

THE AMERICAN MANILA, P. I. CHAMBER OF COMMERCE JOURNAL



Vol. XVII!
No. 3

March
1938



Read—

LOOKING FORWARD TOWARD BORNEO

Other Features and the Usual Mining and Commercial Reviews

TREK THRU MINDANAO!



DISTANCES IN KM.

CAGAYAN TO MALAYBALAY	91 KM.
CAGAYAN TO ILIGAN	94 KM.
ILIGAN TO DANSALAN	56 KM.
DANSALAN TO COTABATO	158 KM.
COTABATO TO DAVAO	230 KM.

ROMANCE AND BEAUTY LIE IN WAIT FOR YOU ONLY SIX DAYS AWAY—VIA MARITIMA

In your own country is beauty you never dreamed of, adventure that will give you unforgettable thrills! Gong and guitar, sultan and cowboy, Zamboanga señorita and Surigao miner, the magnificence of Mount Apo in the moonlight, the silver serenity of Lake Lanao! All these are yours for the taking if you spend your summer vacation trekking through Mindanao via Maritima.

You can go from the Escolta to the foot of Mount Apo in six days on modern comfortable Maritima ships, sailing the Pathway of the Southern Cross. Disembarking, make arrangements through Maritima for hotel and car accommodations, or bring your own car on our special rates, and go driving on first-class roads cutting the golden hemp gardens of Davao, the wild and virgin savannahs of Cotabato, winding through ravine and lovely hill, along the edge of languorous Lake Lanao to the seaport of Iligan. Swing right to Cagayan, over the rolling plateaus of Bukidnon, to complete an unforgettable experience with a return on the luxury ships of the Maritima, where service is cheerful and where it feels like home.

Maritima offers you these alternate itineraries for a thrill-full TREK THRU MINDANAO:

Take the *SS. Corregidor* to pass by Iloilo and the rich sugar regions, then Cebu, and a stop-over in Surigao, the Philippine Klondike. Or else, go directly via the newly-remodelled *SS. Basilan* that touches as many as five fascinating ports en route to Davao—thence, TREK THRU MINDANAO. On the return trip to Manila, take either the *SS. Panay* at Iligan or the *SS. Lason* at Cagayan, or turn back to Davao to take the special Davao run of the *SS. Bahol* or *SS. Basilan*. A 10-day cruise with two days for trekking or a 15-day trip with six days for trekking can be arranged for your convenience.

"TREK RATE"

FIRST CLASS PASSAGE P100.00—SECOND CLASS PASSAGE P80.00
MINIMUM FREIGHT RATE FOR YOUR OWN CAR P70.00

COMPAÑIA MARITIMA

109 Juan Luna
Tel. 4-98-24



Branches in all important
ports SOUTH



With increasing rapidity

as the cars approach, the reflex picture takes shape on the ground glass screen of the IKOFLEX 2 1/2" x 2 1/4", the mirror reflex camera by Zeiss Ikon. You can keep your eye on the composition and size of the objects and watch the sharpness up to the moment of exposing. The IKOFLEX of Zeiss Ikon is to be had with lenses as large as Zeiss Tessar f/3.5, Klu shutter or Compur Rapid speeded to 1/100th sec. Anything of the tiniest dimension can be carefully focussed with the magnifying glass fitted in the mirror hood. Request catalogues with copious illustrations from your photographic dealer or from

ZEISS IKON

BOTICA BOIE MANILA, P. I.

D. O. BOX 299

When—

you buy matches
ask for

"PHILIPPINE MATCHES"

any matches bearing
the name

Philippine Match Co., Ltd.

*will give you
service and protection*

To Distinguished Guests

serve the beverage that is distinguished for

Taste—Quality—Zest

*and inimitable subtle bouquet—
the grand old brew*

**SanMiguel
PalePilsen**

*Manila's Best
a product of the*

SAN MIGUEL BREWERY

Where the mark "Quality" means QUALITY



Marsman & Co.
Baguio Agents

LETTERS

J. M. MARIAS

Manila representative of the U. S. Shipping Board many years ago, now a San Francisco importer-exporter.

"I note by your editorial in the December issue that you invite me, and all others, to offer opinions on the proposed Foreign Trade Zone.

"Having also read the article, 'Manila, A General Headquarters Point,' I am wondering if my brief for the McMurray Commission might not have been in your mind when you wrote it. You might also have read the questioning when I appeared before that Commission here. Whether you did or not, may I take the opportunity to say that there is considerable confusion on my point, and, it is not to be tied in with any sort of Free Port, or the like. I hold that we, the United States, must have a little piece of land that we can call our Oriental Headquarters. Call it by any name you will, the point is that Hong Kong and Singapore have been towers of strength to our English cousins. We want nothing less.

"The danger of the 'free port' discussion is that when it comes time to decide about the U.S. territory, we might be told that all the facilities that we require have been provided. This was the trend of the cross-questioning when I appeared before the Commission. What we want is our own place wherein we can do as we wish without the added pressure of the P. I. regulations. It is not a question of whether we have or have no confidence in the P. I. government. It has nothing to do with anything more nor less than that we must not be pushed out of the Orient just because we have been magnanimous in giving up the Islands entirely.

"To give to the Filipinos the control of their own country to our detriment should not be synonymous with getting out of the Orient entirely. The Foreign Free Zone could not possibly answer this purpose. Therefore, my thought is that we must not permit such a move to cast a shadow over that which will give us the very best deal.

"From your article I do not get sufficient of the details to understand just why there is a movement for a Foreign Free Trade Zone unless it be to offset the desire on our part to establish an American Hong Kong or Singapore. Perhaps there are even more important reasons than I can name for the establishing of a strong and independent 'rock' in the Orient. The more I think of the idea, the more strongly I am in favor of it. But unless some publicity be given the plan, we may find ourselves 'out' entirely but with this simple result—

—that the P. I. government has provided a Foreign Trade Zone that amply covers all of the advantages the U. S. sought. And you know too well that the rank and file of our politico, who has not the slightest idea about such matters, will accept, or better, acquiesce. In this matter I think it well to say that what is meant for all nations to share with us equally, is not sufficient for us.

"A Foreign Trade Zone would have to be available for all nationals. What we want is something strictly American. It must not be shared with others any more than Singapore and Hong Kong are shared with others.

"Now as to the Foreign Trade Zone idea itself.—First, I would ask, why is it necessary and who wants it? Actually it is not necessary. More particularly it is not important in a strictly agricultural country. It can be made very important to an industrial country that has a big world market for finished or manufactured goods. The P. I. does not qualify under this designation. If the port area can be developed into an industrial area, who will control the industries and what labor will be used?

"We have recently gone thru a lot of law making, investigating, etc., to develop the free port or zone area in this country. Here in San Francisco we opposed the plan successfully. Why? Simply because by the time the law became operative, it was of no value. In my opinion, anything less than a very liberal free port is useless. Under our Federal laws, we cannot have any manufacturing in the zone. We can have no processing. We can recopper or remack and even mix but that is all. Well as a matter of fact we can do all of these things now much more freely than thru the zone. Bonded warehouses are sufficiently efficient and competitive to give mighty good service.

"As I was interviewed by the Government surveyors as well as the State and City investigators, and because I also appeared at the hearing, I may be able to give you some details that will be interesting. In the first place a great deal of reference was made to Hamburg and some to Marseilles. As I had investigated and reported on these two ports and hundreds of others, I was somewhat familiar with the details. Well, there is no doubt that both of these ports have been successful with their free zones but particularly because they permitted 'manufacturing in transit' which is entirely different from just what was offered us. Furthermore, as it relates to your situation, there is certainly no comparison between the two European ports and Manila.

"I recall in Marseilles, many years ago, that their plan was very elastic. For instance, in addition to having a zone wherein manufacturing could take place, they also designated some of the regular buildings of established plants as entrepôts.

"This meant that raw imports could be transferred from the ship to these entrepôts and there worked with other ingredients and then shipped out to foreign countries without the payment of any duties. This seemed to work splendidly and gave the same privileges to established manufacturing plants as it did to the plants that were actually built within the restricted area, and, I add; why not?

"In this country, we do something of the like except that we must collect the duty on the raw material as it comes in and a drawback is per-

mitted when it goes out. This actually accomplishes the same thing. I am not prepared to say that the free system will reduce the paper work or the redtape. I have my doubts.

"In the hearing here it was brought out that the free zone in the port of New York was working very well. I asked for an illustration and I repeat it to you.

"It seems that a shipment of bagged copra came into Brooklyn from the South Seas. Under the Customs regulations, each bag had to be labeled. This had been neglected. Even the manifests, bills of lading and invoices clearly attested to the honesty of the shipment and there was no doubt about its origin, the law said that every parcel had to be labelled in some form or another showing the point of origin. Well, as we were given to understand, instead of sending this entire shipment back to the place of origin, the free zone of New York was used. This is the way it worked:

"The copra was loaded onto a barge specially guarded by Customs men. It was towed over to New York. The copra was discharged into a special shed and there it was labelled properly. Then it was reloaded onto the barge and towed back to Brooklyn. And they called that an advantage, think of it!"

"We all know that there are these problems every day and the worst that ever happens is that the consignee might have to put up a bond, but the labeling, if it is done, is done either down the hold or on the dock and that's that. In the first place the regulation is subject to some kind of criticism but we are concerned with the operation. I believe then that you can see the possibility of abuses if the scheme were in operation. In other words if the thing isn't available, there are other ways of working out the mistakes, much more efficient.

"I think that I have covered the situation in a general way. If I have made myself clear, then let me repeat my caution:—Do not let this Foreign Trade Zone overshadow the importance of establishing our American Hong Kong. Do not forget that our European competitors will do everything in their power to keep us out of there. Why not do a little plotting? Consider for instance an American territory that would include Subic Bay and environs. Why not? Practically nothing has been done with this section except as we have developed it as a drydock base for our navy. I am strongly of the belief that you will see in that idea something akin to the advantages that our British friends have. And of course there are the French and Dutch to consider. Would it not be a good idea to have four such nations represented on the rim of the China Sea? I think so. We certainly should know that we must be in the Orient on competitive terms with other progressive nations. Do not go on and on giving reasons for my deductions but think that unnecessary."

LUZON BROKERAGE CO., INC.

Derham Building
Port Area

MANILA

P. O. Box 591
Tel. 2-24-21

Licensed Customs Brokers
Foreign Freights
Forwarders

Heavy Trucking
Contractors
Warehousemen

The National City Bank

of New York

ESTABLISHED 1812

Capital (Paid) --	U. S. \$	77,500,000.00
Surplus - - - - -	"	44,250,000.00
Undivided Profits	"	14,314,078.91
Total Assets - - -	\$	1,899,316,431.95

(as of December 31, 1937)

COMPLETE BANKING SERVICES
MANILA OFFICE
National City Bank Building

INSURANCE

For Every Need and Purpose

WORKMEN'S
COMPENSATION
PUBLIC
LIABILITY
AUTOMOBILE

FIRE
MARINE
ACCIDENT
PLATE GLASS

ATLAS ASSURANCE CO. LTD. THE EMPLOYER'S LIABILITY
CONTINENTAL INSURANCE CO. ASSURANCE CORPORATION LTD.
ORIENT INSURANCE COMPANY
INSURANCE COMPANY OF NORTH AMERICA

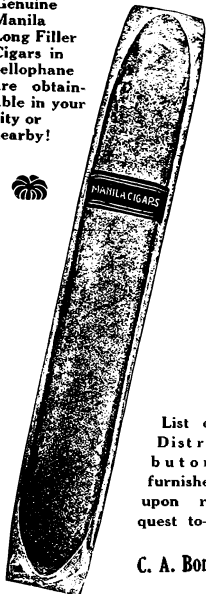
General Agents .

E. E. ELSEY, INC.

Telephone 2-24-28 — MANILA — Kneeder Building

Here's how to get Manila's!

Genuine Manila Long Filler Cigars in cellophane are obtainable in your city or nearby!



List of Distributors furnished upon request to—

C. A. Bond

Philippine Tobacco Agent:

220 W. 42 St., New York City

or
Collector of Internal Revenue
Manila, P. I.

MANILAS

made under sanitary conditions will satisfy your taste!

(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;..."

NOTICE

Unequivocal Guaranty

on

WESTON

Special Reserve

SCOTCH

Take a drink of Weston

If one is not enough

Call the boy back

and

Order "the same" again

*Results are Guaranteed***Trans-Pacific Trading Co.**

130 T. Pinpin

Tel. 2-42-04

MANILA

P. O. Box 497

**KRUEGER'S***The* **FIRST BEER**

IN KEGLINED CANS

AT ALL GROCERS

OR DIRECT FROM

TRANS-PACIFIC - TRADING, CO.

P.O. BOX 497 • MANILA • TEL. 2-42-04

Good for a Healthy Thirst!

WANTED: ONE GRADUATION PHOTO OF THIS YOUNG MAN, WITH CAP, GOWN AND DIPLOMA!



HE'LL BE A COLLEGE MAN SOMEDAY—HIS PARENTS ARE WISELY PROVIDING FOR THAT VERY THING.

LET US TELL YOU ABOUT OUR EDUCATIONAL POLICY. IT WILL DO ITS PART WHEN YOUR CHILD IS READY TO GO TO COLLEGE.

FILIPINAS LIFE ASSURANCE CO.

FILIPINAS BUILDING

Plaza Morera, Manila

P. O. Box 1485

Tel. 2-22-42

**Certified
Lenses!**

This copyrighted trade-mark:

C-

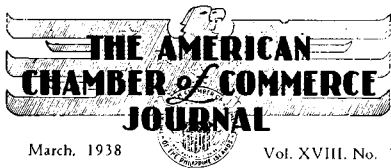
on a Clark & Company lens is our certification that the lens is expertly made, free from defects and in exact accord with the prescription for which it was ground. It is your assurance that your lenses are correct.

EXPERT OPTICIANS

CLARK & Co.
SCIENTIFIC OPTICIANS
9094 ESBOLTA MANILA, P.I.
Phil. Nat'l. Bank Bldg.



Local
Subscription and
United States
\$4.00 per year
Foreign
Subscription
\$3.00 U. S.
Currency, per
year



March, 1938

Vol. XVIII, No. 3

Single Copies:
35 centavos

WALTER ROBB
Editor and
Manager



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

Just Little Things

● We met Old Talmadge (he won't mind this, we're friends) at Fred Harden's *Plaza Lunch* the other night. Some men might not see it as we do, but to us Talmadge is a most remarkable man. Biologists could argue interminably over Talmadge, environment vs. heredity; and in the end they would not agree as to whether Talmadge's character is strong because of heredity, or whether what seems to be heredity is a kind of environment—a conscious patterning from great figures in a man's family. You see, the name is not a very common one. Yet *Who's Who* turns up three Talmadges: Constance the actress, Eugene the Georgia politician, Norma, another actress, (Mrs. George Jessel.) And old boys like us readily remember back to Reverend Talmadge, the New York preacher who used to make the chautauqua circuits during the allegedly gay nineties.

Talmadge of the Tabernacle, he was.

But our Talmadge too has his claims. He is a well driller, he probably drilled the first artesian well in the Islands, and during the past thirty-five years has dotted the provinces with Talmadge wells pretty thickly. Recently he has been using his rig to test the Elizalde's iron property for them, in Masbate. This aggravated his sprue, which is chronic, and he has left a lieutenant in charge while he rests in Manila and battles the sprue with meals more varied than mining camps afford. He is, of course, about seventy years old, but don't challenge him on that account—he could still cut and shoot his way out of most fights if put to it.

In the old campaign days Talmadge rode with the Scouts, among whom a group of thirteen took Sherman

literally. The glint in Talmadge's eye is still blue steel; he was always a bad man to cross, and still is. Hot blood or cold, it's much the same with Talmadge. At Angeles, in the campaign days, when court martial culminated in a hanging party, Talmadge was detailed to spring the trap. Really he volunteered for this duty, and he's sprung other hangman's traps since. If it's duty, he can do it. The old law of an eye for an eye runs in him strongly. By birth he's an Indiana man, but this is incidental. His career has been the Philippine border, out in the villages, his well rig thumping away—slim meals, mud roads, the whole job a tough one.

No work for an angel this. At about the outset of it when Henry C. Ide of Vermont (afterward minister to Madrid) was the Islands' governor general, a group of well sheltered Manilans presented Ide a memorial complaining that they undersooted that many young men in the government, on provincial duty, were not all that they should be morally. Not the least interested, Governor Ide handed back the memorial, and asked the delegates if they thought he could run the government with a bunch of eunuchs.

Talmadge is the father of twenty-two children, from two marriages. As they have come up to the age for it, they and Dad have srimmaged through to college educations for them, girls and boys alike. That's something, and something quite unusual, we think, to manage on the takings of a well-drilling rig. Many of the older children are married and living in the United States, where they procured their college schooling. Four are

(Please turn to page 14)

WARNER BARNES & COMPANY, LTD.

LONDON — MANILA — ILOILO — CEBU — BACOLOD

SHIPPING DEPARTMENT

Agents For:
Nippon Yusen Kaisha
Cunard-White Star, Ltd.
Bibby Line

INSURANCE DEPARTMENT

Transacting:
Fire
Marine
Automobile and Miscellaneous
Fidelity and Surety Bonds

IMPORTERS & EXPORTERS

General Managers of
COMMONWEALTH INSURANCE
COMPANY
ILOILO WAREHOUSING
CORPORATION
RAMONA MILLING COMPANY

Special representatives of
IMPERIAL AIRWAYS, LTD.

MACHINERY DEPARTMENT

Agents For:
Sugar Machines, Diesel Engines, Condensing
Plants, Mining Machinery and Steels, Ship-
builders and Engineers.

AGRICULTURAL DEPARTMENT

All Classes of
Fertilizer

IMPORT DEPARTMENT

Sperry Flour
Sugar Bags

Manila Office: **SORIANO BUILDING, Plaza Cervantes**

Cable Address: "WARNER"

Standard Codes

Looking Forward Toward Borneo

● *Into this second largest of the world's islands, three times as large as the Philippines, and in sight of them, an ethnic wedge could be driven that would crush this Commonwealth to bits.*

By Walter Robb

The United States is by law, and of course by propriety, charged with the responsibility of the foreign relations of the Commonwealth of the Philippines. She had better be about her business, in this matter, because the responsibility is not a mere *pro forma* trust. She alone can exercise it. She would not let the Commonwealth exercise it for itself, as she will not let the States. So she must bestir herself, for it is a dynamic responsibility whose situations are beginning to present themselves clamorously. When the Commonwealth act was passed in 1934, possibly this was not clearly foreseen; and possibly, though it should be, it is not seen clearly now.

Yet an attitude of indifference can not be maintained without grave danger of hurt to the Commonwealth. This would stultify the McKinley policy, of which the Commonwealth is the fruition, a policy that obligates Washington to the Commonwealth's welfare consistently and unremittingly. We repeat that Washington's responsibility, in state matters, to the Commonwealth, is not perfunctory. Because we regret that devices adequate to cope with the responsibility have not been arranged, we invite attention to this as something falling well within the definition of grave oversight.

We do not allude, of course, to routine matters. These may be looked to well enough, they probably are: if alien fishing boats are poaching, complaints are no doubt properly routed and given due attention; also, it is recent memory that Commonwealth citizens in China, affected by the campaigns, were succored and evacuated to Manila. These are not the little things we speak of, because we speak of large and important matters that rightly and insistently come under the portfolio of state.

Truth is that Washington's responsibility engages the future of the Commonwealth; it goes so far as the laying of new foundations, even though they be for a future independent republic superceding the Commonwealth.

This should entail devices specifically set apart for it. These provided, the post of the High Commissioner (who should be watch-dog, least, and statesman most), would assume a new significance. We do not forget that Francis B. Sayre as an assistant state secretary looks after Commonwealth matters. Certainly too, we are not unaware of Commissioner McNutt's high interest in the Commonwealth as a statesman and because of his position. But this is not adequate to the new responsibility involved. It lacks an initiating force, and its liaison arrangements are not up to the real task in hand.

It seems to us that both on grounds of expense and of mutual interest, existing arrangements should be articulated with a secretariat set up in the Commonwealth,

that would support it. We assume that an American chosen by the Commissioner, with the pragmatic sanction of the Commonwealth, should be in charge at this office; or it might be the other way about, the Commonwealth choosing, the Commissioner okaying, a man qualified by the highest ability.

If not this, then something similar to it ought to be added at the Commissioner's office. The reason is, there is a deal of work on Commonwealth state matters to do here, in this part of the world, that can not be well done from Washington. Nor can it be done by the United States ministers and ambassadors, because it should all clear through the Commissioner: he would not have authority over such officials, even if their appropriations were liberal enough to cover the cost of the work, and umbrage would ensue—the plan would defeat itself, or worse. In contrast, something along the lines just suggested ought to be attainable, and workable when attained.

The reason for it is plain. Its duties would be to keep tab-men throughout the Far East, traveling, observing, and reporting at Manila jointly for the Commissioner's and the Commonwealth's information; so that the Commonwealth from time to time, as current circumstances might advise, could initiate through the Commissioner's informed intercession, matters to be carried through in the Commonwealth's behalf: given, naturally, approval at Washington, and given good luck. Naturally too, the state department at Washington would by these means be kept posted on the Far Eastern situation as it was affecting the Commonwealth's viewpoint, whether diplomatic steps were taken or not.

But let us be still more explicit.

If anyone reflects on it at all, he realizes that the Commonwealth can not have a political future entirely aloof from Malaysia as a whole; he realizes that freedom and self-government will either be snuffed out here, which might well be the objective of more than one influential power, or that it will bravely expand and eventually encompass all Malaysia, on the mainland and in the Indies, whether these vast territories separated fully, and violently or peacefully, from their motherlands or not. In other words, the least reflective person must realize that freedom in the Commonwealth necessarily involves eventual freedom for all Malays—the evolutionary, or possibly revolutionary, redemption of a race of 130,000,000 people.

This means the Commonwealth has enemies, and that means that diplomacy in their behalf must be alert. The enemies are not necessarily enemies of the United States. That is precisely what makes the problem peculiar, more unique in American diplomacy than the wholom Japanese



(and still earlier, Chinese) communities in California—one state out of what are now forty-eight!—and that is what so strongly advises the special secretariat at Manila, the logical base of operations against such enemies. What is transpiring in Malaysia now, and what is likely to transpire is of primary importance to this Commonwealth, therefore to Washington, who can not properly discharge her responsibilities to the Commonwealth in its state matters without intimate possession of this basic information.

But as things stand, we believe the information is not being provided—at least, from the viewpoint of the Commonwealth—and if it is provided, provision is haphazard and dilatory. The Straits Settlements, the Federated Malay States, Siam (where Japan drills a new army), Saigon—what are the trends there? What must the Malay give up, what may he reasonably expect to hold? And *what can be done about it all?* Not indeed by way of starting a war, God forbid!—but by way of insinuating new influence in the Malay's favor, possibly better recognition of his ability. In some of his ancient lands, he will surely succumb to immigration that fairly overwhelms and sweeps him away; elsewhere in his forefathers' fields he may survive, and flourish culturally. Whatever his chance, wherever he is, it is vitally important to the Commonwealth to know what it is and to have something, when something seems advisable, done about it.

Greatest concern of all is Borneo, and we have some ideas about practical procedure in the instance of this island. Borneo lies in sight of the southern portions of the Commonwealth. It is an island three times the size of the Commonwealth, with a population a fifth as large. Borneo is in fact the second largest island in the world, only New Guinea being larger, Australia reckoned a continent. But remark that thin population, possibly three million persons all told. Borneo is on the equator, and equally as fertile as the Philippines—that lucky portion of Malaysia that the Commonwealth embraces.

If anyone wishes to know a great deal more about Malaysia today, Borneo included, good references are the book *In Borneo Jungles*, and Paul Scheffer's article, *The No Man's Land of Asia, in Asia* for February, containing a number of references to the Commonwealth that are well worth looking up. (We gained a high opinion of this Berlin newspaper man when he was in Manila last year, and during his visit had almost daily conversations with him. We were then impressed, as we had long been, with the potential importance of Malaysia in the scheme of things to come; naturally Scheffer's able discussion in *Asia* gratifies us.)

We believe it will be generally admitted that Borneo, large as it is, will soon begin filling up by means of labor immigration. In fact, this process is underway now; we hear of Japanese concessions there, for growing Manila hemp in effort to procure a supply of this vital fiber outside the Commonwealth, and of course, with Japanese labor. Japanese also have oil concessions, in Dutch Borneo (three-fourths of the entire island), where the Dutch have their own oil works and are so perturbed about what might happen to them that they stand prepared to blast them to ruins on notice of twenty-four hours. If you know the peasant culture of the Commonwealth, and will compare it with Krohn's observations

in his book, just mentioned, you will not hesitate to say that Commonwealth peasants and Borneo Dyaks are brothers.

Krohn finds the Dutch administration of Borneo benevolent, while it is well known that similar government prevails in North Borneo under Rajah Brooke. These matters are not a Commonwealth concern.

What is a Commonwealth concern is how Borneo fills up. The character of this migration problem is European, more than it is American, but none the less real on that account. Observe Hitler today, claiming for the Reich all that is ethnically German. He is ready to brawl over the Polish corridor, to obliterate this barrier between the Reich and East Prussia; and East Prussia was an implantation. Similarly he reaches out for Danzig, a free city, once a proud jewel of the Hanscatic league; and he does so because a majority of Danzig's citizens are Germans—who migrated there. We don't blame him, we but recite. Yesterday he recovered the Rhur, the Saar, and tomorrow he will have recovered Austria—all because, and only because, there are Germans in all these places whose votes are Hitler's. Day after tomorrow, or sooner, he will bisect Czechoslovakia—there are enough Germans there to permit it.

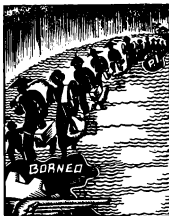
This recital has the sole aim of bringing home the fact that the ethnic character of immigrants is decisively important.

Has the Commonwealth emigrants to furnish Borneo? If so, it has a case in their behalf. Well, as a matter of fact, it has. It has plenty of Ilokanos, thirty thousand of whom must find resting places outside of their home provinces every year: the same fellows who formerly went to America, especially her west-coast states, and can no longer go there; the same fellows who solved Hawaii's labor problem by going there—and making good at every task in which they were employed. They are also the same fellows who do the Commonwealth's mining, and much of its timbering and sawmill work. In fact, as laborers, skilled and unskilled, they can not be honestly complained of. And that, we think, a point for the Commonwealth.

This much intercession by the United States, for the Commonwealth, ought to be tolerated by Holland and Great Britain: First, when labor is needed in Borneo, Malays should be recruited for it; if from other lands in Malaysia, well and good, but if not, then from the Commonwealth. Second, there should be some term set for concessions, probably the same term set by the Commonwealth, twenty-five years; because, in the inevitable evolution of Malaysia, concessions without terms might become annoying social anachronisms. That is to say, to the degree possible the basis of unlanded employment in Borneo should approach standards set in the Commonwealth. While such obligations of Holland and Britain are moral obligations only, yet when pointed out by Washington in behalf of the Commonwealth they might be obeyed.

They might be obeyed because Holland and Britain are friendly to America, and more so because they are fair demands. To implant Borneo with nonmalaysian stock is, in all probability, to deal this Commonwealth a mortal blow; and moreover, it has in it that shortsightedness that Sir Rutherford Alcock observed in early Britains at Shanghai—it more surely hastens the day

(Please turn to page 11)



The Second New Deal

Franklin Roosevelt, as the magazine "Fortune" points out in its February issue, received his political training in the state of New York in the days when "T.R." was indulging in his trust busting campaigns and riding to popular glory on a demand for lower prices. Roosevelt, this magazine believes, personally inclines to the first Roosevelt's theories rather than to the program encompassed in the first New Deal. The policies followed by the present administration from 1933 to 1937 were not, according to this authority, Roosevelt's own but were accepted by him from his brain trust, which has since been thoroughly discredited.

Essential policy of the first New Deal was to make capitalism work by government limitation of competition within the system, supporting business in turn by government spending to put more buying power in the hands of the people.

Hence, the first New Deal having failed, Roosevelt will now swing to his own personally preferred courses of action, and the Second Deal will hammer away at monopoly and high prices. Instead of seeking to limit competition through government regulations intended to guide business operations along indicated lines the government will now enforce competition and strict monopoly by means of (1) strict anti-trust legislation, and (2) constant threat of direct government competition with private industries as a means of forcing prices downward. The latter threat is particularly potent in the case of public utilities.

The first New Deal was based upon a theory that the capitalist system was sick, but not that the system itself was intrinsically wrong. During his first administration, Roosevelt tried to doctor the capitalist system back to health: his pills were all compounded from the same basic formula of elimination of free competition, and the substitution therefor of business enterprise along cooperative lines laid down by the government. These pills, variously labeled NRA, PWA, RFC, REA, HOLC, FDIC, AAA, and so on, gave the patient some immediate relief. This was deceptive, for the patient shortly had a relapse which threatens to bring him to lower ebb than when the treatment started.

Now Dr. Roosevelt believes that treatment should be based on the theory that the capitalist system itself is the disease which is affecting the nation. The old New Deal pills, by eliminating free competition, encouraged monopolistic tendencies; the pills which the capitalistic system will now be forced to swallow will have an entirely opposite effect. Free competition will not only be en-

couraged, but enforced and sharpened, with the object of breaking down monopolies and thereby effecting a lowering of prices. With prices lower, purchasing power is expected to climb without necessity of further lavish government spending.

One of the most important aspects of the new Deal program is its political acceptability not only to a large section of the population of the United States, but likewise to a considerable group of congressional leaders who have, from the beginning, looked at the first New Deal with extreme disfavor. Among these are such men as Borah, La-Follette, and Vice-President Garner, and possibly also such a staunch anti-New Dealer as Carter Glass. Thus, assuming that the President's adherents in congress will stick with him through the Second as through the First New Deal, his strength will be immeasurably increased by the support of men who up to this time have constituted his most potent opposition.

"Down with monopoly," and "Away with high prices" are political cries which will find ready acceptance among the nation's voters, "Fortune" believes. Contrariwise, the First New Deal having so obviously failed, it would have been politically unwise to attempt its revival or continuance.

The abandonment of the First New Deal will not, however, it is emphasized, eliminate the problem of business' relations with government, for the simple reason that government-in-business did not start with the Roosevelt administration, and will not end with it. Nor will the liquidation of the First New Deal at this time mean a return to pure laissez-faire capitalism, "Fortune's"

editors believe, "not even if the liquidation of the New Deal carried Mr. Roosevelt with it and put Senator Vandenberg of Michigan in his place."

Public opinion would simply not tolerate another era similar to that of the late '90s and the early 1900s. In short, government-in-business would continue under any administration; the difference would be only in degree. Under Roosevelt, it is expected that government will be in business up to its neck; under a more capitalistic-minded president, government might be in business only up to the knee—but it would still be in.

As "Fortune" puts it, the depression of the Fall of 1937 has reshuffled the Roosevelt deck of fortuneteller's cards and turned up a new suit—this time of CLUBS.

That this analysis of what is ahead for business under the Second New Deal coincides with the fears entertained by business for some months past, is best evidenced by the

(Please turn to page 42)

FORTUNE

135 EAST 42ND STREET
NEW YORK

January 19, 1938

Mr. Walter Robb,
American Chamber of Commerce
Journal
Manila, Philippine Islands

Dear Mr. Robb:

In its February issue FORTUNE will carry an important article on the present momentous struggle between business and government, and I thought you might be interested.

In this article FORTUNE evaluates the New Deal again in the light of the 1937 recession and considers whether, politically or economically, Mr. Roosevelt now has any choice but to embark on the anti-monopoly crusade which has been both hinted and denied in the last few weeks.

Under separate cover I am mailing you advance proofs of this article, and I shall appreciate your holding this information in confidence until the February issue of FORTUNE is published on January 27th.

Sincerely,

C. B. YORKE

The New Commonwealth Hotels

- Unless all signs fail in dry weather, Sibul, Tagaytay, Pagsanhan, and Legaspi are to have them. . . . Frank Lloyd Wright should plan them.

President Quezon has the right cue about the Commonwealth's developing a travel business, he knows it can't be done without comfortable hotels at the places the travelers are to visit. So in his four-year public works program he includes hotels for Sibul in the low foothills beyond San Miguel de Mayumo, to exploit Sibul's bracing mineral springs; for Tagaytay in Cavite, to exploit artificial attractions still to be provided, and the sweeping view of Taal; for Pagsanhan, to exploit its falls, *Talom Talahib*, and rapids; and for Legaspi, though we ourselves would not say Legaspi at all, but Tiwi-Tiwi, a little way beyond, for wonders that we will presently explain.

All this is to the good, very emphatically.

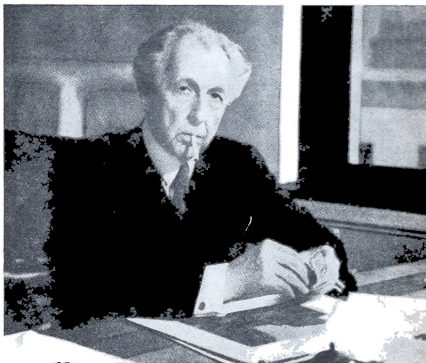
But it is also a big job, by no means a casual one. When done, it will be done. Opportunity to do it to the very best advantage will never recur. Therefore, there is only one man living who should be entrusted with the final plans—provided his services as consultant to collaborate with local architects are procurable. This man is Frank Lloyd Wright, whose offices are in Chicago, Los Angeles, and Tokio, and whose home (and school) is Taliesin, Spring Green, Wisconsin.

Wright burgoned into the Far East with his building of the Imperial Hotel at Tokio, the one that rocked so gallantly through the earthquake of 1923. Esthetically and materially, the Wright *Imperial* pleases the Japanese, whose requirements of taste and serviceability are rigid. Because Wright loves the Far East, and likes helping builders out of difficulties, we believe he would accept an invitation to Manila to help with the building of these hotels. And we even think it quite probable that while here he would look the country's architecture over generally, and leave behind as many hints as possible—greatly to the advantage of everyone, architects and builders more especially.

Wright harmonizes his structures with nature, without neglecting their functional purposes. He is so superior in this as to be, in himself alone, a veritable school of architecture. Time Publishing Company devotes a complete recent number of *The Architectural Forum* to him. All the illustrations are of his work, and all the commentary his own. Just as there can be an Einstein in mathematics, so in architecture there can be a Frank Wright, and so there is. Let us have him, then, granted he will come. Inevitably the whole world would learn of it, news of it would be sought everywhere, and the project—after all, the purpose is to make it a paying proposition—would start with an excellent press.

We wager a veritable stream of travel would set in from the Orient, on no further hint than that Wright built the hotels. This is but one example. Japanese love and respect Nature, and would be no end curious to see these Wright hotels—all built to enhance, not to intrude or encroach upon, their incomparable natural environment. For it is this supreme touch in Wright's work that, in the Imperial, had, to a degree, to be foregone. Japanese would come here to see it at its best. And so they might.

Hardly less curiosity would be roused in China, where what Wright loves best to do is quite as deeply lodged



Frank Lloyd Wright

as in Japan, and certainly in America and Europe an appreciation of the Commonwealth's discernment would be equally spontaneous. But we think too of the more lasting and widespread benefits sure to accrue from having the old genius here a while. We think Manil's bohemian atmosphere would be tonic to his gay gray years; and we know that he would go away with portfolios of pictures, and would write—and how he can write!—in the generous Commonwealth's behalf.

So much for that. There is no argument, Frank Wright should come.

The Tagalog name for Pagsanhan Falls is of course as eloquent as a poem. It is *Talom Talahib*, from the silver-shafted blossoms of the wild talahib that borders the banks of the river above, *talom* meaning falls. Any hotel that does not take this fact into consideration will not, to us, be worth looking at. But how this is to be done is beyond us, naturally. A secondary guide to the architect handling the job at Pagsanhan is the general style of the better buildings in the town. It is strongly influenced by the Chinese, who were for long a mighty *cofradia* in the parish. The peasants' huts have some unique features, and pavilion effects might take them into account advantageously.

Sibul is a setting entirely different. The remarkable spring pouring copiously from the mountain glade is the tie-up there. Whatever is built should rise around an immense pool, and there should be the most careful study of the effects to be gained from lights against this brilliant water. Swimming would be the game, the pool continuously emptied and replenished. Around the pool drinking fountains should be fixed, for while bathing, which gives the skin a satin glow, you should drink as much of the water as you possibly can: it corrects all manner of alimentary ailments and disorders, also alcoholism, and this is no idle statement. How much ad-

(Please turn to page 11)



VOL. XVIII
No. 3

MARCH
1938

The American Chamber of Commerce OF THE PHILIPPINE ISLANDS (Member Chamber of Commerce of the United States)

DIRECTORS:

F. A. Meyer, *President*
H. M. Cavender, *Vice-President*
John L. Hadlington, *Treasurer*
J. C. Rockwell
E. M. Grimm
Verne E. Miller
S. F. Gaches
E. Schradieck
H. M. Cavender

ALTERNATE DIRECTORS:

E. D. Gundelfinger
L. K. Cotterman
K. H. Day
H. Dean Hellia

SECRETARY:

C. G. Chifford

COMMITTEES

EXECUTIVE COMMITTEE:

F. A. Meyer, *Chairman*
H. M. Cavender

RELIEF COMMITTEE:

C. G. Chifford, *Chairman*

MANUFACTURING COMMITTEE:

K. H. Day, *Chairman*
A. W. Ralson
D. P. O'Brien
H. P. Strickler

LEGISLATIVE COMMITTEE:

E. E. Selph, *Chairman*
Judge F. B. Ingersoll
C. G. Chifford

FINANCE COMMITTEE:

Verne E. Miller, *Chairman*
E. J. Dymek

FOREIGN TRADE COMMITTEE:

H. B. Pond, *Chairman*
E. D. Gundelfinger

PUBLICATIONS COMMITTEE:

F. A. Meyer, *Chairman*
C. M. Hoskins
Roy C. Bennett

BANKING COMMITTEE:

E. J. LeJenna, *Chairman*
J. R. Lloyd

RECEPTION & ENTERTAINMENT

COMMITTEE:

E. Schradieck, *Chairman*
E. D. Gundelfinger

INVESTMENT COMMITTEE:

F. A. Meyer, *Chairman*
J. C. Rockwell
S. F. Gaches

SHIPPING COMMITTEE:

H. M. Cavender, *Chairman*
E. M. Grimm
Chester F. Sharp

either in the East or the West ought never to involve the Commonwealth while the ties with the United States remain unbroken.

Other interesting data come to hand in a pamphlet from the commerce bureau sent in by Acting Director A. de Castro.

Commonwealth domestic trade runs to 13 billion pesos a year.—Arable land is 18,594,260 hectares, and cultivated land less than a fourth of this, 3,943,300 hectares.—In the following table from the pamphlet, note 1937's imports and exports:

STATISTICAL FACTS ABOUT THE PHILIPPINES

Approximate area (square miles)	144,398
Potential agricultural area (hectares)	18,594,260
Estimated area cultivated (hectares)	3,943,300
Population as of July 1937	13,700,000
School population (estimate) 1936	3,419,200

Total enrollment—Public and Private

Primary	994,173
Intermediate	204,978
Secondary	83,984

Assessed value of real estate	P2,235,198,118
Total net bonded indebtedness	86,321,178
Currency in circulation	P161,489,425
Revenue from taxation	70,437,700
Government (Commonwealth) Ordinary Income (1938)	P60,445,700

Government (Commonwealth) Ordinary Expenditures (1938)	76,296,207
--	------------

Total foreign trade:

Imports (1937)	P218,051,490
Exports (1937)	302,532,500

Rice mills	1,903
Sugar centrals output, long ton (1936-1937)	970,459
Number of warehouses	851

Transportation:

Railroad mileage (miles)	835
Number of motor trucks registered.	17,355
" " vessels—coastwise service	572
Motor vehicle registered	46,293
Roads and bridges (km.)	16,743.9

Shipping—Foreign (net tonnage)—	
Entered	6,716,706
Cleared	6,222,960

Shipping—domestic—	
Entered	4,802,260
Cleared	4,789,341

Gold production of 1937	P 51,000,000
Savings deposits of all banks (1937)	P115,385,880
Deposits of all cheque paying banks (1937)	105,735,467
Total bank assets (1937)	378,265,622
Total value of agricultural production 1936)	357,396,770

Agricultural Crops, as of June 30, 1936:			
Rice (palay)	42,219,600	cavans	P118,837,150
Corn	6,370,690	"	15,713,850
Sugar	14,954,450	piculs	111,593,490
Cocanuts	3,146,961,200	nuts	61,975,550
Abaca	3,082,530	piculs	19,641,290
Tobacco	70,067,000	kilos	3,729,280
Maguay	433,840	piculs	816,700

We are in total disagreement with this table respecting population. It was nearly 13 million in 1918, and will have increased nearly 40% since; so we believe the figure we use is most conservative, 17 million; we find one American almanac says 20 million, and we doubt that this is far wrong.

Last year's imports were 1,798,500 tons of goods, P121.24 per ton in value. Exports were 2,058,706 tons, P146.90 per ton in value. So the Commonwealth is primarily a staples market, yet a good one. May war pass us by. Mark the gateposts.

HEMP IN BORNEO

We have recent news about Manila hemp, the Commonwealth's natural monopoly of which the world tries to destroy, quite naturally. Mitsui Bishi Kaisha are promoting Manila hemp plantations at Tawan, North Borneo. They got the seed in Davao, together with ex-

LIVING HIGH

J. Bartlett Richards' January report as American trade commissioner opens with a number of interesting data:

January sales of automobiles and trucks were exceptionally good.—Orders for cotton textiles were higher than for several years, the bulk of the business going to the United States.—Credit conditions were satisfactory.—Gold production P4,720,438 set a new January record.—Banks reported increased loans, discounts, and overdrafts, also increased cash balances, meeting importers' demands for dollars by drawing on their New York balances.—Monetary circulation increased by P2,500,000 to an all-time high (but not, once more we remind the reader, a *per capita* record by any means).—Tax collections ran far and away ahead of estimates.—*Export cargoes continued in good supply.*

Freight space to Europe and the United States was well taken up. We know copra is low priced, also Manila hemp, and sugar no great shakes. But bulk of copra and hemp makes up in part for the low levels of prices and if war puts no hex on freight space 1938 will, as usual in the Commonwealth, be a good business year with overseas commerce topping P600,000,000. But as this is written, March 14, the situation for peace looked desperate in Europe. If peace is broken, shipping will be scarce and the Commonwealth will feel the pinch.

Well, if it must come it must come. The Commonwealth can face it out as well as the next one. War

perienced Japanese to plant it. They have 99-year leases. Ten thousand hectares have been planted, another 10,000 hectares are being planted. At 20 centavos to 30 centavos a day, native and Chinese labor is plentiful. Some disease has appeared, not very serious. Plants are said to grow 50% larger in thickness and height than in Davao, but the strippers are as yet little experienced and for this reason the fiber is not up to Davao's in quality.

Rumor is that a British syndicate has leased 100,000 hectares in North Borneo for Manila hemp. It would probably be imprudent to seed such a tract, larger than all Davao's together. Enterprising Japanese in Davao are reported as making progress with a modified stripping machine that does not require twisting the tuxies round a spindle for cleaning. This would make shorter fiber more merchantable, since use of the spindle by the present method tangles fiber ends into waste that must be cut off and sold as tow. An improved machine would extend the useful period of Davao plantations, since the older the plants the shorter the fiber—until after fifteen to eighteen years yields run below commercial values.

But it has been established that run-out fields in Davao can be restored to fertility for Manila hemp and successfully replanted. Yields are somewhat reduced, but the fiber is stronger and finer, hence of more merchantable grade. Borneo is probably a more genuine threat to Commonwealth hemp than Sumatra was. Let us hope not.

Looking Forward...

(Continued from page 7)

when Borneo will not belong to Holland nor to Britain, and has in it nothing but immediate advantage.

But could Washington and the Commonwealth (that is to say, Washington in behalf of the Commonwealth) bring any real pressure to bear in case Holland and Britain were cold to the proposal outlined?

We think the pressure available is considerable. Holland and Britain enjoy many courtesies from the Commonwealth, the rule of *quid pro quo* may be applied—such states are familiar with it: Chamberlain invokes it just now, with Italy, has it in mind with Germany. Holland wishes to have a bank here, and gets it; she wishes to land commercial airplanes here, and will be granted the privilege; besides, she runs many ships to the Commonwealth, and hauls between the Commonwealth and the United States. These are all courtesies, and Britain's here, with two banks, are more extensive. If it came to a matter of swapping, the Commonwealth would have a good deal to talk about. But if the secretariat were established, that this paper proposes because the need of it is so obvious, and the case were worked up as it should be, the conversations should never descend to swapping. Holland and Britain should see at once that an ethnic drive inimicable to the Commonwealth should not be driven into Borneo.

As soon as a democracy is launched anywhere, it has, of course, to look to its boundaries: on every hand it finds nought but opposition, quiescent or active according to circumstances, and it must shoulder through and make room for itself. Problems strikingly similar to the border problems confronting the Commonwealth of the Philippines now, confronted the United States when that federation was founded—with the expectation in:

Europe that it would be shortlived. Some men argued the unimportance of these problems, but wiser men felt their vital importance from the outset and exerted unceasing effort until in James K. Polk's administration they were all resolved. All this was difficult indeed. Circumstances affecting the Commonwealth should yield much more easily.

In America's case, resolution depended upon how the general elections turned; the south and the west blew hot on the questions at issue, the east blew decidedly cold—save for the patriotic apostasy of John Quincy Adams. With Washington handling the situation, the Commonwealth will not have to face this—consistent policy may be expected.

At any rate, the case of Borneo shows clearly, we think, that the machinery for America's successful handling of the state affairs of the Commonwealth is not all in place; that parts are lacking, at Manila, and by all means ought to be provided without delay. We think it also shows that diplomatic questions may be unique to the Commonwealth, that the mere routing of these questions through the state department at Washington is far from being enough for their solution. There must be an office devised, interested in these questions solely. Nor is at all remarkable that the foreign affairs of a people numbering seventeen million persons really require such an office, the Commonwealth's location being what it is. It would rather be remarkable if anything less would be found to serve in the circumstances.

The least that can be said is that Washington, in behalf of the Commonwealth's future—that future associated with the United States or not—must bestir herself with all possible cupidity and intelligence, and without delay.

drink



Enjoy
the
Best

along with the rest



SOFT DRINKS

Refreshing ^{are} Stimulating

They Pep You Up

ISUAN, INC.

Tel.: 5-73-06
We Deliver

Union Church Hall

● *A Home for Girls*

By Walter Brooks Foley

For fifteen years in the city of Manila there has been maintained a home in which over 150 girls, plus a few smaller boys, have been cared for under capable supervision while they learned the ordinary duties of simple home living, and while they attended a variety of schools. This enterprise is directly sponsored by Union Church of Manila, but is separately incorporated with directors, annually elected from those especially interested in the project. An Executive Committee (now composed of Dr. W. B. Foley, President; Mrs. Murray Crosby, Vice-President; and Mr. C. W. Edmunds, Secretary-Treasurer) has responsibility for supervising the Hall's finances and activities between the Quarterly meetings of the Directors. Miss Sadie Livingstone has served as Superintendent since April, 1925.

The Hall is located in a specially erected building on several acres of ground at 181 Piña, Santa Mesa. A bus is maintained for the transportation of the pupils to and from their schools.

Wards are placed in the Hall by such organizations as Masonic Lodges, the American Guardian Association, the Red Cross. Due to a variety of reasons some parents prefer to have their children in the Hall, and special arrangements are made to meet this demand.

The year 1936-1937 closed with expenditures met in full by receipts of over P19,000. This indicates specifically the practical interest shown in the Hall by the Church which sponsors it and the friends who, through the years, contribute to its support. The Hall maintains its efficiency through the extensive service and financial contributions of friends.

Every effort is made to teach the residents in the Hall self-reliance and dependability. Close cooperation is maintained between the Hall and the Schools of the city which the girls attend. Their religious education is worked out through Central Student Church, corner San Luis and General Luna, Dr. Don W. Holter, Minister. The President of the Corporation, Dr. Foley, conducts a discussion class in practical psychology twice each month which is attended by the older girls; in this class personal and social questions are answered.

The long experience of the Superintendent, Miss Livingstone, has enabled her to gain a thorough back-

ground of the residents, their homes, parents, early environmental problems, and trends of abilities. Records are maintained for each resident, which make it possible to check progress or failure in time to make correct decisions.

Application and guarantee forms are filled out by parents or guardians of entering residents. These forms call for essential information and are approved or disapproved by the Executive Committee acting for the Directors before a new resident is admitted permanently. However, emergency entrances are permitted for short periods. The records indicate that more than fifty girls have been accommodated in the Hall for brief periods. These emergency situations always entail financial expenditures which cannot be foreseen when the budget is made up each year.

Those interested in becoming patrons may secure additional detailed information from the Superintendent at any time, and are cordially invited to arrange to visit the Hall to get a better knowledge of its activities and place of importance in the civic life of Manila.

Girls from the Hall have married Americans, part Americans, Spanish Filipinos, Chinese Filipinos, Filipinos and English. Single girls from the Hall are serving as beauticians, nurses, teachers, stenographers, salesgirls, seamstresses, and housekeepers, as well as going on for more advanced education.

The problem of mixed racial marriages is in the last analysis, seen to be one which the children are compelled to work out. Men and women who insist on complicating life for their children by presenting them with confused hereditary backgrounds often do not have the answers to the questions that naturally occur. Union Church Hall is an organized attempt on the part of thinking individuals to help young people from homes of mixed parentage face a society which is hostile in many ways by preparing them for lives of service and helpful leadership in their local environment. The financial and personal interest and assistance given by any friends is always welcomed by the Corporation and its officers.

INTERNATIONAL BUSINESS MACHINES

- International Electric Bookkeeping and Accounting Machines
- International Time Recorders
 - International Electric Time Systems
 - International Time Signaling Systems
 - International Sound Distributing Systems
 - International Fire Alarm Systems
- International Watchman's Systems
- International Recordlocks
 - International Proof Machine for Banks
 - International Ticketographs
 - International Certometers
 - International Electric Writing Machines
 - International Cosmographs

WATSON BUSINESS MACHINES CORPORATION

MANILA OFFICE:
510 Philippine National Bank Bldg.



Telephone 2-12-16
P. O. Box 133

The New Commonwealth...

(Continued from page 9)

vantage could be taken of the natural surroundings of the spring (*sibul* means spring), no lesser man than a Frank Wright should say.

Tagaytay involves the sweep of the winds, the black richness of the volcanic soil, the vistas curtsying away over the lake. It is a distinct building problem, of course; and as such other public building may be undertaken there later, the hotel, as the first structure, should be a model for all that follow. Horizons, all these projected hotels call for them, are a Wright specialty, the buildings must have horizons, literally, complementing the horizons of Nature round about them.

We have said that we should set the hotel for Legaspi at Tiwi-Tiwi. Maybe it means the Place of the Little Blacks. It is tradition that long ago when Negritos lived in the lowlands, some of them lived here. It is readily credible, since Negritos warm the ground where they are to sleep with fire, and bed down in the ashes; and at Tiwi-Tiwi they would have found the ground already warmed.

Years ago the *Journal* described this place of bubbling wonders, we will do so again. Basically it is a lava flow, quite a field of it, running down to the gold-sanded shore of Tabaco bay. Up through the lava, at frequent distances, gurgle two sorts of springs, some very hot, even boiling, some very cold—a cold spring and a hot one may not be two feet apart. When we were there, the place afforded some rude bath houses whose accommodations were rectangular concrete basins ten or twelve feet square and three or four feet deep. The folk who ran these dug little ditches through the lava, for the water to reach them. Sluices, with adjustable gates, poured this water into the baths, one sluice for the hot water, another for the cold. Attendants stood at the sluice gates, adjusting the flow to the temperature bathers desired—you could have the water quite cold, or hot enough to take your skin off.

It was exciting, seeing the hot water steam in and wondering whether the boy at the gates would neglect to let in the cold. Not far from the baths a very large spring seethes all the time. It must be fifteen feet

across. Peasants scald chickens for the plucking there, and swine for the scraping; and believe us, the scalding is thorough and doesn't take long.

The possibilities of these hot springs and cold springs in such juxtaposition are of course many. Should a Frank Wright build a tourist hotel at Tiwi-Tiwi he would utilize lava lavishly, he would get indescribable effects with all sorts of browns, and blacks and grays; and his completed work would give no offense to the majestic heights in the background, or the souging opalescent waters below—God knows the sinful gossip of those gentle waves!

That enthralling bay. We set out across it toward sunset, at a season such as now. Back of us towered that chain of gigantic volcanoes that figure so eloquently in the poetry and legends of the people. Bulusan, down in Sorsogon, could not be seen because of intervening distance, though it begins the chain, but Mayon, Masaraga, Malinao, Iriga, and Isarog were all in view.

(Please turn to page 15)

KLIM IS RICH ... PURE MILK

Always fresh, always sweet and delicious for drinking or for cooking — that is KLIM!

KLIM is the finest cows' milk, powdered. Just the water is removed and nothing is added. Simply add water to KLIM and you have milk with the natural flavor and good nourishment of milk right from the cow. Drink it! — You will love its fresh, natural flavor, and be delighted with its convenience.



Sales Agents

GETZ BROS. & CO.

Soriano Bldg.

Manila

The Second...

(Continued from page 8)

present low ebb. The entire purchasing power situation has been aggravated by the fact that capital could not be expected to put money into plant expansion when only an average of 66% of plant capacity was being utilized even during the most favorable period of the first New Deal. On top of this, labor troubles have not been so serious in several decades, and such disturbances are not confined to mere struggles between employers and employees, but have developed, as a result of the intensity of the struggle, into wars between classes.

With both capital and labor completely disillusioned, Franklin Roosevelt steps up to the pitcher's box for the second game of the series. His own team is no longer behind him 100%, having lost a considerable amount of their former confidence in him; the opposing team is, on the other hand, more strongly united than ever. The first

(Please turn to page 42)

Nederlandsch Indische Handelsbank, N. V.

Established 1863 at Amsterdam

Paid-Up Capital - - - Guilders 33,000,000 [P37,000,000]
Reserve Fund - - - - Guilders 13,200,000 [P14,800,000]

General Head Office at Amsterdam
 with sub-offices at Rotterdam and the Hague.
 Head Office for the Netherlands Indies at Batavia.
 Branches in the Netherlands Indies, British India,
 Straits Settlements, China, Japan and the Philippines.

Branch at Manila: 21 Plaza Moraga

Every Description of Banking Business Transacted
 Current accounts opened and fixed deposits received
 at rates which will be quoted on application.

Just Little...

(Continued from page 5)

married into a single family, two brothers, two sisters. There are grandchildren, of course—we have no idea how many. Next June, eight of the younger children, boys and girls, will be in college together, at Cebu. Still younger ones, including the baby, a girl about fourteen, whom Talmadge has of course spoiled, await the day of their college matriculations eagerly. And that's Old Talmadge, the well-driller currently fighting a spell of his chronic sprue. When you golf at the Wack-Wack course, you can partly attribute its prime condition to him—he sunk the wells that irrigate it.

● Another oldtimer you sometimes come upon at Harden's is D. L. "Dave" Minnich, typical of the men who have bucked the line, and still do, in the land transportation business. These men stand out from the crowd, you can spot them anywhere. All have one attribute in common, good-humored courage. You recall it in the late king of the business, A. L. Ammen. You see it in the present king, Judge L. D. Lockwood, and in the man that made *Pambusco* popularly prosperous—"If you'll sound your horn, we'll move over—" Colonel Andreas, whom we believe to be the oldest reserve officer in the aviation service of the army. Mere courage in the game is not enough, it's too hair-triggerish. Good-humored courage does the trick, which is the weeding out of chiselers who hijack the traffic. You have to have the courage to hold your fire until they show the whites of their eyes—that is, until they have cheated themselves, the dealer in Manila who sold them cars, and the public, to the bone—and then you must be ready with both barrels, and you must not flinch.

At crises in this hazardous business, tickets 1 centavo 1 kilometer, you have to lay your money on the line; often it is a lot of money, and often, especially when your line is a young one, you have to have a bank or a friend put up for you. These inexorable circumstances are the weeding process, cleaning up the business until only men of instant courage, and good-humored patience, are left. Meanwhile, throughout all the vicious in-fighting, blow for blow the man who comes through to a win is he who strikes hardest and smiles longest.

The square-shooter, he's the only winner.

Though Dave Minnich has been in the game many years, more recently he has been managing Northern Luzon Transportation with headquarters at San Fernando, Union—a line covering the Ilokano provinces of northwestern Luzon. At last he has the line on its feet, there's a future ahead. Step by step he has pushed on, one chisler quitting, another selling out, until the line's present terminus in Cagayan is Pamplona, and a riverboat connection reaches Aparri. Soon, no doubt, Minnich's busses will cover the whole route; long since he began selling bus-railroad tickets picking up passengers as far as north as Bangui and Abulog and carrying them by bus to San Fernando, by train from San Fernando to Manila—cutting traveling time by days. Well, that's what does it, courage iced with patient good humor. Without the icing, that sort of cake would be plain dough... no sale. So our kudos are not to Dave Minnich alone, they're to the type: their prototypes were the boys of the Pony Express, the Hills, Harrimans, and Standfords who followed their pony trails with railroads. For smaller rewards, the game here is just as hard.

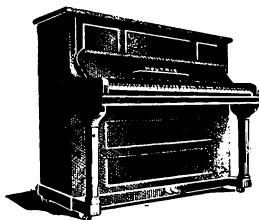
DEPENDABLE
AND
INTELLIGENT
SERVICE

SUGAR NEWS PRESS
CREATIVE PRINTERS **S**

TEL. 2-12-75

671 DASMARINAS

MANILA



MOUTRIE
PIANOS

As Low as P640 for Cash Payment,

Installments P20 Monthly

Sole Distributors

JOSE OLIVER SUCCESSORS CO.

317 Carriedo

MANILA

Tel. 2-15-37

The New Commonwealth...

(Continued from page 14)

The sun was sinking behind Malinao, the wind was still, the bay calm, its purple waters like a velvet carpet.

Clouds flared out behind Malinao, the loose laces of a veil; and it might be Venus, giving Vulcan the slip and hastening to a tryst with Endymion. One veil's end was tinted flame, the other green as Old Nile. Then the red turned slowly darker, merging at last into a black as dead as burned-out embers. The green faded too, into blue, black-blue, dead black. Night shadows claimed the universe; the mighty heights—yes, even Mayon's wild-forested grandure—receded into them.

The sunset had been Cleopatra, sending herself as a royal present to young Caesar of Rome, but the hurrying night was the captive last blood of the Ptolemies, the sensuous flesh of Egypt's queen in fetters for a Roman holiday. Or the sunset had been Troy, fortifying against the mighty Greeks, and the night was Troy's anguish. Or again, the sunset had been Ahab's rendezvous with Jezebel, asking Naboth's vineyard, that it be added to the royal gardens, and the night was the dour wrath of Elijah cursing the awful crime: "Hast thou killed, and also taken possession? In the place where the dogs licked the blood of Naboth shall dogs lick thy blood; . . . the dogs shall eat Jezebel by the walls of Jezreel." Or yet again, the sunset was Jerusalem's defiance of Babylon, and the night the long captivity.

Amid such moving natural phenomena, the noble passages of the psalms also recur to memory. The valley of the Jordan, the locale that inspired them, it but a paltry show beside Tabaco bay at sunset in a luscious season of the year. The East is a spiritual land. The Commonwealth partakes of this pervading mysticism, and it is possible even for Westerners to merge their senses into such scenes and catch the constant mood of the people. There is no such location at Legaspi, as at Tiwi-Tiwi, for a Commonwealth hotel for tourists, and for the consirebale patronage that should set in from Manila; and so, since the motoring is first rate, Tiwi-Tiwi is the place for this hotel. All four hotels should be Wright masterpieces. The man approaches death; if commissioned for them, the hotels would be almost his last work, in all probability: as such, destined not merely to set better architectural modes in the Commonwealth, but to become meccas of the profession and thereby bring here from time to time the best talent in it.

We think it worth trying.

Correction

An article and an editorial in our February number referred to a monetary circulation of P162,000,000 for the year 1929, which should have been 1920. It is 1920's monetary circulation that was approximated at the end of last year with a total circulation of P161,000,000. J. Bartlett Richards, the American trade commissioner, quotes correct figures in his annual report on Commonwealth economic conditions during 1937, while our figures were, reprinted from a newspaper. Remarkably the fact that monetary circulation in the Commonwealth at the end of 1937 practically equaled the peak previous figures, May 1920, the trade commissioner adds that the present circulation is fully secured by reserves, which present circulation is fully secured by reserves, which 1920.

Correction of the error as to the year, makes more emphatic the editorial view that a circulation of P162,000,000 in the Commonwealth is no sign of inflation. The population has increased at least 34% during the years intervening since 1920: what was inflation then, if it was, is at least well on the edge of the opposite now.

The Philippine Guaranty Company, Inc.

(Established in 1917)

SURETY BONDS—

We execute Bonds of various kinds, especially CUSTOMS BONDS, FIRE ARMS BONDS, INTERNAL REVENUE BONDS, PUBLIC WORKS BONDS for Contractors, COURT BONDS for Executors, Administrators and Receivers and BAIL BONDS in criminal cases

FIRE INSURANCE—

In the Philippine Islands

LOANS—

Secured by first mortgage on improved properties in the City of Manila on the monthly amortization plan.

Phone 2-24-31

Second Floor

P. O. Box 128

INSULAR LIFE BLDG.

MANILA

"SAY, WHITEY, WHY DO YOU ALWAYS STAY SO CLOSE TO 'BLACK & WHITE'?"

"BECAUSE I ENJOY THE REFLECTED GLORY, BLACKIE"

"It's the Scotch!"

"BLACK & WHITE"
SCOTCH WHISKY

KUENZLE & STREIFF, INC.

Main Office:
343 T. Pineda
Tel. No. 2-39-36

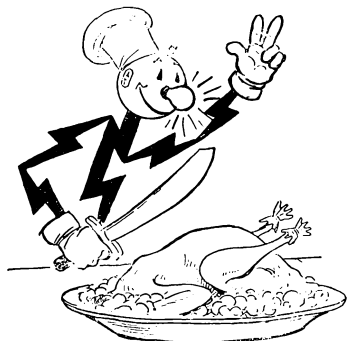
MANILA
CEBU ILOILO
ZAMBOANGA

Branch Office:
44-48 Isaac Peral
Tel. No. 2-17-92

Your Electrical Servant—

Reddy kilowatt—says:

“Rent A Range”



“Let me show you what kind of a cook **I** am.”

“The first taste will prove that food cooked my way, **ELECTRICALLY** tastes better.”

“Let's arrange today to install an electric range.”

Reddy Kilowatt

MANILA ELECTRIC COMPANY

ADVERTISING

DOES

FOUR THINGS

IF YOU MANAGE A RETAIL STORE, THERE ARE FOUR THINGS YOU WISH TO DO...

1. You wish to **HOLD** your present customers.
2. You wish to **SELL** more goods to your present customers.
3. You wish to **REPLACE** with new customers the ones who have moved away.
4. You wish to **INCREASE** the **NUMBER** of your customers.

Not one of these objectives can be reached by doing nothing. None of these objectives can be wholly realized without advertising in the—

MANILA DAILY BULLETIN

The backbone of Philippine Advertising.

TWO OUTSTANDING MANILA COMPANIES CHOOSE

Carrier

AIR CONDITIONING



Offices of Standard Vacuum Oil Company, East Wing of Metropolitan Theater Bldg. Manila, P. I.



Offices of Elizalde y Cia., Muelle de la Industria, Manila, P. I. (occupying entire building)

To the roster of CARRIER users in the Philippines have now been added the Standard-Vacuum Oil Company, and Elizalde and Company. The offices of both companies are now being air-conditioned by CARRIER to provide *comfort* in all seasons.

These are both large air-conditioning jobs.

But YOUR office, whether one room or a whole building, can also have the comfort, dependability and economy of CARRIER air-conditioning.

The hot season is here; soon to be followed by the sticky months of rain. NOW is the time to look into air-conditioning. Let us examine your office or home and quote you on

Carrier equipment especially suited to it; you will be surprised at its moderate cost.



THE EDWARD J. NELL COMPANY

NO. 1 E. PINPIN, MANILA
Sole Agents

Phone 2 29 75

P. O. Box 1640



Just waiting for sharp steel

Wish the boss would



buy **JACKBITS** - they keep us going"

How often are your men tied up on the job waiting for sharp steel? Have you ever made a study of the unnecessary cost of these production delays and the high cost of drill steel transportation?

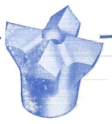
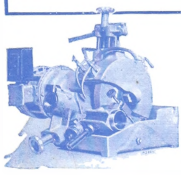
Jackbits may be the answer to your problem as it has been to many other mining and rock-drilling men. With Jackbits, drillers can carry a day's supply of sharp bits with them to the working place. At the end of the shift they can bring the dull bits back for resharpening. There are no delays, nippers can be released for production work, and transportation costs are reduced by using Jackbits.

If you are not already using Jackbits, it will pay you to know more about their advantages. Get in touch with our nearest office today

Ask for booklet No. 2304 which contains prices and full information.

with **JACKBITS** . . . there's

- NO Transportation Cost**
- NO Production Delay**
- NO Nipping Cost**
- NO Large Drill Steel Investment**
- NO Variation in Shape, Gauge and Hardness**



I-R "Jackbit" Grinder
 Air-, Electric or Gasoline Engine driven. Jackbits can be resharpened from three to six times by using the Jackbit Grinder.

The I-R line includes 1000 sizes and types of air compressors; over 500 different rock drills and pneumatic tools; hoists; pumps and engines for mines, quarries and contractors. Let us help you with your problems.

The Farnshaws Docks & Honolulu Iron Works
 60-118 SECOND STREET, (P. O. BOX 282) MANILA, PHILIPPINE ISLANDS

31 BROADWAY, NEW YORK, N. Y. **Ingersoll-Rand** 350 BRANNAN ST., SAN FRANCISCO

Balance Sheets of 15 Producing Mines

• as of December 31, 1937

It had been the Journal's intention to publish in this issue an analysis of the fiscal positions of each of the producing mines in the Philippines.

This has proved impractical. There is no uniformity in the accounting methods employed by the various companies; it is even difficult in some cases to compare the

1936 report with that of 1937 because of variations in accounting systems used from one year to the next.

The best we have been able to do therefore is to secure balance sheets as published by each of the producing companies, and to reprint them here. All reports are for the year 1937.

AMBASSADOR GOLD MINING COMPANY

Condensed Balance Sheet as of July 31, 1937

ASSETS:			
FIXED ASSETS:			
Mine and Mining Properties:			
Mining Claims	P 2,561.00		
Options	43,768.23		
Valuation on the Benefits, Advantages and Conveniences in the form of Drain Tunnel and Mill Sites afforded the Company from the Fortuna Goldfields Mining Company	70,000.00	P116,329.23	
Milline Plant and Equipment	P 31,587.50		
Mill Site and Installation	14,584.85	46,172.35	
Equipment, Furniture and Fixtures, etc.		96,964.17	
Land		15.00	
TOTAL FIXED ASSETS		P259,481.75	
CURRENT ASSETS:			
Cash on Hand and in Bank	P 562.06		
Advances and Receivables	263.08		
Inventories — Materials and Supplies	2,576.81		
TOTAL CURRENT ASSETS		3,401.95	
SUSPENSE ITEMS		5,288.36	
DEFERRED CHARGES		335,878.44	
TOTAL		P604,050.50	

LIABILITIES:

CAPITAL:			
Authorized Capital Stock (125,000,000 shares at P0.01 par value)		P1,250,000.00	
Less-Unissued	P614,984.15		
Add-Unpaid Subscriptions	35,750.00	650,734.15	
TOTAL CAPITAL PAID UP		P599,265.85	
CURRENT LIABILITIES:			
Account Payable	P 4,165.97		
William Anderson, Jr.	618.68		
TOTAL CURRENT LIABILITIES		P 4,784.65	
TOTAL		P604,050.50	

ANTAMOK GOLDFIELDS MINING COMPANY, INC.

Balance Sheet as at 31st December, 1937

ASSETS:

FIXED ASSETS:			
Mine & Mining Properties	P044,574.04		
Mill & Mill Machinery	1,220,371.29		
Miscellaneous Buildings	217,250.56		
Miscellaneous Equipment	389,234.11		
Roads & Bridges	12,016.08	P2,783,446.08	

CURRENT ASSETS:

Cash on Hand & in Banks	P371,006.07		
Bullion in Transit	736,519.17		
Accounts Receivable	8,723.03		
Accrued Bank Interest	3,041.12		
Bonds & Government Deposits	736.00		
Inventories:			
Equipment & Supplies in Bodega	P497,099.57		
Ore in Bins	15,420.72		
Equipment & Supplies in Transit	129,560.85	642,081.14	1,762,106.53

DEPRECIATION & MINE AMORTIZATION FUNDS INVESTMENT ACCOUNT

Chartered Bank of India, Australia & China—Fixed Deposit	P500,000.00		
8-20 year Gold Bonds of \$1,000.00 each of the Insular Government Irrigation & Public Works, bearing 4½% interest	16,000.00	516,000.00	

DEFERRED CHARGES

Prepaid Insurance	P 5,722.29		
Prepaid Expenses	11,155.84	16,878.13	
TOTAL		P5,078,430.74	

LIABILITIES:

CAPITAL:			
Authorized: 30,000,000 shares of 10¢ each		P3,000,000.00	
Issued and Fully Paid: 27,500,000 shares of 10¢ each		P2,750,000.00	
CURRENT LIABILITIES:			
Accrued Payrolls	P 53,348.30		
Accrued Taxes	208,065.53		
Accounts Payable	176,392.54		
Unclaimed Dividends	6,194.93		
Unpaid Dividends (Payable January 15, 1938)	550,000.00		
Unclaimed Wages	187.70		
Miscellaneous	717.63	994,906.63	

GOLD CREEK MINING CORPORATION	12,974.57		
RESERVE FOR DEPRECIATION	580,436.77		
RESERVE FOR MINE AMORTIZATION	521,525.73		

SURPLUS ACCOUNT:

As at December 31st, 1936	P1,856,896.95		
Add: Net Profit for year ended December 31st, 1937	2,477,690.09		
31st, 1937	2,477,690.09		
TOTAL	P4,334,587.04		

Deduct:

Dividends Paid— 100% Stock Dividend, paid January 6th, 1937	P1,375,000.00		
Nos. 46-51, paid April 15th, 1937	825,000.00		
Nos. 52-57, paid July 15th, 1937	325,000.00		

Nos. 58-61, paid October 15th, 1937	550,000.00		
	<u>P2,575,000.00</u>		
Dividend Declared December 29th, 1937, payable January 15th, 1938	550,000.00	4,125,000.00	209,587.04
			<u>P5,078,430.74</u>

BAGUIO GOLD MINING COMPANY

Balance Sheet as at 31st December, 1937
ASSETS

FIXED ASSETS:			
Mine:			
Mine and mining property	P 395,900.83		
Development	768,913.60		
Total	<u>P1,164,814.43</u>		
Less reserve for depletion	625,434.20	P 539,380.23	
Plant, buildings, equipment, etc., at cost	<u>P1,032,583.99</u>		
Less reserve for depreciation	393,539.54	639,044.45	
Equipment in transit		9,679.20	
Total fixed assets			<u>P1,188,103.83</u>
CURRENT ASSETS:			
Cash		P 10,974.31	
Bullion in transit	P 209,886.82		
Less charges and mint return dif- ference	5,102.57	204,784.25	
Materials and supplies (not verified)	162,421.59		
Bullion in process	26,740.87		
Accounts receivable (not con- firmed)	50.02		
Advances to employees	1,214.15		
Government deposits	380.00		
Customs deposits	1,046.86		
Total current assets			407,612.05
DEFERRED CHARGES:			
Prepaid insurance	P 3,251.33		
Miscellaneous	8,529.41		
Total deferred charges			<u>11,780.74</u>
TOTAL			<u>P1,607,496.67</u>

LIABILITIES

CAPITAL STOCK—Authorized, 20,000,000			
Shares of P.10 each; subscribed, 13,000,000 shares	<u>P1,300,000.00</u>		
Less subscribed but unissued	100.00		
Remainder	<u>P1,299,900.00</u>		
Add amount collected on 1,000 shares	50.00		
Total capital stock			<u>P1,299,950.00</u>
CURRENT LIABILITIES:			
Advances on bullion shipments	P 30,000.00		
Accounts payable	102,388.36		
Accrued salaries and wages	26,419.33		
Accrued taxes	23,662.31		
Unclaimed wages	753.29		
Tool and chapa deposits	897.50		
Dividends unclaimed	1,987.73		
Total current liabilities			<u>186,108.52</u>
RESERVES:			
Reserve for assessment	P 1,060.48		
Reserve for compensation and hospitalization	3,156.13		

Total reserves	4,216.61
SURPLUS, PER EXHIBIT B	<u>117,221.54</u>
TOTAL	<u>P1,607,496.67</u>

BALATOC MINING COMPANY

Balance Sheet as at 31st December, 1937
ASSETS

FIXED ASSETS—			
Mine and Mining Property:			
Book Value, January 1, 1937			P1,584,179.74
Add: Development during the year			135,618.00
			<u>P1,719,797.74</u>
Less: Reserve for Ore Depletion			1,719,797.74
Mill and Mill Machinery			<u>P1,737,472.82</u>
Miscellaneous Buildings and Construction			842,108.46
Roads and Trails			3,575.93
Tramways			30,888.19
Power Line			76,037.68
Total Fixed Assets			<u>P2,690,083.08</u>
WORKING ASSETS—			
Mine Equipment	P 281,582.30		
Autos and Trucks	3,639.08		
Benguet Laboratories Equipment	9,986.35		
Store Furniture and Fixtures	3,692.52		
Total Working Assets			<u>298,900.25</u>
INVENTORIES—			
Bodega, including Supplies in Transit			<u>P1,656,207.00</u>
Less: Reserve for Depletion and Losses			16,913.59
			<u>P1,639,293.41</u>
Mess			142.64
Company Stores			66,780.29
			<u>1,706,216.34</u>
INVESTMENT AT COST			<u>283,776.05</u>
CURRENT ASSETS—			
Bullion in Transit	P1,776,046.50		
Fire Arms Deposits	1,400.00		
Accrued Interest	1,257.52		
Sundry Debtors	9,258.45		
Miscellaneous Deposits	500.00		
Bank Balances—			
In the United States	P164,120.96		
In the Philippines	62,580.27		
Cash on Hand (Verified by count)—			
At Mine	P22,394.55		
In Manila	500.00	22,894.55	249,595.78
			<u>2,038,058.25</u>
DEFERRED CHARGES—			
Prepaid Insurance	P 328.82		
Prepaid Taxes	1,210.00		
Cine Operation Prepaid Expense	7,298.67		8,837.49
			<u>P7,025,871.46</u>
CAPITAL and LIABILITIES			
CAPITAL STOCK—			
Authorized:			
6,000,000 shares of P1.00 each			<u>P6,000,000.00</u>
Issued and Subscribed:			
6,000,000 share of P1.00 each, fully paid			<u>P6,000,000.00</u>
CURRENT LIABILITIES—			
Sundry Creditors	P 124,308.98		
Taxes Accrued	495,027.38		
Unclaimed Wages	11,755.25		
Dividends Unpaid	269,765.40		900,857.01
SURPLUS ACCOUNT—			
Balance as at 1st January, 1937	P1,741,900.50		
Add: Net Profit for the year	6,433,113.95		
			<u>P8,175,014.45</u>
Less: Stock Divi- dend No. 3	P2,000,000.00		
Cash Divi- dends Nos. 32-35	6,000,000.00		

Bonus to General Manager	50,000.00	8,050,000.00	
			125,014.45
			<u>₱7,025,871.46</u>

BENGUET CONSOLIDATED MINING COMPANY

Balance Sheet as at 31st December, 1937
ASSETS

FIXED ASSETS—			
Mines and Mining Properties	₱ 1,614,763.53		
Less: Reserve for Ore Depletion	1,273,990.20		
		₱ 340,773.33	
San Fernando Real Estate	4,616.43		
Mill and Mill Extension	792,474.14		
Power Plants	575,875.90		
Equipment—Mining	105,683.36		
Equipment—Logging	107,350.52		
Equipment—Miscellaneous	41,447.70		
Hoover Saw Mill and Logging Equipment	87,500.00		
Tuding Timboryard	4,091.02		
Shaft House and Head Frame	1,897.31		
Aerial Tramways	79,847.14		
Miscellaneous Buildings	279,111.19		
Water Supply System	43,234.00		
Ice Plant	2,808.50		
Manila House	26,000.00		
Baguio Houses and Lots	77,890.77		
Roads and Trails	13,152.23		
Autos and Trucks	41,390.54		
		₱ 2,624,354.08	

Total Fixed Assets	₱ 2,624,354.08		
MISCELLANEOUS DEVELOPMENTS—			
Cal Horr Development (including Manganese)	₱ 816,117.44		
Less: Depreciation and Ore Depletion	171,481.83		
		₱ 644,635.61	
Ukab-Cal Horr Tramline	34,630.10		
Hartwell Group	264,210.62		
Bokob Timber Project	458,953.33	1,402,429.66	

CONTRACTS—			
Carioo Anagasan—(Our portion)	₱ 28,312.86		
Consolidated Mines	1,465,925.99		
Florannie	165,055.34		
Gold Hill	23,837.49		
Midas	40,294.42		
Philippine Dorado Contract (Our portion)	11,446.81		
Philippine Mines Syndicate (Narba)—(Our portion)	15,372.95		
Southern Cross	42,502.45	1,792,788.31	

ADVANCES TO MINING COMPANIES UNDER CONTRACT—			
Florannie Mining Company	₱ 111,982.05		
Ipo Gold Mines, Inc.	24,544.72	136,526.77	

INVESTMENTS AT COST		3,010,731.46	
INVENTORIES—			
Bodega Supplies at Antamok and in Manila, including Supplies in Transit	₱1,826,509.95		
Less: Reserve for Depletion and Obsolescence	29,853.58		
	₱1,796,656.37		
Bodega Supplies at Call Horr Unit	89,451.14		
	₱1,886,107.51		
Cold Stores, Mess, and Store Supplies	54,347.06	1,940,454.57	

CURRENT ASSETS—			
Bullion in Transit	₱2,076,361.51		
Deposits with Government Bureau	2,300.00		
Sundry Debtors	334,900.43		
Accrued Debtors	9,620.28		
Miscellaneous Deposits	1,325.80		

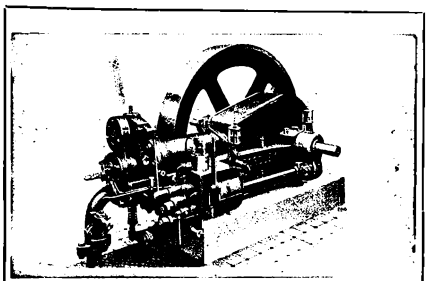
Bank Balances—			
In the United States	₱376,669.74		
In the Philippines	683,852.87	1,060,522.61	

Cash on Hand—			
At Mines	₱ 52,395.51		
In Manila	1,000.00	53,395.51	3,538,426.14

DEFERRED CHARGES—			
Prepaid Insurance	₱ 79.67		
Prepaid Taxes	110.00		
Suspense	3,286.26	3,475.93	
		₱14,449,186.91	

CAPITAL AND LIABILITIES			
CAPITAL STOCK—			
6,000,000 shares at ₱1.00 each, fully paid	₱ 6,000,000.00		
ADVANCES FROM MINING COMPANIES UNDER CONTRACT—			
Philippine Mines Syndicate	51,940.58		
CURRENT LIABILITIES—			
Sundry Creditors	₱ 401,977.36		
Dividends Payable	1,000,077.62		
Taxes Accrued	403,100.81		
Wages Unclaimed	21,128.86	1,826,284.05	
DEFERRED CREDITS—			
Income on U. S. Lumber Sales	4,133.65		
SURPLUS ACCOUNT—			
Balance as at 1st January, 1937	₱ 3,710,345.59		
Add: Net Profit for the year	9,083,571.73		
		₱12,793,917.32	

Less: Dividends Nos.			
94 to 97	₱6,000,000.00		
Bonus to General Manager	227,089.29	6,227,089.29	6,566,828.03
			₱14,449,186.91



CROSSLEY DIESEL ENGINES

CROSSLEY HORIZONTAL LOW SPEED ENGINES sold since 1911 are still giving satisfactory service after

27 YEARS OF UNINTERRUPTED SERVICE IN THE PHILIPPINES

Best suited for Ice Plants, Oil Mills and other Plants requiring 24 hours service

Sole Agent:

SMITH, BELL & CO., LTD

Cebu — MANILA — Iloilo

BENGUET EXPLORATION, INC.

Balance Sheet as at 31st December, 1937

ASSETS**FIXED ASSETS:**

Mine and Mining Properties	P225,000.00		
Add: Development	237,825.90		
	P462,825.90		
Deduct: Reserve for Mine Depletion	128,456.78	P334,369.12	
Mill & Mill Machineries	P 69,786.20		
Miscellaneous Buildings	19,325.11		
Miscellaneous Equipments	29,398.02		
	P118,509.33		
Less: Reserve for Depreciation	47,695.22	70,814.11	
Water Rights		20.00	P405,203.23

INVENTORIES

LIQUID ASSETS:			19,926.86
Cash on Hand and in Banks	P 59,876.61		
Bullion in Transit	41,049.52		
Accounts Receivable	554.12		101,620.25
Deposits with Government	140.00		

DEFERRED CHARGES:

Prepaid Charges	1,864.42		
P.B.O.C. DIVIDEND ACCOUNTS (See Contra)	1,809.58		
	P530,424.34		

LIABILITIES

CAPITAL:			
Authorized	P1,500,000.00		

Issued and Fully Paid:
5,000,000 shares of 10 Centavos each P 500,000.00

CURRENT LIABILITIES:

Accrued Salaries and Wages	P 9,644.98		
Accrued Taxes	288.55		
Accounts Payable	8,318.07		

Chapa Deposits	328.00		
Piasta Account	18.22		
Unclaimed Wages	133.69		18,731.51

RESERVES:

Workmen's Compensation, etc.			1,919.82
SURPLUS ACCOUNT:			
Balance at 1st January, 1937		P42,756.29	
Add: Prior period adjustments		6,984.68	
		P49,740.97	

Deduct: Loss for year	P 5,608.50		
Organization expenses written off	36,169.04	41,777.54	7,963.43

UNCASHED DIVIDEND WARRANTS (See Contra)			1,809.58
			P 530,424.34

COCO GROVE, INC.

Balance Sheet as at 31st December, 1937

ASSETS**CURRENT ASSETS:**

Cash on Hand and in Bank	P 5,672.31		
Accounts Receivable	3,102.15		
Special Consignment Account	19,276.70		
Insurance Claim Receivable	37,776.45		
Machinery Parts and Supplies	96,657.62	P 162,485.23	

FIXED ASSETS:

Capital Development	P1,701,578.41		
Land Leases	202.14	1,701,780.55	

Dredge No. 1 (Mary Angus)	P631,265.49		
---------------------------	-------------	--	--

Add—Cost of erection and installation 122,035.49 P 753,300.98

Dredge No. 2 (Anne Petronella)	P606,248.11		
--------------------------------	-------------	--	--

(Please turn to page 27)

Could
WAUKESHA
do it better?

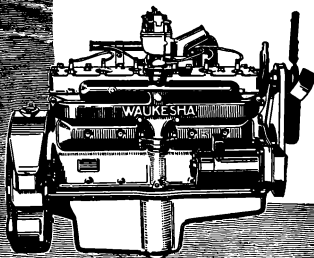
**Waukesha Petrol Engine
MODEL 6 BK**

Bore and Stroke
3½ inches x 4½ inches
—M 95 x 108
Displacement
202 cu. inches—Litres 4.52
Seven Main Bearings
Diameter . . . 2¾ inches
H. P.—60-80 Wt. 690 lbs.

THE ANSWER very likely will be "Yes" if the power unit required is for efficient, economical heavy-duty service in the fields of transport, agriculture, manufacture, mining and petroleum production.

Waukesha builds forty-three different engine models burning all gas or liquid fuels, 10 to 325 H. P., to meet the specialized power needs of thirty-four industries.

Model 6 BK, for example, Waukesha Marathon Six, is sturdily built for exacting service in modern speed vans. The Ricardo Combustion Chamber speeds and completes combustion, saves valves and seats, produces more power with less fuel, reduces crank case dilution, prolongs life of bearings. See the Table for specifications—note there are seven main bearings, 2¾ inches in diameter.



For Bulletins covering the general line or special applications, please address the home office. A new brochure, *What Is That Hesselman Engine?* describes this economical diesel-oil burning, spark-ignition, low-compression engine, making especially remarkable records in bus operation. Ask for a copy. Also available in Spanish: ¡QUE ES UN MOTOR HESSELMAN!

Distributors for Waukesha Industrial Engines

The Earnshaws Docks & Honolulu Iron Works

Second Street, Port Area, Honolulu, T. H. Branch at Bacolod, Occ. Neg.

Distributors for Waukesha Automotive Engines

MOTOR SERVICE, INC.

408 Rizal Ave. Manila, P. I.

WAUKESHA MOTOR COMPANY

WAUKESHA, WISCONSIN, U. S. A.

Cables: "MOTOR-WAUKESHA"

21-8:37

The Observation Post

By Eric Staight

(Editor's note: The following article is the first of a regular series by Mr. Eric Staight. The articles will cover the foreign field for our readers—with special emphasis on financial matters—in the same manner that the articles and graphs furnished the JOURNAL by Mr. Clifford A. Greenman will keep our readers posted on the local financial picture.

Mr. Staight writes from a broad background as a practical economist, financial writer, and student, gained in some 16 years' experience in Wall Street. He was, a general partner in the firm of Boettener Newton & Co., which merged with Harris, Upham & Co., one of the largest wire houses in the U. S. For seven years he wrote the daily market letters sent out by those firms, and supervised issuance of market information and advice sent out to its clients. Besides this work, Mr. Staight found time to write financial articles for the New York papers, and to review books on economics and finance.

In Mr. Staight, therefore, the JOURNAL has an economist and financial writer of considerable experience. He will write articles for us interpreting the financial and economic significance of world events as he sees them. He receives no remuneration.

Mr. Staight is a Director, Vice President and Treasurer of Syndicate Investments, Inc., a Director and Treasurer of Mine Operations, Inc., and Director of the Southwestern Engineering Company of the Philippines, Inc. He is no stranger to the Philippines, having lived here from 1917 to 1921.

Mr. Staight's articles will appear in the Journal under the heading, "THE OBSERVATION POST."

FOREWORD:

These articles are presented with one object in view; an impartial discussion of world affairs. They are written from the standpoint of an economist, with no political leanings, and the writer's one endeavor will be to present existing conditions, the causes thereof, and the probable course of future events. Such a series must have a beginning, and the beginning must, of necessity, contain much of past history. In this first article, therefore, and at the risk of being tedious, the writer has done his best to lay the proper foundation for more toilsome efforts in months to come.

In October of 1929 occurred a general price collapse in the United States. This collapse was the aftermath of an orgy of credit inflation begun in 1923. It was the forerunner of a bitter deflationary period, searing the souls of the hardiest and culminating three years later in a price level that left business gasping for breath and the average man wondering when, and not if, his job would disappear into thin air.

Into this atmosphere was injected a national election. Drowning men grasped eagerly at the straws of common sense proffered by the opposition party and decided that a new Moses had arisen. Existing conditions were insupportable and the new broom promised a "New Deal" based on the conservative and intelligent principles of democracy.

Early in 1933 the New Deal was translated from words into deeds. At first these deeds were "emergency measures". As such they were sensible and, received the united backing of business executives and the general public. There was a banking panic in progress—

answer: close the banks and let the country realize it was in the grip of blind, unreasoning fear. This was done. People were starving by the thousands: grant them immediate Government aid. Corporations were falling like leaves: create a virtual debt moratorium and let pressure subside. These things also were done, as well as others of a similar emergency character. The country breathed again and sober-minded men, realizing the mistakes of the past, prepared to build for the future, feeling that through strong but temporary legislation they had been given the opportunity.

But the New Deal chose that time to really make itself felt. "Emergency measures" became permanent laws; gentlemen appeared at the seat of Government who had for years been nursing pet theories on the monetary system and its relation to the price level, and before the country realized what had happened, the gold standard was in the discard, the dollar unanchored, and the first steps taken along a path which was to lead directly and irrevocably to the situation existing today. The gold standard was not abandoned for the reasons behind the French action, nor, for that matter, for the reasons existing in Great Britain in 1931, but the action was taken deliberately and in accordance with an untested theory of managed money.

Naturally the general price level rose, and rose almost perpendicularly in those hectic spring and summer months of 1933. Dollars were out of style and the things to have were goods and commodities. Prices were to be raised by monetary manipulation to a point where unemployment was virtually eliminated and the wheels of industry were turning at a rate guaranteeing all a satisfactory living.

Not surprisingly, the rise was accelerated by violent speculation, and equally naturally, this brought in its wake a severe market break. But the New Deal had just begun, and fresh measures were promptly introduced. If the creation of new money was not sufficient in itself, then let production controls be set up. Let minimum price and wage agreements be arrived at and at the same time let speculation be curbed. These things also were done and after nearly a year's backing and filling, prices rose again. Fundamentally, the answer was still money—money created by virtue of the devalued dollar and the constant inflow of gold from every producing country in the world. As the reach of prices toward the skies continued, costs also rose, but this was of no immediate concern. The price level was the thing, and what if the United States was attracting all the gold in the world in exchange for natural resources? Meanwhile, regulation and reform, some of which was unquestionably needed, became more and more in evidence, but still pump priming kept the wheels turning. Government largesse kept many millions at work and by the spring of 1937 prices approximated the level desired by the men at the helm. So far, so good, and the builders of this structure began to sit back. They were satisfied with results accomplished. Prices had been raised to

the desired shelf and they were now prepared to remove the props and turn their attention to purging the nation of "unsound business practices" and the introduction of further social reform.

Unfortunately, natural laws were waiting just that opportunity to assert themselves, and the tumble from that artificial shelf will have repercussions for many years to come. For unadulterated violence, the recent decline in business and the general price level has put 1929 entirely in the shade.

So much for past history. There is no disgrace in honest effort, however misguided. No man can find too great fault in the attempts of his chosen leaders to better his lot, but he does demand a change

of plan when those efforts fail. That is the vital question in the United States today. Is the failure recognized, and is the course being recharted accordingly? It is not yet possible to answer that question. There are straws in the wind, but they are still blowing helter-skelter. Business is invited to confer at one moment, and dictated to as to wages, hours of labor, and prices, at the next. Modification of damaging tax laws is proposed in one week, only to be succeeded by bitter attacks on capital in the week following, and inflationary gestures follow hard on the heels of budget balancing talk. So it goes, and as it goes, it is impossible to escape the conclusion that the New Deal, like Danny Deever, "is fighting hard for life".

Through it all, there is one thing to remember, and it is a comforting ray of light for those who feel that the American way of living is in permanent danger. The United States is one of the three great democracies left. She still boasts of a democratic constitutional government and in this writer's opinion, the basis for this is far stronger and far more permanent than any particular administration. In the American scene, there is no essential difference between Government and business. Despite Washington remarks to the contrary, the people of the United States, and not a select "60 families", own the business of the United States. The people of the United States also elect the Government, which is a trustee having no powers not granted through the will of that people, and should have no interest save in giving a satisfactory account of stewardship. To lead, not to dictate, is the function of the American Government, just as it is in the other two democracies of the world.

As long as the country's ownership rests where it does (and of 101 of the nation's largest corporation 86% of the total outstanding shares are owned by holders of 100 shares or less), there is no vital danger of permanent dictatorship or, for that matter, communism, collectivism, or a corporate state.

The foregoing deals with the indeterminate future. It may well be that before adjustment occurs, the present circumstances will give rise to still further disruptions in the national economy. The labor angle alone is one which can not lightly be dismissed, and it is not possible to predict how much more sand labor upheavals will throw into the business machine before national commonsense comes to the rescue. Making all allowances for the world-wide changes in labor-capital relationships which have undoubtedly been taking place, there is little question that the present administration has erred as much in its encouragement of labor as some previous governments failed in the opposite direction.

This is merely one of the uncertainties of the more immediate picture. There are many others, but once again, it is necessary to point to the monetary background as the most vital. The greater part of the developments of the last four years could not have taken place had it not been for dollar devaluation and the inflation of Government credit. Many billions of dollars have been created by these means and pumped into circulation. Furthermore, it seems safe to say that the first signs of a slackening of this flow were the signal for the present depression. It is, therefore, a paramount question whether the Government intends to resume this artificial stimulant, or to rely on other means for a revival of business activity.

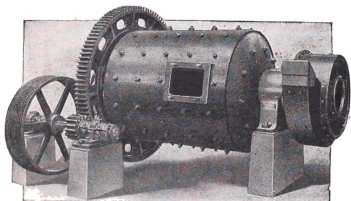
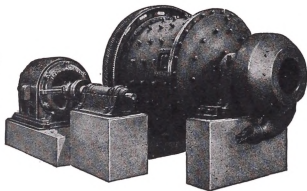
As pointed out earlier in this article, there are no clear indications of a considered

(Please turn to page 30)



A MILL FOR EVERY ORE

Allis-Chalmers Mills
Are Operating In
Every District of the



World, Grinding
Practically Every
Kind of Ore

A MINING SERVICE THAT HAS BECOME A WORLD STANDARD

THE EARNSHAW'S DOCKS & HONOLULU IRON WORKS

P. O. Box 282
Tel. 2-32-13

60-118 SECOND STREET
PORT AREA
MANILA, P. I.

BRANCH OFFICE
BACOLOD, OCC. NEGROS

How Business Looks to

CLIFFORD A. GREENMAN,
(Securities Service Corporation)

Editor's Note: Mr. Clifford A. Greenman, of the staff of Securities Service Corporation, has prepared the material on the current industrial outlook in the United States, as well as the graph showing the course our local stock market has run during 1936, 1937, and so far this year. Mr. Greenman has very kindly consented to contribute to these pages every month, and without compensation of any sort. The material is exclusive in the Journal. While we feel that we are fortunate in obtaining Mr. Greenman's services, he as well as we want it understood that the opinions expressed in his articles are his own.

Mr. Greenman and Mr. Eric Staight will contribute their experience and analysis to these pages every month. The 'Journal' expects also to obtain occasional contributions on current financial and economic topics from other qualified people here in Manila, to the end that our readers may be furnished with the most authoritative and complete financial and mining news it is possible to assemble locally.

The mildly inflationary steps now being taken at Washington are more important for their psychological influences than for their prospective direct influence on business volumes. The deflationary spiral is, however, gradually losing momentum, while security prices appear to have largely discounted the anticipated highly unfavorable dividend and earnings trends of the current half year.

It is evident that the approach of spring is bringing a quickening of hope that the business relapse has reached its low point, from which an improvement can start. This hope has some reasonable basis. There has been much quiet adjustment going on during the past four months, such as revision downward in prices and costs. To be sure, the recent U. S. Steel labor agreement left the

existing wage rate untouched. This fact is bound to delay wage reductions that otherwise would have been made by other companies. But the 10-day clause has left the way open for readjustment of wage rates later if present conditions show the rate impossible to maintain.

Of more importance is the fact that in wage negotiations there is evidence of an acknowledgment by workers and labor leaders that invested capital must be allowed to make a profit. It is hard to exaggerate the importance for the future of labor-capital relationship of the growth of that idea in labor ranks.

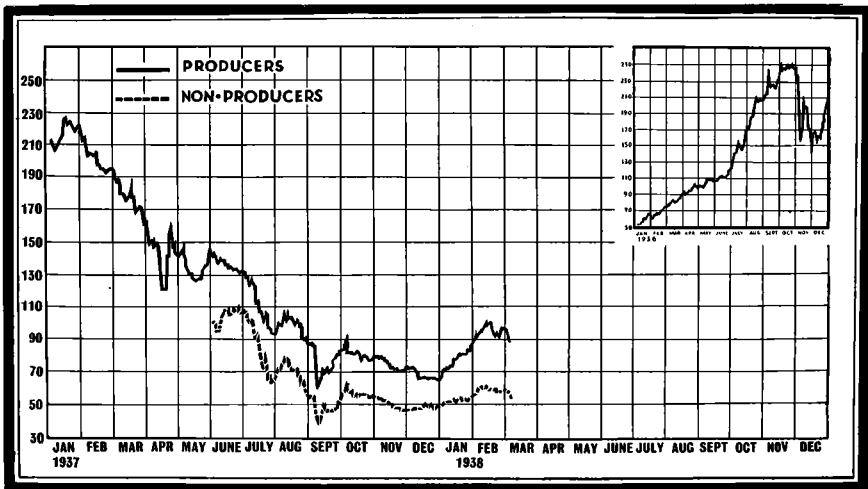
Another adjustment that is progressing unobtrusively is the reduction of indebtedness. Total loans of reporting member banks have declined to a little under \$9 billions, a decline of \$1 billion since last September.

While the likelihood of occasional periods of heightened business fears and accompanying sporadic market setbacks must be recognized, recent developments provide reason for the belief that stock prices generally will be confined within the broad limits of the trading range established for almost three months. Full retention of selected commitments in both speculation and investment quality issues is warranted, although the general utilization of reserves is not justified.

DESTERILIZATION AND BONDS

The decision to permit up to \$400,000,000 of gold imports annually to find its way into the banking system and increase excess reserves is not regarded as significant so far as the immediate future of bonds is con-

Market Graph for 1936, 1937, 1938, prepared exclusively for the Journal by Clifford A. Greenman, Securities Service Corp.



Culled from the News



TREASURE ISLAND: Mr. J. E. H. Stevenot, vice-president of Pan Philippines Corporation, which has the contract to develop and manage the claims of Treasure Island on the island of Lahuy, Camarines Sur, arrived this month from a combined business and pleasure trip to the States. While in the States, Mr. Stevenot arranged all matters necessary for bringing this property into production at an early date. The JOURNAL expects to have important news about Treasure Island in the next issue. It is understood that Pan Philippines Corporation has secured the agency for a new mill process, and that this type of mill will be installed at Treasure Island. As Pan Philippines officials state it, gold is not produced in the form of concentrates, the new mill process making it possible to ship gold bars.

SORIANO STOCKS TO BE LISTED IN SAN FRANCISCO AND LOS ANGELES: It was announced at the Masbate Consolidated meeting held on March 11th, that stocks of several companies in which Andres Soriano is interested will be listed shortly on the boards of the San Francisco and Los Angeles exchanges. Definite steps in this direction have already been taken, stockholders were informed.

Mr. Soriano obtained application forms for listing from the officials of the two exchanges and from the Federal Securities

and Exchange Commission during his last trip to the States, he said, as a result of the keen interest in local stocks that he found to exist, particularly on the Pacific coast.

Listing of local issues in the States has been advocated from time to time, particularly by Mr. Clifford A. Greenman of the Securities Service corporation. Heads of some mining firms have toyed with the idea, but the Soriano action is one of the first definite steps taken. IXL forms will be sent in first, followed by Masbate, Antamok and Eastern Development.

The JOURNAL understands from a private source, that another important local company will also take steps looking toward States listing in the near future. It is known that this company has already sent in its required forms to the Federal Securities and Exchange Commission.

MASBATE CONSOLIDATED AND ANTAMOK TO AFRICA: Stockholders of these two companies ratified a proposal to invest part or all of the reserve funds of the companies in other companies, with the object of participating in mining enterprises in East Africa.

Funds will come from amounts set aside for depreciation and amortization, and will be invested in Antam-ixl Selection Trust

Limited, which in turn is to acquire controlling interest in the Joanji Syndicate. This latter syndicate is now operating a property in Kenya, and a small mill is now in operation there.

The plan at present is to await successful operations from this property and then, assuming results to be successful, to invest funds of the Selection Trust in other properties in Africa.

While Masbate has become one of the Islands' leading producers of gold, it has not reached its rated capacity of 3,000 tons a day, due to difficulties encountered in milling the ore. Conditions at Masbate are unlike those of any other mine. Mr. N. A. Fittinghoff, general superintendent at the mine told the stockholders' meeting that present mill changes under way will bring the production up to rated capacity by the middle of this year, and also reduce costs. Mr. Soriano stated that it is the opinion of the board that the property can be brought to a dividend-paying basis in the near future.

C. A. Mitke, an internationally known authority on milling methods, has been employed to act in a consulting capacity for Masbate, and has arrived from the United States to advise on methods to be employed there.

(Please turn to page 31)

cerned. Since the expanding credit base would be only moderate even if the entire allowable amount of gold should come into the country, and since money rates have already been forced to almost unprecedented low levels, even prime bonds are likely to ignore the development. More important than the action of the Treasury is the implication of renewed resort to inflationary measures. If the proponents of inflation as a means to industrial recovery gain support and large scale pump priming is resorted to, the implications would be adverse for high-grade bonds. This, however, is not an immediate threat; no new money borrowing is expected at the March quarter date.

One of the chief obstacles to rising commodity prices at present is the generally extended inventory position, but inventories are burdensome only to the extent that the price weakness makes them so. Upon any indication that government efforts to lift prices are bearing fruit, inventories that are now unwieldy would in many instances be considered inadequate, and thus a buying wave would get under way which might result in quite a price flurry.

COMMODITITS MUST ADVANCE FIRST

This is one possibility of the next few months that must be considered in determining the probable trend of the stock market. Advancing commodity prices, particularly if motivated by inflation fears, would almost assuredly be accompanied by rising stock quotations. This has been the experience in the past.

OUTLOOK FOR LEADING INDUSTRIES

Outlook Above Average

Agricultural Equipment	Electrical Equipment
Aviation	Mail Order
Baking	Petroleum
Variety Chains	

Outlook Average

Building Supplies	Machinery
Can Manufacturing	Meat Packing
Cement	Motion Pictures
Chemical	Office Equipment
Copper	Packaged Goods
Dairy Products	Paper
Department Store	Rubber and Tires
Distilling	Shoes
Drugs and Cosmetics	Sugar
Fertilizer	Tobacco
Grocery Chains	Utilities
Household Products	Woolen Textiles

Outlook Below Average

Automobile	Radio
Auto Accessory	Railroads
Coal Mining	Railroad Equipment
Cotton Textiles	Rayon
Leather	Silk Textiles
Steel and Iron	



What the Diggers Are Doing

EASTERN DEVELOPMENT COMPANY: This 15 million peso corporation issued last month its annual report covering the first 14 months of operation. The report makes very interesting reading indeed, giving the first general insight into the activities and future plans of an organization which is apparently destined to play an important part in the mining industry of the Philippines.

This company is indirectly an outgrowth of the close tie-up which has long existed between Warner, Barnes & Co., the British bankers, and the Visayan sugar planters with whom Warner, Barnes have done business for many years. Add to this combination Andres Soriano, and the staff of technical mining experts whom Eastern Development and its associated companies have acquired, and you have something.

The Eastern Development Company was incorporated on October 16, 1936. The public heard little about it, until important acquisitions of stock in the Soriano mines were announced last year, and the company was reorganized to provide representation on the board for the various groups powerful in the company.

Besides three Soriano mines, Antamok, IXL, and Masbate Consolidated, in which Eastern Development has acquired large blocks of stock, this company owns much, if not all, of the share capital of International Engineering Corporation, which, in turn, is in charge of the development of Mambulao Consolidated Mines, Inc., and the North Camarines Gold Mining Company. Both of these latter mines are expected, the annual report states, to be in production this year. International Engineering Corporation has already secured a par for Eastern Development a large block of the stock of Mambulao Consolidated, and has under option P400,000.00 worth of the unissued stock of North Camarines. It is expected that when this option is exercised (anticipated shortly), this stock also will be turned over to Eastern Development.

Eastern Development concerned itself with purely prospecting work up until June, 1937, but discontinued it shortly before the Soriano mines stock acquisition was announced. Mine management and development, where undertaken, is now turned over to International Engineering.

A pregnant paragraph in the report states that "it is proposed that your corporation will now limit itself to the functions of an investment company, whose revenues will arise from dividends received from invested funds."

Due to the fact that the funds of the company were not used to acquire stock in producing mines until quite late last year, and also due to the fact that the dividend paid in the last quarter of last year by Antamok was not payable until January 15, 1938 (and accordingly not included in the accounts for 1937) the corporation's in-

come was only P81,487.46 from dividends, during 1937. Assuming the same cash dividends during 1938 from Antamok and IXL as during 1937, the income from these two sources alone this year will amount to more than P560,000.00. In addition, East-

ern Development has some Demonstration and other stock, and International Engineering will bring in management fees from Mambulao Consolidated and North Camarines, as well as other contracts.

(Please turn to page 32)



Sole Agents for
PENNSYLVANIA PUMP & COMPRESSOR COMPANY



**Two-Stage Duplex Synchronous Motor Driven
Air Compressor**

Orders recently placed and delivered:

- Palidan-Suyoc Deep Level Tunnel Co., Inc.
1-19" x 11" x 14" COMPRESSOR
- Itogon Mining Company, Inc.
1-25" x 14" x 16" COMPRESSOR
- San Mauricio Mining Company, Inc.
1-18" x 11" x 14" COMPRESSOR
- United Paracale Mining Company, Inc.
1-18" x 11" x 14" COMPRESSOR
- Marsman & Company, Inc.
2-12" x 11" COMPRESSOR
- Surigao Consolidated Mining Co., Inc.
1-15" x 9 1/4" x 12" COMPRESSOR

YOUR ENQUIRIES ARE SOLICITED

Sole Agents

KOPPEL (PHILIPPINES) INCORPORATED

ILOILO MANILA CEBU

Metal Markets Hold Fair Tone As Interest Improves

● Seasonal gains in buying expected to benefit prices; New Deal action awaited

(By the United Press)

NEW YORK, March 7—Dullness on the non-ferrous metal markets during the early part of February was offset late in the month by increased buying interest resulting from the expected seasonal gains in consumption at fabricating centers, reports the monthly summary of the magazine Metal and Mineral Markets.

Modification of the Treasury's gold sterilization program, generally accepted as "mildly inflationary," and news from Washington that President Roosevelt had revealed a study is being made of commodity prices and that some prices are too low and should go up, brought about some improvement in sentiment in the market for non-ferrous metals during the latter half of the month.

Demand for copper remained quiet. Lead was in fair demand while zinc and tin were inactive.

Accumulating domestic stocks and lower demand have caused the primary producers of copper to curtail production and reduce their quotations. The reduced prices thus far have had little effect in stimulating new business and consumers continue to eat into their stocks in order to fill demands for the metal.

Zinc prices declined again, yielding to the influence of lower foreign prices and to continued lack of domestic demand. Zinc is being affected most by the declining rate of operations in the steel industry and the slump in the rate of galvanized sheet output.

Copper producers are rapidly curtailing production to meet the present situation. Miami Copper Company, an important producer, announced it has decided to cut production to 40 per cent. The industry hopes copper output can be brought down to 40,000 tons a month or less soon. Producers would like to see copper around 14 or 15 cents.

Inquiries for lead have improved, particularly in the last days of February and sales in the closing week of the month totaled 3,300 tons, the best weekly showing since early January. Demand for lead was chiefly for March shipment. Some believe that actual lead shipments for February and March will exceed those of copper or zinc.

TAKE HOME WITH
YOU THE PRIDE OF
PHILIPPINE

Cigars



REGIOS
T A B A C A L E R A

Zinc was offered at 4.75 cents in St. Louis during the latter half of February but buyers had no particular interest. Production is being restricted and producers are not greatly concerned about the upward trend in stocks. Some galvanizers displayed a little more interest in obtaining metal following a long period of inactivity.

Buying of tin in the domestic market continued quiet but with the dollar inclined toward easiness and a higher tone on London, the situation appeared brighter. Tin-plate activity in this country has improved, moving up to about 40 per cent of capacity. Deliveries of foreign tin in the United States in 1937 totaled 83,665 tons as compared to 74,005 tons in 1936. The substantial increase was recorded despite the sharp slump which paralyzed markets in the last three months of 1937, and was taken to indicate the increased uses which have been found for tin.

Production of silver in the United States was 69,315,000 ounces in 1937, compared with 62,842,000 ounces in 1936. Much of the gain in production can be traced directly to the high rate of activity in base-metal operations, according to Metal and Mineral Markets.

Although world production of aluminum in 1937 totaled 523,000 short tons, the largest on record and a gain of 29.5 per cent over 1936, the price remained steady due to the increasing demand for the metal.

AVERAGE METAL PRICES FOR FEBRUARY, 1938

		<i>Gain or Loss from Jan.</i>
COPPER		
Electrolytic, Domestic refinery ..	9.775	- 0.250
Electrolytic, Export, refinery ..	9.279	- 0.479
London, Standard Spot	39.438	- 0.749
London, Electrolytic, bid	43.500	- 0.500
LEAD		
New York	4.500	- 0.400
St. Louis	4.350	- 0.400
London, Spot	15.123	- 0.564
London, Forward	15.188	- 0.624
SILVER & STERLING EXCHANGE		
Silver, New York, per oz.	44.750	Unchanged
Silver, London pence per oz.	20.000	Unchanged
Sterling Exchange, "checks" ..	503.500	+ 3.750
ZINC		
St. Louis	4.750	- 0.250
London, Spot	13.891	- 0.796
London, Forward	14.625	- 0.312
TIN		
New York, Straits	40.925	- 0.158
London, Standard Spot	184.000	+ 3.000
OTHER METALS		
Gold, per oz., U. S. price	\$35.000	Unchanged
Quicksilver, per flask	77.500	+ 3.000
Antimony, domestic	13.750	Unchanged
Platinum, refined, per oz.	\$36.000	Unchanged
Cadmium	117.500	- 5.388
Aluminum, 99 + % per cent	20.000	Unchanged
CHROMIUM		
Chromium, 97%, per pound	85.000	Unchanged
MANGANESE ORE		
52 to 55%, c.i.f. Atlantic ports ..	40.000	Unchanged

(Domestic quotations, unless otherwise stated, are in cents per pound. London averages for copper, lead, zinc, and tin are in pounds sterling per long ton. Sterling exchange, checks, is in cents. New York silver is for foreign metal.)

Balance Sheets . . .

(Continued from page 20)

<i>Add—Cost of erection and installation</i>	117,687.24	723,935.32
Camp Buildings	66,645.06	
Floating Equipment	2,044.11	
Shipway Construction	4,463.58	
Light and Power Installation	154,124.18	
Roads, Trails and Bridges	4,942.57	
Tools and Engineering Equipment ..	3,038.31	
Water Supply Installation	11,040.15	
Blacksmith Shop Building	9,863.68	
Blacksmith Shop Machinery and Equipment	24,135.21	
Wharf Construction	2,457.88	
Hospital and Schoolhouse	14,789.64	
Miscellaneous Equipment	83,536.55	
Furniture and Fixtures	14,622.41	
	P1,872,939.63	
<i>Less—Reserve for Depreciation ...</i>	120,984.11	1,751,955.52
DEFERRED CHARGES		5,829.41
		P3,622,050.71

LIABILITIES

CURRENT LIABILITIES:			
Accounts Payable	P	58,150.57	
Advances—Marsman & Co., Inc. ..		144,602.55	
Marsman Trading Corporation		17,268.30	
Notes Payable		300,000.00	
Bills Payable		11,795.00	
Guaranty Deposits		600.00	
Chapa Deposits		378.00	
Unclaimed Wages		740.06	P 633,434.48

NET WORTH:

<i>Capital—</i>			
<i>Authorized, Issued and Subscribed—</i>			
15,000,000 shares of 10c each		P1,500,000.00	
Stock Premium		2,250,000.00	
		P3,750,000.00	
<i>Deduct—</i>			
Deficit as at 31st December, 1936	P664,212.94		
<i>Less—</i>			
Credits to Deficit in 1937 ..	2,829.17	661,383.77	3,088,616.23

There is a contingent liability for Machinery, Parts and Supplies ordered under Irrevocable Letter of Credit amounting to P101,694.00

P3,622,050.71

FINANCE & MINING INVESTMENTS CORP.

General Merchants — Investments — Loans — Insurance

FINANCE & MINING BROKERAGE

STOCKS & BONDS

M. CUADERNO
GENERAL MANAGER

205-207 CRYSTAL ARCADE

PHONES
2-18-39
2-42-65
2-78-14

DEMONSTRATION GOLD MINES, LTD.

Balance Sheet as at 31st December, 1937

ASSETS**FIXED ASSETS:**

Mine Claims and Development, Balance 31st December, 1936	P477,064.87	
Add: Development & Other Expenses during 1937	143,473.15	
	P620,538.02	
Deduct: Reserve for Depletion, 1937 ..	280,683.21	P 339,854.81

PLANT, BUILDINGS, EQUIPMENT, ETC.:

Mill Site	P 53,693.31
Mill Buildings	38,020.32
Mill Machinery & Equipment	404,279.85
Power Plant Machinery & Equipment	166,227.79
Machine Shop Equipment	10,805.30
Miscellaneous Mine Buildings	79,219.35
Miscellaneous Mine Machinery & Equipment	40,763.58
Assay Office Equipment	9,022.87
Water & Air System	19,708.11
Sewer System	1,366.22

Transportation Equipment	6,703.08	
Mine Tools and Equipment	2,164.20	
Household & Hospital Equipment	5,935.69	
Furniture & Fixtures	5,924.49	
Roads, Trails, and Bridges	7,167.30	
Surveying Equipment	1,421.08	
	P852,441.49	
Deduct: Depreciation Reserves	247,423.34	605,018.15

INVENTORIES & GOODS IN TRANSIT: 197,147.74**LIQUID ASSETS:**

Cash on Hand and in Banks	P 66,612.24	
Bullion & Concentrates in Transit	P344,782.01	
Less: Advances & partial liquidations	87,588.40	257,193.61

Accounts Receivable	3,272.03	
Government Deposit	30.00	327,107.88

DEFERRED ASSETS:

Suspense	P 546.44	
Prepaid Insurance	6,668.59	7,215.03

P1,476,343.61**LIABILITIES****CAPITAL:**

Authorized and Issued: 10,000,000 Shares of P.10 each	P1,000,000.00
---	---------------

RESERVES:

Reserve for Workmen's Comp. Ins.	P 15,025.75	
Miscellaneous Reserves	21,069.89	36,095.64

CURRENT LIABILITIES:

Accounts Payable	P115,407.65	
Accrued Salaries and Wages	32,105.07	
Accrued Taxes	43,377.48	190,890.20

SURPLUS:

Surplus at Dec. 31st, 1936	P222,892.70	
Add: Undistributed Profits, 1937	26,405.07	249,357.77

P1,476,343.61**GOLD CREEK MINING CORPORATION**

Balance Sheet as at 31st December, 1937

ASSETS

FIXED ASSETS:—	
Mining Properties	P385,700.65
Development	366,397.55
	P752,098.20
Less: Reserve for ore depletion	210,000.00
	P542,098.20

Camp and Houses	P 10,884.91
Machinery	21,389.18
Tools and Equipment	31,808.04
Roads, Trails & Bridges	5,133.09
Telephone Line	259.95
Tram Line	3,694.90
Motor Truck	1,727.00
Furniture and Fixtures—Manila	670.85
House and Office Furniture and Fixtures—Baguio	1,168.52

	P 76,736.44	
Less: Reserve for Depreciation	62,157.74	14,578.70

CURRENT ASSETS:

Cash on Hand and in Bank	P 53,371.88	
Accounts Receivable	342.40	
Bodega Supplies	1,438.49	
Investment at Cost—Metropolitan Water District Bond	2,140.00	57,292.77

ANTAMOK GOLDFIELDS MINING CO. CONTRACT:—
 Ascertained Profits Receivable

13,932.30	
DEFERRED CHARGES:—	
Unexpired Insurance, Registration, etc.	258.62

P628,160.59**SOLINGEN CUTLERY**

"TREE" Brand "TWIN" Brand

E. VIEGELMANN

460 Dasmariñas

Manila, P. I.

Tel.: 2-26-64

J. K. SMIT & ZONEN

Amsterdam—Holland

**INDUSTRIAL DIAMONDS
 FOR DIAMOND DRILLS
 CARBONS •**

**CONGOS •
 FINEHARDS •**

**IN STOCK Various weights and Sizes
 from 1/8 to 2 karats each stone.**

Werk Conrad, N. V. Holland
 Air Pumps, Ltd. London
 General Excavator Co. Ohio
 Osgood Company, Ohio
 Howells Mining Drill Co. Pa.
 Climax Rock Drill Co. London
 Mining Engineering Co. London
 Lea Recorder Co. Manchester
 Du Croo & Brauns Amsterdam
 Soranton Pump Mfg. Co. Pa.

COMPLETE MINING SERVICE

Aerial Surveys, Diamond Bits
 Gravel Pumps, Compressors,
 Alluvial Prospecting Drills, Banka Drills
 Diamond Drills, Washing Plants,
 Sump Pumps, Dredges, Mine Cars,
 Lea Recorders.

Sole Agents

N. E. MULLEN & CO.,

Mining Machinery Department
 22 Calle David, Manila.

**I. W. Sovaleff, Mining Engineer
 Manager**

Tel. 2-28-49

P. O. Box 1440

LIABILITIES

CURRENT LIABILITIES:			
Accrued Expenses	P	761.10	
Unclaimed Wages		341.51	
Unpaid Dividends		65.94	P 1,168.55
NET WORTH—			
Capital:—			
Authorized:—			
10,000,000 shares			
of 10 Centavos			
each	P1,000,000.00		
Issued and Subscribed:—			
7,000 000 Shares, fully paid....	P700,000.00		
Surplus Account:—			
Deficit as at 31st December, 1936	P	44,627.49	
Add: Loss for year to 31st December, 1937		28,380.47	
Deficit as at December 31, 1937..		73,007.96	626,992.04
			P628,160.59

I TOGON MINING COMPANY

Balance Sheet as at 31st December, 1937

ASSETS

CURRENT ASSETS:			
Cash on Hand and in Bank	P	26,586.19	
Accounts Receivable		6,492.50	
Bullion in Transit		408,419.68	
Bullion on Hand		92,511.57	
Machinery Parts & Supplies		549,879.94	P1,083,889.88

FIXED ASSETS:

Mine and Mining Properties	P2,217,948.53		
Add—Capital Development during the year		639,284.22	
	P2,857,232.75		
Less—Ore Depletion Reserve		780,000.00	P2,077,232.75
Buildings	P	692,304.13	
Mine Machinery & Equipment		841,575.05	
Mill Machinery & Equipment		965,053.58	
Assay Office Machinery & Equipment		15,377.56	
Power House Machinery & Equipment		497,406.17	
Carpenter and Blacksmith Shops Machinery & Equipment		52,089.49	
Water, Light & Power Systems		123,948.63	
Miscellaneous Equipment		103,030.65	
Furniture and Fixtures		52,023.21	
Roads, Trails and Bridges		46,778.71	
Flood Control		80,707.04	
	P3,470,294.22		
Less—Reserve for Depreciation		1,433,582.48	2,036,711.74
			4,118,914.49

DEFERRED ASSETS:

Prepaid Charges			14,280.13
			P5,212,114.50

LIABILITIES

CURRENT LIABILITIES:			
Marsman & Company, Inc.	P	178,420.10	
Marsman Trading Corporation ..		59,848.47	
Accounts Payable		236,851.84	

Due to Banks		489,093.89	
Bank Advances Against Bullion and Concentrate Shipments		365,604.26	
Accrued Payrolls		46,691.21	
Accrued Taxes		34,182.09	
Bills Payable		106,700.00	
Uncollected Dividends		3,432.99	
Accrued Expenses		4,695.87	
Notes Payable		395,876.29	P1,921,397.01

RESERVES:

Income Tax			41,479.89
------------------	--	--	-----------

NET WORTH:

Capital—			
Authorized:—			
20,000,000 shares of 10c each ..	P2,000,000.00		
Issued and Subscribed—			
20,000,000 shares of 10c each fully paid			P2,000,000.00

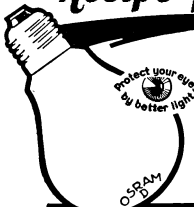
SURPLUS:

Balance at 1st January, 1937	P	538,101.84	
Net Profit for year 1937		691,331.11	
			P1,229,432.95
Less—Dividends No. 27 and No. 28 paid in 1937		300,000.00	929,432.95
STOCK PREMIUM		319,804.65	3,249,237.60

There is a contingent liability for Machinery, Parts and Supplies ordered

(Please turn to page 34)

Recipe for Sighting



You cannot repair damaged eyes. Protect them against harmful strain by adequate and sufficient light. Use always



OSRAM-D

LAMPS

SMITH BELL & CO., LTD.

Sole Representative

Manila

Iloilo

OSRAM-D
LAMPS

give more and better light.

The Observation...

(Continued from page 22)

plan, and it is a fair guess that at the moment there is no such plan, but there does seem one definite premise, and that is that the New Deal is still determined to use all means at its disposal to avoid a collapse which will throw its most cherished experiments permanently in the discard. For this reason, economists the world over are closely scanning the slightest gesture in connection with the nation's monetary and banking system for signs of a revival of inflationary measures.

A few weeks ago one such motion was made. It consisted of the release of a small portion of the inactive gold fund and the stipulation that from now on, all

gold acquired up to one hundred million dollars per quarter would be used directly in the Federal Reserve system, rather than added to the inactive fund. While this did not constitute inflation of the greenback printing, or the WPA pump priming variety, it nevertheless resolved itself, first, into an admission that inflation psychology might again be necessary to keep the tottering structure from complete collapse, and second, a hint that if necessary the entire one billion two hundred million inactive gold fund would be used for the purpose. It is not a far cry from this action to a drastic reduction in reserve requirements and an aggressive open-market purchasing policy for Government securities. There is an active section of Congress only too

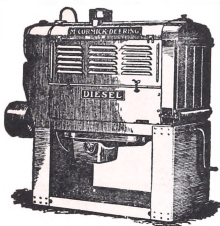
eager for such measures and, more, for further dollar devaluation and currency inflation of the most direct type. This section is held in check for the moment, but it would be folly to imagine that another six months such as those just past, would not see them in full and powerful cry.

Mention has already been made of the aggravation world affairs have been to the United States' political and economic structure. There can be no gainsaying that conditions across both the Atlantic and Pacific Oceans have had no little to do with the rapidity of the American price decline.

Still another French effort at internal stabilization has fallen by the wayside and the Tripartite Agreement, while remaining in force, is proving no more than a temporary alleviation of France's external difficulties. Her internal affairs are in sad shape. There was a desperate effort by the Chautemps Government at price adjustment both by means of economies and of wage and hour agreements, but this came too late and the fall of that regime resulted in a chaotic condition. France's public debt is staggering and the future of the franc is doubtful in the extreme.

The balance of Europe has been milling around in the grip of dictators who, realizing the shaky condition of their own households, have been using every effort to distract attention therefrom and utilize as bargaining or bluffing assets the war machines they have built up. Fortunately, these efforts have so far, and perhaps of necessity, been confined to bargaining and bluffing, but they have had their unpleasant repercussions throughout the world. This much is now recognized by thinking people: Dictatorships breed war. Fortunately for the world, the balance of power still lies in sober hands, but those hands are far too occupied with the delicate business of keeping the peace, making concessions here, taking a firm stand there to pay proper attention to reconstruction of the disrupted world economic situation.

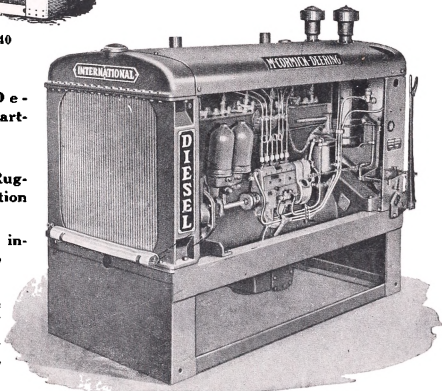
Not only in Europe is the international scene a difficult problem, but in the Far East the Sino-Japanese "incident" is proving a source of world-wide anxiety. Japan has embarked on a campaign which is straining her uttermost financial resources, and if one may judge from past history, that campaign has no assurance of success. Meantime, however, it is definitely a breeder of trouble, for practically every large nation has some stake in the Orient; and some so important an interest that its protection must be insured at all costs. Inasmuch as these interests are not all the same, there is occurring an increasingly marked division on much the same lines as that in Europe. All details are not known of the Italo-German-Japanese agreement, but it is reasonable to suppose that these details are sufficiently inimical to Great Britain, let alone Soviet Russia and France, to make anything like a rapprochement in the Far East an impossibility. French



Model PD-40
50 H.P.

4 Reasons for the Popularity of INTERNATIONAL Diesels

1. Simplified, Dependable Starting
2. Long Life—Rugged Construction
3. Durable Fuel Injection Pump
4. Complete Stock of Spare Parts Always Available



Model PD-80 100 H.P.

In comparison with conventional type engines, International Diesels have cut fuel costs as much as 75 per cent, in some cases even more, on practically every stationary and mobile power unit application within their capacity. This is because they are full Diesel engines in every respect, operating on low-price fuel.

In addition, International Diesels have numerous outstanding features that put them in a class by themselves for Diesel efficiency, convenience, dependability, and low-cost maintenance.

INTERNATIONAL HARVESTER COMPANY OF PHILIPPINES

Iloilo . Bacolod . Cebu . Davao . MANILA . Legaspi . Baguio . Cagayan, Mis.

the standpoint of the outside world, and disregarding for the moment the questionable methods she is using, perhaps the most satisfactory outcome would be for Japan to batter herself into a state of financial insensibility against the yielding but resilient wall of China's defenses. Certainly, events at the moment are pointing that way.

Great Britain's price structure is not coming unscathed through the general disturbance. Aside from her active participation in European and Far Eastern diplomatic and political scenes, she is far too closely allied commercially and financially to the United States not to feel the effects of the depression across the Atlantic. British trade has definitely suffered, and while leading observers there regard the recession as temporary it is improbable that 1938 will be as good a year for Great Britain's industries as 1937.

By and large, the world picture is liberally bespattered with gloom, and it is small wonder that the ranks of those foreseeing nothing but a long-lasting and disastrous business decline are expanding by leaps and bounds. Yet the situation is by no means as hopeless as it seems on the surface. Here again, one must turn to the world's democracies for assurance as to that point. Left to themselves, the odds are that the dictatorships and communistic states would destroy each other and in that destruction carry our present civilization to oblivion. But fortunately, those democracies, with all their internal difficulties, have nevertheless sufficient farsighted men behind the scenes to realize this danger and also to realize, what is far more important, that Utopia is not here or even "around the corner." The path to peace lies in overwhelming strength and the will to use that strength in the upholding, rather than the destruction, of freedom.

Culled from the...

(Continued from page 24)

GOLD PRODUCTION FIGURES CONTINUE TO SET RECORDS: Every month sets a new all-time high in Philippine gold production. All records were broken in February, and March, Director Abadilla of the Bureau of Mines reports, may reach more than P5,000,000.00. Production this year is almost certain to exceed P60,000,000.00 in gold alone.

Meanwhile, the stock market continues to go down.

"Oh, Oh!"

One convenient thing about some of these stock prices: they fit in so well with Tagalog and with English slang. If a stock is quoted at P0.00—something, the prospective seller can say, "oh, oh". The broker can, after taking his order reply with the Tagalog word for 'yes', "oh, oh"! At that, it is a little confusing. Your broker tells you that your stock is quoted at P0.00.... You say, "oh, oh! Did you say P0.00...?" He replies, "oh, oh".

FEBRUARY 1938 GOLD PRODUCTION¹

	February 1938		February 1937	
	Tons Milled	Value	Tons Milled	Value
Ambassador	325	P 3,580.00	.....	.....
Antamok	19,820	367,901.04	19,634	P 423,984.81
Baguio Gold	7,442	127,481.46	6,038	83,453.18
Balatoe	33,891	1,009,794.26	34,461	960,653.60
Benguet Cons.	28,267	918,527.32	22,896	691,105.00
Benguet Expl.	2,556.89	20,366.00	3,641	24,826.00
Biz Wedge	3,851	133,903.94	4,092	68,951.55
Cal Horr	5,105	91,651.04	5,149	92,520.52
Coco Grove	287,500 yds.	174,400.00	.....	.....
Demonstration	7,992	130,683.03	6,446	122,430.56
East Mindanao	2,294	35,648.09	2,276	44,600.00
Gold Creek	1,196	20,266.19	879	13,745.39
Iro Gold	5,411	40,289.38	4,693	50,582.38
Itozon	25,184	277,531.38	15,453	237,647.62
I X L Mining	9,153	221,327.94	6,353	152,237.88
Mindanao Mother L.	4,217	112,320.68	.....	.....
Masbate Cons.	64,692	304,916.84	46,088	260,917.11
North Mindanao	182 oz.	12,740.00	.....	13,650.00
Royal Paracale	2,178.5	19,950.18	.....	.....
San Mauricio	8,417	195,326.65	4,265	173,491.06
Suyoc Cons.	5,602	110,062.41	6,740	87,842.79
Tambis Gold	34,085 yds.	9,114.90	.....	19,810.00
Twin Rivers	24,221	29,370.44	.....	.....
United Paracale	8,330	190,896.90	9,522	109,891.58
Total		P4,558,042.07		P3,682,356.97*

¹ Figures furnished by the Chamber of Mines.

* Including IXL Argos, P30,233.06, Northern Mining, P457.14 and Salacot, P19,335.74.

LOST PIPE LINES

Oil companies occasionally lose their pipe lines. Perhaps the maps were misplaced or the markers removed. It would be a tremendous task to dig for them, so a geophysical survey is made, and the pipes are located, traced and mapped. Geophysical methods locate and trace mineralized structures in the same way. Of course locating structures is much more complex than finding pipe lines, and highly skilled geophysicists and geologists must interpret the geophysical data in terms of geology.

Developments' staff of experienced and proficient technicians, geophysicists and geologists have conducted geophysical surveys in the United States, Canada, Alaska, Mexico, and the U. S. S. R. They have made many surveys in the Philippines, including a number on producing properties.

Write or phone for an appointment to discuss details and costs. Preliminary discussions will be treated confidentially and with no obligation.

DEVELOPMENTS, INC.

Filipinas Bldg.

P. O. Box 3230

Tel. — 2-17-46

Manila, P. I.

What the Diggers...

(Continued from page 25)

The company carries its investments at cost at ₱11,259,840.55, with a probable additional liability on some of these shares as a result of uncalled calls. It carried its small net profit during 1937 over into a surplus account. Respecting its investments, the report states, "in most cases, current market prices of the investments are lower than the value at which the stocks were acquired. This is unfortunate, but need give no cause for alarm, as the larger part of our holdings are in sound properties, while our holdings in properties which are about to enter the producing class give great scope for compensatory profits."

Eastern Development stock was never offered for general sale to the public. ₱11,150,000.00 worth of stock (ten centavos par) has been subscribed and fully paid up out of ₱15,000,000.00 worth authorized. The stock is currently quoted at around ₱0 11½ on the stock exchange, and sales have been made around this figure.

Atok Gold: The Atok Gold Mining Company has, after an examination of its claims, made an agreement with the Hixbar Gold Mining Co. to explore and (should the results of the exploration warrant) develop the latter's claims at Carocog on the island of Rapu-Rapu. The contract was entered into on the recommendation of F. B. Morehouse, general superintendent of Atok, and of B. A. Johnston, also of the Atok staff. Morehouse, in his recommendation to the President and Board of Directors

of Atok, estimated that an expenditure of ₱20,000 should be sufficient to determine whether or not Atok should continue with the work, or abandon it under the contract. The contract was signed January 1.

Return to Atok from operations for the year at Big Wedge was ₱74,570.61. Of this amount, Atok's share was ₱422,742.37, being 60% as provided in the Big Wedge contract. Slightly less than ₱100,000.00 of this was used up in capital improvements and development, and slightly less than ₱200,000 was applied to retirement of the Big Wedge investment.

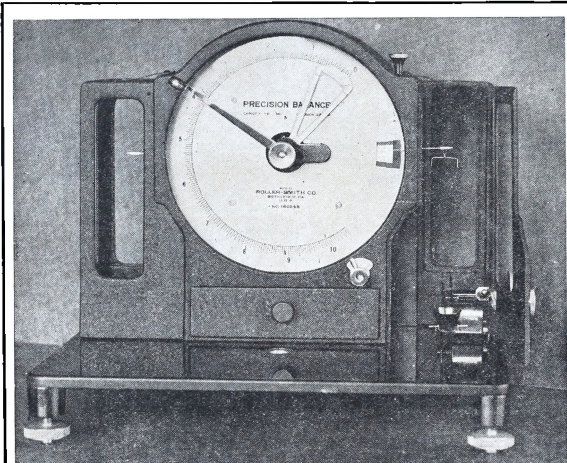
The company declared a 10% dividend last year, and, with high grade ore at the mine, and ore reserves higher than they were at the start of operations last year, the company looks forward to a profitable 1938. At the date of the report, December 31, 1937, Atok had over ₱500,000 in cash on hand.

MINERAL RESOURCES SUBSCRIPTION SUCCESSFUL: A bright star on an otherwise gloomy financial horizon is the response of stockholders to the recent offering by Mineral Resources of the last block of 3,000,000 shares of capital stock. Practically the total amount was subscribed here within a very short time after the shares were offered, and it became necessary to close the issue to stockholders residing in the Philippines, in order to give foreign stockholders an opportunity to subscribe. With this money, Mineral Resources can proceed with its development program, and fears entertained by some that the company would find itself in the predicament of some mining companies during the current depression of being unable to obtain funds (even by making calls for installments on subscribed shares) are laid at rest.

Meanwhile, Mapaso Goldfields, Inc., may offer ₱300,000 of its treasury stock for sale to finance erection of a 100-ton mill on its claims in Placer, Surigao, according to announcement by the company made last month. The company's engineers, Messrs. Gilbert, Geringer and Goodier, recommended the construction of the unit after a vigorous development program conducted during 1937. Southwestern Engineering Company of the Philippines, Inc., was also consulted.

Felipe Buencamino, Jr. is the president of Mapaso, and the officerships and directorate are occupied exclusively by Filipinos.

HAUSSERMANN: The significant thing, from our point of view, about the annual reports of both Benguet Consolidated and Balatoc, was the fact that earnings and dividends continue to be maintained at their regular high figures, and are likely to be maintained at those figures in the future or even increased through vigilant economy in operation. The Balatoc report stated that operating costs have been reduced by nearly ₱2 a ton, and the problem of lost values through improper treatment of tailings has been attacked with renewed vigor. (Readers will remember that another company, Twin Rivers, has been consistently making a nice profit through treating tailings from some of the Baguio mines.)



ROLLER-SMITH MODEL "C"

ASSAY BALANCE

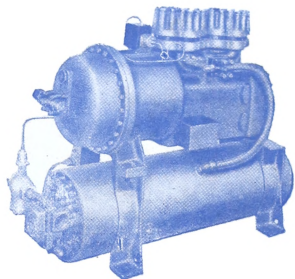
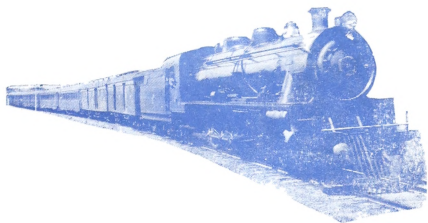
*A very fast, direct reading
balance constructed to insure
the very highest accuracy.*

PHILIPPINE ENGINEERING CORPORATION

MANILA

CEBU — BACOLOD — ILOILO — COTABATO

KEEP COOL ON YOUR WAY TO BAGUIO



AND KEEP COOL WHEN YOU COME BACK

AIR CONDITIONING will give you *comfort*

The popular way—the comfortable way—to go to Baguio or Legaspi nowadays is in a delightfully cool AIR CONDITIONED coach of the Manila Railroad Company.

The air conditioning of the first two coaches four years ago was an experiment. So popular did it prove that three more coaches were added. Again, when the air conditioned service was extended on the South Line to Legaspi, five more AIR CONDITIONED coaches were added. All ten coaches are

AIR CONDITIONED by the ENGINEERING EQUIPMENT AND SUPPLY COMPANY.

Plan your trip to Baguio this season this modern, comfortable way by the Manila Railroad. Avoid dust and heat. KEEP COOL.

And, when you return, plan to have that same COOL COMFORT for your home, for your office. Whether it is a single room or a large installation, our Trained AIR CONDITIONING Experts can install AIR CONDITIONING SYSTEMS for maximum efficiency at moderate cost.

•

Whether your AIR CONDITIONING problem be small
or large, inquire first from

•

ENGINEERING EQUIPMENT AND SUPPLY COMPANY

Air Conditioning Engineers and Contractors

13th & Chicago Streets

Port Area, Manila

TELEPHONE 2-41-42

Canadian Pacific

	<i>Gross Tonnage</i>	<i>Displacement Tonnage</i>
EMPRESS OF JAPAN	26,000	39,000
EMPRESS OF CANADA	21,500	32,250
EMPRESS OF RUSSIA	16,800	25,200
EMPRESS OF ASIA	16,900	25,350

Maintaining a fortnightly service from the Philippines to the Pacific Coast.
When necessary, connection can be made at Honolulu direct to San Francisco or Los Angeles.
At Victoria connection can be made for Seattle and points in the U. S. A.
At Vancouver the Empresses dock at the new C. P. R. Pier which adjoins the Canadian Pacific Railway Station.

*Ask us about the new low first class, intermediate class
and coach class fares to points in Canada, and the U. S. A.*

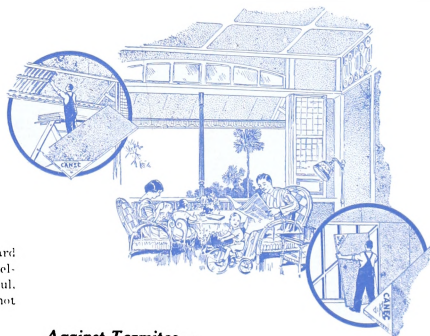
Canadian Pacific

Telephones 2-36-56 and 2-36-57

Cable Address "GACANPAC"

14 David, Manila

Homes Need "Canec" Protection



Against Heat—

Houses protected with Canec Insulation Board are 15 per cent cooler than uninsulated dwellings. Think of this advantage, this restful, agreeable comfort during the Philippine hot season.

Against Noise—

Where quietness is of importance, where noises need to be excluded, CANEC Insulating Wallboard provides sound absorption that far exceeds usual insulating materials.

Against Termites—

CANEC Insulating Wallboard is chemically treated so that termites (white ants) will not attack it. It is safe, durable material for interior walls and ceilings termite-proof and rot-proof.

Write for sample and complete information

PACIFIC COMMERCIAL CO.—DISTRIBUTOR

Markets, Markets—Who Has them?

- *There is wide field of novelty markets in America, but selling much elsewhere must be based in a mercantile marine service.*

Because Commonwealth sales in the American market run five times as high as Commonwealth exports to all other points in the world, a recent comparison being \$122,000,000 and \$22,000,000, economists study the situation and believe it ought to be corrected. Recently we had occasion ourselves to submit data on the subject, and to try to suggest means of broadening the Commonwealth's outlet for its enormous surplus commodities and a trickle of domestic manufactures. Our conclusion was that exports of manufactures might be increased, to the United States! From the viewpoint of broadening markets, this was discouraging.

But Americans are like the ancient Greeks, the Athenians at least, in St. Paul's time, always ready to try something new. Since new things will be precisely the things the Commonwealth will have to sell, naturally they should find the keenest demand in America.

For example, what can you make from abacá, our old friend Manila hemp, aside from cordage? From the finer grades, novelties, of course. You can make cloth, some of it readily convertible into women's hats or hat foundations; some of it much more pliable, even quite soft, for novel costume uses and for cottage and trailer utility. You can make doilies and runners and dish-jackets of it. All these things, and as many more as designers may think of, you can dye radiantly, and the colors will be fast. Also, all such novelties can be popularly priced, for chain and department stores to want them; and when things click just right, one of these days, you can have an abacá-novelty market overseas . . . in the United States.

Reasons for this are not far to seek. First, America is an insatiable market for low-priced novelties such as tough tropical fibers and manual skill produce. Second, there is no peasantry in the United States: there is a very limited supply of domestic knick-knacks, yet Americans are avid buyers of these triviana of commerce. Third, other countries have their own, because they have peasants, and besides having their own, have very little to spend for such gratifications. Would you sell them in Japan, or China or India? Would you sell them in Italy, or Dalmatia or Albania? Would you venture with them much even in London? Certainly not in Germany, where they call lard butter—a long step down from America's popular margarines—for you would come a tragic cropper if you did.

You could not sell them in Mexico or the central American states, or in the West Indies or the southern Americas; they all have peasants galore and peasants all make such things. So you would be stepping on no toes in making them for the American market, and if you ever do make them so as to bill them out in thousands-gross lots, that will be your market.

The experience of the reed furniture industry is in point, the Commonwealth having the premier reeds, that is to say, rattans, the hardwoods to go with them, and peerless craftsmen for an incomparably fine product. Who wants it? Americans, some in Hawaii and others

mainly at the mainland beach resorts and climate cities. They can buy it, and it's beyond the reach of a very large public elsewhere. Since it is in a class by itself, it is all right to supply America all she wants of it. She has no peasants to make it, out of anything, at home.

If you turn to larger items, you can't do much in Europe with them, nor in the Far East. Take cigars. Europe wants your tobacco, when it is very cheap and very good, not your cigars; she makes cigars government monopolies behind massive duty barriers. Can you sell her rope then? Just now you might sell Europe some rope, because she is hurrying her navy building and outfitting, but ordinarily the best you can do is to sell her the Manila fiber itself, to blend with lesser fibers from her own colonies, for her own cordage factories and ropewalks to make into the completed product, rope and twines.

And you can do better in Japan, where you are more than lucky if the tables are not turned—if the Japanese manufacturer does not buy your raw fiber and ship it back to Manila, finished rope, to pay the duty and compete with you in your own market. It is the same way with lumber; ordinarily Japan buys your logs, works them up in her mills, and sends the lumber to your own lumber markets: wherever you are selling outside the Commonwealth itself, and of course America, Japan is likely to be selling even cheaper.

You may have a limited market for lumber outside America, mainly in China and South Africa at coast cities where it is cheaper to import by water than to cart overland from domestic forests. But more and more Japan will hang on your flank, at last outstrip you by utilizing commercially even the sawdust from the mills and by squeezing labor. Lumber is a fair chance, nothing more.

It is the same with the edible products of coconut oil, of which the Commonwealth has large resourceful manufacturing at Manila. The principal market is the Commonwealth itself, the fifteenth largest country in the world on the basis of population—on a basis of per capita wealth somewhat above that. Some other business develops, and can be held by the skin of the teeth, but little can be added. For when Commonwealth products of this sort, well made and attractively packed, go into other eastern markets they compete there with the domestic products of the various countries and they buck protective duties.

It is a hard game at best.

The reason it is a particularly hard game is that Commonwealth exporters are entirely at the mercy of the freight-rate conferences. We know of nothing equal to adverse freight rates in deflating commercial enterprise—not even taxes. (However, taxes standing in the way of exports should be quashed.) You never know, here, when the freight rates will change or what the change will be; as we said last month, no government on earth has any say about it, but the powers that change them are more interested in countries competing with the Com-

Balance Sheets . . .

(Continued from page 29)

under irrevocable letter of credit amounting to P39,200.00.

P5,212,114.50**I.X.L. MINING COMPANY**

Balance Sheet as at 31st December, 1937

ASSETS			
FIXED ASSETS:			
Mine & Mining Properties	P 824,612.55		
Less—Reserve for Mine Amortization	168,849.94	P655,762.61	
Mill & Mill Machinery P 761,573.33			
Miscellaneous Buildings 107,141.55			
Miscellaneous Equipment	297,558.04		
	P1,166,272.92		
Less—Reserve for Depreciation	166,019.87	1,000,253.05	
Roads & Bridges	45,504.60	P1,701,520.26	
CURRENT ASSETS:			
Cash on Hand and in Banks	208,742.78		
Bullion in Transit	412,618.12		
Accounts Receivable	12,147.30		
Advances to Contractors	16,695.05		
Government Deposits	305.00		
Inventories—			
Equipment & Supplies in Bodega. P 250,771.38			
Store Inventory	26,343.52		
Equipment & Supplies in Transit.	10,374.58	287,489.48	937,997.73
DEFERRED CHARGES		8,157.18	
		<u>P2,647,675.17</u>	

LIABILITIES

CAPITAL:			
Authorized—			
15,000,000 Shares of 10 centavos each	P1,500,000.00		
Issued and Fully Paid—			
15,000,000 Shares of 10 centavos each	P1,500,000.00		
GENERAL RESERVE—Premium on Sale of Stock			
CURRENT LIABILITIES:			
Drafts Accepted	P 2,191.58		
Accrued Payrolls	13,895.74		
Accrued Taxes	80,882.75		
Accounts Payable	107,674.09		
Unpaid Dividends (Payable January 15th, 1938)	450,000.00		
Accrued Director's Fees	47,180.12		
Miscellaneous Liabilities	2,291.20	704,115.48	
SURPLUS ACCOUNT:			
As at December 31st, 1936	P 507,457.35		
Add—General Reserve Transferred	130,000.00		
Net Profit for year ended December 31st, 1937	943,602.34		
	P1,581,059.69		

Deduct—50% Stock Dividend issued April 10, 1937 P500,000.00
 12-1/2% Cash Dividend paid July 15th, 1937 187,500.00
 30% Cash Dividend declared December 29th, 1937,

payable January 15, 1938 450,000.00 1,137,500.00 443,559.69

P2,647,675.17**MASBATE CONSOLIDATED MINING COMPANY, INC.**

Balance Sheet as at 31st December, 1937

ASSETS			
FIXED ASSETS			
Mine & Mining Properties	P1,978,947.86		
Mill & Mill Machinery	1,887,078.10		
Buildings & Improvements	156,374.93		
Miscellaneous Equipment	638,511.52		
Joint Equipment	12,500.00		
Roads, Trails & Bridges	382.39		
Panque—Colorado Railroad	83,448.19		
Construction in Process	113,133.95	P4,870,376.94	
ADVANCES TO COMPLETE PAYMENT FOR PROTECTION OF PROPERTIES 950,000.00			
CURRENT ASSETS:			
Cash on Hand and in Banks	P 36,491.61		
Bullion in Transit	390,772.48		
Deposits with Government			
Accounts Receivable	36,487.38		
Inventories—			
Bodega Supplies P707,938.01			
Store 23,051.52			
Mess and Hospital Supplies	2,194.12		
Ore	9,228.60	742,412.25	
Supplies in Transit	76,611.02	1,282,774.74	
DEFERRED CHARGES:			
Insurance Unexpired	P 15,833.11		
Miscellaneous Prepaid Expenses	20,634.69	36,467.80	
		<u>P7,139,619.48</u>	

LIABILITIES

CAPITAL:			
Authorized—			
50,000,000 Shares of 10 Centavos Each	P5,000,000.00		
Subscribed and Paid Up—			
50,000,000 Shares of 10 Centavos Each	P5,000,000.00		
CURRENT LIABILITIES:			
Accounts Payable	P 297,436.61		
Drafts Payable	133,273.56		
Accrued Payrolls	73,238.73		
Accrued Taxes	36,070.79		
Miscellaneous Liabilities	7,383.18	547,402.87	
RESERVE FOR DEPRECIATION ON FIXED ASSETS 394,317.12			
RESERVE FOR MINE AMORTIZATION 387,569.52			
SURPLUS:			
Balance at 31st December, 1936	P 457,041.90		
Net Profit for the Year as per Profit & Loss Account	353,288.07	810,329.97	
		<u>P7,139,619.48</u>	

SAN MAURICIO MINING COMPANY

Balance Sheet as at 31st December, 1937:

ASSETS			
CURRENT ASSETS:			
Cash on Hand and in Bank	P 34,931.40		
Accounts Receivable	2,320.25		
Bullion and Concentrates on Hand and in Transit	319,227.62		
Machinery Parts and Supplies	236,275.96	P 592,755.23	
FIXED ASSETS:			
Mine and Mining Properties	P 322,234.45		
Land Leases	71.28		
Development to Date	815,689.90	P1,137,995.63	
Buildings	P 291,843.35		

UNITED PARACALE MINING COMPANY

Balance Sheet as at 31st December, 1937

ASSETS

CURRENT ASSETS:

Cash on Hand and in Bank	₱ 144,302.83	
Accounts Receivable	15,256.69	
Machinery Parts and Supplies	327,478.28	
Bullion and Concentrates in Transit	228,846.90	
Bullion and Concentrates on Hand	150,074.78	₱ 875,959.48

FIXED ASSETS:

Mine and Mining Properties	₱ 480,423.14	
Add—Capital Development	1,045,786.18	₱1,526,209.32
Buildings	₱ 264,423.10	
Mine Machinery and Equipment	258,564.81	
Mill Machinery and Equipment	220,347.39	
Powerhouse Machinery & Equipment	409,869.88	
Assay Office & Machinery	12,132.18	
Blacksmith and Carpenter Shops Machinery and Equipment	45,375.25	
Miscellaneous Machinery and Equipment	98,079.92	
Furniture and Fixtures	49,889.86	
Water, Light and Power Systems	78,625.94	

Roads, Trails and Bridges

10,451.71

₱1,477,763.04

Less—Reserve for Depreciation

522,289.53 954,473.51 2,180,682.83

INVESTMENTS:

Philippine Smelting Co.

100,000.00

DEFERRED ASSETS:

Prepaid Charges

1,812.09

₱3,458,454.40

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable	₱ 105,738.15
Bank Advances Against Bullion and Concentrate Shipments	221,203.92
Accrued Expenses (Production Marketing)	39,829.20
Accrued Taxes	17,183.30
	₱ 383,954.57

RESERVES:

Income Tax

23,193.26

NET WORTH:

Capital Authorized, Issued and Subscribed—11,000,000 shares at 10c each	₱1,100,000.00
Surplus as at 31st December, 1936	₱ 2,251.77
Less—Prior Years Adjustments during 1937	135.78
	₱ 2,115.99

Add—Profit for the year to date

388,806.55

Stock Premium

1,562,500.00 3,051,306.55

₱3,458,454.40

Now That You Can Buy—
Invest Wisely At—

MANDALOYON ESTATE

The Subdivision Providing A Setting
Both Serene and Beautiful;

Far Removed From Confusion;

Yet Only A Stone's Throw

From Everything Important!

Tune in on our Regular
Tuesday Night Program
over Station KZRM
From 9:00 to 9:30

FROM P0.60 TO P2.00 PER SQUARE METER

ORTIGAS, MADRIGAL Y CIA. S. EN C.

FILIPINAS BLDG.

MANILA

TELEPHONE 2-17-62

COPRA AND ITS PRODUCTS

By KENNETH B. DAY
AND LEO SCHNURMACHER



KENNETH B. DAY

The month of February was marked by very heavy arrivals of copra in primary markets, which reflected themselves in a gradual decline in copra prices up to the middle of the month. During the second half month, in view of the passage of the Farm Bill by the United States Senate, and President Roosevelt's statements to the effect that commodity prices were too low, a certain speculative interest developed in American markets, which raised prices overnight and formed the basis of a fair amount of business during the third week of the month. The demand so created, however, was soon dissipated and at the end of the month conditions were slightly weaker than at the beginning of the month.



LEO SCHNURMACHER

COPRA—The unprecedented flow of copra into Manila and Cebu, which featured January, continued into February. Although a large part of this copra was still the result of speculative storage in the provinces during November and December, much of it represented actual production, which was better in February than had been anticipated. February arrivals in Manila exceeded by 75% the average of the past twelve years and by 82% the arrivals of February 1937, being slightly above January arrivals—a most unusual occurrence. In Cebu February arrivals were nearly 85% above the last nine years' average and 83% above those of February, 1937, also being slightly higher than those of January. In both Manila and Cebu these figures constituted all-time records. At the close of the month it was uncertain how long these heavy arrivals would continue. It was felt, however, that by far the greater part of the stored copra have been liquidated (practically all of it at a loss), and from March on supplies would be more closely governed by production. Production in the Manila district had already begun to fall off, and while arrivals were fairly good in Cebu it was expected that March production in the Cebu district would be considerably less than that of February.

The month opened with buyers offering P7.50 in Manila for resacada with sellers comfortably fixed and holding back for P7.75. As the month developed, however, local quotations declined in sympathy with a very weak oil market in the United States and weak export markets. By the middle of the month buyers were down to P7.00 and as low as P6.75 with a very fair amount of business done at between these two figures. It was felt that these prices were extremely low for February copra, and consequently nobody was surprised when about the 20th of the month the market took a quick turn and prices immediately rose to a point where a very good volume of business was done at P7.50 with some small amount of sales made at P7.75. At one time sellers were holding off for P8.00, but no outside markets justified these prices. During the last week of the month, buying interest for oil dropped off sharply and by the end of the month buyers were again quoting P7.50 with sellers showing a fair interest at this price, and with buyers of oil in the United States out of the market. The Pacific Coast market for copra varied from a high of 2.20 cents c.i.f. San Francisco to a low of 2.10 cents. A fair amount of business was done between these levels. Buyers finally reduced their bids to 2.05 cents, but on that basis sellers held back and no business was put through. During

the first half of the month Cebu sellers in particular felt Pacific Coast equivalents were low and were not willing to do any substantial business, but in the last half of the month with copra abundant Cebu dealers were forced to come to Coast prices for fair quantities. The European market was out of the picture throughout the month, ranging from a high of £11/15/0 to a low of £10/15/0. The freight rate on copra from the Philippines to Europe was replaced at 75/- as of February 1st, and this differential of 12/6d eliminated Europe from the copra picture in February.

Copra shipments for the month were very heavy, totalling over 29,000 tons, of which over 23,000 tons were shipped to the United States. Stocks of copra on hand at the end of the month were heavy with many dealers holding copra in the provinces for lack of storage space at primary markets.

Statistics for the month follow:

Arrivals:	Sacks
Manila	431,252
Cebu	437,300

Shipment—	Metric Tons
Pacific Coast	21,443
Atlantic Coast	2,052
Europe	5,410
Other Countries	515

Stocks on hand—	Beginning of Month Metric Tons	End of Month Metric Tons
Manila	31,468	31,794
Cebu	40,236	38,338

COCONUT OIL—The coconut oil market opened with buyers in New York at 3% cents c.i.f., chiefly for forward positions with spot oil at a discount. On the Coast there was a small edible interest at 3% cents f.o.b., mostly resulting from edible producers who are beginning to find that coconut oil is once again a cheaper buy than cottonseed oil for their margarine. Prices began to sag, however, the Coast market being the first to fall, and by the middle of the month oil was being offered freely by Philippine mills in New York at 3% cents with buyers not interested at over 3% cents. A little business was done at 3% cents, but by far the largest volume was done at prices ranging from 3% cents to 3% cents. About the 20th of the month demand improved and for a few days it was possible to sell oil freely at 3% cents c.i.f. New York for future shipment, ranging up to the end of the year, with some little business done at 3% cents and with firm offers at 4 cents uniformly declined. Most of this buying was by soapers who

were covering a fair share of their requirements for the second half year at present levels. During the last week of the month, however, due to upset political conditions, buyers felt they had bought enough for the present and withdrew from the market. The condition at the first of March then was that sellers were offering oil at 3% cents on the Coast and 3-13/16 cents in New York with buyers showing no interest in any particular price. It is to be presumed that sales by local mills in February were very heavy, the situation being assisted by the fact that the 1937 cottonseed oil crop was pretty fairly well sold out and the price of cottonseed oil advanced to a point which put it substantially above coconut oil.

Statistics for the month follow:

Shipments—	Metric Tons
Pacific Coast	1,445
Atlantic Coast	4,119
Gulf Ports	1,367
China and Japan	9

Stocks on hand in Manila and Cebu	8,845	6,448
Beginning of Month Metric Tons		6,923
End of Month Metric Tons		1,445

COPRA CAKE AND MEAL—Buyers of copra cake in Europe kept backing away from the market all month, and as a result the European prices of copra cake declined from \$32.50 in January to a low of \$30.50 in February. The greatest amount of interest displayed was for second quarter and May to August shipments, all of which, according to announced tariff rates, would have commanded an increased freight rate of 7/8d to go into effect April 1st. Late in February the Conference decided to delay the increase in freight rate until July 1st, and as a result the f.o.b. equivalent of copra cake advanced approximately P3.75 a ton, which carried them from a low of P33.50 f.o.b. to as high as P37.25 and P37.50. There was not a great deal of buying interest even at these prices, however, and with local mills having fairly well covered themselves for the time being, the market was, on the whole, lifeless.

For a while it looked as though a fair demand for meal might be springing up from the Pacific Coast at prices ranging from \$26.00 to \$27.00 per short ton, c.i.f. This demand was far less than anticipated, however, and during the last half month bids from the Pacific Coast were few and far between with buyers indicating from \$25.00 to \$26.00 for special shipments of small quantities, and with every indication that meal might go substantially lower before the Spring was over. Forage crops in the United States have the appearance of being very good and with a tremendous carry-over of cottonseed meal and soya meal, the chances for Philippine copra meal are not very good this Spring.

Statistics for the month follow:

Shipments—	Metric Tons
Pacific Coast	3,591
Europe	7,366

DESICCATED COCONUT—The prices for granulated desiccated coconut, which represents approximately 60% of shipments, were reduced in February from 8% cents to 7% cents, c.i.f. New York. The prices for fancy cuts remained unchanged. This price reduction naturally had its effect by a larger consumption of desiccated in the United States, but even so stocks remained:

(Please turn to page 41)

For a More Orderly Marketing of Philippine Sugar

Possible Hedging Operations for Price Protection

By DONALD A. COOK,

Member N. Y. Coffee & Sugar Exchange
Managing Partner, S. E. Levy & Co., Manila.

To quote from a recent article written by Mr. Rafael R. Alunan, during the time he was president of the Philippine Sugar Association, and undoubtedly one of the best informed men in the Islands on questions pertaining to the Philippine sugar industry:

"No report on the condition pertaining to the Philippine sugar industry would be complete without a reference to the circumstances which necessitate the shipment of the bulk of each crop during the seven-

months' period from December 1st to June 30th.

"... The production of centrifugal sugar in the Philippines is a joint undertaking by the planters (who grow the cane) and the milling companies (who turn it into sugar). The result is that the disposal of more than half the Philippine sugar crop is in the hands of planters (a large proportion of whom are small producers) who wish to sell their sugar whenever they consider it convenient so to do, thereby preserving for themselves the inalienable right of an individual to dispose of his own property as he deems convenient. In actual practice, this state of affairs results in large quantities of P. I. sugar being offered for sale in the Philippine market whenever there is a rise in U. S. prices and, as most of the financing firms' crop loan agreements give planters the right of disposal of their sugar up till June each year and at the same time compel the financing firms to take the sugar over at the market price whenever the planter wishes to sell, it is quite impossible to regulate the sale and shipment of Philippine sugar...

"Another difficulty which presents itself in this connection is the exposed location of many centrals' shipment wharves, from which it is impossible to load steamers except during the northeast monsoon period—mostly between December 1st and April 30th. These wharves, although protected from northeast winds, are completely exposed during the south-west monsoon, which is accompanied by heavy rains and includes the most dangerous part of the so-called typhoon season. As a result, it has been the practice for many years for the shipment of P. I. sugar to be made during the (mainly dry) northeast monsoon period, which coincides with the milling season. Milling companies' storage accommodation has been based on this practice and is in-

adequate and unsafe for the warehousing of large quantities of sugar during the rainy months. Even if it were possible to persuade planters to dispose of their crops gradually heavy charges would be incurred in moving a large proportion of the sugar from the exposed shipping points to ports where it could be handled at all times of the year and in storing it there for shipment.

"Yet another serious disadvantage in the gradual or so-called 'orderly' marketing of P. I. sugar, as compared with the produce of Hawaii, Puerto Rico and Cuba, is the distance between the Philippines and the principal U. S. (East-Coast markets). Philippine producers are compelled either (1) to sell their sugar for shipment, i.e., 2 to 4 months before the due delivery date in the U. S., or (2) to ship it unsold and risk a decline in prices during the voyage. It is far easier to adopt an 'orderly' marketing scheme when the voyage-distance between the shipment and arrival ports is a matter of seven days instead of seven weeks."

The foregoing sums up in brief the difficulties experienced in selling Philippine sugar in the United States. As a result, many cargoes of Philippine raws are literally "dumped" on the New York market at a time when Puerto Rico and Cuba are also heavy sellers. Naturally, refiners are cautious buyers when sugar is in plentiful supply. Later on in the year when the pressure of selling is lessened, prices often gradually improve, but our producers in the Philippines are seldom able to take advantage of these higher prices, as their crop has already been sold.

There is a way, however, that local planters, centrals and financing firms can often obtain a better average price for their sugar, and that is by "covering" and also "hedging" on the New York Coffee and Sugar Exchange. This is a system that has been in vogue for years and in constant use by Cuban and Puerto Rican planters and producers since the New York Coffee and Sugar Exchange began dealing in sugar contracts in 1914. Some of the more progressive Philippine centrals and sugar exporters have also been using the facilities of the Exchange in New York, more especially since Philippine sugar was



DOCTORS
RECOMMEND IT!

DAWSON WHISKY

WITH ANY MINERAL,
IS THE SAFEST AND
MOST SUITABLE
BEVERAGE IN
THE EAST

PETER
DAWSON
SPECIAL SCOTCH WHISKY
SMITH, BELL & CO. LTD.
SOLE DISTRIBUTORS

Luzon Stevedoring Co., Inc.

Lightering, Marine Contractors
Towboats, Launches, Waterboats
Shipbuilders and Provisions

SIMMIE & GRILK

Phone 2-16-61

Port Area

admitted as a "good delivery" under the No. 3 contract, in which trading started on January 2, 1935.

The No. 3 contract, the most active contract in the New York Exchange, is quoted on the basis of Cuban centrifugal sugar in bond, but provided for the delivery of any duty free sugars (including Philippine Sugar) which can be processed or consumed under any quota or allotment plan decreed by any United States government department or agency. These sugars are bought and sold on the Exchange in contract units of 50 long tons each, based on 96" average polarization. The New York Coffee and Sugar Exchange provides a broad market and a central trading point for producers, refiners, operators, speculators, and all others interested in any way in buying or selling sugar for any purpose.

With so many important large operators buying and selling at all times through brokers on the New York Exchange, we are assured of an active market in which buyers or sellers can practically always be found. One of the most beneficial results of so many traders operating is that bids and offers are very close, usually differing by only 1 cent per 100 lbs.

Quotations on the Exchange are naturally governed by the basic rules of supply and demand, and are regulated by very strict trading rules which are equally fair to buyer and seller. Prices for nearby deliveries are generally very close to the prices prevailing in the actual market for raw sugar, while the price for future deliveries is generally based on the nearby quotation plus the cost of storing and handling sugar until the month of delivery. Numerous other factors also enter into the price for forward deliveries, all of which are familiar to the student of the market.

The various methods by which local central producers, and operators can take advantage of the facilities afforded by the New York Coffee and Sugar Exchange, Inc., are as follows:


1. Realizing that it is frequently impossible for local sugar interests to arrange to ship sugar to arrive in New York for sale when the price is favorable, and realizing the necessity for taking advantage of shipping space when the same is available, an up to date and aggressive Philippine sugar trader will not only sell his sugar in the usual way at the price prevailing in New York, but, at the same time that the sale is consummated may purchase, by contract on a conservative margin basis, an equal amount of sugar for future delivery on the New York Coffee and Sugar Exchange. The expense involved is comparatively negligible and results in the operator selling his actual sugar but still retaining an open position in the market. The seller thus takes advantage of available shipping facilities, relieves congestion in his warehouses and also receives cash for his sugar,—all without finally fixing the price which his sugar will ultimately bring him. These future contracts which may be bought on a conservative margin basis, may be sold out at any time prior to maturity, with differences settled immediately on sale. For example, a sale of Philippine raws made today for nearby arrival in the United States would bring a price of only 3.15, while it is generally admitted that the outlook for sugar prices should be somewhat higher later in the year. Under the system of covering out-

lined in this article, the operator who sells his actual sugar at 3.15 could buy raw sugar contracts on the New York Coffee and Sugar Exchange for September delivery at 2.25 (Cuban basis) which is equal to 3.15 duty paid. If the operator sold 2,000 tons for actual delivery at 3.15, he would buy 40 contracts of 50 tons each for delivery in September, 1938, this leaving him as far as price is concerned, an open position in the market. (Note: The current price of September futures at the time this article is written is unusually low as futures for delivery six months forward would ordinarily command a premium of 15 to 20 points over nearby deliveries—representing carrying charges as mentioned above.) Then, at any time before the September contracts mature for delivery the holder could sell out whenever the price prevailing suited him. Suppose, for example, the September futures which were bought in March at 2.25 were sold out in May, June, or July at 2.35. The operator would make a profit of 10 points less approximately 3 points for brokerage and expenses, or a net profit of 7 points which, added to his sale of actual sugar at 3.15 would result in the sale really having been made at 3.22. Of course, if the market should become noticeably stronger later in the year the profit would naturally be greater. Also, it is understood that if the operator feels that the outlook for the sugar industry warrants, possible, lower prices later in the year than those prevailing at the time he sold his raws, he would not purchase future contracts at the time he sold his actual sugar.

2. On the other hand, there are times when prices prevailing in New York appear exceptionally high, but local operators are unable to take advantage of these high prices as their actual sugar is possibly not yet milled, or if milled, cannot be shipped owing to lack of steamer space. On occasions like this the operator can sell futures contracts on the New York Exchange, repurchasing them possibly at lower prices which may be prevailing when his actual sugar is sold to a refiner or American

operator. The resulting profits, added to the price received for the actual sugar when sold, shows a better selling price for the lot. This method of operating is called "hedging" and is in constant use by both producers and consumers of most of the principal commodities in the world. We could write several volumes on the methods

(Please turn to page 46)



OXY-ACETYLENE
Welding & Cutting Equipment
Philippine Acetylene Co.
281 CALLE CRISTOBAL, P.A.C.O
MANILA, P. I.

ALHAMBRA CIGARS

continue to be the
recognized leaders
in QUALITY cigars

CORONAS DE LA ALHAMBRA

THE RICE INDUSTRY

By
DR. V. BUENAGIMO
Manager, National Rice & Corn Corporation

hands at lower than current rates. The recession, however, is expected to be only temporary, the trade generally anticipating favorable reaction shortly.

The month opened firm following the recovery made in last month's closing. Steady gains aggregating 25¢ per sack have been made until about the middle of the month when a new high was registered. A slight recession set in towards the end, the market closing quiet with a steady undertone.

The supply of the old crop is practically exhausted except that coming from the National Rice and Corn Corporation. For that reason, a premium of about 80¢ for Elon-clon and 30¢ for Macan is being paid by a certain class of consumers with strong preference for the old crop. A fairly good quantity of 2nd class Macan, old crop, was sold by the National Rice and Corn Corporation at prices ranging from P6.30 to

P6.35 compared with P5.85—P5.95 for the new crop sold by the trade. The difference is partly attributed to the fact that the Naric rice weighs about 1½ kilos more than that sold by private dealers. Arrivals at Manila by rail amounted to 187,238 sacks compared with 208,850 sacks for last month. Opening, high, low and last quotations are given below:

Opening High Low Last

Macan No. 2 P5.60-P5.70 P5.85-P5.95 P5.60-P5.70 P5.60-P5.70
(New crop)

PALAY

Persistent firmness continued to dominate the trade. In spite of the weaker undertone of the rice market, sellers held very firm with prices maintained above the parity of rice in Manila. Prices in Cabanatuan ranged from P2.70 to P2.75 for Macan, per sack of 44 kilos. In certain sections of Bulacan, sales have been made as high as P2.90 to P3.00. Rice purchased at these prices are being held in storage in anticipation of better prices.

FOREIGN MARKETS

Despite better estimates of exportable surpluses in Burma and Indochina, the market did not register any appreciable change. Quotations ranged from P4.00 to P4.20 per sack of 57 kilos, c.i.f. Manila. Siam, however, which reports a greater surplus this year quoted as low as P3.90, c.i.f. for immediate shipments.



The position of the market remained fundamentally sound with prices registering fresh advances. An easier undertone, however, developed towards the close of the month, owing to the presence of distressed parcels which changed

LA URBANA

BUILDING AND LOAN ASSOCIATION

LOANS

for the construction of buildings, and
mortgages at moderate rates

INVESTMENTS

in shares of stock giving 6% dividends annually. We
also issue savings shares from one peso-up monthly

PATERNO BLDG.
SANTA CRUZ, MANILA

P. O. BOX 138
TEL. 2-18-55

REAL ESTATE

By P. D. CARMAN
Boulevard Heights



The February total, while slightly larger than that of January, is lower than any February total since 1932. The normal number of smaller transactions has recently been maintained but large transfers have been noticeably lacking. Uncertainty of the political future probably has a very definite

effect in delaying the consummation of the more important transactions.

Sales, City of Manila

January 1938 February 1938

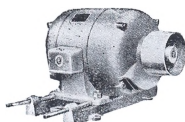
Sta. Cruz	P101,278	P243,042
Sampaloc	155,355	88,473
Tondo	83,095	75,178
Binondo	.....	111,000
San Nicolas	62,200	41,684
Ermita	18,318	42,600
Malate	144,255	58,101
Paco	29,611	106,577
Sta. Ana	24,332	19,131
Quiapo	22,816	44,096
San Miguel	25,200	23,178
Intramuros	22,000	6,667
Sta. Mesa	44,602	11,000
San Juan	.....	2,500

P753,062 P873,177

ELEKTROMEKANO

Ha.lingborg, Sweden

for
SAW
MILLS



GOLD
MINES
etc.

Totally enclosed surface cooled dustproof

MOTORS

Squirrel cage motors with low starting current
A. C. and D. C. Generators, Transformers
All Motors and Generators fitted with Ball Bearings
Sole Agents for P. I.

ELMAC INC.

Electrical & Machinery Company

627 Rizal Ave.

MANILA

P. O. Box 625

TOBACCO REVIEW

By P. A. MEYER
February, 1938



RAW LEAF: The local market during February was quiet. Weather conditions in Cagayan and Isabela were favorable for the coming crop. Comparative figures of shipments abroad are as follows:

Rawleaf, Stripped Tobacco and

Australia	1,900
Belgium	9,665
China	7,200
Guam	2,456
Holland	6,254
Hongkong	23,225
Straits Settlements	1,307
United States	147,279

February, 1938	199,284
January, 1938	267,425
February, 1937	2,400,021

CIGAR: Shipments to the United States compare as follows:

February, 1938	20,633,884
January, 1938	7,484,655
February, 1937	12,807,019

lands totalled 2,164 tons in February, which is considerably better than the January record.

GENERAL—We reported in January that the copra and coconut oil business was being largely affected by general business uncertainty in the United States and in Europe. This continued in February, and at the end of the month so uncertain were the prospects that no one would hazard a guess as to what the future might hold. Never have we reported a January and February such as 1938, and we do not expect to do so again. Many people believe that business will take a turn for the better beginning with the second quarter of the year, but any prediction at this time is useless, even though it is fairly evident that supplies of copra will be less in the next two or three months than they have been in January and February, which normally should make for a better market situation. Probably the future of our business will depend upon when the present economic condition in the United States begins to show signs of betterment.

The Joint Preparatory Committee on Philippine Affairs was working all the month in Washington, and among the problems of debate was the question of export taxes on Philippine coconut oil. This is a problem very close to the hearts of the local oil industry, whole life and death depends on a successful solution of this particular question.

During the month the annual meeting of the Philippine Coconut Association, Inc., was held and the Hon. Maximo M. Kalaw was re-elected President of the Association which is determined to carry on a more aggressive campaign in 1938 than it did in 1937. It is felt that the Association's record in 1937 was very good, particularly as pertains to its representations before the Joint Preparatory Committee.

Fritz Marquardt's copy, the copy we had long wanted came over. Gunther was glad to see it, to remark some changes he had telegraphed the publishers, Harpers, and of course he autographed it. When newspaper men buy another newspaper man's book, it's infallible proof that the book is good. (At the reception at Dick Wilson's house, Dave Boguslav and Arsenio Luz had had their copies autographed).

Having at last got the book, over the week-end we browsed in it. You will like it too, when you try it, as everybody does. You may not like every detail of it, but as a whole you will pronounce it first rate. Its only pretention is diligent reporting from an independent viewpoint consistently maintained. It lays down no premises, ends with no conclusions; in form it is the usual size, with 518 well-packed but legible pages; the bibliography exceeds two pages, the index thirteen, and the price is P7.70.

Chapter by chapter, all the major characters now billed on the dramatic political stage of Europe are portrayed clearly, and the stage settings defined and the action of the play followed right through to 1938.

Having just written this, we come upon what Gunther himself says in his general acknowledgment—"This book has been written fresh and as a whole, and all from a consistent point of view. . . I have my newspaper, the Chicago Daily News, to thank for the wide opportunity it has given me this past dozen years to work in almost every country in Europe." If memory serves, it is a dozen years and two besides that Gunther's by-line was a special attraction on the News' famous Page 2, the foreign-news department of the paper ever since Victor Lawson and his old editor Charles H. Dennis founded, forty years ago, special foreign-news reporting as a feature of American newspaper publishing. Gunther's Inside Europe is the apotheosis of the standards set on that great Dennis page, and of his own contribution to it.

He takes you to the show in grand style, on every page. You enjoy with him all Europe's Edgar Bergens and Charlie MacCarthys; and of course, since there are also sincere men everywhere, their Paul Munis and George Arlisses. The edition you can now buy is the fortieth, as we say, revised into 1938. The Gunther's visit to the East is in behalf of another book of his that

(Please turn to page 46)

Copra and Its . . .

(Continued from page 37)

heavy and mills in the Philippines were either shut down or running on half time during the month. Local factories were hoping that their stocks would be substantially worked off within the next 60 days, thus enabling them to go back to full time operation; but the outlook was not too encouraging, although with the Summer months coming on business should be better. Shipments of desiccated from the Is-

JOHN GUNTHER'S POPULAR BOOK

When John and Frances Gunther came to town the second week in March, another shipment to Philippine Education of Gunther's popular book, Inside Europe, had arrived at the customhouse but had not been delivered. But on Friday, while Gunther talked with us, after autographing



Whether your painting job is an interior or exterior one, FULLER & CO. have a superior paint product to suit your requirements.

FULLER PAINTS

they last

NORTON & HARRISON CO.

KNEEDLER BUILDING MANILA, P. I.

REVIEW OF THE NEW YORK SUGAR MARKET

By DONALD A. COOK

Member, New York Coffee & Sugar Exchange
Managing Partner, S. E. Lavy & Company,
Manila

No. 3 CONTRACT

Following a fairly steady market in New York at the end of January when business in both Philippine and Cuban raws was reported done at 3.18, the market turned easier with the turn of the calendar on Cuban selling, with the trade only fair buyers. On February 1, 6,000 tons of Philippines were sold to Gulf refiners at 3.18 for early March arrival.

The market for futures steadied a trifle the next few days in active trading. However, in the raw market the pressure of Philippines afloat and sales from Cuba resulted in considerable trading with buyers cautious. On February 2 the following transactions were reported: 2,000 tons of Cubas sold at 3.18 and 3,000 tons at 3.17; 3,000 tons of Philippines due early February were done at 3.16, while a trifle later 26,000 bags of Cubas were sold to Gulf refiners for prompt delivery at 3.15. There was further interest at 3.15 with most sellers holding for 3.18.

The futures market remained steady until February 7 when easiness was caused by reports that Puerto Rican strike leaders were favoring the Governor's peace proposals. There was active trading on the Exchange at 2.26 for May and 2,292.28 for

September. The trade turned rather bearish in anticipation of an early settlement of the stevedores' strike, which was expected to release fair amounts of Puerto Rican raws.

On February 8, futures again dropped a point for all positions on heavy trading. Spot eased two points to 3.15 and 6,000 tons of Philippines due February 15 were sold to refiners at 3.15.

On February 9, and February 10, the market continued to show an easy undertone for futures with continued heavy trading. May futures were done as low as 2.22, while September dipped to 2.25. There was considerable demand for contracts at these levels but the actual market continued under pressure due to unsold afloats. Cuban raws were sold at 3.15 again and 4,000 tons of Philippines due March-April were sold on February 10 at the same price. A smaller parcel for early arrival was reported done at 3.13.

At the close of the first ten days of the month, refiners' ideas were 3.13 with offerings at 3.16. With the settlement of the Puerto Rican strike it was believed that generous short covering would be seen in the futures market, while the market for actuals remained dependent on the amount of unsold actuals still to arrive.

The next few days the market was quiet and a bit steadier with futures advancing one to two points and raws changing hands at 3.12 and 3.13.

On February 16 considerable activity developed on short covering and buying of actuals by operators. September futures advanced to 2.32 and considerable actuals were done at 3.17 and 3.18.

Further buying set in the following day at the open ng, causing transaction in September futures at 2.34 and Philippine raws at 3.20 for March-April arrival. However, on this date President Roosevelt at a press conference released a statement that inflation or further dollar devaluation was not contemplated by the Administration. This caused a recession in all security and commodity markets and was reflected on the sugar exchange by considerable selling.

Early quotations on February 17 proved to be the highest for the month. Cuban operators were aggressive sellers on February 19, and on the 20th and 21st both Philippine and Porto Rican raws were done at 3.15.

The next few days up until February 25 the market eased off gradually in quiet trading, with September futures done at 2.24 and with raw sugar easing to 3.13 for nearby deliveries and later arrivals at 3.15. Refined demand continued fair but consuming interests showed no inclination to build up inventories.

The last two days of the month showed a steadier trend on the exchange for futures, with September moving up to 2.27. The market for actuals was quiet with most business at 3.13.

Raw Sugar Futures, No. 3 Contract, Sept. delivery.

Low sale, January 31	2.29
High Sale during February	2.34
Low Sale during February	2.24
Closing bid, February 28	2.27
Net change	.02

The Second . . .

(Continued from page 13)

game, which was one-sidedly in favor of Roosevelt up to the last inning, suddenly turned into a rout, and ended in a tie in the darkness of the Recession.

Who will win the second game? Roosevelt's attitude will no longer be that of an amiable contestant but of a ferociously determined battler who still thinks he has the stuff to win.

Markets, Markets . . .

(Continued from page 33)

monwealth than they are here.

In our memorandum, therefore, our conclusions were: first, developing a knick-knacks market in the United States is not objectionable, and should be practicable; and second, pull for an adequate or partially adequate American and Commonwealth merchant marine on the Pacific—get the ships, then think of getting markets with their consistent help.

Further about novelties. Their sale lags because they are not made in great quantities of standard types. A friend submitted abaci slippers to a business correspondent in New York, an order came back for 10,000 pairs and could not of course be filled. Naturally the order was large, the beaches of America need a million pairs of such slippers. Another experience of our friend was in competitive bids, Japanese underbid him with abaci slippers, of course of our own abaci, with rubber soles: a bet-

(Please turn to page 48)

SANSHIN PLYWOOD SUPPLY

Lawan Sen. Oregon Pine
Douglas Fir Plywood

Telephone 2-91-08
741 Echague

P. O. Box 1262
Manila, P. I.

THE MANUFACTURERS

INSURANCE IN FORCE

Increased in 1937

by 24 Million Dollars

To over \$556,000,000

LIFE

INSURANCE COMPANY
HEAD OFFICE - TORONTO, CANADA
Established 1867

E. L. HALL, MANAGER E. E. ELSER AGENCY
KNEEDLER BLDG. - MANILA

TEL. 2-15-03-04

FOREIGN EXCHANGE

By LEON ANCHETA

Manager, Foreign Dept., Phil. Nat. Bank



Closing last month at 200.50 for T.T. New York with a strong undertone, the dollar rose to 200.75 at the beginning of February. Its upward movement unchecked up to the end of the third week when it reached 201.50, the highest reached during the last four years. As the

first fortnight of the month advanced there was noted an increasing demand for T.T. dollar coinciding at a time when, seasonally, local banks have a low supply of dollar exchange. Buyers observed that the growing tightness of the dollar indicated an approaching depletion of the stock of local banks and suddenly bought heavily for coverage. The dollar's rapid rise was checked as local banks bought from the Philippine Treasury substantial amounts of this exchange to replenish their supply. Thereafter the dollar became visibly easier and toward the close T.T. on New York receded from 201.50 to 201.25

Sixty days dollar bills on New York ruled between 199.25 and 199.75, with buyers disposed to bid at better rates for prompt deliveries.

Compared with the same period last year when T.T. New York was selling as low as 199, and 60-day bills at 198, the dollar's appreciation in terms of the peso represented about 15% per annum and 10-1/2% covering a three-month period, respectively.

In the foreign exchange market, the dollar in terms of pound sterling ruled quietly

steadily until towards the close of the second week when it weakened sharply, receding from an opening rate of 501 to 502 1/2. The immediate cause was the impending partial abandonment of the gold sterilization operations of the United States Treasury whereby gold acquisitions up to \$100,000,000 each three months would be allowed to increase excess reserves without any offsetting action by the Treasury. When the new policy was announced, the dollar moved rapidly downward reaching 503 1/2 toward the close of the third week and was checked only after President Roosevelt declared that there was no intention to inflate the dollar. The British Exchange Equalization Account helped in easing the tension by not withdrawing gold from America so long as the dollar was under the influence of nervous selling. The President's announcement had a reassuring effect as the dollar immediately, closing at 502.

Last year, at the same period the dollar was quoting at an average of 489-11/32.

The situation in the French Franc appeared generally to have improved after the crisis in January. The rates moved irregularly above 328%, last month's closing rate. Toward the close, however, it again weakened sharply, reaching 325% due to renewed labor troubles and fears of another possible cabinet crisis.

Last year at the same period, French Franc was quoted at an average of 465%.

The weakness of the Yen noted in the previous month continued although its movement downward was within very narrow range. Opening at 29.08 it moved down to 29.04 and then back to 29.08 at the middle of the month when the dollar was under heavy selling pressure. However, as the dollar recovered, it weakened again, closing at 29.04. Like the previous month, Japan continued to be a keen bidder of foreign exchange selling yen generally, below the level of the New York market.

Hongkong rates again moved up reaching a high of 31.50 and a low of 31.35 compared with 31.375 and 31.30 respectively of the previous month.

Shanghai was also slightly up ruling between 29% and 29 1/2%, compared with 29-21/32 and 29-17/32 of the previous month.

EVERETT TRAVEL SERVICE

Authorized agents-all lines

STEAMSHIP-AIR-RAIL
RESERVATIONS AND TICKETS

ITINERARIES PLANNED
TOURS-CRUISES ARRANGED
HOTEL RESERVATIONS

TRAVELERS CHEQUES-INSURANCE
LETTERS OF CREDIT
NO BOOKING FEE CHARGED.

Southern Island Cruises

Cebu-Dumaguete-Zamboanga
Cotabato-Jolo

Twelve days through the Sulu Sea

NINETY PESOS

Sailing Every Thursday

New m/s. Legazpi-s. s. Kinua

EVERETT STEAMSHIP CORP.

223 Dasmarias Manila, P. I.
Phone 4-98-91

FOREIGN EXCHANGE REVIEW
COUNTER RATES

	U. S. Dollars		Sterling			Francs			Yen		Shanghai		Hongkong	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
January, 1937	199.50	199.25	2/0	3/8	2/0	7/16	9/45	9/45	58.90	58.60	59.75	59.60	63.15	63.05
January, 1938	200.75	200.25	1/11-11/16	1-11-13/16	7/00	6/75	57.80	57.00	60.40	59.80	61.80	61.69		
February, 1937	199.50	199.25	2/0-3/8	7/00	7/16	9/45	9/40	57.60	57.50	59.90	59.70	61.55	61.35	
February, 1938	201.75	200.75	1/11-7/16	1/11-11/16	6/95	6/85	59.00	58.60	60.30	59.80	63.80	63.35		

Philippine Trust Company

sells drafts and cable or radio transfers for the payment of money anywhere in the United States, the principal cities of Europe, China and Japan.

It receives checking accounts in Pesos, Savings Accounts in Pesos or United States Dollars, Fixed Deposits and Trust Accounts.

Fidelity and Surety Company of the Philippine Islands

executes and covers

BONDS

Court, Customs, Firearm, etc.

INSURANCE

Fire, Life, Marine, etc.

Plaza Goiti and Escolta

Tel. 2-12-55

P. O. Box 150

SHIPPING REVIEW

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



January 1938 starts a new year in good shape as the exports for the month figure 246,398 revenue tons, an increase of December and over 50,000 tons greater than January 1937.

Sugar is moving steadily. 93,935 tons centrifugal and 406 tons refined were shipped. Three non-conference charters

are included in these figures. The rate of freight was steady and still in the high figures.

Coconut products show slumps throughout the range. The desiccated coconut shipments amounted to only 2053 tons, the smallest in many months. Oil shipments to the United States amounted to 6691 tons only and 36 tons in drums to other markets, a total of 6727 tons. The United States bought 14,827 tons of copra, Europe 8,473 tons and 97 tons to other markets. The total, 23,397 tons, is slightly less than for December. The United States upped her purchases of copra cake to 6003 tons but European demand was 5066, or about 50% of the December purchases, 60 tons went to other markets, a total of 11,129 tons.

Hemp shipments were only 84,660 bales. All markets except Europe show a decrease. The United States took 15,133 bales, Europe 49,795 bales, Japan 14,885 bales, and miscellaneous markets 4,877 bales. As increased rates to United States and Japan become effective February 1st it was supposed that January shipments would be heavy to anticipate these increases.

The shipments of ores steadily increase and are bright lights in the picture. Japan received her regular ration of iron ore—59,315 tons, and of copper, chromite and manganese an additional 6,986 tons. The United States took 11,000 tons of chromite for the Atlantic trade and 413 tons of concentrates for the Tacoma smelters. St. Johns received a full cargo of chromite—7,200 tons, and a small lot 71 tons went to Europe. The total amounts to 84,985 tons.

Lumber and logs show a slump of over a million feet. The United States trade was over 3½ million feet, Japan only 2¼ million feet, Europe ½ million feet and Australia upped her purchase to 485,577 feet, but the African trade was very small. The shipments to all markets were 6,932,463 feet.

The cigar shipments were down to 334 tons and tobacco people shipped only 632 tons. Rope shipments were 470 tons. 162 tons of alcohol went forward. The furniture trade continues good and the factories shipped 688 tons (40 cu. ft.). Japan took 2,194 tons of molasses. Decreases are noted in shipments of embroideries, guns, junk, cutch, lard and margarine. About 3,500 tons of distressed Shanghai cargo were forwarded.

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

To	Tons	With Misc. Sailings	Of Which Tons	Were carried in American bottoms with sailings
China & Japan	81,085	39	607	4
Pacific Coast Local	26,358	14	7,970	4
Pacific Coast Overland	540	8	207	3
Pacific Coast Interoceanic	606	3	7	1
Atlantic & Gulf Ports	116,203	27	2,624	3
European Ports	18,572	10	10	1
All other ports	3,034	23	132	2

A Grand Total of 246,398 tons with a total of 87 sailings (average 2,832 tons per vessel) of which 11,557 tons were carried in American bottoms with 7 sailing (average 1,651 tons per vessel).

(Please turn to the next page)

to see **AMERICA** best

TRAVEL

BEAUTIFUL SCENERY . . . miles of rushing rivers and placid lakes . . . vast agricultural areas . . . interesting American cities . . . these and other thrilling sights await you on the route of the Northern Pacific Railway. Travel in comfort and luxury on the roller-bearing

NORTH COAST LIMITED
Completely Air-Conditioned

Accommodations to suit every purse—luxurious Standard Pullmans, drawing rooms, compartments, baths, library, radio, valet and barber service—newest type tourist sleeping cars, and new de luxe reclining chair coaches. "Famously Good" meals in the diner as low as 50c; or lunch tray service in tourist cars and coaches.

Through to Chicago daily, leaving Seattle at 9:15 p.m.; arriving Chicago 8:45 a.m. third morning.

Northern Pacific representatives meet steamships at Victoria, Vancouver and Seattle. They will help you with baggage and make reservations to any point in America.

L. A. BUCK, Special Passenger Agent
Smith Tower, Seattle, Washington
A. C. STICKLEY, General Agent
912 Government St., Victoria, B. C.
W. F. CARR, General Agent
678 Howe St., Vancouver, B. C.
R. J. TOEHR, General Agent
657 Market St., San Francisco, Calif.

Let our representatives make your arrangements for a delightful journey through the American Rockies.

Ask about the low One-Way and Round Trip Fares with long limits and liberal stop-over privileges.

NORTHERN PACIFIC RAILWAY
C. L. TOWNSEND, General Passenger Agent, Smith Tower, Seattle, Washington

SAILINGS MANILA to U. S. TRANSPACIFIC

Courtesy— EVERETT TRAVEL SERVICE

Tels.: 4-96-76
4-98-91

223 Dasmariñas, Manila

For Sale See Table	Line	VESSEL	Leave Manila	Leave Hongkong	Leave Shanghai	Leave Dairen Nagasaki	Leave Kebe	Leave Yokohama	Leave Honolulu	Arrive Victoria Portland	Arrive Vancouver	Arrive Seattle	Arrive San Fran.	Arrive L. Angelen	Arrive New York N. Orleans
1	CPR	EMP. OF JAPAN	Mar. 28	Apr. 1	Apr. 3		Apr. 5	Apr. 7	Apr. 14		Apr. 19				
7	FL	SLEMMESTAD	Mar. 25												Apr. 16
8	SL	MODJOKERTO	Mar. 28							*Apr. 30	May 6		Apr. 25	Apr. 19	*May 28
9	NYK	HIKAWA MARU	Conn. Str.				Mar. 28	Mar. 31			Apr. 21	Apr. 12			
9	DSSL	FRES. WILSON	Apr. 5	Apr. 9			Apr. 14	Apr. 15	Apr. 23				Apr. 28	May 1	
10	NYK	HIYE MARU	Conn. Str.				Apr. 11	Apr. 14			Apr. 25	Apr. 26			
6	AML	PRES. MCKINLEY	Apr. 4	Apr. 7	Apr. 10		Apr. 14	Apr. 16		Apr. 27		Apr. 27			
10	NYK	CHICHIBU MARU	Conn. Str.				Apr. 9	Apr. 11	Apr. 19				Apr. 25	Apr. 27	
11	CPR	EMP. OF ASIA	Apr. 11	Apr. 15	Apr. 17	*Apr. 19	Apr. 21	Apr. 23			May 2				
12	SL	H. TRANSPORTER	Apr. 12							*May 16	May 20		May 9	May 4	
13	BL	TAI YIN	Apr. 15	Apr. 18	Apr. 23		Apr. 27	Apr. 30							May 14
14	BF	TALTHYBIUS	Conn. Str.	Apr. 16		Apr. 23	Apr. 27	Apr. 30			May 14	May 16			May 29
14	AML	PRES. GRANT	Apr. 18	Apr. 22								May 11			
15	DSSL	PRES. TAFT	Apr. 19	Apr. 23			Apr. 28	Apr. 29	May 7				May 12	May 15	
13	KL	PLEASANTVILLE	Apr. 22	Apr. 26						*June 2			May 23	May 18	
16	SL	SAPAROE	Apr. 23							*May 13			May 17	May 23	
15	ML	GRETE MAERSK	Apr. 24	Apr. 27	May 3		May 7	May 11					May 12	May 25	June 12
18	NYK	TIYO MARU	Conn. Str.				Apr. 25	Apr. 27	May 6				May 12	May 14	
19	FL	FENGLEW	Apr. 25										May 17	May 17	
20	SL	SILVERPALM	Apr. 25							*May 28	June 3		May 23	May 17	June 25
21	CPR	EMP. OF CANADA	Apr. 25	Apr. 29	May 1		May 4	May 6	May 13		May 18				
22	DSSL	PRES. COOLIDGE	May 1	May 5			May 10	May 11	May 19				May 23	May 27	
10	NYK	HEIAN MARU	Conn. Str.				May 2	May 5			May 16	May 17			
23	NYK	TATSUTA MARU	Conn. Str.				May 7	May 9	May 17				May 23	May 25	
24	NYK	BOKUYO MARU	Conn. Str.	May 13			May 22	May 26	June 7				June 16	June 19	
25	SL	BENGKALIS	May 13							*June 16	June 20		June 9	June 4	
26	BL	TAI PING YANG	May 15	May 18	May 23		May 27	May 30					June 13	June 28	
27	BF	TYNDAREUS	Conn. Str.	May 17		May 24	May 28	May 31		June 14	June 14	June 16			
13	KL	ROSEVILLE	May 22	May 26						July 2			June 22	June 17	
28	ML	MARCHEN MAERSK	May 24	May 27	June 2		June 6	10					June 24	July 10	

Shipping...

The following figures show the number of passengers departing from the Philippines for China, Japan and the Pacific Coast for the month of January, 1938:—

Hongkong	23	48	92		
Shanghai	..	..	9	Total for January,	
Japan	8	26	17	1938	61 94 128
Honolulu	..	5	6	Total for December,	
Pacific Coast	28	15	4	1937	92 71 185
Europe via America	2	..	..

1938 VACATION SUGGESTIONS



BAGUIO—Temperate climate in the Tropics. Mountain air and towering pines. A really clean city.

A visit to the Bicol provinces to see Mayon Volcano and Bicolandia.

A genuine vacation treat is within your reach. You begin to enjoy your vacation as soon as you board a Railroad limited express.



Both the Baguio-Ilocos Express and The Bicol Express are pulled by oil burning locomotives and equipped with air conditioned coaches, dining cars, and large easy riding 3rd class cars. Home comforts are yours while you travel.

RATES ARE WITHIN YOUR REACH
DO NOT DENY YOURSELF A GENUINE AND RESTFUL VACATION

For Further Particulars

Call Traffic Department
Tel. 4-98-61
Information, Local 42



Call City Office
Tel. 2-31-83
521-523 Dasmariñas

R. E. BERNABE
Chief Clerk

LEON M. LAZAGA
Traffic Manager

CANDIDO SORIANO
City Agent

MANILA RAILROAD COMPANY

943 AZCARRAGA

MANILA

For a More...

(Continued from page 39)

used by traders in cotton, grain, rubber, and other staple commodities, all traded in on the principal exchanges in New York and elsewhere.

3. Trading on the New York Coffee and Sugar Exchange may also be used to advantage by local sugar operators who are buying in quantities of Philippine sugar for export but who have not yet made a sale to a refiner or operator abroad. As sugar is bought locally the Philippine operator may sell a corresponding amount of sugar on the New York Exchange for forward delivery, thus eliminating any risk of price fluctuation on the sugar which he has already bought in the Philippines. Thus, as the market price might decline on the sugar which he is holding unsold in the Philippines, the corresponding decline would occur in connection with his contracts in New York. The result would be that any loss resulting from his local holdings would be compensated by a profit on the futures sales in New York. Refiners are large operators in this basis. One can well understand this when he stops to think that refiners purchase large quantities of raw sugar as and when offered at current prices and are not able to dispose of their sugar until it has gone through the process of refining and ultimate sale, all of which takes a considerable length of time. To protect themselves against loss in this connection, refiners frequently sell future contracts on the Exchange whenever they buy raw sugar for refining. When the sugar which they have purchased is refined and ready for sale, the refiners are then in a position to sell refined sugar and buy in to cover the future contracts previously sold. Any market fluctuation that may

have occurred in the meantime automatically results in the refiner receiving a correspondingly higher or lower price for his refined sugar which is equalized by a similar profit or loss on his future contracts.

4. Another very important factor in trading on all exchanges is the speculative element. Whenever any commodity seems unusually cheap there are both operators and speculators who wish to buy. Likewise, when the price appears too high, many wish to sell. Purchases or short sales are handled with equal facility on the New York Coffee and Sugar Exchange. How many times does one hear a planter or operator say when the price is high, "How I wish I had more sugar to sell at these prices." Not having sugar to sell, the trader or speculator is quite at liberty to sell future contracts on the New York Exchange at prevailing prices merely by depositing the required amount of cash margin which protects both the buyer and the seller of all contracts. Of course, in case of a decline in price prior to the maturity date of the contract, the trader may close his position at a moment's notice and fix his profit. On the other hand, if the market should go against his judgment, he may also close his position immediately and settle the corresponding loss without waiting until his contract month is due.

Full details of trading on the New York Coffee and Sugar Exchange are available at the Manila Office of S. E. Levy & Co., who also have available for ready reference, numerous statistics showing price fluctuations, crop movements, etc. A convenient folder giving in very condensed form, the highlights and essential details of trading in Sugar futures may be obtained on request from S. E. Levy & Co.

223 Dasmariñas, Manila

Line	VESSEL	Leave Manila	Leave Hongkong	Leave Batavia *Halphong
NLRM*	J. DEWITT			Mar. 30
MM	SPHIX		Apr. 1	Mar. 25
NYK	TERUKUNI MARU		Mar. 29	
BF	FLINTSHIRE			
NDL	SCHARNHORST	Mar. 29		
SEA*	CSHANTUNG	Apr. 8		Apr. 3
P&O	NALDERA		Apr. 2	
LT	CONTE ROSSO	Apr. 5		
BF	AENEAS ("A")		Apr. 5	
BF	AENEAS		Apr. 5	
EALJS	INDIA		Apr. 6	
RL	INDRAPOERA			Apr. 6
NMIC	CHENONCAUX			*Apr. 3
HAL	LEVERKUSEN	Apr. 5		
NYK	HAKUSAN MARU		Apr. 9	

Legend—

DSSL	—Dollar Steamship Lines
P&O	—Peninsular & Oriental
BF	—Blue Funnel Line
NYK	—Nippon Yusen Kaisha
NM	—Messageries Maritimes
LT	—Lloyd Triestino
NDL	—Norddeutscher Lloyd
CR	—Chargeurs Reunis
EALJS	—East Asiatic Line—Japan Service

John Gunther's...

(Continued from page 41)

Harpers will publish this year, *Outside Asia*. The Commonwealth will be in this somehow, but China, Japan, and India will claim major space. Our guess would be

N. Y. K. Line

(Japan Mail)

THE HIGH WAYS TO REACH JAPAN, PACIFIC COAST, EUROPE, AUSTRALIA etc.

Travel N. Y. K. and the whole voyage will be an unforgettable experience of perfect satisfaction and enjoyment.

Continental and American cuisine, prepared by hotel-trained chefs, gratify the most fastidious of palates.

Alluringly low round-trip fares and economical round-the-world tours will be quoted on application.

For complete information, please consult

WARNER, BARNES & COMPANY, LTD.

General Agents

Soriano Building

Phones: 2-22-31—2-22-35

216 Dasmariñas, Manila

SAILINGS MANILA TO EUROPE VIA SUEZ

Courtesy—EVERETT TRAVEL SERVICE

Tel. 4-95-1

Leave Saigon *Bangkok	Leave Singapore	Leave Penang *Batavia *Madras	Leave Colombo	Leave Bombay	Leave Aden *Djibouti *Massawa	Arrive Suez	Leave Port Said	Leave Malta *Alexandria	Arrive Naples Brindisi	Arrive Genoa *Venice	Arrive Marseilles *Trieste	Arrive Southampton *Plymouth	Arrive London *Boucaux	Arrive Hamburg *Bremen	Arrive Gttenberg	Arrive Rotterdam *Amsterdam
Apr. 6	Apr. 1	*Apr. 2	Apr. 6	Apr. 17	*Apr. 25	Apr. 29	Apr. 30	Apr. 16	Apr. 22	Apr. 20	Apr. 26					*Apr. 27
Apr. 8	Apr. 3	Apr. 1	Apr. 5	Apr. 12	Apr. 16	Apr. 17	Apr. 27		Apr. 21	Apr. 23			May 1			
Apr. 2	Apr. 2	Apr. 3	Apr. 7		Apr. 14	Apr. 15				Apr. 18	Apr. 24		May 9		Apr. 28	Apr. 25
Apr. 14						Apr. 26	May 1	May 1			Apr. 29		May 6	May 11	May 20	May 8
Apr. 8			Apr. 12	Apr. 14		Apr. 22	May 2	May 2	Apr. 24	Apr. 25	Apr. 25		May 6			
Apr. 13	Apr. 15	Apr. 20			Apr. 27	May 1	May 2			Apr. 25	May 7		May 14	May 14		
Apr. 10										May 7	May 7		May 14	May 14		
Apr. 12						May 4	May 5				Apr. 26	May 1				May 16
Apr. 8	*Apr. 9	Apr. 13			*Apr. 26	Apr. 21	Apr. 22			Apr. 26	May 1					May 2
Apr. 10	*Apr. 18	Apr. 19			*Apr. 26	Apr. 30	May 1			May 6						May 2
Apr. 11		Apr. 17			Apr. 26	June 30	May 1									May 17
Apr. 14	Apr. 15	Apr. 20			Apr. 27	May 1	May 2		May 5	May 6	May 7		May 14		May 20	May 17

- HEAL —Holland East Asia Line
- NLRXM—Netherlands Lloyd Royal Dutch Mail
- RL —Rotterdam Lloyd
- HAL —Hamburg Amerika Line
- SEA —Swedish East Asiatic Line
- G&S —Glen & Shire Line
- EALBS—East Asiatic Line—Bangkok Service
- WL —Wilhelmsen Line
- MMIC —Messageries Line—Indo-China Service

- Notes
- * Also calls at Tourane and Pondicherry
 - * Also calls at Antwerp
 - * Also calls at Amsterdam
 - * Also calls at Port Sudan, Algiers and Antwerp
 - † Calls at Nantes and Bordeaux
 - ‡ Also calls at Sabang (Indo-China), Ville Franche and Gibraltar
 - § Also calls at Malacca and Port Swettenham
 - ¶ Also calls at Haifa
 - ** Also calls at Sabang, Gibraltar, Tangier and Lisbon

Also calls at Jaffa and Haifa
* Also calls at Gibraltar and Tangier

that this book will be quite different from Inside Europe; it may prove equally valuable and absorbing, but can not possibly be so intimately stocked with sketches of commanding figures whom, in Europe, Gunther was frequently interviewing and daily reporting.

Gunther, incidentally, is of quarterback physique. True to the type, at a typewriter, he is modest, painstaking, anxious only to please. There is not a forced line in his book. There are many light lines, but none that evidences even momentary

oversight of the genuine importance of the written word. It is unique to notice a book that has reached its 40th printing, but may be that in itself makes it worthwhile doing.
—W. R.

ROOSEVELT STEAMSHIP AGENCY, Inc.
REPRESENTING

Kerr Steamship Co., Inc.—New York
Silver Line, Ltd.—London
Prince Line, Ltd.—London
Pacific Java Bengal Line—Amsterdam
Kawasaki Kisen Knisha—Kobe

Operating the Following Services:

Prince Silver Round the World Service
(Philippines to U. S. Atlantic Coast Ports via Java, Straits Settlements, Colombo and Cape of Good Hope)

Silver Java Pacific Line
(Philippines to U. S. Pacific Coast and Gulf Ports, also to Java, Straits Settlements, Bombay, Persian Gulf and Calcutta)

"K" Line Round the World Service
(Philippines to U. S. Atlantic Ports via Suez)

"K" Line Express Service to Atlantic Ports
(Philippines to U. S. Atlantic Ports via Panama)

Chaco Bldg. Tel. 2-15-21
MANILA

LLOYD TRIESTINO
ITALIAN LINES

Far East—Europe
RAPID LUXURY LINERS
S.S. "Conte Biancamano" S.S. "Conte Rosso"
S.S. "Conte Verde" M/S "Victoria"
Via Singapore—Colombo—Bombay—Massawah—Suez—Port Said

Regular fortnightly sailings from Manila or Hongkong for Venice, Trieste, Naples or Genoa and monthly to Hongkong and Shanghai

Through Tickets to the U. S. and Round the World at Reduced Fares.
For passage and further particulars apply to

F. E. ZUELLIG, Inc., Agents
CEBU MANILA ILOILO
55-63 Rosario

Passage Tel. 2-31-18 Freight Tel. 2-31-18

RAIL COMMODITY MOVEMENTS

By LEON M. LAZAGA

Traffic Manager, Manila Railroad Company



The volume of commodities received in Manila during the month of February, 1938, via the Manila Railroad Company are as follows:

Rice, cavares	199,446
Sugar, piculs	731,440
Copra, piculs	106,331
Desiccated Coconuts, cases	26,276
Tobacco, bales	2,307
Lumber, board feet	596,592
Timber, kilos	414,000

The freight revenue car loading statistics for four weeks ending February 19, 1938, as compared with the same period of 1937 are given below:

FREIGHT REVENUE CAR LOADING

COMMODITIES	Number of Freight Cars		Freight Tonnage		Increase or Decrease	
	1938	1937	1938	1937	Cars	Tonnage
Rice	687	694	10,083	8,606	(17)	1,477
Palay	362	263	4,976	3,015	119	1,961
Sugar	1,426	1,688	45,705	50,942	(252)	(6,937)
Sugar Cane	10,037	10,723	184,255	201,181	(496)	(16,926)
Copra	570	134	4,592	968	436	3,624
Coconuts	111	59	1,113	581	52	532
Molasses	98	93	2,832	2,817	5	15
Hemp	8	—	46	—	8	46
Tobacco	15	4	118	20	8	98
Livestock	15	7	75	26	8	50
Mineral Products	490	303	4,786	3,803	187	983
Lumber and Timber	111	105	2,489	2,723	6	(234)
Other Forest Products	—	2	—	12	(2)	(12)
Manufactures	240	290	2,880	2,979	40	(99)
All Others including L.C.L.	2,518	2,695	15,932	14,140	(177)	1,792
TOTAL	16,718	16,980	279,335	292,365	(262)	(13,030)

SUMMARY

Week ending Jan. 29	4,245	4,139	70,884	69,938	106	946
Week ending Feb. 5	3,899	4,000	63,639	68,995	(101)	(6,356)
Week ending Feb. 12	4,178	4,267	69,292	72,682	(89)	(3,387)
Week ending Feb. 19	4,396	4,574	75,517	80,140	(173)	(4,623)
TOTAL	16,718	16,980	279,335	292,365	(262)	(13,030)

NOTE—Figures in parenthesis indicate decrease.

Markets, Markets . . .

(Continued from page 42)
ter product, paying duty, yet at a lower price. This shows the unorganized state of the abaca novelty industry here. Time was when hand embroidery was equally unorganized, yet this was overcome long ago. When the right man comes along, the abaca novelty industry will be thoroughly organized and the trade will soar to a value of millions of pesos a year.

Trick of it is piecemeal, to get one village to make uppers, others to make soles, others to dye fiber, others to prepare fiber; and to have a general grading and assembling plant either at Naga, Legaspi, or Manila as conditions advise. The same capital, successful with abaca, would probably branch to coir and shell. This is not recommended to the government, but to private enterprise.

That is about all there is to the picture, as we see it. No great flights, but some potentially worthwhile low-soaring; and first ships, then ambitious industry, until which time mainly the factories of other oriental capital may be expected to rise here, with ships at their call, and the Commonwealth may be expected to remain dominantly agricultural.

BUSINESS AND PROFESSIONAL DIRECTORY

SUBSCRIBE

For Your
FAVORITE MAGAZINES
Thru The
UNION CIRCULATION
CORPORATION

217 Dasmariñas Tel. 4-87-50
CO-OPERATION—SERVICE—
ECONOMY

P. O. Box 1394 Telephone 2-20-70

J. A. STIVER

Attorney-At-Law—Notary Public
Certified Public Accountant

Administration of Estates
Receiverships

Investments Collections
Income Tax

121 Real. Intramuros Manila, P. I.

Philippines Cold Stores

Wholesale and Retail

Dealers in
American and Australian
Refrigerated Produce

STORES AND OFFICES

Calle Echague Manila, P. I.

行銀興中

CHINA BANKING
CORPORATION

MANILA, P. I.

Domestic and Foreign Banking
of Every Description

a message from
A. GARCIA

AMERICAN CHAMBER OF
COMMERCE JOURNAL

P. O. Box 1638—Manila—180 David

RATES

Philippines	- P4.00 per year
United States	- \$2.00 "
Foreign Countries	- \$3.00 "

Creosote Is An 'Antidote' for Ants

White ants simply will not associate with creosote or anything that has creosote in it. Taking Advantage of this knowledge it will pay you to use nothing but

CREOSOTED LUMBER

Rot is another problem that causes large losses. Again creosoted lumber brings a great saving. Actual use of this has proven that it will prolong the life of lumber for many more years.

We have ample stocks for all purposes, including piles and ties.

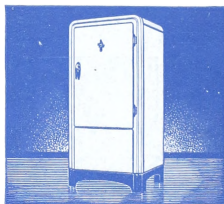
**ATLANTIC, GULF &
PACIFIC COMPANY**

Beat The Heat

with a modern, efficient

ELECTROLUX

THE SERVEL **GAS** REFRIGERATOR



LOTS of room for plenty of cold things to eat and drink, no matter how HOT the weather is, day and night.

Some ELECTROLUX Features:

- More Ice Cubes
- Unfailing Dependability
- No Moving Parts
- No Expensive Repairs
- No Interruptions
- No Spoiled Food
- Lower Operating Cost
- More Conveniences

We have a size in stock to meet your home needs.
Ask about our Easy Purchase Plan.

MANILA GAS CORPORATION

The Home and Garden which
you always dreamed of—
SAN JUAN HEIGHTS
is the best place for it.



SAN JUAN HEIGHTS CO., INC.

680 Ave. Rizal

P. O. Box 961
MANILA

Tel. 2-15-01