

From Army Clerk to Plantation Owner One Man's Winnings from Davao Jungle

To rise from the humble position of a stenographic clerk to the estate of manager and principal owner of a great Davao plantation has been the experience during the past twenty years of H. S. Peabody of the Lais Trading and Development Company, who left Manila for Davao almost penniless in 1905 and returned to town the other day enroute to Baguio with boon companions from Davao to celebrate their mutual success in their battle with the primal jungle of southern Mindanao.



H. S. Peabody, Lais Trading & Development Co., Davao

Peabody, like fifty others, is now a seasoned Davao man. The topography and climate of Mindanao are a rimer to him; equally familiar in his experience are the tribes of the region, their customs, manner of living and now these may be adapted to modern plantation development. They are no longer young men, yet they are not old. If development on an adequate scale is undertaken,—development of the rubber industry, for example,—these men might well be drafted into the service of a second successful pioneer movement.

They respond to the call of endeavor, but let only mere mention be made of what they may do in the future, since their recommendation is what they have done in the past. Truth is, they are as staunch as stone.

Henry Peabody of Lais came to the Philippines in 1898 an enlisted man, a volunteer soldier of the 7th California regiment. As a regiment this outfit never came to the islands, but Peabody came as clerk attached to the headquarters staff of the 8th army corps. He was a clerk in the adjutant general's office and his duties were those of a stenographer. When the formalities of the insurrection were concluded, he like the thousands of others was sent home and mustered out of the service. But the Philippines called him. He had sniffed the fertility of the vast stretches of idle lands; in his dreams he put the ax to the jungle, the plow to the burned-over glebe; in his dreams, the long, long dreams of youth, he conjured pleasantly appointed plantation houses domineering broad fields of profitable well plowed acres. Being a young man of determination, he set out to make the dreams come true.

They came true, but not as dreams, only as the reward of purpose wrought into realities.

To get back to the Philippines in 1902 after his soldiering period, Peabody took the civil service examination and accepted an appointment as stenographer in the bureau of science. He gained steady promotion and in 1905 was chief clerk of the bureau. This was well enough, but what lay beyond along this road? Peabody thought he saw very little for himself along it. On the other hand, there was Davao. He resigned his place as chief clerk of the bureau of science, organized a plantation company and went to Davao to lay his future in the lap of the gods. His associates were T. K. Adrian of the treasury department, E. S. Ely, who lost his life at sea in the wreck of the Leyte off Samar

coast in 1907, E. M. Wood of the bureau of education and one other. The capital put into the project was ₱16,000. Most of the partners soon sold their interests: there was no way of working magic on the jungle and harvesting quick dividends.

In fact, many a tough problem was to be solved before profits were thought of. "The first thing I had to do was to clear a patch of ground and plant a field of hemp," Peabody explains. This he did, even before he had a decent shelter over his head. The simple process has gone on ever since — clearing patches of ground, planting hemp, coconuts and rubber. The land was first acquired under lease, but is now under title. It is 864 hectares and 150 hectares are in hemp, 120 in coconuts and 100 in rubber.

The rubber is the Castilloa variety. It is extracted from the trees, rolled into balls, sacked like copra and shipped to the United States. If it is advisable to convert the plantation to Para rubber, this can be done. Whatever is now advisable can be done. Labor problems have been solved, market-

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ing problems too. The pleasantly appointed plantation house has not been built, but may be whenever it is wanted. Lais is near Malita. Peabody assists in the management of the latter plantation and makes his home there part of the time.

Malita is a magnificent estate, a fitting monument to the character and willpower of O. V. Wood, Peabody's friend and neighbor whose story is something apart. The assessed valuation of Lais is now P168,000. Peabody's associates in ownership of the stock are the estate of the late Mary Polk of the bureau of science, so long librarian there, and Mrs. Dora Wood, widow of O. V. Wood. From well cultivated gardens, melons and many varieties of vegetables are abundant. Fifty-three kinds of fruit grow on the place — as well as at Malita — including figs of enormous size and luscious flavor. There are of course mangos, mangoosteens, lanzones, oranges, lemons, pomeios and alligator pears. California oranges and lemons are thriving.

Rubber, not hemp, was the crop Peabody had in mind in going to Mindanao. But

hemp was what would pay first and pay steadily for the development of the plantation, and nothing could be better than coconuts. Crops were therefore diversified, which is always safer. Uninformed by experience, the less desirable variety of rubber was planted; so if rubber becomes the major crop it will be by a new undertaking. No pressure of circumstances advises one way or the other: the three crops together are perhaps the three best farm crops in the world. Lais plantation made expenses even during the years when hemp was lowest, selling at times for not more than P9.50 at the plantation. No conceivable market situation holds any terrors for the owners; they have triumphed over the worst that might befall. Besides, their position in relation to the market improves yearly: ocean steamers load their products at the Malita dock and export prices are paid by buyers.

A reputation in the hemp market for standard fiber in the higher grades only, is carefully maintained. Strippers are not compensated by a share of the product.

They are paid an agreed price per kilo of dry fiber delivered at the warehouse, the wage being based on the current market. Other workmen are employed to clean off dead growth and cultivate the fields. The fiber produced averages very close to grade E, with a goodly quantity of B and C. The Universal stripping machine is used for grades E, F, and I; hand strippers get out grades B, C and D. The A grades, for tagal hat braid, can be produced but the market margin in their favor doesn't warrant this being done.

Could Peabody's career be successfully imitated today?

Really Davao's public lands have hardly been touched; existing plantations are only a fringe around the coast; the fertile acres of the back country are still jungle. "There is an unlimited quantity of rolling country back of Lais and Malita," says Peabody. "that is public domain of the United States. It is first class for para rubber and will grow the other crops as well." Are there pioneers in this generation? The door to Davao is open.

REVIEW OF THE EXCHANGE MARKET

By STANLEY WILLIAMS

Manager, International Banking Corporation.



Telegraphic transfers on New York were quoted at par on November 28, the last business day of that month. On December 1 the rate was raised to 1/8% premium and on December 5 to 1/4% premium. The market was unchanged at 1/4% throughout

the rest of the month until the 31st, when the quotation was called 3/8% premium with money in good supply and the tone firmish.

Sterling cables were quoted at 2/0 1/2 on November 31, but the quotation was lowered to 2/0 9/16 on December 5 and the market remained unchanged at that level throughout the rest of the month, closing steady.

Three months sight credit bills were quoted nominally at the close at 2/1 9/16, with D/P bills of like usance at 1/8th higher.

The New York London cross rate closed at 484 1/2 on November 30 and rose 485-5/16 on December 5. After dropping to 484 1/2 on the 8th and 9th, it fluctuated between 485 and 485-3/16 until the 29th and 30th, when it touched 485 1/4, closing at 485-3/16 on the 31st.

London bar silver closed at 32 1/2 spot 32 forward on November 30th. It rose to 32-3/16 and 32-1/16 on December 1 and after reacting to 31-9/16 spot and forward on the 16th, it touched 31-13/16 spot and forward on the 18th, 21st and 22nd. It then dropped gradually away to 31 1/2 spot and forward on the 30th and closed at 31-11/16 spot and forward on the 31st.

New York silver closed at 69 1/4 on November 30, touched a high of 69 3/4 on December 4 and 5 and a low of 68 1/4 on the 16th, closing at 68 1/2 on the 31st.

Telegraphic Transfers on other points were quoted nominally at the close on December 31 as follows:

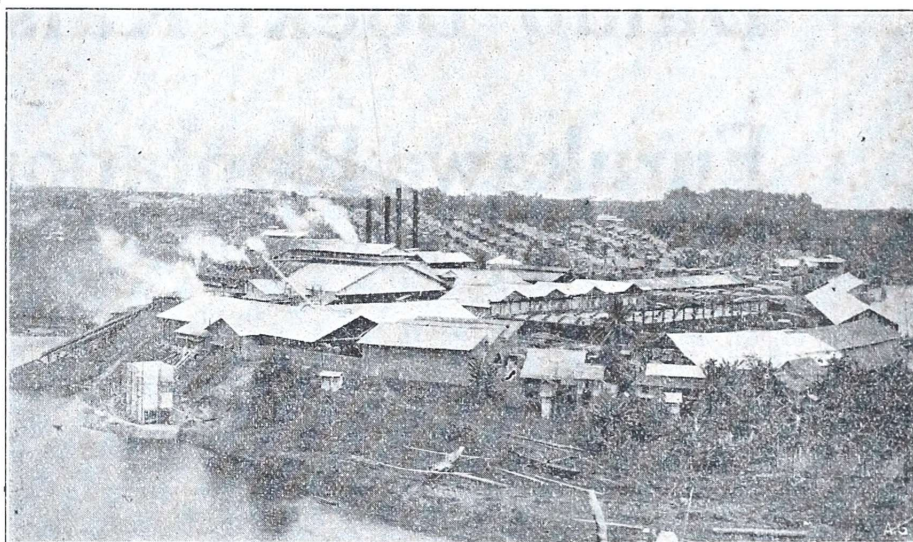
Paris	13	Hongkong	117 1/2
Madrid	143	Shanghai	65 3/4
Singapore	114 1/2	India	131 3/4
Japan	88	Java	122 1/4

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