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Business Currents Today and in Prospect
(With Table of Comparative Data)

Roy W. Howard—Right or Wrong?

By Salvador P. Lopez

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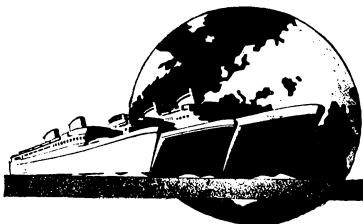
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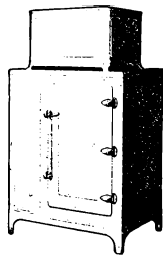
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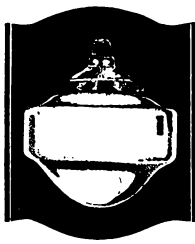
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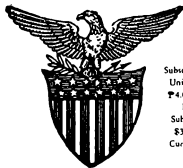
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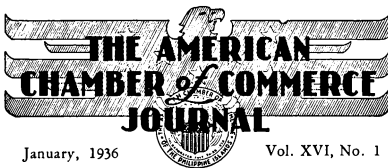
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WALTER ROBB
Editor and
Manager



Business Currents Today and in Prospect

(with a table of comparative data)

Many Philippine mercantile companies report 1935 at least as good as 1934, and with some, business was considerably better. Better average commodity prices during the latter part of the year helped collections materially, this appearing in the hemp and copra territories more particularly. Subnormal was everything pertaining to the great rice region of central Luzon, where the best market ought to be, outside Manila, and this will continue through 1936. Prices will be held down by public imports from Saigon and the necessity of growers to sell on the early market, while any filip from a possible bumper crop will not be felt until 1937. Basically, good trade during 1935 derived from the sugar payments under the Jones-Costigan act.

Sugar remains the arbiter of general welfare in the Philippines. The bonus America has granted the industry here under the commonwealth act, roughly ₱18,000,000 a year, will be continued. Although America could have that million tons of sugar from Cuba, and gain the ₱18,000,000 for her own treasury (9/10 cents a pound), but this would send the Philippine ship of state to Davy Jones's locker in short order. Therefore, though processing-tax benefit payments may not pour into the planter's hands much longer, or even once more, the million tons of sugar duty-free for 5 years more under the United States yearly, is assured by the sheer benevolent purpose of congress to make survival of the Philippines economically possible.

But this proviso is understood: if economic survival even with such subsidies be possible.

The feudalism of the old Philippines is not yet blended effectively with its modern civilization with its native bent for industry. This factor affects the people's grasp of their situation. It is not at all a thorough grasp, in industry they are neither very enterprising nor very cohesive. What they know well is land, and they are everywhere in possession of it: even in Davao, where Japanese tenants dominate farming and there is considerable Japanese ownership in the great coconut and hemp farming industries, rights in the land itself are mainly in the hands of Filipinos—who know how to keep these rights. Everywhere they know much

better how to hold the land, and the importance of holding it, than they know how to use it to best advantage.

These are feudalistic instincts; and the land a Filipino holds, even the land, is not merely for his immediate family but for kith and kin as well. His responsibilities are feudal, and he responds to their obligations. What then does he do when he makes money in industry? He inclines to share this substance too; it is against his social grain to do otherwise.

His approach to these matters is highly moral according to an old code that has not been very practical since the west came into the east; though it may not be said he has not made such progress as he might, yet he is handicapped by a culture in many ways admirable, comparable to that of Europe before the Reformation and the advent of the industrial era based upon the dignity of all labor and the religious injunction that each man diligently pursue his calling. (It was subsequent to that time that cathedral artist could no longer spend 40 years on a pair of church doors, or a century on some interior decoration, and that the west began measuring progress in its callings by what they yielded in money). The Filipino can not at once alter his traditional culture, or doff it outright for that of the west. That is why in his present situation, that is crucial, his foresight is inadequate and he lets astounding opportunities elude him.

Men say, what of Japan prior to the imperial restoration and her new constitution. She was feudal, that is true, but she was carrying on in every way for herself; when she essayed industrial capitalism, or let us say, modern civilization, she was soon on her feet with it and is now the best coordinated industrial country in the world. Though scores of Japanese reformers paid the offended Samurai with their lives, the reforms were effected and trade became respectable and men of industrial fortune partners of the crown, ennobled and envied.

The Philippines offer no parallel, not even a graciously loose one.

(Please turn to next page)

COMPARISONS OF 1934 AND 1935 OVERSEAS COMMERCE

Chief Exports 1934		Chief Imports 1934	
Commodity	Value Pesos	Commodity	Value Pesos
Canton Fiber.....	766,111	Autos and Tires	11,296,639
Cigars.....	7,211,020	(Tires ₱3,341,329)	
Coconut Oil.....	13,589,742	Cottons.....	31,242,820
Copra.....	17,210,249	Electric Machinery.....	4,340,197
Copra Meal.....	2,102,241	Fish Products.....	2,702,846
Cordage.....	2,070,094	Fruits and Nuts.....	2,413,855
Desiccated Coco.....	4,509,079	Gasoline.....	5,156,259
Embroideries.....	3,332,949	Petroleum.....	18,138,661
Hats, Shes.....	2,283,743	Iron and Steel.....	15,134,956
Manila Hemp.....	17,323,136	Lubricating Oil.....	1,377,856
Shoes and Hemp.....	2,411,008	Meat and Poultry.....	2,421,121
Leaf Tobacco.....	2,782,992	Meat Products.....	2,498,730
Machinery.....	2,725,145	Rice.....	529,931
Manila Fiber.....	603,706	Silks.....	4,603,650
Pearshell Buttons.....	485,075	Tobacco and Mifs.....	5,853,902
Sugar.....	130,909,161	Wheat Flour.....	5,247,388
Other Exports.....	10,561,729	Other Imports.....	83,071,191
Total.....	₱220,807,271	Total.....	₱167,214,220

COMPARISONS OF 1934 AND 1935 OVERSEAS COMMERCE

Chief Exports Oct. 1934 to Sept. 1935		Chief Imports Oct. 1934 to Sept. 1935	
Commodity	Value Pesos	Commodity	Value Pesos
Canton fiber.....	213,012	Automobiles.....	9,416,652
Cigars.....	7,322,844	(Tires ₱2,185,032)	
Coconut Oil.....	20,878,308	Cottons.....	29,807,220
Copra.....	20,093,844	Electric Machinery.....	3,883,760
Copra Meal.....	3,097,308	Fish Products.....	2,286,324
Cordage.....	2,090,124	Fruits and Nuts.....	2,333,064
Desiccated Coco.....	6,863,100	Gasoline.....	5,155,376
Embroideries.....	8,193,276	Petroleum.....	1,667,592
Hats, Shes.....	1,422,536	Iron and Steel.....	11,308,956
Manila Hemp.....	18,432,636	Lubricants.....	1,392,924
Shoes and Hemp.....	2,411,008	Meat and Poultry.....	7,498,528
Leaf Tobacco.....	4,030,388	Meat Products.....	2,874,660
Lumber.....	2,503,176	Rice.....	821,962
Machinery.....	763,084	Silks.....	4,437,660
Pearshell Buttons.....	479,172	Tobacco and Mifs.....	5,005,212
Sugar.....	124,436,676	Wheat Flour.....	5,946,024
Other Exports.....	12,443,835	Other Imports.....	64,563,414
Total.....	₱180,079,476	Total.....	₱158,970,444

Before approaching the specific, temptation is irresistible to allude to cousins of the Philippine people, the Polynesians. Rivers, an anthropologist, studying a community of these folk, was questioned in turn by some of them. They asked what he would do with a sovereign, should he earn one. When he didn't answer offhand, they persisted, asking if it was not true that he would divide it with his family and friends. When he said he might do this or might not, and in any case he would not be bound to do so, their laughter over his, to them, unbelievably selfish culture knew no bounds. The Philippine people could comprehend this clearly; they feel, in fact, similar astonishment of spirit whenever industrial problems confront them. They hesitate, enter the lists confusedly, and make headway inconspicuously when they make headway at all.

The lesson is not one learned in a day. Yet there is little time beyond today for its learning.

It was amusing recently, in a news story, to make an imaginative trip around Mindanao, second largest, richest and least developed of the great islands of the Philippines. Much land was seen to be in the hands of the people, and immigrants from northern and central islands were observable taking up lands on their own account, but commerce and industry were not in Philippine hands. The Davao picture needs no repetition. In all Cotabato one enterprise thrives, an American plantation of coconuts and hemp. At Zamboanga the people had little part in the industries there, by way of ownership and management; they were grateful for the desiccated coconut plant giving them a market for their coconuts, and the cutch factory likewise could be appreciated for the labor it offered and the market it gave for mangrove bark.

Passing to Basilan, besides the lumbering, there are old rubber plantations; but the people copy rubber-growing very little. On Jolo are half a dozen exotic fruits; they have not been propagated outside Jolo, and even avocados and mangosteens are available only during the bearing season—Jolo's fruits have not been industrialized, and you can't get them all the year round in Jolo, as you can California's industrialized citrus fruits and apples.

Back along the Zamboanga coast another rubber project may be seen, of an American corporation. In Lanao old handicrafts persist among the communicative Mohammedans, and little is made of them. This trip may end at

Lanao, though in the story it went on to Surigao, because what has been seen is typical of all that may be seen either in Mindanao or any other part of the islands except where special circumstances may be said to have provoked the people to invest industrially (as in sugar mills in Negros). But there are the Bicol provinces, and Leyte and Samar, where, as an earlier paper cited, hemp fails for want of the industrialization that its growth and marketing enjoy in Davao among the Japanese.

It may be said here that if this comment has motive beyond statement of timely fact, that motive is to awaken and stimulate the people rather than to despair and so discourage them. Two business men in conversation New Year morning were at odds, one insisting business was good and would continue good this year, the other saying it was bad and would grow worse. The more confident man seemed to have the right of it, from close view; asked to take a broader view however, he admitted that the wider prospect was gloomy. If his confidence in the immediate situation needs support, why not take the general prosperity of the press as a supplementary indication: the revenue of the substantial papers grows in all departments, and advertisers have not only larger audiences, but audiences never so vitally interested in the news and advertising opportunities as now.

But the broader view remains and is germane to this discussion. It is affected by the facts stated earlier in this paper. The people implement their own government, but they do not implement their own industry either new or old. Few of them think industrially, and catastrophes are likely to be upon them without foresighted effort on their part to forestall the event or moderate its blows.

Thus business improves temporarily with the higher prices for copra. But it is a question how long the dependence of 4 million people in the Philippines may be put in copra. The ubiquitous soy bean narrows the market steadily, the legume that grows in temperate latitudes, fixes nitrogen and therefore makes a capital rotation crop, and offers something at least, in the southern United States, in lieu of cotton that has long been overproduced. Where the fat of this bean serves in lieu of coconut oil, foreign trade is turned into domestic trade.

The domestic trade also benefits from all the by-products, Ford growing quantities of soy

for the by-product he presses into prime automobile parts including steering wheels. Then artificially, coconut oil suffers from the American excise tax of 3 cents gold per pound that encourages a turning away to substitutes. Copra is not the secure industry it once was; its position is not very secure, yet the people continue producing it and placing the customary reliance in it.

Lumber languishes here, but lumber from our logs booms along swimmingly in neighboring Japan, where industrial opportunities are seized when they present themselves. Observe *The Hub*, finished with plywood imported from Japan that is made from lumber such as the Philippines find inadequate means of selling. This first rate building material is imported and retailed at no more than \$130 per 1,000 square feet. Were Japan actually to import crude lumber from Philippine logs into this market, it could hardly be more surprising. Japan can do it, the Philippines can not. Yet no censure of the Philippines, merely notation of fact: Philippine culture is not in rapport with such enterprise, and it by no means admits the dignity of all labor.

Opposing this situation, it is believed leading furniture-making cities of the United States would buy as much Philippine lumber as the value of all sugar the islands sell there, if they could get a dependable standard supply in quantity enough to warrant plans far in advance of today, including plans of advertising and educating the public to what prime Philippine lumber means in furniture. But though our lumber languishes, this deal can not be made: no one is ready with the necessary guarantees. Again no blame, but statement of fact.

Our cordage industry is on tenterhooks. Its main reliance is the United States, where 6 million pounds of our cordage during a year is the quota still annoying, apparently, American cordage interests (though good for cordage users, of course). But if the Philippine industry knows not which way to turn, the Japanese industry is expanding and seemingly doing quite well. The prospect here is for no more than usual production, if that, and any business gained from this industry would seem to be at its limit; but business gained from the Japanese industry may be more hopeful. These contrasts stand out consistently because they are basically cultural contrasts, the one people has the knack of industry, the other has been, until the past

(Please turn to page 8)



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OXY-ACETYLENE

Roy W. Howard—Right or Wrong?

By Salvador P. Lopez

Barely one month after the inauguration of the Commonwealth of the Philippines, the question of independence considered by many a closed issue has been forced to the limelight by an exceedingly frank article of Roy W. Howard, chairman of the board of the powerful Scripps-Howard newspapers of America. Many and varied have been the comments on the article. Some complained that it was untimely, perhaps because it had much the same effect as a dash of cold water on the brows of the people still feverish with the excitement of the inauguration. Others took offense and considered the article a slander on the patriotism of the Filipino people.

It was a tribute to both Mr. Howard and his critics that not one of the latter, not even the most bitter of them, tried to impugn the honesty, sincerity and consistency of the American publisher. There may have been disagreement over the facts as he presented them. But on one thing there has been complete unanimity of opinion: it required courage to speak as Mr. Howard spoke, and he spoke with clarity, sincerity and unimpeachable honesty.

The argument which runs through the article may be summarized as follows:

There has been a change of heart on the part of thinking Filipinos regarding independence. This change is due to circumstances beyond their control, principally the menace of a rising and aggressive Japan who has flouted in the instant case of China her commitments to peace and non-aggression. If the desire for independence was premised on a security assured by treaty safeguards against the encroachment of alien powers, then it follows that the destruction of that security should also mean the abandonment of the desire that was founded upon it. The logical thing for the Filipinos to do is to ask Congress that the Commonwealth be made permanent. Full statehood is out of the question as the farm and labor elements in the United States are completely opposed to any such proposal. The plan for a permanent commonwealth status failing, it is possible that the business interests in the Philippines will turn to Great Britain and ask that the Islands be given a territorial status under the British flag. Britain will only be too willing to take the Philippines over. There are, however, two reasons why it should be possible for the Filipinos to make the United States reconsider the issue of independence: first, America is already satisfied that she has kept her word—it should be comparatively easy to convince her that it is immoral to force upon the Islands an independence that would be one in name only; secondly, the cloud of narrow nationalism resulting from the depression of which the independence law was a by-product, is beginning to lift,

enabling the American people to reconsider without prejudice the question of Philippine independence.

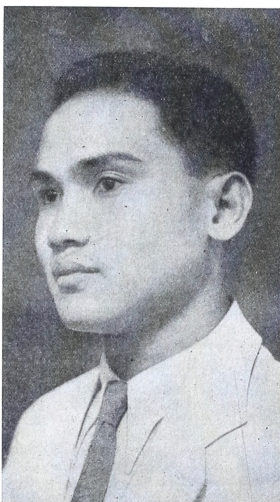
We have in this brief summary the chain of logic that binds the article so compactly. Since we may not impugn the motives of the author, we must limit ourselves to an examination of his facts.

There has been a change of heart on the part of thinking Filipinos regarding independence. Mr. Howard says that he gathered this impression from "scores of leaders in business, finance, education, journalism, and politics." He adds that there is no misunderstanding of the issues involved in independence among this intelligentsia, that on the contrary, "from all, except politicians, there is frank and virtually unanimous admission that political independence in this part of the world is valueless and impossible without economic independence and adequate national defense."

Now, this is a personal observation and anyone who feels like doing so is privileged to disagree. Certain things should be borne in mind, however. First, to challenge Mr. Howard to reveal the leaders in business, finance, education, journalism and politics to whom he alludes in his article is no refutation but begging the question pure and simple. Secondly, Mr. Howard was careful to say that he noticed the change of heart among the educated, the thinking and the intelligent Filipinos. Nowhere does he say that the change is general. In fact he observed that "so far as mass opinion is concerned, there is little or no understanding of the underlying factors governing the situation," and furthermore, that "mass understanding of anything outside of local provincial political and economic problems is quite limited." Mr. Howard was also careful to exclude politicians in the reckoning. As subsequent replies to his article later showed, it was the politicians and those who think like politicians that were loudest in protesting against his views. Thirdly, Mr. Howard was better fitted than a Filipino or a resident American to survey local opinion on the subject of independence. As a newspaperman and of long experience he knew where to get reliable evidence and to evaluate it accordingly. As an outsider, he had fewer preconceptions than most would have had who are strongly prejudiced one way or the other by reason of a fanatic idealism or personal interest.

But brushing aside Mr. Howard's personal testimony for a while, let us candidly ask whether among intelligent Filipinos today, there has not occurred such a change of sentiment. We believe that the change has been taking place for the past few years, and that it is bound to accelerate in the future. We believe also that more people will have the courage to speak

(Please turn to page 15)



SAVADOR P. LOPEZ

... runs a column in the *Philippines Herald* under the caption *So It Seems, one of the best elements of occasional literature in the islands. His digest of the Howard statement is reprinted from the Commonwealth Advocate as the best commentary on that subject from a Philippine source.*

—Lopez criticizes the new self-respecting uninhibited middle class in the Philippines that in the judgment of this magazine should have been left alone, unbadgered by the prospect of independence, so-called: a class educated in the public system and alert to the secular public weal.

Suez Canal Company's Hand in World Politics

Among the agencies through which humanity is being sold down the river for another war is the Suez Canal corporation. Because this canal opened in 1869 gave the Philippines European markets and thereby founded the great British and German era in their commerce, and because the Islands batten on world wars that sap the substance of the west, the following comment on the canal company from *Vu*, a Paris magazine, is timely.—*Ed.*

Since the newspapers announced that the British members of the board of the Suez Canal Company were going to Paris to confer, the eyes of the world have been riveted not so much upon Geneva as upon a certain small hotel in the rue d'Astorg in Paris.

The reason is that the men who meet there are the real arbiters of the situation which may yet plunge Europe into a new war. Not the League of Nations, not the governments and not even the chancelleries hold the key to war and peace. Thirty private individuals without official mandates, without special titles of functions, gathered at the round table of a shareholders' assembly, decide the destinies of the nations.

The people of the great democratic countries may wonder why this is so and their desire to find out something more about the men invested with such extraordinary power is natural and legitimate, and if they will follow us into the maze of high finance we shall try and show them something of its workings.

The "Compagnie Universelle du Canal de Suez" is managed by a board of 32 members, of whom 21 are French, 10 English and one Dutch. The presence of so many English members on the board may surprise those who know that the Canal was conceived and constructed by the Frenchman Ferdinand de Lesseps, with French capital, and in spite of the violent opposition and hostility of the British government and business circles, afraid that the Far Eastern trade might flow into the Mediterranean ports and the French government gain control of the route to India. But when the canal was completed without the English in 1869, they realized that they had made a mistake and set their minds upon getting into the business.

The miraculous new source of income turned the head of the Khedive of Egypt, a ruler from

Arabian nights, whom the founders had presented with a respectable number of shares. He built so many places for himself that he was soon head over heels in debt, and as the creditors were pressing he decided to sell his shares. This happened in 1875. He applied to the French financiers, but while they were bargaining and discussing in Paris, Disraeli who had got wind of the affair, obtained the consent of the Cabinet in twenty-four hours, and without asking Parliament for credits bought the whole lot, the House of Rothschild advancing the money for the transaction. Thus over night the British government became the holder of 353,204 shares of the 800,000 outstanding, that is of 44 per cent, and by virtue of it ten seats on the board, and one vice-presidency.

Two of the ten English members deserve special mention. The first is Earl Cromer, former High Commissioner in Egypt, the man who conceived the Cairo Cape railroad and consolidated the Empire's supremacy in Egypt. The second is Sir John Cadogan, founder of the Anglo-Persian Oil Co., who emancipated England from the guardianship of the American Standard Oil and the Royal Dutch. Nobody knows better than Sir John what Ethiopia means for the Nile route or the Suez Canal for England's supply of petrol.

But French government has no say in the choice of the members of the board. The *Compagnie Universelle* is a stock company and according to the terms of the law and its statutes its board is elected by the general assembly of shareholders and responsible to the latter only.

The British shares are not in circulation but the remainder is 446,796 are. There is hardly a well-to-do Frenchman who does not own at least a couple of them. Since the receipts of the Company are collected in gold, and the dividends paid in gold, these securities are exempt from all risks deriving from monetary depreciations. For this reason a share that should cost about 6000 or 7000 francs is quoted at 17,000 francs today. The majority of French holders do not own more than 10 shares, but since the statutes provide that you must own 25 shares (425,000 francs) to vote in the Assembly, it results that only the big holders have a say.

The biggest shareholder of the Suez Canal Co. is Mr. André Burin des Rozières, whose name you

would seek in vain in the social chronicles of *tout Paris*. He is a simple soul, even though an official of the *Providence-Accidents* insurance company which is managed by him and his two sons. At the same time he is managing director of the fire insurance company *Providence-Incendies*. The *Providence* is truly a family affair, but what a family! Around its president Mr. Montplavet and its vice-president de Lasteyrie—a former minister of finance—are grouped some of France's greatest and most glorious names, among whom is the omnipresent Count Robert de Vogue, member of the board of Schneider-Creusot, and the no less omnipresent gun magnate de Wendel.

In fifty years the insurance company, which started with the modest capital of 20 million francs, accumulated reserves exceeding 300 million francs, which are of course invested in first rate securities. The amount was more than sufficient to make Mr. Burin des Rozières the biggest holder of Suez Canal shares.

But this discreet gentleman is also a managing director of the *Mines d'Anzin*, another old company boasting of a few glorious names. It counts among its members the Duke d'Audiffred-Pasquier and Mr. Edme Sommier who supplies the French housewives with sugar.

Following an old tradition these gentlemen are in principle against paying high dividends to their shareholders. Therefore the *Mines d'Anzin* with a capital of 222 millions has reserves of 680 millions, most of which are invested in Suez Canal shares and of course, Mr. Burin des Rozières is in charge of this lot.

Conscious of what he owes his associates, the excellent des Rozières voted for Edgar Bonnet, his vice-president at the *d'Anzin* and got him a vice-presidency at the Suez. Then to oblige Count Robert de Vogue, he made his father, the Marquis, president of the Suez company, all of which goes to show financial elections are just as much manipulated as political elections.

There are three simple but efficacious methods of obtaining mandates in financial democracies. You must either be a director in one of the big companies with enormous reserves like the *d'Anzin*; or you must be a director in a big insurance company, or on the board of some big bank, like the *Crédit Lyonnais*, the *Banque de Paris et des Pays-Bas*, etc. In the first case you operate with the profits of the shareholders; in the second with the insurance premiums of the clients, and in the third with the deposits and securities of ingenious middle-class depositors. Or you may combine two of the methods as in the case of Bonnet and Sergeant, or even all three, as in the case of de Vogue, Roume and de Wendel.

It follows from the above that about ten big mining, banking and insurance concerns concentrate in their hands all the power and all the votes of the 446,796 shares of the Suez Canal company which are in circulation in France. Their first task naturally consisted in assigning the seats on the board in such a way as to assure a wise equilibrium. Since de Wendel had a seat, Schneider-Creusot had to have one too. Since a few of the big private Paris banks had seats, two at least had to be given to provincial banks. Because the colonies rank among the Canal's most important users, André Lebon, a former colonial secretary, got a vice-presidency and Mr.

(Please turn to page 8)

SAY "ISUAN"
The BEST MIXERS
in the ORIENT

Pension Funds Put Under General Commission

Crippled constabulary fund thrown in with stronger teachers' fund with no losses and a million net yearly, capital ₱20,000,000

At the approach of the commonwealth this magazine had a paper on the plight of the middle-class in the Philippines, whose savings whether personal or mutual would be adversely affected by trade, if it declined or remained static, indirectly affecting other values, notably realty values. Attention was then invited to the 27,000 public-school teachers in the islands interested in the teachers' pension fund. A table appearing with the present paper shows this fund to be nearly ₱20,000,000. It shows all the funds now under the new National Loan and Investment Board.

At the close of 1935 there were 1,789 teachers enjoying pensions, the main source of which is the 3% of his pay that each teacher is required to contribute to the fund. Nearly ₱4,000,000 had then been paid out in pensions. An actuary was employed in ascertaining the weaknesses, if any, in the teachers' pension law. Pensions paid in the first year of the law, 1922, summed ₱1,515. In 1933 they rose to ₱551,845; in 1934 they were ₱721,584, or in 1 year the increase of outlay was about 50%. This fund affects the largest single group, most widely dispersed in the islands, the group to which the state owes most as instructors of the young. It will be noted by the table that of the total fiduciary funds summing about ₱43,000,000 placed under the loan and investment board, nearly half is the teachers' fund.

There are 10 several funds, but none approaches the teachers' fund in amount or importance—from any viewpoint. It is therefore hoped that adequate board representation will be given the teachers, who have such vital and comparatively large interests at stake. Their fund nets about a million pesos yearly. Their investment board says in a recent circular:

"It is impossible to estimate accurately the precise year when the annual requirements for pensions will become greater than the annual income although a number of years will elapse before this condition will be reached. Under the present laws governing the fund, the accrued liability of the fund is already greatly in excess of its resources. (Taken to mean, the possible and actual net earnings of its resources without impairment of capital).

Here is 1934's operating revenue—

Teachers' Pension Fund Revenue Account 1934:

Earnings from investments and securities—	
Real estate loans	₱657,950.88
Bonds	410,752.73
Bank deposits	23,332.10

Advanced gratuities	15,515.63
Discount on bonds	270.00
Teachers' loans	23,337.48
Pensioners' loans	4,120.66
Foreclosed real estate mortgages	9,867.12

1,145,146.60

Other income—

Application fees	550.00
Mortgage and cancellation fees	3,021.90
Notarial fees	309.50
Miscellaneous	115.94

3,997.34

Repayments to prior years' expenses

1,349.19

Total operating revenue

1,150,493.13

Expenses (note how extremely low)

60,450.45

Net

1,090,042.68

In future the loan and investment board will manage investments of the teachers' pension fund; otherwise administration will remain much as it is and has been, with collecting its main responsibility. The change may not enhance teachers' confidence in the integrity of their pension fund, though in the end it may; outstandingly this has been the best-managed and best-founded of the various pension funds, and there is a feeling that the change is a reaching out for its very tempting capital. No one knows how near the commonwealth is to the forced-loan status. The spirit behind loans from this fund has been, to accept

no security that a board member would not loan his personal funds against.

This is sound fiducial responsibility, and it is possible that motives will be sought for the changing of it.

It has been observed that the commonwealth enters into the redemption of Manila Railroad bonds at London with motives somewhat mixed: not a good state of mind for a conscientious fiduciary, but would it not be a natural state of mind for a member of a national investment board? First, the government owns the railroad's stock and would not like to see its bonds defaulted, yet the road is not netting a profit—losing in the south more than it makes in the north. Second, the government would demonstrate its adequacy to take care of this situation, and will of course gain by this in the opinion of the credit world. Third, the government would have the

(Please turn to page 15)

Title of the Fund	Surplus	
	Invested	Uninvested
Loan Fund, Acts 3333, 3332, and 3838	₱ 3,495,213.87	₱ 969,204.73
Municipal Loan Fund, Act 3932. Rice and Corn Fund, Acts 2818, 3039 and 3594	317,048.59	1,694,458.16
Friar Lands Loan Fund, Act 1736	792,673.12	127,381.83
San Lazaro Loan Fund, Acts 2478 and 4086	221,863.36	45,867.97
Private Surveyor's Loan Fund, Acts 3327, 3452 and 4016	1,337,754.24	604,932.93
Postal Savings Bank Fund, Acts 1493, 2711 and 4093	418,019.12	201,003.47
Teachers' Pension and Disability Fund, Acts 3050, 3100, and 3454 and 3768	11,504,763.60	784,121.51
Land Title Assurance Fund, Act 496 (Sections 99, 100 and 105)	16,641,846.26	2,989,088.34
Property Insurance Fund, Adm. Code (Sec. 340)	278,565.98	153,331.01
Total	₱35,578,748.14	₱7,996,741.00

Suez Canal...

(Continued from page 6)

Roume, honorary governor-general, is very influential on the board. The two latter gentlemen are of course intimately connected with a number of business concerns.

Altogether they hold 10 seats of the 21, but since *de facto* they represent all French holders they dispose of the remaining seats as well. In obedience to tradition they did not forget to honor the founder of the company: therefore Viscount Charles de Lesseps has a seat in spite of his little misadventure of the Panama Canal. Because none of these men know anything at all about managing a Canal they appointed Mr. Max Bahon, a maritime engineer and former technical director of the Compagnie Universelle, who is the only member of the board who owes his position to technical competence.

An undertaking which serves all nations of the world must keep abreast of international politics. Hence the presence on the board of Barrère, former French ambassador in Rome, and, until his recent death, of Jules Cambon, who was the greatest French diplomat and maintained the liaison with the closed diplomatic world.

In order to maintain a close contact with the Bank of France, centre of information and regulator of credit, the Suez Canal board has two of the former's Regents as members: de Wendel and de Vogue, and two former governors, Rist and Sergent.

Since Parliament could not be totally ignored they always have at least one ex-cabinet minister, at present Doumergue.

The "fourth power," i. e., the Press, is represented by de Nalèche of the *Journal des Débats*, former president of the Syndicate of Newspaper Directors. And finally, to be ready for every contingency and since the depression is dragging on and the general dissatisfaction grows, they made General Weygand, whose dictatorial tendencies are well known, a director.

These politicians, ex-ambassadors and generals are of course directors only by name and it is not for their competence in matters of maritime transportation that they each receive 325,000 francs as their annual share of the profits. Most of them have had to borrow the 100 shares (1,700,000 francs) without which they could not become members of the board, so that they are obviously only playthings in the hands of the few Big Fellows.

These are the men who hold the reins of the biggest international concern in which French capital is interested. They do not represent the shareholders nor the interests of maritime trade. In 1934 the Company's income amounted, according to its balance sheet, to 895 million francs. Of these 856 millions were toll receipts. 384 millions were expended in interest, amortization and upkeep. It was therefore quite possible to reduce the heavy toll in these bad times, when trade is stagnant and all the transportation companies of the world, the French ones including, are clamoring for a reduction. But this the Marquis de Vogue refused to do. He distributed 522 million francs in dividends, i. e., 378 francs per share. To the small holders who acquired their shares recently at very high prices this means a dividend of 2 or 3 per cent, but it is 30 per cent in the case of such big holders as the *d'Anzin* or *Saint-Gobain*, who bought their shares right in the beginning at a very reasonable price.

For this marvellous management each of the directors gets 325,000 francs a year, which is quite nice for retired generals, ambassadors and presidents of the Republic.

But there is something else behind these manoeuvres. According to the last inventory, the total value of the Suez Canal, buildings, services, supplies, etc., amounted to 928 millions, while the reserves are as high as 1,119 million francs. This means that if the Canal were to be destroyed by some upheaval, it could be entirely rebuilt without the company having to borrow a cent. It would therefore seem as though there were no need to have these reserves swell further, so that if de Vogue refused to reduce the toll he must have had something else in view.

In fact, these 1,119 million francs, are at the disposal of the board. 729 millions of them have been invested in long and short term securities. These the directors can sell when and as they please and buy other securities, meaning that they can acquire control over any big concern and seize its board. Such is the ultimate of these astute tactics: with the reserves of the mining, banking and insurance companies a majority is obtained in the Suez Canal company, and vice versa. This is the stratagem by which the "200 families" have gained the control of the Council of Regents and of the Bank of France. By this same method they rule the majority of the great national concerns and the most pro-

perous of all great international financial combinations. What can an ephemeral government and an unstable parliamentary majority do against such a lasting and coherent block?

The British government understands the situation. Dismissing the palavers of the Geneva jurists and the intrigues of the Quai d'Orsay, London is negotiating direct with the men in power. Earl Cromer and Sir Ian Malcolm who attended the last meeting of the board are committing no indiscretion since both are members.

What the spokesmen of the British government have to say to the assembly is easy to surmise. What the Marquis de Vogue will reply nobly can say, but whatever his reply, we may be sure that Mr. Laval will ratify it. For did not the Regents of the Bank of France, represented on the Suez Canal board, impose Mr. Laval upon a reluctant and hostile Parliament, and did they not, thanks to Mr. Laval, impose a policy of deflation upon the French people who did not wish it? If they can direct the domestic policies through the Bank of France, they can direct international politics through the Suez Canal Company.

In these dark days of fall 1935 the French Foreign Office has been moved to No. 1, rue d'Astorg. The whole world is anxiously awaiting the Marquis de Vogue's next move.

Business Currents Today...

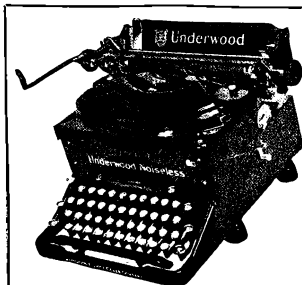
(Continued from page 4)

35 years, taught to abjure and even despise it, and can not in a single generation shift its attitude to practical ground.

Men wonder why oriental foreigners, formerly Chinese only, and still mainly, do the merchandising of the Philippines. They might study profitably not merely Malayan culture, admirable in so many aspects, but Christian history as well. The friar missionaries, zealous for the peace of their flocks, discouraged their getting into commerce, that was not consonant with the pastoral faith they brought to the Philippines. Yet the missions accumulated funds, and in good businesslike manner rented them to the Chinese: merchants outside the pale because of their trade and because they were pagans.

This would not of course have held on so tardily had it not practically complemented the native culture itself, but it did; and the cultural

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Aviation's Epochal Dates: Langley to Musick

Timely because of the transpacific air service established in November by Pan American Airways with their *China Clipper*, Lieutenant Colonel A. L. Sneed, department air officer, lists epochal events in the history of aviation.

December 8, 1903.—Dr. Samuel Pierpont Langley's effort to fly over the Potomac.*

December 17, 1903.—Wilbur and Orville Wright fly a motor-driven heavier-than-air craft at Kitty Hawk, North Carolina. July 1909.—The Wright airplane passes final acceptance test prescribed by the army. 1911.—First air mail in the United States, Massau Boulevard drome to Mineola, points on Long Island.

September 17, 1911.—C. P. Rogers starts first transcontinental flight at New York City, reaches Pasadena November 5, lapsed time 59 days.

May 8 to 30, 1919.—Three navy NC flying boats set off from Rockaway, New York, May 8, for England under command of Lieutenant Commander A. C. Read. Flying via Halifax, Trepassy, the Azores, Lisbon, Commander Read reaches Plymouth, England, in his NC-4, May 30; the first U. S. to England flight.

June 14, 1919.—First nonstop transatlantic flight made by Captain Alcock and Lieutenant Brown, Britishers, Newfoundland to Ireland in 16 hours.—November-December.—England to Australia by Sir Ross Smith and Sir Keith Smith, Britishers; leaving London November 12, they fly 11,500 miles and reach Darwin December 10.

1919.—Planes by day and trains by night, transcontinental airmail established: New York, Chicago, Omaha, Cheyenne, Salt Lake, San Francisco.

July 15 to October 19, 1920.—Captain St. Clair Street, U.S.A., commands a squadron of 4 DH-4 army planes flying from New York to Alaska via Fargo, Saskatchewan, White-



... as department air officer he courteously provided the data for this paper.

Colonel Sneed is West Point 1908 and continuously in the air corps since 1917 with command at various times of fields: Kelly, Crissy, Rockwell, Patterson, and Langley. He has been corps area officer of the 3rd corps; assistant military attaché for aviation in Turkey for a time, and at another time, on duty in the office of the air-corps chief and assistant secretary of war at Washington. He is a graduate of the Air Service Tactical School, the Air Service Engineering School, and the Command and General Staff School. He is rated airplane pilot and airplane observer and since December 1934 has been department air officer and the commanding officer of the 4th composite group.

horse, Dawson, Canada-Fairbanks, Ruby, to Nome, and return to New York, flying a total of about 7,000 miles.

1923.—All-air transcontinental mail line established between New York and San Francisco.—O. K. Kelly and J. A. McCready of Mitchell Field, New York, to San Diego in total flying time of 26 hours 50 minutes.

June 23, 1924.—First transcontinental dawn-to-dusk flight; Lieutenant R. L. Maughan from Mitchell Field to Crissy Field, California, in 21 hours 48 minutes.

October 12 to 15, 1924.—Dr. Hugo Eckener flies the dirigible ZR-3 (now the *Los Angeles*) nonstop Friedrichshafen, Germany, to Lakehurst, New Jersey, 5,066 miles in 81 hours 17 minutes, to deliver the dirigible to the United States.

1924.—Captain Lowell H. Smith commanding a squadron of 3 army Douglas planes effects the first round-the-world flight leaving Seattle April 6 and reaching Boston September 28 in a flight via Alaska, Russia, Japan, China, Malay Peninsula, India, Turkey, France, England, Iceland, Greenland, and the Atlantic to Nova Scotia and down to Boston—some 28,000 miles in 371 flying hours.

May 20 to 21.—Colonel Charles A. Lindbergh flies nonstop and solo 3,610 miles in 33½ hours New York to Paris. June 4 to 5.—Clarence D. Chamberlain and Charles Levine, Americans, fly nonstop from New York to Eisleben, Germany 3,905 miles.

June 28 to 29, 1927.—Lieutenant L. J. Maitland and Lieutenant A. J. Hegenberger, U.S.A., flew nonstop from Oakland to Honolulu, distance 2,400 miles and time 25 hours.

June 17 to 18, 1928.—From Trepassy, Newfoundland, to Burry Port, Wales, W. Stultz and L. Gordon piloted Amelia Earhart, first woman to fly the Atlantic, in the *Friendship*.

October 11 to 15, 1928.—Dr. Hugo Eckener with the *Graf Zeppelin* made the first commercial dirigible transatlantic crossing from Friedrichshafen to Lakehurst carrying 20 passengers.

January 1 to 7, 1929.—Five army officers in the *Question-mark* remained aloft by refueling in the air 150 hours 40 minutes, then a record of flying endurance.

July 4 to 11, 1930.—The Hunter brothers refueling in the air remained aloft 553 hours 41 minutes.

September 1 to 2, 1930.—Captain Coste and Maurice Belonte of France made the first nonstop flight Paris to New York in 37 hours 19 minutes.

June 23 to July 1, 1931.—Wiley Post and Harold Gatty flew the globe in 8 days 15 hours 51 minutes. (Wiley Post solo surpassed this 2 years later, circling the world in lapsed time 7 days, 18 hours 49 minutes—aviation's most spectacular stunt, effected without parachute or liferaft).

Recent remarkable progress in aviation comes chiefly of the refinement of the engines. The first Wright engine weighed more than 12 pounds per horsepower, and engines have since been lightened to less than 2 pounds per horsepower by use of the new strong alloy metals through cooperation of engineers and oil companies. With ethyl gasoline compression ratios

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*Samuel Pierpont Langley was a Bostonian born in 1834, who died in Washington in 1906 three years after the Wright brothers proved his scientific theory correct, that man could fly in machines heavier than air propelled by power. Langley was a physicist and an astronomer, his chief work in physics, aside from researches in aviation, being on the infra-red rays of the spectrum. From 1887 until his death, he was the secretary of the Smithsonian; and it was down the Potomac 30 miles from Washington that he experimented with his aerodromes.

"In aeronautics," says the *Britannica*, "he succeeded in demonstrating the practicability of mechanical flight."

Before going to the Smithsonian, at the Allegheny observatory at Pittsburgh, with a whirling table he studied the principles upon which flight depends, driving the revolving arm of his table by steam at speeds reaching 70 miles an hour—far above the minimum for flying with load. Then he undertook his aerodrome building, varying between steam, compressed air and carbonic acid gas for power, but unable, in 1903, to fly his machine because no practical launching apparatus had been devised. This was ready in 1894, and other handiworks were overdone in 1896, when a Langley machine flew over the Potomac 1½ minutes, or until its fuel and water were used up, when it dropped lightly into the river. It weighed 30 pounds, was 16 feet long, and its tip to tip wing spread was between 12 and 13 feet. Its 2 successful flights were made May 6, 1908; each was more than ½ mile long. In November 1890, another Langley aerodrome flew ¾ of a mile, reaching a speed of 30 miles an hour.

His aerodrome to carry a man was tried in 1903, 7 years after his successes of 1896, but failure with launching used up the funds at his disposal and the experiments had to be abandoned. When he died in 1906 he was 72 years old, the father of practical aviation, though his researches into the infra-red rays of the solar spectrum were his greater scientific contribution to applied knowledge.



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quiring his environment and his capacity to use and consume what he grows and makes. One of the earliest solutions will be the convenient implementation of mere physical living. The gaining of a livelihood need not, even with today's facilities, remain man's main preoccupation. In the world during permanent peace the main preoccupation will be with children and youths: their upbringing, their education, the encouragement of their prowess much in the manner of the Jews' care of their children today, and as they did all through the ghetto period. (All we will say has existing precedents). The secondary preoccupation will be with utility and beauty; it will be more intense application of the sciences, inducing revival of the arts.

This sounds very limited, very simple. On reflection however, it is not. Survey the field of plant experimentation alone; and the field of metallurgy; and the field of physics generally; and surgery, its various branches; and physiology, the broad dissemination of its marvels. There is that union between divinity and man that makes man's field of inquiry boundless, and boundlessly fruitful: the most remarkable step is but intermediate to greater strides beyond. All this may be granted. Senator Gerald P. Nye while in Manila in November told an audience that with war's abolition every community in the world, of as many as 2,500 persons, could support a university; nor would it lack a great hospital and brilliant physicians and surgeons.

In the world of peace, instead of strangers being feared and shunned, in every community they will be welcome: for the bizarre and valuable they bring with them, a bit of new music, mastery of a language, or an art or craft they are able to teach; because the ethical exchange of knowledge now manifest among scientists will then pertain to all of man's activities. In cities men will know and appreciate country life; in the country, the beautiful cities, placing the keys to their gates in every approaching hand, will be admired, and what they find beautiful and useful will be patterned and borrowed and made useful and beautiful in the country too. True education will teach the basic fact of man's physical mortality; instead of earth being ruthlessly exploited, earth man's mother and sire, it will be respected and kept fertile and prepossessing.

These tendencies, attracting the philosopher's observation, are seen in all old countries; that is to say, in those countries where civilization has existed longest. As man hates most to see destroyed what he loves most, what has most engaged his energies, this phenomenon in itself demonstrates that man tends toward peace. How much he has tended to preserve the ancient works of Greece despite the wars that have centered there. It is because he respects, not so much the ancient Greeks, but mankind's matchless work in ancient Greece. Though the Acropolis is a ruin, yet its broken beauty is instinctively cherished. So with great cultural relics everywhere—preserving knowledge man once had, but has lost in the turmoil of prolonged belligerency.

Contrast cities in the world of peace with cities of today. In the new cities, downtown streets will be long parks. Leading away from them will be wide shaded ways for pedestrians, others for bridle paths; and along streets left to vehicles, traffic will move swiftly and safely: the danger of crossings will be eliminated. Cars will not be parked at curbs, other accommodations will be found for them; and while mothers shop downtown, children will run at liberty in the park-like streets. Parks will be a studied pattern everywhere; the poor, emancipated from slums, will live in apartments surrounding spacious courts constituting public playgrounds and having at hand nurseries, hospitals, and schools.

Schools will combine the classical and the vocational. Mastery of manual arts will revive and excel Athens and Rome, Florence, Milan, and Venice. The genius of precocious youths will be a matter of municipal concern; as much as the problem of the water supply is considered, so will be the problem of precocious intelligence. (Water mentioned, such a precious thing as water, comprising the bulk of man's physical body, will be drawn and poured only from

PEACE CONTINUED

We conclude our comments of November. The world of peace will be far more dynamic in every way than the present world of alternate peace and war. (Our contention is that war has become insupportable economically, therefore man will find his way out of it. We could add of course, it is morally insupportable; also, given the progress of communication and the distribution of universal knowledge, hence a common basic culture, that it is obsolescent; and further, that man, who has discarded dueling and placed effective bans upon private war, advances toward abolition of international war and has at his command even now the political mechanisms for the implementation of peace). In peace there will be public and private funds for every constructive project: men then earning a dollar, not having to give 75 cents of it for war; and governments taking a dollar in taxes, not having to use 75 cents of it for war.

More than this, economic fears of the future that so trouble men today as to lead neurologists to warn the world against wide and chronic psychosis—in plain words, insanity—will be obliterated. Conquest of the brain-destroying maladies mainly spread by war, every army betraying its polluting propensities in its prophylactic service, will empty insane asylums in a few generations; and far more, will transform the social viewpoint toward man's most mystical experience, his agency of divinity in procreation.

Further by way of introduction, let us agree that commerce under peace will experience constant and infinite growth. There are no limits to man's ingenuity in adapting and con-

the most captivating spigots and vessels. How bemoaning it is of man's instinctive sense of beauty that his modern patterns derive so largely from the early ascetic Christianity that despised profane beauty for its paganism, and that this asceticism nourished in the catacombs bemoaned his vessels. If a workman must drink from a tin cup, a crockery pot or a brass faucet, he can only be conscious of bestial humility.

In the country during peace, men will surround themselves with urban beauty and conveniences; the villages, where they will live because isolation on farms will be unnecessary, things beautiful and useful in the cities will be modeled on smaller lines and coordinated with their altered environment. Life will center primarily at the many seats of learning, dominantly at the universities flourishing everywhere, whence learned direction about all practical matters will come. Immediately anything is desired to be built, it will be a matter of community concern (as of course in all cities; as in Stockholm, for example, today). The useful will therefore be constrained to be as acceptable in appearance as in usefulness.

In city and country alike, travel and moving about will be incessant, and by the most rapid means, and of course at costs ridiculously low. To all the ancient games, save sheer brutality, youth will add its new ones; and winter and summer, in small and large communities, sharing and viewing the competitions, from interpreting Chopin and Bach to Marathons and the swimming of the distance of the English channel, will be major preoccupations. With the thwarting of the infections that ruin the brain and visit the sins of the

fathers upon the children to the third and fourth generation (but as a matter of fact, even forever), dullness will practically leave the human mind. Therefore the senility of the modern press will decamp permanently and very early.

Youths, both girls and boys, will recess from sports and repair to a discourse on philosophy or a symphony concert or a rendition of true drama as naturally as their elders, and with critical intelligence.

The world of peace will not eschew religion, instinctive in man, who alone, perhaps, has the power to meditate as to what his life signifies and what his destiny may be. The world of peace will be deeply religious, truly so, but not, after a while, denominational and dogmatic. So concludes the interlude on peace and the modern insupportability of war, just a brace of thoughts we deemed it worth while to sandwich between the exit of an old year and the advent of a new one. Mechanisms to implement permanent peace, we have said, man has already devised. That he does not use them very effectively as yet is due to his Janus-like character, his determination to look ahead, and his incorrigible tendency to look back.

It is unscientific that peace tends to make man effete and soft. To now he has been ruled by his soldiers equally in peace and war, and it has not been their will to suggest during peace the discipline that superior rulership would of course effect. Nature made youth ascetic, that is why, indeed, armies do not suffer complete demoralization. Asceticism takes to harsh physical discipline, more susceptible of universal cultivation in peace than in war.

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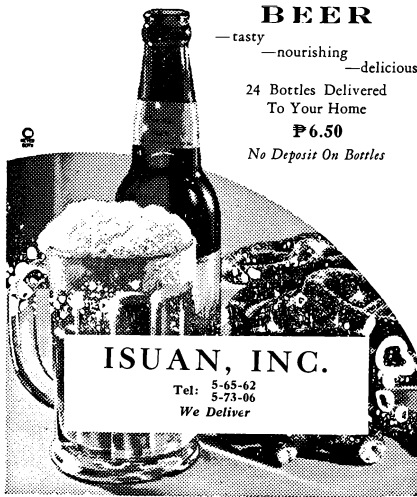
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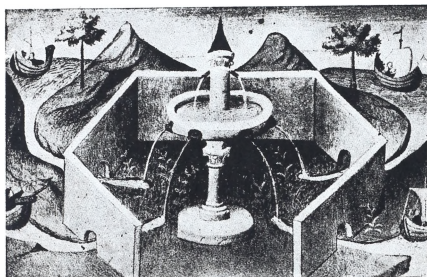
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Old Malaysian Contacts with Western Europe



The Netherland Map

Sources of the Rivers of Paradise
(From Livre de Merveilles)

... and as a constabulary-doctor friend was wont to say: "And then you wonder at crime and disorder in the Province!"

One of the simplest, but not really a very absurd, conception of the world as a whole was that of the Greek Ephoros, who lived around 350 B. C. According to him the world had the shape of an elongated rectangle which he conceived as being divided in four almost equal parts. At the left top corner, that is to say in the North-West, lay the Land of the Celts, in other words our present Europe, which was in fact, at that time, mainly inhabited by Celtic races. At the right top corner, that is to say in the North-East and adjoining the former, lay the Land of the Scythians, or present-day Russia and Siberia. That again was true enough. At the left lower end, South-West therefore, he placed Ethiopia, or Africa, which again is quite accurate. That left him with the fourth part of the world in which to place India. Of this latter country Ephoros says, however, that it was smaller than Ethiopia, and consequently also smaller than Europe. For even before his time Herodotus had laid it down that Europe by itself was much bigger than Africa and Asia put together—which, as a matter of fact, was quite apparent from the world-map of his day.

Ptolemy of Alexandria, the father of geography, was a man who combined Greek intelligence with Roman thoroughness. It was he who first tried to construct a world globe based on the geographical knowledge of his time. But he lacked material to do more than construct a kind of cape, which he could not make to meet at the back! That is really nothing to laugh about; it just shows what a conscientious man Ptolemy was. After all, he lacked the whole of the New-World and best part of China, to complete his globe; to say nothing of the two great oceans. So it was quite clear that his cape could not be made to reach right round. Neither did it stretch far enough in depth, for he did not believe that Africa was surrounded by the ocean, but held that it was joined on to the coast of Asia somewhere in the neighbourhood of Siam. In this way the Indian Ocean became an inland sea, just like the Mediterran-

*Through the shipping
that reached Sumatra
and Java the Philippines
may have had trade: as
in pearls and gold dust*



ean. Ptolemy's equator was consequently to be found only a short distance above the Southern edge of his world. The fact that he had not enough geographical material to fill in the bottom part of his globe, saved him the trouble of working out what such a bottom end of the world could possibly look like.

At the further end of his inland sea—which was the Indian Ocean—we can recognize Malacca and the Golden Peninsula. In the place where India should lie, we find an exaggeratedly large island, Ceylon, the land of marvels which was known in Antiquity as Taprobane.

If we find Ptolemy's map to be somewhat imperfect, let us not overlook how scanty was the material at his disposal. And let us also not forget that it would take almost fifteen centuries after his death, before any more accurate conception of the world's appearance was to gain currency. It was only when Bartolomeu Diaz doubled the Cape of Good Hope in

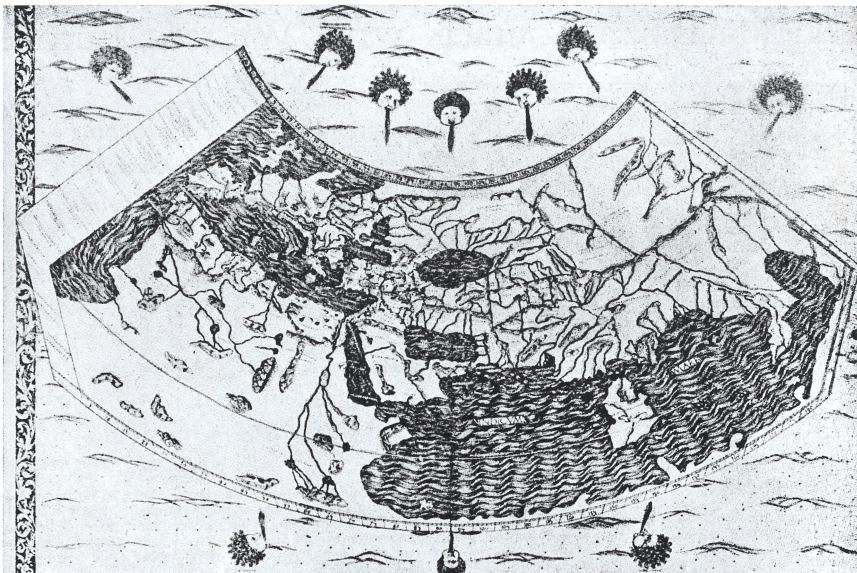
1487, that the suspicion revived that Africa might, after all, really be surrounded by the ocean. But people still went on believing that there must be a land connection between India and Asia, such as Ptolemy had indicated. And so, even then, the Indian Ocean was still looked upon as an inland sea, and one not much larger than the Mediterranean.

In the extreme East, that is to say beyond India, was the place where Paradise lay, and there, according to mediaeval ideas, the four great world rivers had their sources. On the unique map of the world, which was drawn by Dr. Wieder at Leyden in the interval between the voyages of Bartolomeu Diaz and those of Vasco da Gama, we see the Nile shown as flowing from somewhere in further India, while the Tigris and Euphrates also came from those parts. It was only the voyages of Vasco da Gama which put an end to these pleasant conceptions. By land India had been reached much earlier. Alexander the Great had marched his troops into it, and even he was not the



The Netherland Map

Babylonian World Map
Showing their conception that the earth was round



Ptolemy's Map of the World
From the Original in Prince Yussuf Kamal's Library, Cairo

The Netherland Mail

first to be attracted by this land of marvels. After the great Macedonian's death, diplomatic relations were long maintained with India, for instance between his successor Seleucus of Antiochia and the court of Sandrokottos of Palibothra. In these words we can easily recognize the Indian names of Chandragupta and Baliputra. The Greek ambassador Megasthenes remained there for many years, so that his accounts of India should be reliable. And they were certainly believed in his day, as they agreed completely with everything which had long been known about the country.

Most curiously constructed people lived there: some had no heads, and carried their eyes in their breasts. Others had immense ears, so ample in fact, that at night they wrapped themselves in them as in blankets. Others again, known as the Skiapodes or Shadow-footed, enjoyed their siesta in the shadow of their own foot which they turned up and used as a sunshade.

Less remarkable, but still fairly interesting, were the numerous nations which consisted of people who had only one eye, or who lacked noses or mouths. The latter fed by inhaling the scent of flowers, and died when they were exposed to evil smells. In between all these miraculous things, this eyewitness reported several facts about Ceylon which were quite true, such for instance as that the elephants in the island were much bigger than those on the Continent of India, so that while the latter were only suitable for transport purposes, the former were used as fighting elephants.

During Roman times a regular and brisk trade was carried

on with India. The western extremity of the trade route was the port of Berenice on the Red Sea. From there ships used to follow the coast until they reached India. But one day a daring Greek merchant, Hippalos, availing himself of favourable winds, accomplished the feat of sailing right across the ocean to India. Since that event the voyage, when performed on the wings of this "hippalos" wind, took only forty days. It was only very much later that there came to be used for that particular wind the Arabic word maussim, which the English turned into monsoon, and the Dutch into moesson.

The Romans were businesslike, matter-of-fact people. They imported many kinds of wares from India, and paid for them in coined money, specimens of which are constantly being unearthed in various parts of India. They had already heard of Agathodaimon, the Land of the Good Spirits, that is to say of Sumatra; and also of an island called Jaba Diu which lay beyond it. Judging by these names, Europe's first information about Java would appear to have come from Ceylon, for there the world diva means island.

But accurate as the Romans tried to be in their accounts of distant lands, they nevertheless managed to disseminate strange tales, such for instance as those about the Ichthyophagi, the Fish-eaters of India. These were people who lived in a country where not only the human beings, but all the cattle too, lived exclusively on fish. These tales remained current throughout the Middle Ages, together with many other strange accounts.—Dr. W. J. v. BALEN in *The Netherland Mail*.

LETTERS

Frederic H. Stevens
—F. H. Stevens & Co., general
merchants, Manila.

"May it prove a year that will be profitable to you and yours in happiness, health, and worldly goods. Incidentally, I hope I may be the means of assisting you in a small way to have all three of them." (Acknowledgment is made of many year-end favors including excellent calendars, and letters and cards from the ends of the world. The *Journal* tried to be its best last year, will try to be better this year. All its support being voluntary, this is contingent upon its valued advertisers and subscribers. Requests for complimentary copies are more numerous now than formerly, including many foreign addresses: philosophical institutes, libraries, universities. This is a charge upon revenue, for each foreign address, about \$1.60 a year in postage alone. As to advertising, there are merchants, such as haberdashers, whom we can do little direct good: their windows and the daily and weekly papers are their best recourse. But we believe there are few whom we can not do indirect good.)

Ernest H. Oesch
—able manager of a hemp and coconut
plantation at Padada, Davao.

"The cover on the December number was a *huminger*—and the cover is certainly not superior to the meat within the covers. Heartiest congratulations coupled with all my good wishes for your continued success and prosperity. I would like to have a yarn with you regarding many things: I feel that we could propagate the usual arguments, especially after scientific application of *Highland Tongue Oil*. Will be glad if you'll send to the attached list of persons, one copy each of the December *Journal*. If the inclosed 2 pesos don't cover the damage, let me know and I'll make further inroads on the exchequer." (The remittance covered everything including postage. The play on tung oil was irresistible, we just had to print it. There are pleasures more delectable than sitting over a genial cup in conversation with intelligent friends, but they are few.—*Ed.*)

John A. Davis
—chief engineer of the information
division, U. S. Bureau of Mines.

"For a number of years, you have been sending a copy of the American Chamber of Commerce Journal to the Bureau. Would it be possible to furnish us with another complimentary copy?

We find the new section "Mining Review" of special interest to a number of our divisions and would like an extra copy for clipping. Your courtesy will be greatly appreciated. The correct address is Library, U. S. Bureau of Mines, 900 F. St. N. W., Washington, D. C." (Request complied with; and besides, a letter written describing the Philippine gold-field generally and urging the interest American capital ought to have in its exploitation, both lode and placer districts.—*Ed.*)



Hon. Frank Murphy
—American High Commissioner
to the Commonwealth of the Philippines

"Your generous and deftly drawn editorial in the December issue has just been brought to my attention and I hasten to thank you for the singular appreciation which you drew of my efforts in the Philippines.

"Many misinformed people and others who have merely a superficial understanding of the root problems of the Philippines are absolutely certain of the charted course that will bring both countries into a safe haven. I believe the more thoughtful students of the situation and those who are more discriminating in their judgments are not so sure. However, there is one course which we should not hesitate to follow and that is the path drawn by the obligation of meaning what we have said—good faith.

"Not being prophets or the sons of prophets, we may not be wise enough to foresee with serenity the future but there can be enough good stuff in us to keep our word with unbending zeal and also with prudence and kindness and a sense of justice becoming to all the people of both countries that we represent."

M. Farolan

—business manager of the D. M. H. M. newspapers headed by the Philippines *Herald*.

"Phil Crovat of Philippine Education sent me as a Christmas gift a copy of your *Old Mania*. Last night, I read all of it in bed although I took it up without any intention of going through it.

"Now I consider this book a priceless possession. After reading the introduction alone, I felt that I have had a good check up on the little knowledge of local history I had acquired from school books and added to it a lot more. That introduction alone is worth to me more than the whole book and I shall read it again and again if only to enjoy seeing the beautifully vivid pictures that you flash *cine-fashion* to the mind.

"I have been telling myself that I know Manila a bit better than most residents do, but as I read your delightful account, I began to wonder if I really knew my city. It left me with a sense of guilt creeping in on my conscience and I now propose to see a few places again, this time much more intently and carefully. Or should it be in a more leisurely way? But of course, only a master like you, Don Walter, can discover the hidden masterpieces and reveal them to us ordinary mortals who are apt to regard them as commonplace things. Only through your keenly appreciative eye, sensitive soul and inimitable style do we see them as they truly are, with all their beauty and charm, with their deep meaning in tradition and history. And for this unique privilege I am most grateful.

"And of course most of the other chapters contain most interesting stories packed full of historic events and incidents, all of which not only make enjoyable reading but also constitute an important addition to Philippine literature in English of the higher order. Please accept my congratulations and my best wishes for a very prosperous New Year."

T. H. Moll
—Librarian, Pan Pacific Institute,
Amsterdam, Holland.

"I beg to acknowledge receipt of the latest issue of your Chamber's *Journal*, which I have perused with much interest.

"Notice that this publication is on file in our Institute, has been given to visitors and members, and will appear more-over in the next issue of our "Mededeelingen" (Notes). I appreciate and thank you for your courtesy in adding our address to your mailing list and I shall not fail to send you our publication in exchange. Meanwhile I trust that our latest issues viz: Mededeelingen No. 2 of Vol. I (November, 1935) and E. D. van Walree—The Economic Relations of the Netherlands Indies with other Far Eastern Countries, will have safely reached you."

Pension Funds . . .

(Continued from page 7)

railroad succeed as a business venture and would not mind really owning it instead of merely owning its shares—that are not at all a popular investment bargain, nor are the bonds. Fourth, to stop interest in gold is a factor.

So the government offers for these bonds; but not as a good canny fiduciary, because the bonds are at great discount. The government forces funds into this purchase. This is not to complain of its action, approved of, but to state what it is from the investment viewpoint for other than strictly government funds. Here is approached the neighborhood of forced loans. Pension funds ought to be clear of such encroachments; they should be invested in nothing but the most liquid securities, sale of which could be effected upon short notice. Attention to such responsibilities by the new board will invite confidence. It may be added that the teachers' pension fund owns Manila Railroad bonds, also bonds of the Metropolitan Water District, that ended 1935 without a profit. It might even further be added that purchase of the bonds in London and escape of interest payments in gold obviously strengthens the road's position and that of its bonds not payable in gold, interest and principal. But when all is said, this is not clean fiduciary business; it may be doubted that any court in equity would so pronounce it.

Certain modifications of the law affecting the teachers' pension fund might be effected to the fund's material advantage. For instance, it might be provided that defaults on quasi-public bonds bought by pension funds, railroad or water bonds being examples, will be made good by the general government, the Commonwealth; and against this contingency salary savings, year-end surpluses enjoyed by the fund until 1928, might be put aside.

Teachers pay but 3% of their pay into the fund, yet teachers coming into, the service now and in future and sharing the benefits of a fund of ₱20,000,000 already amassed, might at option of the board be assessed 5%. Then there are teachers leaving the service without taking their pensions, payments that took ₱1,203,660 to the close of 1934. They consist of what the teachers have paid into the fund, with compound interest at 4%; the fact that throughout his service the teacher has been protected by the fund, the law extending to disability, death and superannuation, seems not to be taken into account. The teachers withdrawing from the service could well be content to get back what they actually paid in, counting their protection meantime as reasonable earnings on those pitances. Finally there are pensioners who retired very early under the act, some drawing considerable pensions though they paid in but little.

Confidence should be general that President Quizon will give most careful attention to this

whole question. He will reach, it is hoped, final conclusions making the clearest distinctions between fiduciary and administrative capacity, and between the single-purposed responsibilities of fiduciaries and those of central-government administrators such as members of the investment and loan board will be. The teachers, rightly, have had confidence in their pension board.

Roy H. Howard . . .

(Continued from page 5)

their minds without shame or fear of popular indictment. If the change has been limited to the intelligent and educated class, it is because they have been the first to realize the implications of independence beyond their own hearts' desire. They could see what the masses cannot see even now: that independence is a much more serious business than singing the national anthem and cringing upon the sight of the Filipino flag waving in the breeze. They realize that independence now or in the near future will only be a prelude to a more abominable subjection, that freedom today may mean slavery tomorrow beside which our present liberties will be things to remember longingly. The masses of our people cannot see this. Sunk in drowsy tropical indolence or in miserable poverty, they are either indifferent to the real significance of independence, or they look upon it as the pious Christian looks upon the life after death: as a ledger in which they will be reimbursed for their present want and suffering. Independence for them is the economic interpretation of Christ's Second Coming. It will bring them comfort and plenty, prosperity and happiness. They do not see that it will surely mean a condition of perpetual subjection from which no power on earth could redeem them.

This change is due to circumstances beyond their control, principally the menace of a rising and aggressive Japan who has flouted in the instant case of China her commitments to peace and non-aggression. When the cry for immediate, complete and absolute independence was first raised twenty years ago, world conditions were not what they are now. The World War was yet to be fought, the League of Nations formed and repudiated, the Kellogg peace pact drafted and discarded, the Nine-Power Treaty concluded and violated, Manchuria lopped off and appropriated, Ethiopia invaded and raped, and North China conquered through a ruse and a pretext of autonomy. Conditions that would have made independence twenty years ago auspicious especially in view of the high idealism aroused by the World War are precisely the same conditions that make independence at this time or in the near future a dangerous proposition. If the desire for independence was, therefore, even only partly based on the assurance of security in its enjoyment, then it follows that the removal of that assurance

should reduce in corresponding degree the ardour of that desire.

The logical thing for the Filipinos to do is ask Congress that the Commonwealth be made permanent. Full statehood is out of the question. The Commonwealth should be made to stay not permanently but as long as it continues to confer mutual benefits on both America and the Philippines. The status should cease as soon as it becomes burdensome and unprofitable to both parties, and should continue as long as it is more desirable than independence. We cannot commit the future to any contract providing for a permanent and irrevocable Commonwealth status. We do believe, however, that for the present the Filipinos should keep this status. And the tenure of the Commonwealth, we cannot stress too much, should be indefinite rather than permanent.

The plan for a permanent status failing, it is possible that the business interests in the Philippines will turn to Great Britain and ask that the Islands be given a territorial status under the British flag. This statement came as a surprise to most Filipinos, and rightly. The ways of international diplomacy are mysterious, but is incredible that America will be a party to a bartering of territories, with the Philippines, the most priceless of her possessions, on her side of the counter. Nor will the Filipinos voluntarily seek the protection of Britain or of any other nation even if her security were to be in serious jeopardy. If they should part ways with America henceforth, it is absolutely certain that they will try to stand on their own feet for as long and as bravely as they may. But seek the protection of another power, asking to be taken in—never.

The statement, however, that "The Philippines would be invaluable to Britain in strengthening her strategic line of defense in the Far East," and that "in unfriendly hands, they could jeopardize the entire British position in China," is beyond question true. The Philippines in the hands of Japan, for example, would make the latter complete master of the Far East and a menace to British territories and spheres of influence in the region. The British position in the Yangtze Valley, in Hongkong, Singapore, Borneo, and even farther south in Australia and New Zealand would be reduced to a cipher. With America out of the Philippines, Britain may fight it out with Japan for so choose a morsel as this Archipelago. But with this possibility we shall have little or nothing to do.

If asked by the Filipinos, America is almost sure to reconsider the independence question and to deal with it justly. If any change in the Philippine program is desired, it is for the Filipino people to initiate it, to go to Congress and say: "Gentlemen, we want you to play this game as squarely as we are going to play it ourselves. You have fulfilled your promise, we have indulged in our idealism. Having made good your word, you have given proof of

(Please turn to page 45)

S. R. SIGÜENZA
LAWYER

Dr. SIGÜENZA
DENTIST

Insular Life Bldg., Manila

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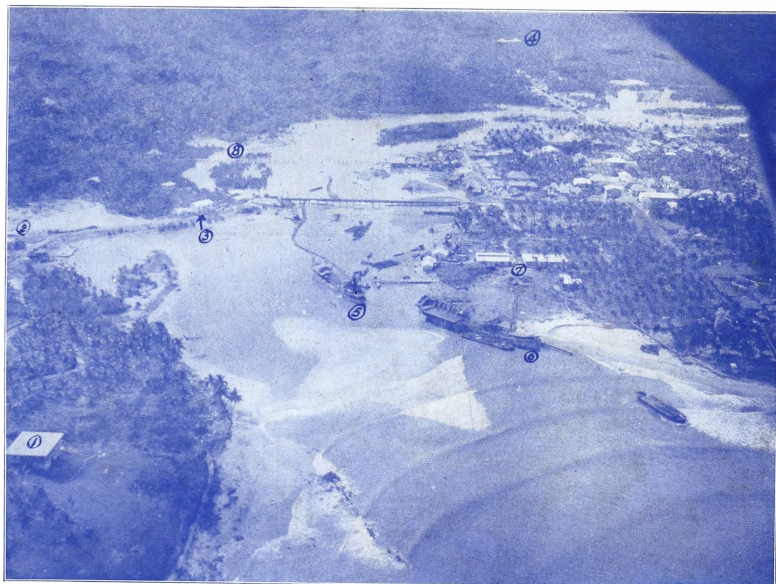
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mining, needs expanded coverage,
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will take the lead.*

MINING REVIEW



AMERICAN CHAMBER

OF COMMERCE JOURNAL



PARACALE GOLD DISTRICT

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J. H. Marsman & Company's Dredges Working

Explanation—

1. Mill Superintendent's residence, United Paracale Mining Company
2. Machine Shop, United Paracale Mining Company
3. Powerhouse, United Paracale Mining Company
4. Residence, North Camarines Mining Company
5. Dredge "Hankow"
6. Dredge "Rotterdam"
7. Offices and Quarters, Coco Grove Placer Syndicate
8. Dump, Northern Mining & Development Company now managed by United Paracale

Comprehensive Philippine Mining News Up to Date



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

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**THE EARNSHAW DOCKS
&
HONOLULU IRON
WORKS**

Narrative of Last Year's Philippine Mining

By Ralph Keeler

Mining-Section Editor and Reporter

Mining reached its greatest prosperity to date in the Philippines last year. Production figures both totals and by months appear in this issue of the *Journal* under the double-page cut of the latest large-scale venture, big-dredge work in the Paraale district. Fourteen mills produced ₱32,025,047 worth of gold, 1 mill, Goldriver, operating 1 month only and shutting down for further exploration and possible development of its claims. In contrast to this, new mills for other properties are planned for this year. Other minerals are being exploited, and new goldfields as well. The current year should witness material advance.

It is an old story that the Hausermann properties, Benguet Consolidated and Balatoc, lead all others. Between them last year they produced 2/3 of the Philippines' gold output and reached more than ₱2,000,000 in December. However, all producers are preparing to handle more ore.

Marsman & Company were responsible during 1935 for much activity in fields comparatively little exploited theretofore. They brought the Paraale-Mambulao district in Camarines Norte into production with a mill at the United Paraale property and with large dredges on the Cogo Gorge placers. They also established interests in Mindanao. Shares of Marsman Investments, Ltd. were listed on the London exchange, pioneer recognition of this type of a Philippine mining venture either in Europe or the United States. It has brought British capital into our mining industry, and the interest of this capital promises to be permanent here.

The year's phenomenon was Antamok Gold-fields, that nosed into third place before the year's end. Gossip had it at the outset that Antamok's gold reserves were short, but they were extensively developed during the year's operations. There looms among our gold magnates a new figure, Andrés Soriano, heading Antamok, IXL and Masbate Consolidated with additional scattered interests. He has demonstrated driving force. Laying aside IXL's remarkable exhibition as a small project destined to expand, within a few months Masbate Consolidated will be milling 2,000 tons a day and with this capacity will be top among the goldmills of the islands. Behind it are well known properties: Panique, where the mill is, Colorado, and Boston Hill.

Gold still commanded primary attention in the Philippines during 1935, booming as it did, but base metals came in for attention too. The Philippines Iron Mines began steady shipments of ore to Japan from its mines across Mambulao bay from San Mauricio. The output is relatively small, but should expand. Output from other iron deposits, though extensive and widely found in the Philippines, remains nominal. Given the quality of Philippine iron, limited production will hardly continue.

Chromite excited speculative cupidity during the whole year, but the only sale of Philippine chromite effected was that of Benguet Consolidated: 100,000 tons of chromite from the Floranice mines in Camarines Sur to Union Carbide. Benguet operates Floranice for the owners, chiefly the Cadwallader interests. Benguet has also undertaken an operating contract with Consolidated Mines covering the latter's huge chromite deposits in Zambales. The output has not been sold (January 10), but costly development necessary to practical work proceeds. Results, reported promising, are for the future.

Consolidated Mines reminded the United States prior to the loss of the year of its chromite deposits, and hinted the advisability of stocking chromite ahead as war material.

Nothing has come of this to date, but on the contrary, George H. Dern, secretary of war, interviewed by the *Journal* in November when he visited Baguio, and inspected the mines there, supposed Japan, that had offered for Philippine chromite, a logical market for this important alloy metal. Aside from all this, companies to exploit chromite were organized during the year and there was considerable speculation in their stocks. (The *Journal* has had to cite fundamental differences between ores such as chromite, and gold: besides its being important for chromite to be of fixed commercial quality, sale is limited to those who want it because they have use for it industrially, or because they are advantageously placed as entrepreneurs to such industry; but gold, on the contrary, has an instant market everywhere).

Excitement over mineral oil developed in the Philippines toward the loss of the year. The commonwealth is currently in an astonished mood toward these potentialities. If the subject is treated this month by the *Journal*, it will be in a separate paper. Here it is enough to say that millions of acres have been taken up throughout the Philippines, by one main group chiefly, for the most part under exploration leases running 1 year; also that Standard Oil has been interested by the main promotion group, that the *Journal's* notation of leases granted evoked interest in London, and that oil geologists allied with minor groups have found local capital enough to back their preliminary explorations.

It sums up to a consciousness of oil's potentialities. It is possible there is oil here, somewhere, in commercial quantities. An intriguing fact is the Borneo field, so near the southern Philippines.

Things are much the same respecting manganese as they are respecting chromite. From Ilokos, a 500-ton manganese shipment to the United States sold readily, a fact at least demonstrating its quality. The company organized to exploit manganese in Sulu has been reported, the expectation being the market in Japan.

A number of the 14 mills reporting, 13 operating, began operating in 1935. Demonstration began early, United Paraale soon followed, and Salacot in October. Gold Greek ore has been milled at Antamok. The Cal Horr mill completed in October began operations in December. A mill is being built for Big Wedge, another for San Mauricio, and a mill is ordered for East Mindanao. Suyoc Consolidated began milling a year ago. Geophysical tests and further exploration and development upped Ipo's reserves and raised estimates per ton, practically establishing this new field so near Manila. Virac, that soured during the year from flood damage and want of development, is resorting to geophysical tests for ore deposits.

Sourest of the new projects that actually reached the built-mill stage was Gold River, shutting down for want of ore after 1 month's operations. Then Benguet took an operating contract under which a report is expected soon, after this once buoyant stock sagged as low as 3½ centavos per share par 10 centavos. Hooking Gold River's power with Balatoc's and Benguet's, Benguet was enabled to start Cal Horr's mill at the end of the year, meantime exploration of Gold River's claims being far from neglected. Ambassador thought it had ore enough for a mill in sight in April, but has not built one, while Marsman's operating contract covering this property has been given up.

Shares had their ups and downs during the year, the board values often having little relation to the actual values indi-

(Please turn to page 38)



RALPH KEELER

Tambis Dredging Pays 30%

The dredge 9 kilometers from barrio of Barobo, the Landing port for the Tambis operations.



Part of the Bodega.



Below Headquarters of Mr. Charles Knaebel, engineer in charge of the development of the lode claims about 4 kilometers to the north of the dredging properties.



Tambis makes money in 3 principal ways: from dredging its placer property at Tambis, Surigao, by operating a transportation line with trucks needed for its own hauling and travel, and by buying dust from panners, some at Tambis and some at Cebu—this operation netting ₱12,387 last year. The net income from bullion during the year ended October 31 was ₱99,858.

The profit from the trucks is a measurable item, ₱3,310 last year.

Pay a 30% dividend on ₱240,000? Easily. With plenty left in the kitty for development. The yearly report says the placer is extensive enough to run the dredge 50 years. At the outset of the year the capital was ₱150,000; the increase was made during the year to the sum of ₱240,000 partly no doubt on account of the lode project under the management of Charles P. Knaebel. The lode project includes 12 claims of the Canugas-Agutay syndicate consolidated during the year with those of the Tambis company, this company holding the Kia-ora and Canugas-Agutay groups under lease. Tambis has spent ₱60,000 on this development, on which the Knaebel report will be made not later than February.

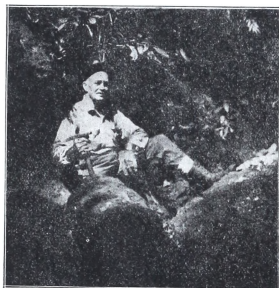
Anyone who assumes that Practically all gold lands exploitable in the Philippines are in Luzon would please southern interests by getting it out of his system. They do some quite respectable traffic in gold in the south, even a little in Cebu itself, that tenacious port city being the center of the organizing and financing. From Cebu we have the yearly report of the Tambis Gold Dredging Co., Inc., of Surigao, H. Gasser manager and president, C. E. Olsen vice-president and assistant treasurer, D. G. McVean secretary, L. D. Hargis treasurer, and H. B. Walker the fifth director. Tambis made ₱123,590 last year on a capital of ₱240,000 and paid 30% dividends at the close of the fiscal year.

The yearly meeting of shareholders was held December 16, when an excellent showing was presented by the management.

At the close of the previous year the dredge was improved at cost of ₱30,000 with a revolving screen and a pressure pump, expectations from which were only fully realized during seasons of ample water; and it happened that the season at Tambis was the driest remembered, so the year netted only 86 ounces more dust than 1934. With water ample in April, production was 323 ounces; production May to October inclusive ran 153 ounces a month, drought telling heavily on the dredge's efficiency, particularly during June, July, and August. Superintendent W. F. Pearson reports the season the most wanting in rainfall during his 15 years' experience at Tambis. The first rate showing is therefore for a very bad year, and this year's prospects must be much more favorable.

MOTHER LODE SYNDICATE IN SURIGAO HITS PAY DIRT

The Mabuhay Group of mineral lode claims consists of 134 claims and were located by citizens of the Philippine Island, residents of the Municipality and Province of Surigao, during the early part of 1935. The area embraces between 4 and 5 square miles and is to the east of the provincial road running south from Surigao about midway between Surigao and Barbas, distant 27 kilometers. These claims are about



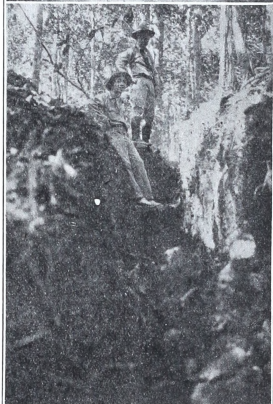
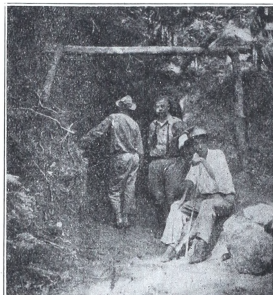
L. D. HARGIS

3½ miles west of the East Mindanao Mining Company properties at Tinabangan. The area is cut up by ridges, mountain peaks and small streams, the former having an elevation from 100 to 500 feet above the level of the principal streams, that intersect the claims, and about 1200 feet above sea level.

The area is densely forested and is virgin country with practically no level areas and no agricultural land.

The Mindanao Mother Lode Syndicate acquired the Mabuhay group of claims early in August of last year and immediately started extensive exploration and development work thereon, which is being carried on under the direction of L. J. Goibe, a man with 25 years mining experience on the West Coast of the United States, with Philippine experience as shift boss with Itogon, Balator, and East Mindanao.

The first strike of commercial ore was found on the Jesus claim in the east-central part of the group on August 8; the next strike of consequence was discovered on the Osloban claim to the northwest of the first strike about 3,000 feet distant. This latter strike, which was at the top of a ridge on the Tabon-Tabon River, is



Always 1 Ounce Per Ton During Development Work—Wide Veins of Secondary Enrichment Discovered.

designated as the Tabon-Tabon ridge, having an elevation of about 250 feet above the river, which flows south along the western border of the claim.

Eight trenches of an average depth of 6 feet were dug across the top of this ridge from 50 to 75 feet apart, and the samples of ore taken from the vein uncovered by these eight trenches which at places was found to be 20 feet in width, carry an average value of considerably over 1 ounce per ton. One tunnel (No. 3) driven on the northerly side of the ridge and to the south-east of the No. 1 trench, 30 feet below the top of the ridge, encountered the vein, which had somewhat changed direction to the south; another tunnel cut the vein at a lower level and both carry the same values, the company reports. The active development work on this particular claim now consists of the driving of 5 tunnels from the 200-foot and 100-foot levels, and the one on the 100-foot level has cut the vein.

By reason of the backs and the ridge being of a narrow formation with little overburden,

Top: Tunnel No. 3, 30 feet below the crest of the ridge and running in a northerly direction from the point where the first outcrop was discovered.—Center: Trench No. 5, typical of the series dug in prospecting the Mother Lode property.—Below: Trench across Tabon-Tabon ridge where ore samples taken show very high values.

the company believes it will be able to develop this area at a very low cost. The engineer in charge believes that within the next six months commercial ore will be developed justifying the installation of a mill of at least 100 tons capacity.

The ore so far encountered is of secondary enrichment. Explorations so far carried on, show an area of about 50 claims in the west central part of the group to be highly mineralized.

Good transportation facilities to Surigao and as far as kilometer 17 on the highway will facilitate the development and operation of this property. A road will be constructed into the property, a distance of about 3 kilometers from the highway, at the beginning of the dry season. Up to the present time all supplies have been taken in by carriers.

For these notes we are indebted to Lionel D. Hargis, well known Cebu lawyer, general manager of the Mindanao Mother Lode Syndicate. Others in the syndicate are L. J. Goibe, Hernando J. C. Corvera, Ong Hing Lian, Captain C. J. Martin, C. E. Olsen, Christian A. Larsen, Stanley W. G. Lahman, and Leonard L. Self. They have formed a corporation to succeed to ownership of the property.

East Mindanao Prepares to Plunge for a Big Mill

Tests indicate a cyanidation plant for Surigao's pioneer and farthest advanced lode project

Donald G. McVean, the Cebu lawyer who as secretary of the East Mindanao Mining Company is among the active promoters of that enterprise, retired from the directorate at the annual meeting Monday, December 23, and was succeeded by Franco T. Rosado of the Bais Sugar Company in Oriental Negros. Attorney McVean is going to the United States to enjoy a vacation this year. Meantime the company prepares to plunge for a 100-ton mill. This, for a new mining region, is a considerable leap; though the company's yearly report shows it is not a leap in the dark, nevertheless it reflects the mettle of the enterprising men of the southern Philippines who are East Mindanao's moving spirits.

H. Gasser is the president, C. J. Martin vice president, Franco T. Rosado secretary, A. A. Brown treasurer, Lionel D. Hargis the fifth director. Richard Koehler is the chairman of the executive committee, and J. B. Knaebel the manager.

East Mindanao has ₱1,000,000 capital in 10-centavo shares. In October some ₱400,000 of this capital had not been issued, but then ₱200,000 more was prorated among the shareholders to buy a 300-horsepower diesel and other equipment urgently needed, all suited to use in the completed plant. Now, for the mill, it is planned to issue the remaining ₱200,000 of treasury shares.

To have a 100-ton mill operating in Surigao will establish that mining field definitely. (We can say this. One of the original partners in IXL, whose shares at the end of December were more than 4 times par in the market, after prospecting during 3 months through Surigao and Davao pronounced that cordillera the richest in gold, in his judgment, of any section of the Philippines. At that time he was familiar with the Baguio and Masbate districts.) East Mindanao has 47 lode claims and 3 placers. The yearly report says: "Most of the area, and practically all of it having known mineral value, is secured to the company by outright title or long-term leasehold of the surface rights."

The report covers 13 months during which 17,444 feet of development work were effected, such work now standing:

Drifts and Crosscuts	6,597 feet
Small Crosscuts	600 feet
Raises	1,006 feet
Shafts	480 feet
Winzes (shafts not connected with surface)	156 feet
Total	8,839 feet

Adds Manager Knaebel:

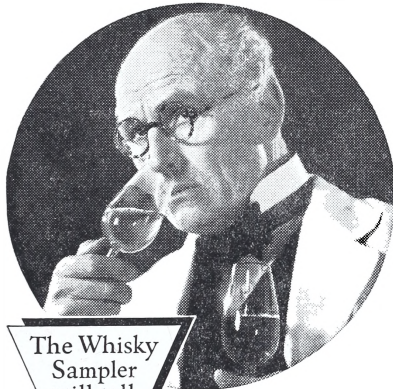
"Most of the development work was done in the Briggs and Horseshoe-Mindoro veins above the lowest tunnel levels, respectively about 40 and 60 feet above sea level. This work resulted in a fairly complete blocking out of the ore in these veins above the lower tunnels." Estimates of values are asserted to be conservative "since intimate experience with the local geology had shown the ore bodies to be spotty and erratic within the veins, both as to values and widths."

As of September:	Tons	Total value, Pesos (gold @ ₱70 per ounce)
Developed Ore	13,958	380,989.70
Probable Ore	19,680	394,679.00
Ore on dumps	4,000	49,000.00
Total Assured Ore	37,638	824,668.70
Possible Ore	11,027	255,927.00
Grand Total	48,665	1,080,595.70

Average value per ton, 0.330 ounces; ₱23.10

Average vein width, 5.8 feet

The report says work since September has developed an appreciable amount of additional ore; drifting and raising have shown that the ore has a greater length along the vein strikes than was first calculated, and Manager Knaebel thinks a minimum of 15% has been added to the available tonnage.



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Stockholders' Takings from Philippine Gold Mines 1935



Antamok Goldfields directors with gold bricks

Left to right: H. T. Fox; J. H. Sampson, general superintendent; J. Fraser Brown; H. A. DeWitt, mill superintendent, and Andres Soriano, president of the company.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	1935 Total
Antamok Goldfields.....	₱312,500.00	₱275,000.00	—	₱412,500.00	₱1,000,000.00
Balatoe.....	1,500,000.00	1,400,000.00	1,000,000.00	1,200,000.00	5,100,000.00
Benguet Consolidated.....	1,500,000.00	1,500,000.00	1,200,000.00	1,500,000.00	5,700,000.00
Gold Creek.....	—	—	—	52,459.80	52,459.80
Itoyon.....	148,584.15	148,584.15	148,584.15	200,000.00	645,752.45
Ipo Gold.....	—	—	—	38,586.90	38,586.90
Tambis Gold.....	—	—	—	45,900.00	45,900.00
Baguio Gold.....	—	—	—	—	—
Totals.....	3,461,084.15	3,323,584.15	2,348,584.15	3,449,446.70	₱12,582,699.15
Total for year.....					₱12,582,699.15

Benguet Consolidated has paid ₱30,500,000 cash dividends and 2 100% stock dividends since its first dividend in 1916. Balatoe has paid ₱29,720,000 cash dividends and 2 100% stock dividends since its first dividend in 1929. Itoyon has paid ₱1,388,469 cash dividends and 1 100% stock dividend since its first dividend December 1932. Baguio Gold paid a dividend late in 1934. Antamok, Gold Creek, and Ipo paid their first dividends in 1935.

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The Gold Standard Fund

By GEORGE H. HAYWARD

Since the adoption of gold as the basis of values for their money by most of the nations three different systems have been developed that are commonly designated as the gold standard. The first may be distinguished as a gold specie standard, and comprehends the free and unlimited coinage and circulation gold as money, either in metallic form or by certificates therefor. This standard was exemplified by the money system of the United States until a short time ago.

The second is the gold bullion standard. The pure metal is cast in bars of various sizes, ranging up to the largest, which is the usual size for transfer purposes between nations. This is about 6-3/4 inches long, 3-1/2 inches wide, and 1-3/4 inches thick, and at \$20.67 per ounce varies in value from about \$7,900 to \$8,200. In the United States the gold bullion standard has superseded the gold specie standard.

The third system is called the gold exchange standard. This is an exchange of credit through banks that specialize in that class of work, and deal in bills of exchange between nations. This standard is exemplified by the money system of the Philippine Islands, which system is attached to that of the United States. The value of the Philippine peso follows the value of the United States dollar, subject to minor changes from time to time, depending on the direction in which bills or debts of exchange predominate.

A few years ago the credit of the Philippine Islands was impaired, as was indicated by the depreciated value of its circulating medium as compared to that of other nations. The Insular Government reestablished the exchange value of the peso by paying the trade balance against the islands, and since that time it has maintained closer supervision of the exchanges.

The Philippine gold-exchange standard redemption fund comprises various tariff collections and excise taxes and other receipts deposited in the United States. They are of quantity sufficient to meet all probable demands. The Philippines do not own gold in the United States now, nor have they ever. They have what bankers term a gold account there, a credit measured in dollars. They have enjoyed unique privileges in connection with this fund. It has been invested to draw interest; it has been warranted against loss by the United States. When the gold content of the American dollar was reduced and the number of dollars represented by the deposited bullion was thereby increased, congress authorized a proportionate increase in the quantity of dollars in the Philippine gold-exchange standard fund.

This increase was allowed no other entity, no person.

The question rises:

Congress is asked to appropriate the increase granted the Philippine gold-exchange standard fund to the insular treasury, a singular benefit that no other entity or person will ever have. The money is there, in the exchange fund, a possible motive of congress being to create a larger potential sinking fund for Philippine public bonds; but that it should be taken out of that fund by specific congressional appropriation and used elsewhere, as in the general funds of the commonwealth, is somewhat open to debate. Many say that if this fund is due the commonwealth for its credit account, similar payment is due, and more emphatically, too, those who turned in actual gold and gold certificates. It is claimed that what is due one is due all; what is right for one is right for all. The Philip-

pines do not appear to have given anything for this \$23,000,000. They have sustained no loss.

We know so little that is definite in money theories, and the above paper being one side of a case, we would welcome something brief and cogent on the other side.—Ed.

Friends of the Journal: No. 6



DR. VICTOR S. CLARK

Dr. Victor S. Clark's oldtime Hawaiian friends in the Philippines include George H. Fairchild, Louis Weinheimer and Kurt Gronke, and the *Journal* suspects it gained his acquaintance through Senator Fairchild. At any rate, somehow he became an addict; and 12 years ago when he was in charge of *The Living Age* he was first American editor reg-

ularly to quote the *Journal*, the only publication in its field, it is believed, ever to have made notice in his magazine. What interested him, of course, were the stories of provincial travel through which readers were gradually introduced to all parts of the islands. He is kind enough to say now that these were first rate pieces.

Another tale he liked concerned the islands America had in temporary possession from time to time, and let slip away; and another was by Percy A. Hill, *A Philippine Pantagruel*. Economics equally interested Dr. Clark personally, for which he values the *Journal* still, but of course had small place in *The Living Age*. He retired from the editorship of this magazine when *The Atlantic Monthly* sold it, and has since used his time mainly at economics. Letters addressed to him in care of the Library of Congress finally reach him, but as likely as not, after his return to Washington from months of globe-circling. It was such a trip that recently brought him to Manila; he had been looking Manchukuo over and was on his way to India for observations on how the new India act is to work, it is assumed, and how matters go there generally.

Unmarried, Dr. Clark is 67 years old and has been interested in insular-affairs problems of the United States from the time he was the head of the educational system of Porto Rico under the military government there. From 1902 to 1909 he was engaged in investigating foreign and insular labor conditions for the United States; in 1910 he was in charge of the census in Hawaii, and during 3 years afterward was commissioner of immigration, labor, and statistics there. His editorship of *The Living Age* was from 1920 to 1928. He has published surveys of labor conditions in 9 different countries: Cuba 1902, the Philippines 1905, but he likes doing histories in Latin: *Colloquies of Erasmus*, *Eutropius' Historia Romana*. His *History of American Manufactures* ran 3 editions from 1915 to 1929, in which latter year he headed the Brookings Institution's survey of Porto Rico.

He lives at 3930 Connecticut avenue, Washington, where he knows everyone and has the attention of the wise.

Dr. Clark is more an observer of knowledge in conversation than an impartor of it. Nevertheless, some of his observations in Manchukuo were interesting. He found the currency stabilized, which was helping business, and railroad building very extensive, more than 400 kilometers of line completed since January. Banditry is as rampant as ever, and Chinese immigration significant. A good capital is being built, with beautiful buildings. Few trains in the world surpass the crack Manchurian ones. There is official bustle everywhere, anxiety when events break routine.

It is always a pleasure to have Dr. Clark in town, a quiet, gay and able spirit whose twinkling eyes reflect stores of information giving depth to sound judgment. He said we couldn't get a picture of him indoors with the little box camera, yet it shows him fairly well.

Gold Production-1935

December 1935 was the premier month in Philippine gold mining, output upping the year's insular output to more than \$32,000,000. Malatoc turned out \$1,232,596 or more than \$110,000 over its next lowest record. Benguet turned out \$236,921, its best month but one for the year. Ipo turned out \$90,311. Thus Benguet's 3 mines turned out 2/3 of the month's production. Antamok turned out \$209,674 of which \$12,167 from Gold Creek are under its milling contract with that company. December being the second month in 1935 when Antamok topped \$300,000. Marsman properties: Suyoc Consolidated, \$104,000; Itogon, \$200,000; United Paracale, \$50,000. The table published elsewhere in this issue lists everything.

Placer Mining in Nueva Ecija

Placer mining in Central Luzon seems to be well started—probably a surprise to most *Journal* readers since but little has been said about it. Early in *Journal* however, Gold Pocket Mines, Inc., was granted a permit to increase its capital stock from P200,000 to P600,000, and a permit was given for the issuance of stock to the public, Ricardo Linsangan, member of the board of directors of the corporation and resident manager, stated.

Gold Pocket was consolidated with the Nueva Ecija Placer Mining Syndicate on September 19, 1935. Property of the company consists of over 1400 hectares, covering 50 kilometers of creek bed of widths varying from 100 to 400 meters, within the towns of Cabanatuan, Gapan, Peñaranda and Laur, Nueva Ecija.

An examination of the property was made by the mine consultation department of Marsman and Company, who recommended to Gold Pocket directors that immediate development work be started and that machinery for the working of the gravels be installed at once.

A total of 1,121,000 cubic yards of gravel, estimated to be worth P558,000 at the present price of gold, was reported from the Gapan district, divided as follows: lower Awayan Creek, 758,000 cubic yards, P.45 a yard, total P341,000; lower Balakok Creek, 213,000 yards, P.60 a yard, total P127,800; upper Awayan Creek, 50,000 yards, P.60 a yard, total P30,000; upper Balakok Creek, 100,000 yards at P.60 or P60,000.

The other area where sufficient work has been done to justify immediate installation of operating machinery is that of the Macabaclay Creek. Gravel tested on this stream makes the total on the Awayan and Macabaclay Creeks

1,501,000 cubic yards containing P748,800.

Actual operation on the property has proved the method used by the Marsman engineers to be conservative. A bulk test was made on ground that testing indicated contained values of P.20 a cubic yard. From 55,770 cubic yards treated, P17,845 worth of gold was recovered at P.32 per cubic yard—some 50 per cent higher than estimate. On testing ground indicated to contain P.30 a cubic yard, P1,209 was recovered from 2,570 yards—a recovered value of 47 centavos per cubic yard.

Up to August 31, 1935, the company spent P166,371.75 on the property in equipment, options, testing, exploration, roads, and trails, of which P85,899.60 was spent on equipment and for options. The total expenditure of P166,371.75 in addition to the proved content of P748,800 would permit of a value of P915,171.75 being placed on the property without including any additional pay values, that are strongly indicated. Results of the tests indicated that the gold is of exceptional fineness, an average of over 50 assays showing it to be between 950 and 960 fine; that it is comparatively easily separated from the gravels; that it is easily saved and amalgamated; that the deposit was at least 30 per cent richer than either drill or pit testing indicated; that a dragline installation or a bucket dredge would be the most suitable equipment for handling the deposit.

Several other areas have had preliminary work done on them, but not enough to determine the extent of the gold-bearing gravels. It is likely that these districts will be further explored, and that steps will be taken soon to bring those already developed into production—thus opening up another gold producing district.

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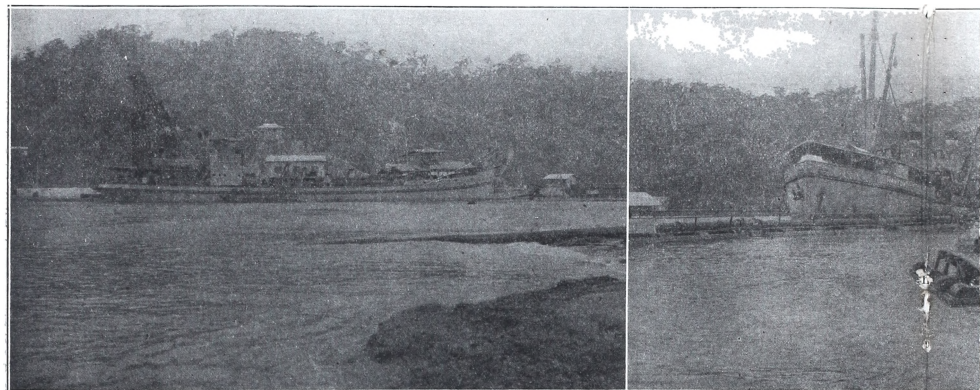
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Coco Grove Dredging B

*More than ₱10,000,000 gross in
ground yet to be surveyed: two*

The Coco Grove Placer Syndicate whose holdings are at Paracale, Camarines Norte, enjoying the operation of two dredges by Marsman interests, has a fortune in prospect from placer recoveries alone, while its lode claims are considered a distinct asset. What greater mining news than this, that really modern dredging of placer abandoned 14 years ago, is working out with great success? We say, none. The syndicate has at its disposition 1,088 hectares of placer at Paracale, supplemented with lode claims, town lots, foreshore rights and other surface rights assuring unhindered operation.

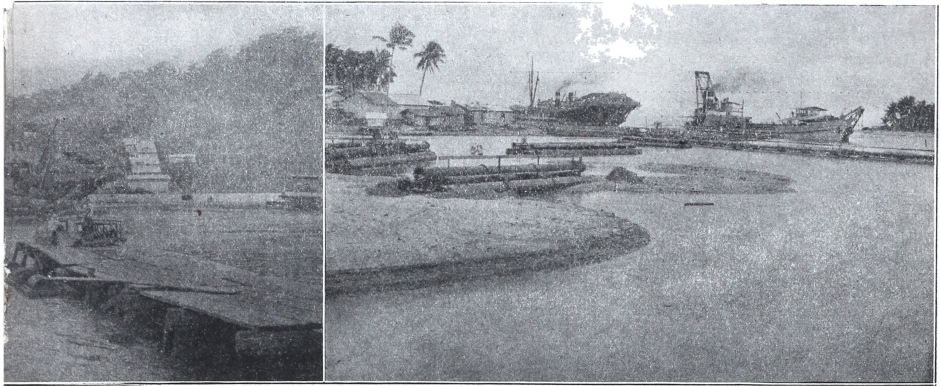
The placers comprise some virgin area, and other areas formerly dredged. These are on the Malaguit and the Paracale rivers. The Paracale yielded between ₱15,000,000 and

₱20,000,000 in gold during former dredging, that ceased 14 years ago. The lower and deeper portions were then left undredged because areas owned by many holders could not be purchased to make a single holding large enough to warrant installation of a dredge to reach the deep bedrock; the dredges then working were too small for this sort of thing.

The syndicate's holdings were acquired about 20 months ago when copra was low and the various owners were willing to sell; during 6 months of untiring effort, titles were got and all the surface rights covering the dredging area firmly secured. Meantime surveying had been undertaken, with drills, results being a minimum estimate of 35 cents gold per yard; but the drill experts say, at least 45 cents a yard. Results to date,

Looking Over The

	January	February	March	April	May	June	July
Antamok Goldfields.....	₱ 195,959	₱ 218,092	₱ 243,463	₱ 225,290	₱ 236,383	₱ 207,107	₱ 271,797
Baguio Gold.....	92,494	76,654	75,363	60,212	69,985	69,181	74,157
Balateo.....	909,852	910,494	1,053,834	1,068,136	1,060,594	982,802	1,125,761
Benguet Consolidated.....	639,117	597,529	614,555	615,515	676,833	728,429	826,697
Benguet Exploration.....	21,500	23,750	28,478	26,864	20,400	34,469	23,063
Demonstration.....	51,391	45,252	72,800	92,555	96,039	90,111	79,585
Ipo Gold.....	66,404	46,104	44,807	42,630	38,997	40,821	43,746
Hogon.....	195,706	175,373	185,117	189,400	205,982	204,162	209,174
I. X. L.....	33,710	28,298	37,132	30,562	33,804	32,600	27,857
Masbate Consolidated.....	51,702	47,927	50,062	47,731	75,879	46,080	65,808
Salacet.....	—	—	—	—	—	—	—
Suyoc Consolidated.....	62,555	58,662	63,523	86,225	91,957	75,644	77,448
United Paracale.....	—	—	—	—	—	61,000	102,628
Gold River.....	—	—	—	30,800	—	—	—
	₱2,320,396	₱2,228,135	₱2,470,034	₱2,515,920	₱2,607,513	₱2,572,406	₱2,927,721



Big Fortune at Paracale

Prospects in sight with additional
two dredges expertly staffed

14,328,000 cubic yards to yield gross **P10,154,646** at today's gold price of \$35 per ounce. Considerable ground along the Paracale remains to be surveyed.

The two dredges that J. H. Marsman rented from the Netherlands Harbour Works (renting saving a large outlay of capital) have dredged a channel from the sea to the Paracale in 15 weeks, a distance of 3,500 feet. Buffeting by storms has upped operating costs to about 8 cents gold per cubic yard, that dredging in the complete shelter now procured will materially reduce; engineers of the Netherlands Harbour Works estimate final costs during regular operations at 5 cents gold per yard. The dredges are the *Hankow* and the *Rotterdam*, each with an experienced crew and each equipped

with gold-saving apparatus.

There are not only experienced dredging crews, but experienced mechanical crews in the engine rooms, and two supervising mechanical engineers, and a civil engineer in charge of construction. Daily surveys are made of past advances and future routes; the floating pipeline equipment through which the dredges discharge up to distances of 1,500 to 2,000 feet is under constant supervision by experts. Thus staffed, and certain to draw continental attention to placer exploitation in the Philippines, each dredge has the capacity of 200,000 yards a month; their ability to do this at Paracale has been proved, and therefore yearly handling of at least 3,500,000 yards is

(Please turn to next page)

The Year's Work

August	September	October	November	December	Total	1934 Total	
P 241,253	P 268,726	P 309,452	P 285,983	P 309,674	P 3,013,177	P 1,295,436	Antamok Goldfields
63,673	72,130	68,634	76,375	80,990	879,848	927,056	Baguio Gold
914,223	1,027,426	1,121,049	1,146,062	1,232,596	2,552,833	9,405,363	Balatoc
804,266	848,213	736,103	695,484	836,921	8,639,667	7,943,427	Benguet Consolidated
16,300	19,660	17,732	27,635	23,969	283,820	188,014	Benguet Exploration
71,271	82,266	76,510	90,169	85,778	934,158	—	Demonstration
42,483	45,226	50,127	53,379	60,311	575,039	831,101	Ipo Gold
78,000	178,972	201,378	199,841	200,000	2,220,349	2,139,573	Ilogon
41,653	53,957	41,192	44,961	42,975	448,767	—	I. X. L.
79,138	81,326	98,420	87,208	95,771	827,952	761,779	Mashbate Con. (Panique M)
—	—	—	28,000	45,325	73,325	—	Salacot
65,000	77,000	95,165	98,000	104,000	955,170	—	Suyoc Consolidated
112,000	80,000	75,591	76,000	80,000	587,219	—	United Paracale
—	—	—	—	—	30,800	—	Gold River
P 2,529,260	P 2,834,902	P 2,911,353	P 2,909,097	P 3,198,310	P 32,025,047	P 23,491,839	

assumed to be a conservative estimate.

The following table results:

14,328,000 cubic yards containing.....	₱10,154,646
Extraction cost at 10 centavos a yard...	1,438,000
Profit.....	₱ 8,716,646
Or cost at 20 centavos (add 100%).....	1,438,000
Reduced profit.....	₱ 7,278,646

At the rate of 3,500,000 cubic yards a year, the operating time would be about 4 years to extract net either a maximum of ₱8,716,646 or a minimum of ₱7,278,646.

There remains, however, untested ground and a deposit of tailings on the Paracale summing several million yards; and partial test of the tailings indicates 6,000,000 yards containing ₱2,500,000. Then there is left the Malaguit river draining a much more extensive shed than the Paracale and therefore having a larger placer potential, at least 30,000,000 yards. More than 2,000 borings were made in this area during the former dredging, and further drilling has now been begun for the syndicate; the most promising areas will be thoroughly tested within 6 months. The former dredging averaged 17-1/2 cents gold recovery per yard, 30 cents gold at present valuation; though values are lower than in the Paracale area, they are still attractive when the efficiency of the dredges now in operation is taken into consideration.

Actual gold recovery began in December and is expected to continue without interruption. The primary objective was to get the dredges to safety as soon as possible, and therefore the richest deposits have not been reached: the next 4 months' operations will be in the poorer areas, yet a good working profit seems assured even here. In other words, all obstacles have been cleared and dredging at capacity has been begun on expected recovery in the two districts, Paracale and Malaguit, of gross ₱17,500,000 at the present valuation of gold. As to the lode claims, they are 17 in number; in the heart of the Paracale mining district, they cover almost the entire Paracale valley. Former dredging cut one or two rich veins, and exceedingly rich samples from the softer portions of these veins are still exhibited at the science bureau. In time the new dredges will cut the same ground, and indications then obtained will show what ought to be done as to exploiting the lode deposits.

It is extremely fortunate for the Philippines that the new dredges were obtained, and that these placers, competently surveyed, are being consistently worked. With such placer profits in sight, let the lode take care of itself. Among Marsman engineers who have worked on this project are J. O. Greenan and George W. Kerr.

Men of the Mines

J. O. Enberg, member of the mine consultation staff of Marsman and Company, expected back in Manila after an extended vacation in the United States, will probably be stationed in Baguio, officials of the company announce.

* * *

F. G. Joaquin has resigned his position with Suyoc Consolidated, and is now general superintendent of the Makawile Mines in the Baguio district on the Benguet Exploration road.

* * *

Frank E. Berkenkotter, University of Washington graduate, recently joined the staff of Benguet Exploration, in charge of development work.

* * *

G. H. Davis, mine shift boss at Baguio Gold for the past 2 years, planned to leave the Islands this month and return to the United States.

* * *

George M. Icard, veteran mining man, left the Islands in December for California, where he has interests in Grass Valley.

* * *

James L. Hall, formerly resident engineer in charge of operations on the Consolidated Mines property in Zambales for Benguet Consolidated has been appointed general superintendent of Ipo. He replaces W. G. Donaldson who resigned recently to become affiliated with Consolidated Mines.

* * *

R. C. Eilinger of Baguio has joined Itogon's staff.

* * *

Ten members and one guest attended the January meeting of the Colorado School of Mines Alumni Association, Philippines branch, Wednesday, January 15, at the Pines hotel. The Coloradoans and their friends will hold a beach party at Long Beach, Bauang, in February, it was decided at this meeting, probably on Sunday, February 9. Those present at the meeting included J. O. Blades, of the Ingersoll-Read Company, Manila; R. H. Wells, L. W. Lennox, W. T. Graham, E. C. Rice, C. W. Burgess, W. E. Heinrichs, E. C. Bitzer, H. B. Parfet, L. W. Buchanan, and R. Keeler.

* * *

George A. Bell assumed his duties as mill superintendent at Demonstration Gold Mines on the first of the year. Mr. Bell has been assistant mill superintendent at Benguet Consolidated for some time, and was acting mill superintendent during the absence of J. M. Morris recently on vacation. He has had extensive experience in milling. He was educated at the University of Kansas, which he attended during the period 1914-17, studying for the degree of chemical and metallurgical engineer. From 1920 to 1924 he was in Monterey, Mexico, for the American Metal Company. For eight years, from 1924 to 1932, he was in the employ of Phelps-Dodge, in Ajo, Arizona, in various capacities. He was chief chemist of the leaching plant, foreman of the leaching plant, and for four years was chief metallurgist. He came to the Islands in the spring of 1933 to join Benguet.

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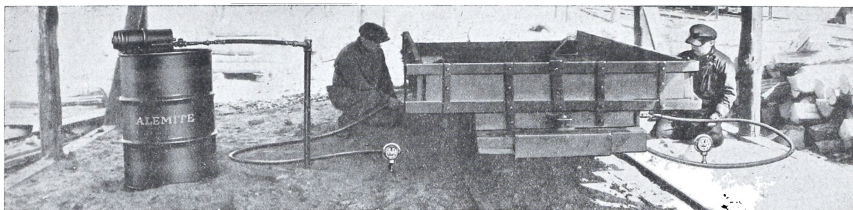
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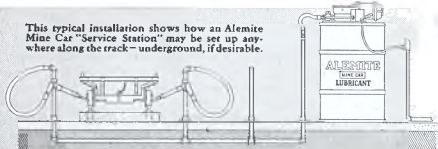
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JAN-1936

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McVean to America



Donald Grant McVean has lived in Cebu since 1912, a practicing attorney and among the active organizers of mining corporations: East Mindanao, Tambis Gold Dredging, and recently, Mapaso Exploration—all in Surigao near the town of Plaeser. He also helped organize the Cebu Building and Loan Association, whose capital of P5,000,000 is 5 times what it was upon organization in 1922. Further, he helped organize the Philippine Rock Asphalt

Company exploiting an asphalt deposit in Leyte and exploring for mineral oil. In 1927 in conjunction with A. S. Heyward he organized the Cebu Sugar Company that has a thriving *central* running at Talissay since February 1928.

The McVeans built their beautiful Cebu home many years ago. Their only child, Miss Julia McVean, was born there in 1916 and is now in the United States with her mother for her college education. On New Year, McVean left Manila to join them and for a vacation during most of the year, during which time he plans to buy or build a home somewhere in America. Toward the end of the year he plans returning to his law practice in Cebu and his business interests there.

The McVeans are from Grant's Bend, Kentucky, and McVean after graduation from Ann Arbor law in 1905 began practice in Covington and was a member of the state legislature 1 term 1910-1911 before deciding to hazard his luck in the Philippines. At that time, 1912, he had a brother and a sister here. His brother was the well remembered oldtimer Dr. W. A. McVean whose offices were in the old Chamber of Commerce building on calle T. Pinpin, after the hotel and sanitarium he had conducted at Los Baños for a much longer period, burned. (He found the milk of growing coconuts nutritive, and used to say that if a man drank the milk of a green coconut every day he would live 100 years).

Dr. McVean left the Philippines about 8 years ago, his heart impaired, and died at Fresno, California, in February 1928. An unmarried

sister, equally well remembered here, was Miss Lydia G. McVean. She died at the old home at Grant's Bend, February 1929. There is something in the Scotch-Irish make-up that sticks in the Philippines well.

Business Currents . . .

(Continued from page 8)

influence remains, though the ethic has moderated, and people live no more the stranger to their culture than they do to their brother. Another people, their copra threatened, would have turned long ago to a nut perhaps more valuable, certainly readily in world demand, the lumbang. American linoleum manufacturers want lumbang oil, are unable to get it. A local company makes paint of it, and the paint is good; where linseed oil is in vogue, lumbang oil may be sold, and probably the potential market is practically insatiable. This situation has existed for years, and is only more intensified now. But little lumbang is obtainable, no one launches into it as an industry—and probably no one will.

While these anomalies are not peculiar to the Philippines, they are typical here: a full catalogue is unnecessary, it would be a round of the prosaic.

But a talent a people lacks for an emergency may be borrowed. It is the possible venture along this well trodden path that may within a year or so make the broad view of the business future in the Philippines as encouraging as the current flip to commerce induced by the higher commodity prices.

Hongkong's Relation to the Philippines and China

by Henry Uy Cho-Yee

With the inauguration of the Philippine Commonwealth on November 15, 1935, under the terms of the Tydings-McDuffie act and the promised recognition of Philippine independence after a ten-year transitional period, the British colony of Hongkong, besides being a place of great importance to the world's commerce and shipping, has become an increasingly significant political factor that, in the minds of students of international politics, will likely influence the destiny of the Philippines. Although in fact the colonial possession of a foreign country, Hongkong is, in full sense of the word, Chinese, though not China. It is Chinese by virtue of its geographical position and owing to its overwhelmingly Chinese population.

The colony of Hongkong consists of the following:

	Square Miles
Hongkong island, ceded by China by the Treaty of Nanking of 1842, with an area of approximately.....	32
Kowloon peninsula, ceded by China in perpetuity by the Peking Convention of 1860, about.....	4
Territory behind Kowloon peninsula, ceded in 1898 by China in a lease of 99 years, and consisting of the following:	
Mainland.....	286 sq. miles
Neighbouring islands.....	90 sq. miles
	376
Total approximate area.....	412

By water routes and in statute miles, the approximate distances between Hongkong and the important nearby ports are as follows:

Hongkong to:	Statute Miles
Manila.....	727
Canton, capital of Kwang-tung province, China.....	96
Macao.....	40
Shanghai.....	981
Singapore.....	1,674
Amoy.....	334

With modern transportation, Hongkong may be reached from Manila by steamers in about 36 to 40 hours, and by air in about 5 hours.

Hongkong in Chinese means "sweet waters" or "sweet harbour", and it is to the excellence of its harbour, to the fact that it has always been a free port, and to its being the headquarters of European finance in eastern Asia, that Hongkong owes its importance as the principal commercial entrepot of southern China, if not even of eastern Asia. Under British administration, the population of Hongkong has increased from about 5,000 in 1841 to, as per census of 1931, 849,751 of which 19,369 or about 2.28% are non-Chinese, and 830,382 constituting about 97.72% are Chinese.

Geographically, Hongkong is a part of China—Hongkong proper, or the island of Hongkong, being separated from the Chinese mainland by a narrow channel of only about 1.4 of a mile (at its narrowest) known as the Ly-e-Mun Pass. The harbour of Hongkong, consisting of a magnificent sheet of water of about 10 square miles in extent, has been characterized by H. B. Morse as one of the few harbours in the world which may be called perfect.

Hongkong is the greatest distributing port of the world for south China as Shanghai is for north China. Owing to its strategic position as a commercial center and a naval and military base, the international importance of Hongkong cannot be ignored. Its importance in relation to the Philippines will be realized more and more during the Philippine commonwealth period.

The English have a saying: *What we have we hold.* Unless

the Philippines become a part of the British empire it will not be surprising that, because of the British desire to hold and keep Hongkong to maintain its influence in the Far East, the United States will be persuaded by the British, and other European powers with possessions in the Far East, to remain indefinitely in the Philippines to preserve the status quo and balance of power. In 1925, the Shanghai International Settlement police under a British captain shot down some Chinese students in a patriotic demonstration, resulting, among other things, in a boycott against the British. The Chinese boycott in times past of Hongkong, that was severely hit as the population of Hongkong was about 98% Chinese. Since that severe set-back that greatly depressed real estate and other property values in Hongkong and ruined many Chinese banks and commercial interests, the Chinese people, as a whole, have never regarded Hongkong with the same confidence and popularity that they did before.

Since Hongkong is geographically a part of China and its population overwhelmingly Chinese, any important happenings in China in a political or commercial way will in time more or less affect Hongkong.

When the Chinese National Government, in a series of sweeping banking and currency reforms announced in November 4, 1935, devalued inflated and depreciated the *yuán* or Chinese dollar and stabilized it by pegging it to the pound sterling at the rate of approximately 14 9/16 pence per *yuán*, the British government at Hongkong in the following month of December, 1935, was obliged also to depreciate the Hongkong dollar that is now more or less pegged to the pound sterling at approximately 15 11/16 pence for one Hongkong dollar, paper currency, the Hongkong silver dollar having been nationalized or commandeered by the Hongkong government.

At the present New York/London cross rate of approximately U. S. \$493.39 for £100, the Hongkong dollar rate of 15 11/16 pence is equivalent to U. S. \$0.3225, or approximately P.04-8225 for Hongkong \$1 based on Manila banks' selling rate on New York at 1/2% premium, U. S. \$100 for P.201. It is necessary for the Hongkong dollar to approximate, and stay more or less stabilized with, the Chinese dollar for the convenience of its Chinese trade, as Hongkong owes its commercial importance to the Chinese transit trade and to the fact that it is a convenient free port and an entrepot for commerce between south China and foreign countries; hence, it is essential for its currency to be shaped to harmonize with the Chinese ideas and requirements.

It may be stated that in April, 1853, the British enacted a law for Hongkong to have a gold standard, but all proclamations regarding the currency standards had to be cancelled in 1863 because the Chinese ignored the law and bought and sold only in silver dollars (principally Mexican), as the British token shilling coin of silver had, and has, only a gross weight of 87.2727 grains or 0.181818 ounce troy 925 fin with a fine weight or pure silver content of only 80.7272 grains or 0.1681-818 ounce troy so that the metallic value of the silver in the shilling token coin is worth approximately 3.7527 pence, or approximately 3 3/4 d. for one shilling nominally worth 12 pence, based on the present approximate London silver price of, say 20 3/4 pence per ounce troy of sterling silver 925 fine. With London silver price at 20 3/4, the Hongkong dollar of 0.78 fine ounce troy is worth approximately 17.497 pence, and as the Hongkong dollar is more or less pegged at about 15 11/16 pence, it became necessary for the Hongkong government to put an embargo against export of silver for profit.

When the price of London silver declines below 18.6027 pence per ounce troy 925 fine, the embargo will no longer be necessary, provided the Hongkong/London cross rate remains at approximately 15 11/16 pence.

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A Boarding House Protest

By W. James Pike*

I've sat around the boardin' house
An' listened to the talk
Of muckers an' of miners
An' ways of handlin' roek;
I've heard 'em timber, drill an' blast
An' listened to 'em muck;
I've heard just how to lay a plat
An' how to oil a truck:
This miner talk sounds good to me,
I listen with a will,
But the guys that make me weary
Are the ones that run the mill.

Say, when they git to goin' good,
The miners move away,
'Cause mill talk's different language
On how to make 'er pay:
They talk of screens an' batteries,
Of solutions an' of slime
Of pebbles in the tube mill
An' addin' so much lime;
They argue long on filters,
An' then they switch to cones,
From that they go to drivin' gears
Spur, worm an' herringbones.

Concentratin' tables is a subject very sweet,
They'll rag on belts an' launders—
Feedin' cyanide's a treat.
They'll have it out both loud an' long
Concernin' classifiers,

But when they start on chemicals
They are agitating liars;
An' when at last they quiet down
An' chairs scrape on the floor,
The miner thinks his turn has come
But 'ark—the creakin' door!

Then in another mill guy comes,
An' spouts a long oration
On millin' revolutionized
By process of flotation;
An' so you hear of oils an' cells
An' other things they use,
But damn their hides, their jobs depend
On powder, caps an' fuse,
An' drills an' lads that run 'em,
An' the lowly muckin' stick
(An', comin' down to cases,
On Cousin Jack an' Mick).

It surely makes me tired
To hear the mill guys roar,
An' buttin' in on miners' talk
Makes me good an' sore.—
Now if they'd talk of stopes an' veins
An' ways of breakin' land—
But Gad, you can't expect it
From a greasy factory hand!—
So what's the use, just let 'im rave,
The long eared brayin' cuss!
A mill guy may be useful,
But his job depends on us.

* W. James Pike, a competent and popular mining man, author of these and other vernacular verses we may select for occasional use, died a suicide in Manila a few months, when he had fallen into ill health.—Ed.

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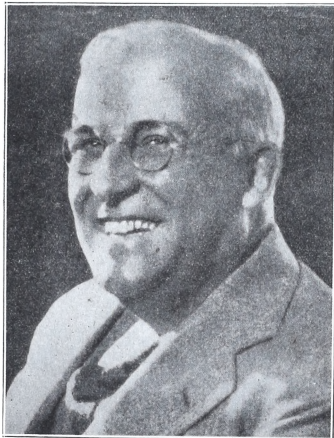
Carr of "Riding the Tiger" Fame Looks Us Over

On November 30, in his column, *The Lancer*, in the *Los Angeles Times*, Harry Carr, author of the recent book on the orient called *Riding the Tiger*, opines that the independence of the Philippines will bring the greatest conflict the world has ever known. It will, he asserts, be a race war—a war not altogether of guns and swords, but of economics and biological survival. He continues:

"In surrendering our islands, we have given up the most important outpost, the stoutest fortification of the white races.

Written in the Sky

"It would be folly to deceive ourselves—in the end we haven't a



HARRY CARR

..... runs *The Lancer* column in the *Los Angeles Times*.—After his Rotary talk at the Manila Hotel 3-1/2 years ago, a Rotarian, Dean Edward R. Hyde, took the initiative in organizing the committee that is marking Manila's places of old historical interest, Governor Murphy at once falling in with the suggestion and creating the committee by executive order.

chance to survive. It will be a story written in centuries—but the ultimate outcome cannot be in doubt.

"The curtain has already gone down on the white man in the Orient. "By the insane folly of the French desire for revenge, the strong arm of Germany has already been wrenched loose from the Far East.

England's Feeble Hands

"It was England who brutally blasted the way for the white races into China. She now remains there only as a hollow bluff. Long range naval guns have made her defenses at Hongkong a pitiful pretense. She has acknowledged this to the world by retiring to Singapore. For her Singapore is some sort of protection for India—a safeguard to Australia, but no adequate protection to her interests in China.

"Since Ramsay MacDonald, the pacifist, hauled down the British flag in Hangkow, the English have been backing out of the Orient.

France and Holland

"This leaves France in IndoChina and Holland in Java. They are making hay while the sun shines. Being realistic and practical people, they are milking their colonies to the limit, knowing perfectly well they cannot hold them if it comes to a show-down.

The Rising Sun

"Japan will become the most powerful and richest empire in the world. That is an event of tomorrow. Nothing can stop her. As the ruler of the Orient, she will have two inestimable advantages. Unlike Great Britain, her empire will be close-knit and concentrated, almost impossible to attack.

"Another thing, by being able to control at once the source of raw material, the factories, labor and the markets, she will have the only perfectly technicalized civilization in the world.

And so What?

"Europe will be thrown back upon itself like Mark Twain's town where the people lived by taking in each other's washing. It will have only Africa to turn to for markets—and Africa has not progressed to the point of being a market. Probably never will.

U. S. and U. S. S. R.

"Russia and the United States are the two great problems of the future. We have a chance to save ourselves by turning to Central and South America. It remains to be seen if Russia takes up her ancient heritage as an oriental nation or tucks in her shirt and pours on to the conquest of a shot-out and exhausted Europe."

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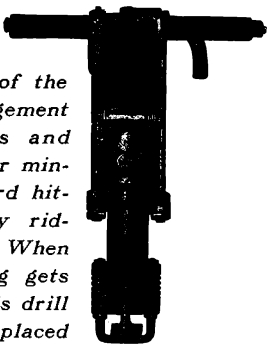
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COMMERCIAL REVIEWS



AMERICAN CHAMBER

OF COMMERCE JOURNAL



Big Wedge mill site, upper part of camp. The elongated building in the left foreground is the main office and the mess. The power plant building is at the right center of the picture, while the mill buildings will be constructed around the corner of the knob protruding in right center.

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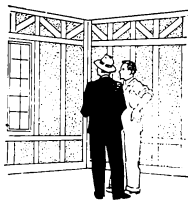
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Graph of America's Economy of Scarcity



The United States News

While the United States News and Editor David Lawrence handled the above graph of 1933 and 1935 comparative food crops and pork production in one way, we will handle them in another. Such of Lawrence's statements as the following are tolerably leaky:

"From 1607 until 1935—a span of 328 years—America fed herself. From the late 1600's until 1935 America, after feeding herself, had something left over for the rest of the world. But in 1935, with her cupboard getting bare, America turned to other countries of the world for help in feeding the American people."

There are of course numerous foodstuffs, some of them basic, that America has always imported; and however the experimentation with crop limitation eventuates, everyone knows it was undertaken to bring farm prices into line with industrial prices and mortgage rates and has had effect in that direction: the question is how long and at what cost farm and industrial brackets may be kept paired, since impracticability would seem to lie in the fact that higher farm income induces greater farm buying, creating demands tending to raise industrial prices. But temporarily at least, commodities do buy more than they did in 1933. Lawrence makes too broad a case.

Our view is different. America lives under an economy of scarcity. So, with its tariffs and quotas and trade barriers generally, does most of the world. But we have before us an American illustration. This is basic: there was not enough food in America in 1933, there was measurably less in 1935, as the graph shows, but there were more people to feed by some hundreds of thousands—the increase of population. There was not enough per capita in 1933, there was still less per capita in 1935. Surely this tends to throw more people on relief; it certainly reduces more people all the time either to want or subnormal subsistence: an economy of scarcity simply means, there is not enough to go round. But the scarcity in some countries is of another sort, they are unable to exchange their farm surpluses for required industrial products. This civilization, prolonged, will vegetate their peoples—they will inevitably fall behind in all manner of ways.

This gives vital significance to the reciprocal trade treaties Secretary Cordell Hull, of state, is negotiating, the *Exporters' Digest* roundly praising the latest, with Colombia. To Secretary Hull's court the Philippines will soon be going with their own trade case. Their economy is wholly determined by the American market.

DECEMBER SUGAR REVIEW

By GEO. H. FAIRCHILD



NEW YORK MARKET: The market during the first three weeks of the month under review was uninteresting, on the basis of 2.20 cents for Cubas, and 3.10 cents for duty-free sugars. Business in Philippine sugar was at a standstill during this period after offerings were made during the first and second

weeks at 3.18 cents for January-February shipment, at which price no buyers could be found. After registering a low level for sugar values since last February on the 5th of the month with the sale of 2,000 tons Louisianas at 3.05 cents, a reaction set in on the 9th on the strength of the reports that Congress would be able to provide a substitute legislation for the AAA should it be invalidated by the Supreme Court. Although Exchange quotations recovered during the latter part of the second week from 9 to 14 points, the market for actual sugar remained practically unchanged on the basis of 3.10 cents. This is credited partly to the uncertainty brought about by the political complications in Cuba and partly to the irregular status of the refined sugar market. Prices of refined gradually declined on the first week from 5.00 cents to 4.90 cents at the beginning of the third week, while in the

intervening period the price for cane refined was 4.80 cents and prices for best declined from 4.60 cents during the first week to 4.50 cents in the second week for delivery this year. Offerings of Cubas during the third week at 2.15 cents without finding buyers and the maintenance of prices for Louisianas at 3.05 cents had a depressing effect.

As a whole, in view of the general uncertainty regarding the future fate of the AAA coupled with the seasonal inactivity during the Christmas and New Year holidays, the actual market continued dull. Little interest was shown in Philippine sugar except for the first half of January delivery and refiners offered only 3.15 cents for a parcel of 3,000 tons January-February shipment on the 26th, which price is equivalent to about P7.21 per picul, ex-godown Manila, without profit. On the following day, however, an unexpected improvement developed with Exchange quotations advancing 8 to 10 points over the previous week, with small sales present shipment of duty-free sugars at 3.20 cents. On the 28th the U. S. Secretary of Agriculture announced the 1936 off-shore quotas placing same at 4,624,088 short tons as compared with 4,549,200 short tons so allotted in 1935. The Philippine quota has been placed at 998,110, as against 918,352 tons last year. Since it was estimated that about 31,000 tons will have to be deducted from the 1936 quota covering the deductions from the 1934 and 1935 basic quotas and over shipments during 1935, the resultant

effective quota of the Philippines will approximate the tentative allotment of 965,000 tons announced during the latter part of 1935.

During the last two days of the month, quotations on the Exchange further advanced from 5 to 6 points, with sales of Philippines for January-February shipment and afloat at 3.27 cents and 3.30 cents respectively, while sales of Puerto Ricos for second half of January shipment were made on the basis of 3.25 cents. At the close of the month sales of Philippines for January-February shipment were made at 3.30 cents, while Cubas ex-store New York were sold at 3.28 cents for early January shipment, with holders generally asking 3.30 cents.

An innovation introduced on the Sugar Exchange during the month was the substitution of November deliveries for December as an active month with the view to preventing the return of tight situations as shown by experience in the past which arose owing to the hiatus between the old December and January deliveries, caused by the Jones-Costigan quota system.

Futures: Quotations on the Exchange during December fluctuated as follows:

	High	Low	Latest
December.....	2.27	2.04	2.27
January.....	2.21	1.98	2.21
March.....	2.21	2.01	2.21
May.....	2.25	2.05	2.25
July.....	2.29	2.08	2.29
September.....	2.34	2.12	2.34
November.....	2.38	2.27	2.38

Stocks: The latest statistics of world stocks for December were 5,187,000 tons compared with 6,157,000 tons the same time last year and 6,827,000 tons the same time in 1933.

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Philippine Sales: Sales of Philippine sugar amounted to 15,000 long tons at prices ranging from 3.20 cents to 3.30 cents.

LOCAL MARKET: In sympathy with the New York market, the local market for export sugar was dull practically throughout the month, nominal quotations being P7.00 to P7.20 per picul, ex-godown, with a slight improvement noted in the latter part of the month as a result of the advance recorded in New York.

The market for domestic consumption sugar weakened during the month, sales having been effected at P8.00 per picul compared with P8.50 to P8.75 during the latter part of the previous month. Indications pointed to the balance of domestic consumption sugar available during December being much in excess of previous estimates, contrary to general expectations, with the result that prices gradually declined beginning the second week to the end of the fourth week, when some sugar were pressed for sale at P7.00 and P7.20 per picul. Owing, however, to the interpretation given to the ruling contained in Executive Order 899 requiring the filling of export sugar before milling of domestic consumption sugar may commence, apprehensions were felt in sugar circles especially those who have entered into sales contracts for delivery in January. Although during the latter part of the month some improvement was noted in the domestic market, only small sales were done in view of the doubts over release of domestic sugar for delivery in January or February.

Philippine Exports: According to reliable advices, Philippine sugar shipments to the United States during December amounted to 37,300 long tons of centrifugal and 23 long tons of refined. The aggregate shipments of these two classes of sugar for the first two months of the crop year 1935-36 follow:

		<i>Long tons</i>	
Centrifugal...	45,806	(incl. 506 tons 1934, 35 quota)	
Refined.....	23		
Total.....	45,829	(incl. 506 tons 1934/35 quota)	

Aviation's Epochal Dates . . .

(Continued from page 9)

were stepped up to 7 to 1, designers coming closer to their dream of 1 pound per horsepower: cutting engine weight raises useful load capacity. High compression provoked cooling troubles, solved by smaller radiators and faster pumps that also reduced head resistance and helped streamlining plans. Prestone, a cooling medium, followed, and then, air cooling: weight per horsepower gained somewhat, but reliability at altitude topped. Aircooled engines are replacing other types in American commercial and military aviation.

High compression and aircooling led to exhaust valve problems: first solved by reaming the valve stems and filling them with mercury, then by the modern valve sodium-filled. The refined speedier aircooled engines upped propeller revolutions per minute; reduction gears set between crankshaft and propeller shaft rotate the propeller at reduced speed with high efficiency.

Supercharges greatly increase power at high altitudes; they are of the gear-driven internal

type, superseding exhaust-driven external types, and they induce sea-level atmosphere pressure at high altitudes with little strain on gears or engines. Among the alloy experiments proved serviceable are drop-forged heat-treated aluminum crankcases and cast magnesium cases and accessory bodies. Longerons and cross braces of wood with metal fittings in fuselages have given place to steel tubing of high tensile strength and thin wall, and fabric coverings have been replaced by plates of duraluminum (heat-treated aluminum alloy) styled metal skin. Applied to wind covering also, this material makes today's airplane practically all metal.

Improvements that have led to much greater speed and high cruising range include economized gasoline consumption, streamlining of all parts exposed to the slipstream, retractable landing gear, and variable-pitch propellers. Brakes make smaller landing fields practicable, and electrical and manually operated starters reduce take-off hazards—also helped by the higher mounting of the engines. Retractable landing gear greatly increases the airplane's speed, eliminating head resistance of wheels, struts, and axles—though these too are streamlined. Instruments that required constant checking for the pilot to determine his correct location have yielded to instruments gyroscopically controlled. The new altimeters enable pilots to know at what height they are flying if flying blind or in fog or during bad visibility.

The radio direction finder with the radio beacon system determine at all times the plane's location and enable the pilot to make any necessary correction in his course day or night, rain or shine; and neither fog nor wind affects the radio beacon. Safety is further secured by the robot or automatic pilot, particularly on direct routes or while keeping any given altitude: the automatic pilot is much more accurate than the human hand in correcting deviations in direction or altitude, and relieves the pilot himself of worries and stresses incident to cross-country flying. All the foregoing describing airplane improvements in general, omit military devices such as bomb sights, gun mounts, bomb carriers and release mechanism.

Passenger comforts in the new commercial airplanes are all that outlay cares to make them; in Pan American's clippers they are completely modern and passengers are accommodated in spacious compartments below and separate from the crew's quarters. This is possible only because the lightening of construction, especially of the engines per horsepower, gives much greater leeway for useful load. From this point the world may look ahead a little way, to adaptation of diesels to aviation: more power, and power more dependable at greatly reduced cost. (Colonel Sneed says Major I. Davies and Captain C. W. O'Connor of the air corps helped draft the notes on which our paper is based).

Acknowledgment

The picture of the *China Clipper* published in our December number, taken in Manila, was by Peter P. Wallace, headquarters company, 31st Infantry.

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COPRA AND ITS PRODUCTS

By KENNETH B. DAY
AND LEO SCHNURMACHER



KENNETH B. DAY

The month of December was comparatively quiet as contrasted with the three preceding months. It was getting along to the end of the year, and while there was considerable trading there were no very violent price fluctuations.

COPRA: Arrivals for December were much better than expected. In Manila receipts were over 5% ahead of those for 1934 and in Cebu receipts were nearly 50% above December 1934. This was a very surprising situation in Cebu where it had been anticipated that December arrivals might be comparatively short. In Manila a very large portion of the arrivals were applied to outstanding contracts, which were pretty well cleaned up by the end of the year. In Cebu, however, there was a large volume of



LEO SCHNURMACHER

copra available for sale and the Cebu dealers did considerable business with Europe, with the Pacific Coast, and with the local mills.

The month opened with a declining market, due to lack of interest on the part of oil buyers in the United States and elsewhere. After taking in fair lots of copra at from ₱8.75 to ₱9.00 local buyers backed away from the market and as a result prices dropped to a low of from ₱8.25 to ₱8.50. Nearly everybody felt that this would be the low for December, and such proved to be the case, for beginning about the middle of the month prices stiffened up and by the end of the month there were buyers of large lots at as high as ₱9.25. Sellers were holding back all through the second half month with a feeling that outside markets, particularly Europe, must improve, and also discounting the fact that arrivals in January were supposed to be comparatively light. Buyers, on the other hand, resisted advancing prices with a feeling that the oil market probably would not justify any uncontrolled advances in local prices.

Export buying really featured the month with Europe interested right along at prices ranging from £12/7/6 to £12/17/6 with a large interest

in sundried quality from northern Europe. It was estimated that the November-December business for Europe totaled well over 15,000 tons, most of it for prompt shipment. Pacific Coast buyers of copra were forced to advance their buying prices to compete with this European demand, and business was done at prices ranging from a low of 2.30 cents per lb. c.i.f. to 2.55 cents at the top. In Cebu, where most of the selling interest was concentrated, dealers emphasized prompt shipment and sold to whatever buyer could offer the earliest delivery at approximately equal prices.

Statistics for the month follows:

Arrivals—	Sacks
Manila.....	426,783
Cebu.....	406,034
Shipments—	Tons
Pacific Coast.....	17,832
Atlantic Coast.....	3,118
Gulf Ports.....	7,325
Europe.....	9,483
China.....	15
Total.....	37,775

Stocks on hand in Manila—	
Beginning of the month.....	41,800
End of Month.....	40,690
Stocks on hand in Cebu—	
Beginning of Month.....	33,966
End of Month.....	25,332
COCONUT OIL: Inedible buyers continued to hold their opinion that the maximum they could pay for coconut oil was 4 cents per lb. c.i.f. New York, and for a while it looked as though they might be able to buy at their price early in December. About the middle of the month, however, a renewed edible demand crept into the market and a fair volume of business was done on the Pacific Coast at from 4 to 4-1/8 cents f.o.b. In New York a certain amount of oil was sold at 4-1/4 cents c.i.f. but all in all large buyers held back. Local oil ranged from 17-1/2 cents to 18 cents per kilo.	

At the end of the year it was the general opinion that oil buyers were not carrying very heavy inventories but were operating cautiously because of the great uncertainty of the fat situation for 1936, particularly with regard to possible legislation on the part of Congress and the various States affecting oils and fats.

Statistics for the month follow:

Shipments—	Tons
Pacific Coast.....	3,837
Atlantic Coast.....	12,550
Gulf Ports.....	2,468
Europe.....	320
China and Japan.....	14
Total.....	19,189

Stocks on Hand in Manila and Cebu—	
Beginning of Month.....	17,583
End of Month.....	13,976

COPRA CAKE AND MEAL: Very little business developed during the month in cake and meal. Europe seemed to have bought all the copra cake she needed for the time being and was only interested in forward shipment as reduced prices. Sellers, while willing to take some reduction, were not eager to do too much business because stocks were not top heavy and the general outlook did not appear too weak. Some little business was done at prices ranging from ₱30.25 to ₱30.50 f.o.b. steamer Manila, but on the whole it was a very quiet month. Copra meal was in no great demand in the United States, but odd lots of business were done at prices ranging from \$20.00 to \$21.50 c.i.f. Coast depending on position and seller. There was a fair carry over of stocks into 1936 with the general feeling that sellers were not too well covered for future shipments.

The following statistics cover these products:

Shipments—	Tons
Pacific Coast.....	2,839
Europe.....	8,026
China.....	51
Total.....	10,916

Stocks on Hand in Manila and Cebu—	
Beginning of Month.....	7,512
End of Month.....	8,096

DESICCATED COCONUT: Other than the seasonal falling off in demand which always comes with the holidays there was no significant trend in the desiccated market during December. Prices remained unchanged with a base of 7-3/4 cents c.i.f. New York with production and shipments normal. Shipment for December totalled 2,953 tons. At the end of the year, desiccated factories were reported as being

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adequately supplied with raw materials with every prospect of reasonable operation in 1936. The number of desiccated mills actually operating increased by four in 1935.

GENERAL: The year 1935 was a pretty good one for the copra and coconut industries. The average price of copra for the year was nearly double that of 1934 and there was at all times a market, either in Europe or the United States, for copra and oil. For the first time in five years producers of copra were able to break even. There was not, however, any big margin of profit in the business. The general increase in world prices for fats and oils, accentuated by a temporary shortage in the United States and elsewhere, swept copra and coconut oil up with it, but owing to the excise tax the improvement in coconut oil was far less than in other competing products.

The most significant development in the American oil market during the year was the swing from inedible to edible business. Coconut oil looked expensive to inedible buyers while appearing reasonably priced to edible buyers. This tendency, if continued, is not a healthy condition for it brings the Philippines into greater competition with the American farmer and dairyman than if the oil goes to its normal market, that for soap and other inedible purposes. It is to be hoped that some modification of the tax law may be evolved which will permit the resumption of the previous and more reasonable consumption percentages. Incidentally, the Philippine Government has not as yet recovered

any of the proceeds of the excise tax guaranteed it by the excise tax law. These proceeds are being held up pending the determination of certain suits brought against the Government based on the legality of the excise tax law.

What 1936 has in store for us is problematical, but general opinion seems to favor a continuance of erratic markets, with demand largely spot, for at least six months to come. Prospects are good for a normal Philippine copra crop.

The Egg-Sucking Dog

The harvest-home festival at the plantation this story concerns was given early in December after the rice had been out and some of it bundled and shocked. Searching for eggs for the custard, to be made with coconut milk, the landlord found that a dog had got into the hen run and sucked 16 eggs, leaving few for the custard. Going again to the plantation the next morning, he took along his shotgun and one shell; if the guilty dog came around he intended to let him have it.

Because a good deal of rice in the sheaf had been stolen of nights, a few sheaves at a time, the thieves sometimes even cutting the rice, a watchman had been hired to patrol the fields and supervise the tenants during the cutting, drying, shocking and stacking. This night the watchman was given the shotgun, and told that after his rounds at midnight he might fire the gun and come back to the house and sleep. So the young man did, but as soon as he fired the gun 15 men who had been in lurking, rose

and surrounded him, overpowered him and seized the shotgun.

He made a fight to keep the shotgun, but this was vain; gun and all, he had to go along with his captors across a river boundary and a distance of 4 to 5 kilometers to an open lot in a village where more than 100 men and women, communists, whom he counted, were going through a drooping ceremony of folk song, adapted to the new faith, and fervid exhortations from leaders.

Already he had taken thought of his life by ceasing resistance and volunteering to join up with his captors. So, the ceremonies over, he was quartered in a hut with his 15 captors, a brace of whom slept either side of him, with legs over his, to make sure that he lay quietly without trying either to retrieve his gun, or make away with any of the several pistols they had, and attempt escape.

The night following he joined 60 of the band on a foray; visiting a distant rice field where the grain had been shocked, each man took a bundle, and thus provided, all returned to the headquarters village. Here each family of the 60 was given a bundle of rice; *luzons* were soon sounding from busy pestles, and by daylight when the constabulary might be coming along, all the rice had been hulled and sacked.

This day vigilance over the young involuntary recruit began relaxing after early in the morning, as was told him was ceremonial custom during initiation, he was given a communist haircut. It proved to be close cropping. He then washed

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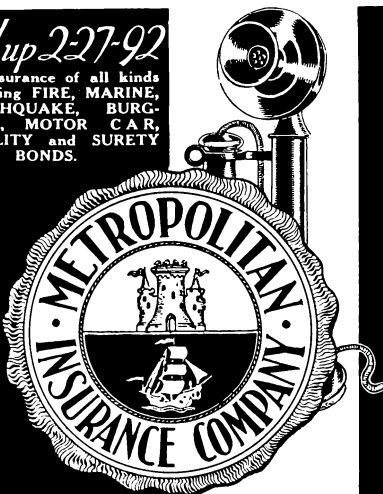
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his head in the coldest water he could find, knowing it would provoke a headache. This was his subterfuge to get to the river, to bathe and ease his fever—and it worked because he had been such an earnest thief in the night and won his comrades' confidence.

Only one companion went with him to the river, who scurried back to the house at the call to breakfast. Opportunity thus rising, the young captive forced the river and made his escape naked to a breechcloth with his clothes under his arm; and ran for his life down the road to the next village, where, pending his appeal, he was let ride a bicycle away home, where he peddled to police headquarters at the town hall and made his report. That afternoon posses of police and constabulary sallied forth on the route of the communists, looking for the inseparable Fifteen and summarily arresting, along the way, men at the houses where these men had made intermediate halts with their prisoner. They took a man from each household, and tightened their dragnet round the villages involved.

The puny results to date are charges against one man found with letters from the captain of the Fifteen on his person—one letter ordering ammunition to be got and brought from town by a comrade who lives there; and the arrest of this comrade at his home, where an unlicensed German-made 25-calibre pistol with ammunition was seized as evidence, along with some papers.

The dog sucked the eggs wanted for the harvest festival, and the constabulary, a faithful plantation employé running deadly risks to inform them, find the countryside honeycombed with thievery and revolt. This was the initial outbreak of Lope de la Rosa and his followers. Of the Fifteen, 3 have been captured.

Sure to Win!

Retired from the civil service and living on an annuity wisely purchased, everything over a living minimum he spends in the sweepstakes. And he can't lose, not because he ever wins, but because of that annuity. In the first sweepstakes he spent about P1,500. Winning nothing, he worked out a system and risked a

larger sum in the second sweepstakes. Buying a string of numbers in every series, he thought he had the grand prize in a network of numbers all his own. He boasted he had 1 chance in 150; and friends, unimpressed by such odds, thought so what: if in a bowl of 150 marbles you must pick blindly the 1 blue one in the midst of 149 white ones, your chance is slim.

So he failed of the grand prize, and finding it out, tore up his tickets. Then it turned out that he had won about P450 in minor prizes, only his tickets were gone. To collect, he hired an agent who was to get P150 and give him the remaining P300; but according to him, he got the short end and the agent the long end. Anyway, it cost him a good deal to post a 10-year bond assuring the sweepstakes management against loss when it paid him. Such is anger.

His system was so nearly perfect for the third sweepstakes that he wanted to bet he had the grand prize in the bag. Things turned out otherwise, all he won were some tiny sums in participation tickets—in all no more than a few pesos. This has quieted perceptibly his former volubility about his system and its certainty of bringing him the grand prize. But he is perfecting it still further for the next sweepstakes. And what matter? It amuses him, and he has his annuity.

MANILA HEMP

By H. P. STRICKLER
Manila Cordage Company

During December the market opened steady, but before the middle of it was reached, buyers in foreign markets encouraged by a few cheap sellers from the Philippines held off in the hope of bringing about a lower level of prices. These tactics were more in the nature of testing the strength of the local market, which has been on the whole firm all throughout.

The period from December 10th to December 20th was marked by low quotations made in London and New York, but in answer sellers in those markets practically withdrew from the market with the result that the low quotations

became only nominal, and a stalemate ensued which lasted until the last week of the month, under review.

Seeing their tactics useless, foreign buyers began to raise their quotations which was in the nature of a confession of defeat, but the month closed before their prices were high enough to attract sellers.

Reflecting the condition of foreign markets, our local markets maintained an obstinate firmness which lasted during the entire month. The small volume of business done was at full prices, materially above the nominal and fictitious level ruling in consuming markets.

Prices of Loose Fiber in Manila Per Picul

November 30th (Nominal)	December 31st Business
CD.....P22.00	CD.....P23.50
E.....20.00	E.....20.50
F.....18.50	F.....19.25
I.....17.50	I.....18.50
J.....15.00	J.....15.75
G.....13.00	G.....13.75
H.....9.75	H.....10.25
J2.....12.00	J2.....12.00
K.....9.25	K.....9.75
L1.....8.75	L1.....8.75
L2.....7.25	L2.....7.50

Narrative of Last Year's . . .

(Continued from page 17)

ented by output and development, prospects and capitalization, property and management. It seemed to be enough to send a stock down, in a new company, for a mill to go into production. Naturally, many speculators took big losses. There were failures among brokers, too, and some bad tales in connection with them. Abra Mining could illustrate the broad situation. That stock held up tenaciously, long sold far above par with Ipa, for example, a producing mine, though Ipa is an unproved field and Benguet, that has the operating contract, has no announcements of ore proved up or plans for milling.

Philippine mining lost outstanding figures during the year; among them, in Baguio, J. F. Whitmarsh and Dr. N. M. Saleeby, the latter having been the surgeon at Notre Dame hospital in charge of the excellent laboratories Benguet installed. Dr. J. F. Reed of Manila has succeeded to the place at Notre Dame. George Cushing's death was another loss to the industry; he was an aggressive young engineer.

There were notable changes of position among the big fellows on the professional side. H. W. Evans gave up the superintendency of Balatoc because of ill health, and D. W. Butner of Benguet took his place. George Scarfe, geologist, left Benguet for Consolidated Mines; G. T. Geringer, Baguio Gold for Sulu Mining; W. G. Donaldson, Benguet (where he made a record at Ipo as superintendent for Consolidated Mines); G. J. Montague, from Balatoc for a trip around the world and retirement; C. M. Eyo, of Benguet, to the United States for indefinite stay; J. E. Moore, Gold River's superintendent, resigning and going to the United States when the mill had to shut down.

L. W. Lemox took over the superintendency of Benguet Consolidated.

The year's tendency was one of expansion, in the Bicol region southeast of Manila, in Masbate, and in Mindanao. There is small chance that any of these more southern fields will surpass Baguio while Balatoc and Benguet keep pouring forth bullion the way they do; but there will be more and more doing in them, and Masbate is likely to be well established this year as a great mining field.

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SHIPPING REVIEW

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

From statistics compiled by the Associated Steamship Lines, during the month of November there were exported from the Philippine Islands the following:



November exports, a total of 164,429 revenue tons, show an increase over the preceding month. The 1935-36 sugar export movement was very small, with 16,506 tons to the United States and 200 tons to China. This movement to China is a new development. Slight increases are shown in lumber and

logs, copra cake and meal, and coconut oil, but hemp shipments were small and copra shipments only half those of October. Lumber and log shipments amounted to 6,400,000 board feet, with increases to Oriental, United States, and African ports, and decreases to Europe and Australia. Copra cake and meal shipments amounted to 11,110 tons, a slight increase both to the United States and to Europe. Coconut oil shipments to the United States amounted to 18,474 tons, compared with 11,541 during October. The hemp shipment of 115,148 bales is 16,000 bales less than the October shipment, with the United States trade slightly larger and Japan and European trade very dull. A big slump in major commodities is registered in the copra trade. Only 16,662 tons moved, all markets except Istanbul taking but 50 per cent as compared with October.

Cigars, rope, desiccated coconut, embroideries, empty containers, kapok, canned pineapple, rubber, cutch, and vegetable oil products show decreases. Tobacco shipments amounted to only 2,360 tons as compared to 7,693 tons in October. Alcohol, buntal fiber, furniture, gums and junk increased slightly. One item is noted, a shipment of 100 tons of coconut shell charcoal to Europe.

Passenger traffic for the month of November continued fairly steady, total carryings being practically the same as for November 1934.

The following figures show the number of passengers departing from the Philippines during November 1935:

	Inter- First	mediate	Third
China and Japan.....	83	99	156
Honolulu.....	6	1	4
Pacific Coast.....	30	23	7
Europe via America.....	0	0	0
Straits Settlements and Dutch East Indies.....	37	1	0
Europe and Mediterranean Ports beyond Colombo.....	17	11	0
Australia.....	3	0	0
America via Suez.....	6	0	0
Round the World.....	0	0	0
Total for November, 1935.....	182	135	167
Total for November, 1934.....	200	144	215

To	Tons	With Motor Steamers	Of which Tons	Were carried in American Bot- tom with Sailings
China and Japan.....	70,516	40	2,142	6
Pacific Coast Local Delivery.....	26,168	17	16,726	9
Pacific Coast Overland.....	888	10	461	6
Pacific Coast Intercoastal.....	2,154	7	2,154	7
Atlantic and Gulf Coast.....	43,223	23	23,262	8
European Ports.....	19,553	19	177	3
All Other Ports.....	1,927	22	216	4
TOTAL.....	164,429	86	45,138	15

A GRAND TOTAL of 164,429 tons with a total of 86 sailings (average 1,912 tons per vessel) of which 45,138 tons were carried in American Bottoms with 15 sailings (average 3,009 tons per vessel).

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TO
October 15
Return Limit
October 31

No Business Can Escape Change

New products are marching to market in never-ending parade. Here are a few from the current procession

A new protective paint consists of copper, in finely powdered, non-crystalline form, mixed with a special fluid carrier. It can be sprayed, dipped or brushed on any surface, is said to be proof against acids, alkalis, brines, fumes, rust....

There's also a new exterior house paint, described as proof against staining from copper screening, rusty nails, etc., also against cracking and fading....

Zinc chloride and sodium bichromate are combined in a new wood preservative. It's said to have greater preservative value than straight zinc chloride and, like the latter, to be termite-repellent, fire-retardant....

Silverware is kept from tarnishing, it is said, by a new compound which absorbs tarnish-producing gases. An open jarful is placed in the silver cabinet, lasts several months....

Tarnishing of metallic blouses and gowns is also retarded by new garment bags made of moisture-proof transparent cellulose backed with gauze....

A versatile new gas range has, in addition to the usual features, a large-sized trash burner and a built-in gas circulating heater which will heat the kitchen and adjacent rooms....

A pure silk is now offered which is described as waterproof (though it does not wash), acid-proof, heat-proof. It's also said not to harden, crack, stick or deteriorate with age....

Monthly beauty hint: There's a new soothing oil for the finger and toe nails, designed to eliminate breaking, splitting....

A snug, form-fitting dressing for minor wounds consists of an antiseptic gauze pad backed by a new elastic adhesive tape which wraps about the injured member....

A new fever thermometer case has a spring arrangement which, by a few motions of the hand, lowers the mercury....

A new liquid preparation, brushed over their surfaces, permits easy removal of stamps from envelopes, labels from glass or fabrics. It contains no acid or alkali to harm the latter....

Gentlemen who prefer a note of color and luxury when it comes to galuses braces are offered a new all-elastic foulard type, said to be the first such in the history of elastic webs....

A new small figuring machine weighs but seven pounds, measures $5\frac{1}{2} \times 9\frac{1}{2}$ inches. It adds, subtracts, multiplies, divides, uses neither paper nor ribbon, is offered for small business and personal use, verifying totals, calculating, etc....

Quiet operation, improved traction distinguishes two new lawn mowers. One has pneumatic rubber tires; the other cushion rubber treads on the wheels, rubber-covered roller....

Mower knives on a new power lawn mower are removable, permitting use of the motor for other power purposes....

A track-laying tractor attachment which serves as a rear driving unit for motor trucks has been developed. It permits high-speed hauling over poor roads or across country....

A new gasket material consists of alternate layers of thin sheet aluminum and fine wire mesh, bound by an elastic compound....

Errors due to friction are said to be eliminated, pulsating flows more accurately measured by a new type of flow meter which utilizes a variable orifice principle of operation....

Higher fusion point, exceptionally strong bonding properties, are claimed for a new high-temperature bonding cement....



A dry, insulated wall, economical of mortar and speedily laid up, is provided by a new brick unit. Its interlocking joint offers a positive water stop and also makes the unit self-aligning.

A swivel head on a new bolt clipper allows it to be slipped under or around obstructions to reach hard-to-get-at bolts. It cuts with full power whether straight on or at angles....

A machine is now offered which flocks or defiberizes rags and other waste products. It produces a flock which is often usable in place of flock prepared from more costly raw materials....

A celluloid instead of metal base is used in a new, economical process for producing half-tones. It's said to shorten production time, give good tone quality, detail....

Gas finds a new use through a new gas-operated summer air conditioner for domestic or industrial purposes. The equipment affords independent control of temperature, humidity....

A new B battery for battery-operated radios eliminates the usual tangle of wires and connections. Instead of binding posts it has a plug-in socket, making connections simple, easy, neat....

Furniture manufacturers are offered a new "invisible" ball-bearing caster. Made of heavy-gauge steel and finished in dark bronze, it has a bell-shaped skirt which conceals the wheel....

Pears or apples are peeled, cored and halved or quartered, then routed to a conveyor by a new machine. It is said to handle 40 pears or 50 apples a minute....

Milk distributors get their bottles back and the kids get some candy through a new device which passes out a stick of gum or a sweet every time an empty bottle is deposited in it....

Parachutes which can be built into the seats of cabin planes without sacrificing comfort or appearance are now offered. Harness is out of sight, yet instantly, easily donned....

—PAUL H. HATWARD.

EDITOR'S NOTE:—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing to NATION'S BUSINESS.

LUMBER REVIEW

By ARTHUR F. FISCHER
Director, Bureau of Forestry



The lumber and timber exports during the month of October registered a slight decline of 8% as compared with the same month last year. This was brought about by the decreased demand of Philippine logs in Japan, but it is anticipated

that a larger shipment of round logs to this country will continue to be made. Logs exports to this market for the month under review amounted to 6,710,224 board feet as against 7,988,584 board feet, or a decrease of 16%. However, the shipment made to the said country during the previous month amounted to 8,999,824 board feet compensated by the decreased shipment during the month under review.

Men Downtown

It's rather nice to have Ernest Berg, president of Red Star Motor, back with us again. From what he and his charming wife have said about their vacation in the United States there is little doubt but what it was a real vacation in every sense of the word.

We've noticed a decided improvement in the calibre of the radio programs offered by Station KZIB during the past month. Is it possible that I. Beck, president of the department store which bears his name and operates the station could have picked up some pointers from the American broadcasting stations during his trip to the United States? However, regardless of what the reason might be, we offer our congratulations.

Dr. Ben D. Dorfman and Dr. Frank Waring, United States trade representatives who have spent the past several months surveying economic conditions in the Philippines have at last departed. They spent a lot of time and no small amount of energy in gathering material for their report and there is little doubt in our mind but that it will have a decided influence on the authorized Philippine-American trade conference when that parley actually gets underway.

One of the more pleasant sights we've seen recently is that of B. Treiture returning to his place as manager of the credit department of Heacock's. The long illness, that necessitated his leaving his duties for several weeks, has finally been conquered and his legion of friends are all rejoicing in his recovery.

That new insurance company, *The Commonwealth*, certainly is destined for a successful life if the men who comprise its officers are to be taken as an indication: Andres Soriano, Lt. Col. Hodsoll, J. Jamieson, Eduard Roxas, Rafael Alunan, Jorge Araneta, Isidoro Armada, Enrique Vasquez, Benito Albrin, and Tirzo Lizanaga. That's a staff to be reckoned with.

Philippine lumber and timber exports to the United States during the month under review remained active, the shipments to that country being 2,510,504 board feet, as against 1,761,720 board feet for the same month last year, or an increase of 42%. Of this total export, 2,440,544 board feet were sawn lumber and the rest, or 69,960 board feet, were unsawn timber, mostly Dao logs.

The demand of lumber and timber in China continued to remain irregular. The financial difficulties in that country tend to contribute in the dullness of trade with the said country. Consumption of the Philippine product in Australia during the month under review showed a considerable increase of 99% as compared with the same period of 1934. There were shipped 864,536 board feet of sawed lumber for October as against only 434,176 board feet for the same month last year, and the export of round logs amounted to 56,392 board feet as against none of last year. Likewise, demand in Great Britain continued steady but registered an increase of 33%, representing all sawed lumber.

The demand in the local market was still poor and prices went down due to increased supply. However, there were shown active lumber and timber transactions for future deliveries. Mill production during the month of October totalled 21,914,907 board feet as compared with only 16,402,065 board feet for the same period last year, or an increase of 34%. Lumber deliveries showed also an increase of 54% over those of October last year.

The following statements show the lumber and timber exports, by countries, and the mill production and lumber inventories for the month of October, 1935, as compared with the corresponding month of the previous year:

Lumber and Timber Exports for the month of October

Destination	Board Feet	1935	
		Customs Declared	Value
Japan	6,710,224	\$7108,913	
United States	2,510,504	182,892	
Great Britain	930,680	71,275	
Australia	864,536	47,325	
British Africa	215,816	12,573	
Ireland	81,832	7,189	
China	36,464	1,816	
Norway	13,568	2,361	
Sweden	7,208	963	
Hawaii	848	80	
Hongkong	424	45	
Portuguese Africa	—	—	
Canada	—	—	
Total	11,372,104	P435,132	

Destination	Board Feet	1934	
		Customs Declared	Value
Japan	7,988,584	P138,441	
United States	1,761,720	108,867	
Great Britain	699,600	64,184	
Australia	434,176	16,642	
British Africa	362,944	30,994	
Ireland	—	—	
China	841,640	44,050	
Norway	—	—	
Sweden	25,016	3,088	
Hawaii	—	—	
Hongkong	7,632	369	
Portuguese Africa	197,160	10,032	
Canada	—	260	
Total	12,323,984	P422,917	

NOTE: *This represents mostly solid log scale, that is, 424 board feet to a cubic meter.

For 49 Mills for the month of October

Month	Lumber Deliveries from Mills	
	1935	1934
Oct.	20,382,136	13,220,201
	Lumber Inventory	
	1935	1934
Oct.	40,724,236	35,181,396
	Mill Production	
	1935	1934
Oct.	21,914,907	16,402,065

NOTE: Board Feet showed as used.

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Consuls in Manila: II—Arthur P. Blunt

By KENNETH ROMNEY, Jr.



ARTHUR P. BLUNT

One of the oldest consulates in the Philippines yet headed by one of the newest additions to Manila's consular corps. That, in brief, is the Consulate General's Office of the British Empire in Manila. Unlike the American consul, with whom we dealt last month, the duties of the Consul General Arthur P. Blunt are not limited to one particular field, but are almost endless in their extent. A gentleman who desires to secure a passport visa might precede a Japanese sea captain who seeks a bill of health for his vessel at some British port. The two might be followed in turn by a loyal British subject who desires that the consul, or his representative, be present at his forthcoming wedding. Unrelated as they seem, all of these fall under the broad classification of general consular duties that govern the business of the representatives

of His Majesty's government in the Philippines.

The duties are so multitudinous that the service publishes a ponderous tome, some 350 pages in length, in order that its representatives may know just exactly what is required of them. Consul General Blunt laughingly admits that he has never read it. After all, why should he? A man who has spent more than 30 years in the consular service, who has served his country longer than George V has occupied the throne of England, who has risen from a student interpreter to the rank of consul general and been made a Companion of the Order of St. Michael and St. George is obviously well qualified to handle any consular problems presented to him.

Consul General Blunt came to Manila in March of 1935 from the highly important post at Nanking where his handling of difficult consular affairs won him not only the praise of his own government but the respect and admiration of all of the ranking officials of the Chinese government with whom he came in contact. The fact that he now finds himself occupying a post outside of the China service throws a most interesting sidelight on the history of the British consulate in the Philippines. Opened about 90 years ago, the consulate originally handled routine business and was staffed by merchant consuls, a practice which is still followed by many countries that maintain consulates in Manila. Some time later, however, the organization was changed. Instead of a prospective consul being allowed to take any one of three examinations, depending upon the branch of the service he wished to enter (and, incidentally to remain in) there was only one general examination and the applicant chose his service after being accepted. Coincident with this, the merchant consuls were abandoned and the office was staffed by members of the Japan service.

In 1933 Japanese armies set up the puppet state of Manchoukuo and Great Britain placed a member of its Japan service at Mukden. To

compensate for this, the China service was commissioned to supply the consul general at Manila. Consul General Blunt finds himself outside the China service where he had served for 29 years. In addition to his station at Nanking, he has served at Peking, Ichoy, and Shanghai, as well as having been the captain of a Chinese Labour Corps unit during the Great War. He was made a member of the coveted order of St. Michael and St. George in January of 1923, shortly after being raised to the rank of vice-consul. Pleasant as his associations in Manila have been, he confesses he will go on a year's leave in March and quite frankly admits that he does not know whether he will return or not. That he will, is unquestionably the hope of all who know him and have come in contact with him during his 11 months as a member of our foreign consular corps.

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TOBACCO REVIEW

By P. A. MEYER



RAWLEAF: Quotations for local and export grades continue firm. Transplanting from seedbeds to fields in the provinces of Cagayan and Isabela was started during the latter part of the month under favorable weather conditions. Comparative figures of shipments abroad are as follows:

*Rawleaf, Stripped
Tobacco and Storage
Kilos*

	Dec. 1935	Year 1935
Australia and New Zealand.....	1,320	24,203
Austria and Czechoslovakia.....	—	1,722
Belgium and Holland.....	6,859	261,956
China and Hongkong.....	38,381	398,600
France.....	—	376,617
Gibraltar.....	—	41,637
Japan, Korea and Formosa.....	—	4,765,945
Java and Malaya.....	1,140	18,833
North Africa.....	51,990	827,877
Spain.....	1,564,588	10,415,513
United States.....	86,573	1,382,025
Various.....	—	3,148
November, 1935.....	1,751,621	18,517,176
December, 1934.....	1,413,976	
Year 1934.....	1,668,677	14,024,614

CIGARS: Compare figures of shipments to the United States and abroad are as follows:

	United States	Other Countries
December 1935.....	16,011,510	642,095
November 1935.....	15,651,364	1,424,526
Year 1935.....	208,676,183	15,000,000
Year 1934.....	208,268,782	15,352,252
Year 1933.....	186,467,350	12,232,263

Pins

One country with its might of war
Another country tames,
And all mankind must learn a lot
Of geographic names:
We'll have to get out maps again
To stick with colored pins
Where Haile's troops in trenches lie,
Where Duce's drive begins.
There'll be commanders whose renown
Will ring from pole to pole—
I think I'll use a yellow pin
For each dead thousand soul.
And as these yellow pins mount up,
The greens and reds ranked close
Should tell me swift who wins the war
And who performe must lose.
But if Selassie's reds tell not,
And Duce's greens no more,
I'll give the yellows, dead, the prize,
And call it battledoor!

Significant Statistics

During the 4 weeks ending December 28, 34 corporations with P2,687,597.50 capital paid up were registered with the government, and 6 nonstock corporations. Three partnerships with P59,000 capital paid up were registered. Manila issued 11,521 money orders for the total of P230,537.06, paid 18,813 for the total of P413,111.40. Shares sold on the stock exchange were 7,448,958 for P1,798,479. Sixty-nine realty mortgages for P793,776 and 145 chattel mortgages for P1,000,926.71 were registered; and 84 new automobiles, 9 new trucks, 2 new motor-

cycles, with transfers of 354 automobiles, 53 trucks, 4 motorcycle. Ninety-two new radios were registered, 316 radio renewals made.

Slaughtering at Manila included 962 carabaos, 2,812 cattle, 12,093 hogs. Poultry in Manila markets was 227,302 chickens, 2,885 pigeons, 3,844 ducks, 579 turkeys; chicken eggs 1,091,618, duck eggs 140,943.

Forty-six building permits covered new buildings estimated to cost P329,300. In the population of 353,148 births reported were 1,880, deaths 754, marriage licenses 324. (These data are compiled for the *Journal* by the statistics division, agriculture and commerce department, of the Philippine government).

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THE RICE INDUSTRY

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



Rice and palay prices both have fallen since last month's report because of timely arrivals of new-crop supplies. During January's first week luxury rice brought P6.10 to P6.30 per sack of 57 kilos and macans P5.75 to P5.95, prices tending firmer. Palay at buying points brought P2.45 to P2.60 per cavan

stabilize prices has been approved, but we believe the sum is inadequate to hold prices down when scarcity arises—save perhaps in urban centers where the needy are more vocal. About 24 million cavans of palay pass through the hands of millers, buyers and interprovincial traders. Such a quantity is currently worth about P60,000,000, and it is easy to see that 1/30 of this value would have little influence on the total.

There is of course no carry-over whatever

this year. Preliminary threshing reports are 18% in some districts, as high as 52% in others, below last year's—a year of partial crop-failure also. Exports have ceased because of the 1-cent processing tax in the United States. This attempt to export rice to the United States was pointed out in this column as unwise as long as a year ago, our rice being needed at home. As urged heretofore, recurring decrease of our rice crop is a matter demanding immediate action dealing with the plant disease that has attacked the crop over wide areas.

Main causes of rice-crop decline, by regions: Northern Luzon—disease, drought, typhoons; West Central Luzon—floods, disease, typhoons; East Central Luzon—disease, typhoons, drought; Southern Luzon—disease, locusts, drought; and the Bisayas—typhoons, disease, locusts.

of 44 kilos according to grade.

Importations have practically ceased. President Quezon ordered excessive importations investigated, to place responsibility for them, and fines and the full duty were assessed against them. This is commendable, prompt action to clear up the question. However, too strict an interpretation of the imports required during the emergency might discourage importers and men who finance them and throw the entire operation on the government. The setting aside of P2,000,000 for the purchase of palay to

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It seems certain that plant disease unwittingly introduced here will keep the crop permanently low and that yearly imports will be of some magnitude—money going abroad that is badly needed at home. Whether public agencies with men and funds at their disposal can do anything about this is a question for the President; but the perennial food scarcity will be added to the other problems awaiting solution. Expansion of rice areas to submarginal lands will not answer; neither will appeals to patriotism, the growers' chief preoccupation being to exist. Nor have the farm colonies produced anything to date to add to national subsistence, being too paternalistic to succeed. Experts from Indonesia where like conditions are faced might be called upon as a last resort, to try to eradicate the disease, that has not only affected wide areas but is still spreading. National food supply comes before national security, scarcity of food supply nullifies nationalism.

Roy H. Howard

(Continued from page 15)

your honor. But above honor is justice. You cannot, being just, compel us to accept an independence that will be one in name only, or that being real for a day, vanishes like smoke on the morrow. You have included in our idealism, and for that we are grateful. The ideal of independence has held us together as a nation all these years. Without that ideal we could not have achieved union and nationalism. But we have learned our lesson, and we came to you, sincere and proud as before, but much wiser. Let us pick up the loose ends of our motives and interests and see whether we cannot piece them together straight and whole."

And they will find a way out—if the time should come when the one will be as honest as the other is just.

Machines and Men

Believing he was hitting upon some fundamentals "that have thrown us into this new era, this new day, this new age," in extension-of-remakes in the *Congressional Record* of August 29 Congressmen Walter M. Pierce included 3 striking illustrations of how machines are liberating men from labor, incidentally, though possibly temporarily, provoking unemployment problems in the United States. He mentioned a new machine at Ford's which bores an 8-cylinder shaft, polishes and finishes it in 5 minutes; it formerly employed 1 man 1 day to turn out 1 cylinder, so the new machine relieves scores of men from his work. He mentioned a new plant of the Youngstown Sheet & Tube Company that employing 90 men turns out the quota of sheet steel that formerly employed 800 men, thus relieving 710 men from this type of work. Then he mentioned his own ranch, where his son with 12 men harvests as much grain as he himself formerly did with the work of 40 men; on that ranch alone, during the harvest season, 28 men formerly employed are relieved of that type of work by some improved harvesting machine.

His notations are interesting for the scope they embrace. He of course argued not against machines, but in contrastation of a good deal of opinion that holds America is merely temporarily bogged in hard times out of which the usual course of events will lead her to renewed prosperity and universal employment of labor.

Congressman Pierce believes that technological unemployment is not a mere symptom of the times; he thinks it is a permanent factor in modern life in industrial countries.

REAL ESTATE

By P. D. CARMAN
Addison Hills



1935 Real Estate sales in the City of Manila exceeded those of 1931 by approximately three million pesos! The following yearly totals for the past ten years indicate that the local real estate market did not greatly feel the effects of the Depression until 1932. It will also be noted that since that year there has been steady improvement and that 1935 sales exceed those of 1926 and 1927 and are not far behind

those of 1928, all pre-depression years. This situation indicates material growth of the City during the past decade and the probability of an active future market not only in respect to volume of business but to values which are

undoubtedly rising steadily with the general improvement in economic conditions:

1926...	₱12,710,660	1931..	₱18,523,382
1927...	11,995,124	1932..	9,857,937
1928...	16,884,814	1933..	11,755,282
1929...	18,110,918	1934..	12,466,897
1930...	16,922,288	1935..	15,403,079

Sales City of Manila

	November 1935	December 1935	Total for 1935
Sta. Cruz.....	₱257,548	₱ 92,011	₱3,069,158
Sampaloc.....	359,090	156,199	1,640,718
Tondo.....	31,905	445,739	1,535,826
Binondo.....	10,500	15,500	921,083
San Nicolas...	19,755	—	1,966,612
Ermita.....	21,700	18,321	611,800
Malate.....	45,820	169,653	1,460,963
Paco.....	18,909	15,895	444,281
Sta. Ana.....	7,826	26,789	321,430
Quiapo.....	15,721	16,560	2,813,733
San Miguel...	3,600	4,623	123,098
Intramuros...	22,330	—	400,008
Pandacan.....	3,400	—	39,721
Sta. Mesa.....	30,000	—	54,157
San Felipe Neri	—	—	500

₱848,104 ₱961,290 ₱15,403,079

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When the Soul of the Rice Is Stolen: *Ifugao Legend*

Here among these thrifty Philippine mountaineers you are surrounded spiritually with a pagan fundamentalism that makes all things tolerable by timely sacrifices to the gods; and to the demigods, the Ifugaos' ancestors. You see calendars older than Caesar's, the changes of the zodiac accurately determined by the blossoming of flowers and the record of the days kept on knotted strings. You see gold washed from the streams, or coaxed out of rocks by fire, and, not valued for money, used for ornaments dear to Ifugao men and women alike.

The gods put the gold in the mountains and hid it in the river sands. No doubt of that. But they never tempted the Ifugao, a farmer without a peer in the world, since he makes bigger and better fields on the mountain sides than any other farmer is able to make, to love gold more than plants or to turn from farming to mining. Remaining a farmer, since the gods approve the cultivation of the earth for the food it will yield, he mines at leisure and sells gold only for odd trinkets and what-not to be had at the great market in Baguio. Here too, gold will buy pigs and fat fowls for the essential feasts to the gods—beings jealous of the honors that should be theirs.

All is legend here, faith handed down scrupulously from father to son. And there is the legend of the apostasy of the Ifugao couple, Bugan and Wigan. (You see, Bugan, the wife, is mentioned first: the place of woman is high in Ifugao culture, and the work of woman very important in their economy). Once when the harvest was coming on in the terraces, Bugan and Wigan neglected to sacrifice fowls to the Growth-giver gods of the Underworld and the Growth-giver gods of the Skyworld.

Then there was trouble. Bugan and Wigan dreamed that these gods stole away the soul of their rice and carried it to Bulul, god of the downstream region; and when they awoke and hurried to their terraces, it was true. The heads of their rice were not filling. Wigan despaired, returned to his hut to sleep and hope for a more promising dream. But Bugan remained in the field to weed it and practice the doctrine that Heaven helps them who help themselves—which after all is but the execution of a stoical thrift and patience. It turned out well.

While Bugan weeded the field, Wigan, god of all gods in the Skyworld, whose great name Bugan's husband bore, came and asked her what the trouble was; and she told him they had planned to sacrifice fowls, only they had been putting it off, and now, untimely punishment, the soul of their rice had been stolen away and they should have no harvest. Unless, of course.

Wigan, god of gods of the Skyworld, understood clearly. He forgave. He told Bugan to place her basket at the point in the upper terrace where the water ran off into the terraces below, and to have faith. She did so. Wigan then posted off to the downstream region where the god Bulul presides over local affairs. There he found what he expected, the trio of gods making merry together over the turn they were playing Bugan and Wigan—Bulul himself, and the Growth-giver gods of the Underworld and of the Skyworld. He told them they should not be so hasty, that Bugan and Wigan were disposed to make the usual sacrifice of fowls, would do it immediately, only the gods should return the soul of the rice to Bugan's and Wigan's field.

So the 3 gods yielded the point, unable to do otherwise when Wigan, ranking them all, commanded. They took the soul of the rice back, dropped it in the field and pushed it toward Bugan's waiting basket in the flow-off of the irrigation water. Bugan then took it home in the basket and put it carefully in the granary. Then the rice in their terraces filled fat with grain, the harvest was the largest they had ever known. The rice was more than enough for living and for many feasts and all the necessary sacrifices, with perhaps some extra ones besides, and then there was rice to barter for pigs and chickens.

Bugan and Wigan became rich farmers, because they never lost faith. You may read a remarkable classic on this subject in universal literature, by turning, in your Bible, to the book of Job. It is somewhat different in detail, of course, deriving as it does from a different people—a pastoral people rather than an agricultural one. But essentially, is it not the same? It was in their days of plenty restored that Bugan's husband took the name of Wigan the god. Bugan herself could not, being a woman. But it was her fortitude that brought the family through. Ifugaos know that woman is strong of spirit. Some of the extra rice made pleteuous wine for the feasts to ancestors and the festivals for the gods: wine light and sweet enough for women, girls and boys, better wine, more sour, for all the men—a matter of time and the gracious art of the winemaker.

Often the god of storm threatens the crop at this village. When he does, he is said to envy the people their wealth and to feel that their sacrifices are too meager. The easy remedy is to increase the sacrifices, and nearly always it suffices nicely. The elders prescribe these sacrifices, admirable devices for wasting the substance of these diligent farmers and keeping their attention on the prudent task of tilling the soil. The people bestow gifts on the elders, for their beneficent wisdom.

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PRINCIPAL EXPORTS

Commodities	November, 1935			November, 1934			Monthly average for 12 months previous to November, 1935		
	Quantity	Value	%	Quantity	Value	%	Quantity	Value	%
		\$			\$			\$	
Canton (Low Grade Cordage Fibre).	750,762	\$ 61,103	0.5	417,577	\$ 19,033	0.2	363,150	\$ 17,433	0.1
Cigars (Number).	17,151,520	320,129	4.4	25,016,930	819,729	8.7	19,172,832	610,306	4.2
Cocoa Beans.	66,270,000	2,529,050	21.6	16,452,018	1,378,702	16.7	12,666,648	1,775,362	15.4
Copra Oil.	21,107,690	1,772,016	14.7	36,532,388	2,026,376	21.0	21,368,793	1,721,692	15.0
Copra Meal.	11,038,205	309,734	2.9	10,249,015	285,513	3.0	9,066,730	254,154	1.8
Coconuts.	455,861	129,130	1.1	562,085	164,137	1.7	733,937	214,845	1.5
Decapsulated and Shredded Coconuts.	2,936,155	701,333	6.4	2,194,543	415,332	4.4	2,678,331	609,247	4.2
Deciduous.		955,277	7.9		1,067,867	9.6		1,112,292	9.6
Hats (Number).	82,444	153,374	1.3	94,641	178,416	1.9	52,323	93,650	0.8
Hemp.	16,351,180	2,874,504	23.9	14,165,122	1,354,737	14.3	15,386,344	1,635,859	11.4
Leaf Tobacco.		2,129	0.0		16,867	0.2		1,370	0.0
Leather (Cubic Feet).	2,681,961	336,251	2.8	3,434,594	814,837	8.6	1,001,289	466,021	2.8
Leaves (Cubic Feet).	3,796	268,893	2.2	5,403	271,271	2.7	1,000	220,155	1.5
Machinery.	866,523	91,146	0.8	836,799	42,301	0.4	1,146,316	70,536	0.5
Pearl Buttons (Gross).	65,372	30,584	0.4	61,360	43,900	0.5	57,488	39,280	0.3
Foreign Countries Products.	4,721,626	537,692	4.5	138,120	16,613	0.2	40,628,508	3,524,919	25.7
All Other Products.	621,958	5.2	0.0	836,384	8.8	0.0	54,073	5.9	0.0
Total Domestic Products.		\$12,933,512	98.8		\$9,454,915	98.4		\$14,380,008	98.8
United States Products.		126,196	1.0		136,374	1.4		153,557	1.1
Foreign Countries Products.		22,501	0.2		22,360	0.2		18,379	0.1
Grand Total.		\$12,983,209			\$9,613,676			\$14,551,944	

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

PRINCIPAL IMPORTS

Articles	November, 1935		November, 1934		Monthly average for 12 months previous to November, 1935	
	Value	%	Value	%	Value	%
	\$		\$		\$	
Automobiles.	331,514	2.5	339,232	2.1	438,390	3.2
Automobile Accessories.	365,380	1.3	365,380	1.3	438,321	1.0
Automobile Tires.	78,152	0.6	235,427	1.5	184,930	1.3
Books and Other Printed Matters.	9,120	0.0	283,590	1.6	107,731	0.1
Breadstuffs Except Wheat.						
Cacao Manufactures Except Candy.	91,300	0.7	94,206	0.6	94,267	0.7
Cars and Carriages.	70,300	0.5	64,908	0.4	82,908	0.6
Cattle.	60,086	0.4	83,777	0.5	96,920	0.7
Cement.	1,227		308		2,597	
Chemicals, Dyes, Drugs, Etc.	459,086	3.4	524,552	3.2	441,880	3.3
Coal.	226,244	1.7	86,327	0.5	140,865	1.0
Coffee, Raw and Prepared.	88,007	0.7	105,300	0.7	112,162	0.8
Cotton Cloth.	1,745,530	13.0	1,568,414	7.7	1,644,850	11.9
Cotton Goods, Other.	830,702	6.2	1,175,770	4.4	841,882	6.1
Crude Oil.	222,492	1.6	388,506	2.5	358,571	2.6
Dairy Products.	468,268	3.5	549,674	3.4	492,642	3.7
Diamond and Other Precious Stones Used.	20,207	0.1	3,896		21,469	0.2
Earthen Stones and Chinaware.	64,214	0.5	85,128	0.5	72,128	0.5
Gases and Preparations of Electrical Machinery.	21,568	0.1	15,682	0.1	18,447	0.1
Explosives.	349,835	2.6	425,548	2.6	324,009	2.4
Fertilizers.	113,849	0.8	262,634	1.3	283,840	2.0
Fish and Fish Products.	403,506	3.0	167,824	1.0	278,999	2.0
Fruit and Nut.	193,777	1.4	912,327	5.1	900,211	6.3
Glass and Glassware.	194,085	1.5	256,115	1.6	201,374	1.4
Iron and Steel.	404,499	3.0	555,808	3.4	472,779	3.5
Lumber.	113,842	0.8	117,223	0.7	109,159	0.7
Luminating Oil.	241,398	1.8	248,443	1.5	196,950	1.2
India Rubber Goods.	98,217	0.7	124,653	0.8	115,146	0.8
Iron and Steel Except Machinery.	1,110,552	8.3	913,837	5.6	945,774	6.9
Leather Goods.	107,210	0.8	184,031	1.1	149,272	1.1
Lubricating Oil.	122,632	0.9	416,278	2.6	125,001	0.9
Machinery and Parts.	781,121	5.9	968,170	6.1	961,459	7.1
Matches.	646		10,183		10,042	
Meat and Poultry.	156,456	1.1	324,898	2.0	245,254	1.8
Motion Picture Films.	83,082	0.6	29,838	0.2	19,469	0.3
Oil, Not Separately Listed.	84,534	0.6	91,408	0.6	103,085	0.7
Paints, Pigments, Varnishes, Etc.	96,774	0.7	107,983	0.7	108,144	0.8
Paper Goods Except Perfumery and Other Toilet Goods.	294,865	2.2	331,647	2.0	360,592	2.6
Perfumery and Other Toilet Goods.	122,647	0.9	123,498	0.8	113,520	0.8
Rubber Goods.	68,557	0.5	47,270	0.3	68,022	0.5
Shoes and Other Footwear.	19,908	0.1	35,881	0.2	31,270	0.2
Silk Goods.	439,213	3.3	299,116	1.8	309,270	2.2
Soaps.	77,717	0.6	61,836	0.4	56,347	0.4
Sugar and Molasses.	20,181	0.1	368,546	2.1	266,649	2.0
Tobacco and Mfrs. of.	489,553	3.6	1,678,162	10.4	1,748,862	12.2
Vegetables.	228,096	1.7	236,375	1.5	273,879	2.0
Vegetable Fibre Goods.	338,448	2.5	368,546	2.1	368,546	2.1
Wheat Flour.	497,200	3.7	727,060	4.5	511,987	3.8
Wood, Resin, Bamboo and Rattan.	70,527	0.5	114,289	0.7	75,056	0.6
Woolen Goods.	32,708	0.2	37,584	0.2	38,499	0.3
Wool Imports.	1,634,747	7.8	1,045,797	6.5	1,135,743	8.2
Total.	\$13,496,517		\$12,477,167		\$13,778,804	

CARRYING TRADE

Nationality of Vessels	November, 1935			November, 1934			Monthly average for 12 months previous to November, 1935		
	Value	%	Value	%	Value	%	Value	%	
	\$		\$		\$		\$		
American.	\$4,098,619	30.2	\$6,362,361	40.0	\$4,966,541	38.8			
British.	4,309,201	32.5	5,276,150	32.5	4,390,861	34.4			
Chinese.	38,273	0.3	578	0.0	10,261	0.0			
Dutch.	333,832	2.5	140,929	0.9	360,909	2.4			
French.	469,489	3.5	866,998	5.6	730,443	5.7			
Greek.	762,714	5.7	564,974	3.5	540,640	4.1			
Japanese.	1,688,418	12.7	1,044,216	6.6	1,211,921	9.5			
Norwegian.	1,214,447	9.2	1,478,174	9.3	1,884,455	1.5			
Panama.	201,765	1.5	417,497	2.6	15,051	0.1			
Portuguese.	9,789	0.1	34,770	0.2	14,802	0.1			
Swedish.	69,555	0.5	66,474	0.4	84,285	0.7			
By Freight.	\$13,266,331	98.3	\$15,928,020	98.5	\$17,766,051	98.1			
By Mail.	22,186	0.2	245,158	1.5	112,382	0.9			
Total.	\$13,496,517		\$16,174,177		\$17,878,433				

EXPORTS

Nationality of Vessels	November, 1935			November, 1934			Monthly average for 12 months previous to November, 1935		
	Value	%	Value	%	Value	%	Value	%	
	\$		\$		\$		\$		
American.	\$6,031,904	50.1	\$3,763,887	40.0	\$6,061,885	41.1			
British.	2,133,940	17.8	1,989,503	21.2	3,323,284	22.8			
Chinese.	54,544	0.4	39,130	0.4	18,850	0.1			
Dutch.	802,406	6.7	355,937	3.8	538,015	3.7			
German.	180,942	1.5	302,532	3.3	201,461	1.4			
Japanese.	963,345	8.0	1,385,767	13.9	2,296,100	15.6			
Norwegian.	1,020,616	8.5	1,223,000	13.0	1,396,584	9.9			
Panama.	3,290	0.0	137,435	1.5	225,638	1.6			
Philippines.	327	0.0	38,482	0.5	127,698	0.9			
By Freight.	\$12,014,004	98.6	\$9,392,137	97.7	\$14,726,507	99.0			
By Mail.	168,800	1.4	211,839	2.3	155,163	1.0			
Total.	\$12,182,804		\$9,603,976		\$14,881,670				

TRADE WITH THE UNITED STATES AND FOREIGN COUNTRIES

Countries	November, 1935			November, 1934			Monthly average for 12 months previous to November, 1935		
	Value	%	Value	%	Value	%	Value	%	
	\$		\$		\$		\$		
Australia.	\$333,117	1.4	\$192,679	0.7	\$280,052	1.0			
Austria.	1,298	0.0	10,352	0.0	6,218	0.0			
Belgium.	256,801	1.0	266,800	0.6	166,296	0.6			
British East Indies.	409,907	1.6	291,908	1.1	349,657	1.2			
Canada.	224,900	0.9	246,001	1.0	194,724	0.7			
China.	537,272	2.1	540,705	2.0	614,667	2.1			
Denmark.	165,045	0.6	63,824	0.2	70,844	0.3			
French East Indies.	363,574	1.4	268,322	1.0	385,574	1.4			
France.	373,483	1.4	695,166	2.7	365,940	1.1			
French East Indies.	69,963	0.2	51,551	0.2	62,166	0.2			
Germany.	153,112	0.6	168,346	0.6	162,062	0.6			
Hongkong.	99,670	0.1	77,914	0.3	131,768	0.5			
Italy.	20,196	0.0	20,196	0.0	20,196	0.0			
Japan.	3,331,237	13.0	2,340,837	9.1	2,700,948	9.4			
Japanese China.	41,677	0.2	63,906	0.2	63,906	0.2			
Netherlands.	391,984	1.5	391,984	1.5	203,954	0.7			
Norway.	41,913	0.2	22,964	0.1	31,988	0.1			
Spain.	15,073	0.0	17,308	0.0	17,308	0.0			
Sweden.	438,163	1.7	282,313	1.1	427,559	1.5			

RAIL COMMODITY MOVEMENTS

By LEON M. LAZAGA

Acting Traffic Manager, Manila Railroad Company



The volume of commodities received in Manila during the month of December, 1935, via the Manila Railroad Company are as follows:

Rice, cavanes	87,346
Sugar, piculs	562,644
Copra, piculs	173,861
Desiccated Coconuts, cases	20,517
Tobacco, bales	592
Lumber, board feet	283,432
Timber, kilos	1,198,000

The freight revenue car loading statistics for four weeks ending December 28, 1935, as compared with the same period for the year 1934 are given below:

FREIGHT REVENUE CAR LOADING

COMMODITIES	NUMBER OF FREIGHT CARS		FREIGHT TONNAGE		Increase or Decrease	
	1935	1934	1935	1934	Cars	Tonnage
Rice	418	562	4,741	6,577	(143)	(1,836)
Palay	110	45	1,221	172	65	749
Sugar	1,112	378	31,556	11,965	734	23,194
Sugar Cane	6,612	5,035	120,134	88,151	1,579	32,006
Copra	833	894	6,109	6,903	(61)	(794)
Coconut	73	144	754	1,518	(39)	(504)
Molasses	71	45	2,008	1,417	26	681
Hemp	1	1	1	5	5	5
Tobacco	4	33	10	365	(29)	(339)
Livestock	10	7	35	32	3	3
Mineral Products	288	349	3,762	4,078	(60)	(316)
Lumber and Timber	158	112	3,895	2,009	46	995
Other Forest Products	1	12	10	70	(10)	(60)
Manufactures	105	98	1,720	870	47	856
All Others including L.C.L.	2,008	2,256	19,634	14,124	352	2,510
TOTAL	12,402	9,801	105,708	138,621	2,503	57,084

SUMMARY

Week ending Dec. 7	3,396	2,179	56,748	35,847	917	20,901
Week ending Dec. 14	3,158	2,758	48,319	38,777	400	9,542
Week ending Dec. 21	3,382	2,847	51,830	41,048	735	13,791
Week ending Dec. 28	2,266	1,815	35,802	22,952	511	12,850
TOTAL	12,402	9,801	105,708	138,621	2,503	57,084

Note:—Figures in parenthesis indicate decrease.

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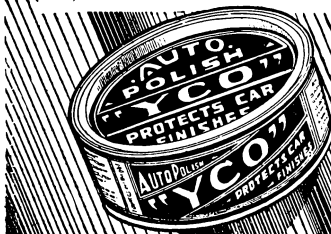
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