



## Mayor Rolph's Way of Investing in the Islands

### 600 San Franciscans Are Stockholders in Panabutan Company

The *Journal* is about to set down some facts which it hopes its readers will assist in giving as wide publicity as possible among the alumni of their colleges and universities. The facts are to be taken in connection with the month's editorial. If any reader doesn't care to send a whole *Journal* back to his college, clippings of this article and the editorial ought to be enough in themselves to get intelligent America to looking at the Philippines from a new viewpoint. One can never tell in advance how the events of history will be recorded. Maybe in the case of James Rolph, Jr., mayor of San Francisco, what he does in San Francisco will prove to have been of the least importance in the sum of his career, and what he is doing in the Philippines will prove to be of the greatest importance.

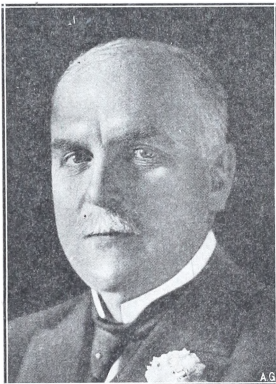
Without visiting the Philippines, he has pioneered here in the most effective way. It was, incidentally, years ago that the *Journal* first ventured to say that assurance of competent management is the prime requisite for getting capital into the islands, and that in every case in which this kind of management can be assured, capital becomes available. Capital is always on the lookout for youth with sense enough to guide the wheel as well as put its shoulder to it. When capital finds youth of this calibre, it quickly says, "Here's a wheel, go to it."

Four years ago, two college-bred young men of San Francisco, friends of Mayor Rolph, came to the conclusion that industrial opportunities were to be had in the Philippines. They believed that one of them could come out here and buy commodities for sale in America, that the other could dispose of these commodities in San Francisco, and that business could be profitably carried on while the man in the Philippines was looking about for better chances. In college they had educated themselves for business. They carried out their plans, as planned. One is A. H. Muzzall, California graduate with an M. F. (Master of Forestry) from Michigan; the other is Leo W. Meyer, California graduate with an M. F. from Yale.

Mayor Rolph went in with them, the Meyer-Muzzall Company was formed and the business started. Muzzall came to Manila, Meyer took care of sales in San Francisco. Turnovers were rapid. Machinery was sold into this market, and lumber bought and shipped to the United

States and other points where demands for Philippine hardwoods exist.

This business, of course, still goes on; the company's Manila offices are in the Pacific building. As the business increased, more college men became associated with it. There are now seven of these specially qualified young men in the company, one of them James Rolph III, Mayor



Mayor James Rolph, Jr., of San Francisco

Rolph's son, a bachelor in science from California. Then there is W. R. Baird, manager of the Manila office; he is a bachelor in commerce from California. C. Parsons holds a like degree from Tennessee. Boyd Sells a like one from California, while Jack Freeman has his degree from California's forestry course.

In going about the islands to buy lumber,

Muzzall ran across the old Bryan project at Panabutan, Minduro, a concession of coastal timber with an inadequate plant on an excellent natural harbor with water deep enough for ocean steamers. Bryan, a gallant oldtimer here, had died in the process of getting his mill started; the property was to be had from his estate.

Just what Muzzall was looking for, the property was bought. The Panabutan Lumber and Plantation Company was organized, with Mayor Rolph as its president, and stock covering the needed capital sold to 600 San Francisco Bay folk, most of them small investors. Some of these stockholders have less than \$100 in the business, but they are just as anxious for the annual dividend as if they had a great amount at stake. As they are already getting dividends, they comprise a solid block of 600 heads of families with a personal interest in the Philippines. They want to see the islands prosper.

Meyer-Muzzall are the managing agents for the Panabutan Lumber and Plantation Company. Thus the whole enterprise is organized in the most modern way: wide distribution of stock, associated with a management corporation.

Operations began at Panabutan in November, 1926. The plant has been rebuilt and enlarged; necessary equipment, including logging equipment, etc., has been obtained; a wharf has been constructed at which ocean steamers are loaded with an economy of labor and time, and two interislanders may be loaded simultaneously, one on either side of the pier. Panabutan cove is protected from storms. The monthly capacity of the mill is now 400,000 board feet; equipment is on the ground and being installed to bring this up to 700,000; there is timber in sight for 100 years or more of steady operations.

Aside from handling this lumber, Meyer-Muzzall continue buying other lumber. They sell in the Philippines, in the United States, and wherever there is a demand. (The free advertising in connection with this article will be pardoned when the reader learns that the *Journal* can get no lumber-mill advertising: the demand is such that advertising becomes a nuisance, mills being heckled with orders they cannot fill).

Another opportunity has been found at Panabutan, an opportunity to produce rubber. As the virgin timber is taken from the hills, para rubber is planted; one of the first things done was the installing of para nursery beds for the culture of seedlings. Two thousand para trees are now growing, 7,000 about 6 to 7 feet tall are ready for transplanting, while 30,000 younger saplings are in reserve. Before the enterprise is ten years old, the yield of rubber should be a con-

## COMING SOON!

The first shipment of the NEW Ford Cars and Trucks is due to arrive very soon!

Standard equipment on passenger Cars includes Front and Rear Bumpers, Spare Tire and Tube, and Tire Cover.

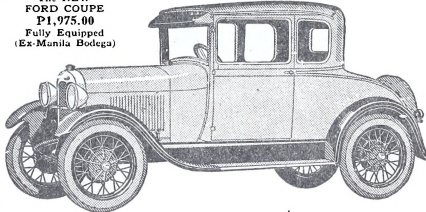
Watch our Announcement!

### Manila Trading & Supply Co.

MANILA

Iloilo — Cebu — Bacolod — Legaspi — Pulupandan

THE NEW  
FORD COUPE  
PI, 975.00  
Fully Equipped  
(Ex-Manila Bodega)



sideable factor in the annual returns. Within 20 years Panabutan rubber ought at least to be as advanced as the older rubber plantations of the Philippines now are; and if it is, it alone will be yielding high dividends. But before rubber figures much, before the close of a decade of operations, most if not all of the original capital subscribed and paid to get the project going will surely have gone back to the stockholders in dividends. As has been said, the project is already in the dividend-paying footing.

Remarkable as the record is, how much actual

capital, hard cold cash, did it take to put it across? The *Journal* doesn't know, of course, but it suspects the casual reader would guess much too high. All the capital needed was forthcoming, but the real force which brought success and started the early dividends was the technical and executive skill of that group of trained young San Francisco men Mayor Rolph placed his confidence in, thus setting the example to his friends. It is the attention of such men that the Philippines would attract. There are scores of Panabutans in the islands.

Not owning outright, nor even, with one exception, a majority of the stock, the company owns a minority interest in all of the corporations with which it is officially associated in a supervisory capacity: street railway, light-power, ice corporations, etc. In this manner the company is interested in the United States very heavily; also in South America, Cuba, Porto Rico, Central America and Europe. The gross revenue of the corporations supervised is \$200,000,000. Out of this gross revenue the company gets its dividends on stock, like other stockholders; and besides that, it finds about \$200,000,000 annually for additional investment in this worldwide business of providing electric power.

It doesn't manage the corporations in which it holds stock, which it renders a supervisory service; but it does have a big staff of technical and financial men, pursuing new ideas and keeping up with the times, whose counsel is advantageous to the corporations—all served on equal terms. Seven hundred engineers are employed; the whole personnel numbers 1100.

It works out this way. There are fuel engineers, for example, and a corporation may have a high-cost fuel problem to deal with. The fuel experts get on the job and work this problem out, and the actual cost is charged to the corporation, which could not afford to retain highly skilled men by the year for such occasional services.

This seems to be a very fair way in which to be using a large block of capital and a competent stock of efficiency.

### III

Now to return to the Philippines. First of all, the big power-using industries don't exist. They must be established.

Governor Stinson has said he can do nothing about the status question, one for Congress. But maybe he will tackle some other things; his inaugural address suggests as much. Then money is likely to take a hand in the game, and the Agos river, falling 2,300 feet in 23 miles, from Lake Lanao to the sea, may then furnish power to Mindanao and Visayan industries.

"What this country needs is a payroll," says Hammond. "You can't have prosperity on an average wage of 41 cents a day, the labor bureau's report of wages here."

Penetrate Lanao to the Maria Cristina falls. Enscense yourself in the wild domain of the chattering simians in the interlaced treetops, harken to the barefoot pad-pad of *horna sapiens* on the jungle path, and learn to concur in the verdict that "What this country needs is a payroll."

### CIRCULATION OF MONEY

Money in circulation in the Philippines March 24 was P141,344,691, compared to P141,484,267 on March 17; Philippine coins, P21,371,403; treasury certificates, P93,516,388; banknotes, P26,456,900. The data are from the auditor's report. The same source gave P139,212,042 for February 4.

## "What These Islands Need Is a Payroll"—Hammond

The *Journal* is properly humble. It has talked with \$300,000,000; and not only talked, but talked back—talked intimately and had a good time at it. Why, it is just as easy to talk to \$300,000,000, at least when the 300 million is Mr. Lyman Hammond, as it is to talk to three dollars, or even six pesos. One just calls up and says, "Mr. Hammond, I'd like to talk with you when it may be convenient for you to see me"; and he just replies, "It will be convenient at 8:30 Monday morning." All that remains to do is to be at his hotel at the time specified, and begin talking.

"You have been down to Mindanao, looking up power projects?"

"We have been to Lanao, looking into the hydro-electric project on the Agos river below the Maria Cristina falls."

"Power may be developed there?"

"Oh, yes; lots of power, quite enough for the whole Philippines, at present. The smallest unit which ought to be installed would be one of 25,000-kilowatt capacity. If I am not mistaken, that is greater than the Meralco unit."

"Your company is in the power business?"

"Yes, that is our business."

"Then, as it is a business with you, you would develop power only where it could be sold, where there existed a demand?"

"Yes, there must be a demand. You can't put in a plant on speculation which, if no demand developed, would not liquidate 10 cents on the dollar."

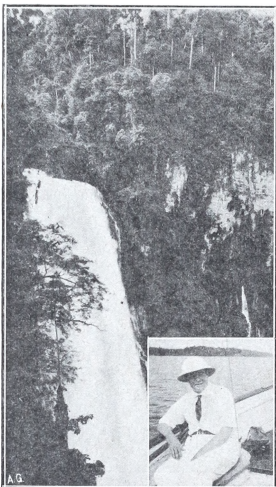
"You found no demand in Mindanao?"

"No, there's none there. Mindanao is potentially rich, but undeveloped."

### II

This may be the end of the quoted conversation, it is enough to give the reader more light than he has gleaned from the newspapers about the Hammond excursion to Lanao. There will not be an Agos-river power plant for some time to come, and there has been no reason to expect one. If and when industries utilizing big power develop in Mindanao, some power company, very probably Hammond's company, would be interested in furnishing the power. It is their business, and they do it all over the world. Hammond's company—the one he is associated with and represents on his Philippine visit, that is to say—is the Electric Bond and

Share Company, 2 Rector street, New York City. On March 5, just a few days ago, its capital was increased to \$300,000,000; it had been



Lyman Hammond at the Maria Cristina falls, Agos river, Lanao. The photos are by G. C. Howard, trade commissioner, who accompanied Mr. Hammond on his power-site expedition.

\$100,000,000, but it now wishes to use "its technical and financial staffs in a more diversified territory" for the advantage of its stockholders.

Retail  
Importers

Philippine American Drug Co.  
**BOTICA BOIE**

Wholesale  
Agents

MANILA

Heavy Chemicals—Fertilizer—Manufacturers

We have been selling drugs for 97 years