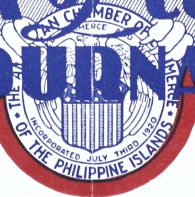


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THE AMERICAN MANILA P. I. CHAMBER OF COMMERCE JOURNAL



Vol. XVI
No. 6

June
1936

ANNIVERSARY
NUMBER

Our 16th June Issue

Sidelights on Japan's Press

The New Philippine Commonwealth and Congress
Facts and Data Concerning Philippine Coconut
Industry and the Excise Tax

Lagangilang Farm School

Modern Developments and Maintenance of the
Automobile Engine

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Hindu Merchants have the Magic Carpet

Editorial: Chemistry Looks at Oil Excise Tax

MINING REVIEW

Gold in Money Since the World War

Impression of Philippine Mining

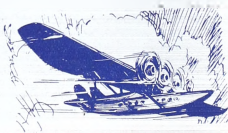
Mining Legislation

What is Geophysics?

Gold Total Climbing Steadily

At the Mining Camps

*Other Features and the Usual Expert
Commercial Reviews*



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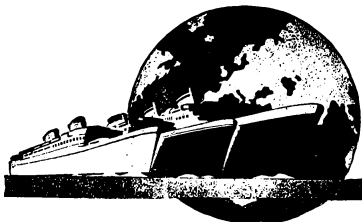


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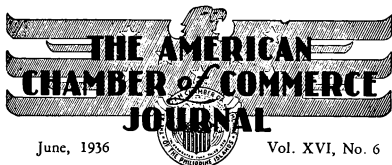
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June, 1936

Vol. XVI, No. 6

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WALTER ROBB
Editor and
Manager



Entered as Second Class Matter May 25, 1921 at the Post Office at Manila, P. I.

Our 16th June Issue

The *Journal's* first issue was of June 1921. Unbroken publication since that time gives it comparative maturity in this community, the history of whose press dates properly with the American régime. The business phenomenon of 1921 was the collapse of world commodity markets and the consequent depression of trade. Silk broke first, cotton had to follow. All Philippine commodities were affected. The currency reserve was found to have been exhausted. Bankruptcies and the precarious position of the Philippine National Bank added to the general gloom; after 6 years, the bank seemed to have been a failure—whereas now it is the bulwark of the country's fiscal solidarity.

The year 1921 was to demonstrate the economic resiliency of the Philippines. Charles E. Yeater put E. W. Wilson in charge of the bank, Yeater then the Islands' acting governor, and Wm. T. "Liquidator" Nolting in charge of the Bank of the Philippine Islands. In the midst of the blues, of which there was a general chant, rose Yeater's encouraging voice; and in the midst of uncertainty, his dynamic action. It is strange that George Malcolm, in his new book *The Commonwealth of the Philippines*, doesn't mention Yeater. An even more glaring omission, if such could be, is no mention of Yeater's successor as vice governor, Eugene A. Gilmore, whom Malcolm ciceroned upon arrival here and introduced to the community.

For we read now that De la Rama is placing a million-peso interislander on the run between Manila and Iloilo, among its features a time of 18 hours per trip and a first class cuisine for all passengers including the 3rd class. Only the *Journal*, we believe, hailed Gilmore's reform of the public utility laws—a reform in which we could name right now the adroit Filipinos then in the legislature who cooperated with Gilmore—the greatest single act of any chief executive of the Islands. It was in our pages that this theme was developed, and established; on grounds that the Islands are a maritime country, and the free navigation of their sealanes fundamental in their welfare. The Gilmore reform made the lanes free to ships of Philippine registry, within maximum rates; it at once brought the *Mayon* into service here; and generally speaking

the interislander service has been taking on respectability ever since.

The service is greatly improved to the remotest ports, in the space of 10 years.

The political phenomena of 1921 were the return of the Republicans to power in Washington, the new tariff benefiting the Philippines that promptly followed, and the advent of the Leonard Wood administration of the Islands that effected the bank rehabilitation act of 1924 in time for an almost exulting enjoyment of the mysterious and remarkable prosperity of the Coolidge era. Men have often pondered the causes of the demise of that prosperity in 1929, but surely, how it ever began and why it bowled along like a snowman gathering girth vicariously tumbling down a Vermont hillside, would be speculations of equal interest.

But the Philippines liked it, and went forward under it. Then, after it melted away, the tempo of commerce here never subsided to the depths it reached in the United States, and generally throughout the world. A better hemp industry had grown up in Davao and Cotabato; prices that could put hemp at 3 piculs the hectare out of stripping in Bicol, would keep Davao and Cotabato going at 12 to 15 piculs the hectare. Great sugar centrals, many of them bank follies, that proved blessings disguised, effected economies that brought that expanding industry through nicely on the duty-free American market. Capping all, late in the depression, and with gold bringing \$35 an ounce after mid-1933, Philippine mining developed to the point where, this year, gold alone will gross \$20,000,000.

The commercial phenomenon of this year is the rapid growth of Philippine capital. Most of the bank sugar centrals have paid off in full, an end to which the Jones-Costigan payments contributed directly, and indirectly by effecting higher sugar price levels. Maao paid off in full a few days ago, a year ahead of time. Debits at the bank are turned to large cash credits; since we last reported to our readers, at the first of the year, deposits have upped at the bank, during 5 months, more than ₱10,000,000; that is to say, more than the total

(Please turn to page 13)

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August: "Mindanao Number"

Mindanao with its nearly 40,000 square miles of area indexes the future Philippines. As Mindanao goes, so will go the Islands as a political entity. Failure with Mindanao would mean failure generally; and conversely, success with Mindanao, where most is at stake and most is to be done, will signify general success of President Quezon's commonwealth government. That is why President Quezon lost no time in setting about a study of Mindanao and devising a policy for that great region of the Islands. Mindanao greatly concerns Manila, and Manila business particularly, since under the dynamic pragmatism of President Quezon Mindanao will develop rapidly into the Islands' leading market.

Not much longer, now, will Mindanao persist with a scattered population in communities isolated from one another for lack of highways. Roads will penetrate vast wildernesses, and settlers from Cebu, Bohol, the teeming Ilokos provinces and elsewhere, will follow the roads and find homes on the virgin public lands. Mindanao, now that she is to have roads, has a story for the Philippines. This we propose to tell in our August issue, to which end a visit of 8 days to Davao has been made. The issue will cover the whole Island: its industries, its resources, its potentialities. Subscribers in Mindanao are asked to write us, sending facts and suggestions as to their respective communities. Mindanao awakes.

MANCHURIAN ECONOMICS

From time to time the *Journal* receives mimeographed propaganda from the Kinneys, who get it out for the Manchurian Railway. Always heretofore this propaganda, unopened, has been sent on to a professor of history at Harvard; he is forewarned of its genre, but it makes him a reference of a sort. Anyway, he says he is glad to get it. No doubt it reaches many newspaper offices, thence, for the most part, waste baskets. Though we will not say this flatly, because we do not really know how much is used. It is generally clever, and often frank.

However, this time, before sending it on, we digest it for our readers. It is budgetarial, for the 3rd year of Kangte; that is to say, 3rd year of the puppet state.

Taxes and duties Yen 161,757,000.—Customs duties Yen 84,761,000.—Internal revenue Yen 53,148,000.—Salt gabelle Yen 23,848,000.—Stamp revenue Yen 8,639,326.—General monopoly, bureau profits Yen 13,234,000.—Salt transporta-

tion, office profits Yen 2,600,000.—Revenues from State, industries and other sources Yen 7,003,730.—General revenue Yen 4,099,678.—From special accounts Yen 2,925,489.—Loan funds Yen 10,000,000.—Surplus from previous year Yen 9,145,777.—Grand total of revenue Yen 219,405,000.

Outgo:

Internal household Yen 2,000,000.—General Affairs Board Yen 48,914,521.—Department of Civil Affairs Yen 40,073,711.—Department of Foreign Affairs Yen 1,531,347.—Department of Defense Yen 73,545,130.—Department of Finance Yen 25,394,281.—Department of Industry Yen 5,623,368.—Department of Communication Yen 4,115,722.—Department of Justice Yen 9,886,130.—Department of Education Yen 5,090,043.—Department of Mongolia Administration Yen 3,230,747.—Grand Total Outlay Yen 219,405,000.

For education, about 1/44 of the budget, Yen 5 million against Yen 320 million.

The reader ought also to read the boxed material.

A little over a year ago Manchukuo gave the Manchurian railway a contract to build 7 new railways in the country. "It is needless to add," say the Kinneys, "that the construction of these new railways, with the railways already constructed in Manchukuo, can be used for national defense in time of need, and like railways in most countries, they play a far more important rôle economically."

"A glance at the *Transportation Map of Manchukuo* will show that the central part of Manchukuo is fairly thick with railways and the construction of new lines, in reality branches to the already existing lines, must point to the borders of Chosen (Korea), Soviet Siberia or Mongolia.

"Soviet purchases as payment in kind for the sale of the former Chinese Eastern Railway are practically completed. 'Orders,' quoting the Soviet Trade Representative at Tokio, 'aggregate approximately Yen 92,000,000, and the balance will be used to pay expenses for shipment of a portion of the commodities to Soviet Russia and also to conclude 2 or 3 additional purchase contracts.' Chief commodities that were purchased are as follows:

'Soya beans Yen 7,000,000.—Rayons Yen 1,800,000.—Cast metal articles Yen 5,500,000.—Rigging Yen 4,000,000.—Green tea Yen 8,000,000.—Cables and copper wires Yen 8,400,000.—Textiles Yen 6,000,000.—Cement Yen 6,000,000.

(Please turn to next page)

3rd KANGTE YEAR, MANCHUKUO: REVENUE AND EXPENDITURES			
	M-Y-	6,837,854	M-Y- 6,837,854
General Affairs Board Sinking Fund.....			
Adjustment Fund for Old Loans Secured on Customs Duties and Salt Gabelle.....	46,497,739		7,690,450
Supplies.....	7,690,450		6,300,508
Capital Construction Bureau.....	6,424,919		
Dept. of Defence—			
Army Clothing Factory.....	4,620,300		4,649,029
Arsenal.....	3,300,000		3,300,000
Dept. of Finance—			
State Properties. Adjustment Fund.....	4,907,366		3,928,458
Investments.....	10,656,884		10,656,884
Opium Monopoly.....	37,692,641		32,135,389
Oil Monopoly.....	20,176,718		17,090,472
Salt Transportation Office.....	17,566,451		16,120,941
Railway Loans.....	49,383,237		49,383,237
Dept. of Industry—			
State Forestry Enterprise.....	10,577,800		10,370,165
Dept. of Communications—			
Postal Administration.....	5,220,918		5,220,918
TOTAL.....	M-Y- 231,553,077	M-Y- 173,684,305	

See Davao

It has now become convenient to visit Davao from Manila. Boarding the plane of the Iloilo-Negros Air Express at 8 a. m. at Manila, Monday or Friday, you reach Davao at 3:30 p. m. with intervening stops at Iloilo (where the plane is carefully gone over by mechanics), Cebu, and Del Monte on the northern coast of Mindanao. The long flight is 2½ hours, more if winds are contrary, between Manila and Iloilo. From Iloilo to Cebu consumes about 1 hour, Cebu to Del Monte over Bohol about 1 hour and 20 minutes, and Del Monte to Davao over plateaus and mountains about 1 hour. Remaining lapsed time is consumed at the landings.

Flights made by the undersigned on the Manila-Davao trip May 25 and June 1 were his 9th and 10th. This meager experience is at least some background. He believes the company's pilots are first rate ones, and that the trimotored planes are kept in prime condition. The net fare round trip is ₱189. Under these conditions, many Manilans would derive much pleasure from visiting Davao; or if they prefer the slower boat trip, 5 days one way with long

stops at way ports, there would be pleasure in that too. For Davao is unique, with an equitable climate measurably cooler than Manila's, Cebu's, or Iloilo's and no alternating dry and rainy seasons but afternoon and night showers and rains throughout the year, fresh mornings and forenoons. With no idleness, Davao receives thousands of newcomers every year and advances rapidly.

The forced landing of one of Inaer's planes in the sea, the coolmindedness of the pilots saving all lives and recovering the mail, a few weeks ago, came of the shortcircuiting of all 3 engines from new equipment that proved deficient for the tropics. That situation could not be foreseen. For the rest, the service seems flawless. The plane that went down took the undersigned to Davao, Captain Sweet from Manila to Iloilo, Captain Purcell from Iloilo to Davao. He returned to Manila on the next one, Captain Purcell from Davao to Iloilo, Captain Sweet from Iloilo to Manila: perfect navigating and perfect landings and takeoffs all the way through.—W. R.

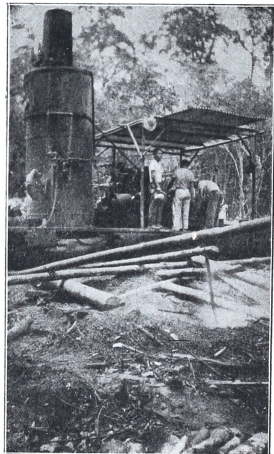
—Machinery Yen 17,000,000.—Oils Yen 3,000,000.—Furs Yen 2,000,000.—Ships Yen 18,500,000.—Chemicals and Dyes Yen 10,000.—Wheat Flour Yen 20,000.—Other items Yen 1,500,000.

"Approximately 600 purchase contracts were concluded with 150 Japanese trading concerns."

The length of the new railway branches from the main lines totals 1,094 kilometers. Of this network of rails the strategic value is evident. Japan has lost no time in building it, with Manchurian funds. Travelers confirm the puppet-emperor's statement that Manchukuo is prosperous.



Busy days at Mambulao—(The mine is in the hill in the left background here.) Once, many years ago, Mambulao had a population of 10,000, we are told, and the revival of gold and iron mining in the region (the Philippine Iron Mines are across the bay from Mambulao), will inject a little life into this now peaceful hamlet.



Morrison & Co., Inc. North Mindanao Venture, Carosoran project. Boilers for place mining power.

Sidelights on Japan's Press

By ELIZABETH SIMPSON

With the visit of Yasotaro Morri, Japanese editor of the Osaka English daily, to Manila, and the tour of Filipino newspapermen to Japan, there has been interchange of news and views. What the overtones will be is nebulous. Certainly the facility of these writers in any scoop or story involving Nippon and the Commonwealth will be grounded a bit more firmly. Individual contacts have opened channels of clearer comprehension. Friendliness comes in for its share of imperceptible foreshadowing.

As set forth in a previous article, the newspaper as moulder of public opinion vies with radio and orators. The set-up in Japan has some unique angles.

The freedom of the Japanese press is rather surprising, taking into consideration the conservative tenor of an imperialist country. The one absolute taboo is the publication of articles and photographs of the imperial family, most specifically of course the Emperor himself, without authority. That probably is not easily gained.

But the government is subject to criticism—constructive or no—in the public press. Japan has a rice problem, as well as the Philippines. And Japanese newspapers have been frank in analyzing its ramifications, disagreeing with its proposed solution. Premier and cabinet failing to come through with promised measures find the journalists telling the world. Thus the newspaper performs its public service. *Nihil Aumanum*...

The staff of the Japanese newspaper has unusual background; this, too, may build up a morale somewhat different from the ordinary. It is interesting to follow an illustrative case study.

Yearly examinations are held by the four large newspapers in Osaka and Tokyo to determine suitable applicants for any vacancies. Likewise are there four government universities, giving training in professional fields but not in journalism. (Not too few shrewd readers will remember the old saw that he who accepts money for teaching the craft of writing is guilty of robbery.) Due to white-collar unemployment in Japan, many embryo doctors and lawyers graduate from college without prospects of jobs.

Say that one of these decides, come what will, he is going to try the newspaper game. He

takes the examination, along with many others in a similar fix. The questions on current events, he answers factually and in good style. He is asked what phase of newspaper work most interests him. Somehow he thinks, reporting. He is told to leave the building, spend ten minutes at his own discretion, and write his observations. By this time he is a bit tremulous, for he knows that the ratio of job-seekers to jobs is approximately 6 to 1. Out he goes, though, and when his notes are approved by the examiners, he feels like nobody else but Bill Shakespeare.

Now he undergoes a minimum of 3 months in the process of trial. During this time he is paid some 60 or 70 yen, not comparable to commercial wages. When he is accepted as a regular staff member, another 10 yen are added.

It is the bonus that saves the situation. Psychologically it is an excellent stimulus to efficiency and ingenuity. Twice a year, at the end of June which is the time of giving midsummer gifts in Japan, and at the end of December when New Year's presents are sent and all obligations settled, he gets as much cash as he has merited in the estimation of his department head.

After 10 years' service, an extra bonus is awarded. Possibly the reporter is then receiving 150 yen a month; the award will be 6 to 8 months' salary. After 20 years' service, a larger sum is given. The age limit of 55 reached, for the next 5 years the pensioner will receive half a month's salary monthly.

Customary procedure of this kind contributes to a progressive permanency. Editors stand back of their men. The government makes its announcements to guild-like gatherings of political newshounds. None is supposed to seek a scoop. The reporter faces possibility of ejection from his group for infringement of unwritten rules. Yet a certain good humor ameliorates the stringency of this understanding.

Publishers and editors-in-chief have a formal association, the *Shun Ju Kai* (literally Spring and Autumn Society), largely for feting important visitors. Incongruous though it may seem, it is claimed that without coercion or pre-agreement, Japan's expansion westward was thoroughly approved by the press; on the other hand, it is said that the so-called Japanese menace with regard to the Philippines is mere chimerica.

The influence of the Osaka and Tokyo papers,

with circulation in the millions, as well as the many provincial newspapers, can be reckoned as factors in the international chess-game. What the Japanese call New Japan is modern indeed. The amazing transformation of a generation's timbre from flower arrangement to reading the daily paper is fairly well-known.

Typical is the change in the newspaper office itself. When Yasotaro Morri returned to Tokyo from America within the last decade, he was the only Nipponese who could reel out his copy at a typewriter. Today it is presupposed that any applicant for a job works that way.

Further, under New Japan it was not incumbent upon Mr. Morri as a boy to follow his father's profession. In fact, his career was largely accidental though characterized by plucky determination. Stopping school after the 4th grade, due to the death of his father, he worked as an office boy and clerk in an exporting company. The letters postmarked United States of America lead him to plan study there.

Now the suffix *taro* means eldest male child. It is a common designation. But the stem *yo* means 80. The truth was, the birth of Yasotaro had provided the family with a long-wished heir to the name, the previous children being girls. Especially delighted was the 80-year old grandmother. So to gain permission for a 10 years' stay in a foreign country was no easy task for the youth. He accomplished that first.

The Sino-Japanese war gave him his first chance to break into print. Attending high school, he asked the editor of a Seattle paper if articles were wanted. The answer was affirmative. "What about?" the student asked.

"That's up to you. We don't know anything about Japan," the American admitted.

Soon the youth was writing as he traveled from one Pacific coast city to another, gaining friends if not fortune. Circumstances led him to add 5 years onto the 10 his mother permitted him abroad. His homecoming was almost that of a stranger, and his work since has been almost exclusively in English.

The yearbook of his paper, the Osaka *Maimichi* whose sister sheet is the Tokyo *Nichi Nichi*, is known the world around. *Japan Today* and *Tomorrow* it is called. Tourist angles predominate. The Japanese foreign office purchases at least 5,000 copies a year; the newspaper firm itself distributes the volume as a gift. All eight editions in full magazine size have been under Mr. Morri's ingenious supervision.

Whether or not Mr. Morri publishes any pictures of Philippine scenes in forthcoming yearbooks, he has set a standard for selling Nippon to the tourist world in busting American fashion.

United States Monthly Economic Cable—May, 1936

Washington, D.C., June 13, 1936

General

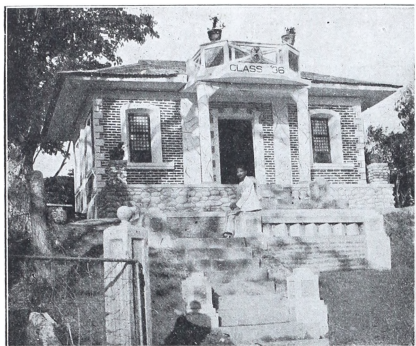
The general business situation for May was reflected in the leveling off of industrial activity after the unusually rapid rise in April. Demand for finished steel and May sales of automobiles maintained production at the April rate, the highest since 1921. Expansion in manufacturing during April was accompanied by increased factory employment, with large gains also in the number of employees engaged in non-manufacturing.

(Please turn to page 45)



SAY "ISUAN"
The BEST MIXERS
in the ORIENT





Student-government headquarters, handsomely constructed by Class '36

A model school—a model farm—a model community: that is Lagangilang Agricultural High School of Abra Province. Its thirtieth year of existence finds it blossoming almost unknown, except for its merited recognition from the vocational division of the Bureau of Education. In the north country of the Iloos, however, it is known, esteemed and cherished. And justly so.

Abra is a secluded province. If you ask, in Manila, what the country is like, you are told of the mountains and their folk. Then if you are fortunate enough to reach the pretty capital of Bangued, and continue onward by bamboo ferry to the high school site, you discover something of a Paradise.

Under downright inspired leadership, each year of the thirty has built tastefully and solidly another section in the constructive edifice of learning. This is literal as well as figurative. Lagangilang is the work of head and hand.

The entrance to the school grounds is a handsome archway of concrete, with balustraded steps leading to the slight eminence of the site compared to the town itself. This whole distinctive approach is the work of the students, each class choosing a permanent improvement on which to work during its graduating year.

Regular schedules of field-work and class-work keep the student body busy enough, but even so they are stimulated to proper pride in the class memorial and have done surprising finished work in building and design, under a corps of

Langgilang Farm School

... Teacher Reyna's long practical work in Abra for better agriculture and skill in the crafts.

By Elizabeth Simpson

teachers not only well-trained but also philosophically adept.

Besides the raising of rice and corn by methods adaptable to actual farming, these being the major crops, the students learn sensibly the sidelines of poultry-breeding, fruit and vegetable growing, brick-making, lime-making, cottage-building, repairing, carpentry, care of hogs, goats and horses, not to speak of a bit of flower-gardening and cookery.

As Abra is an inland province, experiments and exchange of data on the raising of gourami are making this pursuit a real contribution to the welfare of the section.

The boys live in cottages of moderate size, each comfortable enough for 3 or 4 persons. Daily except Sunday they work on the subsistence program of the school, thus earning their board. Then 4 class periods of 40 minutes each engage them, and finally an athletic program and opportunity for reading, music-making and occasional festivities round out the community life.

In this agricultural high school, and others of its standard, the Philippines' need for agricultural pioneers, for industrious homesteaders is met with largesse. Were it not for the limited area of land, far more than the 250 pupils could be enrolled, since the applications are numerous. Yet the policy of the school embraces more than the student body itself. Free cuttings of grafted mango, citrus and papaya seedlings; fries of gourami fish for trial planting; encouragement and advice

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Cottage-housing gives students individual opportunity.

Entrance balustrade and the deservedly proud builders—the students.

The newer type of cottage, student-built, a class memorial.

The New Philippine Commonwealth and Congress

*Extension of Remarks of Hon. Leo Kocialkowski
of Illinois in the House of Representatives
Wednesday, March 11, 1936*

Address by Hon. Harry B. Hawes, at Washington, D. C., on March 6, 1936

Mr. KOCIALKOWSKI. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by former Senator Harry B. Hawes, on March 6, 1936:

The Philippine problem has not been solved, contrary to popular understanding. We have laid the groundwork for its solution in a spirit of cooperation and friendly feeling.

But there is a 10-year period intervening between the inauguration of what is now the Philippine Commonwealth and what may then be a free Philippine republic.

What transpires during this 10 years will give the solution, or the revival in more difficult form, of the Philippine problem.

The eyes of the world were turned on our attitude to these 14,000,000 people when Congress had before it the bill by which we offered them their ultimate liberty as a free nation.

The eyes of the world looked to the islands; watching their reaction to our offer. Today the world, and especially the Orient, closely observes what we are doing with respect to the islands, and watches with equal interest what the islands do of their own accord.

We face the decision of crowning our 37 years of fine effort with respect to these people with the hope of a completed task or ruining the record of those 37 years by selfish blindness to our present duty.

During the 10-year period we can make or break the future of this new Christian nation.

In my opinion, there are two factors of civilization which have contributed more than any others to human progress.

The first is the Christian religion; I mean the philosophy of Christianity.

The second is colonization, where one nation takes possession of the land and directs the conduct of peoples of a different race.

The continents of North and South America were penetrated by colonization efforts of England, Holland, France, and Spain. All tried or experimented with colonization in these two hemispheres. Their problem was not so difficult because of the vast areas in these hemispheres and the small native population which inhabited them.

The United States has never been a colonizing nation for the very simple controlling reason that colonization was unnecessary. It has not, even to a limited degree, developed its own acreage. Expansion, therefore, has not been necessary.

With the exception of the acquisition of Alaska, which came into our possession by purchase to round out, as we might say, our Pacific coast line and for the protection of our fishing rights, colonization has never been approved by our people.

Some 40 years ago there was established in the Sandwich Islands an independent Hawaiian government, with an American as president, Mr. Dole, which requested the assumption of sovereignty by the United States. This was granted by our Government. The acceptance at that time—and it was my privilege as a young lawyer to represent this Republic—involved such considerations as safety for the American coast and shipping to securing a defense against the development by a foreign power of a point of naval advantage within short sailing of our shores.

With the intelligent cooperation of the American Government, one of its harbors will some day make it a Gibraltar

which, if properly equipped, will do more than any one single enterprise to protect us from war in the Orient; or, in case it comes, to effect a decision favorable to the interests of the American people.

The other two noncontinental areas both came to us not by intent to colonize or acquire offshore property, but as an incident—we might almost say an accident—connected with our War with Spain in 1898.

In that year the repeated and ineffectual struggles of the people of Cuba to secure either an advance in local self-government or independence—a movement which had been successful in the larger continents of North and South America—had been a record of continuous brutalities and atrocities.

The American Nation was shocked; its sympathies were aroused by the methods then employed by the Spanish. Enterprising American newspapers told the story each day to our people, and when finally one of our great American battle-ships, the *Maine*, was destroyed in the harbor of Havana—it was believed at the time that it was the work of Spanish agents—our Government declared war upon Spain, distinctly stating that it was not a war of conquest for territorial expansion but one for humanity.

As the result of this war we came into possession of the Philippine Islands, a responsibility which at the time could not be avoided.

IN THE PACIFIC

The Spanish squadron in Cuban waters was quickly captured or sunk, but some 7,000 miles away, in Manila Bay in the Philippine Islands there was another squadron of Spanish warships.

Admiral Dewey was assigned the task of destroying this Pacific squadron, and on May 1, 1898, our American vessels entered the Manila harbor and secured the surrender of this Spanish squadron.

This was accomplished without the loss of a single American ship, without the loss of a single American sailor. Only one man died in our battle fleet. This was the result of a heart stroke. And Americans for the first time entered into the life of the Filipino people.

The natives of Cuba had been unable to secure their liberation from the domination of Spain, but when Admiral Dewey arrived in Manila Bay he found that, without the assistance of the United States or any other foreign nation, the native population of the Philippine Islands had swept the Spanish from all the islands and had them surrounded in the capital city of Manila.

He found a condition where it was merely a matter of time when the Spanish, driven into one spot and surrounded, would be forced to surrender to the Filipinos.

It is necessary to relate the foregoing because we cannot understand the new Philippine Commonwealth until we become familiar with some of the historical facts back of our acquisition of these islands.

The Spanish squadron had been destroyed. Our American troops (wonderful men they were) were on the way. Upon their arrival, the Spanish commander requested that the Philippine troops be not permitted to enter the city at the

(Please turn to page 11)

FACTS AND DATA CONCERNING PHILIPPINE COCONUT INDUSTRY AND THE EXCISE TAX

Often times during the past year or so, the point has been raised as to whether or not the Excise Tax has been of benefit to the Filipino coconut growers and it has been surprising to find that a number of intelligent people still feel that the Excise Tax was of benefit to copra producers and it is still of benefit to them and consequently, that no effort should be made to change the present state of affairs in this connection.

It is glaringly evident that those who reason thus, have merely come to this conclusion by comparing the prices of copra prior to the imposition of the Excise Tax as against the prices that ruled during the year 1935. However, we entirely disagree with that opinion and we contend that if during 1935, the copra producers were able to enjoy better prices than those of the previous year, it was not on account of the Excise Tax, but in spite of it.

The Excise Tax was enacted in the second quarter of the year 1934. The immediate result was manifested by almost a complete absence of buying in America, for copra and other vegetable oils which caused the Philippine Islands during the second and third quarter of 1934 to turn to Europe for the disposition of their supplies, and records show that at that time, Philippine copra was sold at the lowest level in its history when during the month of July copra reseca was sold in Manila at as low as ₱3.40 per hundred kilos. This as stated, was the immediate result of the imposition of the Excise Tax and we fail to see what benefit did it bring to copra producers.

However, natural laws will always prevail and the absence of purchases in America for several months being aggravated by a severe drought and to other factors, it developed into a shortage which plus the general improvement in world prices for fats and oils, created a higher market and imported oils were in the final two months of 1934 able to pay the higher import taxes and compete in the American market. The inflow continued thruout 1935, and due to the fact that a number of foreign oils and fats not included in the Revenue Act are exempt from the provisions of the Excise Tax, they continue coming into America and are likely to continue indefinitely to the detriment of coconut growers unless present laws are changed.

The figures given in this memorandum are all official figures compiled by the Bureau of Commerce of Washington, D. C. for the fiscal year of 1935. No change at all has been effected except that for a quicker appreciation, we have converted the totals given in pounds, to tons of 2,000 pounds.

Statistics show that the United States have never been able to produce sufficient vegetable oils and fats for their own consumption particularly for inedible uses and the average for five years from 1930 to 1934, show that their importations of oils, fats, and oil seeds all converted into their oil yield gave an average of

872,622 TONS.

The total importations into the United States of oils, fats, and oil seeds in terms of oil yield for 1934 were

745,011 TONS.

It is evident therefore that 1934 having been about 10% lower than the five-year average, caused a definite shortage which aggravated by the severe drought experienced in America resulted in the abnormally high imports of 1935 of practically all vegetable and animal fats and oils. Against the total for 1934 and five-year average for the period 1930 to 1934, the importations into America of oil, fats, and oil seeds in terms of oil yield, amounted in 1935 to

1,301,777 TONS.

There was therefore a huge inflow of all oils and fats and if the Excise Tax would have been beneficial to the copra producers here as some people contend, the result would have been reflected in a proportional increase in imports of copra and/or coconut oil into the United States which our record shows not to be the case. During the first months of 1935 and also during the latter part of the year, the Philippines found Europe more attractive and quantities of copra were shipped therein.

Without going into the array of particulars given in the report of the Bureau of Commerce of Washington, D. C., we find that under normal conditions, the proportion of copra and coconut oil as compared to total importations of all fats and oils into the U. S., was 38% in the form of coconut oil. However, during the year 1935, the fact that a number of other oils were more benefited than coconut oil, is clearly shown by the fact that there was a very material increase in practically all other oils, fats, and oil seeds, which increases were undoubtedly made at the expense of coconut oil as witnessed by the fact that copra and coconut oil in terms of oil yield only amounted to 24.26% of the total imports against the normal 38% attained during the five-year period 1930-1934.

The actual importation of coconut oil and copra as oil for the periods above mentioned were as follows:—

1935—319,750.27	TONS
1934—283,159.7	TONS
1930-34—314,091.86	TONS

Obviously, if as contended by certain quarters, the Excise Tax was of benefit to Philippine copra, such benefit should have been reflected in a proportional increased demand, instead of a decrease in terms of percentages as compared to previous years.

Prior to the imposition of the Excise Tax, when copra was admitted free of duty in competition with copra from all other countries, the general level of prices was maintained much more stable and the price of copra or coconut oil was moving up or down in sympathy with the entire structure or level of other competing oils and fats. The situation now is quite different. Coconut oil is carrying a heavy burden with the Excise Tax as it enables a number of other foreign oils and oil seeds which escape the provisions of the Revenue Act, to undersell coconut oil continually. Once upon a time, it was thought that coconut oil was an essential component of soap and that as such, demand for it would continue regardless of price. We agree that to a certain extent, coconut oil is indispensable but its uses are greatly restricted owing to the heavy burden imposed on by the Excise Tax. However low might be the return to copra planters here, it must be realized what the consumer in America pays for it, to appreciate the meaning of the tax. Price of copra reseca today in Manila is ₱8.50 per 100 kilos yet, the buyer in America has to consider that in addition to an approximate expense of ₱1.60 per 100 kilos as freight and charges, he still has to pay an additional charge of ₱8.33 as excise tax and therefore his cost would be as follows:—

First cost of copra	₱ 8.50
Freight and charges	1.60
Excise Tax	8.33

Cost to American buyer per 100 kilos ₱18.43

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Vol. XVI
No. 6

June
1936

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OF THE
PHILIPPINE ISLANDS

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CHEMISTRY LOOKS AT OIL EXCISE TAX

Reader Addison Kinney of the North Negros Sugar Co., Inc., of Manapla, Occidental Negros, kindly remits the following editorial supporting the theory behind the Dockweiler bill that the 3-cent excise tax in America on Philippine coconut oil for nonedible manufactures be removed. The editorial appeared in *Industrial and Engineering Chemistry*, Volume 28, Number 3.

Righting a mistake. Perhaps the kindest thing to say is that the dairy lobby and others who were instrumental in securing the passage of the act which imposes three cents a pound tax on coconut oil simply failed to realize several fundamental errors in their course. The placement of this impost on a raw material largely imported from the Philippines was intended to increase our market for our own domestically produced fats and lead to their substitution for the oil from the Philippines in the manufacture of soap and in its use by tanners and the manufacturers of rubber articles. The money to be collected cannot go to the producer of the copra, but under the law must be paid into the Philippine treasury. The tax went into effect in 1934 and there is now before Congress the Guffey-Dockweiler Bill which is intended to remedy a situation now generally unsatisfactory.

The imposition of the tax has worked a hardship on soap manufacturers who use coconut oil because of its lauric acid content, which is about 45 per cent. The production of some plants was on too small a scale to stand practically a 100 per cent increase in the cost of necessary raw material. Only large operators could manage that, even with the 36 per cent rise in the price of laundry soaps and 15 per cent for all varieties. Less soap was made and with the supply of coconut oil

undiminished, the price with tax, while too high for soap-making, was low enough in the world market to result in an increase in the proportion used for edible purposes. There were 284,000,000 pounds of refined coconut oil used for edible purposes in 1933, the year before the tax went into effect, and 364,000,000 pounds in 1935, the year following its imposition. Thus the dairy industry gained nothing as a result of the tax. The hardship to the producers of copra is unquestioned and so far no money has been paid into the Philippine treasury, for there are injunctions preventing this.

There are no domestic fats or oils that compete with coconut and palm kernel oils, because they alone contain lauric acid. As this lauric acid is what is required in the manufacture of zinc laurate, used as an accelerator in the rubber industry, is the compound which retards the yellowing of white kid, and produces the desirable lather in soap, it is obvious that these qualities are not obtainable with other fats and oils. Coconut oil, therefore, instead of competing with tallow and other inedible fats, actually increases their market, for they, too, are also desirable in various kinds of manufacture.

The Guffey-Dockweiler Bill proposes to retain the three cents per pound tax on that part of the importation used for edible purposes, to remove the tax where inedible uses are involved, and to denature that proportion, about 70 per cent of the imports, so that no difficulties can arise through illegal diversion. The bill refers to coconut oil produced in the Philippine Islands or in possessions of the United States, and statistics show that our industries can absorb practically the entire exportable surplus of this oil and copra produced in the Philippines.

There is a reciprocal side to the problem, for in 1926 the Philippines took \$6,000,000 worth of our chemical products and even in the depression year of 1934 about \$3,785,000 worth. By taking under favorable circumstances the products of the Philippines, the latter will be in better position to purchase from us, so that there is a beneficial economy involved, as well as righting an error evidently based on the assumption that oils and fats can be substituted one for another regardless of their chemical composition. As a matter of fact they are no more subject to interchange for special uses than are solvents, metals, or other products of unique characteristics.

We Can't Understand



Please notice the cut. Why it is that a progressive industrial nation such as Japan permits such encroachments on trademarks is something beyond our understanding. The example is only in fishhooks, but it occurs with all sorts of goods, textiles being a notorious example as textile

importers and dealers inform us: samples are got and the goods duplicated, this has to be shouldered; but the further practice of imitating the wrapping and packing, and all marks including trademarks, is unworthy of an important nation and great power. It embroils feeling in the market, and is unquestionably the origin of much ill will toward the guilty country; and worse still, toward its people and its communities abroad engaged in commerce.

No advantage deriving from such indifference to encroachments on vested rights and goodwill of tangible value, can possibly offset all the harm. Let Japan make and sell what she will, under lawful terms, but without the deception that the goods are not hers. The trademark shown is Norwegian. A Japanese hook maker has exactly duplicated it, adding

only, in small letters below the border. *Made in Japan.* This sends a sting of bitterness all over Norway, if not all over Scandinavia. Why shouldn't it? It infringes Norway's rights. It degrades a value she has been proud enough of to

stamp with her trademark. It was handed us, in indignation, by a Norwegian importer. Regret it as we might, we found it legitimate matter for publication and this adverse comment.

The New Philippine . . .

(Continued from page 8)

time of surrender, so the Filipinos who had penned them in waited outside while the American troops marched in and took possession.

Out of this incident came bad feeling and bad blood, and after a while some fighting between the Filipino troops and our American soldiers.

This precipitated a conflict between American troops and Filipinos, a conflict which lasted over 3 years, in which we lost 4,165 men, and the Filipinos, so far as I have been able to ascertain, lost 16,000 men. We expended in this war \$185,000,000.

We went to war to liberate Cuba. We finished the war in that sector in a little less than 4 months, with a loss of only 353 in combat. Compare this with what happened in the Philippines. Three and a half months in Cuba, 3 years in the Philippines; 353 casualties in Cuba and 4,165 in the Philippines. The war in the Philippines took the lives of 20,000 men.

At that time the population in Cuba was approximately 2,500,000 or 3,000,000, and the population in the Philippines over 9,000,000.

It is probably one of the most curious facts in all history that we gave sovereignty to the Cubans in a brief struggle and we assumed sovereignty over the Philippines in a struggle lasting 3 years.

After having assumed sovereignty, there was

on our part uncertainty, hesitation, and indecision as to what we were to do with them.

We were faced with the situation of restoring them to the sovereignty of Spain or transferring them to England, France, Germany, or some other colonizing nation. It was a difficult problem for our American statesmen, and they finally decided to retain American sovereignty.

Another historical fact which stands out conspicuously should always be remembered—that in our treaty of peace with Spain we granted her a period of 10 years of uninterrupted trade intercourse with the Philippine Islands.

It is interesting because the Filipino people claim, and with entire justification, that if Spain was allowed 10 years of uninterrupted trade relationships, certainly the new Commonwealth is entitled to at least this consideration, or stating it another way, to equal consideration with the right accorded Spain of uninterrupted trade relations for that period.

They believe that if we did this for Spain there are many more compelling reasons why the same consideration should now be given to the Filipino people and for at least the same period.

Our Americans found in the Philippines a race of Malays who had been under the domination of Spain for over three and a half centuries, a race which had continuously fought for its freedom, there having been 22 distinct and separate armed efforts to secure this freedom.

The Filipinos are a likable people, vivacious, with a love of music, a keen sense of humor, a ready laugh, and a courteous deportment for which we must give some credit to the Spanish. An authoritative English writer describes them "the natural gentlemen of the Orient."

Of all the teeming millions in the Orient, they are the only Christian nation. With a present population of some 14,000,000, 13,500,000 are Christians and belong to the Christian Church. Only approximately 500,000 are Mohammedans and pagans, a matter well worthy of our earnest consideration now and in the future; that is, if we believe that Christianity is one of the foremost elements in civilization.

During our occupancy of the islands there have been no violent disturbances, there have been no insurrections. Our American Army and Navy have never been compelled to fire a single gun or make an arrest since the early days immediately succeeding the war.

On the contrary, when the United States entered the World War, and we withdrew our Army and our Navy, the entire defense of the islands was entrusted to Filipino Scouts. They volunteered enlistment in the American Army, and this assistance would have been utilized had the war lasted longer. They raised money for the Red Cross and offered to donate an armed vessel for the use of our Navy.

(Please turn to page 30)

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Rainy Nights

Now that the rains are here, and gadding-about is somewhat discommoded by drenchings and scamperings for taxis, the moral is: buy, borrow or steal a book. To the tune of rain-drops, even as the popular song sets forth, you can spend many an evening with no more effort than that of turning pages. This procedure is also very easy on the pocketbook, especially if your friends have tempting libraries.

In the interests of commerce and industry, however, the books reviewed (in decidedly desultory fashion for which there is no excuse beyond the hot weeks it took to read them) this month are new. They may require purchasing:

Odyssey of the Islands, by Carl N. Taylor

Blue Book of the Inauguration, Bureau of Printing

Kneel to the Rising Sun, by Erskine Caldwell
Once We Had a Child, by Hans Fallada

Titling is a tricky piece of work, and *Odyssey of the Islands* offers the ambiguity that lures purchasers into bookshops. That the twenty chapters deal with hinterland and backbay is soon seen. The really intriguing concept of the title would be reminiscent of Homer's Ulysses. Even those who read as they run have some remembrance that the wily Greek needed some sensational yarns to beguile Penelope from getting to the bottom of his two decade's absence.

Carl N. Taylor, the author, is dead. Seeking in Mexico the colorful and journalistic materials such as make up his book on the Philippines, he was murdered by a servant, either for his money or for breaking some taboo in the course of his investigations. In the Islands he had been

successful in facing outland dangers and finding friendly aid in those of the archipelago's fastnesses that he sought out for adventure. Perhaps this very success lured him, in that other land where a basic culture persists, into venturesomeness beyond reason.

This was his first book. Purposely he chose sites of possible misadventure for his travels. These he reported in interesting journalistic style.

Many Americans sojourning in the provinces have had similar experiences, in the pursuit of their duty as educators or field men. But they did not have the fixed idea of writing. Taylor had that idea. For it he gave up a teaching position, and with limited funds underwent privation, discomfort, illness. Were a goal of any concrete value in mind, this would be highly admirable.

The book is too literal to vie with Halliburton's kind of writing wherein dramatic bits even though imaginary embroider the casual jottings of various means of transportation. It is not profound and lucidly styled as the work of the Arabian Lawrence is. Between those two standards of actual adventure reporting, the middle path has no particular significance to the discerning reader.

Friends of the author will treasure the *Odyssey* as a melancholy remembrance. That there were hints of potential humanist observation that might have ultimately developed the writer's talent is now of no avail.

Through the courtesy of the Commonwealth, our office possesses a souvenir copy of the *Blue Book of the Inauguration*. This 239-page book is well-designed and contains much of historical

record. The collection of photographs is unusually interesting.

Biographical sketches of President Quezon and Vice-president Osmeña, a chronology of events since 1898 leading to the Commonwealth, inaugural speeches, President Roosevelt's proclamation, Philippine legislative acts, and the Commonwealth constitution—these and other documents comprise a worth-while commemorative volume.

If young Erskine Caldwell had bitterly resented the label of gusty humorist, he could have no more efficaciously thrown the phrase into the teeth of his critics than by the publication of his collected short stories in *Kneel to the Rising Sun*. Actually the seventeen stories were written over a stretch of time, appearing in various quality magazines. Ignorance and brutality stalk with longer tread in the poor-white South, according to Caldwell's observation, than anywhere else in the world. With scientific objectiveness, he presents his case studies. Callous as a surgeon at the operating table, he slits the skin and bares the bowels. There is no grimmer grins, and the patients are sure to die. The first sentence of each story forecasts the last death-rattle. Not once does the saving grace of laughter descend upon any situation pictured. No ecstasies of drama is offered. The futility that beats a savage drum throughout America's literature of realism is carrying onward.

Anyone who read *Little Man, What Now?* or saw the film by that name would unquestionably hesitate to delve into Hans Fallada's *Once We Had a Child*. Pleasurably I can advise that his newest book is far from morbid; on the contrary it is entirely in contrast to his previous writing.

His own letter to the publisher is apropos: "I send you my favorite and, I think, my finest book. Beside it, all my previous books seem to me pale and meaningless. I feel as if I had written my first novel, the book that is really myself."

He begins his picturing of Hannes Gaentschow with a remarkable study of the eccentric ancestors fate wished upon the boy. Seemingly there is no direct connection of this prelude entitled *Forbears* with the subsequent novel. Subtly, though, the author has allowed you to live through generations of sturdy squires in this farming community. You have heard all the tales that float like thistle-down on the breeze of rural seclusion. You have foreknowledge of the unspoken and unwritten hurdles that face a lad who, Napoleonic in determination, is to struggle out of his class.

With this background of heredity established, Fallada with a truly fine mastery of psychological narrative projects the interplay of action. Hannes as younger son was not in line to inherit the Gaentschow farm. Yet he, of all the sons, was the real lover of the soil. Fallada seems to say that despite the accidents of life that separate an individual from his vocation, fate will eventually return what it has snatched away. For Hannes came into possession of the farm, though he was forced to sacrifice other things. Still, they were less dear to him.

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Hindu Merchants Have The Magic Carpet

Two things are likely to amaze you, if you have a penchant for interior decoration and seek its whereabouts in the shops of India that are hidden like semi-precious gems in the ordinary earth of Philippine commerce.

You go along the Escolta and see a shop-sign that resounds dimly of the intonations in Hindu temple bells. Entering idly, your eyes skip the customary machine-made apparel and bolts of cloth until they fasten upon handiercraft. Unmistakably these prints are *petit works* of art. The craftsman has been busy for these many centuries in India.

First, you inquire about the design and so discover that an ancient tradition governs color and patterning. Perhaps you see a drape that pictures the Tree of Life with radiant peacocks of vanity at its feet. The Hindu merchant knows, explains.

That is one surprise,—from far back in the swirl of time, the handiercraft arts of India still exist. The other, that the dark-eyed Indonesian who answers your questions speaks fluent and melodious English. These two factors send you to the *Encyclopaedia Britannica*, (if your geography and ancient history are long forgot as mine), so that you may refresh your memory and meditate on this particular phase of evolution.

The province of Sind, you find, was subject to influences vastly different from the rest of India. Geographically secluded by sea on the west, mountain and desert on the other sides, it was invaded by cruising Arabs who sailed up the Indus. The mighty Mahmud governed thenceforth, and the Arabian Nights' fanciful tales made mention of the great plain fructified by canals leading from a wide river. Even that sailor Sindbad may have visited Bombay, one of the great seaports of India.

The British East India Company needed a century peacefully to penetrate the province of Sind. Today it is a division of the Bombay presidency, the commissioner residing at Karachi, great grain port. The higher schools are conducted in English.

Thus an intermixture of religion, custom and art gave just such a tint to the Sindhi manufactures. Learning rapidly the Western ways of business expansion (no doubt instinct in their heritage from those early Arab traders) the province of Sind sent forth merchants and magic carpets.

The Sind cotton-printers are the most skilful and tasteful in the Bombay presidency. Hyderabad was long famous for its silks and cottons. There is no better pottery in India than that of Sind. Other crafts comprising chief manufactures are carpet-making, embroideries in gold, silver and silk, leather-work, the sud weaving of silk with its cotton stripes that proclaim Moslem because no Mohammedan may wear a garment of pure silk.

Originally the Hindu merchant carried his wares with him, and neither Europe nor the Far East was neglected by him. The busy-bee commerce of the late nineteenth century found him keeping step.

Two world-wide magic carpets were spread, by means of transportation, credit, import and export, from Hyderabad.

The Hindu merchants in the Philippines are mostly from Sind, though other districts of India, too, have their merchant class and manufactures. Some 14 firms make up the Bombay Merchants' Association in Manila (including Baguio branches) and there are another 6 or 7 in Negros, 3 or 4 in Cebu, scattered shops elsewhere.

A few individual enterprises, the more prominent stores are branches of long-established mercantile houses in India. The oldest Manila shop has been in existence for 50 years, and its parent house in Bombay for 75.

Such a branch carries on exporting as well as importing. Philippine embroidery is contracted for, shipped to many another branch. These other branches are on the look out for goods that sell in the Philippines.

As always, supply is suited to the demand. For the shops at Yancoo market, the more cheaply manufactured goods are imported—decidedly mundane. For the American trade, there are fine cotton prints and velvety rugs, handsome brassware, hand-carved teak furniture, cloisonne and satsuma ware.

The managerial staff are largely Sind, some college graduates, some having technical or high-school education. Filial feeling is strong, enhanced by religious tradition. Though the wives and families of these emigres accompany them, no permanent stay abroad is made. After 5 or 6 years, the merchant and his folk return home.

While in the Philippines, the Hindus keep closely associated. Amicable settlement of trade problems is found within their association. Traditional honor governs business relations. At present tentative plans forecast a clubhouse for general meeting and discussion.

Temple bells, though, are the predominant adhesive factor among the few hundreds of Hindu nationals in the Philippines. And there is high music in the bells of Ind.

Our 16th June Issue

(Continued from page 3)

capital of the bank. Supplementary of this phenomenon is the fact that much of this accumulating capital seeks local investment. New industries begin, some no doubt to come croppers, others undoubtedly to achieve eventual success.

Pleisto Maps, at Talisay, Occidental Negros, heads an investment corporation capitalized at P5,000,000. Ralph Pauli, of Victorias, reports abundant Negros capital willing to take fliers in the mining boom. J. H. Marsman, heading some of the mines and Marsman & Co., undertaking exploration and development projects, reports facility in obtaining local capital. Corollary to all this is, of course, a satisfactory volume of general commerce and remarkably good collections. Some bonanzas of oldtimes are gone, or vanishing; rayons cut into cottons a good deal, and Japanese cottons, into the market formerly so dominantly supplied by American goods. A new basis of trade, with America especially, has not been definitely worked out.

But where one opportunity folds up in the Philippines, others tend to open. The present situation is not discouraging.

The political phenomenon of the year in the Islands is the well-functioning Commonwealth of the Philippines under the pragmatic commonsense of President Quezon. His Mindanao policy is the emphasis of everything else, a veritable crescendo of wise procedure. It already benefits commerce, and will, as Mindanao begins receiving the million peasants from more crowded regions she so urgently needs, develop that island into the prime commercial region of the archipelago. The policy is a simple one, systematic road building, for ingress into the wilderness and egress to markets, and the granting of small homesteads from the vast and fertile public domain.

Mindanao merits a special number of the *Journal*, intended to be prepared for August.

Bearing on the commonwealth is America's utter acquiescence in the Tydings-McDuffie act

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Modern Developments and Maintenance of the Automobile Engine

By J. F. Carlz, Chief Engineer

Standard-Vacuum Oil Company, Philippine Islands

INTRODUCTION

A critical survey of the mechanical features of the new designs recently introduced by the automotive industry leads one to conclude that the industry is beginning to recognize the fact that higher performance, increased economy and long engine life must be based upon fundamentally sound mechanical design.

The petroleum industry is ready and willing to match progress in engineering design with research, new fuel and lubricant development, and will develop new or special products when the design is the result of good engineering.

The development of motor fuels of still higher octane number would be of little advantage at the present time. However, it is very evident that pressure will continue from the automotive industry until within a few years the large number of high compression engines in operation will force a further increase in the anti-knock level of motor gasoline.

There appears to be, at this time, a definite trend toward the use of the newer bearing alloys in place of the babbitt metal which has served the industry for the past thirty years. Many millions of the newer types of bearings have been employed in engines constructed during 1935 and 1936. Some of the alloys have not proved to be entirely satisfactory in service. These alloys will gradually be replaced by more satisfactory products.

The new bearing alloys have severely penalized the lubricating oils because they have made possible higher crankcase temperatures. As a result of this, development in two directions is to be expected. Crankcase temperatures will again be lowered, as is evidenced by the adoption of full length water jackets. At the same time, research laboratories will again be called upon to develop motor oils of still greater stability and resistance to oxidation.

TRENDS IN CAR PERFORMANCE

A review of the features of the new 1936 model passenger cars leads one to conclude that much time and effort is being devoted to the perfecting of various details of appearance and design. The performance capabilities of the different cars have more nearly approached a common standard.

Marked increases in acceleration and hill climbing ability have been made by some makers which were rather deficient in this respect last year. Most cars carry between 40 and 45 pounds of loaded car weight per horse power.

Practically all the improvement in performance has been obtained by providing more power. To make this possible the manufacturers have slightly increased the bore. For example:

1930	3- 1/4"
1931	3- 5/16"
1932	3-11/32"
1936	3-33/64"

Most of the engines are being produced with the same tools and castings of 1930. Exceptions are Packard 120, Pontiac 6, and the new Cord.

Take the 250 cu. in. job in the 8-cylinder class. We have the same engine basically. It developed in—
1930—84 h.p. at 3400 r.p.m.—max. life 25 hrs. (wide open).
1936—110 h.p. at 4500 r.p.m.—max. life 50 hrs. (wide open).

The addition of superchargers has increased the horse power. For example—110 h.p. goes to 143 h.p. at 4500 r.p.m.

when supercharged. Air pressure in supercharger is about 12 pounds.

In the foreign car field (other than American) considerable progress has been made in the development of light cars of excellent performance which compare favorably in riding qualities with the heavier American cars. At present, there is no indication that the American car design will develop in this direction.

The Chrysler and De Soto Airflows, Lincoln Zephyr, and Cord, all are examples of integral body and frame construction. This is a possible avenue toward weight decrease. The last two have exceptionally low weights per horse power; however, these are relatively small cars with powerful engines.

Although the new cars may use somewhat more gasoline than those of five years ago, this is mainly due to the much higher road speeds commonly maintained, and to the greater use of the intermediate gears during acceleration. At corresponding speeds, however, a modern car might even show lower gasoline consumption than its predecessor, in spite of an increase in weight and better high gear acceleration.

The horse power average for 1936 is 113 (a 29% increase over 1930) and has been obtained largely through increasing the compression ratio by 20% to an average value of 6.16 to 1. In 1930 the average compression ratio was 4.5 to 1. Much of this increase has been made possible by the higher anti-knock value fuels made available by the petroleum industry. The much higher compression ratio used is largely responsible for the greater economy of modern engines.

The average size of engine has fallen off since 1933. Today's engines are only 8% larger than those employed in 1930, despite the fact that the power output has been increased by 29%.

The speed at which the maximum power of the engine is developed has not been changed very much during the past three years. It would appear that engine speeds would not tend to rise until certain design problems, such as bearing life and ring wear, had been solved.

The industry has reached the conclusion that 4000 r.p.m. is the limit speed attainable with adequate oil control.

GASOLINE REQUIREMENTS

Car manufacturers are showing a desire to take full advantage of the prevailing regular gasoline which has a 65 octane number. Although certain new cars using this quality gasoline will knock lightly under full load, no harmful effect upon the engine will be produced, and the knock can be eliminated by ignition adjustment with but slight loss in power.

Numerous mechanical devices and design features have been incorporated in modern engines to prevent detonation in spite of compression ratio increases. Some of the more common means employed for the control of detonation are the following—

1. Aluminum cylinder heads.
2. Aluminum pistons.
3. Intensive cooling of exhaust valve seats.
4. Use of small (14 mm.) spark plugs which will run fairly cool without fouling.
5. Cold air intake to carburetor.
6. Thermostatic intake manifold heat control to prevent mixture overheating and still allow rapid warm-up.

7. Ignition timing automatically retarded at heavy loads by manifold vacuum.

8. Combustion chamber design.

The first four methods are used to prevent the formation of local hot spots in the combustion chamber, and the next two are intended to lower the temperature of the charge before compression.

The vacuum ignition advance control, which is practically universal this year, allows the use of ordinary gasoline in a high compression engine with normally timed ignition at part loads, but abnormally retards the ignition at full load to prevent knocking. It is this development which accounts for a great deal of the compression ratio increases of the last two years and is resorted to largely to obtain better fuel economy.

Detonation control by combustion chamber design has been quite well understood for several years. Most of the chambers for the 1936 engines have been designed to secure smoother combustion, that is, decreased roughness.

In order to show the extent to which aluminum cylinder heads are being used, we quote as follows:—

Cars using aluminum cylinder heads—

1933	4 cars
1934	9 cars
1935	11 cars
1936	16 cars

The volatility requirements of 1936 passenger car engines do not differ greatly from those of last year. This applies to both the volatility requirement which must be met in providing satisfactory starting and acceleration and to the vapor pressure limits imposed by fuel system design.

ENGINE LUBRICATION

The problem of lubricating certain engines which are fitted with special alloy bearings, received more attention during 1935 than any other phase of engine lubrication. Several more manufacturers have adopted these bearings for their 1936 models, hence, it is essential to employ a motor oil which has non-corrosive properties when used in these engines.

The trend toward lighter oil continues, the heaviest oil now recommended by most manufacturers being S.A.E. 30, with lighter oils of S.A.E. 20 grade the most popular for winter use. Definite advantages as to starting, engine wear, and friction losses accompany the use of the lighter oils.

Certain improvements, such as the effort to reduce excessive oil temperatures and the more widespread use of overdrives tending to lower engine speeds at high car speeds, make lubrication slightly easier, but stability and a high viscosity index continue to be the most desirable physical properties of motor oil for use in modern engines.

Bearing Lubrication

At high driving speeds the most severely stressed engine part is probably the connecting rod bearing. This year marks the adoption of aluminum pistons by several manufacturers who have previously clung to the cast iron piston, this change in some instances being coupled with the use of a shorter piston stroke. An example of this is the new Buick engine, the connecting rod bearing load of which, at a car speed of 70 m.p.h., has been reduced from 2040 to 1440 pounds.

One of the few remaining adherents to cast iron pistons (Pontiac) has considerably reduced the weight of this part by improving casting technique so that it is possible to produce a remarkably thin walled piston. The new Lincoln Zephyr also employs a very thin walled cast iron alloy piston.

The cadmium-silver alloy connecting rod bearings which were introduced last year by Pontiac and Graham, find a number of new adherents, as the following table will show—

	Steel Back	Steel Back	Steel Back
Spun Babbitt	Babbitt	Copper Lead	Cadmium Alloy
11 cars	8 cars	7 cars	7 cars
Auburn	Cadillac 8	Chrysler	Chrysler
Buick	Hupmobile	De Sotfo	De Sotfo

Cadillac 12, 16	Lafayette	Dodge	Dodge
Chevrolet	La Salle	Lincoln	Ford
Cord	Nash	Packard	Graham
Dusenburg	Oldsmobile	Plymouth	Plymouth
Hudson	Packard 120	Studebaker 8	Pontiac
Pierce Arrow	Reo		
Studebaker 6			
Terraplane			
Willys			

Certain manufacturers, particularly the Chrysler group, are using both copper lead and cadmium alloy bearings, presumably to determine by service usage which is the better.

Certain difficulties are experienced with these bearing metals. Some of their characteristics are as follows—

BABBITT

Advantages	Disadvantages
1. Plastic	1. Low softening point, 300°F
2. Does not wear a soft steel shaft.	max. safe temp.
3. Not sensitive to acid or alkali.	
4. Does not promote oil oxidation.	

COPPER-LEAD

Advantage	Disadvantages
1. High resistance to heat, Can go to 600°F.	1. Tends to cut shaft if oil supply is limited.
	2. Requires a hard shaft.
	3. Promotes or accelerates oxidation.
	4. Sensitive to acids.

CADMIUM-ALLOY

Advantages	Disadvantage
1. Harder than Babbitt.	1. Apparently sensitive to acid.
2. Softer than Copper-Lead.	

Cylinder Lubrication.

Several makers coat the pistons to avoid break-in scoring. A tin plating is used on iron and an oxide coating on aluminum.

The electrolytic treatment of aluminum pistons producing what is called an "Anodic" finish is increasing in popularity. This treatment produces a hard film, both on the piston face and in the ring grooves which is said to reduce wear considerably. In addition, the hard film is porous, which allows it to retain lubricating oil and has the particular advantage that the piston is not liable to scuff when starting from cold.

The ultra light cast iron pistons used by Pontiac and the Lincoln Zephyr are said to weigh only 10 to 15% more than aluminum pistons.

No startling developments in piston rings are evident although reports of research indicate that very narrow piston rings are desirable. This is due to their greater contact with the ring groove in relation to their face width, which allows them to transmit heat more rapidly. Several manufacturers are placing a narrow empty groove in the piston above the top ring, the purpose of which is to act as a heat dam, allowing the rings to run cooler, and so lessen any tendency to stick. Some manufacturers leave out the top ring.

Among the interesting details revealed by this year's engines should be mentioned the aluminum bronze wrist pin bushings used by Cord in their aluminum piston and the provision by Buick of oil leads to the wrist pin from behind the lower ring groove. Buick also heats the oil when starting to facilitate distribution and its temperature is controlled during operation, thereby eliminating the oil cooler formerly used.

Oil Consumption

Progress in reducing oil consumption has been mainly through the provision of better ring and piston fits. This has come both by improving the cylinder bore and improving the piston. Better lapping tools now produce practically a mirror finish to the cylinder bore. This year, as last year,

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LETTERS

Wm. Van Dusen
—public relations director
of Pan American Airways, Inc.

"In reply to your letter which was forwarded to me by Mr. Bixby, you are correct in your assumption that in our operations through typhoon areas we will fly around the typhoons. We would not attempt to land at Manila, say, during a typhoon, any more than a steamship would dock, or sail, under the same conditions.

"When any of our regular stops, such as Guam or Manila, is in a typhoon area at the time when an airplane is scheduled to land there, the airplane will proceed to an alternate port and its cargo can either be flown or transported by other means into the scheduled stop after the typhoon has passed. Our studies indicate that there would always be some alternative landing point when one of our stops is in a typhoon area." (Our inquiry was prompted by desire to ascertain how regular the *Clipper* transpacific service between Manila and San Francisco may be after all preliminary problems are solved and passenger, express, and mail service is set going on fixed schedule. Alternative landing places are accessible in the Philippines. Attention is invited to Pan American's navigation of the air over the West Indies in all seasons, maintaining commercial service in that territory where the destructive path of violent hurricanes sometimes exceeds the width of 70 miles—a hazard at least as great as that of our seasonal typhoons. *Time* of May 18, page 66, *Transport*, reports a marked advance in the applied science of blind landings adapted to the landing beam system designed in 1933 by Washington's air commerce bureau. The robot pilot following a flying beam (radio) is used in flying, and abandoned, for landing, in favor of a brace of new beams picked up by a special crosshatched antenna on the plane's nose. One of these landing beams is a vertical directional beam 5 feet wide at the airport; the other is a lateral curved landing beam slanting onto the field from one side, almost vertical 10 miles out, 60 feet overground at the field's edge, 15 feet overground at the field's center. The pilot puts his plane precisely on the junction of the beams, and turns the plane over to the robot that brings the plane down the invisible slope to a landing, the pilot applying the brakes when the wheels ground. United Airlines feels that with this practice it has solved the problem of blind landings, something that in the Philippines during the rainy season would prove helpful at Manila after aviation reaches full stride here, as it will soon).

• • •

John A. Sowers
—manager of the foreign trade department
of the Oakland Chamber of Commerce.

"In the interest of trade development I am planning a trip to the orient this summer and expect to be in Manila for a couple of days from August 20 to August

22. I should appreciate the opportunity of meeting your organization there in Manila. At the same time, should there be any local concerns interested in trade relations with Oakland I should be very glad to try to arrange for conferences with them." (Oakland's Mr. Sowers will be most welcome in Manila. He was graduated by George Washington University in '26, and has his master's in Foreign Service from Georgetown, '29, with graduate work at California in economics, 1932-1933. Aside from his association with the Oakland chamber of commerce, he heads the foreign trade department of Armstrong University, Berkeley).

• • •

Louis M. Ford
—chairman of the special committee
of the Dewey Congressional Medal Men's
Association to arrange a reunion in Manila
May 1, 1938, celebrating the 40th anniversary
of the Battle of Manila Bay.

"I am inclosing herewith copies of resolutions recently adopted by our organization, which comprises the survivors of the Battle of Manila Bay, who are planning to hold their convention in your city May 1, 1938, the 40th anniversary of the Battle of Manila Bay. Will you kindly send us such information as will assist our committee in making their preliminary plans, also hand a copy of this letter to your press." (The resolutions say that members of the organization would like to look over the scene of their activities at Manila, and revisit the land that they visited under such stirring circumstances. They would procure transportation upon some government ship, and they plan a genuine reunion in every sense of the word).

• • •

D. Andrés Pastoriza
—Sto. Domingo's minister plenipotentiary to the United States.

"We believe that a large number of the members of your organization would be interested in the possibility of making safe investments in Latin America. With that possibility in mind, we are writing this letter and we hope that you will favor us by publishing it in the next issue of your organization's monthly or weekly publication.

"The Dominican Republic offers the greatest opportunities in all Latin America for profitable investments by American business men on account of her geographical location, the richness of her soil and mineral deposits, and her policies of governmental protection to all classes of industries. The present Administration, headed by General Rafael L. Trujillo, has successfully maintained peace and order in a manner unknown heretofore and has also adopted and steadily pursued the policy of extending such lawful assistance and granting all possible legal advantages to such persons and corporations, regardless of nationality, as may desire to establish a legal residence in the country for the purpose of making investments that will contribute, either directly or indirectly, to the proper devel-

opment of the agricultural or industrial resources of the country.

"The Dominican Government owns large tracts of land of great fertility which it will place at the disposal of interested parties and corporations of recognized moral and financial standing. These tracts are easily reached from the sea-ports are modern roads and are suitable for large scale production of crops native to the tropics. While many opportunities exist for safe investments in agricultural enterprises and mining, which is in its infancy in spite of the known mineral richness of the Dominican Republic, we believe that even a greater number of opportunities will be found in manufacturing on account of the country's highly protective tariff and the willingness of the Government to enact such measures of additional protection as may be required by the legitimate interests of prospective investors.

"Manufacturers in the Dominican Republic have a protected market of about 1,500,000 people whom they can reach easily by motor truck transportation over a system of modern highways covering the whole country. This splendid road system places also the most distant agricultural sections within reach of a large number of good harvest duly equipped for the handling of a big export and import trade. The harbor of Trujillo City, Santo Domingo district, is now the object of such large improvements that, within a short time, it will be able to handle safely the largest ships afloat. By large appropriations over many years for both highway and harbor improvements, the Dominican Government has made the transportation of the products of the soil and factory safe, rapid and cheap.

"The Dominican Government believes that anyone, who invests money in the country, will realize profits far greater than he would normally receive in countries farther advanced in their industrial development. The profits, of course, would be contingent upon the due employment of the usual and necessary methods and safeguards in the establishment and operation of the business. Success is easy to achieve in the Dominican Republic on account of the richness of natural resources, freedom from labor troubles, minimum of taxation, benign climate, and the full protection granted to all industries by the laws of the Republic. The many successful industries, now operated throughout the country by both natives and foreigners, are the best proofs that profitable and safe investments can and should be made in the Dominican Republic. In the Dominican Republic there are no income nor property taxes.

"We are pleased to be able to advise all parties, interested in establishing a business in our country, that they may obtain all the information which they may require from the Dominican Chamber of Commerce in the United States, 30 Rockefeller Plaza, New York City. The Chamber either has the required data on hand or is able to secure it on short notice from the proper Government Department in the Republic."

Lagangilang . . .

(Continued from page 7)

to all inquirers—these find their way even beyond Abra itself to Ilocos Sur, Ilocos Norte, La Union and Pangasinan. Settlers in far-off Mindanao, meeting some of the difficulties that discourage the homesteader, have received the helpful suggestions of Principal Jose A. Reyna to such extent that instead of utter failure, they have carried on to a comforting success.

Twenty years ago, on first taking over the management of Lagangilang, Mr. Reyna formulated the school policy. His vision was keener than that of the insular educational force at that time, as well as of educators in the United States whose lack of foresight contributed to surpluses of white-collared workers. Simply, the students must be vocationally prepared to continue in the status their families enjoy, but with the benefits of all that a school can inculcate in thrift, civility, neatness, sanitation, foresight, and agricultural management.

Not in any sense a restriction is this plan. Those students with a particular bent are encouraged. An analysis of graduates shows that while a majority continue in some phase of agriculture, there is a variety of skilled workers. The following tabulation of 202 graduates shows the actual ratio (and the technical training of the few is due to the generosity of the teaching staff with its time and helpfulness).

Farming	62
Working in the different mines	20
Earning as keepers of poultry, hogs, goats, etc.	16
Teaching, most of them in settlement farm schools	10
Soldiers	8
Municipal officials — policeman, sanitary inspectors, clerks, secretaries	14
Continuing their studies in college	8
Carpenters	6
Chauffeurs	3
Mechanics	2
Foresters	2
Printer	1
Nurse	1
Photographer (owner of studio)	1

Student-government rules with efficiency and good humor. It is much like a typical Philippine municipality, with modifications suiting it to the school community. Officers are president, vice-president, treasurer, chief of police and his force, mess sergeant, auditors, land assessors, and council of five. At the yearly election, the boys line up with miniature political parties, campaign during leisure hours, argue the pros and cons of candidates' platforms.

Appointed by the principal are the justice of the peace, sanitary inspector, chief cook, and treasurer. Other positions including that of editor of the school paper are filled at the discretion of the council.

The conduct of the students is excellent. At the rare instances when youthful vigor becomes pugnacious, or one lad feels the patriotic call to defend the honor of his province if it has been slighted, the combatants are tried in court. Even the punishment is constructive—the guilty must wear the red garb of road-makers, spending the stipulated time in improving the provincial highway, and wearing their high school letters withal. Thus without bitterness, but in a salutary way, discipline is evoked.

Important is the role of sanitary inspector, for efficiency and for example. Twice a day he visits each cottage, maintaining the highest standard of cleanliness. Not infrequently he extends his usefulness to the *potlacion* and at times to the remotest barrios. Through his efforts many have gained faith in the efficacy of drugs when simple remedies are needed.

In every practical way, the high school has been a center radiating amelioration. The tribulations of this program are not evident, and this fact alone reflects the gifts of the man behind the scene. Tinguian, Kalinga and Ilocano have met, and are meeting, in a common cause at Lagangilang. Though the school lacks a water system, an ingenious water-wheel of bamboo utilizes the nearby creek as much as possible for irrigation. Experimental growing of fruits and vegetables in much larger scope than formerly has set a standard for the mountain folk as well as the lowlands. What the school is doing, is always news. And only courageous, continuous effort has brought this model of rural life to the very doors of the present generation.

In addition to its invaluable principal, Mr. Reyna, the high school is staffed by Ignacio Galario, Shopwork and Building construction; Domingo Ignacio, English and Farm Arithmetic; Augusto L. Medina, Physics and Horticulture; Victoriano C. Lopez, Agricultural Economics, Farm Crops; Perico Y. Areedo, Animal Husbandry, Farm Science; Gabriel Tuason, English; Juan Villamor, Field Work; Leon Roldan, Clerk-Accountant; Bienvenida Bersamin, Librarian, Literature.

Facts and Data . . .

(Continued from page 9)

It will be easily appreciated therefore that insofar as the consumer at the other end is concerned, he pays a very high price for coconut oil and the rule that high prices invariably encourage the development of substitutes has never held truer than at present. The higher levels of coconut oil prices, have sent consumers all over the world seeking for oils and fats to take the place of this most imported soap oil and the fact that the high prices are due chiefly to the Excise Tax is of no concern to the consumers. Consumers are ever anxious to buy "just as good" at a lower price irrespective of the cause of the high price of his favorite oil, and unfortunately for the coconut grower, American consumers have been successful in finding a number of oils which practically unknown at the time the excise tax was enacted, escaped their provisions with the result that at present they have become formidable competitors of coconut oil and threaten to displace the latter both in the edible and industrial field.

There are two principal groups of coconut oil consumers in the United States, the edible users and the industrial non-edible users. Under normal conditions, the bulk of the consumption of coconut oil went into the manufacture of soap and the balance went into edible channels. Roughly speaking, the normal consumption was about 70% industrial and 30% edible. During the year 1935, this proportion was altered materially and Philippine producers were fortunate in that as a result of the shortage of edible oils and fats in America, the edible trade which

incidentally was responsible for the high prices enjoyed last year, consumed about 50% of all coconut oil imported, whereas the industrial users consumed only the balance of it. It must be realized that coconut oil price tax paid from January 1934 to December 1935 increased by 268% whereas the sale price of soap was only increased by around 15%. Obviously, the soap manufacturer is not in a position to buy much coconut oil unless he is able to pass on to the consumer the increased cost of his raw material which undoubtedly is the cause for his determination to find cheaper substitutes. A number of indirect substitutes have been found for coconut oil but as a direct substitute, Babassu oil, which has the same characteristics of coconut oil, has been entering the United States in increasing quantities. This oil is free of duty and Excise Tax and with no possibility of being taxable for two years owing to the recent reciprocal treaty effected between Brazil and the United States, is a very potential factor and one which might eventually displace coconut oil entirely. The present unsatisfactory situation in coconut oil, may permit Babassu and other competing oils to gradually gain a foothold in the market as raw material which was not possible a few years ago. It must be realized further that Babassu oil does not only compete with our coconut oil in the soap trade but it can also be used to good advantage in the edible field and, therefore, the potential adaptability of this oil must not be overlooked by anyone who has any interest in the Philippine coconut industry.

The records of the Bureau of Commerce of Washington also show that the importations of tallow for the five-year period of 1930-1934 were practically negligible except during the latter part of the year 1934 when 21,406.65 tons were imported, which makes an average of 4,550.83 tons for the five-year period. Against this average, it must be noted that during the year 1935, tallow entered into the United States in the amount of 122,925.46 tons or an increase of over 2,700% and the only reason for tallow to attain such an abnormally high figure, is because it entered free of Excise Tax. While the records of the Bureau of Commerce show that tallow production during 1935 decreased by approximately 100,000 tons, once America returns to normalcy, their production will increase and will be diverted to their normal sources of consumption but meantime tallow remains free of Excise Tax, it will continue entering freely into America for soap uses, so gradually more and more Philippine coconut oil will be displaced thru the inequality of the Excise Tax.

The importations of peanut oil into America for the five-year period of 1930-1934 were 1,137 tons yearly. Peanut oil was another oil left out of the provisions of the Excise Tax due to its commercial unimportance but unfortunately, from the moment the tax went into effect, peanut oil importations into America increased from the above figure of 1,137 tons to 40,362 tons. Corn oil increased from a negligible figure, to 12,873 tons in 1935. Sunflower seed oil increased from an average of 5,501 tons to 18,552 tons and the unclassified oils, oil seeds

(Please turn to page 43)

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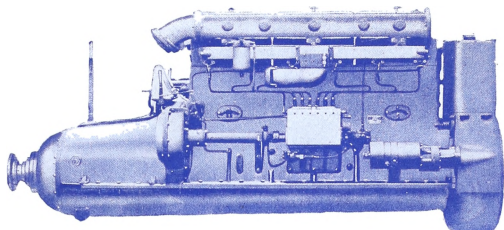
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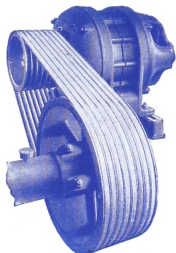
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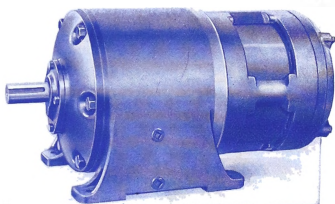
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What Is Geophysics?

Sight unseen, the modern prospector can investigate the secrets of the earth through the use of science and intelligence

By Ralph Keeler

Mining-Section Editor and Reporter

The use of geophysical prospecting in the Philippines is comparatively new; it has only been during the past year or two that much has been done along this line. Recently, however, geophysical surveys have been made of the leading properties here, both gold claims and petroleum prospects. This work is still going on; it is likely to play an important part in the future exploitation of the mineral resources of the Islands.

There has been, and still is, considerable misunderstanding about geophysics. Many believe that, in some magic way, the geophysical prospector can set up his instruments and a few hours later report on the exact quantity and quality of ore beneath the surface. Others are of the opinion that the geophysicist can tell the miner exactly where to start his tunnels, where to find high grade ore, and in general act as an accurate prophet.

Nothing is farther from the truth of course. The use of geophysics in prospecting has become recognized as a most valuable aid to the mining engineer. The geophysical engineer, however, can not state definitely that by digging 232 feet in a certain spot the miner will find 121 tons of ore assaying \$10.50 a ton; nor can he say for sure that the miner will find any gold at all. He can, however, say that the structure indicates that there is a mineralized body in the vicinity, and can locate it with reasonable accuracy. Geophysics is used to supplement the work of the geologist and of the miner, in proven districts, as around Baguio. It is useful in prospecting virgin territory in that maps of structure can tell the geologist much to add to the knowledge he has acquired through surface work.

Geophysics is a highly scientific study based on advanced mathematics, physics, and geology. The instruments used are delicate and sensitive, but the actual measurements taken are not hard to obtain. It is in the interpretation of his results that the geophysicist has to use trained skill and experience.

Dr. C. A. Heiland, professor of geophysics at the Colorado School of Mines, and recognized as one of the world's leading authorities on the subject, prepared a comprehensive exhibit of geophysics and its uses for the recent Century of Progress at Chicago. In connection with the exhibit, Dr. Heiland published a pamphlet, "Elements of Geophysical Prospecting", from which the *Journal* will borrow technical information leading to an understanding of the subject.

Ever since man has made use of the earth's mineral products the thought has been in his mind that it should be possible to predict, by some means or other, the location of mineral deposits hidden from his view.

In antiquity such possibilities were placed altogether in the realm of magic. The "Divining Rod" in particular was thought to possess the supernatural faculty of locating all kinds of mineral deposits. Although it has never been proved that this device can furnish identical indications at the same place at different times, or for different operations, its use is still practised in various parts of the United States and Europe, particularly for locating water.

It might be said in passing, concerning the divining rod operator, that if he is actually capable of psychic reactions to

concealed objects, such reactions could manifest themselves without necessarily using a divining rod.

Many important advances have been made during the past two centuries in the development of the "geologic" approach to the problem of mineral location. Not only by mapping of surface indications, but also by the observation of the structural arrangement of formations in outcrops and wells, and an analysis of their lithologic character and fossil content, it has become possible to predict the location of mineral deposits much more accurately. The "geologic" method of mineral location has received a considerable stimulus in late years through the demand for new mineral products by the chemist and metallurgist, and for new oil fields by the increasing volume of the automotive industry.

An altogether different avenue of approach to the problem of mineral location has now been opened by the advances made in the sciences of physics, in the fields of electricity and magnetism particularly. With the ever-increasing refinement of physical apparatus it has become possible to measure not only the forces that control the movement of the earth in space, but also the forces that are related to its constitution. Physics as applied to the earth is called "geophysics"; although the name may not be familiar, the forces of which the measurement is the object of study of this science are well known; for instance, the earth's magnetism, gravity, and earthquake phenomena.

The possibility of determining the constitution of the earth's interior by observation and analysis of the surface distribution of such phenomena as those mentioned above was early recognized. The scope of these observations was first more regional in character and was gradually narrowed to the investigation of local disturbances in search of individual mineral deposits.

The earth's magnetism has been used for centuries as a guide to ore deposits. About 1600, Gilbert, from an analysis of the distribution of the earth's magnetic force, came to the conclusion that the earth behaves as a great magnet; about a century later, De Castro recognized the relation between the earth's magnetic attraction and geologic structure, and as early as 1640 compass-like instruments were used in Sweden for the location of iron ore deposits. There, these instruments were developed to a great degree of perfection for the purpose mentioned, chiefly in the last half of the 19th century. Further refinements added in late years have made it possible to use magnetic instruments in the search for oil structures and gold deposits.

The evolution of the knowledge of the earth's gravity and its application came about in much the same way. Bouguer, about 1740, established the fact that the plumb line direction is not always vertical but is attracted by heavy masses. Cavendish, in 1798, succeeded in "weighing" the earth and thereby proved that materials heavier than those at the surface must be present in the interior. The 19th century marks the development of the gravity pendulum and its application to the determination of the mass distribution in the earth's crust.

In 1888 Eötvös constructed an instrument intended to measure minute mass attractions, called torsion balance. The Eötvös instrument is still being used, almost in its original form, in the search for salt domes and other oil structures, after von Bockh and Schweydar, in 1917, had demonstrated that the instrument is applicable for such purposes.

A division of geophysics with which all who live in the Philippines are more or less familiar is the science of earthquakes, or "seismology". In the 19th century instruments for earthquake registration, called "seismographs," were developed to a high degree of perfection, which made it possible to recognize various types of waves, travelling from the origin of the earthquake through the earth's interior to the recording station. By determining the time of their travel to various stations, and thus their velocity through various depths of the earth's crust, geophysicists were enabled to state the makeup of the earth's interior with a remarkable degree of accuracy.

The application of this principle on a small scale, to determine geologic structure in exploitable depths, was made by Mintrop in 1917; and from then on, the "seismic method" scored remarkable success, chiefly in the discovery of salt domes in the Gulf Coast.

Thus, it may be seen that geophysics is a science which truly enables us to "look into the earth" in a manner quite remote from the supposed possibilities of the divining rod.

Geophysical prospecting means the application of the principles of geophysics on a smaller scale for commercial purposes. It is not only the large structural features of the earth such as continents and oceans, mountains and depressions, crust and subcrust, that have different physical properties and therefore affect the earth's magnetism, gravity, and earthquake waves. Many mineral deposits also differ from their imbedding media in magnetism, or density, or electrical conductivity, or elasticity. They can, therefore, be detected by magnetic, gravity, electric or seismic measurements at the surface. This is a fundamental principle; geophysical pros-

pecting can then be defined as the location of mineral deposits by surface measurements of physical quantities which are affected by their structural arrangement and physical properties.

Journal readers will want to know "How can geophysical prospecting be applied to the discovery of gold, of petroleum, of iron, or of other minerals here?"

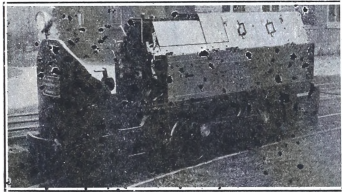
Prospecting for gold by geophysical means is difficult, and has only been solved during the past few years for a limited number of cases. Not all gold deposits can be discovered geophysically because the gold occurs in quantities too small and in a form too finely dispersed through the rock. There is, however, one form of geologic occurrence that lends itself to geophysical prospecting, the occurrence of gold in river channels, past or present.

The reason for this is that in a river the waters when slackening speed, for instance, on the inside of their turns, will drop out the heavy minerals first, like gold and magnetite, so that often (but not always!) gold may be found associated with magnetite. Therefore, by locating with a "magnetometer" the trends of greatest attraction, the places where gold is most likely to be found may be located. However, it must be borne in mind that they are not necessarily areas of gold concentration; whether or not enough gold can be found in an area of magnetic attraction to warrant mining has to be determined by the drill or by test pits.

The gravity method is not applicable to the direct location of gold, because of the fact that a large gold nugget on the bottom of a river channel would probably give the same indication as a small boulder near its surface. It is true enough that gold is heavier than the sand or gravels in which it occurs, but the quantity present is not enough to affect any gravity-measuring instrument.

This method can be of decided help in areas where the gold-bearing river channels are buried and nothing about their course is known. The river gravels, due to their loose-

(Please turn to page 22)



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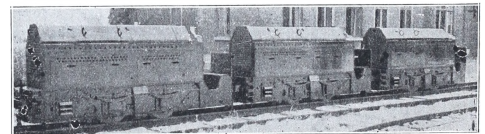
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Mining Legislation

New rules for the control of the industry will result from the first regular meeting of the National Assembly which opened on June 16

Mining leaders will watch with interest the first regular meeting of the National Assembly because one of the most important tasks of that body will be the creation of laws regulating the industry. Since the inauguration of the Commonwealth on November 15, 1935, there have been no such laws; the newly-adopted Constitution declared that all mineral lands, minerals, coals, petroleum, and other natural resources of the Philippines belong to the State, and their disposition, exploitation, development, or utilization shall be limited to citizens of the Philippines or to corporations or associations at least 60% of which is owned by such citizens.

Complications have naturally arisen since November 15, among them disputes over petroleum leases, over the registration of claims, and over the rights of Americans to hold claims. As a result of these disputes, it was announced that no new claims could be registered by any one, regardless of nationality; the prospecting and development of new properties since last November has consequently been considerably hindered.

A good example of the confusion regarding the interpretation of the constitution is the Duty case which came up during the latter part of 1935. One J. B. Duty, an American citizen living in Baguio, attempted to purchase some mining claims from an Igorot living in the Mountain province. When the papers were presented to Fiscal Amador of Baguio, he declared that it was not legal for an American to own mining claims in the Philippines, basing his decision on the section of the constitution which limited the exploration and development of mineral lands to Filipino citizens and to corporations 60% of which were controlled by Filipinos. He also stated that subsection 17 of article 17, which states that Americans have the same civil rights here as Filipinos, was a question of interpretation, since the right to acquire mineral claims was not specifically mentioned. The fiscal went on to say that mineral resources are the property of the government, and their acquisition by anyone, whether a citizen or not, was a privilege granted by the government and not a right.

The case hung fire for several months, although it was referred to the secretary of justice for a decision almost immediately. Finally Mr. Duty took the matter before the American High Commissioner, Frank Murphy, and a ruling was made by the secretary of justice soon after. His decision was that expected by mining men, that if a Filipino citizen has the right to purchase mining claims from another Filipino citizen, an American citizen must also have the same right. No mining man doubted for one minute that the ruling would be otherwise.

The new mining laws will undoubtedly be for the best interest of all concerned. Taxes on gold production may be raised slightly, but there is no reason to believe that they will be made so high that the industry will be seriously crippled.

Several mining bills have already been filed. Assemblyman Felipe José of Baguio filed a bill proposing the appropriation of ₱2,500,000 for the government to use in the exploitation of all mineral lands as yet undeveloped. His idea is that the Islands are rich in mineral resources and that the government should undertake to explore and develop these resources before they fall into the hands of foreigners.

The basic idea of this bill seems reasonable enough, but there are many objections to its execution. In the first place, mining is an industry which calls for much capital and much expert talent. When one stops to realize that Benguet, Balatoc, and Itogon alone spent millions of pesos in preli-

minary work before dividends were finally declared, and that it took years before the mines became successful, it is easy to see that a government-owned mining company would soon run into difficulties. Mining is essentially a gamble, and but a small percentage of mining claims ever turn into producing mines. Then, too, where would the necessary organization come from? It has taken years for the local mining firms to build up their engineering staffs. They have the cream of the mining, metallurgical, and geological talent in the Islands, practically all of the men hand-picked from the mining camps of the world. The salaries which a governmental company could offer would hardly attract engineers who could make several times as much working for private interests.

This bill is hardly practical; it is not likely that it will become a law.

Assemblyman José Angara has proposed a bill which would change the old mining laws considerably. He suggests that there be no limitation on the number of mineral claims which may be held by an individual, association, or corporation on the same vein or lode; that permission be granted to concentrate on one or more claims of a contiguous group of claims the annual assessment work required by law and to credit the total amount of work done to the entire group; that the government exercise a much stricter supervision on mining operations; that ownership of patented mining claims be restricted to citizens of the Philippines or of the United States; that there be more income to the government from mining by means of direct taxation; that there be more money appropriated for the division of mines, department of agriculture and commerce, so that the division can be of more service to the industry and particularly to the small-scale native operators who could not afford to engage engineers.

Another suggestion made by the legislators is to the effect that there be a sliding scale of royalty taxes on gold production. There is no doubt but that there will be an increase in taxation on mining properties; the problem will be to fix the taxation rate so that it will be fair to both large and small-scale operators, and at the same time provide enough income for the government.

Some time ago a group of assemblymen announced with great amazement that they had discovered that the mining industry had become a monopoly, and that most of the mining properties were concentrated in the hands of a few companies. President Quezon announced in January that he was opposed to monopolies, but did not explain just what was meant by monopolies in mining here.

Just what harm a monopoly can do in gold mining is hard to see. Through the efforts of a few resourceful business men gold mining has jumped in the past few years to become one of the leading industries here; now that it is an important industry, those few men and the companies which they represent, are naturally in a favorable position. There are three large organizations in the Islands that control most of the gold producers; but since there can be no controlling of price and no harmful effects from whatever monopoly exists, what of it?

At the same time President Quezon announced that capital to develop the mining industry, and especially the petroleum resources of the Islands, would be most welcome, but that it must keep within the law. This is interpreted to mean that promotional methods will be strictly supervised, and every care taken to see that the investor is not deceived.

What is Geophysics?

(Continued from page 20)

ness, are lighter than the more solid bedrock into which the channel has been cut; therefore, the trend of the channel can be determined by gravity measurements, which thus could help locate the gold by finding the structure in which it is likely to occur.

The electrical method is of use in finding gold deposits, in an indirect way. No doubt gold is a better conductor of electricity than the associated minerals or rocks, gravels, sands, etcetera, but here again, the gold occurs in too small quantities to be detectable. However, electrical methods may be of help by locating an unknown channel or by determining, in a known channel, the depth to bedrock. The river gravels and sands and usually saturated with mineral waters and are, therefore, more electromotive than the dry and more consolidated bedrock.

Geophysical surveys such as have been made in the Baguio district are helpful to the mining engineers and geologists in that they give structural details which otherwise could often only be learned by actual mining.

EDITOR'S NOTE. In the July *Journal* the application of geophysical prospecting to iron ore deposits and to the location of petroleum structures will be discussed.

New Petroleum Technologist Arrives

Oil Lands of the South will be thoroughly examined



DR. E. M. DE VILLA

A thorough technical report on the leading petroleum properties in the Philippines will be made in the near future by a leading petroleum geologist, Dr. E. M. de Villa, who arrived in Manila a short time ago.

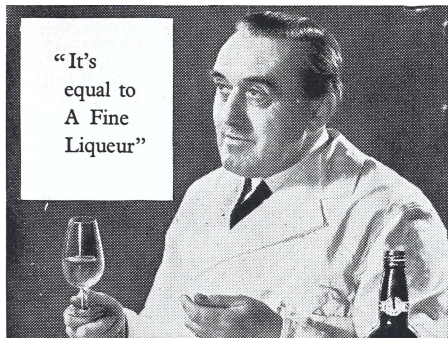
Dr. de Villa came to the Islands at the request of a number of businessmen who are interested in oil possibilities here. He has been a consulting geologist in every major oil area of the Far East, starting with the Baku fields of Russia in 1910. In 1911 he was engaged in reconnaissance work for petroleum in Manchuria and South China. After completing these surveys, in which the Chinese government was directly interested, he went to the new fields of Borneo.

Just before the World War Dr. de Villa went to Alberta, Canada, to examine the petroleum areas of the central provinces. Returning to the Orient some time later, he was a consulting geologist in the Koetei field of Borneo. He then went successively to Palembang, Sumatra, and Yenang Yaung and Yenang Yat, Burma. For three years he was in Australia, New Zealand and Tasmania, conducting careful surveys for petroleum structures.

He was the owner of two oil concessions in Java, the Grantil and Boeloe fields in Rembang Residency.

Dr. de Villa has already examined the properties of the

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Premiere Mineral: a lode outcrop

Laying down placer work temporarily and concentrating on lode claims, Premiere Mineral Exploration Association announces the possibility of installation of a small stamp mill in six months' time. Their properties are in Surigao, and are said to comprise some 3,000 hectares of both placer and lode prospects.

Emphasis on lode mining is the course chosen by the new engineer, S. Murillo. He is one of the first Filipino mining engineers, having been trained in the United States. Since his return to the Islands in 1929 he has been employed by Syndicate Mines (now Masbate Consolidated), Benguet Consolidated, Big Wedge. Latterly he was superintendent of Gold Star Mining in Baguio.

Since taking over the work at Premiere, Mr. Murillo after confirming the findings of Mr. Baker who previously examined the Poctoy group of claims, advised lode exploration for the present. Three tunnels and two open cuts have been started, and an outcrop reported as 3 feet wide is being explored at depth.

A camp has been opened on the Pili group of claims. General geology of this group is stated to be metamorphic, consisting of schist along the coast to a radius of a kilometer up the hills. Fine-grained diorite float is abundant, but andesite is apparently the predominant rock.

Future outlook of this group is said to be favorable as indicated by the presence of mineralized quartz and favoring rock formation. The bulk of work now in progress is on this portion of the property, two tunnels having been begun and buildings constructed for a blacksmith shop and dynamite

Reina Regente Petroleum Company and of the Tayabas Oil Development Company, and left early in June for Cebu to continue his investigations. He came here directly at the invitation of the Philippine Petroleum Development Company, which has exploration leases on the northern end of the Bondoc Peninsula.

His services have been sought by a number of companies interested in the development of the petroleum resources of the Islands, with the result that a company, Petroleum Resources, Inc., has been formed, with offices in the Brias Roxas building. Initial subscribers to this company were Chas. A. McDonough, J. B. Hoover, M. P. Lichauco, W. Ick, E. M. de Villa, E. D. Gundelfinger, and others. The company will be a management and operating company for petroleum properties. Plans have been drawn up to import complete rotary boring tools, storage tanks, and refinery equipment should developments warrant such a step.

Dr. de Villa reports that geological conditions here are much similar to those in the oil fields of Burma, Sumatra, and Borneo and it is more than probable that the mode of occurrence will be the same. However, he stated that no predictions as to the future of petroleum production here could be made until after a thorough study of individual areas had been completed.

Premiere Mineral (Surigao) Goes for Lode

magazine. Eight experienced men from Baguio were sent to the property so that the work could progress rapidly and be reliable.

The stated hope of the association is that, since lode possibilities appear better and also cheaper to work, the installation of a small stamp mill make the project self-supporting. Placer potentialities on the Poctoy group, where natives have extracted gold at a profit for a considerable period of time, will require careful analysis before a large investment in big-scale operation is made.



Premiere Mineral: An exploration tunnel

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Dubious Money the Key to the Middle Age's Glory

*Modern research historians quoted
by economists in the new economics
review, The People's Money*

After the decay of the Roman Empire, which historical research attributes to continued and increasing scarcity of money metal, Europe experienced a long period of complete economic stagnation and spiritual barbarism. For several hundred years the human race groped in the dark, generations upon generations living wretched and dissatisfied lives, devoid of culture and science.

With the beginning of the twelfth century, however, an unexpected and glorious change began to manifest itself. Authentic documents of those days reveal that money of the period became a very special type, fundamentally different from our present-day money; and, as far as we can ascertain, that special money worked marvels. An almost incredible prosperity set in, and the wealth created was so well distributed among the people that "there was hardly any difference

between the castles and the farmers' homes," or as another historian relates, "the farmers wore double rows of golden buttons on their vests and coats and silver buckles on their shoes."

During the three hundred years from about 1150 to the middle of the 15th century were built the splendid cathedrals of Cologne in Germany, of Salisbury in England, of Burgos in Spain and Notre Dame in Paris, to cite just a few of the innumerable masterpieces of that then entirely new and daring architecture: the Gothic. Cathedrals, town halls, merchants' clubhouses, fantastic castles and sumptuous private mansions competed with each other in richness and finesse of architectural design and originality. The exquisite craftsmanship and the material wealth embodied in the buildings of that period still evoke a kind of awed amazement among modern observers.

In his "Study of Mediaeval Life, Art and Thought" Saxeveirell Sitwell writes: "Indeed, we can look back with . . . astonishment upon this new, pointed and floriated art of Europe that was rising out of the blurted Romanesque. . . . It was the greatest period of building activity that there has ever been, and no mere catalogue of names and places can convey any idea of the strength and quality of its products."

The same author continues: "There has never been, before or since in history, anything at all like the physical and mental atmosphere of that age. It represented concrete and realized ambition on a scale that has no precedent. Life had turned into poetry, it had changed into a vigorous paradise that made it worth while to run its dangers as well as to enjoy its pleasures."

A Period of Prosperity

If this were the isolated opinion of one historian, we might consider it greatly exaggerated. We find, however, that the writers on that epoch almost unanimously agree that it was a period of civilization during which all our contemporary

dreams of an "Age of Plenty for All" actually had come true. In the "History of National Economy" by the late Dr. Damaschke, German historian and economist, we read: "The time from about 1150 to 1450 was a time of extraordinary developments, a period of economic prosperity such as we have difficulty to imagine nowadays." Likewise Prof. Thevenin, the distinguished French scientist, states that: "After six centuries of misery and horror came the expansion of the three glorious centuries of the Middle Ages, one of the greatest periods of art and faith in the history of humanity, accompanied by the building of marvelous cathedrals rivaling the greatest masterpieces of all time and all countries. This magnificent development carried the mind of man to heights which it has not often attained in history."

Moreover, from the same source, we find that "very often

the journeymen insisted on having the Monday free, as the so called Blue Monday. That day was set apart, so they could attend to their private affairs and . . . very significant for the standard of living during that period . . . that they had sufficient time to go bathing. Since the number of officially observed holidays, moreover, was at least ninety, the journeymen actually did not work more than four days a week, and on these days the hours of work were strictly regulated.

"When in 1456 the dukes of Saxony tried to increase the working hours from six to eight hours a day, the workers in the mines of Freiberg in Saxony revolted most decidedly.

"The pay of the journey men was exceedingly high, the daily wage for bricklayers and carpenters for example being as much as 20 denars at a time when a pound of meat cost 2 denars."

Johann Butzbach, perhaps the most reliable chronicler of that period writes: "The common people seldom had less than four course dinner or supper. They had cereal or meat and eggs, cheese and milk

for breakfast, and at ten o'clock and at four in the afternoon again cheese, bread and milk."

The life of the people became so voluptuous that the dukes Ernest and Albert of Saxony found it necessary to issue special regulations regarding modes and manners, gastronomic and otherwise. They admonished their subjects that "laborers should not receive more than four courses for lunch or supper. On a meat day: one soup, two meats and one vegetable, on a Friday and other meatless days: one soup, fresh and dried fish and two vegetables."

In general a high standard of living never reached before or after that time, seems to have pervaded all Europe, from Italy to England, from Spain to Austria. But how was it possible we ask ourselves, that mankind after centuries of indifference

Gothic In Manila

There are 12 churches and chapels in Manila's walled city, of 64 blocks, many times that number in the city as a whole, whose area exceeds 22 square miles. It is generally said that old mission churches and chapels in the Islands number more than 1,000. Readers of the *Journal* know we spent years cataloguing these missions with the briefest descriptions possible, and finally abandoned the task with the churches of one or two of the orders still to do. No other country in the world can boast a mission trail comparable to that of the Philippines.

The missions of California are puny beside our own. Besides, in the Church of St. Paul and St. Peter of the Augustinians in the walled city, we have the oldest Christian fane in the Orient; the church and a block of the monastery, work of Antonio Herrera, were completed as they now remain in 1604.

But Gothic churches are few in the Islands, examples being San Sebastian, in the district of that name, and the Dominican Church of Our Lady in the walled city. Older churches are Roman or Romanesque, some with transepts, some basilicas. Accounted public works, they were often built with tax labor.

Impressions of Philippine Mining

S. G. Turrell, technical representative of the American Cyanamid Company, sends the following notations on his impressions of the industry here: written aboard the M.S. *Gneisenau* on May 27.

"Some 10 years ago I first visited the Philippine Islands in connection with my work. At that time Benguet Consolidated was only producing in a small way, while Itoyan was putting up a sterling fight to keep afloat. Some talk was going on about Balatoc being equipped with a small mill by Benguet Consolidated. The ore was then considered refractory, necessitating water washing before cyanidation.

"Outside of Luzon little mining was being done. The only producer of any consequence was the Syndicate Mine, at Masbate. This mine was not doing so well, and could have been purchased cheaply.

"Returning to the Philippines occasionally until 1934, I notice slow but steady progress, but returning in 1936 I noticed such a change that it seemed a dream. Here was a gold boom equal to anything in the world at the time, millions of pesos being subscribed for company flotations.

"Certainly much of the money so subscribed was for a gamble on the stock market, but on the other hand, could such money have been obtained without some inducement? It did provide the capital to develop some mining, so the effort was worthwhile. This is confirmed by the number of producing mines and potential producers. From what I know, the Philippines has produced a greater percentage of payable mines from the Companies floated than any other gold field in the world.

"Now for some words on the operating side of the mines. In considering this, it must be realized that different conditions prevailed from other countries where the operators were

trained. The labor was unskilled and listless; the ore bodies different, transportation unmade, tropical climate a disadvantage, and so on. Mines had to be developed and mills supplied with ore at the same time. On the metallurgical side, methods had to be devised, plants built, and added to, all without losing production.

"Backed by good executives, all these conditions were met and surmounted. Today I find the mines equipped in most modern fashion, comparable with the best practices in the world, a tribute to the thought and hard work of those on the mining staffs. I venture to say that no mining staffs in the world work harder than those of the Philippines.

"Now that much of the work for treating larger tonnages has been accomplished, the minor details will be attended to, in the way of chasing costs, which were a minor phase when tonnage increases were being sought. I have no criticism to make on the metallurgical side. As previously mentioned, some minor details have been put aside while the major operation of increased tonnage has been pushed. It would have been foolish to have acted otherwise.

"In conclusion, I must say that the mining industry of the Philippines appears to me to be sound and well-founded, and capable of further expansion. This is also the belief of the operators, judging by the stability of the mine appointments. Considering the time the mines have been working, their social services are really wonderful, and much appreciated by visitors like myself. The hospitality is most marked, and I can only say 'a fine bunch of fellows'.

"I carry with me my moving pictures to show other parts of the world the mining industry of the Philippines. They also serve to remind me of many pleasant trips and happy personal contacts."

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At the Mining Camp

Antamok Goldfields

The expansion program being carried on for the past few months is nearing completion, and resulted in a record production for May of ₱432,744, of which ₱36,557 came from Gold Creek ore. Tonnage treated was 16,433, and the total value of gold shipped was over ₱100,000 better than the record set in April.

Baguio Gold

This plant had a record tonnage in May, 5,337, and its second best production of the year, ₱92,185. Both mine and mill are operating efficiently, and development work is showing favorable results.

Balatoc

Tonnage was high, 37,515, but lower heads brought a slight reduction in production, the figure being ₱954,636. Changes are being made in mill equipment, and a thickener purchased from Gold River will soon be installed to aid in maintaining high tonnages. Nothing has been announced officially by the company as to expansion of the mill capacity.

Benguet Consolidated

The oldest plant in the Baguio district and in the Islands boosted its production considerably, going to ₱784,446, with a tonnage treated of 24,934. The precipitation equipment recently purchased from Gold River will be put into service soon, and, as at Balatoc, will aid in maintaining the rated capacity of the plant.

Benguet Exploration

Construction work in the mill, and difficulties in preparing bullion from precipitates this month brought about the lowest production this year, ₱13,866. Improved crushing efficiency at the mill is expected to increase recoveries here, and higher production can be expected as soon as the new set-up is in good working order.

Bal Harr

The newest of the Benguet producers maintained its production, with ₱74,536 for May, from the highest tonnage to date, 4,982. The Gold River filter, of the Oliver type, will be installed here and the extraction will be increased somewhat.

Demonstration

Another new production record was made at this plant with a production of ₱146,259 and a tonnage of 6,218. Development work is bringing good results, and the present high output will probably be continued. There is talk of greater mill capacity at Demonstration, although no details have been announced as yet.

Gold Creek

Antamok Goldfields shipped ₱36,557 from Gold Creek ore. Despite rumors that the ore reserves was exhausted, it is likely that production will continue for some time yet. It has definitely been stated that the life of this mine, so far as proven reserves are concerned, is limited—but development work is going on and may bring favorable results.

Ipo Gold

Ipo showed a slight increase over April, shipping ₱52,622 from 5,524 tons treated. Ore is now being taken from lower levels, and a 3-foot Symons cone crusher is being installed to handle the harder rock encountered. So far most of the Ipo gold has come from ore near the surface, which is softer than that encountered at lower levels. The mill capacity will be maintained at 180 tons a day by the new crusher, and a finer ball mill feed will be obtained. Development work, which is being concentrated deeper in the mine, is showing a little better on the north side of the river.

I. X. L.

An improvement in extraction was noted during the last few days of May. The total production for the month was ₱98,451, from 5,374 tons milled—a substantial gain over April. Construction of the new plant is nearing completion, and greater production may be expected.

Itoyon

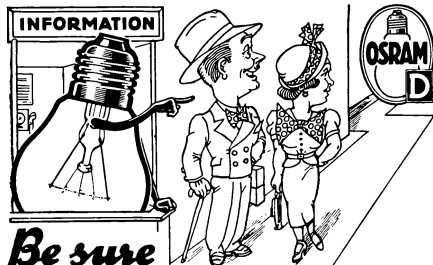
A lack of water during the first 20 days of May decreased production somewhat, but the final figure was ₱216,162, second best for the year. Tonnage was 14,303, likewise second only to the record month of April. Development results were satisfactory.

Masbate Consolidated

Here production was ₱145,022, tonnage 26,413, second only to the record set in April. The new plant is close to completion, and within a few months the full capacity of 2,000 tons a day will be reached, and production should be increased correspondingly.

Salacot

A slight gain over April was shown, with a production of ₱37,000 from 5,000 tons milled. Mill heads were lower, as the tonnage kept high, but were higher than during March or April.



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(Please turn to next page)



Syoc Consolidated—some of the staff. Left to right, sitting, Tom Casad, mine shift boss; Mrs. Flora Crosby; George A. Vierich, mine accountant who sailed on a vacation recently; Mrs. C. C. Heusch; C. C. Heusch, mine shift boss; (a visitor to the camp).

Sitting, Jimmy Crosby; S. L. Rohrer, mine engineer; Ralph W. Crosby, general superintendent; R. M. von Landingham, mine accountant.

Syoc Consolidated

This plant registered a good gain over April, with ₱95,731 produced from 5,100 tons. Operation conditions were normal and development work satisfactory.

San Mauricio

A limited availability of ore from high grade shoots decreased production to ₱105,540, from 4,681 tons treated. This resulted from congestion caused by sinking and other activities in the high grade region.

United Paracale

The new mill addition was started May 26. Production

for the month was ₱114,251, tonnage, 5,514. Operating and development results were satisfactory.

Big Wedge

The new plant constructed by Atok Gold will be started this month, and Big Wedge will be producing again after a shutdown of several years.

Gold River

Much of the mill equipment has been sold to Benguet Consolidated for use in the various plants of that organization. Ball mills, agitators, classifiers, Diesel engines, machine shop, and other equipment have not been disposed of, and probably await favorable offers.

Philippine Iron Mines

Shipments for May were 60,000 tons, while the total for the company since production was started was 590,000. It is expected that more than 450,000 tons will be shipped to Japan during 1936.

Virac Exploration

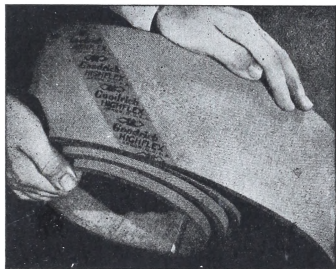
The stamp mill, which has been running for several weeks, was shut down May 25 for repairs. Production to date is said to have been enough for labor costs.

Luzon Consolidated

About 900 laborers are employed by this company on its chromite property in Zambales. Work of developing the mine to the point of production is now going on.

Coco Grove

A third dredge, the "Nanking", has been added to the equipment of Coco Grove, and is expected to be in service by the end of June. The capacity of the plant will be increased considerably by this new dredge, and production will be started in earnest as soon as it arrives. In addition, a pumping station and a machine shop have been secured for the Paracale placer operation. Hitherto much time has been lost for repairs, since it was necessary to send broken machinery to Manila.



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Men of the Mines



Demonstration staff. This company will declare its first dividend this month. Left to right, George A. Bell, mill superintendent; Carl Smith, mine superintendent; Ricard L. Lile, general superintendent; R. C. Caldwell, mill shift boss; A. C. Melting, mill shift boss; J. Keaton, power house superintendent; O. J. Tuzchka, assayer; Sam Crocker, shift boss. K. C. Hanson, mine shift boss, and A. S. McKenzie, treasurer, and mine accountant, are not in this picture.

Walter Herlinger recently joined the staff of Mashate Consolidated as mine shift boss; he came to the Philippines from Indo-China where he was connected with the French Exploration Orient Company. He attended the Munich Technical University in Germany.

R. M. von Landingham is acting mine accountant at Suyoc Consolidated during the absence of George A. Vierich on vacation. Mr. Vierich left Manila early in June and will spend six months travelling through Europe and the United States.

C. A. Weekly, general mill superintendent for Marsman and Company, left Manila on the *Empress of Canada* late in May for an extended vacation-business trip in the United States. He will visit a number of the larger milling and metallurgical plants in order to investigate recent practices in equipment installations and improvements in metallurgical practice. During his absence S. W. Norton, of the United Paracale staff, will be acting general mill superintendent for the properties operated under Marsman management.

J. F. Carlz, lubrication engineer for Standard-Vacuum Company, returned early in June from a five-weeks' trip to China.

Four American engineers became licensed mining engineers in the Philippines as a result of the examinations given last January. Ten engineers took the test; those who passed were George H. Newman, of Marsman and Company, 90.85; Gerald C. Worthington, of Benguet Consolidated, 86.63; Robert L. Loofbourow, of Balatoc, 84.78; Drexel Spaulding, of Antamok Goldfields, 74.3.

George Beck, of Russia, is new night mine foreman at Masbate Consolidated; Walter Lane, of Los Angeles, is a new mill shift boss at the same plant; J. V. Galloway, of Denver, is now mill shift boss at I.X.L. Mr. Beck had his mining experience in the Ural Mountains of Russia; Mr. Lane was worked in Mexico and in California; Mr. Galloway was recently associated with the American Metals Company in Hambre, Cuba.

* * *

J. B. Rice is now mine shift boss at Balatoc. He arrived in the Islands recently from California; his mining experience was gained in Arizona and in New Mexico. Mr. Rice is the brother of E. C. Rice of Baguio Gold.

* * *

Frank Berkenkotter, of the Benguet Exploration staff, is now in Masbate. He will leave the Islands in August for Seattle, where he will complete his work for a degree at the University of Washington, and will do test work on different ores from the Masbate district.

* * *

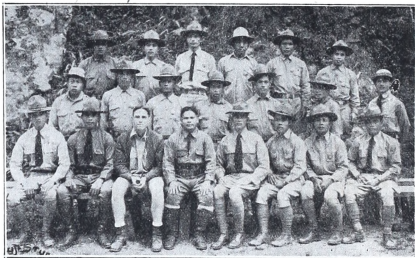
C. F. Stone, Baguio branch manager of the Manila Machinery Company, is on his way to the United States and England for a six-months' vacation. G. Cooper of Manila is taking Mr. Stone's place.

* * *

C. B. Larson has joined the United Paracale staff as mine superintendent. He is a graduate of the Colorado School of Mines, class of 1923, and comes to the Philippine from Pachuca, Mexico, where he was on the staff of the Cfa. de Real del Monte y Pachuca for 10 years.

* * *

H. B. Parfet and Harry Morrison, of the Balatoc mine staff, have sailed for Timor to join the Wittouck interests in the exploration of the mineral resources of that area.



Keeping the peace at Suyoc Consolidated. Ralph W. Crosby, general superintendent and Francisco Fagayan, chief of police, with the policemen who enforce law and order at this camp 90 kilometers north of Baguio

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Gold Total Climbing Steadily

Good weather and the completion or near-completion of expansion programs at several plants brought the May gold production up to a new record of ₱3,367,709. Here are the figures:

Antamok Goldfields.....	₱ 432,744
(includes Gold Creek)	
Baguio Gold	92,185
Balatoe	954,637
Benguet Consolidated.....	787,703
Benguet Exploration.....	13,866
Cal Horr.....	74,536
Demonstration.....	146,259
Ipo Gold.....	52,622
Itogon.....	216,162
I.X.L.....	98,451
Masbate Consolidated.....	145,022
Salacot.....	37,000
San Mauricio.....	106,540
Suyoc Consolidated.....	95,731
United Paracale.....	114,251
Total.....	₱3,367,709

Mining Legislation

(Continued from page 21)

President Quezon has declared himself in favor of stopping stock manipulation, for the protection of the industry and of the general public. Such a move would be most welcome, and every legitimate mining operator would approve; but how can it be accomplished?

Stock speculation exists in every mining center of the world; as long as mining itself is very distinctly a gamble, and a gamble in which the odds are all against the gambler, it will be practically an impossibility to prevent speculation. The manipulation of stock price movements is a common practice in every stock exchange of the world; such manipulation can be done in so many ways that to prevent it would be like stamping out gambling itself—a dream of idealists.

Stops can be taken, however, to prevent trading in mining stocks which are known to be worthless. The experience of the past two years has shown that there should be a stricter watch kept on companies with properties in the development stage.

Most of the damage suffered by investors, and chiefly smaller investors who are not acquainted with the details of the company in which they put their money, has come about through misleading or entirely false reports. There is always justification for optimism; any one who engages in mining or who invests in mining properties has to be more or less of an optimist or he wouldn't be in the game at all.

There is, however, no excuse whatsoever for

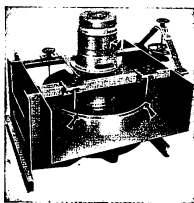
the issuance of glowing reports giving details of ore reserves and high assays, that six months or a year later are found to be entirely false. The editors of mining publications do their best to print only the truth; but when an official of a mining company submits, in writing, a favorable report on a property, the editor should be able to print it with confidence. In at least half a dozen cases, to the knowledge of the writer, reports have been made for publication in which the facts have been so exaggerated that there must have been a deliberate attempt on the part of some one to deceive.

Any legislation which tends to discourage false reports of mining operations or prospecting work, will be welcomed by legitimate operators and investors alike. Details of the new legislation should be available for next month's *Journal*; it will be obtained for our readers.

—R. K.



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The New Philippine . . .

(Continued from page 11)

There are in the Philippine Islands today only about 6,000 Americans; about 58,000 Chinese; scattered throughout the islands about 6,000 Japanese, but, concentrated in one spot, 14,000 additional Japanese. Of other European nationalities the total will probably not exceed the American population of 6,000.

WHAT WE DID FOR THE PHILIPPINES

While even today some of the administrative activities of our Government in the Philippine Islands are in the War Department, represented by the Bureau of Insular Affairs, the actual administration was quickly placed in the hands of a civil commission, and it was the influence of this commission and its successors, and the very able men we sent out as Governors General,

which developed a theory of governing a dependent people unique and without parallel in the history of colonial government throughout the world. Indicating that all of our American national administrations have considered our sovereignty to be more or less of a temporary character.

The administration of our other noncontinental areas, Puerto Rico and the Virgin Islands, has in recent years been given to the Interior Department. Alaska has never been under the direction of the War Department. So we find this colonial possession the only one remaining under the War Department.

It is an interesting historical fact that no other nation—and that includes England, France, Spain, Holland, and Italy—administers its colonial affairs through its department of war. They are all under some civilian direction.

The work performed by our civil commissions and the Governors General in the Philippines are models of thoughtful, considerate progress toward self-government and preparation for future responsibilities.

There was a gradual extension of Philippine autonomy, an increased replacement of American with Philippine officials, of American teachers with Philippine teachers, of an American constabulary by a Philippine constabulary, of American health officers by Philippine health officers, until today the number of Americans retained or employed in executive capacity is extremely limited.

I have read repeatedly the statement that our Government has spent \$850,000,000 on the Philippines.

This statement is fallacious if we consider the civilian population, for, as a matter of fact, with the single and sole exception of \$3,000,000 appropriated by Congress for population rehabilitation after the conclusion of the Philippine war, not a dollar has left our Treasury for the benefit of the civil population of the Philippines.

(Please turn to page 36)

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GEORGE DANKWERTH

President George Dankwerth of the Philippine Trust Company has resigned his position and accepted that of a vice presidency in Marsman & Company, in charge of finances. This is a step in the steady expansion of Marsman & Company and its widespread interest both in mining and development projects. The Dankwerth career in the Philippines has been one of steady advancement in the financial field, first with the Philippine National Bank, then with Philippine Trust, now with one of the leading mining corporations. It is noteworthy that Philippine mining has something to offer such men. Dankwerth is this year's Rotary president in Manila.

Dubious Money

(Continued from page 24)

and miserable existence almost over night became busy and industrious, art-loving and creative, generous and gay? To what mysterious power must we attribute the change from the destitute and dreary Medieval Age to the wealthy and happy age of the Gothic and the Troubadors? Here is the answer; and strange as it may seem, it is based upon the most dependable testimony.

Unique Monetary System

It appears that, at about 1140 A. D., a unique monetary system, called the "renovatio monetarum" was introduced and soon adopted throughout Europe. The "right to coin money and regulate the value thereof" belonged to the sovereigns of course, to the dukes and bishops. From time immemorial, each ruler issued his own currency stamped with his name or his portrait. At the start of this period, however, this traditional practice underwent an amazing transformation. For with each change in ruler, through death or otherwise, the *old coins began to be recalled* and had to be exchanged for new ones carrying the insignia of the new régime. The reasons for this deviation from age-old custom are lost to history. Perhaps the idea was invented by some ingenious seneschal, some John Law of the Middle Ages. In any case, let us see what happened.

Now this "change-over", in the latin of those days termed "renovatio monetarum" or the "renewal of money" became subject to a special minting or seignorage fee of ten to twenty per cent. Since this seignorage fee proved to be an effective means of taxation, the clerical and secular princes, immediately upon their accessions to office, not only began to recall the coins of their predecessors but also established a system of revoking their own issues regularly, each year, thus procuring for themselves prolific revenues. In fact, the archbishop Wichman of Magdeburg, during the latter part of the twelfth century, began to revoke the money in his domain twice a year, the reminting thus netting him the tidy little income of about 30% of the total amount of money issued in his principality.

As Fritz Schwartz, the Swiss economist relates in one of his many writings on this subject "the duke Johann II had the money reminted 86 times during the short period from 1350 to 1368. Similarly the rulers of Poland changed the issues

of their coins as often as four times a year."

As a matter of expediency the coins of that day were made of thin silver plate and imprinted on one side only. They were called "thin pennies" or "bracteates." The latter designation served to indicate that the coins could be broken into halves and quarters, thus making it possible to create small change at will. The shilling and the pound existed only as counting measures: 12 pennies were called a shilling, and 240 pennies comprised a pound. The larger coins, however, were not actually minted. The silver pennies remained the only money circulating during that period in Europe.

Hoarding Made Unprofitable

This primitive and apparently unreliable money system, the "renovatio monetarum", was, no doubt, the driving force behind the astounding economic and cultural revival of the Gothic. The periodical withdrawal of the money and the seignorage fee that had to be paid at each renewal had a very distinct psychological

(Please turn to page 36)



EMILIO MONTILLA

Emilio Montilla is long and lanky and given to that withdrawn pose of the typical wealthy planter: seated, hunched over, legs crossed or even wound round one another, shoulders drooped and drawn in, as if a really deep breath were never taken, eyes dreamy and far-away, noting all things yet never seeming to notice them, a first rate poker pose, capped with a cigar, *El*

Presidente, half-consumed and always smoked slowly. The clothes are plain, of good stuff, some special Chinese silk perhaps. Coat buttons are sometimes ornate, jade or gold or beaten silver. Shoes and hose will be fine and soft. The ensemble repels the thought that the man ever lifts even the lightest burden, or that his acquaintance with toil is more familiar than that of supervision.

The type is cordial. To this rule Emilio Montilla, of the wealthy Montilla family of sugar tycoons of Iloilo and Negros, is no exception. The type is also deceptive, guilelessly, to newcomers to whom the Philippines are novel. Such a man speaks sparingly, and so very softly, yet his words are commands. Know him, merit his confidence, and he goes the whole way with you. The hint is worth following. For Emilio Montilla, the type of the Montillas, has resources in hand—fortunes in cash—and looks about for investments outside the sugar industry.

Emilio Montilla (well known in Manila as a former member of the legislature) was seen 3 weeks ago at the Iloilo airport. With him was his mining engineer, Uewake. Copper deposits have been discovered at Pilar, Capiz, Panay. Montilla is exploiting them with 2 corporations: Pilar Copper Mines, Inc., and Capiz Copper Mines, Inc., each with authorized capital of P300,000. Incorporators of the Pilar company are Emilio Montilla, Gil M. Montilla, Magdalena Peña, Jacinta Zaldivar, Anatolia Montilla, Mercedes Montilla, Benjamin Jalandoni, Timoteo Consing, Claudio Akol, Rodrigo Montinola, Virgilio Montinola, Leonor Montilla, Aurora Montilla, and Marina Montilla. Incorporators of the Capiz company are Emilio Montilla, Catalina Domingo, Generosa Domingo, Jesus Domingo, Aurora Montilla, Marina Montilla, Rosario Montilla, Magdalena Peña, Enrique Esteban, Gil Montilla, jr., Wenceslao Yndencia, Castor Mula, Timoteo Consing, Anselmo Mejicano.

A similar group also headed by Emilio Montilla has a gold lode project at Florida Blanca, Pampanga, comprising 123 claims. Following examination by a number of engineers, it is reported that development work will be undertaken at this project. If the Pilar company produces its output has been contracted for by a Japanese company, and will be shipped as ore to Japan. Negros planters are alive to the mining potentialities of the Philippines. They may be expected to finance it liberally this year. Slee-eyed they may be, but they are not slow to plunge when a speculation looks good to them.

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Gold in Money Since the World War

Note.—The following remarks on gold in money since the World War are from What Is Money? This small volume by Dr. Victor S. Clark, presently in Manila as an economics advisor to Malacañan, has a consistent clarity the layman will appreciate; at the same time, it is technically sound from the viewpoint of the sound-money school, and most instructive. Dr. Clark is thanked for our autographed copy.—Ed.

With the outbreak of the World War, gold vanished from circulation in the belligerent countries. Most of it was withdrawn to bank and treasury vaults and the remainder went into private hoards. Hoarding usually increases in times of military disturbance. European peasants even now plow up hidden treasures in their fields that can be dated by internal evidence to some ancient period of invasion or disorder. During the World War, gold was shipped heavily to neutral countries to pay for army supplies and food and in some cases for safe-keeping. Until we entered the contest, our country was the largest recipient from these sources.

After peace was restored, every government in Europe made strenuous efforts to replenish its gold reserves. To do so in a period of general poverty necessitated extensive borrowing. Subsequent currency troubles, first in the Central Powers and later elsewhere, stimulated additional shipments of gold to New York, London, and other places of fancied security. Consequently, the distribution of gold, instead of being a more or less automatic commercial process as formerly, became a political game of hide and seek.

Under these circumstances the gold standard could not function normally. Governments no longer minted freely the gold they received. Gold coin did not return to circulation and restrictions were placed on the import and export of bullion. About 1925, European governments restored what was called a gold standard,

but it was not the same as the one before the War. Even in our own country, which never formally went off gold, and which had the largest stock of that metal in the world, it became rare to see an eagle or a double eagle in circulation. We could get gold coin at a bank or at the Federal Treasury, to be sure, but we usually had to make this a special errand.

Prior to the War, governments issued currency either in the form of coins manufactured at public mints or in the form of notes issued by central banks. In addition to our small hold-over of greenbacks, the United States Government circulated directly both coins and gold and silver certificates. The latter, however, were still equivalents of coins. Most of our paper currency is now issued by Federal Reserve banks which perform the same service as central banks in other countries. Wherever a gold standard was in force, banks were required to redeem their notes in gold and to keep enough gold coins or bullion in their vaults for this purpose. These reserves, which were maintained at or above a prescribed percentage of total note issues, were usually in coin and coin was paid over the bank's counters on demand.

During the unsettlement of hostilities and for a few years later, many countries entirely suspended the obligation of banks to redeem currency in gold. When the gold standard was restored, about 1925, the laws of some countries required banks to redeem notes only when presented in sums exceeding a specified minimum and to redeem them in bullion instead of coin, provisions that discouraged runs on banks by small note-holders and economized the use of gold. This is called the gold bullion standard.

In other countries the law permitted central banks to hold all or part of their reserves in bills of exchange payable in gold-standard countries. Only bills in process of accumulation were kept

in the bank itself. The rest were remitted to countries whose banks were amply supplied with bullion, where they were deposited, as private checks are deposited, in a demand account. The bank thus established a foreign credit against which it could draw at will. When its notes were presented for redemption, the bank gave the note-holder, instead of gold coins or gold bullion, a draft against its gold deposit abroad. A country whose central bank keeps its reserves in this form is said to have a gold-exchange standard.

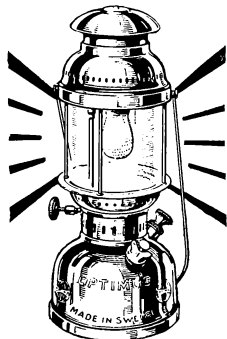
Debtor countries may have recourse to a gold-exchange standard because they do not receive enough gold in payment of international balances to accumulate a bullion reserve. This system encourages inflation, because the bills of exchange against which the central banks issue paper currency, which figure as 100 per cent gold in their reserves, need not be secured in the country of payment by more gold than is normally held against demand deposits. The domestic business of such countries is conducted with paper currency and subsidiary silver. Gold coins, having a nominal value higher than their bullion content, might be kept in circulation if the central banks sold gold exchange at a fixed minimum rate.

The object and utility of these arrangements appear when we consider the part gold plays in the world's monetary system. Its first and continuing rôle is international—to settle debts abroad. Its second and disappearing rôle is domestic—to make payments at home. These new practices have a bearing upon our present gold policy. As long as gold coins were in circulation, the amount of bullion in these coins was present in the minds of these who used them. To have reduced their size or lowered their alloy would have aroused attention and invited protest. It would have been an act of common knowledge. Since the Government has ceased to use gold as currency, however, it can manipulate the metal without so quickly attracting the public eye. The quietest way to withdraw it from under the monetary structure is to eliminate it from the reserves that Federal Reserve banks hold for note redemption. When it disappears entirely there, the gold standard vanishes from domestic exchange and does not leave even a grin behind. But as long as the banks or the Government sell freely gold or gold exchange for making foreign payments, the gold standard retains its international rôle.

Luzon Consolidated Chromite

Dr. A. D. Alvir as consulting geologist of Luzon Consolidated Mines Company reports 101,000 tons of positive chromite ore on their property, probable ore 101,000 tons, a total of 202,000 tons. He says the company is now ready to enter into contracts. One cubic meter of chromite ore in place weighs, he says, 4 tons. Generally, 25 meters from samples were allowed for positive ore. Dr. Alvir reports probabilities of much more ore being developed at this deposit; ready now at the warehouse are 2,600 tons.

Thus Luzon Consolidated's total sums 204,600 tons to date, including the probable ore, 101,000 tons. Dr. Alvir lists 11 analyses in which the chromite content averages 48.16% or well above line ore, FeO 15.95%, SiO₂ 2.47%.



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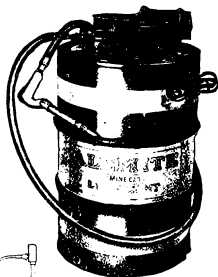
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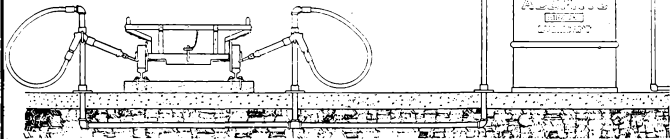
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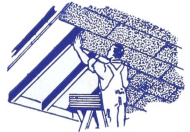


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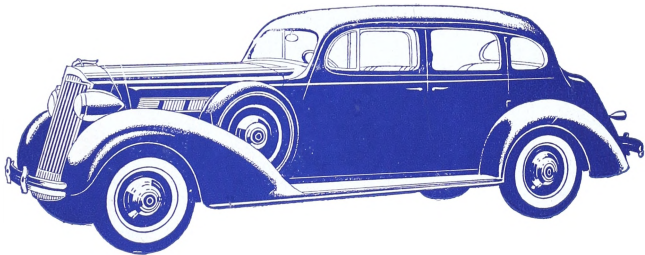
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By courtesy of the Wilbur-Ellis company doing import-export business between the Philippines and the United States, we have a memorandum on babassu nuts. These nuts yield oil now competing far more than formerly with coconut oil from the Philippines in the American market because our oil pays a 3-cent tax per pound and babassu oil pays less. Brazilian babassu grows principally in the states of Maranhao and Piahy, in the order given. Also in Matto Grosso north of Curumba, in Para, Amazonas and Goyaz; in Minas Geraes near Pirapora and in smaller stands in Pernambuco, Bahia, and Espiritu Santo.

A nut very similar in character grows in eastern Peru and Bolivia where the name is sapaca, and the Mexican coquillo is a similar nut. Babassu yields throughout the year, but 75% of the annual yield is during the period from January to August. Nut bunches are not cut down, the saying being that this would destroy a tree's yielding capacity; the nuts are therefore collected as they fall, and a month may be consumed in collecting a bunch of as many as 400 nuts.

Babassu is a palm. Chiefly valued for its fruit, its fronds serve for building material, thatch for cottage walls and roofs, and the heart of young palms is an excellent cattle feed. The pericarp of the nut is fibrous, easily detached and reputed to be suitable for the making of brushes, etc., in fact to serve such ends as coconut fiber serves.

The mesocarp yields starch as well as a yellow oil. In times of stress Brazilians may obtain flour from this part of the nut, and the yellow oil serves in lieu of butter. It is taken when the nut is green, in ripe nuts it has been absorbed. The endocarp, requiring 10,000 to 25,000 pounds to break by compression, is of dark brown color very suitable for cooking. Almonds are the final element in the nut. From 1 to 7 almonds, 4 being an average, are in each nut, each in a separate cell; they are oblong, 3 to 5 centimeters long, and weigh 2.5 to 5 grams each.

Groves are exploited by crude hand methods similarly to our coconuts, women getting out 5 to 7 kilos of almonds per day, men 7 to 10 kilos: whole 21%, broken 68%, fragments 11%. One reason why babassu is lower than copra in the market is the large portion of broken almonds and fragments; the rancidity of oil from broken almonds is 3 times that from whole ones. A pest attacks 5% of the fallen nuts, but does not attack them on the trees.

The almonds come in small lots to general stores along the rivers. Exporters contract with agents to buy up the supplies at the stores at a stipulated price; and the agents supply the storekeepers with merchandise on account of the almonds they will have to sell, or merchandise and cash. Bags are provided the peasants who actually gather and deliver the almonds, and prices vary according to a number of local factors, distance to the trading center being a main one. At the trading center the almonds are screened, rebagged and marked for export.

The average bag contains 60 kilos of almonds. Various experiments have been made with machines to break the nuts and extract the almonds. Few of these devices have proved satisfactory. Machines from Charles T. Wilson & Co., New York, and Repp Laboratory (Palm Oil Company), Plainfield, New York, have passed satisfactory tests. In 1932 babassu exports were 5,308 tons of almonds from Maranhao, 3,455 from Ilha de Cajuciro, 100 from Pernambuco, 54 from Rio de Janeiro.

Almond analysis:

Property—	%
Moisture	4.21
Oil	66.12
Albuminoids	7.18
Digestible Carbohydrates	14.47
Woody fiber	5.99
Mineral matter	2.03

Babassu Oil Analysis:

Incipient fusion	72° F.
Complete fusion	79° F.
Solidifying point	72° F.
Saponification Value	246.7
Ester Value	242.9
Iodine Value	16.8
Free Fatty Acids & Lauric	1.98%
Refractive Index 40 Zeiss Scale	36.9
Glycerine, calculated	13.2 %
Reichert Messel Value	6.2
Polskne Value	11.3
Kirschner Value	1.3

Edward J. Tournier says of babassu that should the time come when Brazil has money enough to meet the needs of industrial expansion, the nut contains the essentials for producing, or helping to produce, edible and soap oils, engine fuel, building material, alcohol, acid, brushes, brooms, mats and iron. (This shows how similar babassu is to coconut). Tournier fixes the value of Brazil's babassu crop, given full use of it, no doubt, as potentially 5 times the value of her annual coffee crop. In money he places it at 12 billion milreis a year, about 1 billion dollars at current exchange.

The babassu palm reaches heights of 60 to 70 feet, diameters of 24 to 30 inches. Its crown comprises 15 to 20 fronds; after flowering it bears nuts in bunches, each nut containing kernels or almonds as already described. Again like our coconut, babassu bears 10 to 12 years after planting, sometimes in 8 years. An average bearing of nuts is 270 pounds, in which 27 pounds are kernels and the remainder husks. The present stand of babassu in Brazil alone is estimated at 400 million palms in the principal areas, 1 billion throughout the country. The yield is estimated at 13,200,000 tons of kernels a year. Brazilian peasants put the by-products to many practical uses; the bunch stalks, rotted, make first rate fertilizer.

Like copra cake, babassu oil cake is a prized cattle feed. The oil is rated in Brazil as superior to whale oil for soap, the hint that has upped its marketing in the United States since our coconut oil came under the ban of the 3-cent excise tax per pound.

Tournier also asserts that Brazil utilizes the oil in the manufacture of perfumes, while he rates it superior to crude petroleum for fuel in diesels and semidiesels. (As the oil content approximates only that of copra, it is probably too valuable to be utilized commercially as a fuel oil).

The same author grows still more enthusiastic about the husks as fuel in a potential iron and steel industry in Brazil than about the oil product. He says that Brazil has more than 1/2 the iron deposits of the world, but no coal; and claiming that babassu husks have all the properties of the best metallurgical coke, he surmises they could supply Brazil fuel for reduction of her iron. He says the husks are burned

Dubious Money

(Continued from page 31)

effect on the people. No one could hold his money back from circulation for any length of time. If he did so he would lose most of its value since it could become obsolete at a moment's notice. Hoarding of money was in no way profitable.

What a tremendous contrast this method affords when compared with our present-day currency! Under our own system the money owners have the free choice to use the people's money either as a medium of exchange or as a medium for saving and hoarding. Upon their whims and will it depends whether our modern money circulates, providing work and pleasure, or whether it remains idle, curtailing the economic enterprise of the nation.

How entirely different was the money of the Gothic. Then, although the silver pennies were issued by autocratic rulers and although such coins were metallic currency, they could not be used as a medium for saving or hoarding, but merely as a medium of exchange. Everybody, in his own interest, tried to get rid of his money as quickly as he received it, for the more money he had at hand on the day of "renovation," which in case of the sudden death or abdication of the ruler could be almost any time, the more the owner of money had to disgorge for seigniorage fees. Should he miss the exchange or try to dodge it, he was even worse off. The old coins were completely repudiated each time new ones were issued. Naturally, instead of hiding the money in mattresses and stockings, everyone rushed to buy things of more enduring value. New and more costly dresses and doublets were

ordered, more elaborate furniture was commissioned and more palatial homes were built. Artists and draftsmen were busy trying to keep up with the steady increasing demand for their products; and most important of all, everyone was interested in paying his orders in cash or even in advance, to escape the eventual tribute levied by the holders of seigniorage rights. Debts were, therefore, practically unknown.

An Excellent Medium of Exchange

The silver pennies or bracteates of the Gothic were, then, a non-boardable currency. Because of its time-limited validity such money provided an almost perfect medium of exchange. It was only redeemable on the market for commodities and services. When we consider the unprecedented and never again attained general welfare of that period the "renovatio monetarum" must be adjudged the most perfect money system ever devised by man. True, this method had its very grave faults, its greatest handicap being the unreasonably high seigniorage fees and the fact that the dates for recall and exchange were set in arbitrary fashion with no regard to economic necessity, but only with the purpose of collecting as much and as often as possible.

The chronicles of the time brim over with complaints that show the unpopularity of the periodic reminting fees. Tragically, however, the people as a whole never understood the dynamic and beneficial principle underlying the "renovatio" and therefore instead of demanding that the reminting fees be used for the common good they began, thereabout, to demand that the periodical reminting be stopped and that money be made "perpetual."

"Perpetual Money" soon became a battle cry, a slogan of freedom. The Free Cities such as Florence, in which opposition to the despotic rulers was strongest, were the first to pass laws to abolish the reminting. They issued a new kind of heavier silver pennies, called "thick pennies" which were not subject to any periodic withdrawal and reminting, and which therefore could be laid aside and hoarded. From the cities the movement against the bracteates spread into the country. By and by, all the reminting rights, of clerical and secular princes were revoked and the people rejoiced, unaware that they had killed the goose that laid their golden eggs.

Hoardable Money Impedes Progress

With the hoardable, perpetual money the incentive to pay for services and work in cash in advance promptly vanished. There was no reason to spend the money for comfort and luxuries; it could just as well lay idle in the cupboard or strong box. With the advent of "perpetual money", the kind of money we still have today, the circulation of monetary tokens immediately slowed down and became a completely uncontrollable factor. Business fell off and the crafts declined. With about the same speed that the non-hoardable bracteates had lifted humankind out of the darkness of the Medieval Age, the new hoardable money threw mankind back into poverty and want.

The glorious age of the Gothic, which today appears almost as the most fanciful fairy tale, and the story of its tragic decay but confirm the truth of the ageless axiom: "Money is the mysterious power, the goddess that gives birth to civilization, but that also—and this men do not realize—can destroy civilization."

The New Philippine . . .

(Continued from page 30)

The salary of the Governors General of the Philippines was \$18,000 a year, and the moneys spent for the support of his house, his yacht, his automobiles, and his servants have from the beginning all been paid from the treasury of the Philippine Islands.

In addition, he had set aside for his use, in the way of a cabinet or official advisers, the annual sum of 250,000 pesos (translated into American dollars, \$125,000) a year, which he spent in selecting men of his choosing to act for him in the capacity of a cabinet. This exceeds the salaries of the cabinet officers of the President of the United States.

From the beginning of our occupancy until the present day the only money for civil purposes that ever came out of our treasury was for the payment of the salaries of the two Resident Commissioners to the United States, amounting to \$20,000 a year.

We read of the leper colony, and one not informed believes it was financed by the American Government, but this is not correct; the support came from the Philippine treasury, not from our treasury.

The great work of sanitation, education, and the building of roads was done with Philippine money, not American money.

The philosophy that we have given to the Philippine people from the earliest days is remarkable, distinct, and unique. We sent there school mistresses and school teachers, fine, earnest types of Americans.

Whether wisely or not, their earliest lessons to the youth of the Philippines contained our struggles for liberty, of Patrick Henry, George Washington, and of our battles for freedom.

Our soldiers who remained in the islands each year patriotically celebrated the Fourth of July. It was the occasion of patriotic speeches, all describing the struggles for liberty, independence, and self-determination.

We could not expect that it would not impress youthful minds with the value of liberty and independence. Their natural inclinations were stimulated by our American teaching.

It may be that the English and the French and the Hollanders were right in their theory of colonization and that we were wrong; but, whether right or wrong, we adopted our own course, and I, for one, am proud of it.

WHAT THE PHILIPPINES DID FOR THEMSELVES

We have seen how, during our sovereignty, the Philippines have paid the entire cost of government, but no matter what our example or what our guidance might have been, if there had not been cooperation and peaceful acquiescence to our leadership, small progress would have been made.

We must give credit to these people for this cooperation; we cannot deny it to them. We cannot take away from them the credit of no disorder, no revolt during all these years, and of quiet, peaceful acquiescence under the sovereignty of the United States, working in harmony with the plans for their development.

Their standard of living has been raised until it is now much higher than that of any oriental country.

It therefore costs them more to live in the manner taught them by Americans.

(Please turn to page 42)

American Patronage

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MAY SUGAR REVIEW

By GEO. H. FAIRCHILD

NEW YORK MARKET: Following a quiet market for some time during the previous month the market showed some activity in the first week of the month under review, with small sales of Philipines for May-June and June-July shipments at 3.85 cents on the 6th. A sale of 2,500 tons May-June shipment Philipines was repeated on the 8th at the same price with only one buyer available. Refiners being well stocked during June and possibly July, a few distressed parcels of Puerto Ricos were sold at prices as low as 3.70 cents and 3.72 cents early in the week, while offerings of June shipment Puerto Ricos and Cubas at the parity of 3.85 cents found no buyers. However, there was evidently no pressure to sell during this week.

The market showed little or no improvement in demand during the second week with only a few small lots of May-June and June-July shipment Philipines being sold early in the week at 3.85 cents, while a parcel of Nov.-Dec. shipment Philipines was sold at 3.60 cents on the 12th. The long period of inactivity during the first half of the month was followed by a display of increased anxiety to sell on the part of holders of Puerto Ricos, resulting in small sales for present shipment to operators at 3.72 cents on the 17th and again on the 21st, while one cargo for second half of June shipment was sold on the 20th at 3.80 cents. Other holders soon followed with further offerings, without finding buyers, on the basis of 3.72 cents for prompt shipment, 3.75 cents for June shipment and 3.80 cents for July shipment. The last week saw no improvement in the sugar situation, the only sales reported being small quantities of prompt shipment Puerto Ricos at 3.72 cents and first half of June shipment Cubas at 3.85 cents. Holders' offerings at 3.80 cents for more distant positions did not interest buyers, and although only small quantities of prompt shipment Puerto Ricos were offered at the end of the month at 3.72 cents, no buyers could be found.

While Congressional Committees had under consideration various sugar control bills, the provision for new processing taxes had been rejected by the Senate Finance Committee, and with the anticipated adjournment of Congress in the early part of June, it was reported that the most likely legislation to be passed would be the Jones Resolution providing for the continuance of the present quota system.

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

High Low Latent

May	3.00	2.84	2.97
July	2.88	2.81	2.84
September	2.86	2.77	2.80
November	2.86	2.73	2.75
January	2.68	2.55	2.56
March	2.65	2.55	2.56
May (1937)	2.60	2.55	2.57

Stocks: Latest figures of world stocks were 6,154,000 tons as compared with 7,274,000 tons

last year and 8,165,000 tons in 1934.

Philippine Sales: Sales of Philippine sugar during the month for future delivery amounted to 23,500 tons at prices ranging from 3.60 cents (1937 quota) to 3.85 cents per lb.

LOCAL MARKET: The renewed activities in New York on the 6th caused prices for export sugar to advance to as high as P9.15, at which level business was done in Negros after quotations early in the week were reduced by exporters from P8.75 to P8.50. During the second week quotations for export sugar were P8.90-P9.00 with very little business being done. Since exporters apparently had sufficient sugar for their requirements, which explained the inactivity of the market, quotations were reduced to P8.60-P8.70. Values further declined in the last week when quotations were quite nominal at P8.50-P8.60.

After being inactive for about three weeks, the domestic market showed a substantial improvement in the middle of May when there was a sudden demand for washed sugar at prices ranging from P8.50 for ordinary washed sugar to P9.00 for La Carlota No. 1. Values of mill-run centrifugals likewise advanced to P8.20 ex-ship Manila at which price one sale was reported on May 14. During the third week, the domestic market was quieter, prices remaining unchanged. In the last week the market continued strong with buyers of ordinary raws at P8.00 to P8.20 ex-ship Manila, while the highest quality washed sugar (La Carlota No. 1) commanded a price of P10.00 per cial ex-ship Manila.

Philippine Exports: According to reliable advices, Philippine sugar shipments to the United States during May amounted to 147,878 long tons of centrifugals and 3,727 long tons of

refined. The aggregate shipments of these two classes of sugar for the first seven months of the crop year 1935-36 follows:

	<i>Long Tons</i>
Centrifugals	614,141
Refined	33,040
Total	647,181



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COPRA AND ITS PRODUCTS

By KENNETH B. DAY
and LEO SCHNURMACHER



KENNETH B. DAY

The copra and coconut oil markets during May continued in the same condition as for the past few months. While the differential between the European export value and prices which the mills were willing to pay was less, the quotations for European export dominated the market.

COPRA: Copra arrivals were rather below expectations for the month, showing a decline against April of about 9% in Manila and 4% in Cebu and a decline as compared with May of last year of 6% in Manila and 14% in Cebu. The copra market remained fairly firm throughout the month and with arrivals shorter than expected, local crushers were unable to purchase

copra at their limits. The market rose gradually from P7.00 quoted at the beginning of the month to P8.35 offered as against sellers at P8.50. Just at the end of the month the market began to decline and sellers were willing to accept mill quotations. The European market was quieter during May than during previous months and prices fluctuated from £11-15-0 for Cebu sundried at the beginning of the month to £12-10-0 at about the middle and back again to £12-5-0 at the close with smoked copra from 5sh. to 7sh-6d lower. On the Pacific Coast prices dropped from \$2.25 at the beginning of May to a normal figure of \$2.10 and then advanced steadily to the position of \$2.35 to \$2.40 at the close.

Statistics for the month follow:

Arrivals—	Sacks
Manila	259,044
Cebu	270,073
Shipments—	Tons
Pacific Coast	6,529
Atlantic Coast	4,084
Europe	12,243
Gulf Ports	2,538
Other Countries	448
Total	25,842



LEO SCHNURMACHER

Stocks on hand in Manila—

Beginning of Month	20,501
End of Month	20,935

Stocks on hand in Cebu—

Beginning of Month	17,337
End of Month	12,551

COCONUT OIL: The coconut oil market in the United States remained very quiet throughout May with occasional buying on the Pacific Coast in tank car lots. Large buyers showed no interest at prices which the mills were willing to accept. Prices ruling ranged from 3-1/2 cents to 3-7/8 cents c.i.f. New York but as competing oils were cheaper, large buyers showed no interest, preferring to wait for the heavier arrivals in the next quarter when they are looking for lower prices. The local market for drum oil ranged from P0.15 to P0.17 per kilo. An interesting feature was the sale of a fair volume of coconut oil for shipment to Europe, delivery from July to September. Statistics for the month follow:

Shipments—	Tons
Pacific Coast	1,933
Atlantic Coast	5,140
Gulf Ports	6,862
Europe	315

China and Japan	75
Total	14,325

Stocks on Hand in Manila and Cebu—	
Beginning of Month	17,126
End of Month	10,532

COPRA CAKE AND MEAL: Local crushers being unable to sell oil in large quantities were not in a position to handle much business in cake and meal. Prices were rising slowly throughout the month making a gain of about 6% in European bids. The Pacific Coast copra meal market also showed an improvement with prices rising to \$20.00 per short ton but sales were small.

Statistics for copra cake and meal follow:

Shipments—	Tons
Pacific Coast	2,600
Europe	6,345
Total	8,945

Stocks on hand in Manila and Cebu—	
Beginning of Month	6,873
End of Month	3,962

DESICCATED COCONUT: The desiccated coconut market has shown little change during the month but shipments continued the increase noted in former months and a general weakening in the United States market is noted which is expected to result in lower prices soon. Shipments for the month were 3,365 tons which shows a substantial increase above the already heavy shipments made during April.

Any forecast of market developments is extremely difficult. Copra supplies have slowed up more than expected and it is doubtful if June will show the normal increase in production. American demand for coconut oil is very light because of the supply of other oils which can be substituted for it and which do not pay the excise tax. It is apparently the opinion of large consumers of coconut oil that there will be plenty of supplies in the near future which will enable them to buy more cheaply than at present.

Our 16th June Issue

(Continued from page 13)

and her apparent full intention to fulfill her end of the bargain and withdraw completely from the Islands on July 4, 1946. (Malcolm, by the way, so recommends in his book). In general, in the Philippines, there is a tendency to prepare to cross bridges long before they are reached. There is a veritable school of fussy budgets here, clamorous in the press. In this instance, however, as President Quezon feels, and often states, there is imperative need to know what America will do about future trade. Therefore, and properly, not far in the offing loom the projected trade conferences at Washington. Meantime, here, opinion ought to crystallize as to a tariff policy. America will hardly say what volume of Philippine products her markets will welcome until she knows how liberally her goods will be bought and protected in the Philippines.

This reaches just beyond our 16th June issue. At this point therefore, with acknowledged appreciation of consistent support, we close this paper glad of the realization that the immediate future of the Islands is clear, and may be viewed with confidence. In their platform the Republicans say nothing of the Philippines. They have put their national ticket in the field, Alfred Landon of Kansas and Frank Knox (our employer in our capacity as news correspondent), on a sound gold-standard platform. Democrats propose standing on their record, and they rely greatly on the farm status west and south—with full expectation of losses in the east.

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SHIPPING REVIEW

By H. M. CAVENDER

General Agent, The Robert Dollar Co.



April shipments fell short of March shipments by 22,367 tons, April figures being 258,115 tons. The sugar movement, 125,837 tons, accounts for almost 50% of the total. Anticipating increases in rates to take effect May 1st, hemp shipments amounted to 157,748

bales, an increase of 30,590 bales over March. Lumber shipments dropped off three million feet but were well distributed to all markets. Desiccated coconut shipments increased 1,430 tons, a total of 5,687 tons having moved. Coconut oil, amounting to only 3,395 tons, shows a decrease of 15,000 tons. Copra, 21,051 tons, increased 1,400 tons, cake and meal, 10,515 tons, increased 1,774 tons. 1204 tons of molasses was moved during the month. Japan took 37,771 tons of iron ore, and the United States 569 tons of chromite and manganese. There was a small movement of 148 tons of rice to the Pacific Coast. The tobacco shipments amounted to 1804 tons, with Europe taking 1400 tons. The cigar and cigarette movement was 689 tons. 618 long tons of mangoes went to China. Gums, rope, kapok, and vegetable oil edibles show up well but are offset by reduced movements of embroideries, rattan furniture, and cutch. Europe took 100 long tons of cocoshell charcoal.

Passenger traffic for the month of April increased considerably over the previous month, especially to China and Japan, almost double the traffic during March. This apparently is due to traffic leaving the Islands seeking cooler climate during the hot season. An increase is also noticeable in tourist class traffic to the Pacific Coast and in traffic to Europe via America. Passenger traffic for Europe and Mediterranean ports decreased slightly as compared with the previous month.

The following figures show the number of departures from the Philippines during April 1936:

	Inter-		
	First	mediate	Third
China and Japan.....	463	577	175
Honolulu.....	5	1	6
Pacific Coast.....	41	111	16
Europe via America.....	30	3	0
Straits Settlements and Dutch East Indies.....	5	7	0
Europe and Mediterranean ports beyond Colombo	17	16	0
Australia.....	1	8	0
America via Suez.....	2	1	0
Total for April, 1936.....	564	724	197
Total for March, 1936.....	409	487	259
Total for April, 1935.....	650	683	406

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

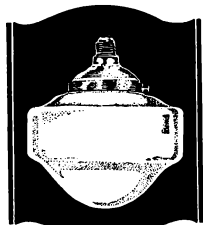
To	Tons	With Miscellaneous Sailings	Were Carried in American Bot- toms With	
			Of Which Tons	Sailings
China and Japan.....	56,158	43	979	7
Pacific Coast Local Delivery.....	27,495	16	13,810	8
Pacific Coast Overland.....	1,164	13	404	7
Pacific Coast Inter-Coastal.....	2,754	12	2,606	7
Atlantic and Gulf.....	141,836	23	33,613	9
European Ports.....	26,567	21	338	3
All Other Ports.....	2,141	28	282	7

A GRAND TOTAL of 258,115 tons with a total of 98 sailings (average 2,634 tons per vessel) of which 52,032 tons were carried in American Bottoms with 15 sailings (average 3,469 tons per vessel).

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LUMBER REVIEW

By ARTHUR F. FISCHER
Director, Bureau of Forestry



During the month of March 1936, wider range of foreign markets for Philippine lumber and timber was noted. The total exports for the month registered an increase of 125% over those for the previous month, and 119.8% over those for the same month of the previous year.

The amount of lumber and timber exported to Japan during the month is the largest, so far, ever recorded since January, 1935. This is due to the activities of the manufacturing industries in Japan. Unless the prices of the American lumber imported by the Japanese become stable, it is believed that the Japanese would prefer and continue to buy more heavily the Philippine timber.

The exports to the United States for the month under review registered an increase of 216.8% as compared with the same period last year, thus indicating a strong demand for Philippine lumber. No price advance, however, has been registered in the face of a fairly strong market. It has been pointed out that this may possibly be due to the supply and demand not being sufficiently overbalanced to overcome a sort of price inertia which has come about since the advance reported by the N. R. A. setup. It has been credited that Narra and Dao are being well taken up by manufacturers. The prospects, therefore, of these special Philippine hardwoods seem bright. The favorable situation in which

Philippine woods is now found in the United States is, it is believed, due in a large measure to the excellent work being done by the Philippine Mahogany Import Manufacturers' Association in advertising the Philippine product and correcting misleading information designed by rival interests to discredit Philippine mahogany. There is no doubt that the one-dollar fee collected for every one thousand board feet exported is more than repaid by services rendered by the said association for the interests of the Philippine lumber industry as a whole. To render the work of the Philippine Mahogany Import Manufacturers' Association even more effective full cooperation by the local producers is necessary.

The hesitancy of the British importers caused by political conditions in that country did not, apparently, affect the purchasing activities of Philippine lumber. The total exports to this market for the month registered an increase of 254.4% over the previous month.

The exports to British Africa registered a decrease of 38.1% from those for the previous month. On the other hand, the exports to Australia and China registered considerable increase over those for the previous month. Prices of lumber and timber in the local markets were steady during the month under review. The demand for lumber was comparatively active on account of the seasonal building construction. The mills remained comparatively active. The mill production for the month showed slight increase over that for the same month of the previous year. The lumber deliveries exceeded the mill production for the same month by 13.3%.

The following statements show the lumber and timber exports, by countries, and the mill production and lumber inventories for the month of March, 1936, as compared with the corresponding month of the previous year.

Lumber and Timber Exports for the month of March

Destination	Board Feet	Customs Declared Value	
		1936	1935
Japan	*11,640,496	₱205,528	
United States	4,855,648	327,792	
Great Britain	1,021,840	84,384	

Australia	808,456	43,811
British Africa	234,472	13,460
China	185,712	8,958
British East Indies	70,808	15,876
Ireland	70,808	6,358
New Zealand	43,248	3,390
Portuguese Africa	35,192	1,685
Hawaii	15,688	2,454
Denmark	15,264	1,141
Canada	5,088	955
Singapore	424	120
Hongkong	424	57
Egypt	—	—
Sweden	—	—
Netherlands	—	—
Total	19,093,568	₱715,881

Destination	1936	
	Board Feet	Customs Declared Value
Japan	3,911,824	₱ 70,647
United States	2,171,304	141,284
Great Britain	340,896	35,355
Australia	—	—
British Africa	167,904	13,629
China	1,697,272	64,346
British East Indies	—	—
Ireland	11,024	918
New Zealand	21,200	1,635
Portuguese Africa	149,672	8,442
Hawaii	—	—
Denmark	—	—
Canada	—	—
Singapore	37,736	7,848
Hongkong	14,840	1,029
Egypt	147,552	4,966
Sweden	12,296	1,014
Netherlands	2,120	90
Total	8,685,640	₱351,403

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

For 50 Mills for the month of March

Month	Lumber Deliveries from Mills	
	1936	1935
March	21,491,929	18,356,367
Lumber Inventory		
March	1936	
	32,821,844	32,496,694
March	1935	
	18,963,492	18,348,712

NOTE: Board Feet should be used.

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THE RICE INDUSTRY

By PERCY A. HILL
of Manóez, Nueva Ecija
Director, Rice Producer's Association



Both paddy and hulled rice prices declined during a brief period subsequent to May's report, due in part to importations of rice, but on June 7 prices had risen to the levels of 2 months ago. Luxury rice grades June 5 were bringing P7.10 to P7.15 per sack of 57 kilos, macans P6.50 to P6.70; first class paddy sold at central market points at P3.25 to P3.30 per eavan of 44 kilos, macan paddies at P3.05 to P3.15. The market supply is very small indeed, but intermediate speculators still hold a large volume—their

stocks having little to do with production. The vacillation over whether duty should lie against importations by the Rice & Corn Corporation should have been avoided. The customs collector wished to impose the duty, the corporation demurred; and when he had an opinion from the attorney general, in presence of the collector and the head of the corporation, President Quezon ruled at once in favor of the corporation. Meanwhile sellers and buyers had not known what to do, since the duty would affect the price; the market was uncertain until the decision was announced.

Not liking the decision, some producer associations announce a purpose to go to court. This is unwise, since it might result suddenly in a pegged price. Blame for higher prices would be laid upon the associations. For the most part, they are holders rather than strictly producers.

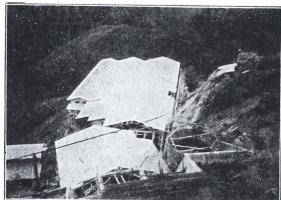
President Quezon has also said he would abolish various rice breeding stations, inadequate to their purpose and mainly existing on paper.

Outside the controversy mentioned above, there has been a barrage of stabilization schemes that make both producers and consumers smile —no matter how high the repute of the schemes is. Some advocate a paper balanced supply with a national *Oepu* to enforce it. Another, speaking for cooperatives, bemoans the fact that farmers sell their crop at low prices and buy back again at advanced prices. However, blame is placed on the marketing system instead of on the boneheaded farmer.

Then a member of the rice and corn board reports that paly prices vary sometimes as much as 200% in 6 months, a patent exaggeration that serves no purpose at all. During 20 years the spread has not been more than 12%. It is just such silly statements that keep the public confused. Perhaps a policy of silence and swift executive action is required to mend matters. President Quezon is one of the very few men in public life who try to serve all the people disinterestedly.

Preparations for planting the next crop are

well under way, though seasonal rains have been woefully lacking. This has abated tenant unrest somewhat, releasing advanced by proprietors, but the food margin is small indeed. If hunger troubles come, they will be due to self-interested parties high and low who have little conception of the greatest national activity, the seeking of basic food, and who belong to Roosevelt's *lunatic fringe* of society just as much as any professoriat.



Brazil's Babassu . . .

(Continued from page 35)

on river steamers and railroads, but this is wasteful; subject to distillation they produce a charcoal comparing well with steam coal. The charcoal content of the husks is 29, of which fixed carbon is 83.9%.

Tar from carbonization of the husks provides binder for converting the charcoal into briquettes, the process being that same as that for making briquettes from other substances. Brazil now makes but 30,000 tons of iron a year; she imports 600,000 tons a year, 400,000 tons of fuel oil and 1,600,000 tons of coal coke. Tournier tells Brazil she might manufacture her total iron supply by utilizing babassu husk briquettes as fuel, and have a surplus of 100,000,000 tons for export. He estimates that babassu oil exports could be \$60,000,000 worth a year. His paper appeared in *Brazil*, April 1935, a periodical published by the American Brazilian Association. It closes with the assumption that Brazil can supply America 2,500,000 tons of babassu oil a year, at a cost of less than \$25 a ton, Brazil herself retaining 400,000 tons a year for domestic uses. As the total copra crop of the Philippines in 1935 was but 641,507 metric tons, of which 491,462 tons only went to the United States (including that reduced to oil in Manila), it is evident that Tournier does not exaggerate grossly it is indeed that alertness in Brazil can make her babassu nuts a great competitor of our copra; and until taxes are adjusted, babassu will enjoy decided price advantage in the fats and oils market.

TOBACCO REVIEW

By P. A. MEYER



RAWLEAF: The local market was quiet and prices continued firm. The harvesting of the present crop in Cagayan and Isabela has been practically terminated. Of shipments abroad 83% were destined for the Spanish Monopoly. Comparative export figures are as follows:

Rawleaf, Stripped
Tobacco and Scraps
Kilos

China	15,062
England	1,238
Guam	6,650
Holland	4,375
Hongkong	50,041
North Africa	9,790
Spain	1,152,576
Strait Settlements	820
United States	138,621

May, 1936	1,379,169
April, 1936	1,551,142
May, 1935	184,651
January-May, 1936	7,029,511
January-May, 1935	9,195,495

CIGARS: Shipments to the United States compare as follows:

May, 1936	16,108,284
April, 1936	13,382,678
May, 1935	15,016,477
January-May, 1936	67,901,129
January-May, 1935	83,464,666

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The New Philippine . . .

(Continued from page 36)

But the most amazing record is that of literacy. According to the last census, that of 1918, people who could read and write were 49.2 percent of the population over 10 years of age. It is estimated that the percentage of literacy today is at least 60 percent—higher than that of many nations, greater than that of any of the Central American Republics.

One visiting the Philippines will find, if he has the desire, Philippine graduates from practically every one of the great American universities. They have an overwhelming desire for education. They have been criticized for it by some practical-minded people who believe that they are overeducated; that is, that they are educated out of a class of manual labor and made dissatisfied with its occupations. This may be true. It may be that their ambition has produced more lawyers, doctors, and engineers than their nation requires, but that is true in other portions of the world, even in our own country.

So while we take credit for raising these people to the highest standard in the Orient, we must be fair about it and give them credit for the things they themselves have done.

A PROMISE FULFILLED

Beginning with the administration of President McKinley and continuing through each national administration since, we find a promise more or less definite for ultimate independence. Sometimes it has been qualified by "when they are ready for it", or "when they have reached the capacity for self-government", but without exception, subject to these qualifications, we have told them and promised them that they should have their freedom ultimately if they so desired.

And now we have kept our promise.

On a recent visit, to the islands our great Vice President, the Honorable John Nance Garner, referred specifically to a promise which Americans had kept and it was referred to by the able Speaker of the House, the Honorable Joseph W. Byrns.

This promise was kept by finally offering them independence at the end of 10 years provided they would write a constitution which would be acceptable to our President, and that they would do certain things and preserve in the constitution those vital elements contained in the first 10 amendments to our Constitution, which we call the bill of rights, religious liberty, freedom of the press, trial by jury, protection against unlawful search and seizure, and all the fine things that the Anglo-Saxon people had fought for during generations.

Let me say, in passing, this constitution was written in the Philippines by Filipinos. It was not an American production submitted to them for their approval. It was the result of the work of the Philippine brains.

WILL THE NEW COMMONWEALTH SUCCEED?

The Philippine Commonwealth will succeed if Philippine officials will preserve law and order and write into statute law those things that their constitution provides, and if they will continue their work of education, sanitation, and health. That is their part of the job.

But it is within the power of the United States Congress to utterly destroy them by wrecking their economic life.

It is within the power of our Congress to wreck

a world record in enlightened colonization; to tear down an American ideal of 37 years; to destroy the belief in the Orient that Americans are great and liberal administrators.

It is within the power of our Congress to blot out, blur, or destroy some of the most illuminating pages of American history.

We must retain under consideration the stern fact that during our entire period of sovereignty the American Congress, by legislative enactments, has controlled all of the exports and imports of these island people.

We confined them to trade exclusively with the United States.

Until the recent unprecedented infiltration of Japanese goods into the islands, within the period of the last 5 years, the Philippines were the eighth best customer the United States had in the world.

That is something to think about. They have had no trade relations with the outside world that is worthy of consideration. They have had no opportunity to build up a trade with foreign countries. The American Congress by statute prevented this being done.

Just as some of our States depend upon their prosperity upon manufacturers, others upon agriculture, others upon mining, others upon special productions of one kind or another, the three great sources of national life in the Philippines which furnish its lifeblood are its sugar, its coconuts, and its hemp.

We gave Spain 10 years in which to adjust its relations with the islands subsequent to our victory. Now the question is whether we are going to destroy piecemeal the sugar business and the coconut business of the islands, and will we preserve the free flow of raw material of hemp—not the manufactured article but the raw material—for the use of our manufacturers?

Let us review what we have done almost since our offer of independence was made.

With a production of 1,570,000 tons of sugar, we have given the Philippines a quota of 1,015,000, and thus cut their exports to the United States by 500,000 tons, approximating a loss of \$35,000,000.

We have put an excise tax of 3 cents a pound on the products of their coconut groves. That is equivalent to a duty of approximately 100 percent on coconut oil.

We authorized a payment of \$23,000,000 to the islands to meet the situation arising out of the gold-clause order, merely placing their currency reserves on a parity with that of the United States, and an attempt is now being made to take that money away.

We passed a bill to give them the benefit of the excise tax on coconut oil, and there is now in the Treasury of the United States, due them under the law, approximately \$26,000,000. And it is now proposed that we take that away.

These accumulated losses of \$35,000,000, \$26,000,000 in coconut-oil-tax revenue, and \$23,000,000 under the gold clause propose a loss to them of approximately \$84,000,000 at the very beginning and in the most critical years of their experiment in national self-government.

We find, therefore, that no matter how efficiently the Filipinos may develop in the matter of government, after all it lies within the power of our Congress to break them, to smash them, to destroy their economic and financial life.

They have selected as their President the Honorable Manuel L. Quezon, an experienced,

patriotic Filipino statesman, who, with his associate, Hon. Sergio Osmeña, was elected by a majority so conclusive, so overwhelming, without disorder, that they have been accepted as the voice of the people. The Filipinos are putting their house in order. It is a difficult task.

They have sent to the United States as their Commissioner—in effect their minister—an able lawyer who has served in an advisory cabinet capacity under our American Governors General and as the speaker of their legislature, the Honorable Quintin Paredes.

We have in the islands, as the representative of the President and the United States Government, a distinguished and able man, the Honorable Frank Murphy, trusted and beloved.

They are all doing their part. With this joint leadership and an understanding American Congress, with the sympathy and interest of our President Roosevelt, the new Christian republic is on its way, unless its economic life is destroyed by acts of our own.

Right-thinking Americans all hope that when we say "goodbye"—if we do—10 years from now, it will be done with a handshake, in a gracious manner, according to fine American traditions and in keeping with our previous record in the Islands.

But, if, in reality, through misunderstanding or selfishness, it should develop that it is not a handshake—that it is in effect a kick—it would be a disgraceful gesture for our Government to make toward its long-time ward.

This we cannot do without honor.

We cannot do it without immediate loss of American prestige throughout the Orient.

It cannot be done without criticism throughout the world.

Our 37-year guardianship should not now be dimmed with littleness or uninformed selfishness.

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oil which may eventually outlaw it from the American market. Recently, the farm organizations prepared a measure which was introduced in Congress by Representative Knutson of Minnesota, further increasing the tax on Philippine coconut oil from three to five cents a pound. There is however pending in Congress a Bill introduced by Representative Dockweiler last year and later in the Senate by Senator Guffey. These two bills, S. 3004 and H. R. 8000 are identical. The pertinent provisions of the Act read as follows:—

"That no tax shall be imposed under section 602-1 of the Revenue Act of 1934 on the processing of coconut oil which is wholly the production of the Philippine Islands or any other possession of the United States, or was produced wholly from materials, the growth or production of the Philippine Islands or any other possession of the United States when such oil shall have been rendered unfit for use as food or for any but mechanical or manufacturing purposes * * *

It will be seen (therefore that the above bill does not aim nor suggest the removal of the 5-cent per pound of the Excise Tax applying against the coconut oil of the world, other than the Philippines. The Bill provides for the lifting of 5-cent tax only on Philippine coconut oil and only on that part which goes into industrial channels. This would leave American farmers producing edible oils and fats in full possession of all the protection which they now possess against Philippine coconut oil under the terms of the Revenue Act of 1934 and at the same time it will practically save for the Philippine copra producers the entire non-edible food.

Someone might ask why not get the whole way and take the tax off entirely? The answer is obvious. If it were removed in its entirety, it would merely start a new row with the producers of butter, cottonseed oil, etc., and the tax would be put back on again, but the Excise Tax off for industrial usage cannot give ground for legitimate complaint from farmers that they are injured because there is no domestic substitute for coconut oil for industrial usage. Insofar as the Filipino planters are concerned, the removal of the tax on 70% of their coconut oil will be of great help.

Supply and demand make any market. If industrial users today can afford to pay 7-cents for coconut oil with the Excise Tax figured in the purchase price, they will pay almost as much with the Excise Tax taken off. They undoubtedly will buy coconut oil somewhat cheaper than it costs them at present if the Guffey-Dockweiler Bill becomes law, and to whatever extent they do buy coconut oil cheaper, they will consume a greater volume. This greater consumption will elevate the price of copra in the Philippines in a few months time, to somewhere the normal price level as it must be borne in mind that the Guffey-Dockweiler Bill retains the 5-cents per pound Excise Tax which applies against the coconut oil production of the world, thus forcing American consumers to buy their supplies in the Philippine market.

It is therefore no guess work on our part when we say that the price of copra here will almost double if the Guffey-Dockweiler Bill is passed. We have shown before that the present price is less than one-half of what the consumer pays, and on the other hand, every oil and fat selling within the United States tariff wall is bringing considerably better than normal prices.

Something must be done right now for the four or five million people that depend on the industry, if the coconut problem is to be solved, and as pointed out by people who have studied this problem at heart, the feeling persists that only calloused indifference and a thorough misconception of the whole problem on the part of the Filipino planters, or a downright desire to injure the Filipino people in the United States will allow the retention of the Excise Tax on Philippine coconut oil without substantial modification.

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(Health Bulletin No. 28) Rules and Regulations for the Sanitary Control of the Factories of Tobacco Products.

"Section 15. Insanitary Acts.—No person engaged in the handling, preparation, processing, manufacture, or packing of tobacco product or supervising such employment, shall perform, cause, permit, or suffer to be permitted, any insanitary act during such employment, nor shall any such person touch or contaminate any tobacco products with filthy hands or permit the same to be brought into contact with the tongue or lips, or use saliva, impure water, or other unwholesome substances as a molesting agent;...."

Facts & Data . . .

(Continued from page 17)

and fats in terms of oil yield, show an increase from 15,909 tons to 43,828 tons.

We believe that the foregoing figures amply demonstrate the fact that the Excise Tax not only does no help to the Filipino producer of copra but if things are left as they are at present the Filipino coconut planters are facing nothing but misery and hardship. Furthermore, apart from the above there are certain competing oils which pay exactly the same excise tax as coconut oil which have greatly increased their volume. Notably amongst these are palm kernel oil mainly produced in Africa and Sumatra. Present increased production of these oils and likelihood of greater stimulation to the detriment of our coconut oil, is possible only because these oils are produced more cheaply by foreign countries where the standard of living is far lower than we require here, and therefore these oils can and will compete at lower equivalents as long as the Philippines maintain their present standards.

There is still considerable misguided opinion in the United States that advocates for the continuance of the tax, meantime others are claiming for higher taxes on coconut oil. If the Philippine planters do not make themselves heard in this connection, the probabilities are that no changes will be effected in present legislation in America or what could be worse, additional burdens may be imposed to coconut

Davy Jones's Locker at San Juan

William "Bill" Howard of Chicago lives in the suburb of San Juan del Monte in one of man's strangest abodes—a home Bill dreamed out for himself during 30 years in the U. S. navy. He built it when navy doctors said he was going to die; he built it in order to checkmate the doctors, and keep on living. That was 7 years ago, when Bill was 52 years old. Now that he is nearly 60, his health is that of a lusty cucumber and he holds down a full-time job at old Fort San Felipe, Cavite navy yard, as foreman of the supply department.

Foreman of the supply department sounds bigger than it is; Bill is really bossing stevedores. However, when the day's time is in and he hark home in San Juan, he bosses the world. Bill's weird home is his castle; in fact, his forecabin, bridge, galley, companionway and what-have-you that ever related to a ship. Though he has taken orders, mighty peremptory orders too, since he was a boy 14 years old, Bill says he has no inferior complex.

Certainly not. If you read the quaint details of this most curious of homes one way, Bill reads them differently. How could any man, beginning as a boy 14 years old, take orders in the navy as an enlisted man, and win his longevity pension, and not feel himself as good as the best?

Over many a ship's rail, through many voyages, Bill thought it all out; and all to his satisfaction.

Davy Jones's Locker is the name of Bill's home. Sundays 4 to 6 during afternoons he keeps open house. You ring at the gate, resembling a ship-yard gate with an arch over it; there is such a gate at the Cavite navy yard. "Mary Pickford" and "Clara Bow" and 3 or 4 "swabs" or deckhands swarm out to greet you and look you over. Mary and Clara are Filipino girls whose white dresses are in the navy style. The

deckhands are Filipino boys in navy uniforms. Letters on their blouses spell, as they rank themselves together, Davy Jones's Locker. Skulls and crossbones adorn the blouses across the chest, and the collars.

Inside the gate you follow a path bordered with sea shell through an orchard of mangoes and chieftains past a ship's wheel and capstan and down a ladder over which the sign reads "Last Waterway to Hell." Tophet turns out to be a pleasant pavilion where drinks of all kinds will be served by the deckhands: soft drinks if you like, beer, whiskies, wines. There is, of course, no charge. It is not written that Satan charges for his services. Satan's patrons are really supposed to have paid beforehand.

Among sailor's fancies run plans of well appointed washrooms. Off "Hell" is a nifty one. There is a canopy, as of a throne; and there are mirrors, and shelves of books.

Off across the yard leads a companionway to Bill's stateroom, really a 2-story little house conveniently appointed. The yard, you discover, is inhabited by a menagerie; tame monkeys come chattering up, kiss all women in the party and start cleaning all the men's hair, never making a mistake and bestowing a kiss amiss.

There is a python, safely caged; and partitioned away from him, in the same cage, a crafty mongoose. Back farther in the yard are all manner of domestic fowls; their meat and eggs are too abundant for Bill's needs; his retinue, Mary Pickford, Clara Bow, and the deckhands, benefit from this. According to Bill's philosophy, Davy Jones's Locker is a happy place; at its imitation of it on earth, everyone is kept happy.

"Aboard sailing vessels as a boy," he tells you, "I often lay on deck when off watch dreaming that when I grew older I would be in a position to eat all I wished and to have enough

money to live ashore somewhere in the tropics where snow and ice were foreigners, and to have servants at my beck and call. This, I believe, I have realized.

"After a severe illness and subject to a 3-year diet, I built this place on land I had bought 10 years before. In a couple of years I had regained full strength and health, the x-ray pronounced me in perfect condition; this after the doctors said I could not live."

Between "Hell" and Bill's quarters, alongside the companionway walk are 2 headstones, 1 on either side. The imaginary graves they mark are kept as flowerbeds, and each Memorial Day they are profusely decorated both with blossoms and flags. The graves will never be inhabited, but the ashes of Bill will be strewn over one, when he dies, and the ashes of Bill's friend Luerssen, undertaker at the army mortuary in Manila, will be strewn over the other.

But says one headstone:

"Here will lie the body of Luerssen, the undertaker, as snug as a bug in a rug."

And says the other:

"Here will lie the body of 'Bill' Howard, a dam sight snuggier than the other bugger."

It is the sunlight all round, the fecund life, and the dome of gleaming stars of nights, and often a golden early moon, that keep this from seeming morbid.

Bill has a line of patter for you as you move about the place, your route marked with signs all along, to be kept carefully. While at "Hell" Bill expands to you upon scandal. Never heed scandal, he says. Scandal, he says, is man's greatest sin; it causes more heartbreaks than all other wickedness together, and destroys more homes.

Bill, of course, is a bachelor. Old Mary (not young Mary, whose curls suggest the sobriquet Mary Pickford) came and took care of him here during the first years while he needed her to nurse him; but she went away when he got well.

Reaching his own quarters, The Cabin, Bill dilates upon the principle of equality. A sign at the foot of the ladder announces that there is no rank in Davy Jones's Locker. In "Hell" you sign the visitors' register. You see rank enough and to spare, in running down the lists of names in the register, but Bill's manner never admits these artificial distinctions.

At Davy Jones's Locker cats would be about, naturally. Bill's cats are captained by Bill the Cat, born at Stockholm, Sweden, January 3, 1927. Not Lindbergh's cat, it did go to America with him, and was helped in landing by his intercession. It is a fine red cat, large and dignified. Its Service Record, U. S. N. No. 123: "Name: *Bill the Cat*.

"Citizenship: U. S.

"Place of Birth: Stockholm, Sweden, January 3, 1927.

"USS 'Fulton'

"Education: School of Hard Knocks.

"Reason for Enlistment: Something to Eat.
"Branch of Service for Which Best Suited: Charge of Sand Locker.

"Special Duties for Which Qualified: Sleeping and Eating.

"Language Qualifications: The Cat's Meow.

"Pay: 3/4 lb. meat per day.

"Not Married.

"Children: Number and Names Unknown."

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Port Area

This card is duly certified by the commander of the "Fulton" at the time it was made of record. Bill the Cat has various other similar credentials. For instance: "Entered U. S. for the first time aboard the U. S. S. 'Memphis' by the consent of Colonel Charles A. Lindbergh after his epochal trip to Paris." Dated at Canton, China, is a summary court conviction, too much catnip. Feline medal of the first class was awarded for the dignified manner in which he opposed an executive officer's efforts to remove him from a chair, thus upholding the best traditions of the navy.

At Zamboanga, later, Bill the Cat qualified as a swimmer, 50 yards.

During your visit to Davy Jones's Locker, Mary and Clara and the deckhands do a show for you. They make up an orchestra, and sing and dance. Bill also puts Mary through a stunt based on her study of ancient history.

"Mary, what is the greatest date in history?"

"August 1, 1877, sir."

"What happened on that day?"

"A great and noble man was born, in Chicago, sir."

"What was his name?"

"William Howard, sir."

"What nationality was he?"

"Scotch and Soda, sir!"

When Bill Howard ran away from home in Chicago in 1892 to join the navy when he was 14 years old, the old "Michigan," a sidewheeler, on which he enlisted, was on berth there. Many naval vessels at that time were still sailers: "Portsmouth," "Moonongahela," "Jamestown," "Constellation," "Richmond." Others had auxiliary steam power, helpful in the doldrums and in getting in and out of ports. Three years later Bill was on the "Castine" at Delago Bay, East South Africa, where he took French leave and spent 18 months at various jobs ashore. A'terward he spent a good deal of time in the

mercantile marine service, and when he got back into the navy in 1898, President McKinley granted him full pardon for his desertion of the "Castine" 3 years before: McKinley was recruiting the navy for war, and needed fellows of Bill's experience.

Bill retired from the navy in 1921 as a warrant officer. It is his retired pay and his foreman's job at the Cavite navy yard that makes it possible for him to hold open house Sunday afternoons at Davy Jones's Locker; and also made possible the building of the remarkable place. Skulls are the motif of the companionway decorations. Bill uses colored lights in them. He is completing the lower floor of The Cabin in some odd manner, having to do with the merri-ness of death, French leave of these bodies of ours, but he doesn't want folk to see it until it is quite done. Bill's philosophy is unorthodox. Figuring it out for himself since he was 14 years old, it could not be expected to be. But it goes well with the ideology of Davy Jones's Locker. It really goes very well.

United States Monthly . . .

(Continued from page 6)

turing industries. During the past year of increased production and national income, the estimated gain in employment for all industries and occupations exceeds 1,500,000 persons. Wholesale commodity prices recovered slightly in April, after having declined in March. Farm prices, after rising one point in April, resumed the downward trend which began in January. Cotton prices have declined somewhat since the advances of March and April but world consumption is at a record high level, and prospects are for a reduction in world carry-over of American cotton. Wool prices declined sharply in April. The cost of living advanced 0.2 per cent from the previous month, chiefly because of a 1.6 per cent rise in rents. Retail sales data indicates that the trend of consumer purchasing continues upward, although the department store sales index dropped to 81 in April, from 88 in March

following Easter buying. Sales of general merchandise in rural areas increased by more than the usual seasonal amount, with increased retail food prices a factor. From March to April the increase in employment was notable with a gain of 255,000 in the number at work in industries surveyed by the Bureau of Labor Statistics. While factory employment increased in April over March by 1.2 per cent, factory payrolls were 2.1 per cent higher. Out of 90 manufacturing industries surveyed, 57 employed more workers and 59 had larger payrolls. Compared with the same period last year, the index of employment in durable goods was 8.1 per cent higher, with gains recorded by blast furnace steel works, rolling mills, foundries and electrical machinery. Relatively large gains were reported also for industries allied to building construction. Rayon and allied industries, however, reported declines of 6 per cent and woolen goods establishments 5.6 per cent.

Financial

Stock market movements were irregular during the major portion of May with a slight upward tendency, but the volume of shares traded dropped sharply. Securities valued at over \$1,000,000 were offered to the public in May but, while this was the largest total in six years and about two-thirds of the all time record established in September, 1929, the type and purposes of present financing is markedly different. In 1929, the predominant form of financing was stock rather than bonds. Present financing is the reverse of this position with relatively little stock financing. In 1929, nearly 90 per cent of stock issues represented new capital, while in the first four months of the present year, about 80 per cent was for refunding. An important factor in refinancing operations has been the ability of corporations, because of improved earnings, to convert outstanding obligations bearing high interest into securities carrying much lower rates. Corporation profits during the first quarter of the present year were smaller than for the last quarter of last year, but the increase in profits will undoubtedly be reported for second quarter. Compared with first quarter last year, the increase in profits of a representative list of large corporations was about 30 per cent. Industrial and public utility corporations reported substantial increases, while railroads operated at smaller losses than for the same period last year.

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REAL ESTATE

By P. D. CARMAN
Addition Hills



While May sales total much less than for the same month of 1935 they were nearly double those in 1934, about equal to the May total of 1932 and were greater than in 1931 and 1933.

Sales City of Manila

	April 1936	May 1936
Sta. Cruz	P 94,837	P 402,948
Sampaloc	156,569	72,950
Tondo	84,265	74,294
Binondo	646,000	78,540
San Nicolas	24,599	15,858
Ermite	5,500	27,227
Malate	17,615	55,415
Paco	32,910	28,808
Sta. Ana	18,071	24,091
Quiapo	35,000	9,300
San Miguel	5,100	29,334
Intramuros		33,000
Pandacan	2,910	6,720
Sta. Mesa	6,000	
	P1,129,376	P858,485

Men Downtown

Los Angeles Chamber of Commerce was represented in Manila recently by a touring group, the Orient often being the destination of the Californians a-tripping. E. F. MacDonough, foreign trade commissioner of the organization, was in charge, and a number of prominent business men of the rainless city accompanied. At luncheon with members of our own American Chamber of Commerce, they snuffed at the idea that the Manila weather was hot. Los Angeles does better than 100 degrees almost any old time.

W. F. Cawley arrived in Manila to take over the duties of H. McGowan, district passenger agent for Robert Dollar Company. Mac goes to the United States for awhile.

On special assignment for Scripps-Howard, after a news-hunting tour via South Africa and Java, Jack Foster of New York came to the Philippines and met the big shots. Though liking the islands topnotch, he found that tropical languor and Yankee bustle are two different things. Instructed to cover the North China hostilities, he heads into another bunch of warm weather.

J. M. Shurdut of Shurdut Mill Supply went to Shanghai on a short trip.

Letters from Manila have that certain something that gets response from our fellow-citizens snug at home. Oldtimer L. H. Lisk, retired from the Bureau of Education and dean of

Americans in that government service, took his pen in hand to advise news-announcer Lowell Thomas that his picture did not contribute anything to the newscasts. And the autographed answer was, "I agree with you," passing the buck to his boss.

Long superintendent of schools at Iloilo, John McBride, started a deserved vacation with no other plan than hopping a boat and rolling with the waves at will.

Charlie Bauer whose lank figure graced the Manila City Hall for so long made the most of his retirement by sailing for California and New York. Greenwich Village calls.

Again to the Philippines with his customary debonairness, Dr. Victor S. Clark on this occasion is acting as economic advisor in government circles.

J. P. van Zandt flew in not long ago, as a Pan-American Airways official well may, and is staying as the Clipper representative.

H. C. "Andie" Anderson of the Manila Hotel is taking an extended vacation trip across the Pacific, the best *recuerdos* of a horde of Philippine friends always his.

A pioneer of interisland shipping, Captain W. Tomroth, came to the Philippines again, a visitor. This time by plane he visited Southern Islands, and among pleasant reunions at many a town, was a guest of C. E. Walters, Anakan Lumber, Mindanao.

H. M. Nadeau, traveling representative for Auburn, arrived in Manila for a considerable stay.

Returning to the Philippines after a six months' leave in the United States, Walter Bratten brought back the latest on steel... which should have some connection with chromium, if *Time* is doing its usual high-grade surveying of industrial trends.

J. Malloy and son have come to the Philippines for a short time.

In transit via round-the-world *President Monroe* were numerous notables: Angus Roy Shannon, outstanding Chicago lawyer; J. T. Firestone of Burma; Darwin M. Meisner, vice-president of Washington Athletic Club, Seattle; Henry L. Hill of Shanghai.

Harold M. Kneidler is back in Manila after an enjoyable United States trip.

In the Philippines with a writing bent is George R. Black, visiting his aviator brother of Philippine Aerial Taxi.

Six months' vacation ended for Lee Stevens with his re-appearance as superintendent of maintenance, Manila Electric. He is particularly welcome for typhoon season.

A month in the Philippines, Theodore T. Malleson of Royal Typewriter allots to his survey of foreign sales, having visited Europe, South Africa, China and Dutch East Indies.

H. W. Lewis of Visayan Stevedore Transportation spent two months vacationing in Hongkong.

Following J. H. Marsman's return to Manila from his Orient trip in the extensive interests of Marsman & Company, Plaza Cervantes saw

many a gold-miner heading for the get-togethers that ensued.

G. W. Carr of Austral Stevedoring visited Manila from Australia, meeting some of the shipping folk otherwise known only through correspondence.

Indications of oil deposits in the Philippines brought about the arrival of Dr. H. C. de Villa who is affiliated with Philippine Petroleum Development which has interests on the Bondoc peninsula.

Bad English Corrected

Not for the amusement of our American readers do we publish the following letter (because we don't ridicule anyone about language), but for the attention, perhaps amused, of our Filipino readers. Many of these readers hold that secondary schools need larger American staffs in their English departments. They will be corroborated by the fact that the writer of the letter was once a school teacher:

"For your information, I am sending you this report so as to give you knowledge of what had happened for us when a great flood visited the vicinity of Lamitan which according to information, was the biggest that Basil's (HISTORY) has never recorded.

"The rain began its falling down last Saturday. Sunday at about seven o'clock A. M. in the morning, I had the two coconut trees cut down near our bodega as they were declining over its roof.

"At about four P. M. in the afternoon, the water reached our store. I think, O my God, and sent my family to a house on a higher place. But Julian with me remain in the house just for the sake of the Company's belonging and our personal.

"After sending all the important papers with some Moros to a house on a high place, we swim to save our lives for the water was over my head from the grown. But then I remember I forgot of some receipts in the drawers so I swim again to the house with Julian. We put the things on the table and I hanged the receipts between the roof of the house and its wall. Not paying enough attention how quick the water was getting high, we afterward found ourselves very hard to swim to another place but because of my love for my family we swim. The water was about seven feet high on the grown when we left the house and the current carried us into the coconut trees. I felt very cold and tired and rested myself against the coconut tree with Julian. Then I cried very much for help, but because of the strong current no one can come to the place where we were. After seven hours hanging ourselves against the coconut tree crying for help, thank for my wife's too many words to some people, they took a vinta to rescue us. Than God for in the morning I found our house still standing except that the backside doors of the bodega were force to open but may be we lost two hundred nuts only.

"As to our personal belonging, we did not lost much except that I lost my voice and all my veins are painful specially my breast that had strucked against the coconut tree when I fell down for three times."

Corrected Version

"For your information, I report the flood of

last Saturday in the Lamitan vicinity, said by old residents to have been the worst they remember on Basilan island. Heavy rains were accompanied by high winds. Two coconuts trees blown over during the night, so that they leaned against the bodega roof, had to be cut down Sunday morning.

"About 4 o'clock Sunday afternoon, the water rose above the level of our store floor. Thoroughly alarmed, I sent my family to a house built on higher ground, keeping Julian with me to help look after the company's effects and our personal belongings.

"Important papers were given in charge of some Moros to take to a house on higher ground. As by this time the water was higher than my head, Julian and I made off to swim to safety. Having done so, I remembered some receipts I had left in the desk, and we swam back again. We piled things on the table, and I hung the receipts to a raft. The water kept rising, more quickly than we thought, and was 7 feet deep when we again left the store and made for safety, the current sweeping us into the coconut grove. Fighting for it as best we could, and finally chilled and exhausted, we clung to a coconut tree to rest ourselves. Here we were marooned 7 hours, I calling out at intervals for help, no one daring to come because of the strong current; then however, thanks to my wife's pleading, a vinta was manned and we were rescued. Thank God, Monday morning when the water had gone down I found our house still standing; the only damage was in the bodega, where the back doors were forced open and 200 nuts, more or less, will be spoiled.

"We lost few of our belongings. My voice is gone, for the time being, from calling so long for help; my veins are swollen from the long exposure in the water, and my breast still hurts from bruises given it when, 3 times during the long 7 hours, my hold on the coconut tree broke and I fell into the current and had to fight my way back to the tree again."



When workers at Gold Wave Exploration Company, near Baguio, broke into an old tunnel, they found these wooden drifts and shrels, with which miners long ago worked the high-grade veins which they found. Natives in the vicinity claim that this tunnel was closed up more than 30 years ago, and the portal covered over with pine slabs. P. A. Schwab, old-timer miner in the Musbo-district and now active in Baguio, is the president of Gold Wave.

MANILA HEMP
By H. P. STRICKLER
Manila Cordage Company

During the first week of May all foreign markets continued very quiet and depressed, due to lack of demand. Commencing with May 6, a better tone prevailed as a result of continued decrease in production in the Philippine Islands, which became more and more evident as the end of the month approached. At the end of May a distinct improvement in demand was in evidence in all foreign markets, resulting in slightly higher prices.

The local markets of Manila, Cebu, and Davao improved considerably in tone, and sellers' ideas of prices advanced to a limit not warranted


by the slight increase of foreign demand. Consequently, a very small volume of business was reported in all local markets.

The month closed at nominal prices with buyers but no sellers, as follows:—


Prices of Loose Fiber in Manila Per Picul

April 30th		May 31st	
CD.....	P21.00	CD.....	P21.00
E.....	18.50	E.....	19.50
F.....	17.50	F.....	18.00
I.....	16.50	I.....	16.75
J1.....	14.00	J1.....	14.50
G.....	11.75	G.....	11.75
H.....	9.00	H.....	9.75
J2.....	10.25	J2.....	11.25
K.....	7.75	K.....	8.00
L1.....	7.00	L1.....	7.25
L2.....	5.25	L2.....	5.75


Order



San Miguel Pale Pilsen



in clean amber bottles—delivered to you with Subtle bouquet and inimitable flavor of the finest beer, sealed in—



Splits

Note the difference to other brews when the top comes off.

Brewed by the

SAN MIGUEL BREWERY

Diary of an "Empire Days" Volunteer Soldier

A diary turns up, from the Rev. Ernest S. Lyons, that, as the plain story of a young volunteer of 1898, tells something about the human cost of the Philippines to the United States. The diarist was H. S. Lyons, who enlisted in Company D of the 16th U. S. Infantry, May 1899, at Detroit. The better part of the adventure was the train ride to the embarkation point, San Francisco; the worse part was the wearying sea trip back to America, the fatal dysentery that takes the young gallant off. Dysentery claimed far more victims that year than Aguinaldo's guerrillas.

Bowling along through the West in a "palace" car of the era, wasn't that pleasant though? In Wyoming everyone so patriotic, the young volunteers given the fruits of the land. Lyons sees prairie dogs for the first time, snow on the mountains, herds of cattle and horses, great rocks and valleys. Wonderful: Castle Rock, 495 feet high—a flapjole on it. Coal mines here; steep grade, two engines needed. Ogden is reached, and points west. . . . Sacramento . . . and at last San Francisco, where patriotism excels itself.

Away to the west on the U. S. A. Transport *Grant*, weighing anchor amid cheers, the blowing of whistles, the ringing of bells, and the waving of handkerchiefs. Placed on guard "and was sick and relieved." But after a week, welcome at Honolulu with leis and fine music—the Hawaiian Band has taken the prize at the World's Fair in Chicago, the fair that taught America to waltz. In ten years, at her Louisiana Exposition, St. Louis was to teach the country quicker steps than those necessary for "After the Ball"; she was to induce her visitors to dance to "Meet Me at St. Louis, Louis" and "Down by the Anheuser Busch" as well.

Manila, and soon the trenches. Rain, mud, ants, mosquitoes—often rain during 80 hours without ceasing. Therefore, illness. All this only a foretaste of the World War, of course—yet a good lusty one: "Outpost duty, everyone must be on guard every other night. Got lost trying to report to No. 8 Post. Sentry came near shooting me. Very rainy; water soaks through everything—through our dog tent; our clothes and blankets are soaked." In July, the first letters from home. They are read from the lookout of a blockhouse.

Native funerals, quaint and so many, are half-answering incidents during guard duty; there are bands, playing lively tunes, and candles alight all round the coffins. Many women are in the processions. At last these funeral parties passing through the American lines are exposed: the coffins have been covering not the dead, but brand new rifles and ammunition for the elusive insurgents.

Bolo wounds are nasty things. Army surgeons, green to tropical service, but learning rapidly, lecture the man on how to dress wounds. They strip a man, trace his arteries with iodine, use him as an exhibit; cut in the stomach, you must bandage the wound without touching it. On furlough in Manila, Lyons passes the pest-house, the cholera hospital. Cholera and dysentery do their work steadily. Discipline is not ideal, patriotism has somehow gone hazy under trench duty. In the time between August 1 and November 1, 3 men in the company

are captured, 1 has been tried and shot, 6 have been boobykilled and given prison terms of 1 to 3 years, 2 have been imprisoned and fined, several have drawn bread-and-water time, 2 have been boobykilled and sent to "Federal" for 10 years.

Night forays to capture enemy guns are dry hauls, save the slushing about in the dark and the drenching rains; and it rather nasty business, commanding native civilians to pole the dug-outs along the rivers: rousing sleeping families, entering homes and terrifying the inmates, especially the women and children—though they hold their ground whimpering while the men flee through the paddies and reach bamboo cover.

Visiting a village school, when December and dry sunny weather have come—"the moon the most beautiful I ever saw, surpassing moonlight in temperate climates"—is much more pleasant. Lyons is a young man of education; he has applied for transfer to the new public-school service the U. S. army is starting, but authority has for some reason disapproved. Anyway, here is this village school, where the teacher smokes cigarettes during classes and insists that Lyons do it too. His pupils are supposed to be learning Latin, Tagalo, Spanish, and Church history. They are peasant children, and this is supposed to fit them for their life tasks. (At least, it doesn't unfit them; they learn nothing, and so don't partake of the divine discontent to be in books really understood and written for a child's own age in the world.)

School begins, Lyons given the teacher's seat—a chair with no bottom, in lieu of which there is a board serving. Teacher claps his hands, pupils rise together and shout from the catechism, learned of, course by rote. Those unable to join the medley are punished with having to stand on the floor; but no one is allowed to stand or pass in front of the visitor, and no one may even face him. (This polite, primitive people is fighting Uncle Sam in the Philippine jungle for its independence. Finally it doesn't fight any more, fighting is useless; and it is inconvenient too, taking men from their families. Instead of fighting, it surrenders and begins petitioning Congress to grant independence; and after 35 years and many changing congresses, a time spent swimming along in prosperity, it gains with the pen what it could not gain with the sword.)

When the teacher wishes a pupil to recite alone, he gives him the signal to rise by pulling his hair at the nape of the neck. So the pupil rises and mumbles what is wanted. Lyons stays long, never seeing a pupil lift his eyes from his books or committing any mischief whatever; and the teacher showed him his strong bamboo rod, and told him how he used it on occasion—in which the pupils exhibited a lively if furtive interest. This is the lighter side of the campaigning. During active duty, Lyons is taken with plague: "Quarantined, inoculated with the plague, and the wound infected. Very sick; glands swell, why of course suspected. Terrorized, isolated . . . thoughts of cremation."

But the ordeal is temporarily outlived. Lyons does get back to America; but dysentery plagues him still, and though he is treated, little can be done—he sloughs off along with thousands of others. The story, of course, is only a very simple one. "But," said Rev. Lyons, in sending

the diary around, "to us this story of my brother Herbert is priceless." He is a minister, possibly a bit emotional. He has managed the finances of the Methodist mission here during a generation: now he is gray, and a bit bowed in the shoulders, and probably overvalues family keepsakes. Or is there a greater story in this diary: that Herbert Lyons and 200,000 more young men like him rode so bravely into East, and trailed so wanly home again: made the venture, and won the grail that now slips from America's fingers—a child's bauble, "a trifling piece of finery," the dictionary says, and such, to a great nation, could be a great territory such as the Philippines, no longer esteemed.

Yesterday's much-soiled Manila was a treasure to America: the Manila where the plague was, and the dysentery was got. Today's clean and much-changed Manila seems no treasure at all to America: she has covenanted solemnly to let it go; since yesterday and yesterday's fighting she has changed her mind. So it is quite possible that young Lyons' diary is not worth saying anything about, or better not mentioned at all. At best it can but symbolize two warring pulls at the heart of man, unceasingly taut: one bidding him rise and march, his baldric his culture; the other bidding him rest at home, and to covet nothing that is his neighbor's.

We Yankees All Talk Greek

Well, start the day with the average American family! The younger son is complaining of the cereal (the word is derived from Ceres, Grecian goddess of agriculture). Mother says she wishes there were hyacinths and narcissus (both named from Greek mythology) on the breakfast table. Father reads in the morning paper of the eruption of a volcano (Vulcan, the god of fire), followed by a typhoon (the name of a monster of Greek legend). Becoming curious, he goes to the World Atlas (the giant charged with carrying the globe on his shoulders) to discover the location of this disturbance.

The older son, reading the sport section, is pleased with the victory (Greek goddess) of his favorite boxer. In the theatrical section, young daughter finds the photograph of a masculine motion picture star; she says he is as handsome as Apollo, and then suggests that the family attend the theatre where his picture is showing. But son answers that he can't go, he must study his psychology (the goddess Psyche). And mother must remain quiet due to an injury to her Achilles' tendon; while a meeting of the Knights of Pythias keeps father from obliging.

Father remarks on how high the merriness (that fleet messenger of the Greek gods) is. He expresses the wish that the apartment-house janitor (Janitor to the Greeks presides over highways, gates and locks) do something about it. Wife agrees, adding that the poor service is tantalizing (remember the terrible god Tantalus). Father remembers to hand daughter an envelope containing a valentine ornated with a painting of Cupid (yes, the god of love).

The gang of son's comes, and with them he goes to the Carnival. They enjoy themselves riding the merry-go-round to the tunes of a calliope (name of one of the Muses). The tunes drown out a passing ambulance siren (sea-nymph who lured mariners to destruction), and mingle with the dance music played at the ballroom by the Terpsichoreans (Terpsichore, one of the Muses).

So we say modestly with Shakespeare that we know "a little Latin and less Greek."—V. S.

High Blood Pressure the Fashionable Disease

By A Viennese Physician

Condensed from Neue Freie Presse, Vienna (July 7, 1935)

High blood pressure is undoubtedly one of the diseases that are most "in fashion" today. A few reflections on it may therefore not seem inopportune.

In the first place we would do well by asking ourselves whether high blood pressure is a disease and how many people are affected by it without even noticing it.

For thousands of years people have lived without knowing anything about this "disease." Surely there must have been individuals affected by it without noticeable trouble. Occasionally one or the other did find out that he had a blood pressure because he happened to consult his doctor for some other trouble typical of old age, and in that case, sure enough, the blood pressure was made the scape-goat for all other sins.

From my university years I remember one of our professors, a pediatrician, who invariably diagnosed teething as the cause of a baby's high pressure. Thank goodness, they get teeth, he would say to us afterwards, "otherwise we would often cut a poor figure, because a baby gets a temperature if you look at it." But why should teething give a temperature?

It is much the same with blood pressure. Sometimes we are glad to diagnose it when we cannot discover any of the troubles the patient is complaining about. The principal thing is that the patient should believe that it is blood pressure, for there are subjects who are cured the moment they know, or think they know, what the matter is with them. And of course with blood pressure they are "up to date."

An older man, especially if he is physically in good condition, should have a higher blood pressure. Similarly, if you do heavy manual work, your blood pressure will rise if your heart functions normally. When the heart is weak the blood pressure drops and the blood vessels lose their elasticity.

Of course, when a blood pressure rises above 180 we are entitled to call it "high." But this figure is arbitrary. There are physicians who see the limit at 170, others at 190, others again at 150. But anyway the point lies somewhere between 150 and 180.

But even such a high blood pressure is not the *causa* of a disease. It is merely one of the symptoms of a disease. Even a blood pressure of 200 need not cause excitement. There are people enough who have it and don't even know it. Genuine arteriosclerosis and other diseases of the blood-vessels need not necessarily give high blood pressure. It manifests itself usually in connection with so-called controlled nervousness, i.e., with people who shut all their griefs, sorrows and emotions up within themselves.

Really high blood pressure is not at all common and it usually manifests itself together with a number of other disagreeable sensations, headache, heart trouble, respiratory trouble, etc. It is almost always accompanied by nervous disturbances, such as neurasthenia, great irascibility, depression, etc.

But old age in itself, arteriosclerosis in itself does not give high blood pressure. It cannot be stressed sufficiently that older people normally have a higher blood pressure. On the other hand, its absence need not be interpreted as a weakness of the heart.

To treat only high blood pressure is a hopeless undertaking, because, as stated above, it is only one of the symptoms of a general unsatisfactory condition. The first general rule is to cut out nicotine. To smoke only less than before is still too much. Nicotine is one of

the poisons that send the blood pressure up. Therefore the basis of any such treatment must be total abstinence from smoking, and this is either achieved overnight or not at all. But it is possible and many people have succeeded. Abstinence from alcohol is another rule, but an occasional glass of beer now and then can do no harm. There are other rules and regulations to be complied with, but none will be efficacious unless smoking is given up and unless the doctor's every order is conscientiously complied with.

My general advice is: don't get excited if you have just a higher blood pressure, for this in itself is not disease. And it is absurd to think that high blood pressure will lead to an apopleptic stroke. Many other causes are required for a stroke. Yet this fear is so wide-spread and so deeply rooted in people's minds that you can tell them what you like and they will still think it all better than you.

Almost any physician has subjects amongst his patients who have had high blood pressure for years, who are alive and none the worse for it and still live in the eternal fear of a stroke. It does happen, of course, that an individual with a high blood pressure has a stroke, but among the stricken ones there is a very small percentage of sufferers from high blood pressure.

A stroke, as we said, has different causes. They may sometimes coincide with high blood pressure—and why not?—but as a matter of fact they seldom do.

—Magazine Digest.

Significant Statistics

Agriculture and Commerce Statistics Division

For the Five Weeks Ending May 2, 1936 (April 4 to May 2)

CORPORATE INVESTMENTS

Corporations—	
Non-stock	
Number	13
Stock	
Number	28
Capital paid up	P1,156,665
Partnership—	
Number	11
Capital paid	P1,219,864.14
POSTAL MONEY ORDER (Main office only)	
Issued—	
Number	13,084
Value	P331,981.18

Paid—	
Number	63,926
Value	P2,485,936.84
STOCK EXCHANGE (Shares sold)	
Mining—	
Number	58,315,851
Value	P18,641,287
MORTGAGES REGISTERED	
Real Estate—	
Number	90
Value	P1,278,443.30
Chattel—	
Number	177
Value	P264,922.73
MOTOR REGISTRATION	
New—	
Automobiles	134
Trucks	54
Motorcycles	None
Transfers—	
Automobiles	385
Trucks	8
Motorcycles	45
RADIO REGISTRATION	
New	173
Renewals	2,657
LIVESTOCK	
Carabao—	
Arrivals	1,069
Slaughtered	1,098
Condemned & re-shipped	56
On hand at close of day	1
Cattle—	
Arrivals	3,289
Slaughtered	2,812
Condemned & re-shipped	377
On hand at close of day	294
Hogs—	
Arrivals	13,877
Slaughtered	13,689
Condemned & re-shipped	203
On hand at close of day	294
POULTRY AND EGGS (Arrivals)	
Chicken	199,016
Doves	2,852
Ducks	3,475
Turkeys	416
Eggs—	
Chicken and Duck	844,324
BUILDING CONSTRUCTION	
Permits issued	116
Approximate value	P378,945
VITAL STATISTICS	
Bureau of Health data	
Estimated population, (mid year)	357,547
Births (reported)	2,021
Deaths (residents, tentative)	798
Marriage licenses issued	333

The Yokohama Specie Bank Ltd.

(Established 1850)

HEAD OFFICE: YOKOHAMA, JAPAN

Yen

Capital (Paid Up)	100,000,000.00
Reserve Funds	129,150,000.00
Undivided Profits	10,060,937.10

MANILA BRANCH

34 Plaza Cervantes, Manila

S. DAZAI, Manager

Telephone 2-37-59 Manager

Telephone 2-35-28 Import Dept.

Telephone 2-37-58 Export & Current Deposit Account Dept.

Telephone 2-37-68 Remittance & Deposit Dept.

Telephone 2-37-55 Cashier & Accountant

Modern Development . . .

(Continued from page 15)

many pistons are cam turned so as to maintain even contact with the cylinder walls, regardless of temperature, and are prevented from collapsing at high speeds by the more springing use of slots. While the Invar strut piston seems to be losing ground, it is still used by a number of makers.

Ingenious methods to baffle and prevent oil losses from crankcase ventilators, as well as provide greater oil cooling and increased circulation, are incorporated in many of this year's models.

The lower oil temperature obtained through the use of full length water jackets should reduce oil consumption due to the higher operating viscosity of the lubricant. This is partly offset by the specification of generally lighter oils, few manufacturers recommend an oil higher than S.A.E. 30 for summer oil. A high viscosity index in this light oil is, of course, desirable, and should be of material assistance in keeping down oil consumption. The reductions in crankcase temperature are still not sufficient to allow the use of inferior oils without trouble due to sludge formation, particularly in view of the lighter oils which are recommended.

The modern engine requires an oil that must take care of the following requirements—

1. High temperatures.
2. High oil evaporation rate from cylinders, bore and ring zone.
3. Higher oil consumption rate.
4. Greater tendency toward oxidation.
5. Metals promoting oxidation—Copper.
6. High compression.
7. Greater tendency to knock.
8. Greater tendency to valve gumming.
9. Greater tendency to ring gumming.
10. Closer clearances.

TRANSMISSION LUBRICATION

Transmission developments for 1936 are almost entirely in the nature of detail refinements, largely as a result of improved manufacturing methods. The use of helical gears in all speeds is now almost universal since their adoption by Ford. Except as it is incorporated in the automatic overdrive, free wheeling has been abandoned by all makers. The self-shifting transmission, which has been featured by Reo for several years, while still available on special order, is not being pushed in their sales efforts, presumably because of difficulties attending its use.

The lubrication requirement of the 1936 cars likewise show few changes, although the high temperatures which will probably be attained by some of the developments, such as the Bendix "Electric Hand" gear shifter, introduced and used by Hudson last year and still used by them, and in 1936 adopted by Cord, should make the use of a high quality, stable gear oil essential.

The planetary overdrive pioneered on the first Chryslers airflows is now available on considerably more models. Cars on which overdrives are available—

1934.	2
1935.	4
1936.	7

Should the use of overdrives become general, the consumption of oil and gasoline might show some slight decline, particularly where road and traffic conditions allow high cruising speeds.

The lubrication of overdrive transmissions is not particularly difficult, extreme pressure com-

pounds being unnecessary. They are now being made an integral part of the transmission instead of being in a separate case bolted on to the transmission case. The combined unit uses a smaller quantity of oil but it is necessary to provide a well refined, stable product, as under constant use the overdrive reaches a fairly high temperature.

REAR AXLE LUBRICATION

Changes in passenger car rear axles for 1936 are not extensive, but efforts continue to be made to secure greater rigidity and consequently more uniform gear tooth contact under heavy load. Several additional makers recommend an extreme pressure lubricant for spiral bevel gearing. This is probably done to provide a factor of safety in gear shifting at high speeds. For instance, when the driver travelling fairly fast, shifts into second gear and lets the clutch in without first speeding up the engine. It may also insure against lubrication failure when rapidly accelerating in low gear, as so many drivers now do since the advent of helical gear transmissions with synchromesh devices.

The film strength required on an E.P. Lubricant for this service is not as high as is necessary to provide proper lubrication for hypoid gearing. If this continues we may have to provide in the future, a "mild" and "strong" E.P. Lubricant in addition to ordinary gear oil.

The car models using various types of final drive gearing are as follows—

	1933	1934	1935	1936
Spiral Bevel.	53	45	44	42
Hypoid.	10	13	12	13
Worm.	7	5	3	0

Hypoid Gearing for rear ends is being used on only one more model this year, but it is rumored that they will be adopted by several important makers in 1937 in order to get rid of the shaft tunnel in the rear compartment.

Worm Gearing for final drives are no longer offered by any passenger car maker, now that Stutz is no longer in regular production. Very few applications of worm gearing likewise are being offered in the bus and truck field, it having largely been superseded by double reduction gears where numerically high ratios are desired.

Spiral Bevel Gearing, the type which is used by most of the volume-production cars, has been improved only in detail in the interests of rigidity but still requires a stable gear lubricant.

FRONT WHEEL SUSPENSION

Most of the high deflection conventional type springs for the front wheels present but few more points to lubricate than formerly and while most independently sprung cars have more lubricant joints, there seems to be an effort made to simplify some of the systems. To relieve the front springs of "stop loads" Hudson and Terraplane front axle suspension has two torque rods anchored to the frame.

LUBRICATION POINTS

Little change has occurred in the lubrication requirements of the remainder of the chassis, a threaded shackle with a rubber bushing for the spring eye being the conventional method of mounting the rear spring.

Unusual chassis parts which should be mentioned include the two metal universal joints between the steering column and the steering gear on certain Cadillac models, designed to overcome steering wheel nervousness and whip, and the extra drag link on the Chrysler Airflow will allow a normal steering column inclination to be used. These must be lubricated.

Generally speaking, this year's cars are almost impossible to lubricate except from underneath, while a relatively few makes have made an effort to reduce the number of points requiring attention.

CONCLUSION

This paper has tried to bring out the most important developments in the modern automobile engine and not much has been said about maintenance. To my mind, the most important phase in the maintenance problem is the use of the correct oil throughout the complete lubrication system. If an oil, which meets all of the requirements of this modern engine is used, and the engine itself is based on sound engineering, then maintenance becomes a small factor.

The lubrication system of these high speed engines is really the heart of the mechanism and should be treated as such.

So's Your Old Man

In anticipation of next March, income tax month, one of our good members sent us a copy of a recent communication "which he sent (?) to the Secretary of Treasury:

"GENTS:

"The enclosed form, on which I am asked to make a record of my income for the last fiscal year, is returned to you with my respects and deepest appreciation of this subtle form of flattery. I was particularly impressed by its reiterations of old forms and figures of English speech such as 'compensation from outside sources'; 'net profit received'; 'income from rents'; 'interest on bank deposits', etc.

"The question I got a great laugh out of was 'Were you during the taxable year supporting in your household one or more persons related to you?' Boy, that's a honey!

"Say, Mr. Secretary, you would be surprised. There are so many persons closely related to me staying at my house that I am what you would call surrounded. Only the other day, three more distant cousins of my wife's blew in, making a new high for the movement. And one of them brought a friend.

"For the past four years my house has been full of strangers, all claiming to be my cousins, my aunts or something. I can't identify half of them, and what burned me up was when my wife's Uncle Jerry, who has been living with us for a year, slapped me on the back the other day and asked, 'Haven't I seen you some place before?'

"The blank says it will allow me \$400.00 for each dependent relative, and I would say the Government is over-precious then. I would trade the entire lot for \$11.00 and throw in a pair of bicycle pants and a magic lantern. (Two of my wife's aunts you can have for the taking.)

"Heigh-ho and lakaday; the blank also asks me to describe 'your business' as provided in Item Two, and I am glad to answer—'lousy, Mr. Secretary, lousy.' And it asks me to 'enter on line one, schedule A, total receipts'; I wish you would stop joking, Mr. Secretary. Fun is fun, but enough is enough and you can carry anything too far.

"Then you say something about allowance for 'obsolescence, depreciation, and depletion.' That's where I come in. As an American business man I am a study of obsolescence. I am depleted, deflated, depressed, denatured, denounced, deranged and dejected. And so's my old man."—*Inspection News.*

PRINCIPAL EXPORTS

Commodities	April, 1936			April, 1935			Monthly average for 12 months previous to April, 1936		
	Quantity	Value	%	Quantity	Value	%	Quantity	Value	%
Canton (Low Grade Cordage Fibre).....	283,740	22,861		50,690	2,100		362,348	22,565	0.1
Cigars (Number).....	14,932,652	159,460	1.6	16,118,677	1,629,090	3.0	14,331,377	235,581	2.8
Coconut Oil.....	9,588,919	1,596,550	5.6	12,721,978	1,716,704	10.4	14,238,615	2,185,931	11.7
Copra.....	29,330,157	2,774,896	9.8	10,590,242	896,443	5.5	22,618,968	2,029,507	10.6
Copra Meal.....	10,420,267	1,021,611	1.9	5,129,685	156,463	0.9	8,809,065	280,141	1.8
Cottage Cheese.....	646,653	246,831	0.9	1,380,042	371,016	2.3	678,814	164,429	0.9
Decimated and Shredded Coconuts.....	3,129,130	778,724	2.8	2,252,004	819,438	3.2	2,919,882	690,392	3.7
Embossed Paper.....		693,659	2.2		893,432	3.1		875,423	4.7
Hats (Number).....	6,031	7,797		13,364	21,039	0.1	40,565	69,498	0.4
Hemp.....	14,707,324	2,913,014	10.3	11,718,489	1,185,288	7.2	14,831,519	2,218,381	11.9
Knit Goods.....	2,236	2,590		1,240	1,447		5,237	6,473	0.03
Low Tar Soap.....	1,457,797	556,635	1.9	1,014,807	206,382	1.3	1,800,749	354,387	1.9
Lumber (Cubic Meters).....	1,197,197	368,866	1.3	9,156	296,106	1.6	6,558	282,737	1.5
Pearl Buttons (Gross).....	2,763,776	243,043	0.9	557,486	31,705	0.2	1,451,699	115,333	0.6
Perforated Paper.....	48,514	29,448	0.1	61,240	41,853	0.2	38,876	39,303	0.2
Shoes.....	119,515,637	16,344,513	57.8	70,944,544	8,829,833	53.8	67,222,002	7,246,628	42.9
All Other Products.....		1,908,950	3.5		801,637	4.9		968,760	5.2
Total Domestic Products.....		\$28,303,998	99.7		\$16,338,543	99.3		\$18,629,788	99.1
United States Products.....		66,907	0.2		106,238	0.6		169,972	0.9
Foreign Countries Products.....		40,002	0.1		29,852	0.1		16,231	0.08
Grand Total.....		\$28,310,907			\$16,510,504			\$18,806,911	

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

PRINCIPAL IMPORTS

Articles	April, 1936			April, 1935			Monthly average for 12 months previous to April, 1936		
	Value	%	Value	%	Value	%	Value	%	
Automobiles.....	\$ 357,991	2.8	\$ 460,800	4.0	\$ 564,721	3.4			
Automotive Accessories.....	182,639	1.4	204,521	1.8	148,684	0.9			
Books and Other Printed Matter.....	72,189	0.6	50,332	0.4	174,109	1.2			
Breakfasts Except Wheat.....	112,063	0.9	103,051	0.9	163,300	1.2			
Cacao Manufactures Except Candy.....	69,801	0.5	123,158	1.1	81,240	0.5			
Cars and Carriages.....	295,848	2.1	45,804	0.4	90,136	0.6			
Chemicals, Dyes, Drugs, Etc.....	319,471	2.5	310,343	2.7	459,868	3.1			
Clothing.....	141,404	1.1	57,869	0.7	173,003	1.2			
Coffee Raw and Prepared.....	109,833	0.8	86,491	0.8	110,257	0.7			
Cotton Cloths.....	1,299,740	10.0	1,298,292	11.3	1,642,589	10.9			
Cotton Goods, Other.....	812,872	6.3	543,009	5.6	924,606	6.2			
Dairy Products.....	720,850	5.6	456,336	3.9	533,649	3.5			
Drugs and Other Medicines.....	72,128	0.6	41,107	0.4	35,687	0.2			
Earthenware and China-ware.....	60,425	0.5	75,105	0.7	79,667	0.5			
Eggs and Preparation of.....	21,074	0.2	15,251	0.1	24,367	0.2			
Electrical Machinery.....	407,631	3.2	276,278	2.4	388,412	2.6			
Explosives.....	62,006	0.5	107,041	0.9	137,466	0.9			
Fertilizers.....	180,616	1.4	258,076	2.2	290,775	1.9			
Fish and Fish Products.....	275,753	2.1	307,179	2.7	253,041	1.7			
Fruit and Nut Products.....	238,603	1.8	107,041	0.9	238,267	1.6			
Gasoline.....	15,634	0.1	398,968	3.5	573,330	3.8			
Glass and Glassware.....	103,523	0.8	93,322	0.8	124,762	0.8			
India Rubber Goods.....	129,509	0.9	59,169	0.5	114,762	0.8			
Instrument and Apparatus not Separately Listed.....	41,295	0.3	40,831	0.3	50,588	0.3			
Iron and Steel Except Machinery.....	954,416	7.4	1,219,176	10.6	1,584,500	9.0			
Leather Goods.....	185,607	1.4	87,773	0.8	133,232	0.8			
Machinery and Parts of.....	738,914	5.7	346,999	3.0	792,827	5.3			
Matches.....	22,062	0.2	11,837	0.1	17,539	0.1			
Meat Products.....	283,146	2.2	284,586	2.4	235,093	1.7			
Motion Picture Films.....	5,580	0.04	15,448	0.1	46,938	0.3			
Oil, Crude.....	487,739	3.8	159,853	1.4	219,708	1.3			
Oil, Illuminating.....	146,229	1.1	374,560	3.3	384,138	2.6			
Oil, Lubricating.....	39,547	0.3	70,422	0.6	114,953	0.8			
Other not Separately Listed.....	62,302	0.5	62,335	0.7	70,939	0.6			
Paints, Pigments, Varnishes, Etc.....	101,796	0.8	86,672	0.8	130,706	0.9			
Paper Goods Except Printing and Other.....	381,593	2.9	325,713	2.8	381,129	2.5			
Perfumes and Toilet Goods.....	94,838	0.7	61,885	0.5	124,082	0.8			
Photographic Equipment and Supplies.....	37,097	0.3	58,753	0.5	48,116	0.3			
Rice.....	39,473	0.3	23,882	0.2	105,889	0.7			
Shoes, Other Footwear, and Millinery.....	32,673	0.3	101,465	0.9	21,132	0.1			
Silk Goods.....	683,933	5.3	297,305	2.6	444,791	2.9			
Sugar.....	295,908	2.3	49,824	0.4	20,164	0.1			
Sugar and Molasses.....	28,721	0.2	21,580	0.2	26,239	0.2			
Tobacco and Manufactures.....	65,683	0.5	103,819	0.9	579,661	3.9			
Vegetables.....	285,314	2.2	244,798	2.1	275,073	1.8			
Woolen, Fibred and Manufactures of.....	308,348	2.4	232,427	2.0	262,835	1.7			
Wheat Flour.....	494,082	3.8	398,538	3.5	629,137	3.6			
Woolen Goods, Handmade.....	39,370	0.3	47,360	0.4	69,177	0.5			
Woolen Goods, Machine-Made.....	71,884	0.6	42,338	0.4	67,751	0.4			
Other Imports.....	913,182	7.1	967,717	8.3	1,024,141	6.8			
Grand Total.....	\$12,910,051		\$11,507,809		\$15,064,434				

TRADE WITH THE UNITED STATES AND FOREIGN COUNTRIES

Ports	April, 1936			April, 1935			Monthly average for 12 months previous to April, 1936		
	Value	%	Value	%	Value	%	Value	%	
Cebu.....	\$5,230,485	12.7	\$2,957,035	10.3	\$3,890,801	12.9			
Davao.....	1,641,516	3.9	903,532	3.2	1,250,508	3.7			
Honolulu.....	11,300,120	27.4	5,576,456	19.9	4,981,409	14.7			
Manila.....	33,062,011	74.9	17,793	0.1	38,415	0.1			
Legaspi.....	987,125	2.3	295,428	1.0	739,247	2.2			
San Francisco.....	21,829,924	47.8	17,889,979	63.7	22,111,839	63.3			
Zamboanga.....	146,104	1.1	411,079	1.5	396,316	1.1			
Total.....	\$41,320,955		\$28,028,313		\$32,817,345				

CARRYING TRADE

Nationality of Vessels	April, 1936			April, 1935			Monthly average for 12 months previous to April, 1936		
	Value	%	Value	%	Value	%	Value	%	
American.....	\$3,296,134	35.0	\$4,098,749	35.9	\$5,276,309	35.6			
British.....	4,086,226	32.7	3,174,280	27.8	4,600,993	31.1			
Chinese.....	5,712	1.9	4,992	0.4	28,770	0.2			
Danish.....	1,240	0.01	372,755	3.3	234,194	1.5			
Dutch.....	627,883	5.0	809,628	7.1	780,762	5.4			
French.....	678,354	5.4	22,400	0.2	1,514	0.01			
German.....	29,093	0.2	537,645	4.7	817,304	5.3			
Greek.....	2,026	0.02			14,730	0.1			
Italian.....	1,501,517	12.0	1,071,514	9.4	1,395,528	9.4			
Norwegian.....	861,319	6.9	1,208,243	10.5	1,261,755	8.5			
Panama.....	5,155	0.04	28,961	0.2	334,555	2.3			
Portuguese.....					1,555	0.01			
Spanish.....			671	0.005	8,666	0.06			
Swedish.....	106,594	0.8	74,576	0.6	80,669	0.6			
By Freight.....	\$12,531,113	97.1	\$11,403,513	99.1	\$14,776,280	98.1			
By Mail.....	378,938	2.9	114,296	0.9	286,154	1.9			
Total.....	\$12,910,051		\$11,517,809		\$15,064,434				

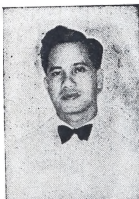
EXPORTS

Nationality of Vessels	April, 1936			April, 1935			Monthly average for 12 months previous to April, 1936		
	Value	%	Value	%	Value	%	Value	%	
American.....	\$8,851,148	31.2	\$6,447,757	39.4	\$7,112,708	38.1			
British.....	6,792,070	23.9	4,419,029	27.0	5,845,629	30.0			
Danish.....	701,761	2.7	795,861	4.8	725,844	3.9			
Dutch.....	1,269,700	4.3	229,775	1.0	724,306	3.8			
German.....	543,612	1.9	149,033	0.9	270,300	1.6			
Greek.....	230,857	0.8	31,529	0.2	203,770	1.0			
Italian.....	487,739	1.8	911,800	5.0	767,963	4.0			
Japanese.....	5,616,772	19.8	2,529,798	15.5	3,461,256	18.5			
Norwegian.....	4,081,974	14.4	696,940	4.3	1,849,163	9.7			
Portuguese.....					231,062	1.2			
Swedish.....	288,743	1.0	98,213	0.6	150,928	0.8			
By Freight.....	\$28,375,867	99.9	\$16,341,894	99.0	\$18,674,001	99.3			
By Mail.....	35,040	0.1	168,610	1.0	132,910	0.7			
Total.....	\$28,310,907		\$16,510,504		\$18,806,911				

RAIL COMMODITY MOVEMENTS

By LEON M. LAZAGA

Acting Traffic Manager, Manila Railroad Company



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

Rice, cavanes	68,961
Sugar, piculs	269,967
Copra, piculs	81,779
Desiccated Coconuts, cases	19,877
Tobacco, bales	110
Lumber, board feet	257,263
Timber, kilos	1,219,000

The freight revenue car loading statistics for five weeks ending May 30, 1936, as compared with the same period of 1935 are given below:

FREIGHT REVENUE CAR LOADING

COMMODITIES	NUMBER OF FREIGHT CARS		FREIGHT TONNAGE		Increase or Decrease	
	1936	1935	1936	1935	Cars	Tonnage
Rice	509	682	5,333	7,436	(173)	(1,923)
Palay	37	128	451	1,379	(91)	(1,128)
Sugar	577	430	18,308	13,832	147	4,476
Sugar Cane	—	—	—	—	—	—
Copra	496	477	4,165	3,307	19	858
Coconut	73	272	812	3,042	(199)	(2,230)
Nolasses	13	10	365	307	3	58
Hemp	1	3	12	18	(2)	(5)
Tobacco	3	—	28	—	3	28
Livestock	12	3	49	23	9	26
Mineral Products	274	290	3,270	3,178	(12)	92
Lumber and Timber	155	263	3,593	6,728	(108)	(3,135)
Other Forest Products	13	25	82	186	(10)	(104)
Manufactures	191	143	2,677	2,336	48	341
All others including L.C.L.	3,182	3,366	20,963	21,202	(184)	(62)
TOTAL	5,542	6,092	60,308	63,018	(550)	(2,710)

SUMMARY

Week ending May 3	1,170	1,379	13,590	16,650	(200)	(3,060)
Week ending May 9	1,056	1,296	11,800	12,962	(240)	(1,162)
Week ending May 16	1,098	1,994	11,706	9,597	+	2,109
Week ending May 23	1,048	1,212	10,732	13,021	(164)	(2,289)
Week ending May 30	1,170	1,120	12,490	10,888	50	1,792
TOTAL	5,542	6,092	60,308	63,018	(550)	(2,710)

NOTE.—Figures in parenthesis indicate decrease.

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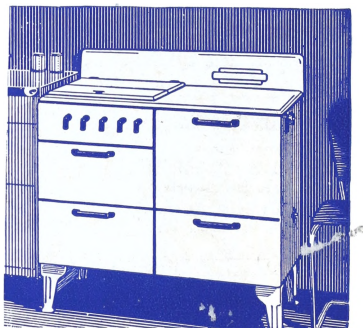
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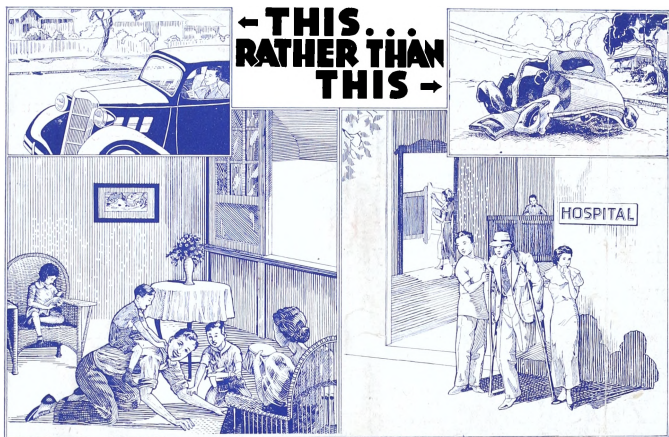
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HOME or HOSPITAL?



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Careful Driving is Good Driving

FIVE o'clock. Motorist drives carefully through crowded streets . . . arrives home safely. Children joyfully meet him. Piggy back ride . . . Juanito urges his Dad to "gallop faster", the while Nanay contentedly looks on. So lives the careful motorist — careful in his driving, with a thoughtful regard for the safety of others.

Unfortunately we also have the reckless motorist. The moment he gets behind the wheel, he throws cau-

tion to the winds . . . disregards safety rules . . . weaves in and out of traffic . . . crosses intersections at high speed until —

A 5-ton truck comes thundering down the narrow side street. There is no time to swerve or stop. A three-month stay in the hospital fails to save his left leg. Now he must wobble on crutches for the rest of his life.

Motorist! Which shall it be: the innocent laughter of children at home or the harrowing pains of a hospital operation? Careful observance of traffic rules will help you to come home safe and sound. Avoid being taken to the hospital only to be discharged minus an arm or a leg. Remember, you cannot grow limbs once you lose them.

Drive
Walk

CAREFULLY

Safety
First!

Traffic Safety Campaign Strongly Endorsed By

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