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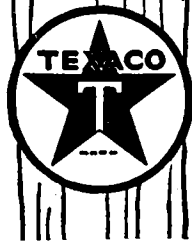
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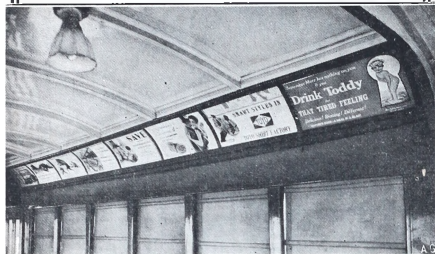
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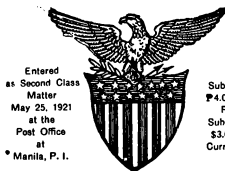
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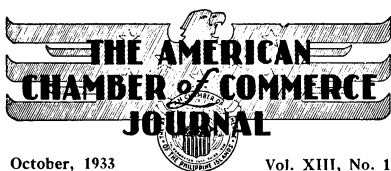
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WALTER ROBB  
Editor and  
Manager



# New Coconut Oil Scare: Bulletin Editorial

By ROY C. BENNETT

In the "Manila Daily Bulletin," October 3

If the Philippines presses its case against the proposed American marketing agreement which would bar Philippine coconut oil from oleomargarine manufactured and sold in the United States there is little chance that it ever will become effective or even receive favorable consideration by the administration. However, the recurrence of unfair and discriminatory proposals of this character is disconcerting to trade, extremely harmful to business in its present critical stage.

To give favorable consideration to any such proposal the administration would have to reverse itself on the stand it has taken so far in demanding a square deal for the Philippines and Philippine products. Furthermore it would have to betray the underlying principles in the free trade arrangement and thereby invite a slap in the face for American products entering the Philippines. The adoption of rules such as those which the oleomargarine manufacturers are reported to have proposed would disarm the American defenses which have withstood discriminatory action in the Philippines against American imports.

So far there is no reason to jump at the assumption that the administration will reverse itself and betray the flag. There is no more reason to assume that the proposal will be approved than there is to assume that a lot of the proposals made here for booting American goods will be enacted into law or otherwise officially approved. However, if the matter is allowed to rest on the assumption that there is no danger it is possible that the proposed ban might slip through, the sponsors of it winning their point by default of Philippine representatives.

Philippine coconut oil interests are perfectly right in taking immediate steps to get their case in form for presentation in imposing fashion.

It should be remembered that it was an eleventh hour burst of activity which saved the coconut oil interests from a severe slap from the state of California, a slap which would have taxed oleomargarine containing Philippine oil from the markets of that state. Even though it is a self-evident fact that all arguments of fairness are on the side of the Philippines,

notwithstanding the fact that the course of action of the administration promises support for the Philippine product in fair competition on the American markets, it is not safe to take too much for granted and leave everything to providence.

There ought to be some way in which concerted action could bring an official pronouncement pledging the territories under the flag a square deal, marketing quotas or no marketing quotas, industrial recovery act or no industrial recovery act. It is time that it be known that Philippine commercial interests are tired of the disordering influence of proposals of this character.

It is hardly to be expected that we should be given a blanket promise of extra liberality or generosity. That cannot be expected and is not asked. But it is reasonable to expect and only fair to ask that the principles of free trade will be applied with mutual fairness.

A pronouncement which promises that should stop efforts at discriminatory measures at either end of the line, should have a definitely reassuring influence on trade on both sides of the Pacific and across the Pacific.

No. 591.—OLEOMARGARINE: PRODUCTION AND MATERIALS USED

NOTE:—All figures in thousands of pounds. Figures for production by kind of oil used are as reported to the Bureau of Agricultural Economics, Department of Agriculture, while other production figures are as reported to the Commissioner of Internal Revenue for taxation purposes. Colored oleomargarine is taxed 10 cents per pound; uncolored, 1/4 cent per pound.

Year ended June 30	Oleomargarine production			District or internal	Year ended June 30			
	Total	Colored	Uncolored		1928	1929	1930	1931
1911	121,169	3,831	115,332					
1912	125,601	6,236	122,365					
1913	145,228	6,520	138,707	California	20,972	37,444	38,823	31,049
1914	144,021	6,384	137,637	Colorado	1,026	1,102	1,619	855
1915	145,810	7,305	138,513	Illinois	140,882	153,044	157,555	120,422
1916	125,510	6,749	118,761	Indiana	3,482	3,516	4,369	3,914
1917	283,170	8,012	225,158	Kansas	20,482	20,298	24,410	18,790
1918	326,529	6,505	319,934	Maryland	7,234	9,022	8,820	6,120
1919	350,217	13,849	345,368	Massachusetts	3,100	3,068	3,462	2,391
1920	791,280	15,024	775,556	Michigan	825	4,364	6,374	8,657
1921	281,682	11,601	269,481	Minnesota	1,840	3,510	2,769	1,731
1922	190,950	6,604	184,346	Missouri	11,848	11,247	12,735	10,786
1923	209,182	8,260	200,922	Nebraska	2,657	3,208	2,800	2,181
1924	239,699	11,548	229,151	New Jersey	29,073	32,123	31,471	24,534
1925	215,403	11,290	204,123	Ohio	25,459	31,262	31,523	29,074
1926	248,047	13,181	234,866	Oregon	7,909	8,431	4,224	2,669
1927	257,137	14,502	242,635	Rhode Island	828	777	1,074	710
1928	294,099	15,351	278,748	Texas	3,023	3,807	4,845	3,410
1929	353,122	16,308	336,814	Wisconsin	9,051	8,571	9,191	5,886
1930	349,124	17,403	332,021	Other	2,305	2,177	3,531	4,724
1931	277,773	8,847	268,926					
Total	311,755	13,608	298,147					
Combined animal and vegetable oil	95,876	8,859	87,017					
Exclusively vegetable oil	215,879	4,749	211,130					
1931	221,953	6,146	215,807					
Combined animal and vegetable oil	56,872	3,906	52,876					
Exclusively vegetable oil	165,081	2,150	162,931					

U. S. Statistical Abstract: 1932  
 U. S. Commissioner of Internal Revenue, Treasury Department, and Bureau of Agricultural Economics, Department of Agriculture.

# Some Considerations Relative to Our Times

*If the old gray mare of individualism is no longer up to scratch, what critic is to replace her? Quo vadimos?*

In viewing the United States under the influence of the sweeping reform legislation of the Roosevelt administration it is essential to bear in mind that Roosevelt's advent into the White House ended one régime and began another, that the old régime of *laissez faire* and individualism can never be resuscitated and will never again muster the good opinion, or support, of the American people. Roosevelt's nomination at Chicago was a public demand, it killed the old régime in his own party. His subsequent election was equally a public demand, and it killed the old régime in the opposing party. At nomination and at election he was committed to nothing, save, in the most general terms, to radical reform. He was not bound by patronage. In the legislation that ensued upon his assumption of office, party and partisan government of the United States ended. This paper will try to show how and why this is so.

Note that patronage plays no significant part in the new deal, on patronage old-line politics wholly subsisted. Note that the president's cabinet (a body, by the way, not contemplated in the constitution) is practically non-partisan and embraces but one old-line party man, Postmaster General James Farley, who sits below the salt and whose function has evolved into telling old-line politicians what they may not have, not what they may have; who takes, instead of giving, orders from his colleagues, who distinctly are running and manning their own departments. Note finally, that keymen throughout the administration are coming, not from the ranks of politics, but from the universities. Learning, not mere cunning, is at the president's disposition.

In the Philippines, happily, we have an illustration of what this signifies. Our governor general is distinctly the new type of man that is being called into public service. Shibboleths mean nothing to these men, the intelligent and upright handling of all questions means everything; and not seeking office, they lend their services to the public, which are demanded elsewhere. For precedents to such a situation in American politics it is necessary to turn back a hundred years; to the time prior to the first election of Andrew Jackson president, and to 1848, when a presidential candidate, General Cass of Michigan, for the Democrats, at Baltimore, was nominated by a formal convention of party delegates, for the first time; and President James K. Polk, though of the same party, wrote a deprecating account of it into his diary, predicting therein the debasement of politics which it most certainly brought about.

In the Roosevelt administration is exemplified such an administration as that, say, of James Monroe, who had John Quincy Adams as his secretary of state. The hold that machine politics has had on the country, with its crooked ways and artificial issues, is broken and will remain so. It is essential to see this fact clearly, for what it imports and for the comment that follows. Having ruined every department of government with patronage, debauched and pauperized the cities, made taxes confiscatory, state administration mostly disgraceful, and the presidency an agency of self-seeking

machinations, machine politics had nothing to do but to abdicate in favor of decency. It is a tribute to the American people that the politicians were let escape without broken necks—that the revolution was lawful and peaceful.

Now let us proceed.

The arch and keystone of the reforms is the industrial recovery act. The aim of all the legislation is planned industry and managed production and credit, so even all banks come under federal license and farming comes under control. The industrial codes are charters. They affect all industries, under them only may any industry function. Members under the codes may be expelled for cause, and a code may be withheld from an industry if it is drawn up in terms inimicable to the public welfare. In the law itself, labor is assured the right of collective bargaining. In the drafting and adoption of codes, labor and capital are both heard and both vote,

with the government the final arbiter. The president exercises this vast power independently of congress; the new laws carefully stipulate they are enacted because an emergency exists, and so they are immune from nullification by the supreme court. Granting, as they do, labor's right of collective bargaining, they antiquate a curious grist of jurisprudence that has been based upon Thaddeus Stevens's 14th constitutional amendment. This jurisprudence may now be sent to the basement and catalogued for the use of antiquarians, for of the social progress of the country it is out of the way.

The laborer's right to sell his labor for what it would bring, a strained application of the theory that a man is not to be deprived of his property without due process of law, how quaint this was—in practice putting honest wage-payers at the mercy of crooks, of the racketeers in industry, and provoking child labor and sweat-shops, 12-hour days and the horrifying 24-hour shift in the steel industry of just the other day. Industry itself must applaud, as happily it seems to do, the demise of such willful inventions of the courts. Only vestigial remains of them persist in the new codes, and these will soon disappear.

Now the codes, being really charters, have the effect of erecting the industries of the United States into guilds, like the guilds of the middle ages. Though the guilds of the middle ages were chartered in smaller communities, usually only in cities or in city states, the facilities of modern communication destroy this apparent contrast. Guilds we have. Such being the fact, it is perhaps well to reflect on what the oldtime guilds were and why they went out of use. They were trade organizations of the arts and crafts that advanced these activities farther in excellency than they have ever, on the whole, been advanced since. To this general rule there are some exceptions, printing being a notable one. The guilds had fast rules, controlled their membership, and in politics voted for their own interests. They never attracted to them more men than could find employment in them, they never produced more than their markets consumed. They served their communities, did not constrain their communities to serve them.

## From The Literary Digest

"Regardless of the temporary nature of the legislation, it would be difficult, in *The Nation's* (leading London financial weekly) opinion, to avoid writing the new rules of industry into permanent statutes."

"While the Industrial Recovery Act is limited to two years, its framers believe there will never be a return to the old order. . . . Individualism in America will come to an end if legislation of this type and character is placed upon our statute books and kept there." (Senator James W. Wadsworth.)

"The end of the *laissez-faire* doctrine of uncontrolled industrial and commercial competition is at hand."

All the quotations above are from *The Digest's* leader of September 2, by Arthur Crawford, its Washington correspondent. They were picked up after the *Journal's* paper was written.

They guided politics toward democracy, made Italy the birthplace of parliaments, brought public matters to settlement before conferences of representative men. Their decline was not decadence within themselves. It was brought about by the discovery and settlement of the Americas and the conquest of the Far East that inaugurated the era of foreign trade. A return of society to the guilds—it has been done in Italy already, and is taking place in England too, while it will possibly be the final outcome in Russia—is merely a return to natural growth after a long chaotic period of unengaged and belligerent strife affected by transitory factors, such as abundance of free virgin land, that in our own time have been, or are at least rapidly being, eliminated from the problem of gregarious life and how best to live it.

To cite other factors than land, many have noted with the philosopher Spengler how little stable can be a foreign commerce in the product of machines, when the machines themselves are exported and hinterlanders quickly learn their use; and how vain the exploitation of democratic rights, since constitutions themselves get carried hither and yon in ships and dependent peoples tend to learn, interpret and adopt them—setting up against your right to trade their own, and their laws against your own.

While a man incorrigibly addicted to belief in a policy of *laissez faire*, or faith in gods of things as they are, may not at once sense it, in truth the world has filled up and learning and knowledge are well dispersed—the trend must be to intranationalism again, the return of industry to administration by guilds is logical and no doubt beneficent. But the adjustments that will come about in all this are interesting, the political adjustments particularly. Industry functioning under national charters, the industrial codes, men working together in guilds, soon all employed men will be guild-conscious and think and act for their welfare in contradistinction to the way spellbinding partisans try to teach them to think and act.

In Iowa, then, men will vote corn and hogs; they will neglect the Republicans and high tariff unless a high tariff really suits them. In Pennsylvania they will vote coal, iron and steel; in Texas and Oklahoma, cotton, corn and cattle, not necessarily Democratic and what have you. Old-line politicians have no place in such politics.

This is plainly evident in the conferences that made the codes. Not an old-line politician was in these conferences, but more university men, thinking liberally, nobodies and even contemned in public affairs heretofore, made such pleas to them as must have tempted the shades of the Founders to start from their frames—as if another convention “to form a more perfect union” were deliberating in Philadelphia. Ignorant bosses who have hag-ridden the country for a century, city, state and nation, have no place in such a scheme of things. They would be unable even to understand the proceedings. The country, on the contrary, does understand. For instance, the myth that everything must be written down in the newspapers for the public's consumption is being exploded. The papers, and the magazines too, such as *Harper's*, begin having things to say that they really want their readers to hear; more and more editorials shine forth on front pages, the *Literary Digest* takes form under new management with signed and specially written articles and a weekly Washington letter from *Diogenes*.

John Quincy Adams could be at home in such an awakened America, his brilliantly musing grandson Henry Adams could pursue his never-completed education there. In a word, America is in the capable hands of her forgotten men and they

are organized, in these code-charters of industry, never to be cheated again of their heritage and all to which their children have a right.

There are now 48 states. But there are not so many essential divisions as that. There could be fewer states with resultant advantage to the country, and there is much talk of making fewer. Done now or later, it will eventually be done; mere thought of it shows that people are not thinking so much of state bosses and the advantages of the crimes they committed in the name of their parties and partisans. No movement of industries from the cities to freer domicile in villages and towns is noted, though little but the artificial stands in the way of this for many industries. An investigator reports that the movement doesn't start because employers like the cities' larger labor supplies.

Industries functioning under charters will not long concern themselves with larger labor supplies than they require. They must soon concern themselves with every man's right to a wholesome life, which is entirely possible and in all ways desirable under a policy of intranationalism. Such will

be the great questions, real and vital questions, presented and threshed out by society as it is newly reorganized in the old-fashioned guilds. In a society that has the question of patents to resolve, for example, how could a boss peddling mere cheap offices and sickly jobs be heard? For this question must soon come up, of patents and inventions and who is to have them. For who is? In the automobile industry, or the radio industry, is a new and perhaps revolutionary idea to be patented and exploited by a lucky company, or to be shared with all? If you have a job under a guild it can hardly become the prey of fanged competition. So too if you have a store or an export-import business, or a wholesale shop handling groceries. There may be giants in your guild, you a pygmy beside them, but if there is meaning in the slogan *new deal* it must be supposed that these giants will adhere to the rule that—

“It is not the part of strength to crush, But to shelter and protect.”

The potentialities of all such questions call for the nicest adjustment, demand the most capable leadership—a demand, for instance, such as the railroads present—and challenge the country's

intelligence. Note that they are all, as they arise, submitted to conferences that are already, in effect, compelling everyone interested in them to think and act as a man would who thought and acted for a guild. It has been Italy's experience, in the return to guilds, that these grouped themselves into thirteen natural associations, the divergent entities in each association having some paramount mutual interests; and Italy is now so made up politically.

No doubt something similar will come about in the new United States. Men will not remain artificially divorced from their own interests by the vain and confused doctrines of sectional parties with selfish eyes only on the public offices and the resources of the treasury. The Founders and their sons saw the dangers of artificial partisanship threatening early America, denounced but could not arrest them. Now, by as happy a revolt of public opinion as the annals of mankind record, they are definitely repelled. The supreme law, the welfare of the people, finds means in the constitution to dethrone the slyster.

Timely that mention, the constitution's resources against charity and slysterism. Let us see:

“Each state shall appoint, in such manner as the legislature thereof shall direct, a number of electors (for choosing the

(Please turn to page 13)

“With the (National Industrial Recovery) Act before us, it is easy to see what it is not. Thus it is emphatically not an effort by government to ‘spoon-feed’ and ‘coddle’ business, to pamper it back to health by artificial governmental stimulation. At every point the Act throws initiative on industry itself or on industry and labor. It relies, up to the limit, for accomplishment of its objectives on voluntary private effort and cooperation. . . . Governmental action is relegated to the position of a reserve, to be brought into play only after industrial initiative and voluntary cooperation have failed to materialize. Obviously, such a reserve power in the hands of the government is essential if the Act is to be more than hortatory.”

The quotation above is from John Dickinson's article, *Controlled Recovery*, in the September *Atlantic* that came to hand after the *Journal's* article was written. Dickinson is assistant secretary of commerce. He himself illustrates the new type of men the Roosevelt administration is calling into the public service. From Harvard Law School, he is professor of public law at the Law School of the University of Pennsylvania; his work on *Administrative Justice and the Supremacy of Law* is standard, and he helped draft the national industrial recovery act.

# Basic Facts Bearing on Philippine Gold Mining

*The definitely known mineralized belt extends north-south from the Pacific to the Celebes sea—richest sections little explored*

There is a good deal of curiosity in men's minds as to why it is, if there is much gold in the Philippines, great gold-mining development has not occurred in the past; and why the boom comes now, delayed 33 years after the American occupation of the islands. The second of these natural queries is readily satisfied. The records amply substantiate what will be said. It is this: Campaigning in the Philippines, American soldiers found many evidences of gold deposits and rich placers. These soldiers were without funds, practically speaking—had no way of following up their discoveries. Those who found no lure in the hills, who settled down to trade in Manila and did well enough in that without being tempted to chase rainbows, needed their gains to expand their business.

Few of these men could be induced to stake prospectors or to put money into gold schemes. Some projects were financed that did not pan out, this discouraged the whole industry; and dredging was tried where proper mining would have been more the thing to do, as mining is now about to open up on the old Paracale dredge workings. Prospectors who knew their claims were valuable often held them as long as they could, many dying of exposure, hardship and malaria from living on their claims in the vain hope of finding financial backers to develop them. But some, as some at Baguio, stuck it out successfully until the Benguet Consolidated and Itogon mines began making money and public interest in mining ventures began asserting itself. In this desperate way the old Acupan claims, now the Balatok mine, were held; and Tom Phillips, one of the original stakers of these claims, actually registered them on the last day he had in which to do so. He lives, though in bad health, to tell the story.

Phillips came here with a dredging outfit from Australia. The first mine adequately financed and persistently developed was the Benguet Consolidated. As it is only now that the true resources and real worth of this great mine are coming to be known, so it is only now that interest in mining has become general; and this inclination to venture in mining is enhanced by the depression that has knocked profit out of other enterprises. There has also, in 30 years, been much improvement of mining machinery and methods of making low-grade ores pay for the milling of them, and adaptation of the diesel engine to needs of mines for power. Finally, gold regions have been made more accessible by roads and trails; hardships of getting to them and camping in them are greatly lessened. The airplane helps too, and one mine 35 kilometers in the

mountains is being provided with an airfield to enable the owners to get men and supplies to it.

This use of the airplane in mining is followed in New Guinea. It is practical.

Now for the first query. Why, if there is probability of much gold in the Philippines, was gold mining not developed long before the Americans came here? Or, what is the basis for the belief that there is much gold here?

Geologists have long known of the very extensive mineralized zone in the Philippines, perhaps no less than 1,200 miles long, and in many places 10 miles wide, beginning north at a point on the Pacific ocean midway between Bangui and Claveria and running south through Davao to the Celebes sea. In a past geological age, the Philippines broke in two along this zone. This is what created the zone. Water boiling from earth's depths gurgled up through the faults along the break, spread through them and dropped, as it cooled, the minerals it held in solution while hot. So the whole zone was mineralized. Among the minerals are iron, copper, silver, chromite, gold and at least some platinum. Thus if you find gold at Baguio, it is not unreasonable that you find it at Ipo, Salacot, Baleta, down through the Bikol peninsula, over in Masbate, Samar, and Leyte, and on into Surigao and Davao. This is a huge region and requires vast exploration before much can be known about it.

Reliable mining men who have gone pretty well over the field are of the opinion, from the surface indications, that the richest portion of the whole zone is the one in Surigao and Davao, the portion that has been least explored—where gold is indeed known to exist but where no mines exist and very little placering is done. Take Masbate, for example. On the gold belt around Aroyo gulf in Masbate are 2 flourishing mines, Paniqui and IXL. Both yield low-grade ore, Paniqui Mines, Inc., having bought a few years ago the old Syndicate property. Net profit from millheads is about 1 peso a ton, and the Paniqui mines mill 250 tons a day. Ben Berkenkotter, who formerly worked for the Syndicate company, is practically sole owner of Paniqui Mines, Inc. Six miners together own the IXL. There seems to be no limit to the ore at the disposal of these mines, now profitable to mill because of the highly improved and economical methods that may be applied to the business. Here, then, are just 2 little bits of the potential goldfields of Masbate.

Arthur Bridle, who has mined in Masbate for many years and is a very prac-

(Please turn to page 13)

## Compact Mineral Testing Kit

Magnifying glass; knife with magnetized blade; gold pan, or copper vessel, probably only procurable in Manila—substitute of hardrock are made by native placer miners with a device for catching the smaller gold particles; steel mortar and pestle; blow-pipe; candle; charcoal block; matchstick with short length of thin platinum wire twisted to one end; cheesecloth screen on wire hoop, for sifting; glass test tubes; set of 50 mineral specimens, that is, pieces of gold ore, iron and other mineral rock aiding in identifying samples taken from prospects. These pieces are not absolutely necessary, but impart knowledge of ore rock quickly.

These acids, in small quantities: Nitric acid, sulphuric acid, hydrochloric acid, ammonium hydroxide, cobalt nitrate, borax, and washing or baking soda. (These are all carried in small bottles).

A steel drill, a forge for sharpening it, a prospector's pick and dynamite are also often carried by amateur and professional prospectors.

The above kit is specified by *Popular Mechanics*, September 1933. Compare your one with your identifying samples. To test with blow-pipe reduce some of your ore to powder in the mortar and put a pinch of it, with 3 times as much soda and charcoal, in a cavity scraped in the charcoal block. At proper heat, metal and perhaps an incrustation appear in the cavity. Gold is yellow and malleable, silver white and malleable, bismuth white and brittle, lead white and malleable, antimony white and brittle. Heat your platinum loop in the candle flame, dip in borax and reheat, dip in powdered ore and heat again, until a bead of material forms in the loop. Gold is the only test gold should show yellow; orange if iron is present.

Some resort to geological textbooks will give any young fellow valuable light on how he may undertake prospecting, to which interesting pastime he may well devote his holidays.

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# President Cavender Gives Students Business Talk

*His address of September 28 to Students of the College of Business Administration, University of the Philippines*



H. M. CAVENDER

The Philippines is a young nation, a nation that in the future will play an important part in the history of the Far East. Your country stands at the crossroads of the trade routes of the Far East, but, so long as you are economically unprepared, just so long will you lose the benefits of your geographical position. It is the appreciation of this fact that renders your training in business important, not only to yourselves as individuals but to your country as a whole.

Towards this end, you have government agencies whose major projects and objectives are to encourage and assist

the young Filipino to today to appreciate the unlimited opportunities and resources these islands offer to a determined and ambitious young people. Towards this end, you have your educational system, including this higher college of business administration, which—through its efficient Faculty and adequate curriculum—is to train you in those basic principles and functions that are the foundation of sound and progressive commercial achievement.

We all want to progress. Every business man and woman wants to progress. Let me mention three attributes of progress and their relation to the individual and to business enterprise.

**Sincerity.** There is no such thing as progress unless there is sincerity of purpose. Unless you are sincere, your whole effort, your whole life, all your training in this College of Business Administration goes for naught.

**Courage.** Progress in business requires courage. Few individuals, few enterprises escape stress and storm. Obstacles arise. Plans go awry. Fate often seems determined to crush us, and we are as often tempted to say "What's the use!" That is where courage comes to the rescue of progress. True courage springs from the consciousness that one is striving worthily—from an innate conviction that one deserves to succeed.

**Patience.** Hand in hand with sincerity and courage, progress in business demands patience. Patience alone can make us keep carrying on.

Now then, what is your goal? To succeed in life. To strive to contribute something to your country, its work and its people. To be an asset to your country rather than a liability. To seek progress as an individual and as a citizen.

Today the ultimate goal of most Filipino boys and girls seems to be Manila—in other words, the big city. That is all very well, but the wide-awake ambitious young Filipino of today should see that the greatest—and practically untouched by him—opportunities for progress in business are not altogether in the big city. The big untouched opportunities to build and strengthen the economic structure of your country seem to lie not in Manila, the big city, but in the provinces.

No doubt many of you have come from the provinces to Manila to study in this advanced College of Business Admin-

istration. Now, take your knowledge back to your province and enter upon your business career there—give your town and your townmates the benefit of your training. There is your opportunity to expand and to enlarge the participation of Filipinos in the domestic trade system of your country. There are today some successful young Filipino businessmen in the provinces—young men who started very humbly and now occupy respectable positions in the business life of their respective communities. I say there are some, but I also say there could and should be more Filipino business men and women throughout the provinces—starting from the bottom and building up the small businesses to sizable businesses—building up and strengthening the economic structure of the whole country. It is something you students today should not overlook when you enter upon your business career.

I have said you have government agencies working to help you to recognize your unlimited opportunities in your own country. Director Consober of the bureau of commerce, in a recent address before the Rotary Club, pointed out that one of the major projects of the bureau is to enlarge the participation of Filipinos in the domestic trade system of the country—

that his bureau is making its strongest appeal to the young people in the schools and colleges. The bureau stands ready to help its countrymen, is urging more young men and women to go into business, and is making the appeal that any legitimate business, however humble and small, is a public service; that there is open today to young men and young women another unlimited field in business than in any other line of professional undertaking.

In carrying out this project—to encourage and accomplish the participation of Filipinos in the domestic trade of the country—the bureau is inspired to extend to the young men and young women of the Philippines take full advantage of the opportunities that they have at hand, thereby contributing to their own welfare and to the progress of their native land. The bureau strives to imbue in these young people a spirit of self-respect, self-reliance, and self-protection.

Now you know better than I do what your College of Business Administration is doing for you, how it is training you in the theories of marketing, advertising, merchandising and adapting products for the market, choice of marketing channels—sales, sales force, sales quota, sales promotion—the various phases of management, financial, production, personnel. Your college is equipping you with those perquisites that when sensibly applied will enable you to pursue your chosen career along the road and up the ladder to success. And mind you, that road has many mile posts. That ladder has many rungs. It is training that you are receiving in this university, the encouragement and assistance your government is so willingly offering, will go a long way towards helping you around the turning points and obstacles in your business career, and progress. What more does a young man of your own age need today?

I know that you college students do not like to listen to the old story that you must start from the bottom. I recall that when I was in school a businessman came—just as I come before you today—to speak on the opportunities awaiting us upon the completion of our studies and training, to tell us that the ladder to success started from the bottom and not from the top. That hurt our pride. If we had to start from the bottom, why were we spending all these months and years in training to be executives in business? Nevertheless, we were soon to find out that the lower rung in the ladder was the starting point of the man to climb all the rungs.

My observations, during a little over 12 years residence in the Philippine Islands, have led me to one conclusion, that the biggest possible progress of the Filipino youth is to be made in the field of business, small businesses that start from the bottom, thrive and grow to sizable businesses. We have already seen, in the short space of only a few years, Filipinos accomplishing this very objective. Why not follow in those footsteps? Realize upon the ever present possibilities for success in business! Success—the result of pioneering in some particular field of business and carrying it on to that success!

New history is waiting to be written. Your resolve, your earnestness coupled with your advantages in training will determine your place in the progressive business life of this country. You young people are to be congratulated upon your selection of a business career as your profession in life.

## A Pat Example

Jose C. Jacinto of 433 Muelle de Binondo is a business man 47 years old. Twenty-five years ago he was a young school teacher on pay of about ₱20 a month, in various towns of Nueva Ecija. When he married he could not pay the priest until he got his pay at the close of the school month. But he had it in his mind, even then, to work hard and succeed. He is now an importer of school-sale merchant. He buys for cash, sells for cash. He has a wholesale-retail store at Quezon, Nueva Ecija, where he also has a rice farm of 162 hectares of land with 42 families farming it. His rice crop is 6,000 or 7,000 cavans a year. He has a retail store at Manila, Manila. He supplies provincial merchants in 4 central-Luzon provinces from trucks of his that make regular rounds, a truck to each province. These trucks represent a costly experience to him, but he says the experience was worth all it cost. He has ventured into the land-transport business, competing with a wealthy company, tried for years and finally closed out the venture with a loss of ₱25,000. But in that business he learned about trucks and how to keep them in repair and keep operating costs down.

He has a home in Manila as well as at his farm. Ten children have been born to him. They are all getting good educations. His oldest son is an undergraduate at the University of the Philippines. Jacinto père had hardly more than a primary-school education. Business has made him able to do far better than that for his own children. His career exemplifies the business counsel Mr. Cavender's address to the students of the college of business contains.

# An Imagined Portfolio of American Stocks

*Bought a month ago, it would  
have shrunk in capital value*

On August 29, when the JOURNAL decided to run a monthly commentary on the New York investment market, prices of that day, of the stocks listed in the box on this page, were taken from a broker's board: an imagined portfolio was made up. The reader will note comparative prices, of the same day in September. All the stocks were lower except Wrigley. Oddly, that company had shortened hours, raised wages, and yet its stock had gone up. Those things happen.

The portfolio was intended to be general, choice of stocks conservative. It is still believed it bears that character. There is a zest of speculation in it, as in the bank stocks perhaps, but not too much. An old glorifying the Grand National Steeplechase run at Liverpool March 15 every year, that ventures without risk of getting hurt are not ventures at all; that is, he said it in rhyme, of which this is a paraphrase. Now you might get hurt by certain items in our portfolio, but let's just follow their fortune through a year and see how much that hurt may be.

Each selection was justified with a reason. Man-slaughter and mayhem are sometimes so justified, but good conduct always is. An insight into the reasons:

**The railroads.** You can't kill railroads tapping good territory. There is too much public interest in them. Everyone has a vital personal interest in great railroads. If you own none of their securities, you own insurance. Kill the railroads and you kill life insurance, for the insurance companies hold rail securities in bundles. Besides, in many countries, as in Canada and the United States, railroads are essentials for national defense; there is no means but railroads to move supplies and troops enough about for a mobilized army. Besides again, railroads can accommodate freight and passengers as no other land facilities of transportation can, and better than air-machines can.

Over one of our portfolio roads, a man traveled from Detroit to Buffalo in 5 hours; in a bus he made the same trip in 12 hours, very tiring. Electrical devices made his train trip safety itself; the engineer might have died at the throttle and no mishap come to the train, and if the engineer ignored a slow order, electricity instantly made up the neglect and a reprimand wire awaited the engineer at the next stop. Our traveler was able to work and sleep as the perfect train sped on. All that has happened to that road is the hard times, competition has counted immaterially. This equally applies to the whole list. Take the lowest, the Canadian Pacific. It is a fair guess that this road is not far from dividend resumption. It paid dividends on its common from 1882 to 1931 (latter half), and from 1911 to 1931, or during 20 years, it paid 10% a year.

You can't suspect the good old Santa Fe, nor the still older and equally famous Union Pacific. As for the Pennsylvania,

it probably without a peer in the world both as to management and territory.

Bought on September 29, Santa Fe at its last dividend, for last year, would pay more than 5%; so would Union Pacific, while Pennsylvania would pay more than 6%.

Remaining items in the portfolio embrace good banks, prime steel companies always in on the shipbuilding, automobile companies, foods, drugs and Wrigley's. These were chosen because their activities are basic and their markets insatiable. Money always has a market, so do foods, drugs, automobiles and steel. Contrary to common assumption, there is going to be a great deal of building in the

United States in the very near future. Housing there is going to consume building materials, steel included, in great bulk. It is not, in many cities, what it should be at all; replanning and rebuilding neighborhoods under the new financing arrangements must be wholesale and continue for years. Taxes are going to be lower, too. Not necessarily federal taxes, but municipal and state taxes—the bulk of all taxes Americans pay. They have been lowered in Iowa amazingly, they have been lowered in Oklahoma 40%. This will stimulate building. Jobs are already more secure, another upping factor.

True, there is still a deal of maladjustment affecting industries in America from the farms up. Difficulties in the way of adjustment are still tremendous, but the goodwill of the people is unbroken—it is even more tremendous. On the other hand, there are rascally chislers everywhere. A Maryland woman writes her Oklahoma woman friend that wrapping her tomatoes in paper and trucking them to the New York produce market, she is given 1 cent a pound for them. The Oklahoma woman, though she and her husband owe nothing and are happy that their taxes are 40% lower than last year's, reports scant food for the stock and wheat not worth the cutting—bringing then 33 cents a bushel. It is these things, these widespread farm calamities, that explain in most part the low figures in our portfolio of stocks. Maybe the new codes will aid the Maryland woman; the produce merchants tell her the chain stores haggle the prices down—"when we have red tomatoes they want 'em green, and when

we have 'em green they want 'em red." Chislers. The woman tells her Oklahoma woman friend that anyway, though the summer's figures show her more in debt, her farm has provided 60 families with work enough to keep them from want. That's that tremendousness of spirit mentioned above. (All the letters, *Atlantic*, September, give a grassroots viewpoint of a bad situation.) On the whole, there is no reason to be discouraged about our conservative little portfolio. Let's open it again next month, when General Hugh Samuel Johnson has had 4 weeks more in which to have at the chislers.

## Some Typical American Common Stocks

	Sept. 29	Aug. 29
<b>Railroads—</b>		
A. T. and S. F. ....	55	69
Canadian Pacific .....	13-1.2	16-3.4
Pennsylvania .....	30	38-1.2
Union Pacific .....	110-1.2	130
Baltimore and Ohio .....	27	35-3.8
Atchison, Topeka and Santa Fe has paid a 1933 dividend of \$3; Pennsylvania, \$2; Union Pacific, \$3; Canadian Pacific is effecting many economies of operation and cooperating arrangements with the Canadian National such as combined trains, mutual use of trackage, etc.; Baltimore and Ohio is putting earnings into physical betterments such as air-conditioned fast trains.		
<b>Banks—</b>		
Chase .....	22-3.8	28
Empire Trust .....	17-3.4	20
National City .....	19-1.8	
Irving Trust .....	24-3.4	36-7.8
Chase has declared a dividend of \$1.40; Empire Trust, \$1; National City, \$1.		
<b>Steel—</b>		
Bethlehem Steel .....	33	41-5.8
U. S. Steel .....	46	57-1.4
<b>Food Products—</b>		
California Packing .....	33	20
Corn Products .....	86-1.2	89-1.2
General Foods .....	19	37-3.8
<b>Automobiles—</b>		
Chrysler .....	40-5.8	46-3.4
General Motors .....	28-1.4	35-1.8
<b>Others—</b>		
Drug, Inc. ....		46-1.2
Wrigley (chewing gum) .....	53	51

# Difficulties of a Firm Policy in Sulu

When a band of Sulu brigands sniped a constabulary patrol in August and Governor-General Frank Murphy began investigating the Sulu problem, announcing his intention to have a firm policy there, John Hackett of the Mindanao Herald construed the governor's statement to mean a policy of blood and iron. When Governor Murphy was asked about this, he said he had no blood and iron policy in mind—far from it. He meant, by a firm policy, one under which Moros would have justice and the law and its agents would be respected. Effecting such a policy may involve changes in the personnel of the Sulu government. Not every good man is able to govern Sulu well. Whoever governs here will do best when it is definitely known that James Fugate is or is not to go back there as governor.

Sulus are natural intriguers. While many Sulu leaders are said to have given their word to Fugate that they would support his successor, there is undoubted temptation among them to make the way of his successor hard and create the impression that his return to Sulu is badly needed. Supporting this is the fact that he made a good Sulu governor. If he is to go back there it should be announced; if he is not, that too should be made known. In any case, Sulu needs a permanent governor able to build up moral backing for his administration among the Sulus.

The type of governor needed is a man fit to cope with raw border conditions; in short, a man of shrewd and cunning courage. A man merely honest is easily found, an honest man who is also cunning is a rarer combination. He will be dealing every day with intrigues, he must frustrate them with intrigues of his own. That is the job at Sulu. The archipelago is rife with factions, the job is to play them off against each other and push ahead with education and public improvements; it has been found that Sulus will settle in peaceful communities where roads give contact with the public authorities and access to markets.

A drawback in Sulu, in Lanso and the other Mohammedan communities, is nonrecognition of customary law. This is true of land law especially. The statutory law affecting land, applied everywhere in the islands, recognizes private ownership of land. Sulu law does not recognize private ownership of land at all, but holds it immoral; so the law is in conflict with custom and its enforcement gives rise to rancor and feuds. You might issue title papers enough on land to cover it with foolscap, still a Sulu would not feel bounden to respect those title papers; the practice is foreign to his law and his tribal customs. Such things provoke continual conflicts, it can't be otherwise until Sulus are brought by education and practice to discard their tribal view of property in land and adopt the doctrine of private ownership.

Or the government might let Sulu law prevail in Sulu where it is not in conflict with what is right. Essentially the problem is one of mutual adjustments. It is to be worked out among a people who are naturally suspicious and natural dissemblers, so it is no easy problem. Charles E. Yeater gave it into the hands of Carl M. Moore, who managed it well. Colonel Henry L. Stimson gave it into the hands of James Fugate, who also managed it well. But undoubtedly, now, there is a "Moore" party in Sulu, as well as a "Fugate" party; there are also factions for and against Sultan-Senator Hamalul Kiram. Every successful governor unwittingly makes his successor's lot the harder, the factions try him out like country yokels try out new teachers: it is literally such a problem in big-boyishness. In ten years progress will have been made with it, because there will be more roads, schools, farms and settled places. But outwardly it will be just the same, and in 50 years just the same.

Nor will it ever be more than a very minor problem. It only affects about 70,000 people on a small and isolated archipelago. To govern these 70,000 folk justly and firmly, as Governor Murphy rightly wants them governed, is a thankless small-pay job for that competent man who can at times be found, who likes doing thankless and stubborn work that needs doing.

## Sulu's Size-Up of Sulu Governors

### JAMES FUGATE

Held Sulu leaders personally responsible for peace in their districts, pledging them to keep the constabulary from interfering so long as they kept faith with the government.

Cut yearly government expenses \$7,000.

Fought cattle-rustling, prosecuting buyers of stolen cattle. Reported corrupt officials, getting them dismissed from the public service. Secured return of 800 stolen cattle to their owners.

Induced Sulus to take up farming, which they began doing so actively that in 1930 Sulu exported rice, for the first time in Sulu's history.

Inaugurated a movement for Sulus to turn in their cutting weapons, persuading the leaders that constant carrying of these deadly weapons was a fertile source of crimes—among young men especially. This movement was underway when Fugate's health failed and he went on leave.

Restrained the constabulary from provocative activities, practically limiting their patrols to practice marches.

Promoted Sulu's general advancement, and gained by a sympathetic attitude Sulu men's support.

### GUY N. ROHRER

First American governor of Sulu, under whom many bloody conflicts took place in one of which Lieutenant Ward and 3 of his men were killed by Sulus who made away with their rifles.

### P. D. ROGERS

Second American governor, killings continued under Rogers as they had under Rohrer. Lieutenant Laltoche and some of his men were killed. Lieutenant Coscolluela arrested Sulus without edulas, is reported to have executed 4 and to have burned their bodies. Lieutenant Olivas had his men fire upon a mosque while Sulus were at worship in it. Rogers used the constabulary at Pata island, where children were not being sent to school, and 17 men, women and children were killed. Many other killings occurred.

### CARL M. MOORE

Third American governor, Moore practiced swift retaliation upon Sulus who attacked peace officers. In his first year Sulus killed Lieutenant Velasquez and 5 of his men, taking 3 rifles. The out-laws fortified themselves, more than 100 men, women and children paid the price of breaking the peace.

In a clash on Pata island, 200 men, women and children were killed.

At Kulai Kulai Look 17 Sulus were killed by the constabulary under Lieutenant Littava.

Datu Tahil's fortification was stormed when that third-member of the Sulu provincial board essayed armed rebellion, about 100 men, women and children were killed and Tahil sent to Bilibid, where he is still doing time; although he, his position stormed, turned and fled and had to be captured later.

At South Ubian island 6 constabulary soldiers were killed, and 17 Sulus on the other side.

### AND NOW

Armed conflicts have reappeared. Local leaders are losing faith in the government's asserted interest in the Sulu's welfare. Constabulary officers are appointed deputy governors of districts. Cattle rustling has revived, and our Sulu informant claims more than 3,000 stolen cattle have been handled through Jolo buyers and sold at Manila.

*These data are extracted from an information filed by a Sulu and are published to show how this man's opinion compares the various Sulu administrations since civil government was established over Sulu under the Jones law. They show this Sulu, a man of influence, to believe James Fugate's administration by far the best of the lot; they indicate that Fugate's return to Jolo would reestablish a government there the Sulus would support.—Ed.*



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OF THE

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### CUBA AND THE PHILIPPINES

Three things give the United States peculiar responsibilities in Cuba; viz., the Monroe doctrine, the Panama canal and its defense, and the Platt amendment to America's recognition of Cuba's independence. Practically the United States holds stewardship over Cuba, as over the whole Caribbean area. That stewardship was questionably exercised when Cuban sugar was made to pay 2 cents gold a pound to get into the United States market, because sugar is Cuba's life and America Cuba's natural market.

Under a moderate tariff against Cuban sugar, cheaply produced, Cuban-American trade is reciprocal and of primary importance to both countries; under such a tariff, too, Philippine and Hawaiian sugar production, also Porto Rican, is justly and wisely fostered without being over-stimulated. All this would be measuring water that has passed under the bridge, were it not for Cuba's present crisis that threatens to compel another American occupation of that country. Military occupation of Cuba might involve 25,000 American troops, even 50,000, over a period of several years. Primarily caused by the sugar tariff, we may be very sure that the American administrator would urge a lower tariff: he would see that Cuba can't exist under a 2-cent sugar tariff. The alternative of a lower tariff is annexation, free trade.

Contemplation of America's annexation of Cuba is not far-fetched. The constitution was made with annexation in mind, no notion is older in American diplomacy, while the Monroe doctrine, dating from 1823, and protection of the Panama canal directly charge the United States with Cuba's welfare. These are the facts.

Now the American sugar situation is being doctored by efforts of a sugar stabilization board on which the Philippines have their representatives. If the men take a narrow view of the problem and lend support to a 2-cent tariff against Cuba's sugar, it will turn out finally that they have done the Philippines no more than a left-handed service, for they will have prolonged the provocation of causes for annexation. Reasonable quotas for our sugar under any circumstance, we can depend on—through the sheer influence of the government. But quotas are but half a solution of Cuba's problem. It is the primary interest of all who are concerned in the American sugar market to get Cuban sugar on a paying basis, that peace may return to that country without annexation. It is particularly the interest of the Philippines to keep American interest in the Caribbean as low as possible, American interest in the orient as high as possible. Sugar should begin to have a conscience, and to listen to its small persistent voice.

### GOLD \$31 AN OUNCE

Late in August President Roosevelt gave United States gold producers the world market for gold and continued for their benefit the machinery of gold marketing that functions through the United States mint instead of making it necessary for them to arrange a sales system of their own. The treasury will take the gold, the Federal Reserve will sell it, and producers will get about \$10 an ounce more for it; that is, about \$31 instead of the fixed old price of \$20.67 the president's ruling shelves until further notice. For the Philippines, estimated to reach a production of about 350,000 ounces of gold this year, the ruling means additional \$3,500,000 for their gold, a total of about \$11,000,000, compared with about that many pesos for their output last year. In short, in one year the dollar value of our gold output practically doubles. The president's ruling ups gold nearly 50% in its dollar value. As costs of mining, here and elsewhere, will not rise so much, gold mining is stimulated. Investors display peculiar interest in gold shares.

Time of September 11 reviews the situation the ruling brings about. It gives the United States yearly gold production, 2,500,000 ounces; our production, then, is 7.50 or 14% of the whole and is likely to mount faster than gold production at home, so it becomes a very material factor in Philippine-American affairs. Time's summarized general effects of the free sale of new gold:

Industries will pay 50% more for gold, the jewelry industry will feel this; its sales may slump, it may lay off workmen. Gold exports will help augment depleted gold stocks in many countries; they will help the American trade balance and boost the exchange value of the dollar as their effects are gradually felt at exchange centers; they will tend to raise world price levels, i. e., have an inflationary effect, and hence in the finality of things they will neutralize the immediate advantages they procure gold producers.

During the period from April 5 when gold was embargoed until new gold was given the world market, the two great producing mines of the Philippines, Benguet Consolidated and Balatoc, accumulated on deposit in the United States some 110,000 ounces of new gold not covered, at time of writing, October 2, into the president's ruling. Sold at \$20.67 an ounce, this gold would bring \$2,273,700; sold at \$31 an ounce it would bring \$3,410,000; naturally, the mines have a great deal of interest in the difference, \$1,136,300, nearly \$3,000,000. Judge John W. Haussermann, president and general manager of both mines, is persistently holding out for the new price. May he have luck.

—W. R.

## BARGING EAST FOR BUSINESS



C. S. SALMON

Vice President Charles S. Salmon, representing general agent of the Insular Life Assurance Company, has gone with Mrs. Salmon on a business scouting trip to Hawaii to ascertain the advisability of establishing an Insular Life agency at Honolulu on account of the general prosperity of Hawaii and the large population of Filipinos there who ought to be interested in securing life policies there written by a Philippine company. Most Filipinos in Hawaii plan to return to the Philippines some time and many do so.

This must be recorded as an early instance of capital accumulated in the Philippines barging east for business, thus turning the tables.

Director Kenneth B. Day has gone to the United States on a brief turlough, with his daughter Ann who is to enter school there. During his absence ex-President Paul A. Meyer is a member once more of the publications committee. J. H. Alley of the Cebu office of the Philippine Refining Corporation is in Manila during the absence from the city of Manager Day.

## Certain Corrections

Dear Mr. Robb:

I am in receipt of your note of September 15, 1933, together with a copy of the September issue of the "Journal" containing your informative editorial on the Railroad. I wish to express my appreciation for its sympathetic tone and for the kind words you have seen fit to use in referring to me. The editorial is crammed full of facts and I have noted only a few slight inaccuracies. For instance, our standard weight of rail is 85 lbs. to the yard (not 60-lb.) and I understand that the lines over which the Japanese Government Railways run their fast trains are laid with 100-lb. rail. Also, in connection with the construction of the Bicol Extension in Camarines Sur, when this work was undertaken the Government agreed to subscribe ₱3,000,000 for capital stock of the Company in three annual installments of ₱1,000,000 each. This was done, but half of this amount was expended to extend the line from Bauang Sur to San Fernando, Union, leaving about ₱2,700,000 of the total cost of the Southern Extension to be defrayed from the funds of the Company itself, which has been a severe drain on our cash resources. Regarding the time required to reach Baguio, you state that if the time from Manila to Damortis could be cut to three hours passengers could reach Baguio in four hours. Baguio is 50 kilometers from Damortis, and a run of that distance climbing the almost 5,000 feet elevation in an hour would hardly be fair to highway vehicle passengers. An hour and a half to two hours is usually allowed for this run. With these few exceptions the editorial is accurate and the inferences drawn by you absolutely correct. Thanking you for your interest in the affairs of the Railroad Company, I am,

Very sincerely yours,

JOSÉ PÁEZ,  
General Manager.

## Philippines Given 1,100,000 Short Tons Sugar Quota?

At time of preparing for the press, the U. S. sugar stabilization board had allotted the Philippines a yearly free-entry sugar quota in the American market of 1,100,000 short tons. This is 85,950 metric tons more than the 950,000 metric tons provided in the Hawes-Cutting bill, but of course subject to change. It is understood the government considers it too low, and that it falls far below the expected export crop for the season 1933-1934. There are complications of the most intricate sort in the way of its practical application. Its allocation is set to Governor-General Frank Murphy, the toughest job ever wished on a chief executive of these islands. Senate President Manuel Quezon gives all the credit for the 1,100,000 short tons yearly quota to Governor Murphy. Among all the messages Governor Murphy filed with Washington on the subject, the following summarizes the situation historically, politically and economically, was the most significant and is believed to have turned the trick:

"Washington (Cox).  
"In respect to proposals for limiting Philippine sugar exports to the United States I submit for the most earnest and serious consideration the following summary of the Philippine position and its casual relation to American legislative policy. Any decision on this question should consider the historical background with due reference to the responsibility for the Philippine sugar industry. While heavy demand and high prices during the war and post war years were favorable to increased production, the Philippine sugar industry would not have developed to anything approaching its present volume except for a chain of circumstances as herein outlined which were beyond the control of the Philippine Government and people:

"(1) Philippine sugar production was definitely stimulated by the action of Congress in 1913 removing the limitation of 300,000 tons per annum contained in the free-trade tariff enactment of 1909. At first this action had little effect due to the fact that the Tariff Act of 1913 provided that sugar would be placed on the free list in 1916 and Philippine interests realized they could not compete against Cuba if the United States was to establish a universally free sugar market.

"(2) By Congressional action in 1916 the free clause of the 1913 Tariff Act was repealed thus leaving Philippine sugar without the 1909 limitations and practically guaranteeing it a tariff-protected free market in the United States. This was the essential stimulation to the development of sugar production in the Philippine Islands and resulted immediately in plans for the extension of old and the establishment of new plantations.

"(3) In addition to this basic stimulation, the Governor General of the Philippine Islands in 1915 established the Philippine Sugar Board for the purpose of promoting sugar production in the Philippine Islands.

"(4) The Philippine Government then proceeded to loan government funds through the Philippine National Bank for the establishment of several large centrals and to grant extensive crop loans to planters.

"The foregoing acts of Congress and the American administration in the Philippines, though conceived and executed in the interest of the Philippines, created a situation without which increases in production in the island would not have occurred and the predominant position of sugar in Philippine economic life would not have developed.

"The serious effect of substantial curtailment of the Philippine sugar industry is evidenced by the following statistical points:

"(1) Sugar accounted for 63 per cent of all income derived from export trade in 1932. Remove it from the list and a favorable visible balance of trade of ₱31,000,000 would have been converted into a negative balance of ₱89,000,000.

"(2) The total annual income from all sources is estimated at ₱400,000,000, sugar comprising nearly 30 per cent of the total.

"(3) There are 10 banks in the Philippines and in addition 3 private companies engaged in agricultural financing. The total loans, overdrafts and advances of these 13 establishments amounts to ₱145,000,000. Of this amount ₱68,000,000 or 47 per cent is advanced on sugar.

"(4) The Government-owned Philippine National Bank alone its loans overdrafts and advances amount to ₱45,000,000 of which ₱35,000,000 or 77 per cent is advanced on sugar.

"(5) The Government-owned Manila Railroad collected ₱4,600,000 as freight revenue in 1932. Of this amount nearly ₱2,000,000 or over 40 per cent was derived from handling sugar.

"(6) The Philippine Railways in Cebu, Iloilo and Panay, in large part guaranteed by the Government also derive the bulk of its freight revenue from sugar.

"(7) Five of our leading provinces Occidental Negros, Oriental Negros, Pampanga, Laguna and Tarlac are largely supported by taxation from sugar. Extreme withdrawal of this support in these provinces would seriously affect the public finances and be reflected in cessation of public works and closing of schools.

"(8) A very disturbing situation exists with reference to the cane contract system in vogue in the Philippines between centrals and large planters. Many of the contracts are for terms of 15 to 30 years and the bulk have at least 10 years to run. If substantial limitation is forced the centrals would likely comply with their contracts and refuse to buy cane from the numerous non-contract small cane farmers thus creating a serious and dangerous social problem in the sugar provinces.

"The last quota arrangements reported allowed the Philippines 955,000 short tons or a reduction from present tonnage of over 40%, while other areas were to be reduced only from 3% to 9%. The Philippines consider this unfair and unjust. While fully realizing the necessity of rationalization of the American sugar market and resulting benefits, the benefits of the proposed plan of rationalization should be weighed against serious and perhaps disastrous results of curtailing by one-third the main industry which accounts for 30% of the total annual income of a commonwealth of 14,000,000 people under the American flag. Philippine interests submit as a basic claim that if substantial curtailment is required the Philippines should not be subjected to a greater percentage of reduction than other insular possessions.

"The foregoing outline is presented with complete understanding of the problem confronting the Government and entire sympathy with its program. It is of vital importance, however, for the reasons stated above and in order to prevent the collapse of banks, railroads, and other elements of the Philippine economic structure which have grown up in the sugar industry and are largely dependent upon it, that the Philippine quota be kept as high as possible, consistent with this program and the obligation of the Philippine Government to cooperate reasonably therein. If the situation as outlined is not clear or is in doubt, it is respectfully suggested that a responsible and disinterested member or representative of the agency in charge of the matter of fixing quotas be sent here to appraise dispassionately the realities and true proportions of the Philippine situation, which can only be done by an intimate local study.

"This message has not been released.

"Murphy".

"(1) Confidential."  
Manila, September 8, 1933.

# No Business Can Escape Change

(From "Nation's Business")

With a new radio gadget your garage door is opened simply by pulling a knob on the instrument board of your car as you drive up. A small automatic transmitter in the car, which broadcasts a code signal to an automatic analyzing receiver in the garage, turns the trick. . . .

A new attachment for standard pneumatic-tired wheels permits buses to run on either rails or highways. Transfers from rail to road and vice versa are said to be made easily, quickly. . . .

Attached to the front of a popular car, a new power take-off develops 20 h. p. belt power, is said to allow usual use of the car, to be easily installed, quickly attached or detached thereafter. . . .

The new electro-deposited copper is now available in roll-roofing form. The copper sheeting (three ounces to the square foot) is backed by an asphalt-saturated fabric. . . .

Asbestos-cement siding is now being textured to resemble rough natural brick laid in mortar. Brick faces are slightly elevated, so that the finished job's said to look like real brick. . . .

A new transparent exterior waterproofing for brick, stone or concrete walls (above grade) can be applied to wet or dry surfaces, it's said, in almost any weather and at any temperature down to 32 degrees. . . .

Window screening made of a new metal alloy is now available. Silvery white, it's said to be highly resistant to corrosion and staining, to last as long as the frame. . . .

A lightning arrester is combined with an entrance fitting for radio aerial and ground wires in a device which can be installed through a single small round opening in the wall. . . .

Made in tablet form, a new weed exterminator is simply pushed into the crown of dandelions or other lawn weeds. It is said to be non-poisonous to animals, to leave no scars in the lawn. . . .

A permanent, all-metal awning for store fronts has been devised which allows unhampered air movement and passage of refracted light, yet keeps the sidewalk dry beneath. . . .

A new cement-lined, corrosion- and tuberculation-resistant steel pipe is available for carrying hot or cold water, saline or acidic industrial wastes. The lining has a low-lime, high silica content, and less than one-third the solubility of ordinary cement. . . .

Used and surplus oil is drawn off elevator guide rails and filtered into a can by a new device which is attached to the rail near its base. . . .

Individuality is lent milk bottles by a new process through which colored-enamel designs and letterings can be fused directly into the glass. A similar process is being used in making druggists' prescription bottles. . . .

MARKETS as well as money have been lost by many businesses during the past few years. New products or processes are in many cases proving effective means of recovering both

Paint mixing is expedited by a new device, made to clamp on any 3.5 to five-gallon pail, which permits a mixing paddle to be turned by a hand crank. . . .

Paper excelsior is sealed inside a paper container to make a new all-paper packing pad, said to be soft, flexible, resilient. . . .

Burlap bags with separate parchment liners have long been used to ship various commodities. Now they're being improved by having the liner cemented solidly to the burlap. . . .

No corrugated board stiffeners are needed in a new mailing envelope for photos, etc. Made of kraft lined board, it is folded to give three thicknesses at corners, locks without sealing. . . .

Parcel-post weighing is speeded by a new automatic computing scale. The parcel is placed on the scale, the proper zone key is pressed, a shutter exposes the postage. . . .

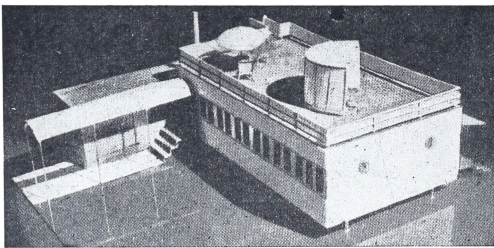
"Blind spots" are eliminated in a new goggle having cups made of transparent, spark-proof material. It can be worn over spectacles. . . .

A new fully automatic anthracite furnace produces steam which operates a complete year-round air-conditioning unit, laundry clothes drier, refrigerator, and also provides hot water and ice water. . . .

A new textile yarn, made from a purified cellulose base, is offered for use in rugs, draperies, beach costumes, etc. It's said to be strong, heat resisting, absorbent, to take brilliant colors and waterproofing. . . .

A 72-inch roll of note paper an inch and a half wide, as well as eraser and leads, is carried in a new automatic pencil. . . .

Characters engraved in templates guide special pens in a new draftsmen's lettering outfit, the same characters serving to form either straight or slanting letters. . . .



This whole house is made of cotton

Rapid removal of skin and scales from salmon is effected by a new machine. It's said to work only on fresh, firm fish, and to leave the meat undamaged. . . .

The poor fish are being offered a new cheese bait. Prepared for hook or net, it's made of cheese trimmings, pasteurized. . . .

—PAUL H. HAYWARD.

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

**Some Considerations . . .**

(Continued from page 5)

... president of the United States) equal to the whole number of senators and representatives to which the state may be entitled in the congress. . . . The electors shall meet in their respective states and vote by ballot for two persons. . . . And they shall make a list of all the names of the persons so voted, with the votes for each. . . . The president of the senate shall, in the presence of the senate and house of representatives, open all the certificates and the votes shall then be counted. The person having the greatest number of votes shall be the president, if such number be a majority of the whole number of electors. . . . After the choice of president the person having the greatest number of votes shall be the vice-president.

This quotation from the constitution as to the manner in which presidents shall be chosen exposes the artificiality of the method that has become fixed practice under the system of formal political parties and their nominating conventions. . . . Industry is being wholly realized, as to its administration, and formally chartered, in the United States, natural conjecture is that the conventions interposed between the people and their choice for president will be relegated to desuetude; they, the last props, will be knocked under from under the old-time state city and nation bosses with only such bland tricks in their bag as callow sectionalism and prejudices even worse. For it may not be supposed that men occupied all the time with frequent conferences actually deciding affairs of their own interest, in their own industry, in associated industries, in their own town, in their own region, at Washington, will possibly turn aside from all this to tolerate and share the pretenses of party conventions and soil their hands concocting partisan platforms.

No, but as in Italy, American industries, now all coming under charter and therefore amalgamating into guilds, will of course coalesce into associations representing all their common interests. Without platforms at all they will choose electors. The intention of the Founders, that the country be served in the presidency nonpartisanly, as under Roosevelt it is now served, will be realized. And where will the country be then? Why, reassure yourself, it will be back to the complete hands of the people, of its long forgotten men and women who have just achieved a revolution as transcendental as if a million lives had been given in internecine conflict for it. Or, in other words, it will be where it was when John Quincy Adams, a Whig, could negotiate a treaty with England for James Madison, a Democrat (then called Republican); and where it was when Adams, having been president (and before that, state secretary for Monroe, for whom he wrote the Monroe doctrine—just as Republicans serve Roosevelt this very day), told his neighbors who wanted to send him to congress, if he feared it not beneath the dignity of a man who had been president, that if they wanted him to be town councilman it wouldn't be beneath his dignity to serve as a councilman, and he would do it.

There is no escaping return to politics in America of this high sort, the chartering of industries is inevitably the occasion bringing back to the country such high leadership. . . . But it is possibly objected that the new legislation is specifically limited to 2 years' duration. Yes. But were it not so limited, because that is the life of a congress and no congress may bind its successor, 2 centuries might as well have been specified. In effect, revolutionary legislation such as this paper tries to suggest the purport of is never repealed. The rule ever-remembered in history is that men start to remodel a bit, and they have to rebuild from the ground up, end in building from foundations up. But in the United States the constitution is still a substantial foundation, only artifices of an outworn regime need be cast aside. Adjustment, mostly, is all the president attempts. . . . self-sustaining forthright intranationalism is all the new legislation implies; but it carries with it, of course, new and broader conceptions of self-interest for both capital and labor, and of course the means of dissolution of spurious

partisanship.

Summing up, it is easy to see, with new land coming into settlement all the time, then world trade expanding, how the United States got along awkwardly well with a loose policy of individualism; and too, for at least the past decade, it has been quite as easy to see that such a policy is no longer adequate or fitting. The one disturbing thought is that the coalition administration, which Roosevelt's is, needs time in which to consolidate its position. The corner toward renewed and permanent prosperity will not be definitely turned until chartered industry has worked long enough to show it really has all the merits it presently displays. Besides, men have to find themselves under the new order of things. Values have to fix themselves. Paradoxically, the present is a period of doubt as well as of confidence. Men take up new tools, means of carrying on under the charters, codes, but are unskilled to them and a bit reluctant to test them to full capacity. This dubiety affects us all, guides us in everything: in what we invest, what we save, how we conscientiously hold back, uncertain of the future where our old familiar world has suddenly failed us, then been turned upside down. Yet the world must be. On with the president.

—W. R.

**Bearing on Philippine Gold . . .**

(Continued from page 6)

tical miner by common repute, says there are at least 6 other regions of Masbate equally as promising for gold as the Arroyo region, by the surface indications. In other words, all the mining that has been done in Masbate has not, as Bridle expresses it, scratched

the surface. He says the 3 *M's*, Masbate, Mindoro, Mindanao, have not even been superficially explored for gold; and he believes, from what he knows of these islands from looking them over with a keen miner's eye, they will all be great gold-bearing islands in the future. The conclusion is, not much has been done in the Philippine goldfields because there has been so very much to do and so very little with which to do it—little cash and few experienced men. . . . By the way, the supposition that the name *Mindoro* derives from the Spanish *mina* de Oro, or Mine of Gold is in error and may be misleading. *Mindoro* does not lie in the gold zone, strictly; the name is of native origin and has no reference to gold. While the metal is known to exist on *Mindoro*, that it is extensive there does not follow.

Geologists, of course, because their explorations have been altogether inadequate to inform them, do not know how extensive gold deposits in the major mineralized zone of the Philippines are, or just where they lie, except as mining knowledge brings this to light. Streams tell most about this, and so many streams have been explored, and have yielded gold from their sands, that it is a good bet now that gold deposits are practically coextensive with the mineral zone itself. It is also a betting deduction that at thousands of points on this zone gold exists in ore rich enough to be profitably mined and milled by the modern methods now in use at the mines already paying dividends. This is a bold assertion. Its import is tremendous, nothing else than that the Philippines are probably the greatest goldfield yet discovered in the world. It stands because the practical and scientific developments are to be carefully watched by this journal itself, and independently judged, and on the occasion for the least modification of it, that modification will be made.

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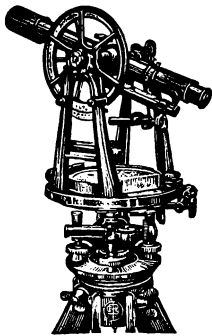
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## Current Far Eastern Trade Conditions

### Based on Cables from U. S. Foreign Commerce Officers

**China.** Building in China is active, especially of public utilities in principal cities, and progress along industrial, agricultural and educational lines is noteworthy. Traffic is renewed on the Peiping-Hankow railway, after floods on the Yellow river. Raw cotton imports during the first 7 months of the year fall below those imports during the same period last year; automobile imports are also off a bit, but up a bit are petroleum products, sulphate of ammonia, printing paper and tinned plate imports.

The advance in commodity prices is overcoming the advantage of the lower exchange of the American dollar on the import market. The wheat crop is estimated at 10 per cent above last year with result that lower imports of foreign wheat are anticipated. The rice crop is also expected to approximate last year's large yield while an average cotton crop is estimated. Tobacco acreage increased. The six months' foreign trade declined compared with the same

period in 1932 with American trade holding first place and accounting for 20 per cent of imports and 18 per cent of exports. The improved political situation in North and West China is expected to react favorably on economic development of the entire area north of the Yangtze River.

The crop outlook is generally good with the exception of the North China cotton crop, reports on which are conflicting with dealers anticipating a decline from last year to the extent of 15 or 20 per cent and other sources estimating a decline of thirty per cent. American goods are recovering their position in the China market owing to more favorable exchange but firms carrying considerable stocks suffer temporarily with the progressive decrease in the value of United States dollars in terms of Chinese currency. The Shanghai building program continues active.

The five per cent cut-toms revenue surtax has been ordered continued for another year beginning July 1. Shanghai bankers have loaned \$300,000 in local currency to the Hunan provincial government for reconstruction, road building and telephone projects. Thirty technical experts of the Rural Rehabilitating Commission including American agricultural advisors are conferring over methods for improving China's major crops.

**Tokyo, Japan.** August exports from Japan were 34 per cent above the same month last year and imports showed an increase of 79 per cent in comparison. The largest export increases were in raw silk, cotton fabrics, earned goods and machinery items. Import increases were principally due to raw cotton, iron and steel, wool and ammonia. The balance of trade which is unfavorable to Japan for the first eight months of 1933 totalled 110,000,000 yen. Bond issues during the month under review were heavy. Postal savings declined from July but the number of depositors increased. Sales of Soviet gasoline were disrupting the oil industry.

Practically all September business activities were seasonally dull with imports, particularly from the United States, adversely affected by uncertainty over exchange fluctuations. Freight rates were upward in July and expected to advance further during the current year although the wide spread between wholesale and retail levels continues. With better cocoon prices, a prof of two yen per kwan of about eight pounds is expected during the year by raisers but the probable better exchange rate offsets the gains in prices. The rice stock is unusually heavy and substantial surplus is expected. The first shipment, 11,000 tons, of Russian gasoline under contract placed in October, last year, has arrived causing a decline in retail syndicate price.

Business conditions in Japan during the week ending September 30. General business features except for exchange fluctuations which reflected an erratic stock market and weak bond prices. The money market was easy and there was a tendency to refinance industrial concerns by converting domestic debenture into new advanced interest issues. Retail prices for August and September were generally declining. Lighter September exports in comparison with the same month last year, thereby reducing the unfavorable trade balance for the first ten months of this year. China's share in purchases of Japanese exports is declining, offset by a proportional gain in Manchuria's share of this trade.

Import ordering is impeded by exchange uncertainties. Retail commodity prices during July were slightly lower than June but wholesale prices were somewhat higher. The cotton industry during the first half year was quiet active, consuming 709,000,000 pounds of raw material of which 433,000,000 pounds were bought from the United States and 221,000,000 from India. July exports were below June but imports were higher with the favorable balance lower. Automotive trade was active during July with the outlook better and demand for parts and other automotive equipment encouraging.

The commodity and security markets weakened with the recent collapse of the New York stock market but declining yen tended to equalize losses. Exports during the first six months of the current year increased 51 per cent over the first half of last year with shipments to Manchuria up 400 per cent and those to the United States up 33 per cent. Total imports advanced 27 per cent. Importers are at present withholding orders pending the possible advance in exchange rates. Commodity prices in Tokyo have been advancing since July 1 with the exception of rice which is low due to heavy stock. The spring cocoon crop was officially estimated at 400,000 pounds, an increase of three per cent over last year.

**Saigon.** The paddy market has been sustained by small arrivals, the reserve of sellable and good demand from France for rice. Price of white rice is approaching levels of a year ago. Other buyers are turning to Siam and Burma but activity from France is sustaining the Saigon market. Total exports of rice from Saigon for the first six months of 1933 amounted to 784,000 metric tons compared to 631,000 last year.

**Singapore.** The business outlook is improving as a result of better prices for rubber and importers are ordering in anticipation of increased purchasing power. Demand for American goods has been curtailed by the recent price increases, offsetting the more favorable exchange position. Business attention is focused on the United States Recovery program with general outlook hopeful and interest in American products continuing. Rising and fluctuating prices in the United States are reported to be impeding imports.

**Batavia.** The uncertainty caused by exchange fluctuations is deferring business by the lower value of United States dollars is helping importers of American goods. The general business sentiment has improved with the rubbin and tea prices. Heavy Japanese competition continues.

The steady dollar exchange at a depreciation of approximately 25 per cent is stimulating immediate business and the export market may be characterized as slightly better. The government is proposing the enforcement of a import quota system.



—From Judge.

Oldster. Will you love me when I'm old?

Youngster. Sure why should a couple of years make any difference?

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## Philippines Have Narcotics Under Control

The narcotics policy of the Philippines is one of prohibition of their habitual use. It contrasts in the narcotics policy of the United States and is in general contradiction of the narcotics policies of most governments, which seek to regulate the habitual use of drugs without prohibiting. When Acting Governor Eugene A. Tammore was at Malacañan and a League of Nations narcotics committee visited the islands collecting data, that committee received a shock when it found the islands' narcotics policy really working; not of course perfectly, not to the exclusion of all abuses, but with, on the whole, such eminent success that little fault could be found.

On the contrary, what the committee learned was calculated to disturb the complaisance of governments addicted to regulatory policies; he more so because the Philippines might grow opium, if they cared to, while they lie adjacent to the great opium countries of the world and are a convenient target for the illicit introduction of drugs to the use of their inhabitants. Now, twice a year, the league gets formal reports from the Philippines on consumption of narcotics here; these consistently add to the argument that upright governments can, by prohibition, control the habitual use of narcotics enough to minimize the evils of it. So why any other policy in any government? The obvious answer must be, because many governments are commercially interested in opium and the opium traffic, which therefore they regulate and tax.

It has been attempted to show that the Philippines are not successful in enforcing their nar-

cotics policy, of prohibition, but such attempts have failed; at Geneva the Philippines furnish no ground giving support to the regulatory-taxing policy, but tend to shame it in the eyes of the world.

Dope Drug Purchases First Half of 1931 and 1933

General Class	1931 Grams	1933 Grams
Cocaine.....	2,894.96	2,000.80
Codaine.....	5,252.71	4,056.38
Heroin.....	1,320.60	1,621.00
Laudunum.....	1,931.50	1,277.25
Opium and derivatives.....	11,596.46	15,868.50
Pantopon.....	426.29	545.26
Morphine and derivatives.....	1,858.43	1,042.70
Styptine.....	951.91	253.59
"Totals.....	26,232.86	26,065.48
Totals of all narcotic drugs released by internal revenue bureau: all local purchases including those of government offices.....	32,370.55	32,037.29

As the total legitimate trade in all narcotics shows actual decrease in the first half of this year compared with the first half of 1931, while the population of the islands materially increased, it is unnecessary to look farther to see that so

far as the field extends outside of smuggled narcotics that can't be traced, use of narcotics in the Philippines is declining.

There used to be in Manila a doctor who was an amoralist. Rather accounted a good fellow than a bad one, he seemed unable to distinguish between right and wrong and was always thought to administer morphine to people habituated to its use, especially to Chinese whom it served in lieu of opium. He was cunning in ways to evade the law and no air-tight case was ever made against him, but after the internal revenue collector's patience was exhausted the genial doctor's clinic, as he styled it grandiloquently, was closed and he was threatening to have the law on the collector when he died. Such abuses do occur, despite the fact that all opiates dispensed by wholesalers and importers are only sold on permits approved at the internal revenue bureau showing amounts and names of purchasers as well as the specific character of the drug purveyed.

But these records also reveal abuses and set the police or constabulary on hot trails of crime in the making.

"Regarding narcotics," writes Chief of Police Columbus E. Platt of Manila, "there are four clinics in the city where morphine injections are administered to drug addicts. These clinics have been raided, arrests made, and several of the persons apprehended have been convicted. As to smuggling of narcotics, there have been rare cases since 1931."

While criminal administration of morphine does take place and is not altogether preventable, police vigilance keeps it at least within very restricted limits except perhaps among Chinese who now resort to morphine as cheaper and less noticeable to the authorities than use of opium. Morphine is more easily smuggled into a country

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than opium is, undoubtedly considerable quantities are smuggled into the Philippines to satisfy the demands of Chinese for opiates; trade both licit and illicit in morphine will be encouraged by countries such as India, Manchuria and Jehol where governments and private interests derive revenue from opium culture and the opium trade. Banned by the law of the islands, habitual use of opium and opiates fails to fasten itself upon the Philippine people—fails of becoming a widespread vice—and the Philippines present a contrast with surrounding countries in this respect as striking as though they were on another part of the globe. While this situation is in part due to a virtue in the people themselves, who like nothing that does them physical harm, tobacco excepted, it is also directly attributable to the rigid laws that recognize no legitimate use of narcotic drugs outside the uses of medicine and science. In short, the islands' prohibitory policy does prohibit. The more the League of Nations invest-

igates and compares, the more it must admit this fact; and so, it would seem, the league must in time come around to the same opinion and abandon defense of regulatory-taxing narcotic policies that can't in point of fact be successfully defended.

Nations that tolerate such policies are enforcing an annihilating curse on the peoples compelled to submit to their laws. Such nations appear at councils for the mitigation or suppression of the opium vice with soiled hands. Opium can be, as it is in these islands, a state monopoly in the sense that all legitimate traffic in it is state controlled; and it can easily be grown and manufactured only for medicine and science, so that no more than dribbles ever reach the illicit trade. The Philippines exemplify these facts. It is the ban of the law that helps make habitual use of narcotics abhorrent to the Philippine people, the public has been morally armed against it.

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ITS assurances in force at the end of 1932 are almost *Three Billions of Dollars* (\$2,912,469,882.00).

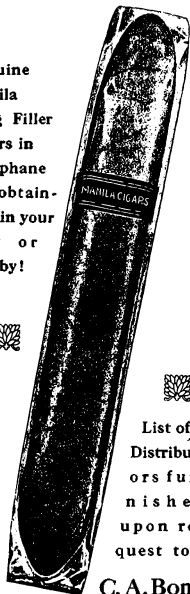
THE Sun Life keeps on deposit with United States trustees approved securities to the value of its net liability to American policyholders. In this way absolute protection to policyholders in the United States is assured. The amount so deposited with the State Treasurers and Trust Companies on December 31st, 1932, amounted to \$203,840,567.00 against a net liability of \$167,091,051.00.

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

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

# Coast and Geodetic Completing Palawan Survey

**Closing gaps here and there on first survey work and rendering important harbor service on about ₱550,000 a year**



Commander R. F. Luce

The long coastline of the Philippines, far more extensive than that of the United States mainland, has been under primary survey by the U. S. Coast and Geodetic Survey in cooperation with the Philippine government since 1902, while some work was done in 1900 and 1901 by the United States alone. On this work the United States has spent ₱10,523,446 and the Philippines ₱7,285,680, a total of ₱17,809,126 in 31 years and an average of ₱574,486. Twenty-five Americans were employed last year in the coast and geodetic survey bureau, and 235 Filipinos, a total of 260 divided into an office personnel of 6 Americans and 50 Filipinos, a crew on the *Pathfinder* of 9 Americans and 85 Filipinos, a crew on the *Fathomer* of 6 Americans and 50 Filipinos, and a crew on the *Marinduque* (since decommissioned and the crew discharged) of 4 Americans and 50 Filipinos.

The expense of the United States last year for the coast and geodetic survey bureau was ₱368,584, and of the Philippines ₱271,752, a total of ₱640,335 expended in this great boon to local and foreign shipping and commerce in which the work goes along so smoothly and so well that notice is hardly taken of the time when one director returns to the United States and another comes to Manila to take his place.

Commander R. F. Luce, present director of the bureau, records some valuable every-day phases of the bureau's work. Areas of the archipelago he says have not yet been charted "include most of the west coast of Palawan, an important section on the west coast of Luzon in the vicinity of Cape Bojeador, a large area on the east coast of Luzon north of Palanan bay, and a large section of the southwestern end of the Sulu sea, extending from Palawan to Sibutu island."

Least important areas have been left to the last, but growing

lumbering interests on Palawan recommend early completion of the surveys there. The primary survey will have to be supplemented with others, all the time, "no nation has ever made a final survey of its waters, and it is not believed the Philippines, with their extensive coastline and water area, and depending as they do to so great an extent upon water transportation, can safely avoid the necessity for carrying on more or less continuously the survey of their coasts and waters."

Thus when first surveys were made certain regions of Philippine coastal waters were of little commercial importance, and have since become important, so new surveys are already in order for them. Then too, ordinary sounding methods don't infallibly reveal shallowest depths, they do not assure that all hidden dangers have been accurately charted. The wire drag method, keeping a horizontal wire at a fixed depth between launches at the wire's ends, has been introduced from the United States to disclose hazards, such as reef elevations, that ordinary soundings may have left concealed. This has only been used at the entrance to Manila bay, completion of the primary survey being judged of first importance. The bureau now publishes 154 different mariner's charts of the Philippines; these are corrected up-to-date, by hand, before being issued.

Field survey sheets are often issued in lieu of charts not yet completed. The bureau also issues 15 large scale sectional topographic maps of the Philippines, and 1 general map of the islands. Now airway maps are being called for, a series is being made. The bureau's triangulation of the islands, in effecting its own surveys, provides infallible points facilitating accuracy of land surveys, cadastral surveys particularly. The bureau publishes notices to mariners trimonthly, that mariners may keep their charts corrected up to date. Manila harbor is sounded at least every three months, and corrected data regularly furnished all concerned. Wire dragging at other ports is projected for the near future, at the approaches of main Bisayan ports, between Panny, Negros and Masbate where many reefs occur, and in the Bisayan sea.

## Junius Wood Writes

"It is surprising that Manila has taken such a nonchalant don't-care attitude towards these little coral islands which once belonged to the sultan of Sulu and over which Japan and France now are wrangling. As Japan has tried to mine phosphate there and failed financially and France says she wants them to put up lighthouses for ships that never pass that way, the logical guess at the real reason for wanting them is that they may be used for seaplane, possibly submarine, bases. They are only 150 miles west of Palawan. Japan demands them as her *lifeline*, just as the mandated island with Palau 500 miles east of Mindanao with a good Japanese colony at Davao, is also her lifeline. As the first group, their largest pair named Deux Iles, is 850 miles south of Formosa, present southern tip of the Empire, the useful need for such a lifeline is to get the Philippines when they become independent. Nothing like being prepared. Also Japan claims another group, the Paracels, which she will no doubt get, midway between the first group, now occupied by France, and Hainan island."

Junius B. Wood, writer of the above, is a keen observer of international affairs. He is on the foreign news staff of the *Chicago Daily News* and has been in Tokyo during the past two years for his paper. The JOURNAL thinks the opinion quite widespread here that if American

## MANCHURIAN RAILWAY GAINS BIG

The balance sheet of the Manchurian railway for the year ended March 31 shows a net profit of Yen 61,257,725 for the year, with a balance from the previous year making it up to Yen 67,110,763. Current assets were Yen 140,775,802 of which Yen 72,905,345 was cash in banks. Capital includes 1,400,000 shares held by the Japanese imperial government and an equal number by the public, Yen 4,400,000 stated value, and bonds Yen 31,052,000 issued abroad and Yen 350,475,000 issued in Japan. Deposits include items strange were they to pertain to the Philippines: employees' savings Yen 8,347,621, employees' surety deposits Yen 45,057,805, employees' mutual relief society deposits Yen 4,063,275, subsidiary companies' deposits Yen 62,924,129. These subsidiaries round out this railroad as one of the great industrial enterprises of the world: hotels, collieries, harbors and wharves, oil distilleries, blast furnaces, etc. The year's expenditures on the railroad were Yen 33,403,288, income Yen 103,846,512. The blast-furnaces lost Yen 3,000,202 during the year, and the other industrial ventures paid.

sovereignty is withdrawn from the Philippines the islands will come under the hegemony of Japan, fall into Japan's sphere of influence, as a matter of course.—W. R.

## FOURTEEN MANDARINS IN MANILA

One of the most exclusive and unusual veterans' organizations in the world is the *Imperial Order of the Dragon*. Only those who served in the China relief expedition in 1900-1901, under the American flag, are eligible to membership, although honorary memberships may be conferred upon newspaper correspondents and civilian employes who were actually within the zone of American military operations, and with the expedition.

There are less than a thousand members in the I. O. D., but the number is increasing. Membership is hereditary, passing from father to eldest son. There are fourteen *Mandarins* in the Philippines. They are: Captain John L. Headington, District Governor for the Orient; John B. Diedrich, Provincial Viceroys of the Philippines; William S. Abel, Fred C. Barron, B. H. Berkenkotter, John T. Pickett, Henry C. Powers, Edward G. Redline, Julius S. Reis, L. B. Robinson, Michael Ryan, Abram Vrooman, David Walstrom and Eugene Walter.

# For a Goods and Services Basis of Trade

(London Chamber of Commerce's Attitude on Money)

That the conventions of the International Gold Standard system are so fundamentally opposed to modern social and economic conditions that no Government could, even if it wished, give effect to them, must be evident to anyone who is prepared to recognize that he is living in the Twentieth, and not in the Nineteenth Century.

Economic theories, wrongly described as "laws," upon which the Gold Standard system is based, do not even recognize the existence of two of the biggest factors in the economic life of to-day, namely, the mechanization of agriculture, industry and transport, with displaced human labour, and the power which that mechanization has given to backward races with a low standard of living to undercut and so destroy the standard of living of the more advanced nations. Under the monetary proposals of the London Chamber of Commerce, a country which kept a low general price level, with a view to undercutting the other nations, would merely be making a present to them of its real wealth. The importers of that country would not be able profitably to import and sell the more highly priced goods of the rest of the world, and so the credits created by the exports of that country would remain unused and useless.

The International Gold Standard system is an anachronism in the Twentieth Century; it can never again function, but as its high priests still hold sway over the nations and regard it as sacrilegious even to discuss alternative systems, there appears nothing for it but to await the further inevitable collapse of the structure built upon it.

When the German exchange is again threatened that country will be obliged to declare all external trade a State monopoly, as she has no intention of going through the misery of uncontrolled internal inflation for the second time in

one generation. Germany would then sell her goods abroad as a nation, and with the foreign currencies thus acquired would buy her necessary imports. There would be no exchange rate for the mark, just as there is no exchange rate for the rouble. The addition of Germany to the ranks of those nations which for one reason or another are able to undersell the Western nations with advanced standards of living would bring us still nearer to the time when the need for a reformed system for the exchange of goods and services between nations must be recognized. France, when she is at length convinced that the other nations will not return to gold will herself be obliged to abandon the gold standard. Panic movements of short-term money would then produce chaos in the exchanges and so again emphasize the need for reform.

The complete failure to agree with the United States, even upon a *de facto* new parity, though described by the Prime Minister as "a little setback" and "just a little check" marks the complete failure of the Conference to achieve what it set out to do—namely, to prepare the way for a return to the Gold Standard. This would be extremely satisfactory if the Conference were prepared to consider alternatives, but it is not.

#### A Vicious Monetary System

Having evaded recognition of the root cause of the trouble, which, as has been consistently stated by the London Chamber of Commerce for the last eighteen months, is a vicious monetary system, the Conference will now concentrate upon trying to mitigate effects. The problems of tariffs, exchange restrictions and quotas, cannot be solved until the monetary system has been reformed, nor can prices be raised and stabilized. There is about as much chance, with the restoration of the old monetary system in sight, of inducing the nations to modify their tariffs or exchange restrictions, as there would

be of persuading, by argument, a drowning man to leave go of a lifebuoy. He must first be lifted out of the water, lifebuoy and all, and then finding himself safely seated in a boat he will begin to wonder why he is hanging on to the lifebuoy and will voluntarily let go of it.

So long as nations are obliged to trade for gold, which is dear and scarce, instead of for goods, which are cheap and plentiful, so long will it be impossible to agree upon new parities between the various national currencies. Only by obtaining an active "favourable" balance can a nation obtain control of gold. It is therefore vitally necessary to every nation that it should be given a new parity enabling it to obtain such an active "favourable" balance. Unfortunately, however, if one nation has an active "favourable" balance, it necessarily follows that some other nation has an "unfavourable" balance; and in spite of all the heart-rending pleas for self-sacrifice and cooperation nations have not come forward—nor are they likely to—offer themselves as the victims.

"I loved that cook as a brother, I did,

And the cook he worshipped me;

But we'd both be stowed

If we'd either be stowed

In the other chap's hold, you see."

#### Trading for Goods and Services

Under the system advocated by the London Chamber of Commerce the nations, on the other hand, would be trading for goods and services. An active so-called "favourable" balance would, under that system, merely mean that a nation had exported some of its real wealth and had not chosen to take any real wealth in exchange. The object of every nation would be to have neither a so-called "favourable" nor "unfavourable" balance. It would wish to have its total imports, visible and invisible, equal to its total exports, visible and invisible. Every nation

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**SOCONY-VACUUM CORPORATION**  
Legaspi - Iloilo - Manila - Cebu - Davao

would, therefore, be seeking a new parity which would give it that equilibrium. The prospect of finding agreement when all the nations were seeking the same thing would be considerably greater than when, as at present, there are all trying to get a rate which, supposedly advantageous to themselves, must necessarily be disadvantageous to someone else.

Under the Gold Standard system, England passes a law by which she announces to the world that her pound contains 113.016 grains of gold. Canada passes a law announcing that her dollar contains 23.22 grains. Both these statements are pure fiction, as will be readily seen when it is remembered that the world stock of monetary gold is approximately equal to the amount of money in use in Britain alone. On the strength of this fiction 4.86 Canadian dollars are stated to be worth £1. It would be just as convenient to agree with Canada that 4.86 dollars equalled £1, or any other number which would give us both equilibrium with the rest of the world, without the intervention of this hypothetical gold.

#### International Payments

We are told that it would be quite impossible to maintain this fiction of exchange; it would be impossible under any system which perpetuated the false notion of international payments, which has been fostered by the existence of the Gold Standard.

Nationally, we recognize that a debtor has paid his creditor when he hands him a claim to goods and services in the form of legal tender. Whether the creditor then chooses to exercise that claim to buy goods or services, or, on the other hand, chooses to light his pipe with his pound note or keep it in his pocket, is a matter of complete indifference to the debtor. By giving his creditor the claim, he has paid his debt; he is not obliged to offer more and more of his goods at knock-down prices until his creditor is satisfied. The same principle should be applied internationally. The individual exporter, having sold 100,000 marks' worth of motor-cars to a German buyer, would draw a

bill on his buyer, and after it had been accepted would discount it with his local bank. He would, in this way, have received payment in his local currency, and except in the case of default on the bill by the buyer, when he would have recourse against him, he would be out of the picture. The English bank would then send the bill across to its correspondent bank in Germany, and the German bank, in due course, would collect the marks from the buyer. The English bank would in this way own a short-term credit in Germany.

There is nothing new about this; it happens every day. Under the International Gold Standard system, provided there were enough importers wishing to buy goods from Germany who were prepared to pay pounds to the English bank, which then released the marks, all went smoothly. If, however, there were not enough importers wishing to use the marks acquired by the discount of export bills, the English bank would then offer marks for sale, and if there were not enough buyers of marks about, marks would fall in price. The English bank, as soon as the marks fell below gold export point, ceased to sell marks, bought a lump of gold from the Reichsbank, removed it physically from Germany, sold it to the Bank of England, and so wrecked Germany. Why, in the name of reason and equity, should it have this right?

Under the Chamber's proposals, the English bank would hand over the marks to the National Central Bank. In other words, it would re-discount that bill, acquiring pounds from the Central Bank; it too would be out of the picture. The Central Bank, as representing the nation, would now hold a claim on the goods and services of Germany expressed in the form of a short-term credit. England, in other words, having exported real wealth, would be entitled in exchange to the real wealth of Germany. Whether or not it chose to exercise that claim would be a matter of complete indifference to Germany. If the demand from English importers were not for marks but for francs or dollars, the Central Bank would go into the Central Bankers'

Clearing House and "swap" their claim on Germany, for a claim on France or the United States always at the fixed rates of exchange.

#### Inequity of Present Arrangement

Our present attitude toward this question of international payments is as though an Englishman owing an American £100 were not allowed to discharge his obligation by handing to that American £100, but must go to him and say, "I have a motor-car worth £100 will you take that?" and this being refused he were obliged to increase his offer, first, by adding a bicycle, and then his furniture. The inequity of such an arrangement would be readily appreciated as between two individuals, and yet that is exactly what happens as between nations. England owing America £100, and knowing that it could sell a motor-car in America for £100's worth of dollars and so discharge its debt, finds a Customs Duty put on the motor-car, with the result that it only gets £60 for its motor-car. It must therefore sell a bicycle, which is worth £10, but owing to the American duty only £7 is obtained. England has now paid £67. It must sell its furniture, which is worth £50, but after a duty has been paid England gets £33. It has now at last paid the £100.

Clearly, the equitable arrangement would be that England should have discharged its debt when it placed in this country £100 to the credit of America. American importers, having paid their dollars over to their own banking system, would be given the use of this £100 with which they could buy the motor-car or anything else they chose; if they did not choose to exercise the claim, America, through its Central Bank, would continue to hold an unused claim: that would be America's affair, and not England's. Under such a system every nation would be as concerned with its import as with its export trade. It is clearly impossible in the scope of a short article such as this to meet all the objections of detail which no doubt will occur to the reader, but after more than a year of criticism the London Chamber of Commerce is satisfied that those objections can be met.

## Four Merchants' Opinions

One merchant says: "... It is difficult to tell what we have learned from our experiences except that, speaking for our organization, we have all learned to be very humble." Another merchant, as well known, says: "Success is going to be measured by our consistent everyday business, with balanced stocks in wanted staples and styles that are in demand; in the continued promotion of those goods."

A third says: "... the promotion of timely, wanted merchandise is essential to our continued profit making; in fact, to our very existence."

A fourth says: "... and I cannot too strongly repeat that we in our store are firmly of the opinion that not one peso should be spent on the advertising of goods not in demand—and that *not one peso less* than what is required to do a thorough job should be spent on the advertising of goods in demand."

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## COPRA AND ITS PRODUCTS

By KENNETH R. DAY  
AND LEO SCHNURMACHER

The provincial data on copra for the month of August was late in arriving and the JOURNAL went to press before the copra information could be compiled. This article will, therefore, cover both August and September.

**COPRA**—The production of copra during the month of August was the heaviest yet recorded. September production, while lighter than August, was still very heavy. At the beginning of August, copra was selling in Manila at P5.30 Rescaca with the market weak. Under the pressure of increasingly heavy arrivals, the market has sagged downward continuously, prices being P5.00 at the end of August and from P4.80 to P5.00 at the end of September. Arrivals in Manila during August totalled 631,245 sacks, an increase of 30% over July and 45%

over August, 1932, while receipts in Cebu totalled 461,625 sacks, or 40% higher than July and the same percentage higher than receipts for August, 1932. During September Manila arrivals amounted to 547,483 sacks, 13% less than August but 30% over September, 1932 and Cebu receipts were 370,897 sacks, 20% under August but 27% over September, 1932. Weather was generally good for the production of copra throughout August and fairly good during September, especially in the southern part of the Islands.

Pacific Coast copra buyers were bidding 1.65 cents at the beginning of August. This market dropped continuously during the period under review, quotations being 1.52½ at the end of August and 1.47½ to 1.50 at the end of September.

European prices also followed the downward trend, opening at £10 and dropping to £8.7.6. Around the end of August there was a strengthening in the European copra market, partly on account of a small improvement in sterling exchange, and some business was reported to

have been transacted, mostly from southern ports.

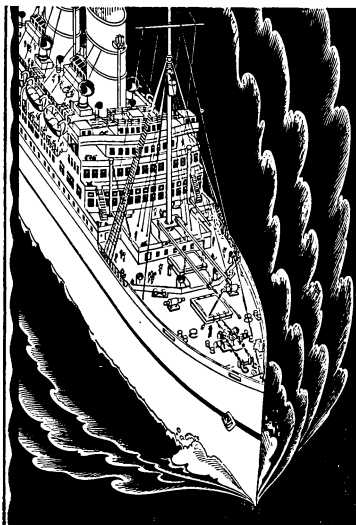
Shipments of copra during August, totalled 38,000 tons and of September 28,000 tons. Of these 35,000 tons were shipped from Cebu and the balance nearly entirely from provincial ports. 34,000 tons were shipped to the Pacific Coast and 24,000 tons to Europe. Copra stocks on hand continued to increase and amounted to some 73,000 tons at the end of September, over double the stock carried a year ago.

**COYUWER (Oil)**—At the beginning of August the Coconut Oil market was easy with offers of 3-1.4 cents c. i. f. New York for shipment next year. This market was weak throughout the period with a slowly dropping tendency from selling pressure and September closed with the market fairly steady at 2-7.8 cents c. i. f. New York. Freight rates on oil for 1934 are not yet fixed by the conference and this has undoubtedly held up business. Shipments for August were 17,000 tons and for September over 19,000 tons of which 24,000 tons went to the Atlantic Coast and 7,000 tons to Gulf ports. Crushing activity was good but in some instances limited on account of tank space. All mills were running, two, however, at half capacity only.

**COPRA CAKES**—During August the market was very dull on account of the imposition of an import duty on foreign oil cakes entering Sweden and the introduction of similar legislation in the Norwegian Parliament. This combined with the German government prohibition has enormously restricted the available outlet. Considerable quantities have been sold, however, to Scandinavian ports for shipments up to March, 1934. Most mills have sold the greater part of their production for this year and unless there is an improvement in prices sufficient to induce additional sales, trading is expected to be dull for the near future. There was very little business done in meal on the Pacific Coast with prices dropping from \$18.50 at the beginning of August to \$17.00 at the end of that month and continuing through September. Exports of copra cake and meal amounted to nearly 10,000 tons in August and 9,500 tons in September of which 17,000 tons went to Europe and the balance to the Pacific Coast.

**DESICCATED COCONUT**—Market remained steady during August and September without any appreciable advance. Shipments for 1933 still remain slightly below that of 1932 but it is expected that by the end of the year the volume will slightly exceed last year's figure. All mills, except one, operated, some for part time and some for the whole period, making an average of about 60% of capacity of the mills. Shipments for August were 1,800 tons and for September nearly 1,900 tons. It is not likely that this will be exceeded for the balance of the year.

**GENERAL**—Until the present heavy arrivals drop off, we see no chance for higher prices, as production is heavier than consumption. The trade is waiting for an advance expected from improvement in other staples but production has been so heavy that it has more than counterbalanced any trend for better prices.



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# CANADIAN PACIFIC

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## SEPTEMBER SUGAR REVIEW

By GEO. H. FAIRCILD

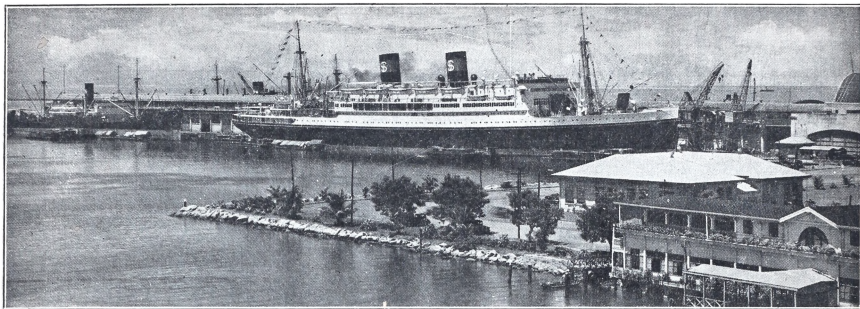


**NEW YORK MARKET**—Although transactions in actual sugar were very small during the first week, the tone of the market improved slightly, with the price of Cuban sugar about (to the United States) advancing to 1.15 cents c. and f., while a parcel of P. I. sugar in the same position was sold at 3.65 cents and 2,000 tons of Peruvian sugar sold on the 1st at

1.07 cents c.i.f. New York.

During the second week, the market was dull owing to the political unrest in Cuba, transac-

(Please turn to page 25)



## SHIPPING REVIEW

By H. M. CAVENDER

General Agent, The Robert Dollar Co.

Total shipments for the month of August amounted to 127,202 tons. This is a fairly good showing as August is always one of the slack months.

To China and Japan, hemp shipments were again heavy, but lumber and logs fell off considerably. There was another shipment of molasses of 1255 tons. This would appear to be developing into a regular movement.

To the Pacific Coast, coconut oil shipments while considerably below the previous month were still well above the average for the year. Copra shipments were again very heavy, amounting to approximately 20,000 tons. Hemp moved in particularly good volume. Lumber was also good, the movement being nearly as heavy as during the previous month which was

to be expected. Cigars and rope continue to move in satisfactory amounts.

To the Atlantic Coast and Gulf, hemp shipments were good. Cigars and desiccated copra were also good, while shipments of coconut oil were particularly heavy. Copra was slow, and lumber was only fair. Sugar shipments amounted to only 22,000 tons and will continue to be tight until the new crop season.

To European Ports, copra and copra cake both moved in excellent volume. Hemp was also good, but lumber shipments disappointing. There was again a nice shipment of tobacco.

From statistics compiled by the Associated Steamship Lines, during the month of August 1933, there were exported from the Philippine Islands the following:

	Tons	Misc. Sailings	Tons	Sailings
China and Japan . . .	10,885	with 40 of which	691	were carried in American Bottoms with 9
Pacific Coast Local Delivery . . . . .	30,956	with 19 of which	23,351	were carried in American Bottoms with 10
Pacific Coast Overland Delivery . . . . .	792	with 12 of which	432	were carried in American Bottoms with 6
Pacific Coast Inter-Coastal Steamer . . . . .	1,994	with 12 of which	1,682	were carried in American Bottoms with 7
Atlantic Coast Ports	41,487	with 29 of which	8,986	were carried in American Bottoms with 5
European Ports . . .	30,311	with 29 of which	50	were carried in American Bottoms with 2
Australian Ports . . .	2,096	with 8 of which		were carried in American Bottoms with

A GRAND TOTAL of 118,521 tons with a total of 77 sailings of which American bottoms carried 35,192 tons with 14 sailings.

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 Pres. Grant - - - Nov. 8  
 Pres. Cleveland - Nov. 22  
 Pres. Jackson - - Dec. 6  
 Pres. Jefferson - Dec. 20

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Via

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 San Francisco  
 Panama Canal

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 Pres. Hoover - - - Nov. 4  
 Pres. Taft - - - - Nov. 18  
 Pres. Coolidge - Dec. 2  
 Pres. Pierce - - Dec. 16

Via

Suez Canal  
 and  
 Europe

Pres. Hayes - - - Oct. 30  
 Pres. Johnson - Nov. 13  
 Pres. Monroe - - Nov. 27  
 Pres. Van Buren - Dec. 11  
 Pres. Garfield - - Dec. 25

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First class passenger departures from Manila for August 1933 are up 21 passengers over July's figures. Intermediate class departures show a decrease of 157. Third class departures show an increase of 44 passengers. Both first class and intermediate class departures are greater than for the corresponding month of last year. Third class departures are slightly under last year's figures for the same month.

The following figures show the number of passengers departing from the Philippine Islands during the month of August 1933:

	First	Inter- mediate	Third
China and Japan.....	136	200	263
Honolulu.....	2	7	43
Pacific Coast.....	30	110	31
Europe via America.....	20	8	0
Straits Settlements and Dutch East Indies.....	48	7	2
Europe and Mediterranean Ports beyond Colombo.....	17	1	1
America via Suez.....	2	0	0
Australia.....	5	4	0
	260	337	338

THE GOVERNMENT OF THE PHILIPPINE ISLANDS

DEPARTMENT OF COMMERCE AND COMMUNICATIONS

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(Required by Act 2580)

The undersigned THE AMERICAN CHAMBER OF COMMERCE OF THE PHILIPPINES, owner or publisher of THE AMERICAN CHAMBER OF COMMERCE JOURNAL, published monthly in Manila, P. I., after having been duly sworn in accordance with law hereby submits the following statement of ownership, management, circulation, etc., as required by Act 2580 of the Philippine Legislature: Editor, WALTER J. ROBB, P. O. Box 1638, Manila.

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REAL ESTATE

By P. D. CARMAN  
Addition Hills



September total was the largest since April but includes seven individual transactions, each over P50,000. The following are September totals for ten years:

1924.....	P1,652,377
1925.....	1,164,819
1926.....	1,167,921
1927.....	722,047
1928.....	809,079
	P5,606,243
1929.....	P1,179,905
1930.....	1,373,538
1931.....	1,029,980
1932.....	1,622,566
1933.....	1,078,397
	P5,884,095

Sale City of Manila  
August 1933

	August 1933	September 1933
Sta. Cruz.....	P 64,483	P 229,310
Sampaloc.....	158,087	120,372
	52,290	28,979
	98,610	32,520
		93,348
	19,305	21,732
	69,354	82,013
	43,390	42,357
	37,129	259,000
		1,700
		6,510
	40,600	125,975
	62,024	21,103
	9,878	10,478

P655,750 P1,078,397

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**TOBACCO REVIEW**

By P. A. MEYER

*Alhambra Cigar and Cigarette Mfg. Co.*



**RAW LEAF:** Purchasing in the Cagayan Valley showed some more activity towards the end of the season, and prices have advanced somewhat in sympathy with general conditions. Demand for good tobacco is rising. The buying of the 1933 crop has practically ended, there remaining some lots of inferior grades. Export of leaf has been as follows:

*Rawleaf, Stripped Tobacco and Scraps*

*Kilos*

Australia.....	767
China.....	7,871
Hongkong.....	960
Japan.....	19
North Atlantic (Europe).....	2,553
Spain.....	888,444
Straits Settlements.....	395
United States.....	93,384
	<hr/> 994,593

**CIGARS:** Shipments during September to the United States have taken a sudden increase and show a total of over 24 million, or about 6 million more than September 1932. We, however, hold that this increase is only temporary and was undoubtedly prompted by the anticipated increased taxation under the Agriculture Administrative Act and the National Recovery Act. Even with this large export during the past month the total shipments up to September of this year are still approximately 14 million below the shipments made to the United States during the corresponding period of last year.

Comparative figures are as follows:

<i>Period</i>	<i>Cigars</i>
September, 1933.....	24,085,270
September, 1932.....	17,938,048
January-September, 1933.....	115,334,721
January-September, 1932.....	129,518,357

**LUMBER REVIEW**

By ARTHUR F. FISCHER  
*Director of Forestry*



The volume of the Philippine lumber and timber export trade has at last returned to 1929 levels. This is shown by the export shipments for July, 1933. The total amount of lumber and timber shipped to foreign markets during the month was 8,947,056 board feet, which is about the average volume shipped each

month during 1929, the year previous to the depression. As compared with July of last year, the total lumber and timber exports during the month under review represented an increase of 122%. This increase is in a large measure due to the revival of the United States market and a more active importation of Philippine woods by

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China. It is also due to the continued strong demand of Philippine logs in Japan, despite the dullness of business in all lines in that country at this time and the uncertainties of exchange.

Demand from the United Kingdom, which had shown some slackening during the previous months, was stronger during the month under review, due to the appreciation of sterling in terms of the United States dollar and the fact that hardwood stocks are running low. Philippine timber is reported to be displacing Gaboon mahogany in cabinet making work, because of its firmer texture and this, of course, should bring about a feeling of greater confidence with regard to the prospects in this market. Likewise, the lumber trade with South Africa is strengthening. Australia continued its steady importation of Philippine timber, although the amount shipped is still far below what it was during the peak year of 1929. Nevertheless, this importation is significant for the reason that for the last 2-1 2 years there was practically no movement of Philippine lumber and logs because of the high Australian tariff, which is still in force.

Summing up, the export trade has shown a decided upturn. Prices are still far short of what were considered fair values a few years ago, but they are much better than those prevailing during the past year and the outlook for the immediate future is encouraging. It is understood that the code of fair competition for Philippine mahogany under the United States Industrial Recovery Act is still under consideration and there is no definite information as yet as to what the final provisions will contain. Because of this pending measure, which vitally affects the Philippine lumber export trade, the United States being considered the best market for the islands' product, there is some uncertainty in the minds of local producers as to what the quotas will be. But aside from this, the export situation presents nothing but an optimistic outlook.

Timber shipments to Manila from the prov-

inces were fair, despite the rainy season, during which time there is usually less building activity. As a natural result, thereof, local prices for first group timber have slightly decreased although they are still better than those prevailing at this time last year.

The mill production during the month under review totalled 14,545,946 board feet as against 9,870,289 board feet for July last year, or an increase of 47%. Despite increased production, however, the mill stocks decreased 19% as compared with the lumber inventories at the end of July, 1932.

The following statements show the lumber and timber exports, by countries, and mill production and lumber inventory for the month of July, 1933, as compared with the corresponding month the previous year.

#### Lumber and Timber Exports for July

Destination	1933		Customs-Declared Value
	Board Feet	Declared Value	
Japan	5,032,456	77,940	
China	1,488,604	15,353	
United States	1,384,369	77,640	
Great Britain	362,096	20,782	
British Africa	303,160	21,161	
Portuguese Africa	43,218	3,386	
Australia	22,472	1,124	
Hawaii	8,480	1,282	
Guam	2,120	365	
Canada			
Hongkong			
TOTAL	8,647,056	219,033	

Destination	1932		Customs-Declared Value
	Board Feet	Declared Value	
Japan	3,177,032	63,129	
China	2,120	431	
United States	487,178	31,346	
Great Britain	136,528	20,429	
British Africa	46,640	3,150	
Portuguese Africa			
Australia			
Hawaii	5,088	824	
Guam			
Canada	41,976	2,510	
Hongkong		17	
TOTAL	3,896,560	121,836	

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

#### For 46 Mills for the month of July

Month	Lumber Deliveries from Mills	
	1933	1932
July	14,627,871	10,224,606
Month	Lumber Inventory	
	1933	1932
July	23,229,385	28,540,305
Month	Mill Production	
	1933	1932
July	14,545,946	9,870,289

NOTE: Board feet should be used.



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## September Sugar Review

(Continued from page 20)

tions both in "futures" on the Exchange and in "actuals" having been very limited. Small sales present shipment Cuban sugar were made to operators at 1.60 cents on the 15th after prices declined on the 12th to 1.55 cents and although September-October shipments P. 1. sugar did not attract buyers at a price of 3.60 cents, one refinery was willing to buy on this basis for January-February shipment on the same day.

In view of the belief which was more or less substantiated during the third week of the month, that no change in the U. S. tariff on Cuban sugar was likely before next March, or possibly not before June, interest in Philippine sugar was revived, resulting in heavy transactions for shipment up to the end of this year at prices of 3.60 cents and 3.61 cents, the latter price obtained in the sale of 2500 tons November-December shipment to Gulf refiners.

The price of refined sugar was reduced on the 21st to 4.60 cents per pound, a decline of 10 points.

"Futures" quotations steadily declined during the last week of the month, 8 to 13 points having been lost, while the price of actual sugar sagged from 1.40 cents at the beginning of the week to 1.53 cents at the close of the month. This decline was attributed partially to the improvement in the U. S. dollar and partially to the situation in Cuba which had taken a turn from bad to worse. Interest in Philippine sugar waned as refiners were indisposed to make commitments for the present. It was reported in this connection that the beet sugar manufacturers were offering during the last week refined sugar in the eastern territory at 4.40 cents per lb. as compared with the price of 4.60 cents quoted by the cane refiners.

An agreement was reached in Washington on September 25th by the representatives of the various sugar interests on a sugar stabilization plan which has been in the process of preparation for the past three months. The amount of sugar which the Philippine may supply annually to the United States market was raised to 1,100,000 short tons with an additional reserve of 100,000 tons to provide for any increase in the estimated consumption or the failure of any other producing area to fill its quota. It was the belief in some quarters that this would mean for the Philippines an actual quota of 1,200,000 tons since the expected deficiency in the continental U. S. quota plus the amount of direct consumption sugar not included in the statistical data for the U. S. consumption would aggregate approximately 500,000 tons, thus releasing considerable tonnage for the other producing areas, with the Philippines and Cuba securing most of the extra tonnage.

*Futures:* Quotations for future deliveries on the Exchange fluctuated during the month as follows:

	High	Low	Latest
December.....	1.61	1.45	1.45
January.....	1.63	1.45	1.45
March.....	1.68	1.50	1.50
May.....	1.73	1.54	1.54
July.....	1.78	1.60	1.60
September.....	1.82	1.65	1.65

*Stocks:* Stocks in the U. K., U. S., Cuba, Java and European statistical countries were reported on September 29th 6,565,000 tons as compared with 6,955,000 tons in 1932 and 6,531,000 tons in 1931.

*Philippine Sales:* Sales of P. 1. centrifugal sugar were reported in New York during the month amounting to 42,500 long tons at prices ranging from 3.60 cents to 3.65 cents per lb.

*LOCAL MARKET:* The local market for centrifugal sugar was quiet practically throughout the month, with only fair quantities having been sold during the third week for October-November-December delivery on the basis of P8.25 per picul, after quotations had fluctuated between P8.20 and P8.00 to P8.10 during the first two weeks.

*Crop Prospects:* Milling has begun during the month at some to the Central, although it is reported that due to the continuous and heavy rains which fell in the latter part of the month, harvesting has been delayed on account of the

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poor quality of the cane juice. A revised preliminary estimate of the 1933-34 crop compiled by the Sugar Association corroborates the figures released three months ago through official channels to the Washington Sugar Conference, this estimate now being placed between 1,327,000 and 1,350,000 long tons.

A substitute sugar limitation bill, known as H. B. No. 3120 prepared by the Committee on Agriculture of the House of Representatives was presented to the House during the month. It was reported that in view of the receipt here of the latest draft of the marketing agreement tentatively approved in Washington, the local limitation bill would still undergo some amendments to make it conform with the proposed marketing agreement. According to this agreement, the Philippine Legislature was given until March 1, 1934, to enact a law in the Islands limiting sugar production to an amount which will provide for export of not more than 1,200,000 short tons plus an adequate amount for local consumption. Failure to pass a local limitation law will mean a reduction in the P. I. quota by 10 per cent until such time as said limitation law has been put into effect.

*Philippine Exports:* Export statistics for the month of September as reported to us from private sources are as follows:

	Long Tons
Centrifugals .....	8,949
Refined .....	2,235
Total for the month .....	11,184

Exports of these two grades of sugar from the Islands to the United States for the eleven months of the current crop year from November 1, 1932, to September 30, 1933, are as follows:

	Long Tons
Centrifugals .....	1,001,934
Refined .....	55,611
Total to date .....	1,057,545

## RAIL COMMODITY MOVEMENTS

By M. D. ROYER

Traffic Manager, Manila Railroad Company



The volume of commodities received in Manila during the month of August, 1933, via the Manila Railroad are as follows:

Rice, cavans .....	180,770
Sugar, piculs .....	40,917
Copra, piculs .....	318,040
Desiccated coconuts, cases .....	15,491
Tobacco, bales .....	1,146
Lumber & Timber, Board Feet .....	531,405

The freight revenue car loading statistics for five weeks ending August 26, 1933, as compared with the same period for the year 1932 are given below:

COMMODITIES	FREIGHT REVENUE CAR LOADING				INCREASE OR DECREASE	
	NUMBER OF FREIGHT CARS		FREIGHT TONNAGE		Cars	Tonnage
	1933	1932	1933	1932		
Rice .....	969	677	11,765	7,971	292	3,794
Palay .....	37	58	427	745	(21)	(318)
Sugar .....	146	173	3,530	4,043	(27)	(513)
Sugar Cane .....	2,282	1,651	17,905	13,172	631	4,733
Copra .....	146	175	1,867	2,093	(29)	(226)
Molasses .....	71	31	2,037	940	40	1,097
Hemp .....	10	7	88	58	3	30
Tobacco .....	80	119	768	1,098	(39)	(330)
Livestock .....	24	41	108	223	(17)	(115)
Mineral Products .....	240	250	2,771	2,350	(10)	421
Lumber and Timber .....	251	199	6,685	4,359	52	2,326
Other Forest Products .....	8	8	90	47	1	13
Manufactures .....	88	141	1,031	1,533	(53)	(408)
All others including LCL .....	3,263	3,008	22,677	19,851	255	2,826
TOTAL .....	7,616	6,538	71,722	58,483	1,078	13,239

### SUMMARY

Week ending Saturday, July 29 .....	1,575	1,232	14,707	11,482	343	3,315
Week ending Saturday, August 5 .....	1,486	1,221	14,367	11,262	265	3,105
Week ending Saturday, August 12 .....	1,526	1,331	14,121	12,098	195	2,023
Week ending Saturday, August 19 .....	1,494	1,355	14,510	11,872	139	2,638
Week ending Saturday, August 26 .....	1,535	1,399	13,927	11,769	136	2,158
TOTAL .....	7,616	6,538	71,722	58,483	1,078	13,239

NOTE: Figures in parenthesis indicate decrease.



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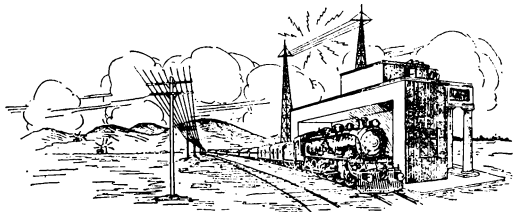
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