to the supply of better and better products.

The most spectacular advance has been in the production of large units, giant hoists for great depths and pumping installations for the delivery of millions of gallons of water a day against heads of thousands of feet. These advances are more matters of engineering design and improvement in materials than of mining, although the development in the perfection of electric hoists has been of outstanding assistance to mining operations. The greatest advance in mining has

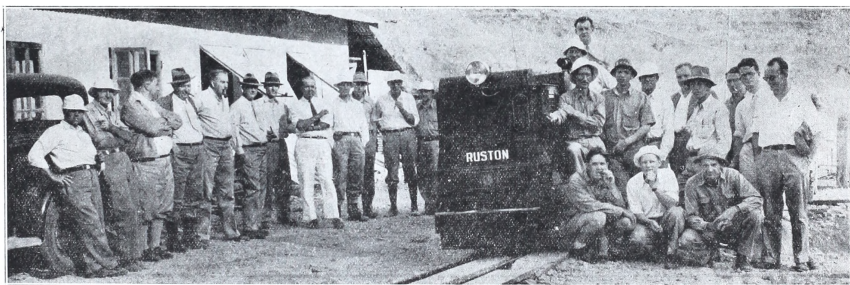
been in the fundamental task of breaking ground, the cheaper production of more efficient and reliable compressors, rock drills, and steel, and the supply of a range of improved explosives for various kinds of ground.

Large scale mining has created a demand for large fans and large air compressors as well as for larger hoists and pumps. The reciprocating compressor holds its own on many large mines, but the turbo-compressor is favoured for units of over 5,000 k.w. Inter-cooler design has given most trouble in the development of this type. It is still possible to purchase a surprisingly unsatisfactory compressor from big firms who specialise in other lines, but experienced manufacturers seem to have approached the limits of reliability and efficiency possible with the generation of this form of power.

With larger installations a feature is the use of meters for measuring the amount of compressed air distributed to different sections of a property. The use of meters underground for measuring the distribution to different levels and working places is not so general owing to the high cost of some makes and the poor publicity obtained by others.

For small installations, particularly on isolated mines, oil engine-driven compressors have been developed to a high degree of reliability. The compression ignition or semi-diesel type of oil engine is most attractive because of the lower cost and greater convenience of heavy oil.

For work in the prospecting and development of new mining areas recent years have seen the perfecting of high speed engines working on this principle and the production of portable air compressors using oil fuel instead of petrol, which is so much more expensive. Portable sets of this type with a capacity of 340 cubic feet per minute, sufficient to operate a couple of drills a light hoist and a small pump are now specially manufactured for such work. During the present century improvement in the design and construction of rock drills themselves has also been considerable. The hand-held jack hammer capable of drilling over a foot a minute in hard



Looking over the only Diesel locomotive in the Philippines in underground work. This picture was taken at Big Wedge a short time ago, when mining men gathered to inspect the new fuel oil locomotive which Atok Gold bought for mine haulage. Left to right: V. A. Light, Benguet Consolidated mill staff; W. P. Hanley, Balatoc master mechanic; Read Miller, mine superintendent at Benguet Consolidated; J. B. Hoover, mining man of Baguio, director of several mining companies; E. W. Tulek, electrical and mechanical engineer of Benguet Consolidated; D. W. Butler, general superintendent of Balatoc; Roscoe Canon, mine superintendent at Itogon; J. B. Slapier, mine consultation department, Marsman and Company; Mark Hubbard, geologist, Benguet Consolidated; E. W. Buchanan, mine consultation department, Marsman and Company; F. B. Morehouse, general superintendent of Big Wedge for Atok Gold; Joe Fleming, assistant

mine superintendent of Benguet Consolidated; at the right of the locomotive in front, left to right, Ralph Crosby, general superintendent, Suyoc Consolidated; H. E. Strong, accountant at Big Wedge; George Bell, mill superintendent at Demonstration; second row, Ward T. Graham, general superintendent of Baguio Gold; H. H. Booker, engineer-in-charge Keystone mine of Benguet Consolidated; Ralph R. Allison, general superintendent of Itogon; J. O. Emberg, mine consultation staff of Marsman and Company; Walter Neal, mine superintendent at Big Wedge; Hendrik Doornbush, Itogon staff; R. Keelley; E. J. Sanders, Itogon accountant; in back of the second row is A. S. Schoener, electrical superintendent at Itogon; back of him standing on the locomotive, is Charlie Stone, Baguio representative of the Manila Machinery Company.

rock has overtaken the advances made by the manufacturers of drill steel, although the latter have produced hollow steels of great strength with much increased freedom from breakage; two new steels of great promise have come from Sheffield in the last year. On the other hand, mounted hammer drills of much larger size have been perfected capable of drilling forty and fifty foot holes in hard rock, again with the help of the steel manufacturers.

A subject in this connection which has received considerable attention lately is the finishing of rock drill bits by hot milling. This practice has become general through the production of simple and robust machines for this purpose. Hot milling removes decarbonized metal from the cutting and reaming edges, thus making possible better tempering and sharpening of the bit.

The development of pneumatic picks for mining in some collieries and for trimming, and in metalliferous mines deserves mention.

The more rapid breaking of ground made possible by the use of better rock drills and better steel has concentrated attention on the use of loading machines and scrapers underground—the former more in collieries and the latter more in metalliferous mines, both in stopes and in drives. Scraper equipment of proved reliability and efficiency is now on the market and a considerable amount of "trade literature" has been published on the subject.

Where conditions permit, the use of portable conveyor belts at the face is still the easiest method of conveying and loading. Conveyor belting of extremely durable construction is now obtainable; the great objection to belt conveyors underground at all was their proneness to wear. In collieries, rope systems have been in use for many years for the main underground haulage, but in metal mines the transport underground of the loaded ore used seldom to be in trucks with a capacity of more than a ton or so each. With larger scale work and the construction of special haulage levels much larger trucks are employed requiring electric locomotives of considerable size.

Hoists or winding engines for raising the coal or ore to the

surface have been improved greatly in speed, controllability and safety. The hydraulic clutch is one of the latest inventions to find acceptance in hoisting practice.

It should not be overlooked that a deep hoisting has been made possible as much by improvements in rope manufacture as by improvements in hoisting machines. Only about two generations ago a Commission decided that the limit of depth to which coal could be worked in Great Britain was 1,000 feet because materials did not exist from which ropes could be made to hoist from greater depths. Now ropes to hoist many tons from depths of over 5,000 feet are in use; the cold drawing process and other improvements in manufacture have made these possible. Now attention is being turned again to lightening the load by the use of duraluminum cages and differently designed welded trucks or skips for use in the shaft itself.

With regard to surface equipment the use of manganese steel has been responsible for the greatest improvements in rock breaking equipment, which has changed little in design of late, but for crushing and grinding the Symons cone crusher with the barrel (Mare) or conical (Hardinge) type of ball-mill is becoming standard to the exclusion of the stamp and many older crushing and grinding devices, although the tube mill still holds its own for certain kinds of fine grinding.

Each successive year sees cheaper power generation and more ingenuity in the application of power to the service man. The high cost of the skilled miner in strikes and wages has already led to his partial elimination in some mining fields and the substitution of mechanical appliances run by ordinary labour under "scientific management." This is a process which will go on unless it is brought to a stop by the world-wide economic problem of how to maintain markets and at the same time eliminate purchasers by the rationalisation and mechanisation of industry.

On the technical side progress is to be looked for both in the development of heading and stoping machines for hard rock, (these await the necessary metallurgical materials) and in safe

(Please turn to page 26)



Ingersoll-Rand Jackhammer in use at Benguet Consolidated Mng. Co.  
Photo by Merl La Voy

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# The Mining Industry Organizes

The Gold Mining Association is dissolved and a new organization to include all branches of the industry is being formed—a step important to the welfare of the mining industry of the Philippines took place on Monday, February 17. The reasons for such a move are obvious: the present association was planned to include only the gold miners since at the time of its start, in 1932, gold mining was the only active branch of the industry in the Islands. Now, of course, gold mining is still the main mineral industry—but chromite, iron, manganese petroleum, and other natural resources are coming to the fore.

Baguio was the center of the entire industry in 1932, and, indeed, up to a year ago. Today, however, Manila is distinctly the mining center of the Philippines. Most of the operating and developing companies have their main offices in the city, most of the engineers make their headquarters here.

Plans for the new association are being made now; the exact set-up is not known. Present at the meeting of dissolution were J. H. Marsman, president; W. W. Harris, first vice-president; A. F. Kelly, treasurer; Richard Hayter, secretary; George Kerr, Alf Welhaven, A. F. Duggleby (representing Judge John W. Hausermann), P. A. Meyer, and J. O. Greenan. President Marsman submitted his final report, and after the report he appointed Messrs. Kelly, Duggleby, and Meyer as liquidators to dispose of the assets of the organization and to pay all its liabilities.

The last activity of the Gold Mining Association will be a dinner, to be given in Baguio some time during March, at the expense of the Association. This dinner will be primarily for the benefit of Class C members, which includes many of the engineers of the Baguio district. Treasurer Kelly is chairman of this committee.

Much of value to the industry has been accomplished by the Gold Mining Association, of which the *Journal* takes the following account from President Marsman's report:

"The immediate reason for the organization of this association was the grave concern caused by the introduction of a bill in the legislature imposing an ad valorem tax of 5% on the product of gold mines. It was believed that none of the companies developing new properties could be successful under such a tax burden, and it was doubtful if more than two of the producing mines could pay such a tax.

"On August 20, 1932, a meeting was held in the Stewart Building, Baguio, called to consider the organization of an association of producing gold mines and mines under development. After a general discussion, the meeting was adjourned to September 3, 1932, at which meeting articles of association were adopted.

"The following companies, by signing these articles, became class A charter members: Benguet Consolidated, Balatoc, Itogon, Baguio Gold, Benguet Exploration, Antamok Gold-fields, Big Wedge, and Gold Creek.

"The objects were thus defined. 'The purpose of this association is to serve the interests of the gold mining industry by the discussion of common problems and the interchange of information, and by the cooperation of its members on questions relating to the health, safety, and welfare of the employees of the industry and to the betterment of conditions surrounding the industry.'

"Membership requirements were as follows: Class A, companies, associations, co-partnerships and individuals engaged in the production of gold ore or in the development of ore-bearing properties that shall be represented by two accredited officials; annual dues, ₱100. Class B, companies, associations, co-partnerships and individuals that shall be the owners of mineral claims; annual dues, ₱50. Class C, associate members who shall be the staff personnel of class A members, and persons interested in the development of the gold mining industry who shall not be eligible to class A or class B membership; annual dues, ₱10.

"At its first meeting the association authorized the collection of statistics to set forth conditions surrounding mining operations, with the view of conducting an educational campaign. Data were assembled showing the number of men employed by the various operating and development companies; the amount of payroll distributed; the expenditures for mine and mill equipment and supplies; and the taxes paid by operating companies.

"A meeting of the presidents and directors of class A members was held in Manila in October, 1932, and the report compiled by Mr. Hayter was approved. This brief was circulated among the members of the legislature and the responsible officials of the government. Coincidentally publicity was given to the place the industry had as an employer of labor, as a distributor of payrolls, as a purchaser of large amounts of equipment, and as a taxpayer.

"As a result of this educational campaign, the bill imposing a 5% ad valorem tax failed of passage. Had this bill been enacted in 1932, the history of the mining industry would have been very different. For it is unlikely that the new development companies would have proceeded with their operations; and it is probable that the Itogon Mining Company, then a small producer, would have been obliged to close down.

"At every session of the legislature since 1932 bills were introduced that, had they been enacted, would have imperiled the success of the industry. But through the educational work carried on by the association by way of the publication of statistical information and the arguments presented at committee hearings by leaders representing the industry, no bill that affected the industry adversely became a law.

"From 1932 to 1935 the association was represented by a special committee to whom the mining industry owes a great debt of gratitude. This committee varied its membership from time to time, but those who took an active part were Judge John W. Hausermann, Andrés Soriano, Francisco Ortigas, (deceased), W. W. Harris, M. M. Saleeby and T. J. Wolf. As president of the association I was chairman of the special committee; and Mr. Hayter attended its sessions.

"It is my belief that most of the bills introduced, seriously affecting the industry, were the result of misconception by their sponsors regarding mining operations; and I am confident that the information gathered by the association and distributed among legislative leaders was responsible for the fact that not one of these bills since the organization of the association was enacted.

"During the life of the association it requested action from the legislature only on one measure. That was a bill to vali-

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date mining claims filed in forest reserves. This bill, remedying defects in administration following from the decree of Governor-General Stimson in 1927 establishing forest reserves, was passed by the legislature in 1935. As many mining claims in the Baguio district and other districts of the Mountain Provinces were affected, never-ending litigations would have resulted regarding titles to property had this not been passed by the legislature. That was an accomplishment of the association that cannot be overemphasized in its relation to the security of the industry.

"Prior to the organization of the association there had been little contact between the operating personnel of one mine with that of the others. The meetings of the executive committee held at various mines brought about, however, a fine spirit of cooperation."

## East Mindanao's New Mill

*It will be in operation in September, and will be the first large-scale mining project in Mindanao*

The first of what probably be several gold-producing plants in the Mindanao district has been ordered for the East Mindanao Mining Company, at Placer, Surigao. It will have a capacity of 100 tons a day, and will follow the general practice in the Islands for cyanidation. Past issues of the *Journal* have told you of the early history of East Mindanao; how operations were started in May, 1934; how development worked progressed steadily until in June, 1935, officials of the company announced that they were nearly ready to start planning a mill.

Test work on the East Mindanao ore was done at the Balatoc mill through the courtesy of Judge John W. Hausor-mann and A. F. Duggleby. E. M. Bagley, Balatoc mill superintendent, and E. C. Bitzer, assistant mill superintendent, did this work. Their tests were favorable from a milling standpoint, and a preliminary flowsheet was drawn up.

Moving ahead conservatively, East Mindanao continued with mine development, however, before the proper mill capacity could be determined. Not until the end of 1935 was the final decision made. At that time the ore reserves were sufficient, considered in relation to the financial strength of the company, estimated capital and operating costs, to warrant the construction of a 100-ton mill. Once again the aid of the Balatoc mill experts was called upon; Bagley was retained as consultant in the final design of the flowsheet and specification of major equipment.

The contract for the construction of the mill building and the erection of machinery was signed with the Engineering Equipment and Supply Company. All major items of mill equipment have been ordered by the company itself, and actual work has been started.

The initial unit of the power plant, consisting of a 300 h. p. Worthington Diesel engine and G. E. generator, have arrived at the mine. Erection is proceeding under the direction of J. C. Thomson, master mechanic. The second unit of what will be a 600 h. p. plant is scheduled to arrive in June.

Underground work not being neglected. In preparation of the first stoping blocks, so that ore production can start at full capacity as soon as the mill is ready, F. H. Wood, mine superintendent, is working his crews at full speed. Development of new ore on the 400 level of the Mindoro vein, and exploration of interesting showings on some of the other claims, is being continued.

East Mindanao's staff is headed by J. B. Knaebel, mine manager. F. H. Wood is mine superintendent; W. B. Foard, night foreman; J. C. Thomson, master mechanic; R. C. Meaders, assayer and engineer; F. Esiek, bogdga and surface foreman; Mrs. R. C. Meaders, accountant; Mrs. J. B. Knaebel, nurse in charge of dispensary; Miss Elsie Thomson, stenographer. The general office of the company is located in Cebu, with H. Gasser, president, in charge.

## What Happened...

*(Continues from page 18)*

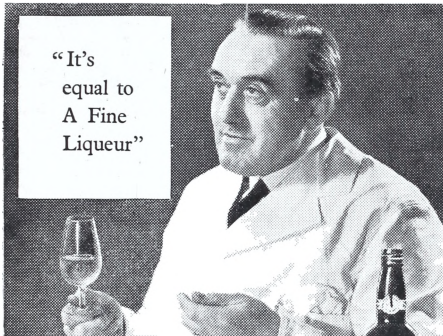
Mines, helped Mr. Duggleby with the examination); J. B. Stapler, one of the mainstays of the Marsman and Company engineering staff, predicted that there wouldn't be 50% of the Duggleby estimate. So far, Mr. Stapler has been right.

Part of the variation in ore reserves came from the fact that the boundary lines were not correct; hence the engineers estimating ore reserves were misled as to the extent of the property. This was not the main source of disagreement, however; the engineers, in looking over and making estimates in exactly the same area, simply could not agree.

All of which seems to go to prove that gold is where you find it, and that no ore reserves are, strictly speaking, positive ore until they have gone through the mill and their gold extracted. Usually, of course, engineers examining the same property will read the signs in pretty much the same way; there is but slight difference of opinion when two or three conservative engineers evaluate a property. There are many exceptions to this rule; Gold Creek is a good example.

Actual operations during the year were quite satisfactory. Production from April-December was P435,312.71. Operating profit was P163,639. The balance sheets shows a net profit of P58,940, as of December 31, 1935.

What will happen? No one can say. Engineers in the Baguio district say that the ore will be exhausted within six months; others say that new ore may be opened up. L. W. Buchanan, mining engineer for Marsman and Company who has been in direct charge of the Gold Creek contract, expressed the hope in his annual report that several of the workings might develop new ore reserves. The next few months will tell the story!



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# The Future for Chromite

Consolidated Mines has what is undoubtedly the largest single mass of chromite ore known today; it is comparatively low grade, however, and the future of the property depends upon the development of a market and upon the discovery of a direct reduction process by which the ore can be made useable.

That's the meat of the annual report of the Consolidated Mines issued early in March. Information regarding the metallurgical and technical problems facing the company with regard to its Masinloc chromite is given by A. F. Duggleby and George O. Searle, two of the most prominent and most conservative mining engineers in the Islands. The former is chief engineer and vice president of Benguet Consolidated and of Balatoc; the latter, formerly chief geologist for Benguet Consolidated, is now consulting engineer for Consolidated Mines. Benguet Consolidated took over the development and operation of the Masinloc property on July 9, 1934, on a profit-sharing basis.

A conservative estimate of the Masinloc deposit is 10,000,000 tons; its value, \$10 a ton, or P200,000,000. This makes the deposit a remarkable asset, to quote Mr. Duggleby. It is, however, an asset which will have to be developed over a period of years.

While there are other chromite deposits in the Islands, that of Consolidated Mines is by far the most important. It is more than likely that the other companies will face the same problem which Benguet Consolidated is experiencing, both metallurgical and economic. There may be sales in comparatively small quantities of chromite to Japan, and to other countries. The future of the chromite industry thus seems dependent upon the future of Consolidated Mines.

Before going into further discussion of the chromite situation, it might be well to report on the other activities of Consolidated Mines. The company is undertaking the exploration

of the Tumbaga Gold Mine in the Paracale district, under a contract with the owners on a royalty basis. It has a profit-sharing contract with Equitable Exploration, and a geological investigation of the Capucuan gold prospect of Equitable is under way. It is examining and exploring a large group of manganese claims in Antique province, the mapping of the geology of the area is partially completed and it is expected that active underground exploration will be started in the near future. It is examining and exploring the Maucassy group of gold claims in the Paracale district under the terms of a profit-sharing contract.

A number of prospects have been examined for gold, chromite and manganese; a considerable knowledge of the geology and mineral possibilities of the Islands was obtained.

Consolidated Mines is planning the systematic exploration of the Islands for mineral deposits. A large amount of geological and other data have been accumulated, the nucleus of a competent staff secured, and plans formulated to carry on the work aggressively.

Mr. Searle heads the Consolidated Mines technical staff; William Donaldson, formerly general superintendent of Ipo Gold, will arrive in Manila March 29, after a vacation to the States, to assist Mr. Searle.

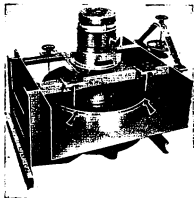
And now for the detailed information regarding the chromite deposit in Zambales, the *Journal* will give condensed extracts from the reports made, so that the general situation will be made clear.

## MR. DUGGLEBY'S REPORT

Benguet Consolidated started work at Cato, Masinloc, in July, 1934. A large outcrop of chromite ore, approximately 1,000 feet in diameter, had been well demonstrated by means of trenches. Samples ran from 37% to 53% Cr<sub>2</sub>O<sub>3</sub>, while a

(Please turn to page 27)

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# Comparing N

*being a tabulation of the annual reports of the gold*

Ralph Keeler

*Mining-Section Editor and Re*

Which of the Philippine gold mines made the most profit last year? Which of the properties will have the longest life? How much money is tied up in equipment and supplies?

The answers to these questions will probably surprise you—look at the chart and see. Many interesting and little-known facts are brought out by the comparison between the annual reports of the operating companies.

It is difficult to make such comparisons, since the reports vary considerably in make-up. To one not an accountant (and, we suspect, to many of the accountants) an annual report is a mysterious jumble of figures. Each company has its own method of accounting for the many branches of the business—and the final condensed report which is sent to the stockholder summarizes the highlights of the year's work.

This chart is based on the 1935 and the 1934 annual reports, and the figures have been arranged, so far as possible, so that they will be easy to compare. Ore reserves and bullion production are based on the market price of gold—\$70 an ounce.

Life anticipated has been calculated by dividing the tons of ore reserves by the tons milled in 1935—not an accurate

method, since practically every mill will handle more rock in 1936 than it did in 1935, but at least a conservative one.

The estimated value of equipment and supplies does not include the value of mine and mining properties, except where the writer was unable to separate them. Taxes paid in 1935 are not at all accurate—obviously, the industry paid more than ₱1,399,941 in income, bullion, and various other taxes—but it is the best that could be obtained from the reports.

Ore reserve figures are somewhat misleading; some mines, for example, Benguet and Balatoc, did not include possible or prospective ore, but only positive and probable ore; other companies included everything that could be considered ore, whether positive, probable, or purely speculative. Then too, the estimates made by engineers—and it doesn't matter who the engineers are or what their experience is—are at best scientific guesses, and are sometimes wrong. Witness the Gold Creek upset; four or five of the top-notch engineers in the Islands estimated its ore reserve, and four or five of them were miles wrong.

Another point about ore reserves: assuming that the ore

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Definite points; mine article was report used that there duction for it was given which in n

Only by and Tamb past three given. H estimated

	ORE RESERVES		As of January 1, 1935		PRODUCTION		LIFE Anticipated years	DIVIDENDS 1935	%
	Of January 1, 1935	Estimated Value	Tons	Estimated Value	Tons	Value			
1 Antamok Goldfields	809,322	₱16,726,689	725,873	₱16,811,835	115,584	₱2,490,979	7	₱1,000,000	72.7
2 Baguio Gold	109,616	2,148,936	231,550	5,887,695	51,645	874,201	2.1	none	none
3 Balatoc	1,060,726	31,565,450	1,134,883	38,414,422	431,099	12,544,342	2.2	5,100,000	127.4
4 Benguet Consolidated	1,013,899	28,958,238	981,905	30,075,208	276,187	8,632,056	3.6	5,700,000	95.0
5 Benguet Exploration	49,300	494,020	36,700	423,640	32,227	284,171	1.5	none	none
6 Big Wedge	58,632	2,063,076	—	1,000,000	none	none	1.2	none	none
7 Bicol Gold	96,000	1,023,360	started 1935	none	none	none	none	none	none
8 Cal Horr	77,227	1,049,014	none given	none	none	none	2	none	none
9 Coco Grove	14,328,000 cu. yds.	452,500	10,154,646	started 1935	none	none	4	none	none
10 Demonstration	200,729	5,145,364	156,012	4,040,659	54,760	930,343	—	none	none
11 East Mindanao	48,665	1,080,595	started 1935	none	none	none	2	none	none
12 Gold Creek	30,000	452,500	varied according to engineers	22,825	433,283	0.5	none	none	6
13 Ipo Gold	49,553	538,400	15,000	180,000	57,707	575,039	0.75	38,825	5.0
14 Itogon	440,460	9,851,425	307,420	6,896,443	111,833	2,212,493	3.9	643,864	32.4
15 I. X. L.	144,126	4,576,876	not available	15,333	356,000	3.0	none	none	1.0
16 Masbate Consolidated	6,415,906	64,244,812	not available	98,172	823,740	9.0	none	none	none
17 Northern Mining	12,715	352,780	started 1935	none	none	none	none	none	none
18 Salaoot	145,854	1,618,460	not available	5,822	45,075	2.2	none	none	2.4
19 San Mauricio	76,000	2,395,000	started 1935	none	none	2.0	none	none	5
20 Suyoc Consolidated	101,270	2,642,346	not given in report	40,042	790,031	2.5	none	none	8
21 Tambis Placer	not given in report of 1934 or 1935	—	not given	—	99,858	15	45,900	39.7	1
22 United Paracale	296,000	4,375,000	not given in report	21,203	575,984	5	none	none	6
23 Universal Exploration	not available	—	30,400	612,648	none	none	none	none	2
	11,236,000	₱191,437,187	3,619,743	₱104,342,550	1,334,439	₱31,667,595		₱12,528,589	54.7
	PLUS								
	14,328,000	cubic yards at Coco Grove							



# Big Notes

*of the gold mining companies compiled by*

**Keeler**

*Editor and Reporter*

as estimated is actually in the mine, the figure still does not represent the amount which the company can count on. Reason: 2 or 3% is left in the mine as pillars, etc.; extraction varies, but is seldom over 92 or 93%. Thus, if 100,000 tons, containing ₱10 a ton, are in a mine, 2%, or 2,000 tons are left in the mine; from the 98,000 tons mined, worth ₱980,000, but 90% of the gold is extracted; the final return is ₱882,000.

Definite figures are surprisingly lacking on many important points; most of these were not available at the time this article was written, or at least they did not appear in the report used. Where the word "none" appears, it means either that there was no such item for the period (such as no production for a number of mines last year) or that no figure on it was given. Since the writer has no way of telling which is which in many cases, he has used the same word for both.

Only two placer properties are reported on, Coco Grove and Tambis. Coco Grove has been in operation for the past three months, but no figures on production have been given. Hence it is difficult to predict just how much of the estimated gold contained can be extracted.

Tambis Placer gives no ore reserves in the report used, but does state that there is enough ground available to keep two or three more dredges working for the next 15 years.

Daily capacities will be different by the time you read this. Suyoc, Itogon, United Paracale, Demonstration, and many others will be handling more ore. Masbate Consolidated and I. X. L. will not reach the capacities given for some time yet, but much of the necessary equipment has been installed.

There's enough ore blocked out to last 10 years at the present rate of milling, according to the figures. Estimates of ore reserves by the established companies tend to be conservative, while those of the companies not in production yet swing to the optimistic side. However, reserves as given in this table were taken from reports made by engineers of proven standing in the industry here, and we believe that on the whole the figures are conservative.

Such a chart as this represents conditions on the first of the year as compared with January 1, 1935; it is not a tabulation of conditions as they are now, necessarily, and was prepared solely because of the interesting inferences which can be drawn from it.

%	Paid up Capital	NET PROFITS		Capacity Daily Tons	Estimated Value of Equipment & Supplies	Taxes Paid 1935		
		1935	1934					
72.7	₱1,375,000.00	₱1,231,128	₱393,381	450	₱1,603,514	₱36,933	1	Antamok Goldfields
none	none	255,572	205,882	150	1,007,806	not given	2	Baguio Gold
127.4	4,000,000.00	6,337,750	5,449,832	1200	4,239,718	731,487	3	Balatoe
95.0	6,000,000.00	7,302,277	6,605,841	800	2,388,474	537,848	4	Benguet Consolidated
none	500,000.00	16,652	22,574	100	98,582	499	5	Benguet Exploration
none	776,454.00	none	none	150	361,128	124	6	Big Wedge
none	none	none	none	none	not given	none	7	Bicol Gold
none	none	none	none	150	957,973	with Benguet	8	Cal Horr
none	none	none	none	not known	not given	none given	9	Coco Grove
none	997,180.00	195,272	none	175	409,534	20,046	10	Demonstration
none	none	none	none	100	not given	none given	11	Fast Minanao
none	699,464.00	58,940	none	none	76,527	1,768	12	Gold Creek
5.0	774,738.00	110,072	-2,824	200	550,809	9,970	13	Ipo Gold
32.4	1,981,122.00	806,145	997,457	350	1,684,302	39,128	14	Itogon
none	1,000,000.00	167,834	none	150	579,370	5,035	15	I. X. L.
none	none	178,160	440,358	2000	1,462,009	5,344	16	Masbate Consolidated
none	97,600.00	none	none	none	49,430	not given	17	Northern Mining
none	2,400,000.00	11,438	none	200	655,689	508	18	Salacot
none	500,000.00	none	none	150	275,138	not given	19	San Mauricio
none	850,000.00	44,220	none	160	1,362,230	4,755	20	Suyoc Consolidated
39.7	115,413.00	48,140	none	not known	138,306	2,428	21	Tambis Placer
none	600,000.00	120,939	none	150	702,043	4,068	22	United Paracale
none	221,054.20	none	none	none	not given	not given	23	Universal Exploration
54.7	₱22,885,025.20	₱16,884,539	₱14,118,149	6635	₱18,602,582	₱1,399,941		

## A Cat Can Look At A King or, A Woman Can Look At A Gold Mine

"Down to the 700-foot level." To me, a guest of the hospitable staff of Antanok mine, Benguet Consolidated, that phrase meant nothing the evening before.

Morning comes early in the Baguio hills. At 5:15 my alarm clock sneered at me; but, by heroic effort, I was able to join my gracious hosts at 5:30 breakfast. Wisely they made it a man-size meal, for I was to go down into the earth. And they have had experience, recommend the precaution of intestinal fortitude.

So at 6:00 I stood by the cage. Sheltered there at the mine building was this sturdy elevator. The khaki-clad operator, in charge of the levers some distance away, looked entirely nonchalant about sending folk into the depths.

Work comes first at a gold mine. A large crew had lined up. Methodically they were checked in. Then, in one small group after another, they disappeared into the cage. The outgoing shift was brought up alternately, looking tired and muddy.

"You'll have to wear miner's clothes, young woman," the Superintendent said smilingly.

When I emerged from the dressing room, I wore the regulation garb of the hard-rock miner. The effect was decidedly not Rue de la Paix. On my head there was a safety hat of metal, looking like nothing else but a big upside-down coconut shell. On my feet were high rubber boots, skidding me hither and you in a most unexpected fashion at odd times. Sweatshirt, trousers and rainjacket made up the ensemble.

Entering the cage was a moment for bravado. The doors closed irrevocably. I grasped the overhead bar as instructed by my mining companion, and we went down into the dark. Women are notoriously lacking in judgment of distance; but I now lay claim to a thorough knowledge of the length of 100 feet. That dark distance between the lighted tunnels at each of these levels is just too, too long.

Cautiously I stepped out at the 700-foot level. My guide lighted a carbide lamp for me expertly. Then he warned me not to swing it against the trousers I was wearing—for they belonged to him.

"Do you really want to go to the face of a tunnel?" he inquired solicitously.

Not for nothing have I been reading cigarette ads for a lifetime. Puffing the proper brand of tobacco, I answered with convincing nonchalance, "Why not?"

Overhead and underfoot, and on both sides, was the gray rock of centuries. Adown the fingers of tunnels, car rails ran. Here and there, workers were pushing the ore-filled carriers.

The same cage that brought me down would carry back to the surface, who knows how many tons of gold-bearing rock!

My first surprise was the temperature of these caverns. The warmth was stifling. And underfoot, rivulets of water seeping from the good earth swished around my rubber boots as I walked.

Gingerly holding my carbide lamp, which gave excellent light, I trudged after my guide. After walking under a heavily timbered portion of tunnel, I asked "What's that?" So I heard of the square-set. Even feminine I was able to grasp its implications. The earth here was heavy. On the return trip, I instinctively quickened my step at that place. A few timbers holding up 700 feet of rock (and that measurement only from the shaft's portal, with another thousand feet of mountain rising above) were to me an unpleasant *memoranda mori*.

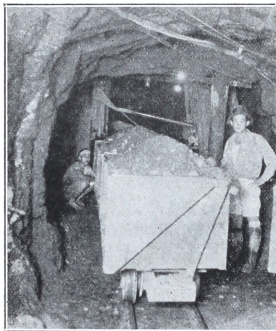
But before making the scurrying journey back to daylight, I saw what I had come to see: ore in place. Along the tunnel sides, at various intervals where samples had been taken, placards showed the assay values. At the end, or face, of this tunnel, the carbide lamp cast its flaring glow on quartz-streaked rock, the white filigree of that hardest of substances making a dainty tracery in the jutting grey.

Back in the sun again, I saw thankfully—as if they were home to me—the assemblage of machines and offices and carpenter shops. Now, even the Bontoc chieftain who is one of the keepers of the peace, seemed a friend. He and his war axe were at least on the surface of the earth; and the sky has no need of square-sets.

"What do you think of the mine?" asked the Superintendent, his eyes twinkling.

"Tops!" I answered.

—Betty Simpson.



A typical scene underground of the gold-mining industry's go-carts

# SHELL MOTOR OILS

Are Supreme

The Asiatic Petroleum Co. (P. I.) Ltd.

Box 441—Manila

The Future for Chromite

(Continued from page 23)

numerical average of 125 samples ran 41.08% Cr. While this ore appeared a little low to enter the metallurgical field, which accounts for the major part of chrome ore used and has a low limit of about 45% Cr in its specification, the presence of occasional higher grade samples of 50% Cr and over led to the belief that in a mass of this size there might be segregations of higher grade material, particularly in the lower part of the lens.

There were two main problems, then: to investigate the possibility of higher grade ore which could meet the specifications of electrometallurgical users; to determine the depth, tonnage, shape, and average grade of the ore.

The ore reserves, after careful systematic development, with results checked and rechecked, gave some 10,000,000 tons of ore, which included several thousand tons of float or talus ore. The average grade of the ore varied from 29% Cr to 36% Cr<sub>2</sub>O<sub>3</sub>; from 14% Cr to 16% FeO; the average ratio of chromium to iron being 2:1.

Laboratory work resulted in the conclusion that the mixture of chromite is too intimate to permit of concentration; that even of the chromite mineral could be isolated as such, it would still be low in Cr<sub>2</sub>O<sub>3</sub> due to the fact that it is nearer the lower end of the magnetite chromite series, as shown by the chrome iron ratio of 2:1.

Flotation tests brought about a 42% concentrate from 33% heads, but this was below commercial requirements and it is not readily saleable unless briquetted. Moreover, the high cost of grinding to the degree of fineness necessary to liberate the chromite would probably take up all of the profit.

The obvious solution to the metallurgical process is some direct reduction process. Consolidated Mines, though advantageous connections in the United States, has been able to start work along these lines which has so far given encouraging results. Samples are being submitted to another inventor

of a direct reduction process, asking him to determine the amenability of this ore to his process on a large basis.

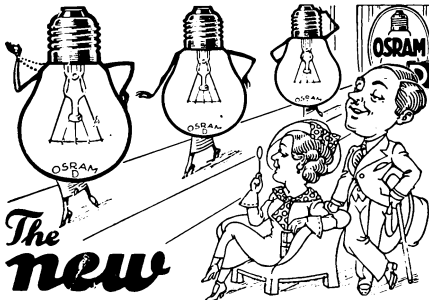
The question of transportation was next taken up, and it was decided that a railway should be built whenever truck haulage proved insufficient. Preliminary work on the roadbed has been started: a 600-foot pier will be built in a well sheltered harbor open to vessels of any size.

Mr. Duggleby's conclusions: While a limited amount of ore of this grade can always be sold for use as a refractory, the hope of the mine is in the rapidly growing electro-metallurgical field which takes by far the greatest part of chromite ore consumed.



"This body is undoubtedly the largest single mass of chromite ore known today and it is so situated that production costs can be obtained, which will more than offset any differential in freight to the United States. The only question is to develop a market. We have, for the past several months, been in touch with chrome consumers in all parts of the world and have shipped them substantial samples for testing purposes to see whether this ore can be adapted to their needs, pointing out that with the assured uniform supply which a deposit of this size offers, they can afford to spend considerable amounts in metallurgical research. Inquiries are constantly coming in, showing that knowledge of the ore is now rather generally disseminated among chrome users, and with all the research work now going on in the United States, Europe and Japan, and with the stimulation of a rapidly increasing demand for ferrochrome caused by the stainless steel industry, it is reasonable to assume that in the near future a successful direct reduction process will be solved.

"By that time, we hope to have the mine in a position to deliver ore in any quantities and to gradually, through low production costs, secure a substantial part of the world's business. The ore is today worth about ten dollars (\$10.00) a ton at tidewater, so even at today's prices the Coto ore deposit is a remarkable asset. It will be a long pull, however, by gradually building up the business and will probably be some years before it will gain the volume of business which a deposit of this size warrants. However, so far I consider

(Please turn to page 29)



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# Marsman and Company Open San Mauricio's Gold Mill

Mr. and Mrs. J. H. Marsman took Manila guests in a special train of 3 airconditioned cars to Hondagua, thence by steamer to Mambuhao and by automobile to the mine, for the opening of the San Mauricio Company's new 150-ton mill that brought the shares to more than 5 times par. Hospitality was unstinted, guests back in Manila after the 4-day outing reported unqualified enjoyment the entire time.

#### On the train:

Mr. and Mrs. J. H. Marsman, Mr. and Mrs. Arthur S. Heyward, Mr. and Mrs. N. E. Mullen, Mr. and Mrs. J. E. Enberg, Mr. and Mrs. Leonard C. Moore, Mr. and Mrs. C. D. Cubertson, Mr. and Mrs. Nor-

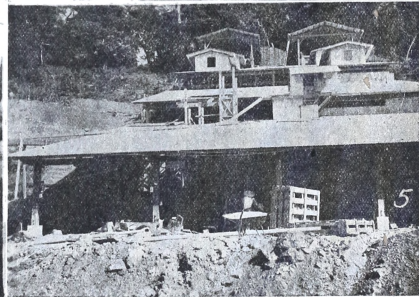
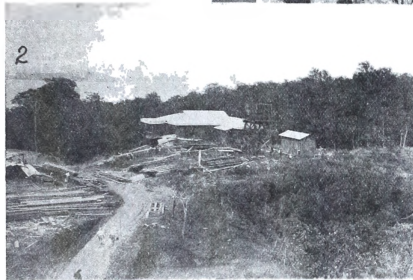
man H. Hill, Mr. and Mrs. Benjamin S. Ohnick, Mrs. Nell Applegate, Mrs. Lee Hobbs,

Messrs. H. P. L. Jolye, George W. Kerr, George H. Fairchild, J. B. Findley, John Hair, Mervin

Simpson, Elmer Madsen, Ed. Rowe, Sam Garmezy, Sam Wilson, E. E. Wing, Sam Hawthorne, Andrés Soriano, Z. Fraser Brown, Frank B. Ingross, Major A. Beckerleg, Alf Wellhaven, Ben C. Guy, Charles H. Hirst, Captain Thomas Leonard, Colonel Albert L. Sneed, Major Isaiah Davis, Captain Harold R. Wells, and Captain Lilburn D. Fator.

#### IN THIS PICTURE

Standing, left to right:—R. Green, master mechanic; Ed. Mulling, electrical superintendent; C. H. Reed, mine superintendent; (sitting) C. I. Carpenter, mill superintendent; H. L. Barr, general superintendent; and C. Mittelstaedt, accountant.



### San Mauricio Views

(2) Superintendent H. L. Barr's residence; (3) J. H. Marsman's Manila guests dining, etc.;

(4) Mill site; and (5) San Mauricio's 150-ton Mill

The future for Chromite

(Continued from page 27)

that our investment has been well merited and will prove to be a real asset.

"Up to December 31, 1935, the investment of the Benguet Consolidated Mining Co. in this contract amounted to two hundred ten thousand, five hundred thirty-two pesos and fifty-four centavos (\$210,532.54).

MR. SCARFEN REPORT

In calculating the value of the Masinloc chromite deposit, the two most important factors to be taken into consideration are the amenability of the ore to metallurgical treatment and its marketability. There is no doubt as to the great quantity available nor the low cost of production. The ore is comparatively medium-grade—in fact heretofore material containing 32% Cr<sub>2</sub>O<sub>3</sub> was considered non-commercial although during the World War high prices were paid for comparable ore. Up to six months ago our thought, in common with Benguet, was that it was a reasonable expectation to find high grade concentration within so large a mass but as development progressed it became evident that such was not the case in this particular instance. Realizing the importance of learning definitely the actual physical and chemical characteristics of the ore, together with its reaction to metallurgical treatment, your engineers decided on an independent investigation of these points.

Initially a small electric furnace was constructed at the Bureau of Science and a commercial grade of ferrochrome successfully pro-

(Please turn to page 31)

Camote Bill

By W. JAMES PIKE

Camote Bill's head's way up in the air,  
And his feet don't touch the earth;  
He's struck it rich, he's free from care,  
And he's bubbling over with mirth—  
He's wondering how he'll spend the dough,

As soon as it comes to his mitt,  
And he'll greet all the gang with a sonorous no,  
When they ask for the loan of a bit.

A silk suit he'll wear on a Sunday,  
And he'll buy him a new Stetson hat,  
And though he'll wear overalls Monday,  
No welcome will appear on the mat—  
His old time friends will get the frozen face,

And the bums the marble court,  
For with Bill they're all out of the race,  
And Bill and his dough won't part.

At Camotes now he turns up his nose,  
He eats Irish potatoes au gratin,  
And wears on his feet fine silken hose,  
And dresses his wife in black satin—  
No more on his plate will you find a pig's head,  
Bill says it's only fit for a dog,  
His munching away on pork chops,  
instead,  
And eating farther back on the hog.

The old corn cob now lies on the shelf,  
It's hardly the thing to smoke

When a fellow is really rolling in pelf,  
It makes him feel like a moke—  
The gramophone now lies out in the yard,  
A loud speaker functions instead,  
The old wheezy records in the discard,  
Bill tunes in on London, in bed.

He's left his old haunts, he's gone to the Pines,  
Where he sits with both feet on a chair,  
And loudly he talks of the wealth of his mines,  
And sweetens 'em up with hot air—  
A cowpuncher was Bill in a youthful day,  
He'll never play golf you can bet,  
He knows a sheepherder invented the play,  
An affront he will never forget.

STOP THAT  
COLD WITH  
**VAPEX**  
"A DROP ON YOUR HANDKERCHIEF"



IT LOOKS *the same*  
*as other square-edge belts,*  
BUT it has 14 Major Improvements

No other square-edge belt has yet equalled  
GOODRICH Highflex in performance...  
and we can prove it in your own mill

GOODRICH  
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The Pioneer of square-edge belts

Goodrich over 10 years ago pioneered the square-edge belt. Goodrich saw definite advantages in the square-cut edge—greater flexibility—no ply separation (bootlegging)—longer life—better power transmission.

Goodrich Highflex has revolutionized belt manufacture. Goodrich was over five years ahead of the industry and today by constant research and improvement Goodrich is still five years ahead.

Some Recent GOODRICH Improvements	
Increased fabric strength	Higher flexing life
More uniform ply adhesion	Less power loss
Greater resistance to deterioration	No breaking in period

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## Another Steady Month of Production

*Demonstration Makes Another New Record*

February was the shortest month of the year, and, although but one or two days were lost by the operating plants, they were enough to keep production figures below the P3,000,000 mark. Demonstration led all the rest, with a total of P134,531, thus beating its own best record by P18,000. Cal Horr, in its second month of milling, jumped P16,000 to P70,657.

United Paracale nearly doubled its January figure, going to P160,000 (estimated by Marsman and Company). Some of this resulted from the milling of ore of the Northern Mining and Development Company, which has a profit-sharing contract with United Paracale.

Most of the other producers had slightly lower bullion figures. No figures are available from Tambis Gold and from Coco Grove Placer Syndicate.

March should see a substantial gain in production all around; many of the plants have been working during the dry season (in the Baguio district, at least) on plant expansion, and this

construction work has naturally held up the normal course of operations.

In spite of everything, however, the month's total is well up to average—look the figures over:

Antamok Goldfields (includes Gold Creek) . . . . .	P 276,461
Baguio Gold . . . . .	81,447
Balatoe . . . . .	1,065,876
Benguet Consolidated . . . . .	740,879
Benguet Exploration . . . . .	23,233
Cal Horr . . . . .	70,657
Demonstration . . . . .	134,531
Ipo Gold . . . . .	56,333
*Itogon . . . . .	187,500
I. X. L. . . . .	59,279
Masbate Consolidated . . . . .	85,491
Salacot . . . . .	42,763
*Suyoc Consolidated . . . . .	100,000
*United Paracale . . . . .	160,000
Total . . . . .	P 3,084,450

\*Estimated by Marsman and Company.

## Men of the Mines

The mining industry of the Philippines lost one of its most brilliant younger members on Sunday, March 1, when James E. Hall, general superintendent of Ipo Gold Mines was killed in a fall 150 feet down the mine shaft. A. F. Duggleby, consulting engineer for Benguet Consolidated, was with Hall at the time of the accident, as was James Hopkins of the Ipo staff. The accident occurred as the trio were coming back up the inclined shaft after an inspection trip. In some manner, not yet determined, the ore skip in which they were riding was derailed. Hall was thrown from the skip, and fell down the shaft; the other two men were slightly injured but managed to cling to the cable until they could climb back into the skip.

Hall had been with Benguet Consolidated for two years. He came to the Islands with an enviable record and with the highest recommendations from the leaders of the industry in Canada. He had served as a pilot in the Canadian Air Forces during the World war. After the war he returned to Canada as geologist for an aerial prospecting company exploring new mineral areas north of the Arctic circle. Just before he left Canada to come to the Islands for Balatoe, he was mine superintendent of the Lake Shore Mines, the largest gold mine in Canada and one of the largest in the world.

He came to Balatoe as assistant chief mining engineer. His work there was so outstanding that he was soon promoted to the position of engineer in charge of the Consolidated Mines contract in Zambales. Much of the credit for the successful development of that ore body is given to him. He was promoted a short time ago, this time to become general superintendent at Ipo Gold, one of the most critical positions under the Benguet interests.

Judge John W. Haussersmann, head of Benguet, Mr. Duggleby, and all who came in contact with Hall, were high in their praise of his ability and of his promise as an engineer. All who knew him respected and liked him.

He was 34 years old, and is survived by his widow and a sister in the United States. Mrs. Hall had been with him at Balatoe, is at present on a vacation trip, and had planned to rejoin her husband in May.

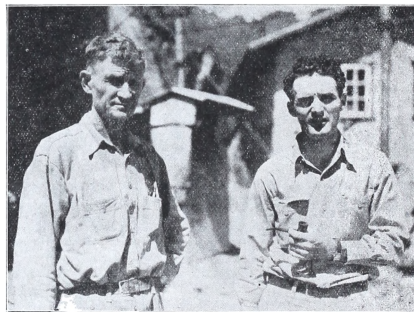
H. Foster Bain, formerly chief of the United States Bureau of Mines, and the author of *Ores and Industry in the Far East*, arrived in the Islands late in February on an extended visit here. He was at one time secretary of the American Institute of Mining and Metallurgical Engineers, and is an authority on mineral economies of the Far East and of the United States.

When interviewed in Manila, Mr. Bain remarked that he had learned through his experience with the U. S. Bureau of Mines that it was foolish for a government to attempt to control the mining industry. He expressed the hope that the division of mines become as reliable a source of information as the U. S. Bureau of Mines or even as the similar organization in China.

Bain made a visit to the Paracale district, but did not go to Baguio on this visit. (He was in the Pines City for a few days about a year ago and visited the mines of the district at that time.) He left the Islands March 11.

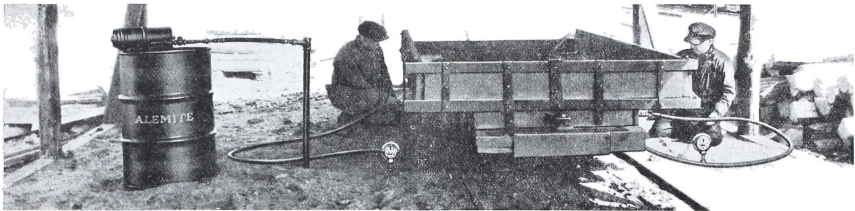
J. F. Mitchell-Roberts, export manager of Oliver United Filters, Inc., is spending several weeks in the Baguio area, studying filtration problems. He is on an extended business trip to the Far East, and chose to start his work in the heart of the Philippine gold mining region.

A change in the personnel of Marsman and Company was made effective late in February, when J. O. Enberg relieved J. B. Stapler as head of the northern division of the company. Stapler in turn relieved J. O. Greenan as head of the southern division, while Greenan and his family sailed for the United States on an extended vacation.



Balatoe Mine Executives

J. V. Wood, left, mill superintendent, and George Scholty, mill engineer.



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Mine operators everywhere are giving up slow, wasteful, old-fashioned lubrication methods in favor of the remarkable new Alemite Mine Car "Service Station." This fast, efficient—yet very

simple—lubrication unit actually costs less right from the start. The pump is put into the lubricant container and forces measured quantities of clean lubricant direct to bearings at the rate of 15 pounds per minute.

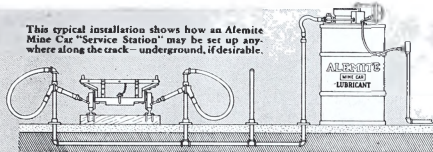
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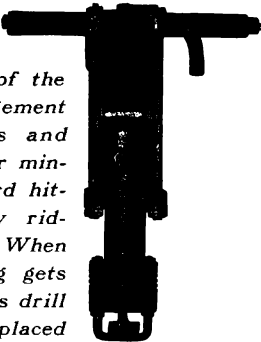
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The mine management department of Marsman and Company, Inc., from its wide professional acquaintance, selects the best qualified mining engineers for the mine operating staff; plans mine development and mill construction and expansions; budgets all expenses which are submitted for approval to a subcommittee on finance that meets daily; and supervises all mine operations. For their information there is available a uniform mine cost system and a mine accounting system that has been installed in all mines under management.

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# Hoover And Coconut Oil

The Philippines have no comfort anywhere among national leaders in the United States relative to their hope of a renewed free market there for their copra and coconut oil. They may as well face this fact. All American parties are out to help the American farmer, and see one way of doing it by giving him a better advantage in the fats and oils fields. In short, Philippine copra is up against the soy bean both in America and Europe; increased production of soy in temperate climes now modifies, will continue to modify, the demand for copra. Judging from his Lincoln (Nebraska) speech to 10,000 western farmers in mid-January, Herbert Hoover is as much for direct help to the farmer as any other presidential candidate is. Listen to him:

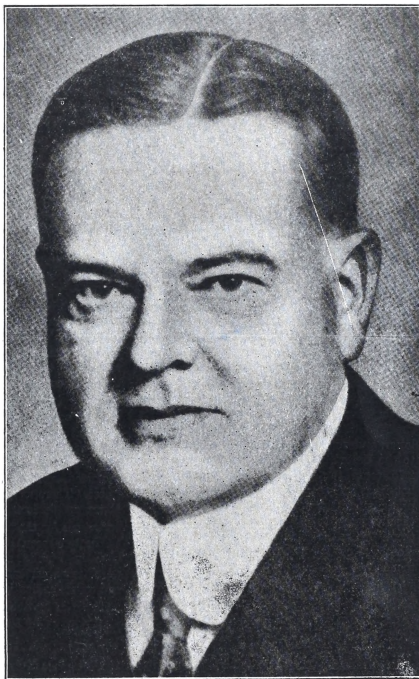
"Instead of trying to find a balance to agriculture by paying a farmer to curtail a crop, we should endeavor to expand another crop which can be marketed or which would improve the fertility of the soil. We import vast quantities of vegetable oils, sugar and other commodities. . . . We need to replenish our soils with legumes and restore coverages. . . . I believe we must be prepared to subsidize directly such special crops until agriculture has again been brought into balance. At the end of such a road we could hope for a balanced agriculture in full production and increased fertility in our soils.

"I am advised that it can be done within the spirit as well as the letter of the Constitution."

There is Hoover, on soy beans and other legumes.

His rival, President Roosevelt, is ahead of him in ability to act, and is of like mind with him as to helping the farmer. In the Soil Conservation Act, that no congress will repeal, the President has all necessary authority, plain and probably constitutional, to subsidize domestically-grown legumes while keeping, of course, the excise tax on copra oil. In our judgment, that in the Philippines we regret this situation will not change it in the least. Copra will remain a good crop, not however the bonanza crop it once was.

*Time* of January 27, whence we have been rewriting, sum-



HERBERT HOOVER



Husking Coconuts to Make Copra

marizes specific provisions of the Soil Conservation Act:

The act authorizes: (1) surveys; (2) conservation measures including but not limited to, engineering operations, methods of cultivation, the growing of vegetation and changes in the use of land; (3) cooperation or agreements with any agency—or any person; (4) acquisition of lands; or rights or interests therein; (5) operation on U. S. owned land, or on any other lands; (6) U. S. contributions to those who conserve the soil, in the form of money, services, materials, or otherwise; (7) the hiring of employees; (8) the expenditure of money for anything from the purchase of lawbooks to the maintenance of passenger-carrying vehicles; (9) and most important, the transfer to the work authorized of such functions, funds, personnel, and property of other agencies in the Department of Agriculture, as the Secretary may determine.

On this hint, brought to light when the Washington men of the St. Paul Pioneer Press and the New York Times

(Please turn to page 43)

## COPRA AND ITS PRODUCTS

By KENNETH B. DAY  
AND LEO SCHNURMACHER



KENNETH B. DAY

February showed a continuance of the uncertainty in the copra and oil markets which has been the feature for the past six months. Once more the market fluctuated wildly and once more speculative buying and selling controlled the situation to a large degree. European buyers, instead of following American prices, as they did a year ago, are sitting the pace themselves this year, which makes local buying for export as oil or copra to the United States an up-hill job temporarily at least.

**Copra.** The copra market for February was very largely controlled by European export prices. These prices were consistently above what the mills could afford to pay for oil sales to the United States and what the copra ex-

porters could afford to pay for shipments of copra to the United States. Sometimes this differential was as high as P1.00 per hundred kilos, but at no time was it less than 25 centavos per hundred kilos. On this basis a great deal of copra was sold for export to Europe at prices ranging from £14.10 0 down to £13.5 0 for sundried with smoke dried 10 to 15 shillings lower, and very little copra was sold for export to the United States where prices ranged from 2.75 cents to 2.50 cents per pound. Mills bought as freely as they could and paid maximum prices, many times buying at a loss. Even so, their purchases were not very heavy and led them with rather slender stocks to face the lean months of copra production immediately before them.

Copra prices in Manila started the month at P9.75 with the market weak. The price gradually declined to P9.00 with the buyers indicating a further decline to P8.50. Sellers, being well supplied with contracts and noticing the strong export markets, refused to sell at these lower figures and the market firmed up again to as high as P9.50 by about the 20th of the month.



LEO SCHNURMACHER

Thereafter another decline set in as the European market weakened and at the end of the month buyers were down again to P8.75 with large sellers not interested, but with a weaker tendency in evidence.

It is reported that the European demand for copra is caused by the ability of Europe to buy copra at a cheap price without any excise tax and supply the United States with other oils and fats which, due to the excise tax, are well protected, and consequently command higher prices. There is good profit in this for the European traders.

Arrivals for the month were very good, being the best on record for several years for February both in Manila and Cebu. Shipments also were heavy, particularly to Europe, both buyers and sellers evidently desiring prompt shipment.

Statistics for the month follow:

Arrivals—	<i>Sacks</i>
Manila .....	348,087
Cebu .....	336,523
Shipments—	<i>Tons</i>
Pacific Coast .....	11,571

Atlantic Coast .....	3,302
Gulf ports .....	1,270
Europe .....	17,037
Egypt .....	297

33,477

Stocks on hand in Manila—	<i>Tons</i>
Beginning of the month .....	35,017
End of month .....	31,135
Stocks on hand in Cebu—	
Beginning of the month .....	25,192
End of month .....	15,255

**COCONUT OIL:** The coconut oil market in the United States was very dull in February. Edible buyers were inactive and soap buyers could not see their way clear to pay above 4-1/4 cents c.i.f. New York, which was fully 1/4 cent below sellers' ideas. About the 10th of the month a small edible demand came into the market on both Coasts and it was possible at one time to sell oil in San Francisco at 4-1/4 cents and in New York at 4-3/8 cents with a small amount of business done at 4-1/2 cents. This involved a rather slender amount of trade, and by the end of the month prices were easier all around with large industrial buyers still willing to pay 4-1/4 cents c.i.f. New York, but with sellers holding out for 4-3/8 cents in New York and 4-1/8 cents in San Francisco.

The local market for drum oil fluctuated from 17-1/2 cents to 19-1/2 cents per kilo in line with copra values.

Statistics for the month follow:

Shipments—	<i>Tons</i>
Pacific Coast .....	2,876
Atlantic Coast .....	6,689
Gulf Ports .....	1,002
China .....	9

10,576

Stocks on Hand in Manila and Cebu—	<i>Tons</i>
Beginning of the month .....	21,503
End of month .....	25,292

**COPRA CASE AND LOCAL:** The absence of consumer demand at the beginning of the month, and accumulating stocks at this end, induced crushers to dispose of large parcels of their holdings at the low offers available from speculators in Europe, and transactions were recorded for shipment as far ahead as June. During the first half of the month, practically only April/May June shipments were in demand, while crushers were anxious to sell March shipment due to the fact that they were overstocked. Later in the month, owing to the low prices reached, it was again possible to stir up some consumer demand, and a fair volume of March and March April contracts was negotiated. Toward the end of the month, crushers had disposed of excess stocks and were no longer interested in low offers; the market closed with a firmer undertone and prospects of a steady market during March. Hamburg prices dropped to as low as \$21.50 per ton c.i.f. equivalent to about P23.00 f.o.b. The Pacific meal market was more active during February, but at declining prices. Sales were made at prices ranging from \$18.00 to \$16.25 per short ton c.i.f. for prompt and summer positions.

The following statistics cover these products:	<i>Tons</i>
Shipments—	
Pacific Coast .....	4,616
Europe .....	4,471

9,087

(Please turn to page 43)

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SHIPPING REVIEW

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



January exports figure as 191,926 revenue tons, the increase over December being accounted for in sugar. The sugar season is open, and the Philippines will have a decidedly larger quota for 1935-1936 season than they had in the 1934-1935 season. Seventy-two thousand six hundred tons (72,600) went forward in January, and heavy bookings are on record for February.

Increases are noted in copra shipments, but they are still decidedly below normal. Hemp shows an increase, 128,000 bales having been shipped, and with the increase in hemp rates effective May 1st of this year, hemp shipments should be stimulated for the first four months of the year. Logs and lumber are moving in a steady stream, January shipments amounting to seven million board feet, fairly well distributed to all markets. The shipments of coconut oil, copra cake, and copra meal are rather disappointing. Desiccated coconut, cigars, rope, and several other commodities were distinctly below normal.

First class passenger traffic from the Philippine Islands during January 1936 showed a slight improvement over the previous month but, as will be noted, remained considerably under the figures for January 1935. Intermediate class traffic increased considerably over the previous month, as did third class traffic. An analysis of the passenger departures, according to ports of destination, shows that traffic to Europe and the United States via Suez increased in direct proportion to the decrease TransPacific, indicating the increasing popularity of westbound round-the-world tours.

The following figures show the number of departures from the Philippine Islands during January 1936:

	Inter-	Third
	First	Class
China and Japan.....	34	120
Honolulu.....	0	6
Pacific Coast.....	34	15
Europe via America.....	8	1
Straits Settlements and Dutch East Indies.....	9	10
Europe and Mediterranean ports beyond Colombo.....	35	36
Australia.....	8	1
America via Suez.....	0	0
Round-the-world.....	0	0
<b>Total for January, 1936.....</b>	<b>128</b>	<b>219</b>
<b>Total for December, 1935.....</b>	<b>120</b>	<b>101</b>
<b>Total for January, 1935.....</b>	<b>192</b>	<b>255</b>

From statistics compiled by The Associated Steamship Lines, during the month of January they were exported from the Philippine Islands the following:

To	Tons	With Miscellaneous sailings	Of Which Tons	Where Carried in American Bottoms With Sailings
China and Japan.....	52,428	38	1,140	7
Pacific Coast Local Delivery.....	34,566	18	21,563	10
Pacific Coast Overland Delivery.....	727	9	311	5
Pacific Coast Inter-Castal.....	2,501	0	2,497	8
Atlantic and Gulf.....	78,766	26	14,273	7
European Ports.....	21,497	19	7	2
All Other Ports.....	1,441	22	220	4

A GRAND TOTAL of 191,926 tons with a total of 83 sailings (average 2,312 tons per vessel) of which 40,020 tons were carried in American bottoms with 14 sailings (average 2,860 tons per vessel).

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## LUMBER REVIEW

By ARTHUR F. FISCHER  
Director, Bureau of Forestry



The Philippine timber trade with Japan has again returned to normal. There were during the month under review shipped to that country 8,129,776 board feet compared with 5,415,752 board feet for November, or an increase of 50%. Thus the slack in the trade noted during October and November was merely temporary

as mentioned in our last review.

Lumber and timber exports to the United States in December registered an increase of 13% compared with the previous month. Prices were steady. Reports from the above market indicate a distinctly optimistic tone prevailing in the American lumber industry. A greater building activity is expected during 1936 and in anticipation of a brisker trade as a result thereof lumber yards are trying to stock up. The Philippine producers should, it seems, take advantage of the present favorable lumber situation in the United States to push the sales

of their product in this market. The Philippine Mahogany Manufacturers' Import Association in the United States has done a great deal in the way of advertising Philippine woods and otherwise working for the interests of the industry, but no doubt much more could and should be done if all the mills in the islands could give the necessary financial support. Largely through the efforts of the said Association and its legal counsel, a number of important and reputable associations in the United States, such as the Association of Southern Furniture Manufacturers, are giving their assistance in various ways particularly in connection with the mahogany case, which is still pending decision.

The activity of the Chinese market last November was maintained during December, which is significant taking into account the fact that the consumption of the above market from month to month is usually very irregular. The total shipments to China during the month under review was 1,793,520 board feet, most of them were in the form of logs, as against only 384,144 board feet for the corresponding period in 1934, or an increase of 367%.

The trade with Great Britain and that of British Africa were likewise comparatively active during December. Inquiries from new sources have been received from the latter country about the available supply and qualities of Philippine woods. It is said that house builders in South Africa are looking for better building material than what can locally be supplied. The Philippine product would no doubt fill this need satisfactorily if properly advertised.

The local markets are beginning to show their usual seasonal activity. Lumber deliveries from the mills exceeded production by 48%. The stock remaining at the end of December totalled 33,616,735 board feet as compared with 39,380,943 board feet at the end of the previous month, or a reduction of 14%. Mill production for the month under review also registered a decrease of 35%. Thus statistically, at least, the present local lumber situation seems favorable for a good market during the coming building season.



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### Holbrook at Ft. Santiago

Major General Lucius R. Holbrook, commanding the Philippine department is heralded an excellent choice for this period of transition for the U. S. army in the Islands. Major General C. E. Kilbourne who filled in during the brief period between Parker's departure from Manila and Holbrook's assumption of command, is famed as a coast-defense man of the first calibre.

General Frank Parker, in the 2 years he was here, gave the department as active an administration in time of profound peace as it ever had. He will be rated one of the founders of aviation in the Philippines; following the dangerous pioneer flights he made, more than 100 landing fields have come into existence widely scattered throughout the provinces. He was in great personal danger on his Davao flight, where his plane cracked up in a forced landing; also on the more successful flight with Vice-Governor Ralston Hayden to the Batanes, north of Luzon, where the crossing was hundreds of miles across the turbulent Pacific, and the planes had to search for valleys big enough to afford landing.

**FEBRUARY SUGAR REVIEW**

By GEO. H. FAIRCHILD



**NEW YORK MARKET:**

After the heavy buying move of two or three weeks previously, the market became practically lifeless during the first two weeks of the month under review, although holders maintained a firm attitude. An improvement was noted in the market on the 6th, particularly

ly on the sugar Exchange, when this year's quotations advanced 7 to 8 points, while Puerto Ricos for March-April shipment were sold at 3.35 cents, an advance of 5 points over the last business. This level was maintained during the second week with small sales of Puerto Ricos to refiners for shipment in the middle of March. In the latter part of the week, however, the market was unsteady with moderate sales of present shipment Puerto Ricos at 3.30 cents in liquidating most distressed parcels. During this week, small sales of present shipment Cubas were sold to Galveston refiners at 2.42 cents c. and f. (3.32 cent duty paid).

Under date of February 10, B. W. Dyer & Company released their world sugar statistics and estimates for 1936, showing that both production and consumption will be approximately 1,500,000 tons larger than the previous year, world sugar stocks will show a decrease of 1,208,000 tons on August 31, 1936. They also estimated consumption for 1935-1936 at 28,859,000 tons, being the largest on record, and showing an increase of 1,538,000 tons of 5.6% over the 1934-1935 consumption level.

Due partly to the assumption that floor stocks would be free of any new taxes that might be imposed, and the renewed confidence in the maintenance of the sugar quota control under the Jones-Costigan Act, great activity was recorded in New York during the last two weeks of the month, when a large volume of business was done at advanced prices. The first advance was recorded on the 18th when 29,500 tons of Philippines were sold at prices ranging from 3.40 cents for March-April shipment to 3.45 cents for May-June shipment. Small transactions of Puerto Ricos were done at 3.35 cents. At the end of the week, a still larger volume of business in Philippines amounting to 54,000 tons was made at prices ranging from 3.38 cents afloat to 3.45 cents for May-June shipment. During the fourth week, with the exception of a couple of distressed parcels sold on the 26th at 3.40 cents, a further improvement occurred. After disposing of 10,000 tons Philippines for May-June shipment on the 27th at 3.50 cents, further sales and resales aggregating 34,900 tons Philippines were made on the following day at prices ranging from 3.45 cents for afloat to 3.55 cents for May-June shipment, a new high point for the year. Quotations on the Exchange during the past two weeks, particularly for this year's quotations, advanced a total of 16 to 20 points over the closing quotations on the 15th.

**Futures:** Quotations on the Exchange during February fluctuated as follows:

	High	Low	Interst
March.....	2.53	2.29	2.53
May.....	2.35	2.30	2.35
July.....	2.56	2.30	2.36
September.....	2.58	2.35	2.38
November.....	2.56	2.36	2.56
January.....	2.35	2.13	2.34

**Stocks:** Latest stocks in the United Kingdom, United States, Cuba, Java, and European statistical countries were 6,019,000 tons compared with 7,692,000 tons the same time last year and 7,429,000 tons the same time in 1934.

**Philippine Sales:** Sales and resales of Philippine sugar in New York afloat, present shipment and for future delivery during the month amounted to:

	Tons	Crats per POUND
	To	From
Sales.....	172,900	3 30 3 55
Resales.....	7,000	3 40 3 45

**LOCAL MARKET:** The local export market was lifeless during the first and second weeks at prices ranging from P7.50 to P7.75-P7.80 per picul. In sympathy with the activity in the New York market, during the third week, large business was done locally at prices ranging from P8.00 to P8.10 per picul, although at the close of this week buyers became more reserved and quoted generally from P7.80-P7.90 per picul. During the last week, prices advanced both in Manila and in the south and as high as P8.25 per picul was paid on the 25th for an attractive parcel. The market generally fluctuated between P8.10 and P8.20, but since a large volume of business had already been done during the previous week, transactions during the last week of the month were made in a much smaller scale.

The domestic market was firm during the first week owing to the difficulty of obtaining new-crop sugars and to reports of cane shortages in many districts. Transactions in old-crop sugar were effected in raws at P7.75 and in washed sugar at P8.20 per picul. Buyers showed much interest in making contracts for future delivery and transactions for washed sugar for future delivery were done at P8.20 ex-ship Manila during the second week with further buyers at this price. The release of new-crop sugar for local consumption has been restricted by the Domestic Sugar Administration to 10% monthly so long as centrals and planters have not filled their U. S. export allotment. This order caused quite a confusion in the local market aggravated by the delay in the issuance of domestic quotas. During the fourth week, the domestic market was firm and business was reported done on the basis of P7.90 ex-ship Manila for raws with the customary premia for washed sugar. There were buyers in Negros at P7.50 per picul ex-godown.

**Philippine Exports:** According to reliable advices, Philippine sugar shipments to the United States during February amounted to 107,131 long tons of centrifugal and 10,344 long tons of refined. The aggregate shipments of these two classes of sugar for the first four months of the crop year 1935-1936 follow:

	Long Tons
Centrifugal.....	223,265
Refined.....	14,437
Total.....	237,702

**Vickers Forms Partnership**

Justice James C. Vickers recently resigned from the Philippine supreme court has formed a law partnership and has offices in the De los Reyes building, Plaza Cervantes. The firm's name is Vickers, Olmick, Opisso & Veilla; James C. Vickers, Benjamin S. Olmick, Antonio M. Opisso and A. L. Veilla, general practice. Among leading clients of the firm are J. H. Marsman & Company, whose extensive mining interests are well known. The new law firm will stand among the leading ones of the Islands.

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(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;...."

## THE RICE INDUSTRY

By PERCY A. HILL  
of Manila, Nueva Ecija  
Director, Rice Producers' Association



Rice prices since our last report are lower by 5 centavos to 10 centavos a sack. Luxury grades are bringing P6.45 to P6.65 a sack, nucleus P6.10 to P6.30 a sack. The market is steady. Mean paddy ranges from P2.85 to P2.95 a cavan, 44 kilos, luxuries 10 centavos to 15 centavos higher. Receipts during the month were fair, but there was no building up of stocks at a consumer's centers.

Saigon reported heavy arrivals but the market tending upward, February 20. Saigon No. 1, 25% broken, P6.49; No. 2, 40% broken, P6.37. (Sacks of 56-1.2 kilos, c.i.f., Manila or Cebu delivery). The new sack-weight has excited comment. The old weight was 2 cavans of paddy, 88 kilos, making 37-1.2 kilos of clean rice with normal mill recovery; and the 1.2 lbs. was supposed to be the weight of the sack. The new ruling is, 56-1.2 kilos a sack, for some reason. The standard ganta measurement is 3 liters, with the sack or cavan at 75 kilos dry measure; but there is no way for a sack to hold 25 gantas, dry measure, as recovery and quality vary.

The 1936 crop estimates vary from high to low. Pangasinan had estimated clean rice 3,500,000 sacks, but reports a loss of 2,000,000 sacks. Capiz has lowered her early estimate by 1.3; the Ilokos region, 40%. The Tayabas crop is short, also Bulakan's, and Tarlac, Pampanga and Nueva Ecija report their crops 1.5 below estimates—which fails to tally with threshing records. Official estimates of the crop are 19,390,500 sacks, against requirements for 22,390,600 sacks, a shortage of 3,000,500 sacks. An assemblyman estimated a shortage of 5,000,000 sacks.

The next crop will be a short one, due to the plant disease everyone so meekly ignores, and the weather will take the blame.

The fine word *stabilization* is again to the fore. Like *diversification* and *normalcy*. The board the chief executive appointed suggested a revolving fund of P2,000,000 for purchase and distribution of rice—presumably imported under some arrangement about the tariff. This seems feasible, but only for the large consuming centers; but the real difficulty lies not there, but in the producing regions.

Due to pressing necessity of producers, the crop, short as it is, has been sold without taking subsistence needs into account. Subsistence will provoke demand in the distant consuming centers and thus reduce stocks perilously in the rice provinces themselves. Mechanisms of distribution function well in the export-crop regions, but are erratic in the rice regions; and hence, since the main supply will be shipped away on trade commitments, unrest in the rice provinces may be expected.

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Manila.



**TOBACCO REVIEW**

By P. A. MEYER



**RAWLEAF:** During February weather conditions in Cagayan and Isabela continued favorable for the growing crop. Prices in the local market continue firm with very few parcels offered for sale. Large consignment were made to the monopolies of Spain Japan and Korea. Comparative figures

for shipments abroad are:

	<i>Rawleaf, Stripped Tobacco and Straps Kilos</i>
Australia.....	9,117
British India.....	1,269
China.....	2,610
Holland.....	7,661
Hongkong.....	1,150
Japan.....	1,088,373
Korea.....	108,781
North Africa.....	155,688
Spain.....	1,632,816
Straits Settlements.....	1,212
United States.....	52,278
	3,150,935
January 1936.....	775,473
February 1935.....	3,312,385

**CIGARS:** Shipments to the United States compare as follows:

	<i>Cigars</i>
February, 1936.....	12,765,809
January, 1936.....	9,621,440
February, 1935.....	18,002,143

**Roses To Symphony Guarantors**

The most unbusinesslike profession of music-makers (wherein art is always for art's sake) the world over leans heavily upon the commercial leaders, for there are necessary expenses of scores, instruments and the like. To one hearing the Manila Symphony for the first time, resulting in its really remarkable attainment, a few good words to the guarantors seem due.

Possibly the last concert under the distinguished direction of Alexander Lippay, the third program given January 28 at the Metropolitan Theatre was heard by some 1,500 persons. A large portion of these can support the orchestra only by buying tickets. To the many Manila business men who in kindness have aided the Manila Symphony Society, he said that the pleasure shown by these concert-goers is an indirect tribute to commerce's open-heartedness.

When future support of the Society is contemplated, it is not amiss to remember that the pesos donated go directly into channels of trade: salaries to players, purchases at local stores, rentals of practice hall and concert auditorium, printing of tickets. Even were this not so, the cultural prestige and the high type of recreation

are aims that need no ballyhoo. Aside from charity, of all community projects that ask for assistance none is worthier than the continuance of the Manila Symphony Society, the good work of Alexander Lippay.

—M. E. S.

**MANILA HEMP**

By H. P. STRICKLER  
*Manila Cordage Company*

During the first half of February the New York market was steady at previous prices, but later on in the month the buyers gradually withdrew from the market until at the end of the month there was practically complete cessation of demand. In London and Japan, outside of sporadic and speculative demand of small volume, the markets continued very quiet, with the consequence

that values declined materially on all excepting the higher grades of Davao.

The local market in Davao remained quiet and steady during the entire month; but in the northern provinces it eased off considerably due to lack of interest on the part of buyers and to the pressure of increased production.

*Prices of Loose Fiber in Manila  
Per Picul*

January 31st		February 29th	
CD.....	P23.00	CD.....	P22.00
E.....	21.00	E.....	20.00
F.....	19.75	F.....	19.25
G.....	18.75	G.....	18.25
J1.....	16.25	J1.....	15.50
G.....	13.50	G.....	13.00
H.....	9.75	H.....	9.50
J2.....	11.75	J2.....	11.00
K.....	9.50	K.....	8.75
L1.....	8.50	L1.....	7.75
L2.....	7.25	L2.....	6.50

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## Men D o w n t o w n

The throng heading for the American Chamber of Commerce shortly before 10 the morning of March 7 were on their way to the ninth Republican annual convention. E. E. Soph was the chairman. Chief business was the choosing of delegates to the Republican convention to be held at Cleveland, Ohio, in June. Kenneth R. Day and John R. McFie, Jr., were unanimously elected. They intend to demand recognition of the Philippines in the person of themselves, the delegates. Alternates are E. E. Elser and E. E. Wing. The convention's business moved quickly under the efficient committee chairman: P. D. Carman, Judge L. D. Lockwood, G. H. Fairchild and C. M. Cotterman. Of the 115 prominent business men (and a sprinkling of the fair sex) present at this insular convention, 42 were from Cebu. These welcome visitors were generally feted in Manila during the last fortnight.

Because Mrs. Cotterman's health will not allow of their leaving the Islands this year, as they had long planned to do, and because National Committeeman C. M. Cotterman believes the committeeman should attend the national convention, he resigned and suggested the man who was unanimously elected his successor, Judge John W. Hausermann; and a resolution in appreciation of Cotterman's work as national committeeman since the death of Judge A. S. Crossfield about 8 years ago, was spread upon the record. H. B. Pond, chairman of the insular committee, proposed the resolution. Refreshments followed the convention's adjournment.

They met down at the railroad station, forty or more of them, and went for an air-cooled and jubilant ride to the official opening of San Mauricio's new mill. Guests of J. H. Marsman, the directors and prominent shareholders spent three days in making the Paracale trip and viewing the actual mine operations.

O. S. Orrick of General Paint company arrived in Manila from the States to survey possibilities in the Islands.

More airway facilities are foreseen with the arrival in the Philippines of W. D. Pawley of Shanghai. He represents the Intercontinental Aviation company.

N. J. Perrin, manager of Thomas Cook and Sons, Hongkong, spent a couple of weeks in Manila.

The China clipper carried from Manila J. A. Zalduendo of Pan-American Airways New York office, who made many friends before his departure. He was the first official passenger on the Pacific hop.

Simon Feldstein of Manila has left the Islands for the annual vacation trip to the States that the Feldsteins customarily make.

From Paracale to meet the steamer came C. A. Heiber whose wife and daughter disembarked to join him in residence in the Philippines.

R. H. Parker of States Steamship, Iloilo, was in Manila for a time before boarding the *Scharnhorst* to Japan.

After vacationing in the States, Captain and Mrs. W. A. Reddish returned to Davao following their year's absence.

Movie people in Manila have been many, the last month. Bonny Powell, Fox cameraman, and S. Yamanouchi, his assistant, made quite a stay. The yacht *Athene* brought J. B. Schackelford, Paul Schweigler (towering former University Washington All-American), Robert Kerr, Sidney Burlap, garnering scenic studies. Then none other than petite Anna Mae Wong was a happy guest, having made her first trip to her ancestral home, China.

Al Ehrman of Calamba Sugar Estate was visited by his brother Sidney from San Francisco, and there was great argument about which climate is the better.

From Shanghai with the Mrs. on a holiday trip came A. B. Park of American International Underwriters to Manila.

J. B. Worcester, well known travel writer, left Manila for a quick trip to southern islands. Then he fell in love with Zamboanga, as every traveler does, and decided to stay there as long as possible.

And a Zamboangan coming up to the metropolises was F. L. Zimmerman.

Chrysler visitors were two company officials, C. F. Cress and M. J. Riker.

Ed Cooper was given a despedida by Rotary with much fun and frolic as becomes a hearty farewell and *Auf Wiedersehen*.

Employees of Philippine Long Distance feted Major J. H. Stevenot, vice president and general manager.

Benjamin P. Lukens, long of Meralco, and Mrs. Lukens, retired teacher, said goodbye to a host of friends in the Philippines before sailing off to California. After visiting the home folks on the Atlantic coast, they plan to seek out sunny San Diego for permanent residence.

### The future for Chromite

(Continued from page 29)

duced on a small scale. Following this a large sample of the ore was sent to a high class metallurgist in the United States, personally well known to the writer, with instructions to make tests, or have tests made under his direction, which would definitely answer the questions at issue. His conclusions are as follows:

1. The ore is easily smelted by standard methods to produce a commercial grade of high-carbon ferrochrome which finds ready sale on a rapidly expanding market.
2. The physical and chemical characteristics of the ore are such that it is excellent refractory material.
3. The ore can not be economically beneficiated to produce a high-grade concentrate. (This checks Benguet's conclusions.)

The foregoing report was accompanied by complete estimate of the cost of production of ferrochrome and of the capital expenditures necessary to construct metallurgical plants. The estimates indicate a good profit for processing, assuming a price for the ore in line with Benguet's estimate of its value at tidewater and selling ferrochrome under the present market price.

You must remember that this is a new business with tremendous possibilities which must be carefully planned and thought out. The great reserves justify painstaking research in the initial stages to insure against mistakes. Large capital investments are required to secure the maximum profit from the ore which necessitates the acquisition of positively accurate data on which to base the details of plant construction.

In the manufacture of ferrochrome, power is a large item in the cost of production. It has been ascertained that there are several projects now under construction, favorably located as regards transportation of ore to possible metallurgical plants and of the finished product to consumers, where power will be sold at ap-

(Please turn to page 46)

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M A N I L A

## Consuls in Manila: IV—Miguel Espinós y Bosch

By BETTY SIMPSON



MIGUEL ESPINÓS Y BOSCH  
Spanish Consul General

Spain's role in the Philippines has been so all-pervading through the centuries of Spanish régime, you might think the Spanish Republic bemoaned the loss of the imperial islands. Not so.

"No regrets," says Consul General Espinós. "Spain sees with enthusiasm the spread of democracy in this country. She is happy to behold the rise of nations that were born under her wings."

Royal Spain did indeed further, even if negatively, the republicanism of the world, with her far-flung banner. From the ashes of colonial empire sprang the South American nations and Mexico—and among island autonomies today, Cuba, Santo Domingo, Filipinas. Spain today leads the vision of the world of peace, through her distinguished and unique Salvador de Madariaga. He, ambassador to the United States at the same time Señor Espinós was consul at New York City, is a prime factor in League of Nations deliberations. Though success may not yet have come to his efforts, still such amelioration as could be gained against terrific obstacles pays tribute to Madariaga's career. This Spanish gentleman and scholar tried his best to avoid war; Paraguay vs. Bolivia, Columbia vs. Peru, Italy vs. Abyssinia.

The English-speaking world has long read the poems of Wordsworth, and venerated the poet highly. In college days a bookworm with definite literary tastes, the writer rebelled at idolizing Wordsworth, claiming that England's others were being slighted. Led her delight in finding that a splendid scholar shared those entirely personal views; none other than Salvador de Madariaga, writer of note, lecturer,

and now Spanish delegate to the League of Nations. (Though it is whispered he started a small war by his stand on Wordsworth.)

When Madariaga and Manila's Espinós were diplomats together in America, the Spanish population was larger, larger than that of the Philippines. After six months in America's first city, Consul Espinós was transferred to Cuba, then in need of the most skilled diplomacy. After two years' there (together with previous residence of many years in connection with the embassy), he was appointed Consul General to the Philippines where he has graciously fulfilled his position for three years. In May he takes customary leave, but hopes to return.

He will find in Spain an interesting scene. The statesman Azafia triumphed in the recent elections. A modern program of progressive legislation is forecast, interpreting Spanish liberalism as promised in the republican constitution.

The Consul rejoins his family in Barcelona. There he was born, and at 23 threw in his lot with diplomacy. The family home is there. The eldest son remained in Barcelona to follow his own scientific profession—chemistry. A graduate of Barcelona's *Instituto Químico*, the brilliant lad is now taking advanced work under the famed Nobel prize-winner Dr. Sabatier, University of Toulouse, France. Of the four children, Antonio and Conchita were in the Philippines during the Consul's stay. In fact, Señora Espinós is Manila-born, her birthplace having been the present Vicente Madralga home, and she the beautiful Conchita Perez.

Having returned recently from the Philippines to Spain with Antonio and Conchita, Señora Espinós writes to the Consul that Antonio celebrated his 16th birthday with a gain in weight of 16 kilos. And 13-year Conchita, to

the contrary, lost weight. But both those happenings were exactly what their parents planned and hoped for the joyous return to Barcelona.

The Spanish community—industrialists, planners, financiers, religious orders, so numerous that by beginning with the mention of one it would be needful to sum up the entire Philippines—keeps a close tie with home. The imports of Manila from Spain, in addition to strictly commercial articles, reveal this. Perfumes and powders for the ladies, Spanish wines for the men, *pinientos* and *azofan* to spice the true homelaud dishes for the delight of the children. Surely *arroz valenciano* is not the least of Spain's cultural contributions to the islands, always remembering Plato's definition of cookery as a branch of architecture and therefore one of the fine arts.

Spanish culinary art attracts many a European visitor to the Catalan provinces. *Alimentary tourists*, they are sometimes called, and inexpensively they wine and dine in Spain. No less in the Philippines are the delectables of Spain to be found.

Such imports add a bit to the islands' trade with Spain, totaling P497,393, in 1935. Exports to Spain were 11 times as great, P5,449,000, the same year. Under the present Spanish government, a steamship line to the Philippines will no doubt be instituted. Thus trade as well as travel will increase. And travel to Spain will always intrigue Americans. Franklin, the *torcedor* from Brooklyn, was well-liked by Spaniards. American envoys to Spain have often founded enduring friendships there. Devotees of literature, music and painting stay long in Spain for her Cervantes, Greco and Velasquez.

And visitors from the Philippines will discover in Barcelona, at least during the time of the Consul's leave, the charming Espinós y Bosch family as well. Many are the friends who will visit them there, just as all distinguished Spanish visitors were led by them here.

"Coming to Barcelona?" asks the hospitable Miguel Espinós y Bosch. "O. K."

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## Junk

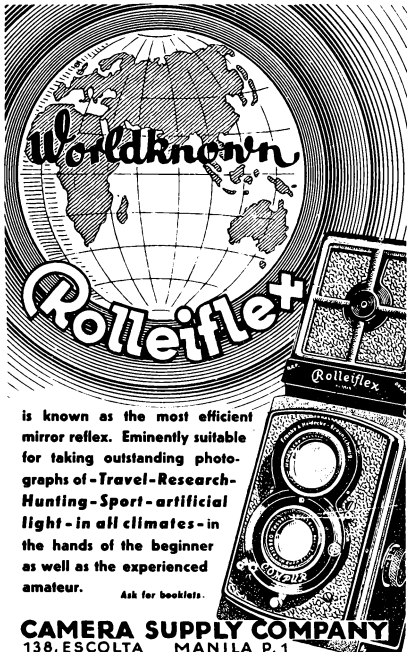
Do you like old things that served their purpose once, old things that figured afterward in auctions, industry's impromptu dramas? Of course, they played no stellar roles, yet at least were worthy supernumeraries; and in such tongues as they could speak, and with the lines they had, spoke well enough. One proclaimed it had been red starboard light on an old iron ship first bought in the Philippines—built in Glasgow yards and stored out east in the new Suez canal—that mounted guns and ran down Mohammedan fleets of praus, ending piracy along the Christian coasts.

Has such a lamp a bit of retained dignity? No doubt, yes. Its fellow, the green harbor light, is with it still. They burned coconut oil; you could have them from the junkman cheaply, and with your gardener's ingenuity could convert them into fixtures for electric lights. Everything in the quaint second-hand chandler's shops on calle Madrid and around the corner on calle Jaboneros—that is to say, soap-makers' street—in its old forms tells of man's old ways of yesterday.

But we don't know that you like junk shopping. Should you, here's a hint.

You would build a gate, perhaps a fence along the hedge; and what better for these details of your home in a great historic port city than some of the junkman's anchor chain. Do ships not serve you still? Old lamps at the portal, have you the taste to fix them there? Here's a caster, filigree bronze; all the cruetes are gone, but burnish the caster and you have a bonbon dish quite enviable. There's something stanch about it, but lightness too, and delicacy. If you can trace the caster to the craft center that made it, then surely you know bronzes; it could be moonish, yet it might have come to Manila on an early Establanman, to grace a resident-merchant's table.

Yet again you say, you don't like junk; you are modern and like new things. Well, have new things. *De gustibus.*



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IT IS WORTH THIS MUCH FOR THE KNOWLEDGE THAT ADVERTISING GIVES YOU. AND THE LOW PRICES YOU PAY ARE DEPENDENT ON VOLUME PRODUCTION THAT IS ENTIRELY DEPENDENT ON ADVERTISING.

*Newspaper Advertising Pays Dividends*

**THE MANILA DAILY BULLETIN**

**REAL ESTATE**

By P. D. CARMAN  
Addison Hills



The following are the totals for the first two months of each of the last five years:

1932	P1,251,452
1933	1,692,048
1934	2,531,342
1935	2,276,947
1936	2,352,312

*Sales City of Manila*

	January	February
Sta. Cruz	P 285,463	P 239,288
Sampaloc	645,371	63,261
Tondo	82,268	81,084
Binondo	18,000	189,402
San Nicolas	14,188	48,700
Ermita	103,050	21,000
Malate	94,814	67,869
Paco	39,140	19,048
Sta. Ana	33,814	88,035
Quiapo	19,238	128,619
San Miguel	—	—
Intramuros	—	32,100
Pandacan	—	1,130
Sta. Mesa	1,900	34,700
San Felipe Neri	630	—

P1,338,076 P1,014,236

**Copra**

(Continued from page 34)

Storks on hand in Manila and Cebu—	Tons
Beginning of Month	9,439
End of Month	8,881

**DESEICATED COCONUTS:** The desiccated market was featureless during the month. Prices in New York continued pegged at 7-3 4 cents while shipments were slightly smaller than in January. Factories found cocoanuts rather scarce and high priced. The entrance of new small mills into the business which commenced last year continued but small dealers so far have not shown any disposition to under-cut prices to find a market for their products. Shipments for the month total 2155 tons.

**GENERAL:** As usual future prospects for coconut products are most uncertain. Many things can happen which will either improve or harm our prospects. Buyers are adopting a hard on the mouth policy with regards to coconut oil, while buying far more freely other fats and oils not so subject to adverse legislation. There is considerable sentiment in Washington toward modifying the excise tax, but it is extremely unlikely that anything constructive will be done, particularly unless the Philippine Government takes a definite stand favoring constructive legislation along these lines.

Prospects for the coming few months indicate an fluctuating market with a long range probability that the second half year with large offerings of copra available may prove disappointing to producers in comparison with 1935, although substantially better than two years ago. All this, however, is largely a matter of speculation.

**Hargis and Godbe**

(Continued from page 17)

with an assay value of 0.44 oz. at 101 feet from the portal and at 210 feet encountered the main vein. The vein at this point is 4 feet in width with an average assay of 2.02 oz. or \$70 per ton. Drifting S. E. at this point shows the vein to have a bearing of N. 32 degree W with a more northerly bearing than the general bearing of N. 60 degree W. A connection with the west drift of tunnel 1 is about to be made which will insure good ventilation and facilitate the work in this section.

"Tunnel 2 at the extreme northwest end of the ridge has proven that Tunnel 2 has not been driven far enough north to have encountered the main vein, and a distance of not more than 50 feet should encounter the main vein. At the present time, the drift being driven east is in a well defined vein and the assay values are now running between P7 and \$8. As this vein approaches the main vein the values have shown a steady increase. This work is starting immediately and within 30 days should prove the location of the vein at this point.

"The main Tunnel at the 200 level is now in a distance of 366 feet."

**Hoover and Coconut Oil**

(Continued from page 34)

reminded Chester Davis, quondam administrator of AAA, that the act existed, Roosevelt revamped his farm policy without delay. What the supreme court deprived him of in invalidating the AAA, he seems to have in this act in much more substantial form; and True says the act is brief, covering but a single page. This being spring, and an election year in America, the act will be heard from this summer. It will probably influence the planting of hundreds of thousands of acres; more particularly in the south, where superabundant cotton together with new cotton-picking machines disemploy colored labor that it would hardly be well to have float northward, will intensive diversification be an aim of administration.

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# Benton of the "Texas Crap Shooters" Ends Career Here

*Former statistician of Manila Harbor Board is congressional medal man: was in the Gillmore-rescue expedition*

Scratch any oldtimer ever so lightly and you discover an erstwhile romantic adventurer. Lawrence Benton is one of the last men you would suspect of this, but it is eminently true of him too; and in spite of the fact that for 20 years he has been stout, rather solemn-mannered, and sedate. This dignity developed when he had quit taking his fun where he found it. It came with his advent into civil life, where he had a long and worthy career in the insular customs service—was collector at Zamboanga—and topped it with 10 years as the amanuensis of the Manila Harbor Board where he prepared and published the annuals on the overseas trade of the Islands, often supplemented with special papers on the Islands' main industries.

On retiring from the civil service, he was granted the retirement gratuity, and with the harbor board he had ₱10,000 a year. His contract not renewed, he and Mrs. Benton (they have no children) are to make their future home in the United States. Benton has 3 brothers, older than he, and will so arrange his life as to spend as much time with them as possible.

These brothers live in Wisconsin. Friends everywhere in the Philippines regret the breaking of ties with the Bentons, who however have been successful here and leave the Islands with goodwill toward them.

The regiment that Benton came to the Philippines with as a volunteer soldier was recruited at San Antonio, Texas—"Remember the Alamo!"—and was the 33rd U. S. Volunteer Infantry brought over on the transport *Sheridan* that left San Francisco September 30, 1899, and docked at Manila October 27. The regiment went on immediate duty at Calocan, then it was reembarked and conveyed up the west coast of Luzon by 4 gunboats, and on November 7 took the town of San Fabian. Largely recruited from Oklahoma and the Indian Territory, and the Texas ranges, soldiers of the 33rd represented every walk of life and had such a propensity for crap as to be dubbed *The Texas Crap Shooters*.

Colonel Hare liked the nickname at once, it told him his men were ready fighters. The regiment was soon in the battle of San Jacinto, one of the toughest fights of the entire Aguinaldo insurrection, and it did itself honor in the fight.

Then Colonel Howze of the 34th Volunteers, and Colonel

Hare of the 33rd, with small selected detachments, drove into the Abra wilderness to rescue the Gillmore party. (In the battle of San Jacinto, Major John A. Logan was killed; his body was taken back to America on the *Sheridan*. Logan was one of the few commissioned officers killed in action during the war, and 2 men of his battalion were killed beside him.)

Lieutenant J. C. Gillmore had been the navigating officer on the gunboat *Yorktown* sent to Baler, Tayabas (President Quezon's birthplace) to bring relief to the Spaniards, about 50 in number, holding out against the insurrectos under the impression that Spain still held the Philippines and the rebellion was a movement against their country. It was this stubborn garrison that kept the Red and Gold flying longest in the Islands. In trying to relieve it, Gillmore and a number of his men encountered overwhelming Aguinaldo forces up the river, that they were exploring with the ship's boat, and were compelled to surrender after some had been killed and others fatally wounded.

Aguinaldo had them taken to San Isidro and placed in the provincial jail, and with other prisoners occasionally taken, they were moved north as Aguinaldo retreated farther and farther into the mountains. The room at San Isidro where they were confined became, under the United States, the office of the division schools superintendent. Visiting that office often, during 5 years of supervising San Isidro's schools, I remember that the names of the prisoners where they had scratched them into the brick, were still on the wall toward the street; and I recall that they were eventually whitewashed over, and that I felt it a sacrilege.

But I remember more merrily my beloved neighbor, the old Spaniard, his loyal wife a Filipino woman, who, released at San Isidro when Aguinaldo trekked north, got a message back from Gillmore to the advancing American line. The message told the American command that Gillmore and his men were still alive, but feared they would be in great danger of being shot as excess enurance during the retreat. Permitted cigarettes, the old Spaniard emptied one, put this message in the wrapper, then closed the ends with tobacco; and then he hid this fragile cartridge in his groin, and made his way south to meet the Americans.



LAWRENCE C. BENTON

... Congress awarded his soldiering in the Abra Mountains with coconut-bark pads for shoes.

Near the column, he climbed a mango tree and concealed himself, calling out when the advance guard approached. So he delivered the message, and the further most personal information that his wife was about to undergo the crisis of childbirth; whereupon the regimental surgeon was requested to take charge of the situation. The woman was conveyed to the field hospital in a Daugherty wagon, and there delivered of a boy who, when baptized, was called Lawton. This boy came to have brothers, Funston, McKinley, Roosevelt, MacArthur, Taft. The grateful and emotional Spaniard seemed to love America equally as he did his wife; and his young republicans attended San Isidro's public school.

After San Jacinto, out of Benton's company no less than 76 men were able to be detailed to the outfit taken by Howze and Hare in rescue of the American prisoners, Gilmore heading them, that General Manuel Tinio had sent into the wilderness under a detail commanded by a lieutenant. Only 24 of the company could not go, something showing the stamina of the young volunteers. The expedition began with about 6 days' rations, and its errand was only effected after weeks of hardships all but beyond human endurance.

At last the prisoners were found, alive but famished—though hardly more so than their rescuers—at the headwaters of Abulog river, gathered at a boulder midstream; and on the bank above, the Filipino officer and his men waiting to surrender. On this turn of fortune the prisoners gave way to long-pent feeling, they behaved like hungry children: they wept hysterically, and laughed by turns—every

pathetic gesture revealed their gratitude. Then Gilmore advised that way should be made to the coast down the Abulog, that flows northward parallel to the Cagayan, instead of recrossing the divide.

This was done, the wounded and exhausted being conveyed on bamboo rafts. But so barren was the country, so empty every knapsack, that at the end of December, when muster had to be taken so the men would have their pay on time, the sergeant had to crawl about the camp to notify the men, and they in turn had to crawl to answer to their names—which every man did grinning.

By this time, foot pads were being improvised out of coconut husks. The men would shoot coconuts from the trees, when they got to the lower lands where such trees grew. They would break off the husks, mesh them with their rifle butts, and tie them to their bare feet with fiber. In this way, Benton hiked from Abulog to Aparri, as many of his comrades did, a distance of some 15 miles. At Aparri the party boarded the *Venus* (an old interislander still in service, Manila to Palupandan weekly) and was taken back to San Fabian under escort of the gunboat *Princeton*. Congress voted all the men medals.

Such was the rescue of the Gilmore party. F. W. Langford, agent for Pabst beer, was among the prisoners; and his gay notes dropped along the way of retreat—"Drink Pabst Beer!" "On the Road to Hell and Still Going!"—were frequent signals that the rescue expedition was on a hot trail.

Gilmore had with him 11 men. Admiral

Watson reported the other 14 as follows: Civilians, G. W. Langford, David Brown, J. W. O'Brien. Soldiers: George T. Sackett, Archie H. Gordon, William Bruce, Elmer Rounyman, Frank Stone, Lehard S. Smith, Albert O. Bishop, Frank McDonald, Harry T. Huber, Martin Brennan, James B. Curran.

Pyton C. March, then a major, was in this decisive northern campaign. (During the World war he was chief of staff). Prisoners kept at Bangued a while had been befriended by the Paredes family, had opened school, and taught Quintin Paredes, now delegate to Washington, his first lessons in English. He had learned quickly, and word of it had reached March.

When March invested Bangued, Abra's capital, all families but the Paredes family had fled to the shelter of the mountains; but this family, praying and preparing to flee, suddenly, by decision of the father, decided to remain in town and trust to the Americans' mercy. March had a little boy named *Quintin* hunted up, and brought before him at the town hall. When March asked Quintin if he spoke English, and if his name was Quintin, he replied, his heart in his mouth:

"No, my name is Quintin (Queen-teen, accent on the second syllable). No, I don't speak English!"

So he became March's interpreter, thus innocently beginning his public career and founding an imperishable friendship. Unable to tell how far along a trail the March column might be, he hit upon the use of a stick in lieu of unknown words. "This morning, sir, we here," he would explain, his hand on one end of the stick. "Tonight we be there," the other end of the stick

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"But we now here only," some intermediate point along the stick. March found this was accurate information.

With such directness the American régime began, that the subject of this sketch had a gallant part in it at the outset, a useful part since. When Banguel was to elect a mayor, March called all voters to his headquarters and told all who wanted to vote for Isidro Paroles, Quintín's father, to step to the right. If anyone wanted to vote for Isidro's opponent, if anyone did, they could step to the left. As this, while simpler, differed only in detail from the Spanish elections, it was at once understood and accepted; and of course, Isidro was all but unanimously elected the town mayor.

So the story runs on, adventure after adventure. Yet there are young men who suspect that when oldtimers get together and recount the past, the days of the empire, they depart from strict accuracy and draw

the long bow! Nothing of the sort. In the instant case, I have had the help of the history of the 33rd Volunteers, by the regimental historian, Guilford C. Jones; my own memory as a carpentering school teacher, and the chapters by Benton himself, published in *The American Oldtimer*. Often indebted to Benton for trade data, the *Journal* wishes him and Mrs. Benton many years of continued happiness together. They have been good folk to know. W. R.

## Future for Chromite

(Continued from page 40)

approximately one-third the figures used in making the estimates referred to. As regards marketing, chromite, unlike gold, must be sold in a competitive market. Consumption and cost of production play important roles in producing profits. Statistics show that chromite consumption is expanding. New uses are constantly being discovered for its utilization. As an example, the last few months have seen an increasing demand for ferrochrome in the automobile industry due to the discovery that the addition of a small amount of chrome to the iron in the engine—a small amount added to the material formerly used to make forgings such as the crankshaft, permits the casting of these parts instead of forging. The addition of chromium to steel plays an important part in adding strength and decreasing weight—a characteristic which is increasingly being recognized and utilized by various industries. There is no doubt but that consumption is increasing and that we are in on the ground floor of a comparatively new and growing industry. With the acquisition of the data now being compiled it will be possible to intelligently negotiate contracts for ore and decide on the feasibility of constructing metallurgical or other plants to produce a saleable product to actual consumers. As previously pointed out, estimates of the cost of producing ferrochrome from Masinloc ore are decidedly favorable to that deposit.

No far no mention has been made of the use of Masinloc ore in the chemical industry. Exhaustive tests have been made in our laboratory which show conclusively that sodium bichromate can be produced at a cost which compares favorably with that of other producers.

Mr. Searle's conclusions regarding your Masinloc chromite deposit may be summed up as follows:

1. There are a minimum of 10,000,000 tons of commercial ore positively in sight with possibilities of a considerably greater ultimate tonnage.
2. Exhaustive tests show conclusively that the ore:
  - a. Is amenable to metallurgical treatment;
  - b. Is excellent material for refractory purposes;
  - c. Can be used in the production of sodium bichromate.
 All at a cost of production low enough to permit successful competition if necessary.
3. Once into production a long life is assured with an ultimate probable profit to be realized from these reserves far in excess of that which may be expected from other ore reserves now under development by the mining industry of the Islands.
4. We are on the ground floor of a rapidly expanding market and the development of new industry.

## Improvement . . .

(Continued from page 20)

dry mining and in cheap adequate air conditioning for great depths. These will render reciprocating electric rock drills immediately popular with a great saving in power and reduction in the cost of breaking. We may yet see the piping of liquid air instead of compressed air to the working faces in hot and deep mines, but for cooling and ventilation purposes instead of for power. Further improvements in scraper loading and more particularly in mechanical loaders are to be expected. Cheap light portable ready-made metal belt conveyors would find useful application for gathering ore—the locomotive has inherent disadvantages. Present types of ropes and hoists do not appear to offer scope for any great improvement, although pumps and fans are still the subject of interesting innovations.

Many ore-dressing processes, particularly the crushing or disintegration of ores, offer a wide scope for technical advance.

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QUANTITY AND VALUES OF PRINCIPAL EXPORTS

Commodities	Calendar Year 1935				Calendar Year 1934			
	Quantity		Value		Quantity		Value	
		%		%		%		%
Canton (Low Grade Cordage) Fiber	5,072,283	304,293	0.2	4,813,076	266,111	0.1		
Cigars (Number)	223,117,286	6,708,760	3.6	222,850,666	7,212,895	3.3		
Cocunut Oil	164,185,771	24,308,065	13.9	144,955,075	18,742,742	8.2		
Copra	252,809,640	21,974,660	11.8	342,705,994	17,240,240	7.9		
Copra Meal	101,864,072	2,278,847	1.8	99,651,951	2,102,241	0.9		
Cordage	8,006,643	5,323,620	1.2	8,318,954	2,668,210	1.2		
Dessicated & Shredded Cocoanuts	33,968,041	7,924,630	4.3	23,535,737	4,509,079	2.1		
Embroideries	538,381	949,641	0.5	1,227,988	2,283,740	1.0		
Hats (Number)	188,200,585	29,975,529	12.3	174,290,256	11,323,150	7.9		
Hemp, Knotted	99,323	72,740	0.0	178,841	241,108	0.1		
Leap Tobacco	22,415,559	4,614,620	2.5	13,128,620	2,782,902	1.3		
Lumber (Cubic Meters)	107,854	17,454	0.0	117,492	27,233,644	12.9		
Magnety	14,725,427	1,018,397	0.5	10,759,722	605,700	0.4		
Peart Buttons (Grs.)	694,161	474,794	0.3	713,886	485,075	0.2		
Sugar	516,232,686	95,381,359	35.4	1,152,840,733	130,909,161	59.8		
All Other Products	10,248,476	58.0	0.0	10,248,476	58.0	0.0		
Total Domestic Products				186,332,634	98.5		218,920,315	90.5
United States Products				1,028,729	0.5		1,582,488	0.7
Foreign Countries Products				229,997	0.1		295,408	0.1
GRAND TOTAL				188,191,360	100.0		220,907,271	100.0

NOTE:—All quantities are in kilos except where otherwise indicated.

VALUES OF PRINCIPAL IMPORTS

Articles	CALENDAR YEAR			
	1935	%	1934	%
Automobile	\$ 5,617,055	3.3	\$ 6,022,408	3.6
Automobile Accessories	2,013,839	1.2	2,241,329	1.4
Automobile Tires	1,583,392	0.9	1,932,902	1.2
Books and other Printed Matters	2,075,639	1.2	2,001,121	1.2
Breadstuf Except Wheat Flour	1,187,065	0.7	1,094,983	0.7
Cocoa Manufacturers' Export Candy	1,010,954	0.6	751,661	0.5
Cars and Carriages	949,233	0.6	1,175,628	0.7
Chemica's, Dyes, Drugs, Etc.	3,134,636	3.0	4,834,364	2.9
Coin	1,538,636	0.9	1,226,987	0.7
Coffee, Roasted and Prepared	1,346,776	0.8	1,191,971	0.7
Cotton Cloth	20,099,242	11.7	21,018,134	12.5
Cotton Goods Other	10,500,599	6.1	10,134,786	6.2
Dairy Products	6,152,723	3.6	5,822,087	3.5
Diamond and Other Precious Stones Unset	363,183	0.2	358,373	0.2
Earthen, Stono and Chinaware	867,372	0.5	917,026	0.6
Eggs and Preparations of	267,345	0.2	320,705	0.2
Electrical Machinery	4,397,336	2.5	4,340,197	2.6
Explosives	1,334,781	0.8	1,150,343	0.7
Fertilizers	5,620,191	2.1	5,088,282	2.7
Fish and Fish Products	2,721,670	1.6	2,702,846	1.6
Fruits and Nuts	2,645,015	1.5	2,313,955	1.4
Gasoline	6,668,291	3.9	5,156,359	3.1
Glass and Glassware	1,381,569	0.8	1,496,490	0.8
India Rubber Goods	1,259,373	0.7	1,060,836	0.6
Instrument and Apparatus not Electrical	595,853	0.3	685,861	0.4
Iron and Steel Except Machinery	18,934,149	8.2	15,134,956	9.1
Leather Goods	1,620,616	1.1	2,029,927	1.2
Machinery and Parts of	8,007,705	4.7	7,315,121	4.5
Matches	212,987	0.1	335,224	0.2
Meat Products	3,153,099	1.9	2,408,713	1.4
Motion Picture Films	588,344	0.3	417,706	0.3
Oil Crude	4,027,615	2.4	4,494,547	2.1
Oil, Illuminating	2,970,302	1.7	2,418,681	1.4
Oil, Lubricating	1,181,949	0.7	1,377,856	0.8
Oil, Not Separately Listed	1,019,296	0.6	873,996	0.5
Paints, Pigments, Varnish, Etc.	1,307,183	0.8	1,287,513	0.8
Paper Goods Except Books	2,441,156	2.5	4,384,240	2.6
Perfumery and Other Toilet Goods	1,319,073	0.8	1,490,211	0.9
Photographic Equipment & Supplies	309,361	0.3	444,806	0.3
Rice	556,206	0.3	520,931	0.3
Shoes and Other Footware	362,038	0.2	428,811	0.2
Silk Goods	4,851,400	2.8	4,603,650	2.8
Soaps	729,003	0.4	655,505	0.4
Sugar and Molasses	365,812	0.2	222,381	0.1
Tobacco and Manufactures of	7,508,559	4.4	5,853,802	3.5
Vegetables	3,278,477	1.9	2,810,297	1.7
Vegetable, Fibre and Manufacture of	3,382,340	2.0	4,365,237	2.6
Wheat Flour	5,711,254	3.3	5,247,388	3.1
Wood, Red, Bamboo, and Batten	47,005,411	27.5	48,938,454	21.8
Woolen Goods	713,653	0.4	765,756	0.5
Other Imports	13,124,185	7.7	12,581,482	7.5
GRAND TOTAL	\$171,047,699		\$167,214,221	

TRADE WITH THE UNITED STATES AND FOREIGN COUNTRIES TOTAL TRADE BY PORTS OF ENTRY

Ports	1935		1934	
	Value	%	Value	%
Cebu	\$ 45,320,468	12.6	\$ 40,414,300	10.5
Hava	12,806,509	3.6	11,622,897	2.8
Hoio	47,005,411	27.5	48,938,454	21.8
Joa	441,371	0.1	300,388	0.2
Legaspi	8,065,327	2.4	6,365,327	1.6
Manila	240,190,707	66.8	242,284,731	61.5
Zamboanga	4,408,774	1.2	2,695,878	0.7
TOTAL	\$350,539,059		\$388,021,492	

CARRYING TRADE

Nationality of Vessels	Calendar Year 1935				Calendar Year 1934			
	Value		%		Value		%	
		%		%		%		%
American	\$ 38,112,021	34.7	\$ 52,219,202	31.9				
British	32,389,910	29.1	35,389,048	23.3				
Chinese	346,162	0.2	91,473	0.3				
Danish	3,738,880	3.4	3,821,331	2.5				
Dutch	8,070,915	7.4	8,620,987	5.2				
French	125,521	0.1	125,521	0.1				
German	8,730,065	5.3	9,185,180	5.6				
Greek	50,512	0.0	50,512	0.0				
Japanese	15,773,083	9.4	17,778,044	9.6				
Norwegian	14,437,909	8.0	14,438,104	8.8				
Panama	4,754,613	2.8	5,378,555	2.2				
Philippines	39,185	0.0	39,185	0.0				
Swedish	1,087,398	0.6	1,582,946	0.9				
By Freight	\$167,805,622	98.1	\$163,973,667	96.1				
By Mail	3,241,408	1.9	3,241,408	1.9				
TOTAL	\$171,047,628		\$167,213,463					

EXPORT

Nationality of Vessels	Calendar Year 1935				Calendar Year 1934			
	Value		%		Value		%	
		%		%		%		%
American	\$ 76,362,801	40.8	\$ 71,170,642	32.5				
British	37,438,910	20.1	47,003,443	21.6				
Chinese	189,502	0.1	64,193	0.3				
Danish	3,738,880	2.0	3,821,331	1.8				
Dutch	7,038,984	3.8	5,464,715	2.5				
French	215	0.0	215	0.0				
German	2,335,300	1.3	3,350,422	1.5				
Greek	2,400,350	1.3	31,971	0.0				
Italian	920,800	0.5	949,331	0.4				
Japanese	11,534,477	16.9	50,017,987	22.9				
Norwegian	13,832,634	8.2	20,089,670	13.3				
Panama	3,075,409	1.7	3,801,760	1.9				
Philippines	1,268	0.0	8,767	0.0				
Swedish	1,764,800	0.9	2,008,201	0.9				
By Freight	\$186,746,151	99.1	\$178,677,191	99.1				
By Mail	1,745,209	0.9	2,130,080	0.9				
TOTAL	\$188,491,360		\$220,807,271					

TRADE WITH THE UNITED STATES AND FOREIGN COUNTRIES VALUES OF TOTAL TRADE BY COUNTRIES

Countries	Calendar Year 1935		Calendar Year 1934	
	Total Trade	%	Total Trade	%
United States	\$260,351,090	72.5	\$293,906,513	75.6
United Kingdom	2,961,958	2.0	2,228,221	2.4
Australia	3,085,558	1.0	2,699,701	0.7
Austria	5,571,520	1.6	5,571,520	1.5
Belgium	2,297,110	0.6	2,650,190	0.7
British East Indies	4,276,658	1.2	4,276,658	1.1
Canada	2,025,561	0.6	1,823,896	0.5
China	8,959,363	2.6	8,959,363	2.1
Danish	1,916,368	0.5	1,737,776	0.2
Dutch East Indies	4,222,371	1.2	3,326,590	0.9
France	3,630,308	1.1	3,630,308	0.8
French East Indies	863,905	0.2	863,905	0.1
Germany	6,058,726	1.8	9,432,699	2.4
Hongkong	1,746,283	0.5	1,475,847	0.4
Italy	4,119,647	1.2	4,119,647	1.1
Japan	35,061,078	9.8	29,210,150	7.5
Japanese China	11,071,011	3.1	619,933	0.2
Netherlands	3,221,432	0.9	2,731,894	0.7
Norway	392,761	0.1	352,151	0.1
Siam	2,315,212	0.7	2,315,212	0.6
Spain	5,946,693	1.7	2,468,907	0.6
Sweden	1,342,067	0.4	1,163,530	0.3
Switzerland	1,130,016	0.3	1,117,058	0.3
Other Countries	2,867,128	0.8	3,307,629	0.9
TOTAL	\$350,539,059		\$388,021,492	

## RAIL COMMODITY MOVEMENTS

By LEON M. LAZAGA

Acting Traffic Manager, Manila Railroad Company

The volume of commodities received in Manila during the month of FEBRUARY 1936, via the Manila Railroad Company are as follows:

Rice, cavanes.....	177,510
Sugar, piculs.....	1,052,145
Copra, piculs.....	119,049
Desiccated Coconuts, cases.....	21,349
Tobacco, bales.....	575
Lumber, board feet.....	254,096
Timber, kilos.....	1,844,000



The freight revenue car loading statistics for five weeks ending February 29, 1936, as compared with the same period of 1935, are given below:

## FREIGHT REVENUE CAR LOADING

COMMODITY	NUMBER OF FREIGHT CARS		FREIGHT TONNAGE		Increase or Decrease
	1936	1935	1936	1935	
Rice.....	913	869	11,708	11,833	41 (35)
Palay.....	256	323	2,925	3,003	(60) (1,066)
Sugar.....	2,487	4,729	75,181	52,841	22,340
Sugar Cane.....	19,657	11,404	193,240	202,003	(1,771) (7,819)
Copra.....	907	816	7,492	5,726	1,766
Coconut.....	1,027	1,027	10,857	10,857	(2,544)
Molasses.....	126	138	3,000	4,181	(1,182) (27)
Hemp.....	1	0	0	0	0 (1)
Tobacco.....	1	0	0	83	(83) (53)
Limestone.....	3	10	20	32	(18) (25)
Mineral Products.....	302	297	3,746	3,398	348
Lumber and Timber.....	135	159	3,504	4,471	(967)
Other Foreign Products.....	7	13	10	90	(80) (98)
Manufactures.....	220	114	3,880	1,719	1,165
All Others including L.C.L.....	3,619	3,365	24,805	29,387	(4,582)
<b>Total.....</b>	<b>19,758</b>	<b>19,541</b>	<b>331,324</b>	<b>314,068</b>	<b>217</b> (17,256)

## SUMMARY

Week ending Feb. 1.....	4,341	4,131	74,972	70,570	(960)
Week ending Feb. 8.....	4,144	4,550	74,448	96,406	(284)
Week ending Feb. 15.....	4,051	4,222	67,233	69,000	(1,774)
Week ending Feb. 22.....	3,917	3,790	59,686	63,282	(1,600)
Week ending Feb. 29.....	3,215	2,952	54,975	41,740	13,235
<b>Total.....</b>	<b>19,758</b>	<b>19,541</b>	<b>331,324</b>	<b>314,068</b>	<b>217</b> (17,256)

Note:—Figures in parenthesis indicate decrease.

## New Movie Stock Issue

Filippine Film Productions, Inc. with a record of 23 feature pictures produced as well as many shorts is issuing \$290,000 worth of additional stock at 10 cents a share in order to expand its facilities and the scope of its activity to include a series of oriental-life feature pictures in English and Spanish and the manufacture of Philippine picture material adaptable to use at the great studio centers in Hollywood and

Europe. I. R. Nielson & Company are handling the issue.

There is great popular demand for the type of feature picture this company produces at its modern studios on Calle Tayabas, Sta. Ana, Manila. *Ang Lantana ng Palubi*, The Boggart's Legacy, their latest feature picture on release, drew standing-room-only crowds at regular prices at the *Luzon*, the largest movie theater in town, for 12 days—patrons standing in queues for their turns at the wicket, a phenomenon in

theater experience here. (While it does happen, it happens rarely, and for it to continue during 12 consecutive days from 10 a. m. to 9 p. m. is most exceptional.) Such films have won a legitimate place for themselves. Evidently, Philippine Film Productions know how to make them. Presiding geniuses of the company are Eddie Tait and George F. De Harries, with Harris in direct charge at the studios. These experienced showmen are too well known to require introduction to our readers.

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## J. A. STIVER

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Certified Public Accountant

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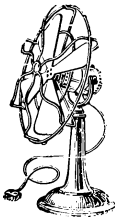
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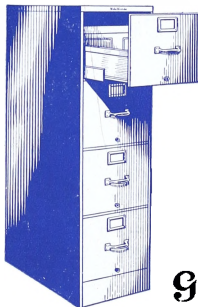
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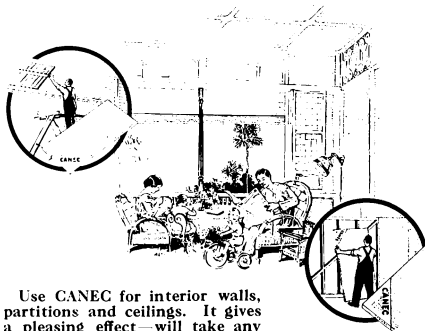
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